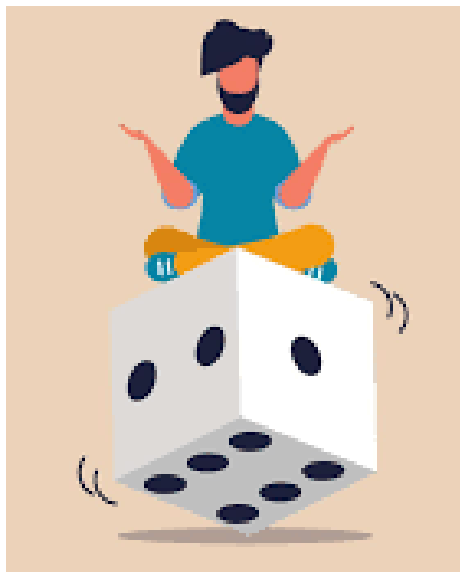


# WHAT CONDO DWELLERS ARE READING



## MOST RISK-AVERSE GENERATION IN HISTORY

Generation Z, those born between 1997 and 2012, are the most risk-averse generation in history. A 25-year study has found that risky behaviours including smoking, underage drinking and drug use have sharply declined among today's teenagers.

Some suggest this is encouraging. Others note that this generation is less likely to participate in outdoor activities, preferring time with their electronic devices. They drive less with

CONTINUED PAGE 5 ...

### FROM THE EDITOR .....

Some readers took offence at articles in last month's **Toronto Condo News** about lack of financial acumen and skills in the baby boomer generation including habits passed along to younger generations. These are crucial skills essential to good condominium corporation governance. This month, **Most Risk Averse Generation in History**, page 1, looks at the realities of how Generation Z has grown up and the appeal of condominium living to them.

In **Peaceful Transition of Power**, page 2, we look at what needs to be done to ensure new board members, including Generation Z, are up to the task required of them.

Inside, **Hiring the Right Condominium Manager** looks at how to recognize when your board is failing to find a good manager for your community, and how this can be repaired.

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**PEACEFUL TRANSITION OF POWER**

Condo boards are the custodians of power in condominium communities. They are volunteers looking out for their community's welfare, success and continued operation. The skills, experience and insights of condo directors provide stability to their communities.



Condo boards come and go. Directors join and leave the board creating a fluid system of management.

Condo boards that fail to remember the past will repeat efforts, and make mistakes, at considerable cost. Institutional memory is the collective set of facts, concepts, experiences and knowledge held by a group of people. Condo corporations lose institutional memory when directors, management and employees change without passing on what they've learned.



Condo directors do not serve indefinitely. Successful condo boards ensure there is a peaceful transition of power and institutional memory to ensure the continued health of their community. What has been learned by prior condo boards does not get lost to the corporation as directors depart and new directors replace them. Maintaining institutional memory means incorporating all of the experience of past condo boards within a current condo board. These experiences reflect knowing what has been done or attempted in the past so as to make the best decisions for today.

**CONTINUED PAGE 4 ...**



# CONDO BOARDS & MANAGEMENT

## PEACEFUL TRANSITION OF POWER... CONTINUED FROM PAGE 3



When board members depart, their replacements don't have firsthand experience. This takes years to develop. They

don't know the history of the property including details on mechanical systems, warranties, service contracts, recent problems or weaknesses. This can be solved by always having a combination of new and old members on the board.

An entirely new board can take office with no transition where new directors can learn from past directors. An entire board may have chosen to retire from office, or directors are voted out of office because owners no longer support them. This can cause a loss of accumulated wisdom. New directors waste time and resources reinventing the wheel. They seek to accomplish what has been done before or fail to understand why their approach is unlikely to succeed.

Each director has their own perception of how a property has been managed in the past, and their own skill set. New directors are usually less aware of board procedures and responsibilities. When taking over for an effective board, the transition can be smoother since the focus will be on future goals and sustaining what has worked in the past. When an entire board is replaced and has been ineffective or with conflict, new directors need to focus on repairing what has been broken by actions taken by the prior board, and resident perceptions. The new board takes time to learn how things work in their community, then each others priorities and skills before they can develop short- and long-term goals.

Training is the fastest and most effective way to get a new board of directors ready to fully contribute. Proper processes and procedures, and available training makes the transition easy. The condominium manager should provide information to new board members about expectations and basic terminology so they understand what is being discussed, and the past six months' minutes and manager's reports. Each should be encouraged to read their declaration and rules, and the Condo Act, to better understand the community's rules, their goals and responsibilities; and how to interact with management, other board members and residents.

Another way to maintain continuity is to stagger board terms. When board members are not all elected in the same year and for the same term length, there is less likelihood that all directors will be replaced at the same time. There is always someone on the board with at least one year of experience in the position and who knows the history of the property. The board retains knowledge of board actions, goals and intentions. New directors provide ideas and priorities as they gain experience.

Quick and efficient integration of new board members, or an entirely new board, is essential for continued smooth operation. This requires planning, training and transparency.





## MOST RISK-AVERSE GENERATION IN HISTORY... CONTINUED FROM PAGE 1

the percent of 16-year-olds having a drivers' license dropping from 50 percent in 1983 to 25 percent in 2020. Employed teens have dropped 17 percentage points since 2000.

