



Professional Commercial Property
Managers, Developers and Consultants

*Professional Service
Personal Approach*



Real Estate Institute of Canada Institut canadien de l'immeuble

Volume XIV, Issue 1

Spring 2011

REIC EXCHANGE

Upcoming Important Deadlines:

2011 REIC Pursuit of Excellence Awards

Nominations for the 2011 REIC Pursuit of Excellence Awards are due by 4:00 PM ET on Friday April 8, 2011

Download:

[REIC Pursuit of Excellence Awards Brochure](#)

[REIC Emeritus Application](#)

[Entry Form A](#)

[Entry Form B](#)

2011 REIC Annual Conference Early Registration deadline

People have until April 30, 2011 at Midnight (PT) to register for the early conference registration price of \$499 for REIC members and \$599 for Non-REIC Members. Tickets to individual events may also be purchased.

Download:

[2011 REIC Annual Conference Registration Brochure](#)

[Register for the 2011 REIC Annual Conference in
Saskatoon](#)

2011 IREM Income/Expense Analysis Report Program

Individuals have until April 30, 2011 to submit their data for the 2011 IREM Income/Expense Analysis Report Program. By Submitting their information they're

In This Issue

[New Condo Building =
Millions of Dollars of
Repairs for Owners](#)

[Fast Food Mentality
Expected on all Levels](#)

[CREA Launches New
Advertising Campaign](#)

[Home Maintenance: Tips for
Spring Protect Your Home
and Your Investment](#)

Annual Conference Sponsors

The Real Estate Institute of Canada would like to thank our Platinum, Gold and Silver Sponsors of the 2011 REIC Annual Conference for their generous support

[W.P.J. McCarthy & Company](#)
- Platinum Sponsor

[CMHC](#) - Gold Sponsor

[Innovation Place](#)
- Gold Sponsor

entitled to 50% discount on each report they submit data for.

Download:

[Instructions for the 2011 IREM Income/Expense Analysis Report Program](#)

New Condo Building = Millions of Dollars of Repairs for Owners

"New condo boards in New condo buildings have more responsibility"

By Richard Bergeron, FRI

Calgary; Imagine having purchased a new condominium in Calgary: maybe it was for investment or maybe you moved into the suite. You paid a premium for the fact you were buying something new rather than purchase in an older building. The fact the builder offered "protection" under a Warranty Program appealed to your pragmatic side. You felt confident that your condo fees would remain low for the next several years because maintenance costs for the building would be negligible due to the fact the building was NEW. Now imagine your surprise when you learn that after less than 3 years of the first people moving into the building, you and the rest of the owners are faced with nearly 2 million dollars in repairs caused by deficiencies in the original construction. Think this is some Hollywood lawyer movie? Think again. This is the current fate of many condominium owners in Calgary.

How did this happen? Were there not checks and balances to prevent this type of situation from occurring? Wasn't there a warranty in place for the building? Who is ultimately responsible to pay for the work that needs to be done? These are some of the questions faced by condominium boards every day in Calgary and across Alberta. As I have found by serving on a condominium board for the past 3 years of a newly constructed building, the answers are mystifyingly hidden or simply do not exist and the costs involved are astronomical.

Once a builder/developer finishes construction of a condominium building a "hand over" meeting transfers responsibility of the management of the building to the individual unit owners. At that meeting a Condominium Board is elected by the owners and under the Condominium Property Act of Alberta the board becomes charged with managing and maintaining the common property of the condominium corporation on behalf of all owners. This is not a job to be taken lightly. Neglect this responsibility or defer addressing structural deficiencies and board members are liable.

