

BUILDING BETTER COMMUNITIES:

TOWARDS A SUSTAINABLE CONDOMINIUM CORPORATION

CHAPTER

WHAT IS A SUSTAINABLE CONDOMINIUM AND WHO DOES IT BENEFIT?



WHAT IS SUSTAINABILITY?

Broadly defined, sustainability is the capacity for human civilization to coexist with the environment. In its modern use, sustainability refers to the preservation of the environment, limiting the use of fossil fuels, limiting the emission of carbon into the atmosphere, alongside a host of other actions and strategies to minimize the impact of human civilization on the planet.

WHAT IS SUSTAINABILITY IN THE CONDOMINIUM CONTEXT?

In the condominium context, sustainability refers to minimizing resource use and minimizing the effects of the condominium corporation on the environment. A sustainable condominium corporation is one that uses power and fossil fuels judiciously, avoids waste when and where possible, minimizes water usage, and produces the least amount of carbon emissions possible.

WHAT IMPACTS DOES A SUSTAINABLE CONDOMINIUM CORPORATION HAVE ON ITS STAKEHOLDERS?

For unit owners, a sustainable condominium corporation is desirable because it:

- 1. Has a higher desirability for purchasers, increasing property value.
- 2. Has a higher desirability for renters, increasing property value.

- 3. Has lower common element fees due to savings in utilities and maintenance of common elements, increasing property value.
- 4. Has lower operation costs due to decreased utility consumption, increasing property value.
- 5. Owners feel pride at living a low-impact life.

For renters, a sustainable condominium corporation is desirable because it:

- 1. Has lower operating costs due to decreased utility consumption.
- 2. Has a higher value to sustainability-minded individuals.

For the environment, a sustainable condominium corporation is desirable because it:

- 1. Reduces the harms associated with the release of carbon into the environment.
- 2. Reduces the harms associated with the generation, transmission, and consumption of electricity.
- 3. Reduces the harms associated with the extraction, delivery, and consumption of natural gas.
- 4. Reduces the harms associated with the treatment, use, and disposal of water.

For the Condominium Manager and Condominium Management Firm, a sustainable corporation is desirable because it:

1. Gives Managers pride to be working with a corporation that respects the environment.

CHAPTER 2

SUSTAINABLE COMMON ELEMENTS



THE COMMON ELEMENTS

The Common Elements of a condominium corporation vary according to the built form of the building(s). Every corporation is different and needs to be assessed separately, but there are generalities:

In a townhouse-style corporation, the common elements can include the **roadways**, **parking** lots, sidewalks, lawns (which may include or exclude the lawns in front of units), light standards, and depending on the declaration, the roofs, windows, siding, etc.

A high rise-style corporation may have the common elements in a townhouse-style corporation, but also more elements that are found in high rises: **elevators**, **fire systems**, **electrical rooms**, **mechanical rooms**, **pump rooms**, **make up air units**, **boilers**, **cooling towers**, **flat roofs**, **gyms**, **pools**, **patios**, **lounges**, **etc**.

In all types of condominium corporations, there are common elements that can be approached with a sustainable mindset.

SUSTAINABILITY IN THE COMMON ELEMENTS

Electricity

Practically every device uses electricity, so opportunities to save abound. The first place to look is for **devices that are always on/running**.

- Light bulbs many corporations are using older fluorescent or halogen lighting systems. These can often be replaced with a payoff in electrical savings in less than one year!
- Exterior lights these are often on 24/7, but are only required to be on when it is dark. Timers are one solution, but these require frequent adjustment when the length of days changes. Photocells are the simplest solution as they automatically detect the dark and turn on the lights.
- Interior lights these too are often on 24/7, during periods of high and low traffic. A simple solution is to put these lights on motion sensors, so they only turn on when and where required. This can reduce the lights to being on for only an hour or two a day, instead of 24!



Water pumps, beasier pumps—these are pumps that move water around in a building, usually up to the penthouse or upper units. Older models of pumps typically operate at 0% or 100%, with no options in between. Modern variable-flow pumps use only as much power as is required – with considerable cost savings.

eavestroughs, and more. They are sometimes strictly for convenience, and other times to avoid ice buildup on roofs, or to keep a parking ramp free of ice. As such, they form an important safety and damage-prevention system. However, they are very expensive to operate. They are essentially heaters that are on 24/7 in the winter, outside. These devices should be properly maintained, shut down for the summer and started up for the winter on a schedule, and should be controlled by a thermostat so they are only consuming power when it is required.

Water

- Fixtures in common area bathrooms and kitchens low flow fixtures are a simple and proven solution.
- Lawn sprinkler systems these are notorious for wasting water. Water is wasted by watering lawns when it rains, during hot days, or when the lawns don't need it. Aside from the easiest solution of removing the sprinkler system altogether, these systems can be modified with sensors to only use water when it is required, and not during rain.

