

LIVING ACCOMMODATION CHARGES GUIDELINE

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Living Accommodation Charges Guideline

General

Effective date

This guideline was effective on (date of approval by NCJC).

Purpose and scope

It is NAV CANADA policy that occupants of Crown-owned/corporately-leased living accommodation shall be accorded treatment equivalent to that accorded to persons renting similar accommodation from private or commercial sources.

Charges levied for Crown-owned/corporately-leased living accommodation must be fair and equitable and be based on the following principles:

- a) they should not form part of an employee's compensation package and should be comparable to those in the local housing market; and
- b) they should reflect any factors which affect the quiet enjoyment or the privacy of the occupant and thus the value of the accommodation.

Application

This guideline is concerned only with employees who are "permanent" occupants of Crown-owned/corporately-leased living accommodation provided in Canada. It does not apply to employees on travel status or otherwise considered transient. Living accommodation provided by the Department of National Defense to military and civilian personnel is subject to the provisions of the Queen's Regulations and Orders for the Canadian Forces .

To carry out its responsibilities, NAV CANADA must be able to house employees in all parts of the country. Accommodation is only provided where:

- a) it is an operational requirement and it is necessary to combine the employee's accommodation and place of work (such as at airports, national parks, locks on canals, and radar stations),
- b) it is clearly advantageous to have the employee reside at or near the job location (such as at agricultural or research stations), or
- c) no suitable living accommodation is available in the vicinity.

Definitions

availability to the public refers to the situation in which an employee, as the occupant of a particular residence, is recognized as a NAV CANADA employee and therefore may be called upon by the public outside normal working hours; (disponibilité au public)

base shelter value refers to the market shelter value for Crown-owned/corporately-leased living accommodation considering the size and suitability of the unit (lay-out, construction, adequacy of sewer and water, closet space, size of rooms, etc.) as well as its physical environment (appearance, landscaping and play areas, proximity to traffic, noise or pollution problems, availability of schools, shopping, recreational or medical facilities, etc.). The value is determined by professional appraisal and is subject to section 1.5; (montant des loyers)

Crown-owned/corporately-leased living accommodation is residential accommodation, owned or leased by the Government of Canada or NAV CANADA, intended primarily for employees of the Government of Canada or NAV CANADA. Such accommodation may be either:

- a) self-contained, i.e. a single-family dwelling (detached, semi-detached or row housing) or apartment providing private living, sleeping and eating space, private food preparation facilities, a private bathroom and a private entrance; or
- b) room/dormitory, i.e. any accommodation which does not meet all the criteria for self-contained accommodation; (logement de la Couronne ou de NAV CANADA)

family includes the spouse, if residing with the employee, plus all persons for whom the employee can claim a deduction under the Income Tax Act. Common-law relationships may be included as long as an affidavit is provided indicating, to the satisfaction of NAV CANADA, that the couple is living as husband and wife and have represented each other as such for a continuous period of at least one year in the community or communities in which they have lived; (famille)

family income is the aggregate gross income, in whatever form received, of all members of the family, or of an individual, where applicable, excluding:

- a) earnings of children or funds for the tuition of children in regular attendance at recognized institutions of learning such as scholarships, bursaries and contributions from non-resident family members,
- b) living-out or traveling allowances of a family head,
- c) earnings of a working spouse, up to \$900 per annum,
- d) income, from any source other than social assistance payments, of a one-parent family, up to \$900 per annum,
- e) earnings, in excess of \$75 per month, of all members of the family other than the family head or spouse (this will include persons related by blood, marriage or adoption or other persons who form part of the family),
- f) capital gains, such as insurance settlements, inheritances, disability awards, sale of effects, and
- g) family allowances; (revenu familial)

isolated post refers to any location which meets the criteria established under the Isolated Posts Guideline; (poste isolé)

job-imposed occupancy refers to situations where the employee, in order to perform assigned duties adequately, is required to occupy a "specific" accommodation unit regardless of whether other accommodation is available in the vicinity. The accommodation in such cases must be an "integral part of the job", i.e. it must contain either office or work space, equipment required in the performance of the job, or carry out an official and generally recognized designation. Note that, where a condition of job-imposed occupancy exists, the accommodation is provided because it is essential to the employee's work and not because no other suitable housing is available. Wherever this condition exists, the employee shall not be permitted to reside elsewhere under any circumstances; whether or not such an option actually exists is irrelevant; (logement imposé par l'emploi)

