

Canada's Voice for Apartment Owners, Managers and Association Executives

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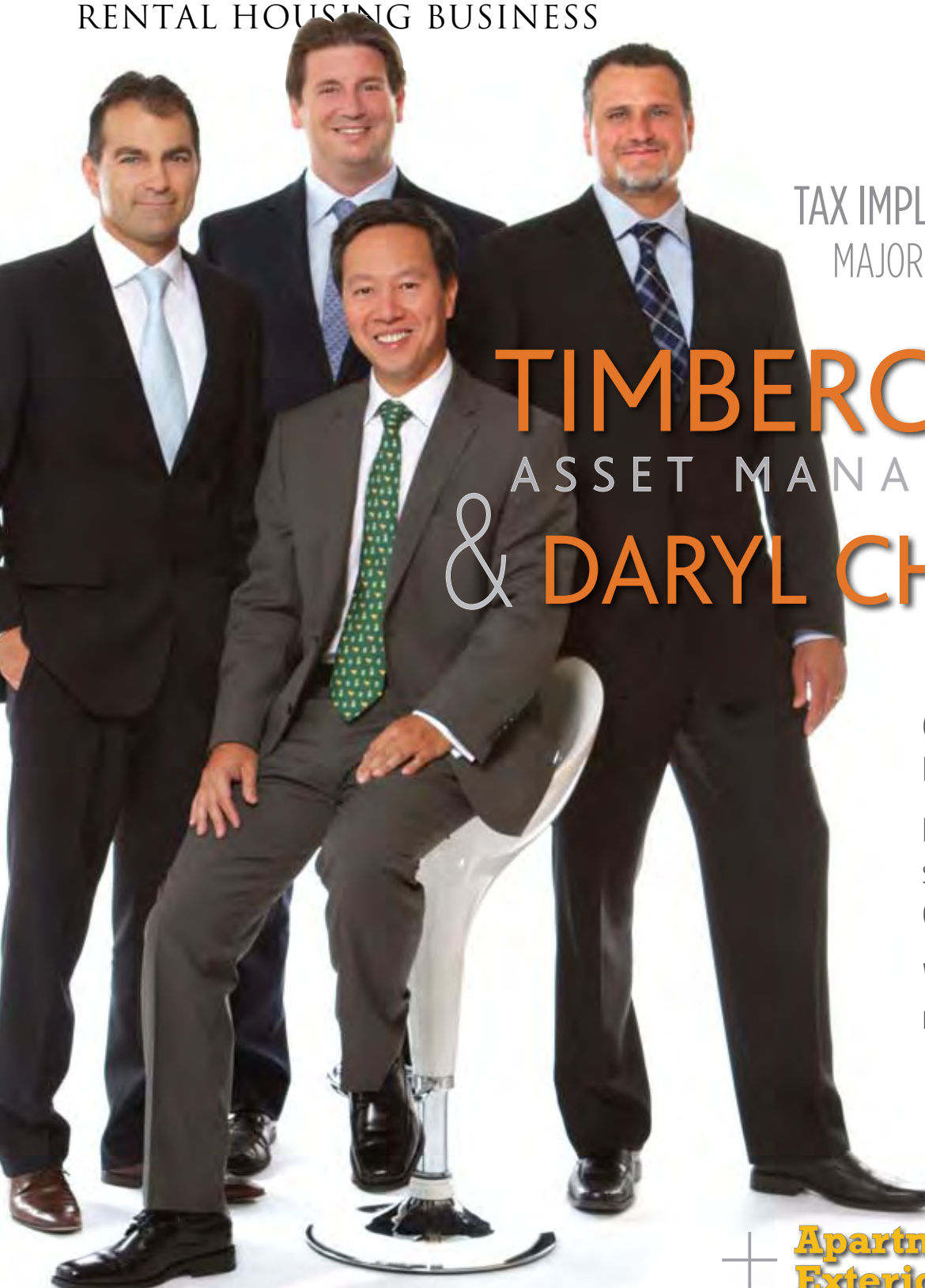
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**Apartment Building
Exterior Report**



2012 APARTMENT BUILDING EXTERIOR REPORT



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SPECIAL
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2012 APARTMENT BUILDING EXTERIOR REPORT



The *Apartment Building Exterior Report* for 2012 provides Canadian property owners, managers and companies involved in the multi-family residential industry with an analysis of strategies for making repairs and upgrades to a building's exterior. The report is based on a case study of Greenrock Property Management Limited and the work it does with consultants, engineers and external contractors on the exterior elements of various buildings under management.

