

# A landlord's perspective on the legalization of cannabis



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Canada legalized marijuana on a national scale in October, and marijuana can now be legally smoked in both public and private spaces in Toronto with a few restrictions.

While the effects that this change will have on the economy once legal dispensaries open in April have been widely acknowledged, the impact that this change will have on landlords and the property management business hasn't been as groundbreaking.

Ontario has released some restrictions about where and how you can use cannabis in the region, but it will take some time for these guidelines to become common knowledge. Landlords working in the area, however, need to become acquainted with the rules as quickly.

For example, residents of Ontario are permitted to grow up to four marijuana plants at home. If tenants take advantage of this change, they may begin to use more water and electricity to keep the plants healthy.

Landlords could wind up being responsible for unexpectedly high hydro and electricity bills. As such, they may

want to introduce changes to their management of utility fees to preemptively counteract this change or consider adding a no-grow clause to new leases.

Additionally, you will want to make sure that a proper cleanup occurs between tenant occupancies if the previous tenant smoked marijuana. Ontario law states that the tenant should pay for undue damages to the unit, and any lingering smoke smell should fall into this category.

Unfortunately, there are some unknowns that landlords may have to blunder through until further legislation is passed.

One question that landlords are asking around Toronto is about whether or not they are allowed to include a section in their lease agreements that forbids cannabis use on their properties.

This question becomes doubly complicated for landlords that own multi-dwelling units. It's become clear that many condo boards will be re-enacting stricter no-smoking laws, which include both tobacco and cannabis, but these will not be able to be applied retroactively to any existing leases.

What's not clear is whether or not it will be possible to enforce a lease that disal-

lows the growing or smoking of cannabis, which is what some landlords want to do to protect their property from potential damages. Just like cigarette smoke, smoking cannabis can leave behind stains and smells.

What is clear is that the tenant-landlord rules surrounding what can and cannot be done regarding cannabis is going to take some time to be cleared up.

Just like the gradual process that the cannabis economy itself must go through as legalization takes effect, landlords and tenants will need to have some patience and flexibility as ground rules are established.

For now, landlords should focus on making decisions about whether or not they want to allow the smoking and growing of cannabis on their properties. Including these rules in all new leases until further rulings are made by the Ontario Landlord Tenant Board will help keep things clear between tenants and landlords.

— Sabine Ghali is Director at Buttonwood Property Management and an entrepreneur at heart who endeavors to help investors create wealth over time. Visit her at [www.buttonwood.ca](http://www.buttonwood.ca)

# Top 10 things to consider before buying a condo



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I am all for people purchasing new condominiums as either their lifestyle of choice or an investment. Nowadays in the Greater Toronto Area, condos are the preferred choice of buyers of all ages. Regardless, your decision should be the right one for you, and there are some important things to consider before signing on the dotted line. Here are a few questions to ask yourself.

1. Are you prepared for the realities of condo living? A condominium is a vertical community in which residents are expected to follow the rules set out by the condominium corporation to protect everyone's safety, privacy and investment.

2. How much you can spend? The wisest decision you can make is to get pre-approved for a mortgage. Then you know where you stand, and you save a lot of time during the shopping process. Your purchase price is only part of what you will be expected to pay. Be sure to find out about upgrades, and keep in mind that closing costs can amount to anywhere from 3 to 5 per cent of the purchase price.

3. Along that line, are you prepared for maintenance fees? Purchasers own a percentage interest in all of the building's common elements such as the lobby, pool, fitness facilities, theatre room,



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etc. That percentage is determined by the square footage of the suite you choose, and your maintenance fee is calculated from that. In essence, you share the upkeep, repair and maintenance of these amenities with your neighbours.

4. Where do you want to live? Location, location, location should be tops on your list. Select a location that is handy to your workplace, and remember family, friends and groups that you travel to frequently. And look around at

area amenities, which play a big role in your day-to-day condo living. What is within walking distance? When in doubt, go to [www.walkscore.com](http://www.walkscore.com), punch in the address, and you can find out just how convenient it is.

5. What will your commute be like? Remember that getting from Point A to Point B in the GTA does not happen as the crow flies. When you have narrowed down your choices, try your commute during rush hour.

6. How reliable is the builder/developer? Choosing a developer with a proven track record offers confidence, plus you can visit previously built communities and condominiums to examine the quality of their finished product.

7. A major advantage in choosing a condominium is having wonderful amenities under (and on) your roof. These "common areas" are extensions of your living space and add

value to your new home investment. Explore what the various condominiums offer in the way of amenities and decide what is important to you.

8. What is your architectural preference? Across the GTA, you will find a kaleidoscope of designs, from traditional to avant-garde. The exterior and interior of your condo should reflect your sensibilities so you feel "at home" the moment you walk into your building.

9. Are the features and finishes high quality? These offer you the opportunity to personalize your suite, and there are gorgeous choices available today. Upgrades are tempting, but even if your pocketbook accommodates only standards, keep in mind that the standards of today are the upgrades of yesterday!

10. What direction does the suite you are considering face? Today's suites incorporate glorious ceiling-to-floor windows. If you work nights, you will most likely want to avoid sunlight from the east in the morning. If you paint, you might love the quiet light in a north-facing suite. Like brightness? Face south or west.

The decision to purchase a new condominium in the Greater Toronto Area is a wise one, with a multitude of choices out there beckoning with incredible beauty and value. There are always completed inventory suites available for those who need quick occupancies.

However, purchasing pre-construction has a lot of benefits including attractive pricing and the best selection of designs. Whatever you decide, do your "homework" and go in with your eyes wide open.

— Barbara Lawlor is president and CEO of Baker Real Estate Inc. and member of the Baker team since 1993, where she oversees the marketing and sales of condominium developments in the GTA