Generation Z exhibits an extreme aversion to risk both physical and emotional. They avoid drinking and falling in love. They are encouraged to report even the most minor disagreements to others rather than find a way to resolve them. They confuse extreme emotion with danger. Even the word "unsafe" has been repurposed to represent actions or statements that cause some sort of lifelong trauma rather than disagreement.



An entire generation seems intent on avoiding for as long as possible adult obligations of employment, bills, mortgages, marriage and caring for young children. They enjoy freedoms while

avoiding responsibilities, and are more intent on living with and relying on parents. There is too much risk and danger in being independent.

Condominium living fits with their propensity for risk aversion. They purchase a home while never seeing bills for most expenses or dealing with most home repairs. They report concerns to a management office and expect someone else to resolve most of their disputes. They can work and exercise from home, never step outside, and have a concierge who accepts deliveries for them.

Generation Z exhibits a growing inability to tolerate risk and rising rates of anxiety and depression. Self-reported rates of mental illness were found to be rising sharply according to researchers Greg Lukianoff and Jonathan Haidt in their essay for The

Atlantic about the rise of safety-ism on college campuses. What we once considered ordinary responsibilities are overburdening younger generations. They rely on technology to avoid dealing with people including receiving and making phone calls. Many have chosen to avoid human contact to the extent that food, groceries, alcohol and home goods are ordered online and delivered without seeing or speaking to another person. Speaking with a stranger, and providing a phone number, is to be avoided. Calling this "contactless" makes it sound better when what it means is eliminating direct contact with other people.

Generation Z has no experience or even memory of having direct contact with anyone after completing school other than immediate family except for what occurs in front of a screen. It seems that anything other than eating and drinking alone in front of a computer has become cause for anxiety. Social skills are never developed making it harder to obtain employment. They fear not only conversation but standing too close to others. In short, they don't want to feel uncomfortable and avoid doing so rather than learning how to live in a world with people who at times test, annoy or infuriate us. Condominium living is well-suited for this way of living.

Our focus on privacy and safety has reached a dangerous extreme. The most minor of hardship is to be avoided rather than embraced because it creates discomfort so must be eliminated.





## HIRING THE RIGHT CONDOMINIUM MANAGER

### **Editor's Note**

**Toronto Condo News** receives numerous communications from condo residents and directors regarding the challenges and frustrations of securing and retaining a great condominium manager. Recently we received a Letter to the Editor from an owner in a downtown Toronto boutique condo asking for help in understanding why her management office has become a "revolving door of managers". We thought this question was worthy of a full article and hope it helps to explain some of the major issues related to this increasingly common concern.

Your building is now on their 20<sup>th</sup> condominium manager in 12 years. Next door, they have had the same manager for 12 years.

Talk to board members in a community unable to retain a good manager and they will moan about the poor quality of candidates. They will complain about what is not getting done. Residents are

dissatisfied about the state of their building and lack of communication. Yet board members believe they are doing a good job considering the challenges they are up against.

That other building continues to operate with quiet efficiency, better communications, few problems and no major disputes. While much of this is to the credit of that community's condo board, a big part of their success is in hiring a qualified, competent and capable condominium manager, and knowing what it takes to retain them.

### **Requirements for working as a Condominium Manager**

Ontario requires that a condominium manager be licensed by the province. This is both good and bad. All condominium managers have taken some basic courses and spent time working under an experienced individual. This means any manager has a basic set of skills.

**CONTINUED PAGE 7 ....**

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## HIRING THE RIGHT CONDOMINIUM MANAGER... CONTINUED FROM PAGE 6

These basic skills are nowhere near sufficient to ensure a condominium manager is capable, competent and good at their job. Any condo board relying on this basic designation and the advice of their management company without undertaking a more extensive hiring process is setting themselves and their community up for failure.

### The Hiring Process

The hiring process is entirely under the control of the condo board. They decide how this process proceeds, compensation and subsequent results.

One problem is that many condo boards don't actually know what they want in a condominium manager. Some desire a highly-experienced manager capable of acting independently, making good decisions and implementing improvements. They want someone to offer stability, advice and guidance to the condo board, and to interact with residents in an effective and efficient manner. Others desire someone lacking in experience and good judgement but willing to work for less salary.

The hiring process should begin by creating a detailed job description for the condominium manager and including a salary. It should identify what is expected of them, hours of employment and evaluation criteria for periodic performance reviews. Salary provides job candidates with an indication of how serious the board is in obtaining a high-quality and experienced manager. Job interviews are a necessary part of the process. It allows the prospective manager to evaluate their potential employer, and allows the condo board to evaluate the candidate on a more personal level. Circumventing any part of this process causes problems for both parties later on.

Employment references are important, and a board member should speak with those provided by the job candidate. A personal conversation helps understand if the candidate left a prior employer on good terms; the relationship between them, the board and residents; and how the transition to a new manager went. It may be possible to determine the candidate's strengths and weaknesses. Always end the conversation by asking if, knowing what they now know, would they hire the candidate. A job candidate failing to provide good employment references willing to speak about them is itself an important consideration.