ESTABLISHING AN EXTERIOR RENOVATION STRATEGY

When Greenrock decides to renovate, upgrade or replace its buildings' exterior elements, it considers a number of factors before proceeding with the work. These include determining how the work fits within the building's annual maintenance and repair budget, how residents will be affected by the work, the short- and long-term implications of the repairs or replacements, and what else should or could be done in conjunction with the essential work. The company also emphasizes teamwork to ensure success before, during and after completion of the work.

"Our strategy depends on commitment to teamwork from management, staff, consultants, designers, engineers and contractors," said Gloria Mogavero, Chief Executive Officer, Greenrock Property Management. "We rely on our consultants and professionals to ensure that the work is properly planned out and conducted to provide the best results for our tenants."

Going above and beyond the required work is another central tenet of Greenrock's approach to improving its buildings' exterior elements. The company instructs its designers and consultants to look for ways to improve various elements when making repairs or upgrades. It considers issues such as improving accessibility, adding more attractive (and practical) elements to the landscaping, and finding ways to make the building more environmentally friendly. For example, when upgrading the landscaping at one of its buildings, Greenrock's designers added a sculpture garden to provide more value and interest to the property.

"We take a holistic approach to improving our building's exterior elements," said Gloria. "We believe that it demonstrates a commitment from owners and pride of ownership in our buildings. This policy of going above and beyond the necessary work also helps with tenant retention and attraction."



TAKING A PROACTIVE APPROACH

Greenrock believes that it is best to be proactive in making repairs and upgrades to external building elements. This approach enables the company to properly plan its buildings' renovation budgets and manage its cash flow, while also helping to make more efficient use of resources and contractors. A proactive approach ensures that management can properly define the scope of work and instigate a well-established investigative process.

The proactive approach includes getting information on issues from various sources. Management should reconcile tenants' complaints with maintenance knowledge. Compare this information with reports from third party engineers and site inspections to determine what truly needs to be repaired or upgraded. Compiling feedback from, and collaborating with, different stakeholders can also serve to reveal previously unknown building issues, and assist with creating innovative and cost effective solutions.

"You find better solutions to problems by combining information from various stakeholders," said Ivan Murgic, Vice President, Operations, Greenrock Property Management. "Collaboration also helps you to deal with previously unknown deficiencies, and can help to minimize tenant inconvenience through proper project planning."

Site staff should report pressing and potential issues to management. To protect against significant problems from developing or escalating, management should perform monthly inspection of properties; senior staff should do quarterly inspections. Include the roof in the inspection plan so that problems related to flashing, clogged roof drains and exposed materials can be reported to the appropriate repair personnel. Roofing problems can lead to water damage and more expensive repairs, which makes being proactive the more cost efficient approach.

"Doing a building conditioning survey is a proactive way of identifying and dealing with issues before they become problematic and expensive," said Walter Pecnik, Project Manager, Greenrock Property Management. "For example, Greenrock has a program that helps with identifying leaks in units and other areas of its buildings. When staff discovers a leak (or a tenant reports a leak), we will often employ a top to bottom approach to address existing and potential leaks on that side of the building."

COMBINING STRUCTURAL AND AESTHETIC UPGRADES

Certain structural issues require immediate attention, which management can deal with when pursuing the proactive approach to maintaining external building elements. Taking care of the building envelope is vital to extending its life and reducing overall repair costs from secondary issues related to the building envelope. Creating and following a building conditioning plan will help management and staff to stay on top of issues and to address repairs over the short and long term.

When working on significant structural projects, building owners and managers should have an idea of what they want to achieve, and communicate this information to contractors and consultants. Establish a vision with the support of the engineers, architectural firms and consultants involved in the project. It can be a challenge to carry out a large project (such as waterproofing or concrete repair of structural roof slabs) that involves working with and coordinating multiple trades that are working in a fully occupied building.

"Communication between owners, managers and consultants during the planning stage is paramount," said Naj Jivaji, Halsall Associates. "The managers must let the team know the key success factors, such as budget, schedule, final appearance, warranties, and maintenance after completion of repair."

