

June 17<sup>th</sup>, 2013

Councillor Peter Milczyn, Chair  
Planning and Growth Management Committee  
City of Toronto  
10<sup>th</sup> Floor, West Tower, City Hall  
100 Queen Street West  
Toronto, ON M5H 2N2

Dear Councillor Milczyn,

I am writing on behalf of the Canadian Condominium Institute – Toronto and Area Chapter (CCI-T). The Canadian Condominium Institute (CCI) is a national organization of condo corporations, owners, professionals and trades. It leads the condominium industry in providing education, information, awareness and access to expertise by and for its 2,500 members. CCI-T, one of the founding Chapters of the national organization, represents some 134,000 condo units in the Greater Toronto Area through the membership of their Boards of Directors and management companies.

We understand that your Committee will be considering proposed revisions to the Toronto Green Standard (TGS) at your June 20 meeting; as energy-related costs constitute the most significant portion of common element fees for the majority of condominium corporations, this is an issue of great concern to us and our members.

### **Background**

For the period 2010 to 2012, the TGS minimum (Tier 1) energy efficiency requirements were substantially ahead of the Ontario Building Code (OBC) specification. This ensured that condominium developers built facilities that were relatively more energy efficient than their counterparts constructed exclusively to the OBC requirements, and that the new condominium corporations in Toronto saved millions of dollars annually in energy costs. However, while the TGS 2010 energy requirements were an important step forward, they were only a first step. Studies indicate that many condominiums built to these requirements perform similarly to buildings built in the 1970s.

Additionally, the 2012 OBC revisions, combined with ongoing progress in building technology and design practice, (effective January 1, 2012) have made the current TGS Tier 1 energy efficiency requirements obsolete. As a result, new condominiums built in Toronto are no longer required to exceed the province-wide energy standards. The current TGS update is an opportunity for the City of Toronto to take a leadership position by requiring new buildings to outperform the 2012 OBC efficiency requirements.

## Proposal

We understand that the background studies undertaken in preparation for this update, by Sustainable Buildings Canada (SBC), on behalf of City Planning and the Toronto Atmospheric Fund (TAF), found that the minimum energy standard can be increased by 15% with a relatively small incremental cost for new construction. Thus, we endorse the SBC recommendation that such an increase in the minimum standard be incorporated in the City's review of TGS.

Why should this be done now rather than waiting? The Boards and unit owners of condominiums built to the current minimum standard may decide to explore the costs of retrofitting the buildings to a higher standard. Experience shows that retrofitting a building is much more expensive than building it efficiently to begin with. In a retrofit, this cost would have to come from a special assessment on the unit owners as it is not an eligible reserve fund expense (reserve funds are only permitted to be used for repair and replacement of existing common elements, not for upgrades). In addition, such an improvement to the building must, under the Condominium Act, be approved by an extraordinary majority of the unit owners – given the up-front costs and the delayed nature of the return on this investment, this may well be difficult to achieve, and it is complicated by the need for a special assessment. Thus, new condominiums built to outdated energy standards are likely to be saddled with high-energy costs for a generation.

Finally, an increase to the minimum would create a level playing field for developers of new buildings going forward; the choice for developers is to build either to the minimum or to LEED/Tier 2, and this disadvantages them in a competitive market. In addition, when units come up for re-sale, they will be less attractive to potential new owners than will condominiums constructed to the eventual higher minimum.

We believe that instituting a higher minimum standard now provides benefits to potential unit owners, developers, condominium corporations, the City, and, ultimately, the environment. It is the prudent thing to do; it is also the *right* thing to do. Thus, we support the SBC recommendation, and we encourage the Committee to decide in its favour.

Sincerely,

Murray Johnson, Director  
Canadian Condominium Institute  
Toronto and Area Chapter