



Landpower Newsletter

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PROJECTS

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COMING TO THE BAYVIEW VILLAGE COMMUNITY
COMMANDING VIEWS, UNFILTERED BEAUTY, UNCOMPROMISED LIVING.

A HOME SHOULD FEEL LIKE A NATURAL EXTENSION OF YOUR LIFESTYLE. WHETHER THROUGH AN INVITING LOBBY THAT WELCOMES YOU HOME OR A FITNESS CENTRE THAT REINVIGORATES YOUR WORKOUT, **SCALA** OFFERS YOU AMENITIES THAT ELEVATE THE EVERY DAY. CELEBRATE WITH FAMILY AND FRIENDS AT THE LIVELY PARTY ROOM OR DIP YOUR TOES IN THE ULTRAMA-RINE ROOFTOP POOL, SOARING STOREYS HIGH ATOP **SCALA**.

SCALA COLLECTION FROM THE \$300's*

SIGNATURE TERRACE COLLECTION FROM THE MID \$700's TO OVER \$1.5 MILLION*

VIP



\$5,000 UPGRADE FOR 2 BEDROOM
\$10,000 UPGRADE FOR 2 BEDROOM PENHOUSE

An intimate, new building at 223 St. Clair West in Forest Hill.
Unique terraced design.
All the hot spots moments away.
Transit that keeps you connected.
Modern amenities to keep you entertained.





PROTECT YOURSELF BEFORE RENTING YOUR PROPERTY

SO HOW DO YOU PREVENT A NIGHTMARE TENANCY AND ENSURE THAT YOU CAN LIVE THE INCOME-PROPERTY DREAM?

EDUCATE YOURSELF:

Do your research by visiting online resources such as Landlord-SelfHelp.com, a government-funded agency web site dedicated to educating the small landlord. "Learn what the human rights, fire safety, electric acts require you to follow," says Susan Wankiewicz of the Landlord's Self-Help Centre.

SCREEN YOUR TENANTS:

"A gut feeling and a handshake isn't going to help you spot a problematic tenant," says paralegal April Stewart. She suggests screening with the assumption all of the information a potential tenant provided on the rental application is false, and then proving it to be true. "Don't assume that hiring a realtor will assist you with this," Stewart adds. "No screening process is bullet proof . . . they'll often take the first cheque that comes their way, so the onus is on you to ensure your realtor or other third party did a thorough job screening applicants."

PHOTOGRAPH THE UNIT BEFORE RENTING IT:

While landlord law assumes a tenant will maintain the integrity of a unit, Stewart finds this isn't always the case. "There are tenants who will damage property to avoid paying the rent, and without proof of the unit's original condition, it's a nightmare to prove otherwise," she adds.

DECLARE THE RENTAL INCOME:

By law, a landlord must declare the income received from an income property. One of the advantages to doing this is the ability to expense that portion's use of utilities, maintenance fees and other costs, says Alan Posner, a Toronto-based accountant. "It's not all rosy, especially when selling your home, since the portion of the property that's an income property is subject to capital-gains tax," he says.

Sources: Toronto Star, Published on December 1, 2015

TD BANK MORTGAGE RATES¹ - provided by Yvonne Tong -

FIXED RATE MORTGAGES	RATES ²	SPECIAL OFFERS ³
1 year	2.890%	2.84%
2 year	2.840%	2.09%
3 year	3.390%	2.34%
4 year	3.890%	2.54%
5 year	4.640%	2.72%
6 year	5.140%	3.79%



RICK MADONIK/THE TORONTO STAR

Danielle Rose, with her son Sruli, 5, in the front yard of their home. Rose is helping to pay for her home by renting out the basement.

SO YOU WANT TO BE A LANDLORD?

Danielle Rose is living every home landlord's dream.

Want to make owning a home in the city more affordable for her and her son, Rose found two reliable tenants to occupy the basement suites of her North Forest Hill bungalow. They always pay their rent in full and on time. They don't make noise and they don't complain unless there is a real issue.

