

Troublesome tenants? Keep calm and carry on



SABINE GHALI PROPERTY MANAGEMENT

Few things will send a landlord into a tizzy faster than dealing with troublesome tenants. While a rigorous screening process can weed out potential problems, there's never a guarantee that the perfect-seeming applicant will be the best tenant.

Horror stories abound of damage, delinquent payments, and personalities that make even the most basic of interactions feel impossible. Indeed some fraudsters make their living taking advantage of legal loopholes and the bad energy they create.

If this sounds like a situation you're in, I feel your pain. While there's no special trick to solve every bad tenant problem and no magic wand to wave, there are some things that can help the process go more smoothly. Below are some tips

if you're dealing with a nightmare tenant.

Brush up on your rights and know the law: As much as you're concerned for your property and as much as your tenant is pushing your buttons, be sure you know both yours and their rights as outlined by the Ontario Landlord Tenant Board.

Operate within the confines of the law to ensure you're protecting yourself. You don't want to give your tenant any case if you land before the Landlord Tenant Tribunal.

You want to ensure you've remained professional, fair and measured throughout the relationship. And never be afraid to use the law and your rights to your benefit.

Communication and documentation: Even if it will not be presented as formal evidence,

document your interactions with your tenants, as a general rule. Email is great for this as it does much of this work for you.

If you have a phone conversation with your tenant, sum up its details in a quick email afterward. Be clear, professional and concise in your communications, especially when things start to go south.

When inspecting the unit, which you can typically do with 24 hours written notice, take a digital camera or your smart phone to photograph or video your walk-through.

In the case of rent arrears, don't delay serving your tenants the approved LTB forms. This is the first step of legal proceedings for an eviction for non-payment of rent, which could take about four months or longer in the Province of Ontario.

Know when it's time to get professional help: If it's an eviction you're pursuing, know that it can be a lengthy and costly endeavour. If you need to appear before the Landlord Tenant Tribunal, it may be prudent to enlist the help of a paralegal who's familiar with the paperwork, process, previ-



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ous cases and general requirements. With paralegals you often get expertise at a fraction of the cost of a lawyer.

Remain calm, remember this is a business: Easier said than done, right? Take emotion out of the equation as best you can. With every business, from time to time, you're bound

to hit bumps in the road; this business is no different.

If the unit you're dealing with was your previous home or a unit in which you currently reside, it can be hard to keep calm and carry on, but for your own benefit — mental, physical and financial — it's important to not add to the discord.

Just keep repeating, this too shall pass and indeed it will.

— Sabine Ghali is director at Buttonwood Property Management and an entrepreneur at heart who endeavors to help investors create wealth over time. Visit her at www.buttonwood.ca.

Not building enough homes means higher prices



BEN MYERS REAL DATA

If you walk 10 minutes in any direction from the Roger's Centre in downtown Toronto, there is no way you would think the Greater Toronto Area (GTA) housing market is undersupplied, but you would be wrong.

There is a lot that is happening in Toronto but also a lot that isn't happening. You see hundreds of budding skyscrapers in Toronto's downtown core, what you're not seeing is new low-rise housing.

For my Fall 2015 Market Manuscript, a bi-annual housing report I prepare on behalf

of Fortress Real Developments and our partners and clients, I went looking for the reason that GTA house prices continue to go up.

It ultimately comes down to supply and demand, and the GTA has much more demand than supply right now. BMO Capital Markets believes that the GTA needs about 35,000 to 38,000 new units per year to keep up with demand — BMO calls this the "household formation" rate.

In 2013, about 33,500 housing units started construction in the Toronto area, and less than 29,000 units started in 2014. CMHC has fore-

casted just 32,400 new housing starts for 2015 (I'm calling for 37,400).

If CMHC's forecast is accurate, that would mark three consecutive years that future supply has fallen short of expected demand. When demand for something exceeds its supply, prices tend to go up.

I pulled a great quote from TD Economics for the Manuscript report that states that Toronto has embarked on a multi-year period of underbuilding. The major increase in new downtown high-rise condos, has been more than offset by the major decrease in low-rise housing available in the GTA.

In fact, according to data from RealNet Canada Inc, the number of unsold low-rise (single-detached, semi-detached and row) housing units was just 4,550 as of the end of July 2015, a 37% decrease annually.

By comparison, there was

over 17,000 new low-rise housing units available to purchase 10 years ago. This lack of inventory has caused new low-rise house prices to skyrocket to approximately \$806,000 overall as of July, with new single-detached price hitting \$975,000.

Looking for something already built and ready to move into? Well the average price of a newly built and unsold single-detached house in the Toronto area is over \$1,660,000!

For those of you sitting on the sidelines waiting for a major correction in housing prices due to oversupply in the market, it looks like you'll be on the sidelines for a few more years.

If you can afford that brand new home or condominium you've been dreaming about, I suggest you go back to that sales office and take another look, because the next time you drive by it will probably be gone.



The GTA needs about 35,000 to 38,000 new units per year to keep up with demand. Seen here: The Lotus Condominium in North York.

— Ben Myers is senior vice-president of market research and analytics at Fortress Real Developments. Follow him at @BenMyers29 on

Twitter.com. To download the latest Market Manuscript report, go to <http://fortressrealdevelopments.com/news>.