

Expert has advice for condo landlords

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CALGARY HERALD

A third-generation landlord. A realtor with seven years of experience. An entrepreneur with his own rental property management company.

Perhaps it isn't surprising, then, that Michael Drouillard's first book, released this summer, covers the topic of landlording.

The timing is appropriate, too, with condo markets in Calgary and throughout the country flattening, causing more owners to look at renting their units as a way of waiting out the storm.

That is where the book, titled *Landlording in Canada*, comes in, says Drouillard.

"There weren't any books out there for Canadians," he says.

"There are books about landlording, but the American perspective is obvious. There are different laws in the two countries, and people conduct themselves differently."

That's when he made contact with Self-Counsel Press, which eventually published Drouillard's book.

The company had been looking to produce a national guide book for landlords since the provincial editions stopped being published in 2000, says publisher Richard Day in a news release.

"We knew from the ongoing, high volume of requests for new editions of our provincial landlord books that there was a market for the national book," he says, adding that readers also liked a book-plus-CD kit on the topic, which was launched in 2002.

The market response for guides on landlording coincided with statistics from the Canadian Mortgage and Housing Corp., which show an increasing number of Calgarians are renting out their investment.

A CMHC survey conducted every October says 17.6 per cent of condo owners rented out their units in 2006.

That number jumped to 21.1 per cent in 2007, and one analyst says it is likely to rise again this year.

"Consider the number of condo units out there right now," says CMHC senior market analyst Lai Sing Louie, with a record number of projects being built in Calgary right now.

"There are no rental-only housing being built here, and people continue to flow into the city. They will be looking for an affordable place to live."

The slowing condo market adds to the rental crowd, he says.

"Given the current supply-and-demand, it takes five and a half months for a condo to sell," says Louie. "If you're not selling or renting, you're going to have to pay the condo fee in the meantime."

For those looking to begin landlording, Drouillard says the most important considerations must be taken before taking on a tenant.



Photos, Calgary Herald Archive

Lai Sing Louie, senior market analyst with Canada Mortgage and Housing Corp.

"About 80 per cent of the work happens before," he says. "It's about doing the right thing at first so you don't have to fix it later."

The most important item is checking a potential tenant's credit rating, he says.

"Ultimately, your relationship with your customer is a financial one," says Drouillard. "If they're not paying their credit card bills or their cell phone bills, they may not pay the rent, either."

Other things to watch for include a clear outline of what the landlord is legally liable for, having the proper insurance on top of the basic homeowner's package, and strict enforcement of the rental agreement, he says.

"It's about being diligent," says Drouillard.

"What if someone brings in a second tenant you don't know about, and the original tenant leaves? You have to then deal with a tenant you don't even know."

But for those willing to take the time and make the effort, landlording is a rewarding experience, he says.

The horror stories of being weighed down by constant tenant requests are greatly exaggerated, he says.

"Some people say you are forsaking your weekend to see if a toilet breaks," says Drouillard.

"But once a tenant's in there, it's really not much work. I've had a tenant who I didn't hear from for a year."

The book is available at major book stores and at Self-Counsel's website at www.self-counsel.com.

“It's about doing the right thing at first so you don't have to fix it later”

MICHAEL DROUILLARD



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