"The rental income from the two units helps pay my mortgage," says Rose. "While there are times I wished I had my entire living space to myself, I am grateful to my tenants for making living in the city more affordable."

With Toronto's housing market showing no signs of cooling, many Torontonians like Rose are taking in renters to subsidize their mortgages. For the three-month period ended Sept. 30, the average rent charged for a one-bedroom unit in Toronto was \$1,657 a month, according to the Toronto Real Estate Board.

The City of Toronto has supported this trend since 1999, when it amended zoning bylaws to permit homeowners to rent their second suites — self-contained units that include a kitchen and bathroom. However, the challenge many homeowners face is that being a landlord isn't always as simple as collecting a cheque every month for renting out the basement.

"The same rules, standards and codes of conduct of highrise apartments apply to small landlords," says Susan Wankiewicz, clinic director at the Toronto-based Landlord's Self-Help Centre. "The first thing a homeowner should do is research these standards beforehand because they may have to make adjustments to the unit for it to be a viable second suite."

Such standards include getting the unit certified by the city as a "second suite", meaning it meets building codes, electrical requirements and fire safety rules.

Next, there's the process of finding the right tenant for a unit. From loud parties to abused utilities, the wrong tenant can make a landlord feel like prisoners in their own home, says April Stewart, founder of Barrie-based Landlord Legal. She's a paralegal nicknamed "the terminator" for her ability to help landlords evict problem tenants.

"It's a lot easier to get someone in to rent than it is to kick them out," says Stewart. "Bad tenants come in many disguises and it can take many months for an eviction to be granted if the arrangement isn't working out."

You also lose full control over who lives with your tenant, says Glenn Sheridan, a community legal worker at Landlord's Self-Help Centre. "Imagine you think you are renting to a single individual and their whole family moves in. This may not be what you signed up for, but you also can't control it."

The advent of Airbnb, Inc., a website which allows people to rent out their units to travellers all over the globe, is also creating new issues for landlords.

"A tenant may think this is a great way to pay rent for the month. However, landlords are often unaware of this until it's too late," says Sheridan. "If there is any damage to the unit, a landlord's remedies under the Residential Tenancies Act are limited; also, their insurer may deny a claim or cancel their policy if they view the activity as a commercial business."

Landlords must also abide by Ontario's Human Rights Code and the Residential Tenancies Act. If a tenant's rent arrears or disruptive behaviour stems from a disability or other code grounds, the landlord is required to show that they have tried to accommodate the tenant "to the point of undue hardship" before considering eviction.

WHAT TO DO WHEN ISSUES ARISE

1. Send a casual letter. "A landlord should always attempt to address the problem head on in a friendly manner before entering the battlefield of court," says April Stewart, founder of Barrie-based Landlord Legal. Give the tenant five to seven business days to come clean.
2. Hire a litigator. If the issue isn't resolved within a 'reasonable' period of time, Stewart suggests hiring a lawyer or paralegal that specializes in eviction work. "Many solid cases get thrown out due to a small landlord's shoddy paperwork," says Stewart. "Hire a professional that can represent you and build the documentation you need."
3. Go to court. "The Residential Tenancies Act is fair and balanced, and often when a landlord is shell shocked it's because he or she didn't understand it in the first place." They often don't realize that the eviction process is closely regulated and could take months to be granted, adds Stewart. "Stay patient and trust the system."

HOW TO LANDLORD SAFELY

So how do you prevent a nightmare tenancy and ensure that you can, indeed, live the income property dream like Rose? Here the precautionary steps you want to take:

1. Educate yourself. Do your research by visiting online resources such as LandlordSelfHelp.com, a government funded agency website dedicated to educating the small landlord. "Learn what the human rights, fire safety, electric acts require you to follow," says Wankiewicz.
2. Screen your tenants. "A gut feeling and a handshake isn't going to help you spot a problematic tenant," says Stewart. She suggests screening with the assumption all of the information a potential tenant provided on the rental application is false, and then proving it to be true.