Condominium managers can become disillusioned by their condo boards, particularly if the job is not what was expected or promised. Some managers have no decision-making authority or require board approval for even the smallest of expenditures. They have no authority over employees or are not respected by board members. Some boards insist on operating in a manner that is not transparent, ethical or honest. It should come as no surprise when the condominium manager looks elsewhere for employment where they are respected, enjoy working and develop their skills. Periodic performance reviews are one way to communicate and address concerns of the condo board or manager.

Obtaining good and stable condominium management expertise is essential to the smooth operation of condominium communities. Taking the time to get it right is the best path to stability and success.





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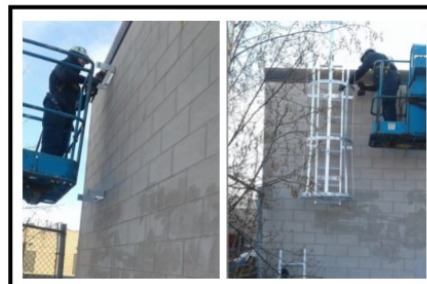
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## COOLING TOWER PREPARATIONS FOR NEXT YEAR



Summer is ending and air conditioning will soon be turned off for the season. While it may seem early to prepare for next year's warm weather, now is the ideal time to do so.

The cooling tower is an integral part of a building's cooling system. This large metal unit likely situated on the building's roof contains water, fans and pipes. Its' purpose is to eliminate waste heat from building equipment. Building-wide air conditioning systems fail to work when this cooling system fails or underperforms.

Ensuring air conditioning next summer without problems requires that the cooling tower work properly. Winter, when cooling demands are low and cooling towers are typically shut down, is the best time to conduct cooling tower maintenance and repairs. Waiting until warm weather arrives can mean servicing delays.

A cooling tower with rusty basins does more than affect energy efficiency and system effectiveness. Corrosion weakens its structural integrity, making the tower susceptible to leaks and cracks. Rust particles and debris can circulate within the cooling system causing damage to pumps, pipes, chillers and other mechanical components.

Waiting until the summer to undertake system maintenance and identify cooling tower problems, when the cooling system should be operating at peak efficiency, can

lead to costly repairs and operational downtime. Residential units unnecessarily go without air conditioning during hotter months while costlier repairs are undertaken.

"Arranging annual servicing of the cooling tower is best undertaken," advises Kevin Cherewaty of [HCTS Cooling Systems](#), "during the winter months when servicing requests are lower. Should replacement parts need to be ordered, delays don't extend the period during which a building is unable to provide cooling to its residents and equipment."

Regular maintenance during winter months can improve efficiency, lower costs and give the entire unit a projected lifespan of up to 35 years. Residents have an air conditioning system that performs well when the outside temperature is at its hottest.





# MONTHLY FIRE INSPECTIONS

One hallmark of condominium living is those monthly fire alarm and sprinkler tests which include an alarm that runs for the duration of these tests that is so infuriating.

The condominium corporation is the owner of the building and responsible for ensuring living areas, common spaces, underground parking and storage areas are in compliance with the Ontario Fire Code.

Every condominium in Ontario is required by the Ontario Fire Code to have a building inspection every 30 days. Inspections include checking fire rated doors, exit signs and fire separations on all levels including tenant storage locker areas. Inspections are typically assigned to building security or the superintendent. These inspections are separate from what is undertaken each month by the fire alarm and sprinkler contractor.

### Resident Storage Lockers

Resident storage lockers are of particular concern. These are to be located in fire rated rooms that are typically at basement level. Residents have been found to store flammable items that include paint, propane tanks, food, medical oxygen tanks, waste oil, acetylene tanks and other contractor supplies, and gasoline, all of which are flammable and a danger. Safety-oriented communities will prohibit the storage of these items through their condo rules and incorporate these spaces into their inspection program.

During a monthly fire inspection walk through, it is important to include the locker and storage areas.

Residents that use the area or their private locker to store garbage and unwanted items should be identified and dealt with.

### Annual Communication

Consider an annual communication reminding residents to ensure their lockers are safe by reminding them of items not permitted. This would be a good time to remind them not to store food or other perishable items, and to keep items elevated at least four inches to avoid damage by rodents or flooding.

### Underground Parking Garages in Townhouse Communities

Underground parking garages in townhouse communities present unique challenges. Residents often have direct access from their unit to the parking garage, and may be using the wall adjoining their unit in an improper manner. They may be storing BBQ's, propane or other fuel cans, furniture, camping equipment, workbenches or toolboxes along this wall. Electrical outlets may be modified or extension cords run from them. Shelving may have been installed. These are all modifications made by the resident or unit owner, without permission and in contravention of the Ontario Fire Code.

The Ontario Fire Code has provisions to ensure that a fire occurring in a fire-separated room is more likely to be addressed before spreading throughout a building. Within the room, building management can take measures to ensure individual residents don't store items that pose a risk to others.

## PILLARS OF INDOOR AIR QUALITY



Most days are spent inside our home and office. Without good indoor air quality we are more susceptible to illness, allergies and fatigue. We require a proper combination of fresh and recirculated air running through building systems and filters to remove contaminants that include carbon monoxide, tobacco smoke, perfume, dust, fibreglass, vapours and microbial contaminants.

The most important equipment for improving air quality is that which delivers fresh air and removes stale air from inside the building. In areas subject to poor air quality, smog or wildfires, increasing the delivery of fresh air to a building may not be the best approach. Humidity is considered ideal when it is between 40 and 60 percent, and is controlled by “conditioning” fresh air as it enters a building.