A condominium corporation's insurance policy carries a

[Altus Group Ltd.](#)

- Silver Sponsor

[First Condo Group](#)

- Silver Sponsor

[Gateway Property Management](#)

- Silver Sponsor

[Longley Condominium Services](#)

- Silver Sponsor

[Real Estate Institute of Manitoba](#)

- Silver Sponsor

[Real Estate Institute of Saskatchewan](#)

- Silver Sponsor

[REIC Calgary Chapter](#)

- Silver Sponsor

[REIC Lakeshore-Niagara Chapter](#)

- Silver Sponsor

[Saskatchewan Housing Corporation](#)

- Silver Sponsor

[Saskatoon Region Association of REALTORS](#)

- Silver Sponsor

[Toronto Real Estate Board](#)

- Silver Sponsor

Featured Item:



Part of the "Office On-the-Go Collection", this desk caddy will help you keep your stationary organized. The caddy includes: · Digital display includes time, date and temperature · Large

directors liability rider. The amount of coverage carried can be in the millions of dollars. A prudent board is going to find out exactly what it is they are managing, what state it is in and what repairs need to be done. To determine this, there is no better tool available to condominium boards than a Technical Audit. This type of engineering report is like a Reserve Fund Study but on steroids. Reserve Fund studies are legislated by law to be completed and updated by the condominium corporations every 5 years. A Technical Audit is a forensic breakdown and analysis of the engineering and structural components of the building. They are lengthy, take time to complete and require time for the condo board to determine the scope of any work that needs to be completed.

But wait a minute? Hasn't the building JUST been built? What if the builder doesn't own up to rectify deficiencies, what if the builder won't take responsibility for the shoddy work they did? Here is where finding answers becomes like looking for a needle in a haystack. In the case of the condo board I sit on, the board did a walk-around of the building, noting deficiencies. No assistance was provided by National Home Warranty Programs Ltd. (NHWP - the warranty program that was provided by the builder of our building) in regards of what to look for on the walk-around, not even a check list, nothing. Given the broad scope and magnitude of the deficiencies discovered on that walk-around (even to our untrained eyes), months of dealing with ongoing maintenance issues in the building and on the recommendation of our property manager, we commissioned a Technical Audit.

The decision to have the Technical Audit completed occurred 11 months after the first possession in the building. NHWP states only deficiencies noted within 1 year of the first possession will be covered. Given the time it takes to have a Technical Audit completed we discussed with NHWP the option of having the Technical Audit included, even though completion would be after the 1 year window. We were advised the report would be treated as supplemental to our claim. But what does this mean? After more than \$250,000 in legal fees and professional fees (paid for by the owners in the building via a special assessment) this condo corporation is still trying to find out which deficiencies will be covered by the warranty program. Remember, the scope of the deficiencies is not minor. The Technical Audit showed several million dollars worth of deficiencies that if left unresolved will cause further, ongoing damage to the building and result in even larger sums of money to fix.

The maximum coverage available on a condo building for the common property is two million dollars. To date the builder refuses to acknowledge any of the major deficiencies and the NHWP (which has recently changed its name to National Home Warranty Group Inc) has not fixed the deficiencies noted in either the board's walk-around or the Technical Audit.

What kind of protection is it when things that need to be

compartments for writing instruments and 2 drawers for paper clips or thumb tacks · Light show on demand

Price: \$14.00

[Order Now](#)

fixed are not fixed? What kind of warranty is it when consumers have to pay lawyers to force resolution with the builder through the warranty program? In this case, the building does not meet provincial or national building codes in several major areas and yet the condominium corporation is forced to sue the builder and the warranty program in order to get things fixed because of the two year legal window within which to file your statement of claim to protect the condo corporation's legal rights. Is this a warranty program that benefits consumers?

NHWP's position seems to be "you tell us what is wrong with it, we'll argue it, and most likely we're not going to cover it anyway". That is not a warranty, it's a game of smoke and mirrors. Unfortunately in the case of condominium warranties people are losing their homes in this game.

Fast Food Mentality Expected on all Levels

By Candace Mehls, CPM®

We live in a world of electronic response and drive through banking along with fast food orders. Interestingly, you can also get married in a drive through in Las Vegas.