living space includes all usable space (measured in square metres) which is reasonably finished, e.g. with floor covering, finished walls and ceilings. Unfinished sections of units in basements, laundry and drying space, storage space, mechanical, furnace and utilities/electrical service entrances are not included. Further, mechanical/utility areas or storage rooms located within living space should be deducted. These areas shall be measured from their interior wall surfaces; (surface habitable)

occupancy incentive refers to a temporary reduction of the base shelter value where it is to NAV CANADA's advantage for an employee to reside in Crown-owned/corporately-leased living accommodation. The occupancy incentive is not applicable when an adjustment for "job-imposed occupancy" is made; (prime d'incitation à l'occupation)

offensive noise includes any recurring noise which disturbs the quiet enjoyment of the premises, e.g. noises which originate within the building such as generators or communications equipment. Also, employees on "shift work" who occupy room/dormitory accommodation are considered to be subject to "moderate" offensive noise, when there are other occupants of the same room/dormitory accommodation who also work shift work (see appendix B, table 3 on percentage of rental reductions due to loss of privacy and quiet enjoyment). Noises which originate from outside the building such as aircraft or motor vehicles are taken into account by the CMHC appraiser and should not be included here. If there is a question as to whether or not the appraisal considered the noise factor, CMHC should be consulted; (bruits gênants)

operation and maintenance of equipment refers to situations where the occupant must operate or maintain equipment, e.g. electric generators, located on the premises when this is not part of the job description; (utilisation et entretien des installations)

public use of communication facilities relates to adjustments to cover the use, by the public or government employees, of radio, telephone or similar equipment located in the accommodation for communication purposes; (usage des moyens de communication par le public)

public use of living facilities involves the use by the public of the private living facilities provided to the occupant such as bathroom, living room, bedroom, etc.; (usage du logement par le public)

salary is the occupant's gross annual salary at the time of occupancy or at the time of annual recalculation of charges, as applicable. Retroactive salary increases during the interim shall be ignored; (traitement)

shared self-contained accommodation is a self-contained dwelling converted to room/dormitory accommodation and shall be treated for purposes of administration and charging as described in section 1.2; (logement indépendant partagé)

unaccompanied occupant refers to a person who occupies Crown-owned/corporately-leased living accommodation without dependents. (occupant seul)

Responsibilities

The Canada Mortgage and Housing Corporation (CMHC) is responsible for the appraisal of Crown-owned/corporately-leased living accommodation and for providing, within the times specified, related services requested by NAV CANADA.

Union-management consultation

Where Joint Union-Management Consultation Committees do not presently exist, they shall be created to provide for discussion and resolution of housing problems at the local level.

This section is intended to allow those who occupy Crown-owned/corporately-leased accommodation to bring housing problems to the attention of NAV CANADA, or to Public Works Canada in the case of pool housing, in order that those problems can be resolved at the local level through the NAV CANADA Joint Council.

Inquiries

All inquiries regarding this guideline should be routed through the Pensions and Benefits Department.

PART I: RENTAL CHARGES

Types of accommodation

1.1 Self-contained accommodation

1.1.1 CMHC shall determine the base shelter value of self-contained accommodation in relation to actual rentals charged for similar accommodation in the locality, except that:

- a) where no market can be identified locally, the nearest appropriate location where a viable market exists (as determined by CMHC) shall be used; or
- b) where the accommodation is located at an isolated post, the market at the major source of supply (as established by Statistics Canada) shall be used.

1.2 Shared self-contained accommodation

1.2.1 It is not the intent of this provision to permit the Company to force a family to occupy shared, self-contained accommodation.

1.2.2 When the Company, for operational reasons, changes a self-contained accommodation unit to shared, self-contained accommodation, the base shelter value, plus fuel and utilities, shall be divided by the number of bedrooms and not by the number of occupants. For example, the rent for each bedroom of a three-bedroom unit renting at \$600 per month would be as follows:

$$\begin{aligned} \text{B.S.V. + fuel and utility charges} &= \\ \$600 \text{ for 3 bedrooms} &= \$200 \text{ per occupant per month.} \end{aligned}$$

In such cases, size suitability adjustments do not apply.