Heating/Cooling

- Make up air unit heating Make up air units are systems that provide air pressure to hallways, stairwells, and elevator shafts. These are critical fire safety systems that need to be on 24/7. All of these systems have built-in heating systems, and some have cooling functions as well. The heat in these systems is often set too high in winter. Most people leaving their units will go directly outside, already wearing their jackets, so much less heat is required here than is expected. As low as 17 degrees Celsius is cool, but comfortable.
- Make up air unit cooling Make up air systems are often set to provide too much cooling
 in the summer. Sometimes residents are cold and need to put on sweaters while walking
 from unit to unit. Cooling systems can be turned to a higher temperature (less cooling), 22
 degrees Celsius is a common setting.

Themselets in common areas common areas typically have their own thermostats, allowing control of individual rooms. We recommend setting a regular year-round temperature of 21 degrees Celsius. These thermostats can usually be set on timers, and we recommend these be programmed to reduce heating/cooling in periods of low use (such as the night). Finally, these thermostats should be locked to prevent residents from changing settings directly.

units—these units require regular maintenance to keep operating smoothly. We recommend a regular inspection schedule by qualified professionals, and a program of regular filter replacement.

of highest hot water use. Modern boilers typically have settings where they provide varying degrees of heating during the day. Highest during high usage periods, and lowest during low usage periods (such as the early hours of the morning).

Modern condensing boilers are dramatically more efficient than older atmospheric boilers.



Carbon

Carbon (CO2) production comes in many guises in a condominium corporation, primarily where fossil fuels (natural gas, gasoline, diesel, etc.) are being burned.

- Emergency generators as part of a life safety system, emergency generators activate in case of loss of power from the grid. Older models have diesel engines, and consume large quantities of fuel when in operation and produce large amounts of CO2. They are often known for leaking. Modern generators use (relatively) cleaner-burning natural gas.
- Boilers primarily powered by natural gas, these can consume massive quantities fuel in a year. Any upgrade to a more efficient system yields high reductions of CO2 emissions.
- Vehicles often overlooked by condominium corporations, residents' use of internal
 combustion engine (ICE) vehicles produces large quantities of CO2. Any action that the board
 can take to make the switch to electric vehicles (EVs) easier, such as installing EV chargers
 has a large effect on CO2 emissions.

The author, a passionate and long-time owner of an electric vehicle, calculates that over the last 100.000 km of driving his use of an electric vehicle has prevented the release of 60,000 pounds of CO2 into the atmosphere. He charges at charging stations from the grid, and Ontario's power is primarily produced by nuclear and hydroelectric sources, both of which have no CO₂ emissions.



Making an Impact

In short, there are many potential ways to move a condominium corporation towards sustainability. In future articles as we discuss in-unit sustainability before moving to policies and procedures to help implement a sustainable mindset in a condominium corporation.

CHAPTER 3

IN-UNIT SUSTAINABILITY



THE UNIT

A condominium corporation is composed of units and common elements. Everything and everywhere in a condominium forms part of either one or the other. A unit is owned by an individual unit owner, as opposed to the common elements that are owned by all the owners together through the condominium corporation legal structure.

The exact boundaries of a unit change depending on the age of the building, built form, and details of the condominium's declaration. For example, in a high-rise, windows are typically common elements, while in a townhouse, windows are often part of the unit. Townhouse units may include the roof, but in a high-rise, this is never the case.

SUSTAINABILITY IN THE UNIT

Because the unit is owned by a unit owner, the condominium corporation has a limited ability to impact the decisions the owner makes inside their unit. The corporation can enforce how a unit is used: pets may be prohibited, and the operation of a commercial business in a residential unit too may be prohibited. But it cannot mandate energy-efficient appliances, turning off the lights, or keeping thermostat settings at a reasonable level if the owners have their own heating/cooling systems.

Sustainability in the units thus focuses on education, and on making the sustainable option the easiest option.

Education

The terms "green", "sustainable", "energy-efficient", and "climate change" are not new. Most owners have heard of these and understand at a high level that their actions and choices have an impact on the world, for better or worse.

However, most owners consistently underestimate their own impacts, and how through small changes they can change that impact. Through newsletters, announcements, and education sessions, condominium corporations can achieve great results.

Making Things Easy

Another important angle is to make things easy on owners. The more resources that a condominium can provide to owners to help their decision making, the more decisions will be made with a sustainable mindset.

One example of this is with thermostat settings: if owners own their own thermostats (such as in a townhouse complex), the corporation can put together a resource package explaining how energy and natural gas use is affected by different settings. This can explain how much gas/electricity is saved by picking less aggressive heating/cooling settings, and how this translates to dollars and cents. The corporation can go further and list a selection of programmable thermostats it knows would work on owner furnaces and make this list available to owners.

