

## IRES

The Institute of Real Estate Studies (IRES) is a non profit corporation which has designed and delivers the courses required to achieve the CRP designation. Through partnership with the Real Estate Institute of Canada (REIC) the courses are delivered across Canada and the CRP is one of the fastest growing designations.

### Future Vision

Although IRES is off to a great start with 36 students already underway or finishing their studies and even more taking courses to refine their skills, we are off to a great start.

However, it is important that the CRP's are also reaping benefits such as a website, networking sessions regionally and information to help keep ahead of others doing reserve fund studies in the industry.

Currently a small group of individuals run this whole program and we want to broaden the involvement of CRP's across Canada. We are currently looking for board members, instructors, marketing and other help.

Contact::

[melissa.moehring@firstcondo.com](mailto:melissa.moehring@firstcondo.com)



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## A message regarding education

It has been a whirlwind two years which started with the development and redevelopment of course materials related to the Certified Reserve Planner designation. We have developed five courses to assist in producing first rate professionals that I am proud to call my colleagues.

The courses are:

**IRES 2300 Introduction to Reserve Fund Studies and Management**

**IRES 2310 Building Construction and Systems**

**IRES 2320 Building Costing and Lifespan Analysis**

**IRES 2330 Reserve Fund Financial Fundamentals**

**IRES 2340 Reserve Fund Case Study**

After successfully completing these courses along with the mandatory course in Ethics and Business Practice, new designation holders are equipped with the latest templates and spreadsheets, allowing them to perform reserve fund studies with confidence.

With courses completed in Saskatoon, Red Deer, Toronto and Vancouver, we are hopeful that the momentum will continue.

The important thing to note is that regardless of our backgrounds, whether in engineering, finance, property management, or appraisal, we all require education from time to time as well as opportunities to share best practices and learn from each other.

The first step is to ensure that we are delivering the best education possible and that it is validated and updated as necessary to keep on top of the ever changing times.

Next, we must find ways to communicate which have traditionally been through the web; newsletter and networking sessions so that we keep in touch with what is going on in the industry. It is time to get more involved in the REIC chapter to which you are a member as we will try to time these events with various meetings which will already occur on a regional or national level.

Last but not least we must deliver reserve fund studies in a format that clients understand and can confidently develop into a plan that will not bring undue hardship to the owners while making sure it is adequate to fund all repairs and replacements.

## Spotlight on Success

Don Myhre CRP – Edmonton  
Alberta

I have had the great privilege of working with Don for the last few years and he has been a great supporter of the resurgence of the CRP designation. Without Don's support, it would have been considerably more difficult to deliver as much as we have in a short period of time. Don received his designation in 2001 and has been providing reserve funds to hundreds of condominiums in the Edmonton area. Don is also very involved in REIC both at a chapter level and as a past president of the Finance Council and current member on a national level. I thank Don for his past and continued support

Howard and Company – Red  
Deer Alberta

On a teaching assignment in Red Deer, I was hosted by the team at Howard and Company and was invited to the Canadian Homebuilders Association – Central Alberta Awards Dinner. The team accepted the award for Professional Service Member of the Year. This was the second such award bestowed on Howard and Company as they won the same, the prior year.

Congratulations to Howard and Company on their success in Central Alberta. I was also very happy when Elvis left the building.



## Exterior Insulation & Finish Systems

Excerpts from an article appearing in the Edmonton Journal – Written by Darcy Henton, Forwarded by Colin Jackson, CRP

Thousands of Albertans might be living in homes and condos that will rot because some builders used a stucco exterior wall-covering that is prone to failure, experts in masonry construction say.

Michael Hatzinikolas, a member of a national committee that sets masonry building standards, says homeowners could be facing a crisis rivalling the pine shakes scandal a decade ago.

Hatzinikolas said a surface-seal system used to cover the exterior of homes, apartments and condos is prone to leak and could leave homeowners with huge repair bills and health issues.

"The surface-seal system does not work in Canada," said Hatzinikolas, a former adjunct professor at the University of Alberta and the author of several books on construction practices. "This is a huge problem for the people of Alberta. It's much worse than the pine shingles."

Hatzinikolas said the National Research Council raised concerns about the seal system -- known as the Exterior Insulation and Finish System -- in a report in 2000, but the report has not been circulated.

At least one Ontario insurance company, Pro-Demnity Insurance, has stopped insuring surface-sealed buildings following a building code commission ruling five years ago that the system did not satisfy Ontario Building Code requirements.

Yasser Korany, who teaches in the University of Alberta's department of civil and environmental engineering, said the system was designed to prevent water from entering walls, but it fails in Alberta's climate.

"There are so many issues and problems associated with these systems," he said. "In practice, they don't perform as we hoped."

Moisture inevitably gets inside the wall, which starts to rot, he said.

Korany wants the province to step in with regulations to stop builders from using the system and to make sure home buyers are aware of the issue. Some builders will continue to use acrylic stucco because it is lighter and cheaper.

"There's a moral obligation here that the public should know about the potential consequences," he said.



## “In practice, they don’t perform as we had hoped”

But Korany said homeowners face costly repairs and possible health problems from exposure to mould.

Municipal Affairs Minister Ray Danyluk, who appointed MLA Thomas Lukaszuk last year to study leaking problems in detached homes, said his department is looking into the matter. "We'll take it through the process and see what is happening here," he said.