1.2.3 Appendix G entitled Generic agreements for employee occupancy of Crown/corporately-provided accommodation shall apply equally to the Company and to each occupant of the shared, self-contained accommodation.

1.2.4 Regulations for sharing should form part of the Generic agreement for employee occupancy of Crown/corporately-provided accommodation, e.g. attachments to the agreement, in order to clarify responsibilities of individual occupants.

1.3 Room/dormitory accommodation

1.3.1 CMHC shall determine the rental value of a benchmark unfurnished apartment based on actual rentals charged in the market in the locality, the nearest appropriate location or the major source of supply (see section 1.1). The benchmark apartment will:

- a) consist of one bedroom, a combined living/dining area, a full bath and a kitchen with stove and refrigerator;
- b) include coin-operated laundry facilities; include charges for utilities and fuel; and
- c) be situated in an area with convenient access to all normal amenities (see Appendix A, rating comments c (10) and c (11).)

1.3.2 NAV CANADA shall relate room/dormitory accommodation (see rating form and instructions in Appendix A) to the benchmark apartment and establish the base shelter value accordingly.

Rental charges

1.4 Market-level shelter charge

1.4.1 The market-level shelter charge is the base shelter value, as determined in sections 1.1 to 1.3, 1.5 and 1.14, adjusted by non-appraisal factors which affect the values of the accommodation to the occupant.

1.5 Rent controls

1.5.1 Provincial/territorial rent control legislation setting specific percentage limitations shall be applied to CMHC appraised values. Where the legislation requires only a review of increases by a rent control administration, no adjustments or submissions will be considered and the full CMHC rate will be implemented subject to the appropriate adjustments in sections 1.4 and 1.6 to 1.14. NAV CANADA is responsible for determining any limitations enacted which may require an annual adjustment of CMHC rates. This will establish the base shelter values to be used in the calculation of the appropriate market-level shelter charge. It must be noted that such limitations shall be applied annually to the previous years' base shelter value (after the application of this provision) for each unit and before any adjustments outlined in sections 1.6 to 1.9 are included.

Non-appraisal adjustments

1.6 General

1.6.1 If more than one non-appraisal factor is determined to apply, the adjustments should be made in the following order, each based on the charge resulting from the previous adjustment:

- size suitability of the accommodation,
- job-imposed occupancy, and
- loss of privacy and quiet enjoyment.

1.7 Size suitability

1.7.1 If living space varies from the norm for the occupant's family size and income level indicated in Table 1, Appendix B, the base shelter value shall be reduced by the percentage indicated in Table 1 of Appendix B (see sample calculations in Appendix C).

1.7.2 Any adjustments for size suitability shall be based on the employee's family size and salary at the time of initial occupancy or on annual recalculation of the rental rate. Changes in salary or family size in the interim will not affect the amount of the adjustment.

1.8 Job-imposed occupancy

1.8.1 Where a condition of job-imposed occupancy exists, the base shelter value shall be reduced by 25 per cent.

1.9 Loss of privacy and quiet enjoyment

1.9.1 Where the employee is subjected to a loss of privacy and quiet enjoyment due to occupying Crown-owned/corporately-leased living accommodation, the base shelter value shall be reduced by a maximum of 50 per cent. The specific reductions for varying types of intrusions and varying frequencies are provided in Table 3 of Appendix B.

Special reductions

1.10 General

1.10.1 The market-level shelter charge determined in the preceding sections may only be further reduced in the following circumstances.

1.11 Maintenance problems

1.11.1 Where serious maintenance problems affecting the living standards of the accommodation are not corrected within 30 days, NAV CANADA may suspend all or part of the market-level shelter charge until the problems are corrected. Reductions for maintenance problems should only be made when the accommodation has temporarily depreciated below the value determined in the last CMHC physical appraisal and where this has occurred through no fault of the occupant. For example, damage by floods, disruption of normal services, breakdown in sewer and water facilities, leaking problems, etc.

1.12 Occupancy incentive

1.12.1 When an occupancy incentive is being applied, NAV CANADA may reduce the market-level shelter charge by up to 25 per cent to encourage the employee to occupy Crown-owned/corporately-leased living accommodation. NAV CANADA shall consult with government departments in the same community to discuss the application of the incentive and ensure equitable treatment among all employees.

