NADLAN-HARRIS PROPERTY MANAGEMENT INC. SUMMER, 2021 NEWSLETTER



www.nadland-harris.com 500 Champagne Drive, Toronto, ON M3J 2T9



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MESSAGE FROM THE PRESIDENT

Dear Board Members,

Summer has finally arrived. As the air gets warmer the days get longer, it's not only the seasons that change, we experience mental and physical shifts, as well. As things are slowly returning back to normal, we must always bear in mind to relish life, while following the government's guidelines.

We, at Nadlan-Harris are doing our best to keep our community safe. Your health and well-being are on our minds, as we're all dealing with this global emergency.

Please take the time to read our summer newsletter while enjoying this summery weather.

Stay Safe!

Sincerely,

Liron Daniels

President R.C.M., P.P.L., B.E.S, O.L.M.C.

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.

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SECOND YEAR IN THE PANDEMIC

Few in condominium management were prepared for the challenges of COVID. Condominium management revolves around specific tasks – building repairs and maintenance, vendor oversight and relations, responding to resident communications and problem resolution. COVID-19 is an invisible public health problem. Building residents are fearful of contracting COVID-19 yet no measures have proven effective.

In an urban high-rise environment, physical distancing is impossible in hallways, elevators and possibly amenities. Some residents want access to amenities, others desire complete closure. Mental and emotional stress about COVID among residents, employees and management has resulted in distress and short tempers.

There has been increased conflict between residents, management and boards. Condo management has never faced this type of crisis; a virus that many, perhaps most, fear.

The majority of issues relate to peoples' emotions. Stress has increased. Those with health problems are most concerned. Zoom calls with board members, employees and vendors were needed to keep everyone updated on procedures and policies, and how to interact with residents. Customer service and conflict de-escalation skills have taken on greater importance.

Condominium managers have been forced to manage the pandemic rather than their community. Procedures, construction and renovation projects, building access protocols, repairs, maintenance and countless other day-to-day activities are being handled differently. Building operations are not what they were.

Once things appear stable, new information is learned or government mandates change requiring all aspects of building operations, policies and procedures to be updated. Procedures are now necessary for updating procedures. Availability of vaccines will help deal with emotions and fear. This should allow building management to get back to traditional condominium management.

https://tocondonews.com/archives/condo-management-in-crisis-mode/

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PACKAGE DELIVERY BEING DOUBLED DURING THE PANDEMIC²

Package delivery has more than doubled during the pandemic. For condo operators, that's presenting obstacles, and opportunities.

The responsibilities of a concierge in a residential building are many, from security and administrative tasks to responding to emergencies. Yet ever since the onset of the pandemic, one task eclipses all others: package management. It all adds up to an avalanche of deliveries and an unexpected logistical nightmare for concierges and building management.

Sean Paramalingam works as a concierge at several residential buildings in the GTA and has watched parcel volume skyrocket over the past 15 months. At the 450-unit Epic on Triangle Park near Queen and Dufferin streets, Paramalingam went from receiving about 100 packages a day pre-pandemic to as many as 250 now. "That's a full-time job right there," says Paramalingam. "Few people realize just how much things have changed."

Lockdowns, stay-at-home orders and mandatory store closures have led to a colossal boom in package delivery. Pretty much anything you once bought in a store can now be delivered to your door, from exercise bikes to ice cream sandwiches.

According to *Statistics Canada*, retail e-commerce increased by 69 percent year over year in December 2020. It took Canada Post 67 days to deliver 1 million packages in 2017; in 2020, it delivered 1 million parcels per day for 187 days straight, including 2.4 million on December 21. FedEx added 5,000 new staff in Canada in the second half of 2020 alone. It all adds up to an avalanche of deliveries and an unexpected logistical nightmare for concierges and building management.

