

EnerCare Thermal Metering Seminar | November 21, 2014

Welcome & Agenda

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Agenda

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- **About us**
- **Thermal Energy Metering and Condominiums**
- **Disclosure Statement**
- **On the Sales Floor**
- **Budgeting**
- **Engage the Team**
- **Condominium Interim Occupancy**



About FirstService Residential Ontario

For over 15 years, our team has worked diligently to serve condominium owners in the Greater Toronto area, and today, our company is recognized as the leading condominium management company in Ontario.

Simerra Property Management was established in 1998 by Tasso Eracles and has undergone a transformation by partnering with FirstService Residential Ontario in 2011. This has allowed us to add to the already successful capabilities that has made us one of the most successful property management companies in Ontario. We currently manage 275+ Condominiums representing 40,000+ units in Ontario.

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Thermal Energy Metering and Condominiums

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- Increasing utilities costs
- No incentive to previously conserve energy when costs are bulk and included in the monthly common expenses
- Technology is now available to effectively and efficiently meter and pass on the costs of in-suite consumption of energy
- Removing consumption of in-suite heating and cooling from the budget, greatly reduces the “maintenance fee” and can show a lower cost per sq. ft. on the sales floor, or can increase the level of service or amenities in a building
- The Declarant is responsible, under Section 75 of the Condominium Act to guarantee the first year budget. Utilities are the biggest variable, and passing on the cost of in-suite consumption, significantly reduces the chance of a first year deficit

Disclosure Statement

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- It is very important that if your intention is to meter the in-suite Consumption of heating and cooling, that purchasers are made aware of this in the Disclosure Statement;
- It is vital that your Condominium Lawyer producing the Disclosure Statement, provides the Declarant with options pertaining to metering of in-suite thermal energy, in the unlikely event that such a system cannot be installed;
- There are monthly costs associated with administrating and invoicing Thermal Metering, and it may be wise to advise purchasers of what these costs are;

On the Sales Floor

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- It is important that purchasers be aware that the cost of in-suite consumption of heating and cooling is not include in their “*maintenance fee*”
- Metering of Thermal Energy gives each purchaser the power to benefit from reduced consumption by making them responsible for their heating and cooling costs
- Based on communities we currently manage with Thermal Metering, we are seeing a reduction in the amount of energy being consumed, compared to communities where these costs are bulk and part of the monthly common expense

Budgeting

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- When creating a Budget Statement for a project where Thermal Metering of in-suite consumption is in effect, it is important to account for the expense as an expense that is off-set with a recovery;
- For example, the Condominium once registered, would receive an invoice for the bulk cost of gas, which would be paid for by the Condominium, and then reimbursed by EnerCare who would undertake collection from unit owners for their in-suite consumption;
- A “Utility Float” of approximately \$250-500 per unit is advisable to be collected as an adjustment on closing, to assist with cash flow of the Condominium and help pay the bulk bill prior to receiving funds from the in-suite consumption.
- Utility Float is not a deposit – it is not returned to purchasers, as it is required each month;

Engage the Team

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- It is important that if you are contemplating metering of Thermal Energy for in-suite consumption, that you engage your entire team;
- This includes:
 - Mechanical and Electrical Engineers
 - EnerCare to ensure everyone is aware of what is required in order to undertake the metering
 - Lawyer to ensure Disclosure Statement is consistent
 - Sales and Marketing Team to ensure they are aware these costs are not included in the monthly common expenses;
 - Property Management to ensure the costs are correctly reflected in the first year operating budget statement

Condominium Interim Occupancy

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- During Interim Occupancy, the Declarant is responsible for paying all costs until registration;
- The monthly *Maintenance Fee* portion of the Interim Occupancy Fee received from unit owners, does not include the cost of in-suite consumption of Thermal Energy
- Copies of the bulk invoices received from utility companies are to issued to the Thermal Meter reading company to ensure that a recovery can be made to reimburse the Declarant for this cost that is incurred;
- Allows action to be taken by Declarant in the unlikely event of non-payment of the in-suite consumption from a purchaser;

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Thank you

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