1.12.2 The occupancy incentive shall be temporary in nature and shall be reviewed annually. Furthermore, those units where the occupancy incentive has been applied shall be reviewed by NAV CANADA for disposal.

Limitations or ceilings

1.13 Limitations on increases

1.13.1 Where annual increases in shelter charges exceed that year's market rate of escalation for the locality and are due to no fault of the occupant, the increase in the monthly rate shall be limited to one-half of one per cent of the occupant's annual salary, or \$75.00 for employees whose family income is less than \$35,000 per year, or \$100.00 for employees whose family income is \$35,000 or more per year, whichever is less. This limitation shall be applied after all adjustments arising out of sections 1.4 to 1.12 have been applied and, once applied, will include subsequent annual rent revisions until the full shelter market level value has been reached.

1.14 Rental charges ceiling

1.14.1 Where the shelter charge, excluding parking charges, fuel and utilities, exceeds 25 per cent of family income, the employee may apply to NAV CANADA to have the rate reduced to this value. This application must be made in writing within 21 calendar days of receipt of notification of an increase in shelter charges and must provide the necessary details to substantiate the family income.

1.14.2 This provision applies only in locations where no public housing (sometimes referred to as low rental housing) is available and shall only apply to the final rate, i.e. after all adjustments in sections 1.4 to 1.13 have been applied.

1.14.3 The actual family income data on the date of application shall be used and retroactive salary increases thereafter shall be ignored.

Other charges

1.15 Utilities

1.15.1 To the extent practicable, Crown-owned/corporately-leased living accommodation shall be individually metered for utilities (heat, light and water) with the occupant paying consumption charges directly to the supplier. Room/dormitory accommodation shelter charges include utilities and no separate metering is involved.

1.15.2 Often it is not feasible to individually meter Crown-owned/corporately-leased self-contained living accommodation because of high installation costs or because the Government of Canada or NAV CANADA is the supplier. In such cases the occupant will be charged for utilities on the basis of living space (up to the norm for the occupant's family size and salary range indicated in Table 1, Appendix B) at \$0.96832 per 100m² multiplied by the Consumer Price Index (CPI) (1986 = 100) for utilities as established by Statistics Canada for January of each year. Where all utilities are not provided, the charge to the occupant shall be a percentage of the amount calculated as follows:

- (a) 50 per cent for fuel,
- (b) 40 per cent for electricity, and
- (c) 10 per cent for water.

1.15.3 Based on the January 1991 CPI for utilities of 124.7, the following are typical charges:

$$\begin{aligned} & \$0.96832 \times 124.7 = \$120.75/\text{mo}/100 \text{ square metres} \\ & 65 \text{ square metres} \\ & \frac{65 \times \$120.75}{100} = \$78.49 \end{aligned}$$

1.15.4 Where Crown-owned/corporately-leased living accommodation is located at an isolated post, NAV CANADA will pay to the supplier the actual costs incurred for utilities and charge the occupant the formula rate indicated above.

This practice will continue until the units have been adequately retrofitted or until an appropriate fuel and utilities allowance has been developed. Nevertheless, the occupant is responsible for ensuring that consumption is kept to a minimum consistent with environmental conditions and normal comfort levels.

1.16 Residential parking

1.16.1 Where covered residential parking (garage or carport) forms part of a single-family dwelling (detached, semi-detached or row house) and is located on the property, the charge for this facility will be included in the base shelter value. Where parking is provided separately (i.e. off the property) or is for occupants of apartments or room/dormitory units, a separate charge will be imposed, determined by CMHC appraisal, based on charges for similar facilities on the applicable market (local, nearest appropriate location or major source of supply as per section 1.1).

1.17 Furnishings

1.17.1 No additional charge will be imposed for furnished living accommodation. Furnished living accommodation is provided only where it is cost-beneficial to NAV CANADA, comparing the cost of moving an employee's furniture and effects to and from the location with the cost of providing and maintaining the furnishings and storing the employee's furniture and effects. Room/dormitory accommodation shall be furnished.

Rental charges calculation tool**1.18 General**

1.18.1 A living accommodation charges calculation sheet (Appendix E) is suggested as a working tool to facilitate the calculation of an employee's rental charges in Crown/corporate housing.

