

NADLAN-HARRIS PROPERTY MANAGEMENT INC. WINTER, 2019 NEWSLETTER

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Message from the President

Dear Board of Directors,

The Winter is officially here. Let's enjoy it with positive vibrations, family fun, and outdoor activities such as skiing and skating. Our team at Nadlan-Harris Property Management Inc. thanks you for allowing us to continue to serve you for yet another season.

In this issue of the Winter newsletter, you will find articles related to Condominium living. Please take the time to read it while you are enjoying the winter weather.

Sincerely,

Liron Daniels
President
R.C.M., P.P.L., B.E.S.

Company News

*We encourage all residents to log into your community website and use the fantastic features, as it is a great means of connecting with the community. **NEW features such as mobile access and consent to receive electronic communication have been implemented.** The platform will allow Nadlan-Harris Property Management Inc. to facilitate better communication, increase efficiency and allow residents an opportunity to provide their valued feedback. We look forward to connecting with you.*

Short Term Rentals – City of Toronto Zoning By-Laws Upheld¹

A Blockbuster Decision was released today by the Local Planning Appeal Tribunal (the “**Tribunal**”) with respect to short term rentals. What does this mean: in Toronto, short term rentals (any rental less than 28 consecutive days) are only permitted in a person’s principal residence. The principal residence can be rented whether a person is present or away from the unit.

Background

The City of Toronto introduced zoning by-laws in December 2017 proposed to permit and regulate short term rentals. Those by-laws were appealed, delaying the by-laws from coming into force.

The Tribunal has now dismissed the appeal, in what we expect to be a widely celebrated success for many condo corporations struggling with short term rentals.

The 40-page decision discusses a number of interesting issues and the Tribunal’s reasons behind its decision to dismiss the appeal. The Tribunal found that the zoning by-laws “support the provincial and city policies related to housing. They maintain the integrity and stability of residential areas as neighborhoods of residents and protect those areas from the intrusion of commercial-type accommodations that, if allowed to proliferate, would change the composition and character of the neighborhood.” The principal residence requirement keeps the use residential, as opposed to more commercial in nature.

There is no shortage of concerns surrounding short term rentals in condos, from nuisance, to excessive wear and tear, to safety, and to the fabric of the community.

“...the intensity of use arising from a successful, dedicated STR, with its business intention of regular turnover of STR [short term rental] customers, even if just one dwelling, operates as and exhibits a commercial use of land that changes the character of a neighborhood. The short, temporary stay of the occupants, repeated day after day year-round results in a land use that is not residential as intended by the policy framework...”

This is great news for condo corporations struggling with short term rentals – even those with explicit permissions in the declaration permitting short term rentals.

The City of Toronto had previously approved regulations for short term rentals. These regulations are now expected to come into effect. With the zoning by-laws and the City’s new regulations in force, condo corporations will have even more tools – and some outside assistance in the form of by-law enforcement – to address short term rentals.

The Tribunal did not address whether a particular property may be shielded from the zoning by-laws as a “legal non-conforming use” (i.e. an existing use that is permitted to continue despite the new zoning by-law). This, the Tribunal said, is a matter for another forum.

More information about the implications of the zoning by-laws and steps a condo corporation should be taking to deal with short term rentals will be covered in upcoming posts.

¹ Lash/Condo Law, November 2019

Ensure Trouble Free Operations for Your Drain Pan for your Fan Coil and Thermostat²

There are 3 key issues around effective fan coil maintenance to ensure that your systems are running well and continue to run, and hopefully do not create any flooding issues.

1) **Inspect and test the drain pan.** The pan must be visually inspected for corrosion, then vacuum cleaned out, then the drain is thoroughly tested for water flow from the pan to the exit of the drain hose using a large quantity of water to ensure that the bottom of the line is not plugged. All plugged drain lines are then unblocked.

There are other options available to help fight floods such as an inexpensive drain filter, a D Link wireless sensor alert, or potentially epoxy seal the drain pan to stop flaking and breakoffs of material.

2) **The thermostat must be cycled on and off** to both heating and cooling. If the thermostat operates correctly this test will also allow for the testing of the three-way valve and actuator as they are the physical components of the thermostat. This simple test is all that is required to ensure the correct operations of the systems.

3) **Record and photograph** all fan coils serviced along with specific reports to homeowners and property management on all deficiencies. All work must have a paper and photo trail to ensure quality and that follow up is done to exacting standards.

These 3 simple steps will maintain your systems to the highest standards.

