



**Canadian  
Federation of  
Apartment  
Associations**

**Fédération  
Canadienne Des  
Associations  
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**Conservative Housing and Tax Policy Promises**

The Conservative housing and tax policy promises relevant to the rental housing industry are the following:

- a) Tax Credits for Renovations and Construction. Working with the provinces and municipalities, the Conservatives plan to set aside \$200 million annually in the form of federal tax credits to encourage developers to build or refurbish affordable rental units in which at least 40% of the occupants earn less than 60% of the local median income.
- b) Capital Gains Deferral. Deferral of the capital gains tax for individuals on the sale of assets when the proceeds are reinvested within six months. There will have to be limits on the amount of the deferral involved since the plan is supposed to cost \$150M per year while capital gains taxes now bring in \$1.7B per year.
- c) Business Tax Rate, Capital Tax and GST. Plans to reduce the general business tax rate from 21% to 19% by 2010 and eliminate the business surtax by 2008. The Conservatives have also announced that they will follow through on the elimination of the federal capital tax and reduce the GST to 6% in the near future.

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## CFAA Moving Forward

**Tax changes.** CFAA will support the tax changes listed in b) and c) above, and seek to maximize the benefits to landlords.

**Tax Credit for Renovations and Construction.** CFAA will seek to focus the program on renovations of existing units rather than on building more housing.

**Portable Housing Allowances / Rent Supplements** We will encourage the new government to expand its support for portable housing allowances, and to reopen the rent supplement agreements that Minister Fontana made with the Provinces in 2005 to allow in-situ supplements.

**The previously committed \$1.6 Billion in Housing funds.** CFAA will seek to have such housing funding flow to demand side measures instead of new construction subsidies.

**RRAP.** CFAA will encourage the continuation of the RRAP funding extended by the previous Minister of Housing.

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## New CFAA Housing Policy Statement

[Click here](#) for a two page housing policy statement, which sets out CFAA's housing policy prescription, and the basis for it, in a succinct and comprehensive format.

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## Government Funding Available for Energy Upgrades to Rental Buildings

This article describes the federal energy subsidy programs for which residential landlords may qualify. While some of this information was previously described in CFAA's National Outlook and our member associations' magazines, the last program listed below has not been previously published in industry magazines. In addition, application deadlines have been extended. Except as specified below, there are currently no closing dates for applications. However, since funding is limited, the earlier you apply the better your chance of being accepted.

## Programs Targeted at Low-Income Households

The Federal government has established a new program of subsidies for renovations to save energy, called EnerGuide for Low-Income Households. CMHC will deliver the program through the Residential Rehabilitation Assistance Program (RRAP). The program will be open to private landlords. Unfortunately, the per unit subsidy limit will be in the order of \$1,000 - \$1,500 per room or suite for multiple-unit buildings and rooming houses, whereas for a single family house, the limit will be \$3,500 - \$5,000. CFAA will encourage the government to raise the limit on rental suites.

## Funding for Energy Planning & Retrofit Projects

\$170 million in funding was added to the existing EnerGuide for Houses Retrofit Incentive program (formerly known as the Energy Innovators Initiative with its Energy Retrofit Assistance) to extend the program to 2010. That program is not limited to low-income families. To be eligible for the grant, the dwelling must be either 1) a low-rise residential dwelling, that is a detached, semi-detached or row house that is no more than three and a half stories high, and that has a footprint of not more than 600 m<sup>2</sup>, or 2) a mobile dwelling on a permanent foundation.

Assistance for energy audits on large apartment buildings will be provided through EnerGuide for Existing Buildings (formerly known as the Energy Innovators Initiative). This initiative will be available to owners of multiple-unit buildings and rooming houses built prior to 1980 and may be used for energy retrofits such as draft-proofing, heating system upgrades and window replacement, for example. Multi-unit residential buildings (with a common entrance) that are at least four storeys high or that have a footprint greater than 600 m<sup>2</sup> are eligible for funding. Previously announced deadlines for applications under EnerGuide for Existing Buildings have now been removed, but funding for retrofit planning activities will be limited.

Landlords can qualify for up to \$25,000 for retrofit planning activities including energy audits, feasibility studies, energy management plans, and other project development and facilitation measures that can lead to energy savings. Technologies and equipment that are innovative or that use renewable energy should be considered.

Depending on the current energy consumption of a building, landlords can qualify for up to \$250,000 for retrofit implementation projects, including development and management, materials and labour, monitoring and tracking, staff training, and awareness. The initiative recommends implementing multiple measures such as efficient lighting systems, building envelope, motors, controls, heating, ventilating, air conditioning and other types of energy retrofits, as well as employee training. Where possible, technologies and equipment that are innovative or that use renewable energy should be considered.

The Commercial Building Incentive Program, which is open to multi-unit residential buildings, provides design assistance and funding of up to \$60,000 based on building energy savings. To qualify for this incentive, a new design or renovation plan must be at least 25% more energy efficient than the requirements of the Model National Energy Code for Buildings. This program runs until March 31, 2007.

For more information on these programs, [click here](#).

CFAA will continue to encourage governments to make all applicable energy saving programs open to private landlords, and to improve the terms of those programs.

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