PART 2: ADMINISTRATION

Administration of charges

2.1 Annual review

2.1.1 All charges for Crown-owned/corporately-leased living accommodation (including shelter, fuel and utilities and parking, as applicable) shall be reviewed and adjusted annually. The normal date for implementation of revised charges will be August 1 of each year.

2.2 Notification of revised charges

2.2.1 Occupants shall be given three months' notice of any change in charges as a result of the annual review, and such charges shall not be applied retroactively. To meet the August 1 implementation date, occupants affected must be informed in writing not later than April 30. Occupants taking possession in this three-month period should be informed of the new rates before they take up residence.

2.2.2 Occupants shall be given a three-month notice of any increase caused for reasons other than the annual review, and such changes shall not be applied retroactively. Decreases in charges for these reasons will be effective the day the occupant is so advised. All overpayments by the occupants will be adjusted retroactively to the date of error/change.

2.3 CMHC appraisal

2.3.1 CMHC shall reappraise all Crown-owned/corporately-leased living accommodation annually to establish new base shelter values and parking charges. On-site physical inspection shall be conducted as necessary with each unit being inspected at least once every five years. The occupant shall be provided with a minimum of 48 hours' written notice prior to the appraiser carrying out an on-site evaluation of the occupant's living unit. It is the responsibility of NAV CANADA to inform CMHC appraisers of any major change to the physical state of a unit since the last on-site inspection. Corporate administrators should be fully aware of the market base used by CMHC and the reasons for base shelter value differences so that they can satisfactorily answer employee questions.

2.3.2 An employee shall have access to the corporate file related to the unit occupied, once in every 12-month period, and when there are any changes made to the appraised base shelter value.

2.3.3 Appendix D describes the role of the CMHC appraiser and details the responsibilities of corporate administrators to appraisers. Briefly, CMHC appraisals reflect the size and suitability of the accommodation, taking into account such items as its layout, construction (type and structural defects which detract from the dwelling), adequacy of services (sewer, water, etc.), closet space, size of rooms, adequacy of lighting and storage, physical environment (appearance, landscaping, play areas, proximity to traffic, noise or pollution problems, availability of schools, shopping, recreation facilities and other amenities), insulation and ventilation, as well as the general standard of maintenance. Using these factors, CMHC annually reviews the charges for Crown-owned/corporately-leased living accommodation based on information provided by NAV CANADA as well as a general review of market trends,

physical inspection of some of the units involved (each unit shall be inspected at least once every five years), existing data on rates and appraisal information on file.

2.3.4 CMHC has decentralized responsibility for the appraisal of Crown-owned/corporately-leased living accommodation to field offices, with the national office performing a coordinating role only. NAV CANADA will therefore deal directly with the CMHC field office concerned on all matters involving appraisal services and related charges. However, major problems may continue to be referred to the CMHC national office through regional general managers.

2.4 Provision of information

2.4.1 NAV CANADA is provided annually, by the end of February, with the following:

- (a) for self-contained accommodation at isolated posts, CMHC will provide any realignments of charges or revised base rates for units which have been physically inspected or for units which NAV CANADA indicates have had major changes to the physical state.
- (b) for self-contained accommodation, revised rates of change at non-isolated posts for each unit.
- (c) for room/dormitory accommodation, a revised benchmark apartment rate for each location.
- (d) for parking garages provided separate from accommodation, new rates.
- (e) for newly acquired Crown-owned/corporately-leased living accommodation CMHC will, on request, provide appraisals of such units to establish base shelter values and residential parking charges. Usually, an initial physical inspection is required. If, however, it is not an appropriate time for an inspection, a desk appraisal may be made to avoid delays in providing a shelter value and the inspection of the new Crown-owned/corporately-leased living accommodation can be scheduled when others are being performed, e.g. during the course of the annual review.

2.5 CMHC appraisal cost reimbursement

2.5.1 NAV CANADA shall reimburse CMHC for the costs incurred in providing appraisal services. CMHC will bill departments during each year for appraisals conducted. Invoices issued periodically by each CMHC field office will provide the necessary detail to permit NAV CANADA to certify receipt of the services involved. The charges shall be calculated on the same basis as those for services provided by CMHC under the National Housing Act; i.e. charges shall be based on the appraiser's time plus an overhead factor to cover travel and all other expenses. CMHC will periodically review the overhead cost factor and shall inform the NAV CANADA, Pensions and Benefits Department if a change is required.