The same type of thinking can be applied to appliances (teaching owners about Energy Star ratings on stoves, air conditioners, microwaves, washers and dryers), toilets and fixtures (low flow toilets, taps and showerheads), lightbulbs (LED and CFL vs. halogen and incandescent), among others.

Making an Impact

Making an impact on the common elements of the corporation is easier than making an impact on the units. The board is elected to manage the common elements on behalf of the owners and make decisions (relatively) easily. However, the board does not control the units, and aside from some limited powers, cannot control or enforce activity and choices inside units. Thus to make an impact on sustainability inside units, it must focus on educating owners, and making it easier for them to make a sustainable choice.



CHAPTER

ACTING SUSTAINABLY – STAKEHOLDER BUY IN, GOVERNANCE, AND POLICY



STAKEHOLDER BUY-IN

Previously we identified 4 main stakeholders at a condominium corporation. These are the **Unit Owners**, the Renters/Occupants, the Condominium Manager/Management Firm, and the Environment.

These stakeholders are the parties/entities that have an interest in the actions of the condominium corporations. Said otherwise, these are the people "who care and are affected by the condominium."

Stakeholder buy-in refers to the idea that the stakeholders need to be "onboard" with the actions of the condominium and its board of directors. They don't have to be directly for or against any one item, but they must agree with the overall direction.

HOW TO GET STAKEHOLDER BUY-IN: EXAMPLES

To discuss how one can get stakeholder buy-in, let's first look at some examples: the federal/provincial political process.

1. Hold an Election

During elections political parties publish their "platform." They go to great lengths to design a platform with the ideas and concepts that they believe in. These are published far and wide, for all to see.

If a political party is elected, they begin to (hopefully) act in accordance with their platform. The idea is that by getting elected they know that they have the support of the electorate to act according to their platform.

2. Focus Groups and Community Meetings

At all levels of government, focus groups and community meetings are a way for policymakers (politicians) and civic administrators to learn about the wants and needs of the population. These meetings are designed to unpack and understand what the population needs, and how services can be designed to meet their needs.

HOW TO TEST FOR STAKEHOLDER BUY-IN: IN A CONDOMINIUM CORPORATION

In a condominium corporation there are no political parties and candidates rarely have any sort of platform. A corporation more often worries about having enough candidates, rather than choosing between equally qualified candidates with differing platforms.

Thus, it is important to adjust the stakeholder buy-in process to reflect life in a condominium corporation. Instead of having elections with platforms or multiple rounds of consultation meetings over years, it is easier for the current board of directors to poll their owners. As these are not elections and are not regulated by the Condominium Act or Canada Elections Act, they are less formal and easier to operate. Instead of a formal voting process in person or by proxy, a simple poll can be administered over email using SurveyMonkey or Doodle. Owners can answer if they want to, but by no means is it obligatory.

These polls are non-binding. This means the board has the option of following up on some but not all actions described by the poll or disregarding the results entirely. However, in our experience this rarely happens. The board typically approaches the results of these polls with a great deal of interest, as they reflect the "will" of the people. The board learns which actions or initiatives have the buy-in of their constituents (the owners).

The board will have many questions to consider, and the Condominium Manager can be an excellent resource to help the board.

- How will the poll be distributed? Email? Paper?
- What questions are asked?
- How does the board ensure proper question design?
- Is the survey anonymous?
- Will survey results be published?
- How long will the survey be open for participation?
- How many votes are required for a particular item before the board considers them?



Governance

The board of directors "governs" the condominium corporation. But more broadly, **governance** is about decision making, accountability, control, and behaviour at the top of an entity (in our case the condominium corporation).

In our case, let's focus in on governance in terms of how and which decisions are made, and specifically discuss the formal documents of the condominium corporation: the Declaration, By-Laws, Rules, and Policies.

As mentioned above, surveys and polls are informal and non-binding. This means that they do not factor into the formal governance of the corporation and are not reflected in the formal documents of the condominium. However, this can change with the will of the corporation and owners.

on their needs and wants. If there is a desire for the corporation to implement sustainability initiatives, these can be initiated by the board. The board has the ability to change many small but high impact items by decree alone, without changing contracts, etc. These can be as simple as changing the temperatures on the HVAC system, changing the schedule on the grass watering, the addition of electric vehicle chargers (with exceptions) and a host of other changes.

The board can also initiate more formal changes as a result of polling the owners. We'll discuss that presently.