Important Deadlines for Condominium Unit Owners to Continue to Receive the New Ontario Electricity Rebate³

As of November 1, 2019, the Government of Ontario commenced a new Ontario Electricity Rebate in order to improve transparency and accountability within the energy sector. The new rebate will appear on hydro bills as a single line item, which will replace the former 8% rebate and rate reduction that was built into the price of electricity.

At this time, the provincial government is working to identify multi-unit complexes (such as condominiums) who previously received the former rebate to ensure that the new rebate program is administered fairly. While the government collects data to ensure this is occurring, condominiums are being asked to take the following steps:

1. Condominiums that use over 250,000 kilowatt-hours per year and whose demand is over 50 kilowatts are required to provide notice to their local distribution company by **January 31, 2020** in order to receive the new rebate beyond **February 1, 2020**; and
2. Condominiums that have fewer than 50% residential units are required to report to their local distribution company in order to receive an extension for a continuation in receiving the new rebate until **November 1, 2020**.

For more information about the new Ontario Electricity Rebate, please visit see [here](#).

Stay tuned to [Condo Law News](#) to keep up to date on the latest developments in condominium law.

² ClinicAir, Air Quality Specialists, October 2019

³ Davidson Condo Law, November 2019

Use of the P.O.P by The Condo Corporation⁴

As city's urban landscape grows rapidly, there are large demands on creating open spaces, parks, and playgrounds. City often encourage private developers to include "P.O.P" short for Private Owned Publicly Accessible Spaces in their application processing. Part of the agreement is to design the space that is welcoming for the public and accessible for them to use. To make the area more inviting for the public, the builder can accommodate greenery, seating area, and play area for kids, and exclude the use of fence, walls or blocks to block access and discourage people.

When P.O.P forms within Condominium corporation, the corporation will be responsible to maintain, and repair common elements even though the area is accessible to public. This will increase costs for condo corporation. In addition, by law the corporation must take proper measures to ensure persons who enter the area are reasonable safe. Which means the Condo Corporation is more exposed to personal injury lawsuit claims. All condominium corporations must obtain occupier's liability insurance which will include coverage for any P.O.P; However, in some cases, due to the potential exposure to liability claims the premium will cost more. Moreover, the corporation must observe the cost of installation of signs that is adopted by City of Toronto to identify this area as private owned.

With all the additional responsibility P.O.P adds on to the corporation, please keep in mind the importance of its role in the community and the need for open space in the City where land become increasingly limited and expensive. So, if you are an owner or a perspective purchaser of the unite in a condominium that has P.O.P on its property please take time to understand the implication that the POPS has on your investment.

Affordability of Condo Corporation Insurance a Growing Crisis⁵

A growing number of condo corporations are struggling to get reasonable insurance coverage, says Toronto condominium lawyer [Armand Conant](#).

"It's a mammoth problem," says Conant, a partner with [Shibley Righton LLP](#). "In light of the number of claims being made by condo corporations, insurers appear to want to get out of the industry."

Since its inception, Ontario's *Condominium Act* has required a condo corporation to "obtain and maintain insurance on its own behalf and on behalf of the owners, for damage to the units and common elements that is caused by major perils" or other circumstances identified in the corporation's declaration and bylaws.

According to the Act, those major perils include fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil commotion, impact by aircraft or vehicles, vandalism, or malicious acts.

Although the legislation makes no mention of the availability of coverage, it does specify that the coverage level must be high enough to meet the replacement cost of damaged property.

"Since the 1960s, condos have been able to obtain insurance. If they've had frequent claims, then their premiums and deductibles usually go up," Conant tells [AdvocateDaily.com](#).

But in the last two years, he says industry watchers have noticed a large spike in premiums and deductibles, leading to the suspicion that insurers are trying to get out of the business.

⁴ ACMO News, 2019

⁵ AdvocateDaily.com, Armand Conant

One of his clients was forced to make three substantial claims following flood damage, two of which the condo board believes resulted from faulty construction by the developer.

While the claims went smoothly, the insurer informed the corporation that it would not renew its coverage when the policy expired.

“They were scrambling around, trying to find insurance,” Conant says, explaining that the board only managed to obtain new coverage in the nick of time through its broker by cobbling together a consortium of insurers prepared to take on the risk of further claims.

“It got down to the last day before the existing policy was to expire, and it was only possible through the work of many people,” he says.

But the board’s relief at getting some coverage in place was tempered by the terms of the deal, which saw their deductible for flood damage jump to \$500,000, while the deductible for all other claims rose to \$350,000. In addition, the corporation’s annual premium more than tripled from \$65,000 to roughly \$225,000.