2.6 Corporate responsibilities

2.6.1 NAV CANADA shall maintain an inventory of all Crown-owned/corporately-leased living accommodation. By October 15 of each year NAV CANADA shall provide CMHC with a complete list of living accommodation subject to the annual review that it operates. These lists shall include all information necessary to locate and identify each unit (i.e. location, address, building and appraisal numbers, type of accommodation, number of rooms, bedrooms, floor area, type of construction and previous base shelter value). An indication of changes which have occurred, problems encountered with past appraisals and other relevant data should be included, as well as a list of room/dormitory accommodation and separately-provided parking. A separate listing shall be provided for each CMHC field office of all Crown-owned/corporately-

leased living accommodation within that office's territory. Requests for appraisals of newly acquired living accommodation or accommodation to be leased, and requests for benchmark rents for the purpose of rating room or dormitory accommodation, shall be addressed to the CMHC field offices. Appendix F refers to a sample form for requesting annual appraisals. Appendix I provides the procurement details for this form.

2.7 Revisions

2.7.1 Annually, corporate administrators shall determine appropriate changes to charges for Crown-owned/corporately-leased living accommodation as follows:

- (a) for self-contained accommodation at isolated posts NAV CANADA is responsible for adjusting charges by the percentage change in the market rental rate from the previous year for the seven locations defined as major sources of supply (St. John's, Halifax, Montreal, Toronto, Winnipeg, Edmonton and Vancouver).
- (b) for self-contained accommodation, the new base shelter value reported by CMHC will be reviewed in light of applicable rent control legislation (see section 1.5), the non-appraisal factors set out in sections 1.6 and 1.12 affecting the value of the accommodation to the occupant, and the increase and salary limitations in sections 1.13 and 1.14. The new market-level charge will thus be established.
- (c) for room/dormitory accommodation, the rating of each unit will be reviewed, taking into account any major changes. The base shelter value will then be determined based on the new CMHC benchmark apartment and any applicable rent control legislation (see section 1.5). Finally, appropriate adjustments in accordance with section 1.4 and sections 1.6 to 1.14 will be applied to establish the new market-level charge.
- (d) Where the charge for utilities is based on the calculation outlined in section 1.15, the Statistics Canada CPI for utilities for January of each year will be used to establish the monthly charge for the following 12-month period. NAV CANADA is responsible for obtaining the appropriate data from Statistics Canada.
- (e) Revisions to charges for separate covered residential parking are provided by CMHC as a result of the annual reappraisal.

Administration of Accommodation

2.8 Residential standards

2.8.1 Suitable living accommodation is defined by the National Building Code of Canada (NBC), Canada Mortgage and Housing Corporation's (CMHC) Technical Builders' Bulletin (available at CMHC offices) and the Government of Canada Living Accommodation Manual (available from PWC, Property Management Branch). In the territories and in other northern locations, the Northern Housing Guidelines and Standards (also available from PWC, Property Management Branch) define suitable living accommodation. In cases of overlap, the higher standards apply.

2.8.2 Where feasible, NAV CANADA shall upgrade those existing government/corporate housing units which do not conform with the standards.

2.9 Living space

2.9.1 Living space should be determined in accordance with the following CMHC definitions:

- (a) In the case of a semi-detached or single family dwelling, living space is the aggregate of all floor areas, measured from the outside faces of enclosing walls, less any area which does not form an integral part of habitable accommodation. Any area which has a ceiling height of less than 1.4 m, as in a one-and-a-half storey house, shall not be included as living space. In the case of semi-detached and row houses, measurements shall be taken to the centre of party walls. Measurements of finished sections of basements shall in all instances be from the inner surfaces of walls.
- (b) Computations of living space in apartment-type buildings shall include only private areas of single units. Areas accessible to the public, general service areas, shared corridors, stairways, lobbies and elevator shafts shall not be part of the living space computed for individual units. All measurements of floor areas shall be calculated as net floor areas, measuring from the inner surfaces of all walls enclosing the unit.
- (c) Living space for mobile homes shall be measured from outside faces of outside enclosing walls, not including the tongue or porches attached to entrance ways. Mechanical/utility or storage rooms shall be measured from the inner surfaces of enclosing walls and shall be excluded from the living space calculation.

2.9.2 For questions respecting living space computations, corporate housing administrators should consult the nearest CMHC field office. The listing of CMHC field offices is available as a separate document which may be obtained from the Pensions and Benefits Department.