The most pressing issue has been staffing. In most buildings, couriers cannot directly access suites, so the concierge is the intermediary, accepting the package from the courier, logging it into the building's management software so the resident gets notified, or actually calling or emailing the resident directly. Then, when the resident comes to collect, they must retrieve the package and log it as received. It's a multi-step process that a single concierge is now often expected to repeat hundreds of times a day.

"We realized it was not sustainable," says Nadlan-Harris Property Management president Liron Daniels.

His company manages 11,000 units across the GTA. Daniels knew more staff was needed, but he also faces pressure from condo boards to keep maintenance fees low.

"A lot of board members asked us to come up with a zero-increase budget," says Daniels. Some of those boards, he says, are subsidizing additional staffing costs with condo surplus funds that are usually reserved for major renovations.

² https://nationalpost.com/life/homes/condos-lobbies-are-gettingburied-under-mountains-of-home-deliveries

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Storage is also an issue. How do you keep hundreds of daily deliveries safe and organized?

"Older buildings were not designed for this kind of capacity," Daniels says.

In buildings with small mailrooms and minimal storage, his team must find solutions where they can. In one building, the area under a staircase became a makeshift parcel storage zone, complete with fencing. In another, three-tiered shelving was added to the mailroom.

"The concierge would be behind a wall of boxes," says Shiplake Properties director of apartments Kurt Low. He oversees the management of five purpose-built Toronto rental high-rises ranging in size from 171 to 575 units. Low says that package volume had already been on the rise since around 2016 but doubled once the pandemic hit. For Shiplake, the solution was a smart-locker system called Snaile.

A courier drops the parcel in an appropriately sized locker and Snaile alerts the resident by sending a text or email along with a QR code. The resident brings that code to the lockers and scans it, and the locker pops open, dispensing the delivery.

When it comes to deciding how many lockers a particular building will need, he says a major factor is resident age. "A condo full of millennials is going to need more lockers than a condo full of boomers," says Armstrong. Security is also an ongoing concern. With multiple couriers coming in and out of the building every day, locker placement matters. According to Armstrong, the ideal location is just inside the building, before the locked doors, where couriers can easily access them, though in many towers, this space is too small.

NEW PROTECTIONS COMING FOR NEW HOME BUYERS AND OWNERS,

As part of the overhaul to the Ontario new home warranty and protection program, effective July 1, 2021, new protections are being introduced for buyers and new homeowners in Ontario.

The Ontario government will introduce a Code of Ethics regulation for builders and vendors of new homes which will require them to operate in a professional and financially responsible manner without intimidation or coercion. In addition, the regulation will establish a Discipline Committee to address complaints about a builder's or vendor's violation of the Code of Ethics.

Announced by Ross Romano, Minister of Government and Consumer Services, the new Code of Ethics – under the New Home Construction Licensing Act, 2017 – will require licensed builders and vendors of new homes to operate in a professional manner with honesty, integrity, financial responsibility, and without intimidation or coercion. It also provides the Home Construction Regulatory Authority with a new discipline committee and an appeals committee process to hold bad actors accountable.

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https://news.ontario.ca/en/release/1000395/ontario-strengthening-protections-for-buyers-and-owners-of-new-homes

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Enhancements are also being made to Tarion's dispute resolution and new home warranty and protection claims processes to:

Changes will also be made to Tarion's dispute resolution process which are aimed to

• support a simplified claims process that is easier for consumers

• improve transparency by requiring Tarion to provide claimants with expert opinions when it issues a warranty assessment report, and

• enable homeowners who dispute Tarion's assessment of their warranty claim to request that Tarion participate in mediation

CONDO FINANCES FEEL THE COVID EFFECT⁴

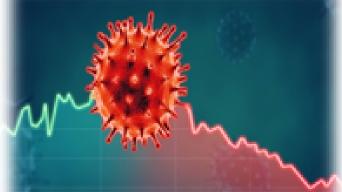
As one would imagine, the pandemic is affecting condo finances and causing corporations to spend a lot more money than they were expecting in various areas.