“Outside of a catastrophic event, they’re essentially paying \$225,000 for the privilege of not being insured because almost all of the claims will come in under the deductible,” Conant says.

And this client is not alone, he says, adding that he’s heard of one corporation that has a \$1-million deductible.

“We’ve seen case after case like this, and we believe it is on the rise. In addition, we are aware of at least three or four condo corporations who cannot get insurance at any price, at any deductible, which means the owners are left with no insurance on their building,” Conant says. “If they can get it, then the owner can’t buy adequate unit insurance to cover the corporation’s large

deductible, thus exposing themselves to liability and maybe, in the most extreme cases, even losing their home.

“It’s a hot topic in the industry.”

Conant says stakeholders, such as the Toronto chapter of the Canadian Condominium Institute (CCI), have approached the government to make it aware of the growing crisis, and are also offering assistance in trying to find solutions. He says the CCI is holding a symposium on the issue on Nov. 9 at the Delta Hotel Toronto. For more information, contact info@cci.ca.

Tarion to Add Condo Cancellation Warnings to Purchase Agreements⁶



Ontario homebuilder regulator Tarion is adding a new form to pre-construction condo purchase agreements that it says will help alert consumers to the risk that a project may never be completed.

But disappointed condo buyers say it won’t help deter developers from cancelling projects.

The document, which is filled out by the seller and signed by both the vendor and buyer, includes a number of warnings that Tarion says will help flag

⁶ The Star, October 23, 2019. By Tess Kalinowski.



the possibility that developers sometimes kill projects and refund deposits.

There is always a risk a project or a phase of a project can be delayed or cancelled and the new sheet highlights that up front, said a Tarion spokesperson.

The measure comes in the wake of a series of high-profile project cancellations, including two multi-tower developments — Liberty Development's Cosmos Condos and Gupta Group's Icona towers at the Vaughan Metropolitan Centre.

The buyers in those projects had their deposits returned, in some cases years later. But by then, real estate values had risen so the money would no longer buy the same kind of home.

Tarion, which administers Ontario's new home warranty program, has also added new search tools to its website to help consumers check builders' records.

But lawyer Ted Charney, who has acted on behalf of the Icona and Cosmos buyers, says the new measures don't do anything to enhance consumer protection because they don't prevent or deter builders from cancelling projects.

NADLAN-HARRIS PROPERTY MANAGEMENT INC. NEWS



Nadlan-Harris Property Management Inc. is happy to announce a recent addition to our portfolio.

We now proudly manage World on Yonge Condos located at 7161 and 7171 Yonge St, Thornhill, ON.

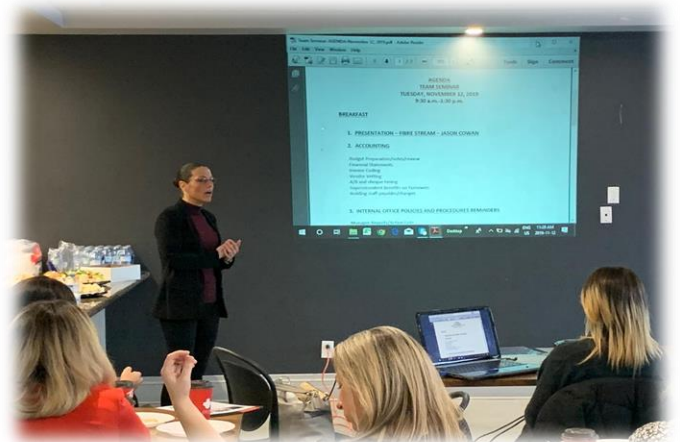
candyfactorylofts



**We are excited to celebrate our 20th anniversary managing
The Candy Factory Lofts.**

Nadlan-Harris Property Management Inc. Quarterly Team Seminar

Nadlan-Harris Property Management Inc held a team seminar on Tuesday, November 12th, 2019. The team would like to thank Jason Cowan from Fibre Stream for coming in as our guest speaker. The purpose of this seminar was about our Internal Office Policies and how we can be more efficient with our work in serving the buildings we manage.



Condominium

Residential

Commercial

Rental



Nadlan-Harris
Property Management Inc.

An ACMO 2000 Company



We are a team of dedicated experts, specializing in professional property management of:

- High-Rise/Low-Rise Condominiums
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- Town Home Condominiums
- New Condominium Development Consulting
- Customized Community Websites
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