To convert square feet to square metres multiply by 0.092903.

2.10 Allocation of accommodation

2.10.1 As far as possible, living accommodation should be allocated initially according to the norms for the salary and family size, as indicated in Table 1 and Table 2, Appendix B, and not on the hierarchical status of the occupants.

2.10.2 Employees will be given accommodation options where practicable on a first-come, first-served basis. However, employees who have a choice on initial allocation between a dwelling that satisfies the appropriate size norm and one that does not, and who choose accommodation that is not appropriate according to Table 1, Appendix B, shall not be entitled to a size adjustment. Where an employee later requests, and is provided with, a more desirable unit at the same location, the employee is responsible for resulting removal costs.

2.10.3 Occupants selecting, on the basis of personal preference, accommodation that is either too large or too small, according to the table of norms, shall forfeit the adjustment for size suitability specified in section 1.7 since employees making such a selection are generally committed to it for the full term of the occupancy of the unit.

2.10.4 As indicated in 2.10.1, NAV CANADA has the responsibility to ensure that the initial assignment of accommodation is appropriate. Where an occupant has been arbitrarily allocated to a unit that is unsuitable in size, NAV CANADA should, where it is economically advantageous, considering the relative costs of continued size suitability adjustments and costs of moving the employee, give the employee the first choice of accommodation of a more suitable size when it becomes available. NAV CANADA shall absorb the relocation costs in such cases. If the employee refuses such a move, the employee will forfeit the size suitability adjustment (see article 1.7.)

2.10.5 Actual charges to employees may vary significantly, depending on salary and family size. Employees should be informed, preferably in advance of occupancy, that variations in charges for similar accommodation are possible. Examples of size suitability adjustments for similar units (appraised by CMHC at the same base shelter value) are contained in Appendix C. Departments should use these examples as a guide during early discussions with prospective occupants.

2.11 Priorities

2.11.1 Where applicable, NAV CANADA shall maintain a priority list and allocate suitably sized vacant units in accordance with the following descending order of priorities:

- a) employees, residing in pool housing, requesting to be moved to a more suitable unit in the same pool as a result of changing family size, medical or other compelling reasons;
- b) employees residing in pool housing at the same location for at least three years, requesting to relocate to a more suitable unit in the same pool for reasons other than those in (a). The priority of employees in this category is directly related to the length of the employee's total current uninterrupted northern service;
- c) employees having no permanent accommodation at the location and relocating from another northern or isolated post. The priority of employees in this category is directly related to the length of the employee's total current uninterrupted northern service;
- d) employees moving to the location from another part of Canada and having no permanent accommodation at the location;
- e) employees residing outside pool housing at that location but having inadequate accommodation at the location by reason of changing family circumstances, loss of previous accommodation or other reasons based on personal need; and
- f) local residents, housing associations or organizations (these are charged market rents and lease on a month-to-month basis).

2.12 Pool housing

2.12.1 Housing pools administered by Public Works Canada have proven a flexible means of allocating suitable accommodation and of maintaining improved occupancy rates. The effective administration of these requires that NAV CANADA return, as soon as practicable, vacant units to Public Works for reassignment. Immediately after a housing unit becomes vacant, it reverts to the pool for reassignment.

2.13 Occupancy agreement

2.13.1 No formal landlord-tenant relationship exists between the Crown/NAV CANADA and employee-occupants of government/corporately-provided accommodation. However, NAV CANADA should sign occupancy agreements so that mutual responsibilities are clearly understood. Appendix G provides a sample generic occupancy agreement and related terms and conditions. NAV CANADA is encouraged to utilize this document to ensure the uniform treatment of occupants. Additional clauses may be appended to these terms and conditions to reflect peculiar local requirements.

2.13.2 The sample occupancy agreement (Appendix G) states in paragraph 9 that no trade or business shall be carried on from the unit without the prior written consent of NAV CANADA. In assessing requests, NAV CANADA should consider the following:

- a) Would the proposed business be in competition with established local entrepreneurs?