Policy

Policy is a difficult word to pin down precisely, particularly if want to avoid engaging experts in political science. For our purposes let's define policy as "the formal procedures by which decisions are made, and actions are taken" as in:

- Our policy is to charge owners cleanup costs for littering in the common areas.
- Our corporation's policy is that the windows do not form part of the common elements, and owners are responsible for their own window replacement.
- The board's policy is that **repair costs above 1% of the annual budget are to be paid out of the reserve fund.**

Polices exist so that the board of directors, management firm, and individual managers make decisions and act in a way that is consistent and fair for all owners. Policies must be supported by the condominium corporation's documents. The declaration, by-laws, rules, written policies, and even board meeting minutes serve to support actions the condominium corporation makes.

The condominium corporation's documents therefore serve as a conduit where the "will of the owners" can be adopted into a written policy. From the point when a policy is adopted, **the board** has a clear "rulebook" to follow to ensure that the decisions are made consistently and fairly.

Types of sustainable policies:

- How contracts are procured, and what attention is paid to various sustainability measures in each received bid.
- How capital items are replaced, and how much attention is paid to items beyond price. Does the efficiency of the proposed HVAC system have a bearing on the system chosen?



CHAPTER 5

PUTTING IT INTO PRACTICE - RFPS, CONTRACTS, AND CONTRACTORS



REQUESTS FOR PROPOSALS

A Request For Proposals (RFP) is a **formalized process by which the purchaser (the condominium corporation) details its specific needs and wants (among other things).**The goal of an RFP is to **allow a transparent process to take place where bidders are protected from potential conflicts of interest of the management firm and bid on the same and known scope of work.**

A good RFP process yields contractors that are vetted and experienced, provide accurate bids, and allows the purchaser to know they are getting the best of what is currently available.

Typically, an RFP document outlines the work to be done, such as the repaving of a parking lot. It provides any plans or prints that are commonly required, assigns a date by which the bid is to be submitted, a date the work is to be completed, and information on when and how the vendor will be paid.

An RFP can also include other information, such as that the purchaser is looking for specific energy efficiency ratings. This can also be expanded to detail how the corporation views sustainability, how it aims to reduce energy, water, and fossil fuel use. It can explain that it is not looking for the absolute-lowest price if it means sacrificing its sustainability goals. It can explain that it is looking for a low price, given that its needs of sustainability are met.

This additional information in an RFP in turn allows the vendor to bid a package according to what the purchaser wants, not what the vendor thinks the purchaser wants. **The result is a better bid, that better matches the condominium corporation's goals.**

CONTRACTS

The contract process comes after a winning bidder has been selected from the RFP process. Contracts offer an additional method of incentivizing the behaviours that the condominium corporation values.

Broadly, two parties can agree to pretty much anything, so long as it is legal. This agreement is written up in a contract. Vendors often have their own standard contracts, but there is nothing saying that these can't be modified. Like everything else, these are a negotiation. Both parties can withdraw if they cannot come to an agreement.

Via a contract, the condominium corporation can mandate that a landscaping vendor uses only electric equipment onsite, as the two-stroke engines that are common in small engines are loud, inefficient, and produce high amounts of CO2 and smog-forming emissions. Alternately, the corporation can use the vendor's own contract (without the equipment restriction), but add in a clause where the vendor receives a bonus if they use electric equipment a minimum of 50% of onsite-man hours. The vendor is thus incentivized to invest in equipment they may not

already have and can use this equipment at other sites (thereby compounding the condominium corporation's impact on sustainability).

A board's and manager's imagination is the limit here. It can mandate that vendors use electric vehicles when working onsite, that waste generated by onsite work is properly recycled, that all paint used onsite is low-VOC and waste is disposed of properly, that recycled materials are used where possible, or anything else they believe may positively impact the sustainability of the condominium.

CONTRACTOR DUE DILIGENCE AND MONITORING

Prior to signing a contract, due diligence should be completed. The corporation should check to see if a vendor promising a certain product or method has the capacity to do so. It can check references and vendor qualifications, among others.

During the period work is conducted onsite, the corporation should be conducting spot checks to see if the equipment used onsite, or materials installed meet specifications.

SUMMARY

We have explored different the full scope of incorporating sustainability into the operation of a condominium corporation. A board of directors has the opportunity to take action to significantly reduce the impact of condominium life on the environment.

HAVE QUESTIONS OR COMMENTS? LET US KNOW!



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Michael serves the condominium management industry in several additional capacities. He teaches Physical Building Management and Financial Management at Mohawk College. These two courses form part of the mandatory curriculum for condominium managers in the Province of Ontario. Michael also sits on numerous boards and committees, such as the Association of Condominium Managers (ACMO) membership committee, is a frequent guest speaker and lecturer at the Canadian Condominium Institute (CCI), among a variety of other engagements.

^{*}Though written by a qualified and experienced Condominium Manager, this article is not intended as legal advice. Our team is available to discuss formal advisory relationships.