"Don't assume that hiring a realtor will assist you with this," adds Stewart. "No screening process is bullet-proof . . . they'll often take the first cheque that comes their way, so the onus is on you to ensure your realtor or other third party did a thorough job screening applicants."
3. Photograph the unit before renting it. While landlord law assumes a tenant will maintain the integrity of his or her unit, Stewart finds this isn't always the case. "There are tenants who will damage property to avoid paying the rent, and without proof of the unit's original condition, it's a nightmare to prove otherwise," she adds. "Save yourself headaches and document everything beforehand."
4. Declare the rental income. By law, a landlord must declare the income received from an income property. One of the advantages to doing this is the ability to expense that portion's use of utilities, maintenance fees and other costs, says Alan Posner, a Toronto-based accountant. "It's not all rosy, especially when selling your home, since the portion of the property that's an income property is subject to capital gains tax," he says.

And if you think you can get away with renting out your unit to Airbnb tax-free, think again, adds Posner. "If the tenant tries to claim that rental receipt as an expense, the CRA could cross reference and realize that the landlord hasn't been declaring the income."



RICK MADONIK / TORONTO STAR FILE PHOTO

Ontario Municipal Affairs Minister Ted McMeekin: "It is clear that there has been no call for a municipal land transfer tax."

CITIES OUTSIDE TORONTO CANNOT CHARGE LAND-TRANSFER TAX, TED MCMEEKIN SAYS

ONTARIO BACKS DOWN ON MUNICIPAL LAND TRANSFER TAXES, AS THEY WOULD ADD THOUSANDS TO THE COST OF HOMES.

Homebuyers outside Toronto no longer have to worry about paying thousands of dollars in local land transfer taxes.

Municipal Affairs Minister Ted McMeekin shut down speculation Tuesday that cities and towns would be given permission to bring in their own such levy in addition to the provincial land transfer tax.

"There has been no call, at all, for a municipal land transfer tax, nor is there any legislation before the House that would allow this," McMeekin said in the legislature's daily question period.

Toronto will remain the only Ontario city allowed to charge a land transfer tax, he added, but offered to look at "what possibilities exist" for other new sources of revenue to help strained municipal budgets.

McMeekin's surprise announcement followed a push against a local land transfer tax by the Progressive Conservatives and the Ontario Real Estate Association's "don't tax my dream" campaign, arguing it could push house prices further out of reach for many families.

"I'm glad the minister made the right decision," said Conservative MPP Steve Clark (Leeds-Grenville), blaming the government for floating the idea earlier this fall and crediting a "grassroots" efforts with stirring up opposition.

McMeekin had said earlier this fall during consultations with local governments that any new revenue powers for them would be optional and did not rule out a land transfer tax.

The Association of Municipalities of Ontario said it wants local councils to have "discretionary authority" just like what Toronto enjoyed in levying its own land transfer tax to raise revenues for services, transit and other infrastructure.

"Ontario municipalities face significant fiscal challenges, just like Toronto," AMO president Gary McNamara said in a statement after McMeekin's announcement.

"In many communities, property taxes are poorly suited to the burdens that communities face. We all need to look at new solutions that will work."

McMeekin suggested local governments could do more in the way of development charges as "a potential significant source of revenue."

Clark and the Ontario Real Estate Association had warned home buyers would have to dig much deeper into their pockets if local land transfer taxes were authorized.

"This is a huge win for Ontario's home owners and those who dream of one day owning a home," said Patricia Verge, president of the real estate group.

In Toronto, the buyer of a \$450,000 home pays a total of \$10,200 in land transfer taxes: \$5,475 for the provincial levy and \$4,725 to the city. The city tax was added in 2006.

Source: Rob Ferguson Queen's Park Bureau, Published on Tue Dec 01 2015