We optimize indoor air quality (IAQ) to create a healthy living environment. It helps us prevent contagious diseases and other problems affected by poor indoor air quality.

Obtaining good air quality requires that attention be paid to ventilation, filtration, purification, humidification and dehumidification.

**Ventilation** prevents air from getting stale and allowing pollutants to remain in your building and home. **Filtration** is the capture of contaminants so they don't re-enter our living spaces. HVAC systems use filters to capture particles so they don't re-enter areas where people reside or congregate. **Purification** is the removal of particles hazardous to health. **Humidity** needs to be controlled. Too much becomes a breeding ground for viruses, biological growth and causes damage to building materials. Too little humidity causes health problems and also serves as a breeding ground for viruses.

### Pillars of Indoor Air Quality

#### Ventilation

- Prevents air from getting stale and allowing pollutants to persist

#### Filtration

- Capture of contaminants so they don't re-enter our living spaces

#### Purification

- Removal of particles that are hazardous to health

#### Humidity

- Too much and too little are problematic

Air is purified as it recirculates through return air vents including those in fan coil systems. UV-C lighting is playing a larger role in purification by inactivating small organisms in the air which reduces the likelihood of people breathing in air containing some pollutants, viruses and bacteria. High-efficiency filters such as those designated MERV 13 remove more of the smaller organisms as air is recirculated.

Indoor air quality and HVAC systems require regular inspection and maintenance to ensure they continue operating effectively. Adjustments may be necessary to account for changing and seasonal weather conditions. Tools are available for measuring, monitoring and improving air quality. When air quality concerns arise, companies specializing in HVAC and indoor air quality systems are available to assist.





# RESERVE FUND PSYCHOLOGY

There is a mindset toward reserve fund planning at the root of how many condominium communities operate which has led to the shortfalls these communities struggle to address.


The reality is that many reserve funds are chronically underfunded, have insufficient funds to pay for what is needed, and condo boards expend great effort to hide these problems. Many condo directors may not even be aware that problems exist.

Condo owners and tenants love their home which explains why so many willingly choose this living environment. At the same time, they prefer to pay less to maintain the home thinking they will eventually leave and others will deal with funding deficiencies at that time. In

short, too few are concerned about the long-term health of their condo buildings and this includes those elected as directors to serve on the condo board and maintain this long-term health. They are in no rush to increase the amount of money directed to the reserve fund, to raise condo fees for this purpose, or to pay for building repairs and improvements.


“The Condominium Act partially compensates for

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## ELECTRIC VEHICLE CHARGING STRATEGIES FOR HIGH-RISE COMMUNITIES



Condominium communities have had to surmount numerous challenges when adapting their existing systems to incorporate electric

vehicle charging systems (EVCSs) that are cost-effective, equitable and don't disrupt other electrical needs in their buildings.

It is clear that a single approach does not work for all communities. Some choose to provide service to those residents currently desiring these systems. Others want a solution that will address the future

needs of all residents. Decisions made by a condominium corporation can affect all residents regardless of their need or desire for an electric vehicle charging system.

### Basic Approach

An electrical contractor determines the electrical capacity of the building and its ability to service an electric vehicle charging system. They deliver a report advising on how many EVCSs can be supported. This number is usually lower than desired meaning that the building does not have available capacity to provide EVCS service to all units. A condo board would then have to decide if

**CONTINUED PAGE 14 ....**

### RESERVE FUND PSYCHOLOGY... CONTINUED FROM PAGE 12

this by requiring reserve fund studies to be conducted regularly and establishes a minimum contribution level for the reserve fund" explains Jeremy Nixon, P. Eng., BSSO of [Brown & Beattie Ltd.](#) The unfortunate reality is that these minimum standards are inadequate and there is no effective enforcement. The result is that too many condominium corporations remain focused on keeping condo fees low and prefer not to upset owners.

The consequence of this is that too many condominium corporations run out of money and are forced to obtain it with dramatic increases in

condo fees, special assessments and borrowing money. Nobody is saving money, lifestyles and living conditions are degraded, and most are spending more than would be necessary with a proper mindset. While all this is occurring, necessary repairs and maintenance is not getting done with some communities dealing with safety issues and others with health concerns.

Doing better requires a change in reserve fund psychology by owners, particularly condo directors, and legislative changes requiring better funding to preserve our homes.

**ELECTRIC VEHICLE CHARGING STRATEGIES FOR HIGH-RISE COMMUNITIES... CONTINUED FROM PAGE 13**

unit owners can install individually owned EVCSs. This leads to concerns about fairness and equity. If some type of building system upgrade is necessary, would this be paid by owners allowed to install a personal EVCS or the corporation, and who would "own" this upgrade?

**Common Element Approach**



EVCSs may be installed for general use, paid for and owned by the condominium corporation. Availability is on a "first come, first serve" basis. Payment for electricity

may be by credit card or another method. This approach is less convenient for residents while treating everyone equally. Problems can arise when demand for these charging systems exceed available capacity. Conflicts can arise when a fully charged vehicle is not moved so that another resident can use the charging system. As demand increases for charging systems, it may be necessary to increase overall electrical capacity for the building.

This approach is less popular due to its limitations.