First and foremost, condominiums had to buy personal protective equipment for their common areas such as lobbies and security desks. Many condos purchased plexiglass barriers and other equipment to protect their employees, which are not considered major repairs or replacements.

Therefore, these items were not eligible to be charged to the reserve fund and had to be taken from the operating fund. This theme will repeat itself whereby many of these COVID-related costs which were unbudgeted will, in turn, cause negative variances in the operating expenses.

Condo boards also had to purchase significant amounts of cleaning supplies, especially hand sanitizer and dispensers, as well as other important disinfectants, to keep common areas clean and safe. Once again, as these were new items or cleaning supplies, they could not be taken from the reserve fund and subsequently inflated the operating expenses.

Water is absolutely the largest single negative consequence of this pandemic. Since many residents have stayed home to work over the last year, there has been a tremendous increase in water expenses. Hundreds of condominium clients revealed increases of anywhere from 10 per cent up to 40 per cent.



Cleaning contracts and concierge/security contracts have been causing financial pressure on condos. Many corporations have increased the duties of the cleaners and/or the security staff to ensure common areas are safe and sanitized. Given that these contracts are usually fixed monthly amounts in condo budgets, an increase in these services will have an immediate and negative impact on the year-end financial results.

The pandemic has altered an interesting and often overlooked item in the budget, which is not a cost at all, but a loss of revenue. Many condo corporations have guest suites and party rooms that are rented out. This provides a significant amount of revenues that are budgeted for and help offset some of the operating expenses each year.

⁴ https://www.reminetwork.com/articles/condo-finances-feel-the-covid-effect/

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The pandemic has not affected budgets of commercial condominiums to the same extent as residential. Some expenses have decreased due to employees working from home and the unfortunate closing of many businesses.

A lesson from such unexpected changes is to: put some money aside, whether that be into an operating fund or a contingency fund. If owners question this decision, just remind them of the above unexpected consequences of the COVID-19 pandemic.

Condo managers face pandemic burnout ⁵

This virus and the restrictions that accompany it bring mounting challenges. One industry member shares her personal account of the job during COVID.

Before the pandemic began, my life as a condo manager was invigorating—every day brings endless change. Yet it was also challenging.

This virus and the restrictions that accompany it bring more mounting challenges. To start, everyone is home. During the day, condo towers which may see 75% or more of their residents head off to work elsewhere are now brimming with residents who work remotely. All this time at home means more accidents on the premises, more irate neighbor disputes, more requests for non-essential maintenance and, generally, more of everything that a manager handle.

Now, there just never seems to be enough time in the day. A life-work balance escapes the diligent, despite best efforts and awareness of how essential that focus is.

Due to the pandemic, condos now need extra common area cleaning and wall-mounted hand sanitizer stations. Material costs for basic repairs and large projects have increased. Trades are harder to secure, so their labour and material-related costs are higher; they are charging more to stay afloat.

If condo managers are going to survive the rest of this pandemic, they must firmly hone their basic coping skills. Something helpful is to look at the work of Abraham Maslow, who identified a hierarchy of five needs that all humans innately require to feel fulfilled.

These needs, from bottom to top, are physiological, safety, belonging and love, self-esteem, and self-actualization.

• Seemingly **basic principles** like eating, drinking water, sleeping, and breathing are key, including exercise. Even just a quick five-minute walk is one of the most powerful ways to accomplish a sense of wellbeing.

5 https://www.reminetwork.com/articles/what-comes-after-burnout/

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• Feeling safe and secure might be as simple as ensuring you have a steady supply of personal protective equipment that you and your team require to work safely throughout the day. It is always a good idea to have supply on hand for periods of unavailability. Supply shortages can cause unnecessary stress that managers definitely do not need right now.

• Also important are **family and friends**. Take a few minutes to prioritize these relationships.