"The whole purpose of our building envelope (review) is to make sure we're using the right materials and to make sure individuals and homeowners are protected -- whether it's materials or workmanship."

Homebuilder Pat Adams said surface-sealed stucco has been an ongoing issue in the building industry for some time. "We don't use it because it is prone to failure," he said. "We haven't had that many problems with it in the past, but we're having more problems with it now. There's no place for water to go once it gets inside the wall."

The surface-seal system is not included in the Alberta Building Code, but it was approved by the Canadian Construction Materials Centre with a proviso that the system requires a high level of quality control during application and regular maintenance, Hatzinikolas said. Maintenance and any cracks should be fixed immediately," Hatzinikolas said.

will not fluctuate too much regardless of the economy. However, in most cases, investments are not properly invested and interest rates will fluctuate with the economic conditions. Using averaging, one can determine a reasonable rate of return for the Corporation that will allow them to be successful. The second factor is an assessment of the current economic conditions, returns on investments for various types of approved investments and the size of the investment. Using this research, one can determine a reasonable interest rate for a reserve fund.

## Want to Assist Your Colleagues?

The Institute of Real Estate Studies is always looking for assistance in a number of ways:

1. Positions on the board of directors – we are seeking individuals willing to spend approximately 3 to 4 hours per month to run this corporation on behalf of all CRP's. All positions are available.
  2. Write an article or a technical bulletin. This can be a bulletin or article written for other publications or something creative you thought up just for this publication. It should be related to reserve fund planning.
  3. Become an instructor. We currently are looking for instructors to teach one or more courses. Competitive remuneration and expenses is provided. Experience in facilitating would be preferred.
  4. Education administration. We require individuals to provide review of candidate applications requesting exemption and developing equivalency standards.
  5. Organizing networking functions. This individual would assist in setting up networking sessions.
  6. Guest speakers.
- Please e-mail  
Melissa.moehring@firstcondo.ca

## This Month's Tip

### Q: What is an easy way to determine the right interest rate return for a Condominium Corporation?

A: There are two factors which must be considered when determining the correct interest rate factor to use for a Condominium Corporation.

The first step is to review the historical audited statements as far back as possible to determine the historical rates of return, the Corporation has received over time. In a well laddered investment, these rates



## Professional Development

Courses are currently being offered for the CRP and ARP designation in Calgary and Toronto. Please check the [reic.com](http://reic.com) website for the latest course schedule, fees and candidacy requirements.

## Upcoming Items of Interest

### • Development of Minimum Standards for Certified Reserve Planners

It is important to develop a minimum standard of reporting for all CRP's to deliver quality services to our clients. REIC and a peer review will develop minimum required standards.

Contact: [don.myhre@telusplanet.ca](mailto:don.myhre@telusplanet.ca) for more information.

### • Closed Website launch

To promote networking, sharing of best practices and to keep up to date on new Technologies and legislation, we are planning to launch a members only website in the next 6 to 12 months. There will be an opportunity to share information and develop peer reviews on courses and information as well as post information.

### • CRP Marketing Information

To promote the CRP designation across Canada, IRES will be developing and funding a series of advertisements which will deliver to clients and potential clients the benefits of using a CRP for their reserve fund study requirements. Please see article for more information.

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## 2008 - 2010 Students and Graduates

### Red Deer

Rick Howard – Howard & Company  
Ted Anger – Howard & Company  
Gerry Juraville – Howard & Company  
Nelson Gaudry  
Dana Carroll – Howard & Company  
David Horn – Howard & Company  
Paul Magee – Howard & Company  
John Cox – CMHC

### Saskatoon

Mike Forget – Regional Housing Operations  
Sherril Carlson - Regional Housing Operations  
Kim Aasen - Regional Housing Operations  
Shey Ergil – Henderson & Butt Appraisal Consultants  
Colin Jackson – Henderson & Butt Appraisal Consultants  
Ernie Paustian – Delta Appraisal Corporation  
Adam Vanjoff – Dream Home Appraisal Co.  
Ryan Morphy – Crosier Kilgour & Partners Ltd.

**“Good Luck to those currently completing the courses toward their designation and congratulations to those who have successfully attained their CRP designations”**

### Toronto

Eugenio Condotta – First Condo Group  
Kevin Green – First Condo Group  
Lisa Lansink – Lansink Appraisals and Consulting  
Philomena Williams  
Chris Marinakis – First Condo Group  
Mike Shelp - Affiliated Appraisals  
Ryan Rutherford – Pretium Engineering

### Vancouver

Eugene Steckley – Steckley Appraisals  
Terry Dowle – Niemi, Laporte and Dowle  
Michael Laporte - Niemi, Laporte and Dowle  
Jennifer Wood - Niemi, Laporte and Dowle  
Gregory Ho - Niemi, Laporte and Dowle  
Ali Khandran Barani - Niemi, Laporte and Dowle  
Bruce Krusel – Thompson River Appraisals  
Paul Fischer - Thompson River Appraisals  
Joel McNally – PH McNally Associates Ltd.  
Terry Brown – Taycon Energy Corporation  
Robert Ironmonger – Keystone Appraisals  
Gina Ironmonger – Keystone Appraisals  
Mary-Jane Jacobson – Pace realty Corporation