**Smart System Approach**

Technologies have been developed to operate within a building's existing electrical capabilities while providing electric vehicle charging to a larger group of owners at their personal parking space. These systems work by sharing available electrical capacity with all electric vehicles connected to the system at the time. Power delivered to vehicle charging systems is automatically adjusted as a proportion of total system capacity to ensure all

other electrical needs continue to be supported. Perhaps an



installed system is capable of providing full charging capacity for 15 electric vehicles at each vehicle's fastest rate. At some point 30 electric vehicles may be connected to the system. Once the 16th vehicle is connected, the smart charging system will reduce the power to each vehicle while ensuring all other building needs are met. All vehicles will charge more slowly. As vehicles get fully charged, power to other vehicles is gradually increased. At no time does electricity being delivered to electric vehicles exceed the full charging capacity of 15 vehicles.

This smart system approach recognizes that full and fastest charging is not necessary most of the time or by all vehicles.

Technologies are emerging that offer more efficient ways to deliver electricity to electric vehicles without compromising electricity needed for other building requirements. As these technologies evolve, it should be easier for high-rise communities to deliver electric vehicle charging systems to their residents.





## MULTIGENERATIONAL CONDO LIVING



Multigenerational living poses unique challenges to high-rise buildings housing more residents, using more utilities and disposing of more waste than they were built to handle. Elevators and exercise rooms are more congested with more people trying to access limited space.

More young adults living with their parents, and older parents living with their children, while being necessary for many families, is a problem for high-rise condominium and rental communities.

Half of adults ages 18 to 29 were living with one or both of their parents in July 2022 according to the Pew Research Center. In 2000, 38 percent of young adults lived at home. Multigenerational families represented 14 percent of home buyers in 2022 according to the National Association of Realtors.

Multigenerational living is more than young adults living with their parents. Middle-aged parents are choosing to share space with their parents because the cost of living on their own is so high. It just makes sense for older parents and younger children to share the cost of accommodation. The greatest challenge is when adults, their aging parents requiring assistance, and children wanting to save money need to share the same space.

Aging parents moving in with their children is more economical and practical than a nursing or retirement home. With everyone sharing in paying all living costs, a home becomes easier

to maintain.

Multigenerational living, beneficial to the families involved, can cause insurmountable problems in a high-rise community. Exceeding the allowable unit limits puts greater strain on all shared expenses and common areas. More people in a unit create more noise. More waste needs to be disposed of. Elevators are more congested and there are longer delays to obtain one. There is greater use of all common areas causing more wear and requiring more maintenance. Units with more people make heavier use of all utilities paid for by common fees.

Societal trends may someday require communities to facilitate multigenerational living despite restrictions in a corporation's governing documents.

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## REVERSE MORTGAGES A LAST RESORT



Interest in reverse mortgages has exploded.

As more condo owners enter their retirement years, many have insufficient financial resources to pay their mortgage, condo fees, taxes and living expenses. They have tied up

most of their assets in their home and don't have enough to cover living expenses.

A reverse mortgage can seem appealing although relying on one can put your home at risk.

A reverse mortgage allows you to borrow against the equity in your home while continuing to live there. Unlike a traditional mortgage, it does not require you to make mortgage payments. You can use the money in any way that you want, and don't have to pay back the loan or any of the interest until you sell the home or pass away. You never owe more than your home's value at the time the loan is repaid.

This sounds too good to be true.

Set up fees and interest rates are high. There can be a financial penalty if you pass away "too soon" after establishing a reverse mortgage. Interest accumulates each year so you end up owing interest on interest. The maximum value of a reverse mortgage is much less than the current value of your home. After 12 to 15 years, this debt can exceed the value of your home.

Consider alternatives before obtaining a reverse mortgage:

- A Home Equity Line of Credit (HELOC) costs less if you can pass an income stress test.
- Accept what is inevitable by downsizing and purchasing a lower cost home. This is a driver in demand for smaller and larger condominiums that offer a superior lifestyle with amenities, lower costs, fewer repair and maintenance obligations, and a home better designed for aging or physical difficulties.
- Try to rent out part of your home to prevent or reduce debt.
- Sell your home, rent and invest. Funds can be used to improve your lifestyle rather than struggle while trying to retain your home.

Reverse mortgages may be practical if you are unconcerned about having assets, and no desire to leave anything to friends or family, after passing on.

Most retiring Canadians have over 60 percent of their net worth invested in their home. For many this means insufficient cash to pay their living expenses. Bringing this down to 30 percent reduces the risk of running out of money in retirement.



## ENERGY EFFICIENCY TIPS



How did your home feel on the coldest of winter days when there was frost on the windows and cold air penetrating through the glass? This is when you learn where and how your building consumes the most energy. There are hints to be found about how to reduce energy consumption and costs.

Inadequate insulation in the roof will be felt most by those living on the top floor of a building. For outer walls, inadequate insulation can make it harder to maintain a comfortable temperature throughout the building.

Windows - Energy-efficient windows help reduce excessive heat in the summer and heat loss in the winter. Double-pane or triple-pane windows with low-emissivity coatings help regulate inside temperatures while reducing the effects of ultraviolet rays on floors and interior finishes.

Heating, Cooling and Lighting - LED (light emitting diode) bulbs are more efficient and longer lasting than incandescent bulbs. They also use less energy.