Concrete delamination can become a serious problem if it is not properly managed, as serious leaks can cause damage within units and throughout different areas of the building. The longer delamination is left unattended, the worse the damage will become, and the more expensive it will be to repair. Waterproofing is an important step in protecting different parts of the building and property (such as the garage roof) from long-term damage. Integrating garage roof slab waterproofing into a comprehensive building plan (and combining the work with other projects) enables you to find to improve the buildings overall curb appeal.

"While waterproofing and structural work are being organized, use the opportunity of a garage roof slab project to change sod to gardens, improve lighting, create a barbecue area where one does not exist, add sidewalks or walking paths, add water features and use a different material if desired so that asphalt becomes interlocking stone," said Bill Mackay, Partner, Macdero Construction (Ontario) Ltd. "Once completed, the finished project instills pride in the residents and can enhance rental rates, renewal rates and property value."



Landscaping is one of those external upgrades that often fall under the category of aesthetic (as opposed to structural). When the opportunity arises to replace old landscaping, look for opportunities to freshen up the property and do something new with the area. Landscaping designs and practices have changed over the years, and you can do more with the property than replacing old materials.

“Managing and maintaining landscape renovations should be considered early in the planning process,” said Stefano Giannini, Associate, Janet Rosenberg + Associates. “Proper planning allows you to make the most of your landscaping choices, such as choosing drought-tolerant and hardy plant species to reduce irrigation and maintenance costs. You can also choose to install concrete pavers instead of asphalt, or replace annuals with perennials.”

Some external elements combine structural and aesthetic elements, such as repairing or replacing balconies and railings. When repairing or upgrading external elements, certain changes in building codes require the replacement of external building elements (such as balcony railings) that are no longer to code. Greenrock prefers to maintain existing materials as long as possible, but will replace elements that are no longer to code or beyond repair. In these cases, they will look for opportunities to make wholesale improvements and add touches (such as new paint or glass guards) that contribute to the overall look and feel of the property.

“We’ll paint the slab edges and soffits, and remove rusted areas to improve the overall aesthetic,” said Walter. “Such changes are not as immediately obvious as other types of upgrades, but the finished product adds to the building’s overall appeal and gives you a lot of bang for your buck.”

WORKING WITH CONTRACTORS

Some external repairs and upgrades require management to place extra weight on the benefits over the actual costs. Paving the property’s parking lot and driveway is a good example. Many building managers will hire contractors to fill potholes and make minor repairs to curbs and other issues before deciding to scrape down the entire lot and put down new asphalt. Some might decide to wait to combine other major repairs (such as garage roof waterproofing) before repaving. However, it can make sense to scrape down the entire lot and put down asphalt – even when it has to be done again in three years. In this case, it’s a matter of giving tenants what they need now instead of what might make better financial sense.

This is one reason why building managers should forge strong relationships with outside contractors, such as paving companies. An experienced, professional paver can provide direction on the best paving options for different properties and situations. They can help with preserving the longevity of the driveway and parking lot through the creation of a personalized maintenance plan, and find other solutions that work with the property’s short- and long-term budget. Communication is key, as it will help to prevent unnecessary work and expense (and make the overall working relationship much smoother).

When working with any outside contractor, it pays to ask the right questions. Determine their experience level (in years and by project), and ask for referrals that you can interview to evaluate actual project performance. Ask about how they would handle your particular situation, how long it would take to complete and how tenants will be affected by the work. Always get multiple quotes so that you can do a fair comparison of pricing (but remember that cost is not the only issue).

“A paving quote should contain as much detail as possible, and if there is too much general information, follow up with questions,” said Mario Lucia, President, Fort York Paving Company Ltd. “Determine what is covered, and not covered, in the quote by the pricing. Ask about materials being used, dealing with drainage issues and how pricing will be affected by scope changes. Working with an experienced and reputable contractor, who understands your specific needs and can provide you with the benefit of their experience, will go a long way toward better results for you and your tenants.”

CONCLUSION

Whether you are making significant structural repairs to your building or planning to upgrade the landscaping, being proactive is an effective approach to repairing and maintaining your building’s exterior. The strategy can help to prevent issues and costs from escalating, and will also help to increase property value and tenant retention. Making small repairs and upgrades causes less inconvenience for residents, and will also increase retention rates and word of mouth referrals. Tenants will note and appreciate your efforts to maintain and improve the buildings, while also being considerate of their comfort and input. ■