



# Kay Four Quarterly

A Quarterly Newsletter Published by Kay Four Properties Inc.

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## Why is My Rent Going Up?

That is a question many tenants ask our office. Rents go up because the costs of operating the apartments go up every year. Many of the cost increases, such as property and school taxes and utilities are beyond our control. While the Provincial government provided a guideline of 1.5% for increases in rent in 2011, CMHC looks at the reality of operating price increases and indicated rents increased by 4.5%, on average, during that time and expects them to increase by 3% in 2012. The government system acknowledges proven increased operating costs lead to higher rents. Landlords cannot apply for increased profits, only for recovery of costs already incurred. Here are just a few of the cost increases we incurred between February 2011 and January 2012:

- Hydro costs increased by 5.9%, water increased 3.4%, natural gas costs were up 12.3%. These increases reflect a combination of higher rates and tenant usage.
- Insurance costs went up 17%.
- Exterminator costs went up 39%.
- Cable TV rates increased by 2.6% for buildings that have cable TV included in the rent.



Many other costs increased. The cost of many supplies and parts used in repairs have increased. Minimum wage went up 10% in 2011. Every time the minimum wage increases all of our salary costs and the wages of outside contractors increase as well.

Costs continue to rise in 2012. Property tax bills will arrive shortly; property taxes are up an average of 3.5% and school taxes are increasing at twice that rate. Minimum wage is likely to increase again this fall. Recent announcements have water rates increasing by 5.1% and hydro rates increasing by 2%.

We know that you want a clean, comfortable and secure home in which to live. That is why we maintain our properties at a high standard. In order to continue maintaining properties we face costs which cause us to raise rents by more than the Guideline. We examine our costs building by building and our applications are audited by government. Rent increases are simply our way of trying to keep pace with rising operating costs. The only difference between us and retailers is that retailers can raise prices whenever they want, whether for increased costs or to increase product quality or for profit margin. We have to prove our historical cost increases to government before we can start to only recover these increased costs.

## Apartment Watch Re-Launched

Over the next month your caretaker will deliver a new Apartment Watch brochure and sticker to your suite.

The Apartment Watch program of the Professional Property Managers Association, which is endorsed by the Winnipeg Police Service, is similar to Neighborhood Watch. Please read the brochure and adopt its recommendations.



- Keep your suite door locked.
- Report unusual activities to your landlord or police.
- Do not let people you do not know into the building or your suite.

We thank Shaw, Coinamatic and the PPMA for funding this program. It helps us keep our tenants safe.

## Carpet Cleaning Offer

Once again, Kay Four Properties has arranged for our selected carpet cleaning contractor to provide cleaning at a preferred rate. Unfortunately, even our preferred rate has increased. The cost of this service including GST is:

\$85.00 - 1 Bedroom Suite \$95.00 - 2 Bedroom Suite

These prices are much lower than market carpet cleaning charges.

Please sign up with your caretaker by April 26, 2012. We will book the cleanings for May, 2012. In the past, some tenants cancelled or rescheduled their bookings. We are billed by the contractor for loss of revenue when this happens. As such, we will require payment in advance of the cleaning and will not issue refunds on cancellations.

Remember that the Residential Tenancies Act states the tenant is responsible for keeping their suite, including all carpets, clean.