Programmable thermostats are more efficient when used to control temperature in a space when it is both used and unused. Motion activated thermostats will automatically adjust when people enter a room.

Energy-efficient appliances will reduce energy consumption.

HVAC and Fan Coil Systems - Replacing older HVAC equipment with a newer system will reduce

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**ENERGY EFFICIENCY TIPS**  
... CONTINUED FROM PAGE 17

energy consumption while making your home more comfortable in winter and summer.

Ensure your building has adequate ventilation to improve indoor air quality, reduce illnesses and allergens, and lessen the workload of your HVAC system. Bathroom and kitchen exhaust fans that detect humidity build-up and automatically turn on when needed minimize energy use and interior moisture damage.

Conduct regular maintenance of your building's systems to ensure they keep running efficiently. This includes cleaning air ducts and replacing filters.

Water Conservation - Conserve water by installing low-flow showerheads, faucets and toilets.

Roof - A cool reflective roof covering will reflect solar energy rather than absorb it and requiring your HVAC system to work harder. Solar panels generate renewable energy and reduce electricity costs.



It wasn't that long ago when we anticipated a wave of home sales as baby boomers got older. As they became empty-nesters there was an expectation most would sell their large family home and move into a smaller and modern condo located closer to entertainment, activities and services of interest to them. Some called this downsizing although it is more accurately an upgrade better described as right-sizing as they move to a more suitably-sized space complete with luxurious features and amenities. These people no longer have a need for large living rooms or extra bedrooms.

This would have created a huge inventory of homes for sale causing many sellers to lower selling prices. This isn't happening.

People are living longer, are healthier than earlier generations, and becoming empty-nesters later in life. For some, home prices are too high to financially justify right-sizing. They are choosing to remain in their family home as they age which can be frustrating to those hoping for a future of more homes for sale and lower prices.

**LOWDOWN ON  
DOWNSIZING**

Some are choosing to increase home equity lines of credit to renovate, and maybe add secondary units to their property for multigenerational housing or rental accommodation.

This has created a mismatch in the supply and demand for housing. Many homes with three or four bedrooms and larger condominium units only have one person living there and choosing not to right-size. There is a shortage of larger homes for younger families causing overcrowding as they are forced to live in smaller spaces.

This mismatch in housing is likely to peak in a couple of years as the number of baby boomers who are over 65 peaks, begins to shrink and the inventory of homes for sale begins to rise. This is expected to gradually decrease upward pressure on home prices.



## GETTING ALONG



People in general seem more bitter and cruel, more vicious in their complaints which can be broadcast quickly and widespread. For this we can thank the internet and the anonymity of social media.

Condominium communities are not immune.

Some unit owners felt their board was not doing a good job of managing their community. A few decided to create a Google or Facebook group, and send comments to nearly 500 residents in the building. These communications included statements stating that board members should not “harass, threaten or attempt any means to control” residents. Also, that the board was “no longer functioning to benefit the owners but to...squeeze extra income from us.” Another communication advised that the condo had “reached a serious moment of crisis which, if not addressed immediately, will have grave consequences” for all owners. One e-mail identified actions board members should not take that include accepting gifts from owners, residents, contractors or suppliers, or spending corporation funds for their own benefit.

The board was not directly accused of improper actions or behaviour but the tone suggested they were guilty. Other e-mails asked why the board was ignoring the condo’s bylaws and whether there was enough misconduct to warrant “removal for cause.”

Making accusations that are libelous, made with vicious intent and reckless disregard for the truth can lead to a board taking legal action claiming

defamation. They could also be considered rhetorical hyperbole that can’t be proven true or false. Owners feel one way. The board thinks differently.

This scenario plays out in various forms when there is poor communication. The board chooses not to communicate effectively or at all with owners. They don’t make use of newsletters or electronic notices that satisfy owners’ need for information about their home. They choose not to have meetings where concerns can be discussed or explained.

Better and truthful communication keep owners informed of what occurs in their community and board decisions. It helps reduce the impact of a few owners who have invalid complaints. And it reduces the likelihood of expensive litigation or submissions to the Condominium Authority Tribunal.





# SELLING YOUR CONDO

## Staging

What makes your condo appealing to a buyer. Is it the layout, lighting or space? Building amenities? Price is certainly an

important consideration.

Perhaps it is something less tangible. This is a place they want to be a part of.

There is always an intangible component. Someone sees the space and just loves it. Your goal is to capitalize on this to maximize the final sales price of your property.

Real estate agents recommend you do so by staging the unit. That is, giving it a makeover to make it feel like home for a prospective buyer.

What you want to do is make your home feel like their home when they walk through it. Part of staging requires that your home be depersonalized. Have it deep cleaned and tidied up. Remove

anything that personalizes the home including photographs, refrigerator magnets, children's artwork and trophies. Unclutter the space by removing shoes, boots and coats. Clear tabletops and surfaces. Eliminate harsh fluorescent lighting without making spaces look dark. This makes it easier for a prospective buyer to visualize themselves living in the space.

The ideal staging is a vacant, freshly renovated and newly-painted unit with tasteful and nondescript rental furnishings. This may be prohibitive and most continue to live in their home until sold. At a minimum consider a complete cleaning, fresh paint in a neutral colour, decluttering, some flowers or artificial plants, depersonalization, improved lighting, and some artwork. Rugs and wall art can grab potential buyers' attention and create more appealing images for listings.