Unfortunately, for the rest of us working in the service industry, regardless of the service we supply, the "Fast Food" mentality cannot apply.

For those who live in condominiums, this expectation is not prevalent with eighty percent of the population. It is the twenty per cent minority that have difficulty understanding why they cannot order their renovation repair at one window and pick up their renovated unit at the next window, five minutes later.

Sounds silly! It is. Is it realistic? No. It is expected by some? Yes.

Are you surprised?

For all of the general populations that goes to work every day and deals with the general public requests for service, they will understand how this mentality is slowly creeping into our days when we are required to respond to service calls. Regardless, if we are to provide a piece of documentation, follow up on a work order with a third party, offer a solution... the list goes on and on. We find ourselves struggling on phone calls and emails trying to explain to people: There is a process.

We cannot phone our order in and expect immediate gratification.

Today I spoke with a young lady providing cable service. While she sits behind a fully automated system, we still

had to make an appointment for a service rep. Four days... not bad. As I finished that call, I opened an email from an owner whose tenant did not have phone service and wanted it right now. They had the phone technician standing at the door of their unit, why could we not stop what we were doing and get someone to come and open the door to the phone room. Well, the phone providers have a lockbox on the building, so they can access the key and perform the service without any assistance from others. In other words, his phone stopped working and he needed an ASAP repair... and that is why everyone should drop everything they are doing and facilitate the demand for immediate "Fast Food Service." Pick up your repaired line at the next window! I do not know about you, but I use services of varied businesses each day and I certainly understand that there is a process and maybe some other people before me.

When you try to explain this may not happen right away... then comes the abuse. WHY NOT?

This attitude frustrates those who are trying to help you and also does not work with most people. Take a look around service offices in the city- most have a sign posted that "Abuse is not tolerated". Something took us to this place where we had to post signs and put up security cameras in our lobby.

As a property manager of some very large buildings, I count us fortunate for the most part. But there is not a day that passes by where someone, who obviously has this mentality and counts themselves as "the most important person on the planet for this minute" shows up by email, phone or in person.

Wow.. What a treat they are. We have all met them.

,Hello... my name is Queen Need Right Now and you must be, oh .. "yes, the lowly subservient person who is going to jump through hoops and give their last breath to get me what I want... because you know I have a very important luncheon to discuss the purchase of my new cat, special breed and all, and that is a priority, so if you do not mind, please drop what you are doing, roll out the red carpet and get me what I need" and oh my God, you mean this costs \$10.00. Well, I never!

Everyone, please do not tell them that you have never experienced someone like this.

Let's face it, not everyone appreciates our efforts, nor will they.

What can we do to stop these people from stressing us?

We can push back just a little. We can be impersonal. We can look at them and treat them like everyone else, no more, no less. We can tell them the time frame and if they don't like it, they will get over it.

During the day we deal with present clients, new clients, old clients and all our contractors and Boards. They all tell the same story.

What happened! Who made business think they were all McDonald's or Tim Horton's?

We will never change these people; they see nothing wrong with their approach. We can only change our reaction to them. We are not responsible for the actions of this small minority, but we are responsible for our reaction to them. Hard, isn't it.

None of us like to wait, but sometimes we have no choice. The world is full of inconvenience; red lights, grocery line ups, looking for parking, stop signs and speed limits. If it were not for these inconveniences, there would be less order. We need to live in a world of small inconvenience and order... and learn not to let "chaotic people "destroy our form of order we work so hard to keep in line.

CREA Launches New Advertising Campaign

OTTAWA, /CNW/ - The Canadian Real Estate Association (CREA) debuted a new national advertising campaign last week, about how REALTORS® help people with the biggest financial decision of their lives, buying and selling their homes.

[The television commercial](#) is a modern day re-creation of the Mother Goose fable "The Old Woman Who Lived in a Shoe". It is shot and produced like a documentary, using a cinema-vérité style featuring hand-held camera, quick shots, and voiceover narration.

