



Kay Four Quarterly

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Spring 2016

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 1.1%, using average annual inflation as their reference point, the reality is that apartment buildings face operating expense increases greater than normal inflation. To that end we often are compelled to apply for rent increases greater than 1.1%.

As a reference point CMHC indicated that Winnipeg rents increased by 3.3% in 2015. Here are just a few of the cost increases we faced in our 2015 operating year along with a general idea of the three largest cost centres we face: maintenance, utilities, and property taxes. When you read this, please understand that no tenant ever faces a rent increase due to money spent at a building that they don't live in, that is, you will not be asked to pay anything (for example, a roof repair or painting) at any other building we manage:

- Regular Maintenance costs (not including capital items such as replacing boilers, roofs, and windows) is the largest spending area. In 2014 these costs accounted for more than 20% of expenses and were 16% higher than in 2013. They went up a further 26% in 2015 and now account for almost 1/3 of total expenses.
- Realty taxes account for about 11% of total expenses each year. They increased by 5% in 2014, by 1% in 2015 and the City has announced a projected increase of 2.3% this year.
- Utilities went up by 6% in 2014 and accounted for 17% of costs that year. They increased only 1% in 2015, accounting for 14% of total expenses. This reflects our commitment to finding energy savings, in combination with a warmer year.
- Cable TV rates increased by 22% for buildings that have cable TV included in the rent. In those buildings they account for an average of 6% of operating costs.
- Insurance costs went up 17% in 2014 and a further 8.4% in 2015.
- Exterminator costs were down by 11% in 2014, but increased by 32% in 2015.



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 to this standard, we face costs which often 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 keeping 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 can never raise rent before costs have already increased. We have to prove our historical cost increases to government before we can start to recover these increased costs.

See the reverse for more details on how the Applications for Rent Increase process works.

Carpet Cleaning Offer

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



\$95.00 - Bachelor Suite

\$115.00 - 1 Bedroom Suite

\$137.00 - 2 Bedroom Suite

These prices are lower than the market cost of having carpets professionally cleaned.

Please sign up for this service with your caretaker by April 18, 2016. We will book the cleanings starting in late April and throughout May, 2016.

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.

Spring Outdoor Clean Up

The snow has now melted, and everything that was hidden underneath all winter long is now coming to light. Along with the springs of green and stems from flower bulbs, many other things—like unsightly trash and cigarette butts that were dropped around the buildings or tossed from balconies all winter—are also appearing.

Under your Tenancy Agreement, it is the tenants' responsibility to maintain the building and grounds in a clean and tidy manner. Please take the time and make the effort to throw your trash in appropriate waste receptacles and dispose of cigarette butts inside your suite in a fire proof container with a lid or dispose of immediately in the trash bin.

Cigarette butt disposal is important from a safety standpoint such that a burning cigarette dropped from a balcony can be easily caught by the wind and start a fire on a neighbouring balcony.

Everyone wants to live in a clean and well-maintained property. Please be considerate of your neighbours and take care to keep the premises litter-free.



Quotable Quotes—Spring

“If we had no winter, the spring would not be so pleasant; if we did not sometimes taste adversity, prosperity would not be so welcome.”
Anne Bradstreet

“Spring is nature's way of saying, 'let's party'.”
Robin Williams

“I enjoy the spring more than the autumn now. One does, I think, as one gets older.”
Virginia Woolf

How does an Application for Rent Increase Work?

In simplest terms, landlords prove their costs already increased by the applied for amount before they are granted an increase. Landlords cannot apply for costs which they know or believe may increase in the future. Tenants are provided an opportunity to review the application, are allowed to comment on the facts in our application, but as you read, the RTB is only allowed to act on information which proves the application is not correct. They cannot vary their decision based on tenants' personal concerns or opinions.

Below you will find quotes taken from sections of a Frequently Asked Question sheet from the RTB which explain in general terms how an Application is handled.

“To apply for an increase, your landlord must give the Branch information about their expenses. They have to show their operating expenses (e.g. property taxes, utility bills, repair costs) and their capital expenses (e.g. how much it cost to replace the roof or to buy new appliances). These expenses are for services or things for which the landlord has already paid or received bills. A landlord can't apply for an above guideline increase because they plan to do work on a residential complex or they think their operating costs might be going up. For example: If a landlord plans to re-surface the parking lot at a complex next year, they can't apply for an above guideline increase now to cover the cost of the work.”

“Once the officer has all the information, they will then send a letter inviting you to come to the Branch to inspect the application. If you have any questions or concerns, you can give the Branch your comments in writing. You can write out your comments when you look at the application or send them to the Branch later. For example: If the landlord says they put new carpet in the hallways and you know they didn't, let the Branch know. Or, if the landlord closed the swimming pool and didn't reduce your rent, note it.”

“After the tenants look at the file and make comments, your landlord will have a chance to see and respond to those comments. The officer then reviews all the information from the tenants and landlord and issues an order setting the rents.”

In short, this is an administrative process. Landlords provide factual information on historic increased costs and the RTB grants increases based on formulas set out in the Residential Tenancies Act and Rent Regulations. Tenants may ask questions and point out errors but the RTB can only base its decision on the facts, not on opinions or comments made by landlords or tenants about the process.

Lucky Winners

We purchased tickets to Manitoba Moose games in support of local community hockey. The following tenants are lucky winners of sets of tickets to games this past season:

L & L Navarro	R, N & P Santos	C Litke	A & A Castillo
M Blanchette	H Jensen	C&I Whitmore	J Singh & P Jaspal
R&K Ducharme	F Collum	R&C Fermo	I Karmanskyi & W Lozinski
E&M Mariano	A&P Bien	E&N Daignault	B & C Sansano
T Holfeld	H Gordon	K Taylor	