Staged properties can sell more quickly and are more likely to sell over asking price.



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## LOOKING FOR A SECURE HOME



In the event of nuclear war, major civil unrest or extinction-level event, some want a way to protect themselves and their families. With tensions in Ukraine and elsewhere on the rise, some seek to build or purchase their own underground bunker, safe room or storm shelter.

For those wanting luxury condo living while avoiding the outside world, the [Survival Condo is a luxury condo complex built in a former underground Kansas missile silo](#) designed to survive the apocalypse. Accommodations start at \$1,500,000 for a 900 square foot luxury bunker. The complex is designed to support 75 people for up to five years.

Built to survive a nuclear strike, entry is through blast resistant doors. The complex is able to withstand wind of more than 800 kilometers per hour thanks to an outer structure and nine feet thick outer walls. Utilities include electricity supplied through the electrical grid, wind turbines and generator plus a water supply source. Amenities include indoor swimming pool with waterslide; library, bar and lounge; underground dog park for pets; rock climbing wall, exercise room and theatre. A hydroponics garden provides fresh produce.

Suites include a five-year supply of freeze-dried and dehydrated food. They come with furnishings and automation system that includes security cameras, intercom system, satellite TV, weather station and internet. Other amenities include five years' supply of toilet paper, sick bay with doctor in residence, jail cell, armoury and sniper post. Should a catastrophe

occur, a SWAT-team-style truck will pick up any owner within 400 miles.

For those who don't want to live in a high-rise building, a bunker providing shelter for six to eight people can be built for under \$300,000 that includes beds, bathroom with shower, cooking area, lighting and an emergency escape route, plus storage space for food and weapons. Many of the buyers of these facilities are millionaires who want a fortified home or underground shelter. These homes are designed for protecting assets and individuals from a terrorist attack.

For those looking to purchase an existing reinforced home, a 2,400 square-foot home in Northern Massachusetts includes four bedrooms, three baths, two-car garage, and a wooded 1.88-acre lot plus a disaster-proof, 7,200-square-foot underground bunker complete with reinforced concrete walls and climate control. It was listed for \$850,000 and sold in three months. The property was built by the Army Corps of Engineers in the 1950s during the cold war for banks to store their records off-site as protection against the fallout from a nuclear attack.

One company builds custom and unique doors that lead to hidden rooms such as wine cellars, movie theatres and playrooms. During the pandemic, they expanded to building camouflaged secret doors costing about \$1,000 and secure doors resistant to forced entry that are bulletproof at a cost that can be as much as \$30,000.



# THE TENANT-OWNER-CONDO CORPORATION RELATIONSHIP

Some tenants fit right into a community. They are respectful and live peacefully without conflict. Others are the opposite. Condominium managers can receive complaints, requests and questions from tenants that should be directed to the landlord. Tenants may be unaware of their responsibilities versus their landlord and the corporation. Landlords failing to provide adequate information to and oversight over their tenants are a drain on corporation resources.

Recently released data shows that 42 percent of all condominium properties purchased since 2016 are investor-owned. With many corporations experiencing a rise in tenant-occupied units, the relationship between tenants, owners and the corporation is likely to require more attention from management.

Condominium corporations should be encouraging tenants to care as much as owners who have an invested interest in the property. This makes it more likely that tenants will reach out to management about corporation-directed issues rather than doing as they please. When tenant problems arise, management should be getting the owner-landlord involved as quickly as possible to ensure all parties are on the same page.

## Tenant Welcome Package

A **New Owner Welcome Package** is frequently provided to new owners. This helps them gain knowledge about their new home and provides all

forms that may be necessary for those who have recently moved in.

A **New Tenant Welcome Package** that landlords are required to provide to their tenants is equally important. It ensures landlords provide consistent information to all tenants, and ensures tenants are provided with the knowledge they require to “fit in” with the community.

## The Basics

Unit owners should clearly understand they are responsible for ensuring their tenants comply with the corporation’s governing documents, and that any communications from tenants should be directed to them rather than the management office. Corporations should facilitate this understanding by always addressing tenant concerns directly with the unit owner, and in writing in case an owner fails to address a situation that leads to enforcement or legal action.

Interior unit repairs and maintenance or service requests must be made by owners to the corporation. Unit owners are responsible for any unapproved alterations made by tenants. Tenants can attend owner meetings, but only if in possession of a signed proxy by the owner to the tenant for the particular meeting.

## Know who Resides in the Building

Condominium corporations are obligated to

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## THE TENANT-OWNER-CONDO CORPORATION RELATIONSHIP... CONTINUED FROM PAGE 22

maintain records of leases. This information is reported on the status certificate and other documents provided to owners in the form of how many units are leased. They should be aware of who is entering the building and what activities are occurring. Tenants are provided with the corporation's declaration, by-laws and rules so are aware of what is not permitted.

Owners are required to notify their corporation within 10 days of entering into, renewing or terminating a lease. This notice must include their own address, the renter's name and a copy of the lease. The lease must be provided to the tenant along with a copy of the declaration, by-laws and corporation's rules.

Corporations are required to report how many units are leased on the status certificate and specific documents provided to owners.