• Recognize achievements. There will be moments when simply getting through the day (and all the emails) is an achievement. Shift your thinking and celebrate your successes, no matter how small. If you work as part of a team, try being more intentional in your praise for one another. A little bit of acknowledgement goes a long way, especially now.

• Self-actualization refers to the idea that we can become the best versions of ourselves and reach our full potential. During COVID-19 we are all doing our best, so this may be a good time to make sure that your 'ideal you' is realistic.



CONDOS LAG ON FIRE CODE COMPLIANCE

Many residents across Ontario are living in condos with outdated fire safety plans. This might be of particular concern among an aging population. Part of these plans includes a list of persons requiring special assistance: names and locations of people whose health conditions or disabilities may impede the evacuation process. This should be refreshed regularly but isn't always the case.

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High-rise building systems are often too complicated for a manager to tackle all facets of fire code compliance alone.

o Updating the plan with a reputable fire code consultant who is in-the-know regarding code changes is key to avoiding liability and staying safe.

o Communicating fire code compliance to residents is critical and can be accomplished through the annual distribution of the resident emergency responsibility instructions and the assistance required forms.

Owners should obtain copies of fire safety policies that address how to respond to deficiency lists and emergencies. Managers should also reinforce fire code compliance with staff at regularly scheduled meetings and dedicate an ongoing section in the management report to keep the topic at the forefront of a community.

Do not just solve deficiencies. Prevent them.

Going beyond minimum standards, work to address a notice of violation, but also prevent them from recurring. Having processes in place ensures both safety and optics ahead of an inspection.

⁶ https://www.reminetwork.com/articles/condos-lag-fire-code-compliance/ 500 Champagne Drive, Tel: 416-915-9115 info@nadlan-harris.com Toronto, ON M3J 2T9 Fax: 416-915-9114 www.nadlan-harris.com To catch deficiencies ahead of time, two examples are to:

• create door logs (doors need to close and latch under their own power) and

• ask cleaning staff to check chute and stairwell doors as part of their routine, or HVAC staff and fire inspectors to check and log suite doors when visiting every year.

Also, a manager's annual plan should include checking the fire safety plan and other related items like inspections. Highlight all fire-related tasks and file a copy of that fire plan into the centralized recordkeeping system.

Knowing the equipment and gaining access

All board members and managers should know what type of life safety equipment is required by the Ontario fire code in suites and whose responsibility it is to have this checked and tested.

"Make sure you provide residents with a list of what's in their suites, either in your rules, regulations, declarations or their welcome package," said Farley. "Be clear what their fire safety requirements are and remind them at least annually."

Scheduled suite access can include checking a unit's fire safety equipment during a yearly inspection but approaching owners and renters about entering a unit for risk assessment can be tricky. Common concerns are suspected hoarding and balconies used for storage.

Selecting workstations for post-COVID re-entry ⁷

One invaluable lesson from COVID-19 is to seek out workplace solutions that meet multiple needs. Another is to make sure those solutions empower workers to work how they want in order to be most productive and happy.

Designing a workplace today is a balancing act. It must effectively account for social distancing requirements while also recognizing the need for interaction and collaboration.

Zoom and videoconferencing can keep teams connected and on-task. That said, nothing can replace the creativity, innovation, and organizational culture that springs from inperson interactions. Providing spaces that allow for that activity is inherently important.

Employers seeking to accommodate this new reality need to equip their staff with the appropriate workplace resources to support and optimize their work.



7 https://www.reminetwork.com/articles/selecting-workstations-post-covid/
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Condo declaration can limit uses of a unit⁸

A condominium's declaration can include restrictions on the uses that may be made of a unit. In residential developments, this usually takes the form of "single family use" to prevent short-term rentals. Commercial developments often use declarations to prohibit certain types of businesses, or to allow for only one of a specific type of business.

In a commercial condominium building, units can be leased for a higher rent if the tenants are confident that there will be no direct competition for their business in the same building.