"Just as peoples' requirements for a home are incredibly diverse and varied, so too is the knowledge, expertise and services of the REALTOR® working for them," says CREA President Georges Pahud. "Whatever your needs, a REALTOR® can help."

With a light-hearted approach, the commercial conveys the serious message about how REALTORS® work closely with their customers to understand their needs and champion their uniqueness. REALTORS® meet a wide range of consumer needs, providing personalized service when it comes to selling their homes or finding that special home for the most demanding customer.

Complementing the television commercial are real-life consumer testimonials on the website howrealtorshelp.ca. Recent home buyers and sellers share their experiences of how REALTORS® work to meet many different consumer needs. And as a special treat, visitors will also find an extended version of the television ad on the

website. The longer version provides a deeper look into the life of Carmella, the Old Woman of the fable, communicating how REALTORS® connect with their clients in order to fulfill their needs, whether buying or selling a home.

CREA's national ad campaign program started in 2006 and runs ads twice a year, in the spring and fall. The television ad that aired in the fall of 2009, entitled "Never-ending Negotiations", won a bronze award at the 2010 national Marketing Awards.

Home Maintenance Tips for Spring: Protect Your Home and Your Investment!

Courtesy of CMHC

If you're like most Canadians, your home is probably your most important investment. It's also the place where you and your family tend to spend a great deal of time. A regular schedule of seasonal maintenance can help you protect that investment for years to come, and help keep your home-and most importantly, your family-healthy, safe and sound all year round.

This spring, Canada Mortgage and Housing Corporation (CMHC) has a short checklist of simple inspections and repairs that can help you put a stop to some of the most common and costly problems before they occur, in as little as a few minutes a week, including:

- Check and clean your range hood filters on a monthly basis.
- Make sure all outdoor air vents (intake, exhaust and forced air) are clear of snow and debris.
- Test ground fault circuit interrupter(s) on electrical outlets each month by pushing the test button, which should cause the reset button to pop up. Press the reset button again to restore power.
- Check your furnace and air-exchanger filters, and clean or replace them if needed.
- Have your fireplace or wood stove and chimney inspected, cleaned and serviced as needed.
- Shut down, drain and clean furnace-mounted humidifiers, and close the furnace humidifier damper on units with central air conditioning.
- Switch on power to air conditioning, check system and clean or replace air conditioning filter, if applicable. Have it serviced every two or three years.

· Have well water tested for quality, and test for bacteria every six months or as required by local regulatory authorities.

· Check smoke, carbon monoxide and security alarms, and replace their batteries.

· Clean all windows, screens and window hardware. Repair any holes in screens or replace them if necessary.

· Open the valve to the outside hose connection once any danger of frost has passed.

· Examine the foundation walls for cracks, leaks or signs of moisture, and repair them if required.

· Make sure your sump pump is operating properly before the spring thaw sets in, and ensure the discharge pipe allows water to drain away from the foundation.

· Re-level any exterior steps or decks which may have moved due to frost or settling.

· Check for and seal off any holes in exterior cladding that could be an entry point for rain or small pests, such as bats and squirrels.

· Check eavestroughs and downspouts for loose joints and secure attachment to your home, clear any obstructions, and ensure water flows away from your foundation.

· Clear all drainage ditches and culverts of debris.

· Repair and paint fences as needed-allow wood to dry adequately before tackling this task.

· Carry out any spring landscaping and, if necessary, fertilize young trees.

For more information or a free copy of the "About Your House" fact sheet Home Maintenance Schedule and other fact sheets on owning, maintaining or renovating your home, visit our web site at www.cmhc.ca or call CMHC at 1-800-668-2642. For over 60 years, Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency, and a source of objective, reliable housing information.

Remember:

Be sure to follow REIC through all of our Social Media Outlets.