Should infractions occur, tenant contact information is available to management, the corporation and lawyer for direct communications.

Some director positions are restricted to an owner-occupant. Proper records help reduce the likelihood of a director being elected, then disqualified and their vacant position creating a board without quorum.

### The Newsletter

A monthly or quarterly newsletter and other communications are the best way to ensure a good tenant-owner-corporation relationship. Failure to communicate with everyone, or specifically excluding tenants from communications, encourages a divide between owners and tenants. Tenants become isolated from the community so act without awareness of what is proper or how

their actions are perceived. Owners become of the impression that tenants are undesirable and a burden to their community.

### Insurance Requirements

The condominium corporation maintains insurance for common areas of the building. There will be a standard unit description, and possibly standard unit bylaw, providing limits to this coverage. The cost of insurance will increase when there is a high ratio of rentals to owner-occupied units. Some insurance companies will not provide a policy if this ratio exceeds 50 percent.

A unit owner should have insurance coverage for anything beyond the standard unit description and by-law including unit contents, living expenses for other accommodation if required to vacate the unit because of repairs or damage, corporation insurance deductible, and personal liability.

Some unit owner coverage transfers to a tenant. The tenant is responsible for living expenses should they be forced to vacate because of repairs or damage, their personal contents and liability for what occurs in the unit.

Tenants should be required to show proof of insurance. Tenant insurance protects the unit owner and condominium corporation from being financially responsible for damages and loss occurring while a tenant resides in the unit.

The tenant-owner-condo corporation relationship can be easy to manage when all parties understand their obligations.







## RESERVE FUND ASSUMPTIONS

I am a big fan of your publication.

Our condo recently completed a Class 2 Reserve Fund Study (RFS) and I am concerned about the assumptions used by the engineers. The inflation assumption was 2.0%, which is below the general rate of inflation, and the interest rate assumption was 2.5%. Over the past ten years the inflation rate (per Stats Canada – Greater Toronto Area) for the construction industry sector has never been below the Bank of Canada interest rates.

Is there any independent third party publishing monthly, if not quarterly, the recommended interest and inflation rates to be used in the RFS?

This topic would be worthy of an article to highlight inconsistencies within the industry and the risk reserve funds will continue to be underfunded.

J. G.

### Response from Toronto Condo News

Thank you for your kind comments.

You are right to be concerned, and your information about inflation is correct. An incorrectly assumed rate of inflation and/or rate of return on invested monies can significantly impact on your reserve fund. This is so important a topic that we have written about it on multiple occasions. [Reserve Fund Studies can be Wrong 18 out of 25 Times](#) discusses the extent to which reserve fund studies are found to be wrong.

The condo board can work with the engineering firm conducting their reserve fund study to ensure they utilize more realistic estimates of cost increases (inflation) and rates of return. This is one of many reasons that the condo board should be actively involved in preparation of reserve fund studies. It is best if one individual, preferably the Treasurer who should have a strong financial background, serves as lead during this process.

While there is nobody publishing recommended interest and inflation rates to be used in a reserve fund study, reasonable rates can be determined from public information. One source is the Construction Price Index which looks at costs relating to construction, renovations and building equipment.

Here are a few articles in the [Condo Archives](#) that address the impact of incorrectly presumed inflation rate, cost increases and rate of return.

- [Inflation in Condominium Communities](#)
- [Construction Costs and Condo Projects](#)
- [Impact of Inflation and Higher Interest Rates](#)

Relying on incorrectly presumed rates of inflation, cost increases and rates of return for investment funds are distortions that impact reserve fund balances and the reserve fund study. If not corrected, these can lead to financial shortfalls, unanticipated condo fee increases and special assessments.



## E-BIKE STORAGE

Management sent us a letter stating that we need to remove our e-bike from our unit and move it to the bike parking area due to being a fire hazard. It needs to be charged every night for four hours fully attended to prevent overcharging.

I would like to know more about condo rules and Fire Department Regulations governing this.

C. F.

### Response from Toronto Condo News

E-bikes in high-rise buildings remains a challenge for which there is currently no clear resolution.

The popularity and benefit of e-bikes is without question. Yet high-rise communities have no solution to the fire safety implications.

An e-bike battery presents safety concerns and is the cause of a growing number of fires in buildings. Too many people use substandard batteries, choose not to replace those that get damaged, and fail to charge them in a safe manner. In New York

City, the fire department now requires city landlords to post a safety warning to apartment dwellers about fires caused by e-bike batteries. They have published an emergency safety bulletin to help prevent these deadly blazes caused by electric or battery-operated bikes, scooters and hoverboards.

While there is no comparable information available for Toronto, it is reasonable to presume the same problems exist here.

There are no fire code regulations prohibiting the use of e-bikes in buildings, and condo boards have authority to implement rules restricting their transport – along with bicycles – in a building and relegating them to a bicycle storage or parking area.

Some New York City condominium communities are revising their rules to prohibit guests from bringing e-bikes, scooters or other mobility devices that use lithium-ion batteries onto the property. If one is brought onto the property and causes a fire, the owner is responsible for damages. It appears that your building is taking a less draconian approach to this issue.

See [E-bike Battery Fire Risk](#) in the [Condo Archives](#).

While I realize this does not offer you a practical solution, I hope it does provide a better understanding of the issue.

Best of luck.





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