Owners will therefore pay a premium for units that can enjoy a "monopoly" on certain uses within a particular development. This reassurance is often provided through restrictive use provisions in the condominium's declaration.

Restrictive uses attached to a particular unit can be created for anything from services to retail businesses. The restrictive uses should be clearly set out in the declaration itself to ensure they are enforceable

How the Stay-at-Home Order Impacts Condos

The government has issued a province-wide Stay-at-Home order requiring everyone to remain at home except for essential purposes, such as going to the grocery store or pharmacy, accessing health care services (including getting vaccinated), for outdoor exercise, or for work that cannot be done remotely.

While this will undoubtedly have an impact on condo dwellers, the impact on condo operations will be minimal as most of last week's condo-relevant Shutdown restrictions remain unchanged.

Many of you have asked whether non-essential maintenance/repair work in units and common elements can proceed. Regrettably, the province missed an opportunity to provide clear guidance. Still, for the reasons stated below, we are of the view that all non-essential maintenance/repair work should be postponed.

Shutdown Restrictions:

Masks are required in indoor common elements:

• There are nuances and exemptions but keep in mind that a court has clarified that those exempt from wearing a mask can be prevented from circulating on interior common elements for any purpose other than egress and ingress by the most direct route.



8 https://www.millerthomson.com/en/publications/communiques-and-updates/condominium-strata-brief/may-11-2021-mt-condo/condo-declaration-can-limit-uses-of-a-unit/?utm_source=vuture2021&utm_medium=email&utm_campaign=mt-condo-strata-2021-may-11

9 http://condoadviser.ca/2021/04/how-the-stay-at-home-order-impacts-condos/condo-law-blog-Ontario? utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+Condoadviser+%28CondoAdviser%29

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COVID Screening: Condos must

• Post signs at all entrances informing individuals on how to screen themselves for COVID prior to entering the premises; and,

• Actively screen every person who works on the premise.

Organized events and social gathering:

- Indoor organized public events or social gatherings of any kind are not permitted.
- Outdoor organized public events or social gatherings are limited to 5 people.
- Gym, pools, and all other indoor recreational amenities as well as any meeting rooms must be closed.

Some **outdoor recreational amenities** can be opened such as parks and recreational areas; tennis, basketball and pickleball courts; sports fields, and recreational areas containing outdoor fitness equipment. There are more exceptions, you may want to consult with your favorite condo lawyer.

- In all cases, however, physical distancing of at least 2 meters must be maintained.
- Sports or games where people may come within two meters of each other cannot be practice.
- locker rooms, change rooms, showers and clubhouses must remain closed (except to access equipment, washrooms or first aid)

Condo corporations should consider limiting/postponing any non-essential work in both units and common elements.

Have your staff and management <mark>work from home</mark> if possible unless the nature of their work requires them to be on-site at the workplace.

Short-term rental can only be provided for individuals in need of housing. Corporations should close their guest suites.

Cleaning/disinfecting shall be as frequent as is necessary to maintain a sanitary condition – think of cleaning high touch areas.

Essential services include:

- Laundromats.
- Snow clearing, lawncare and landscaping.
- Security services for residential and businesses.
- Maintenance, repair, and property management services required for the safety, security, sanitation, and operations of the corporation; and,
- Construction activities and projects but we recommend postponing all non-essential work.

Non-essential work in units and common elements:

Many people may be tempted to rely on the fact that "construction activities and projects" have been deemed essential to continue with work that would not otherwise be essential. In our view, non-essential maintenance, and repair work (both in units and on common elements) should only proceed if required for the "safety, security, sanitation or operations of the corporation".

We acknowledge that others may interpret the regulation as allowing any construction activities. We are of the view that such an interpretation would not be in line with the objective and spirit of the regulation and adopted Stay at Home Order.

Coronavirus: What you need to do



We have the experience and we made it through to the other side of 2021. Let 2022 be the year that we reach the moon and let us just be thankful for the lessons learned and the endurance techniques mastered. We can do this!

