

Belmont Properties

Written Presentation to the Rental Task Force July 6, 2018

Belmont Properties is a family owned business and the owner of residential multi family properties in the Lower Mainland and Victoria

We have been in business for over 50 years, with the company founded by our fathers' in the 1960's

We are very proud of what we have achieved in our business with our core values being those of honesty, integrity and being translated into ethical management. We are a family taking care of other families, both our tenants and employees

We don't believe you should be treating all landlords the same with your proposed broad stroke changes. We believe dishonest and unethical landlords should be penalized, but us, like many other landlords in the market do things "the right way" for the benefit of both Landlords and Tenants

We are not "Reno-victors" and never will be; and in talking to many other landlords they are not either. This is just "the few" landlords in the market not "the many". Please don't treat us all the same!

You need to avoid the unintended consequences of any proposed changes to legislation and regulation that would result in a reduction in the quantity and quality of rental stock – a prime example being the recent changes to fixed term leases which is a major disincentive to many current and potential landlords

Proposed roll back of rents and rent increases -

1. If Landlords are unable to maintain rents at a level that is sufficient to cover increasing building maintenance expenses, the condition of already ageing rental housing stock will deteriorate further
2. Rental control policies over the decades have proven to be misguided because they lead to a stagnated rental market. This doesn't just penalize Landlords but also Tenants
3. We've heard you are considering the Ontario model, which we feel is misguided. As well, we also understand that Ontario is going to reverse that legislation. To lower rent increases to 2%, as opposed to CPI plus 2% would be providing a disservice to Landlords and Tenants alike. Landlords will not have the funds available to maintain their properties which would result in tenants being subjected to lower living standards. What is right about this? You purport to support tenants and increase their standard of living – lower rent because this is an easy thing for you to do simply doesn't meet this measure. Please think about it!

Expenses

1. Adequately funded operations are fundamental to providing good accommodation for tenants by allowing money to be directed towards building improvements which maintains and improves the quality of accommodation.
2. What are these expenses? The majority of which we have no control over
 - ✓ Increasing carbon taxes, which we have no control over
 - ✓ Increased maintenance and supplies' costs because of a tight construction market reflect negatively on property owners
 - ✓ Payment of employee health premiums

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- ✓ Payroll tax proposed for later this year
 - ✓ Substantial increases in property taxes, which we have no control over
 - ✓ The buildings are aging and as a result our expenses are increasing year over year
 - ✓ Due to increased construction costs, this has a direct relationship to the replacement values on our properties for insurance purposes
 - ✓ Safety upgrades being dictated by governments
 - ✓ Increases in minimum wage, by the government, which affects the maintenance costs in our properties. While on a personal level we applaud the increase in wages to provide livable wages for BC citizens, the government needs to recognize and understand there is an impact and consequence on our business
3. Costs continue to rise disproportionately in BC, which has a direct link to our business, so the idea of reducing rent increases or flat lining rents makes no sense at all

Purpose Built Rentals

1. We were planning to build 250 purpose-built rentals; however, trying to make the numbers work was problematic because of the continuing issues of lack of incentives for landlords, development cost fees, CAC's, and other fees payable to municipal governments.
2. In addition, the development process takes 2-5 years. Lengthy municipal approval processes significantly delay completion dates for new developments. When developments are finally approved, the benefits to the developers are back ended, deferring any initiatives further.
3. You are not making it easier for us and other landlords wishing to build purpose-built rentals to be part of the housing solution in British Columbia.
4. While there are programs through BC Housing and CMHC that will also stimulate this segment of the rental market, we need an answer now, not in 2-5 years minimum i.e. waiting for developments to go through the municipal processes.

In closing, please, please try to comprehend, for yourselves, the implications of your proposed actions. The government should be working for the overall betterment and improvement for the BC Economy and its citizens, not the short-term gain of some votes because you want to honour your short-sighted election promises.

Landlords are not the problem – and they can be part of the solution!

Respectfully submitted
Belmont Properties
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