- b) Would occupancy of government/corporately-provided accommodation provide an advantage to the employee operating the business and, if so, to what degree?
- c) Is the type of business proposed normally operated from a person's home (e.g. assistance with education or baby-sitting)?
- d) Would additional costs be incurred by NAV CANADA due to the operation of the business from the accommodation (e.g. higher electrical consumption for block heaters or electrical devices)?
- e) To what degree is there a need in the community for the type of business proposed (e.g. piano, dancing, ballet, etc. lessons)?

2.14 Provision of furniture

2.14.1 Self-contained living accommodation is provided with furniture where it is cost-beneficial to NAV CANADA, taking into account the cost of moving an employee's furniture in and out of the location as compared to the cost of providing and maintaining the furniture at the posted location and paying the cost of storing the employee's furniture. Room/dormitory accommodation shall be furnished.

2.14.2 PWC shall provide furniture at pool housing locations when the above criteria are satisfied.

2.14.3 PWC has established a scale of issue for furniture (available from the PWC, Property Management Branch) used at all pool housing locations. At other than pool housing locations, NAV CANADA may establish a scale of issue for furniture for their own use or adopt the PWC scale of issue. NAV CANADA shall document its decisions where the Property Management Branch, Public Works Canada scale of issue is not used.

2.15 Employee information

2.15.1 Each unit of living accommodation shall be equipped with a copy of this guideline. As well, the occupant should be supplied with information showing how the market-level shelter charge was established, i.e. the CMHC appraisal of the base shelter value, any adjustments authorized and the corporate administrator to contact for information, complaints, etc. For room/dormitory accommodation, the unit rating relative to the benchmark apartment should also be provided.

2.15.2 Employees who occupy units of Crown-owned/corporately-leased living accommodation may request any information relating to charges. Where the information is not available locally, formal inquiries should be made in writing through immediate supervisors who shall obtain the information within a reasonable time. The occupant must indicate in the request the complete address of the unit as well as the occupant's full name.

2.16 Annual reporting

2.16.1 NAV CANADA shall provide to the Treasury Board Personnel Policy Branch, by November 30 of each year, data concerning their operation of Crown-owned/corporately-leased living accommodation for the preceding 12 month period ending July 31. NAV CANADA shall report the information in the format outlined in Appendix H. The following articles enumerate the types of data to be provided.

2.16.2 The total potential revenues for shelter, shown separately for self-contained and room/dormitory accommodation, should be included in the annual report, i.e. the total of the CMHC base shelter values for Crown-owned/corporately-leased living accommodation operated by NAV CANADA.

2.16.3 The annual report should include, separately, the total actual revenue received for self-contained and room/dormitory accommodation.

2.16.4 The annual report should include an accounting of the difference between potential and actual revenue received as follows:

- a) the total number of units involved and total dollar adjustments made to CMHC appraised rates for provincial and territorial legislation (see section 1.5);
- b) the total number of units involved and total dollar adjustments made to base shelter values for each of the following non-appraisal factors (see section 1.6 to 1.9);
 - size suitability,
 - job-imposed occupancy, and
 - loss of privacy and quiet enjoyment;
- c) the total number of units involved and total dollar reductions made to the market-level shelter charge because of the following (see sections 1.10 to 1.12):
 - maintenance problems,
 - to encourage occupancy;
- d) the number of units involved and the total dollar adjustments made to the market-level shelter charge because of the following limitations (see articles 1.13 and 1.14):
 - increase limitation,
 - shelter charge limitation;
- e) the dollar value of revenue lost due to vacancies and the number of units involved.

2.16.5 The annual report should also include the number of self-contained units in which suppliers of utilities are not paid directly by the occupant, as well as the total number of self-contained units owned or leased by NAV CANADA.

APPENDIX A - Rating of Room/Dormitory Accommodation

General

Corporate administrators shall rate each unit of room/dormitory accommodation using a rating sheet which is available from Supply and Services Canada (see Appendix I for details). The purpose of rating the unit is to determine its value relative to a benchmark apartment for which CMHC can establish a market level rent. The benchmark apartment is a standard one-bedroom apartment valued at 100 points on the rating scale.

Ratings

Although the rating sheet is reasonably self-explanatory, the following comments should be helpful:

- a) Building description and references at the top of the form are provided to identify the specific accommodation involved. They play no real role in the actual rating.
- b) Items 1 to 4 on the form make provisions for qualitative rating of the factors involved. In arriving at a point value the quality of the following should be considered:
 - overall condition
 - floors/ceilings/walls
 - lighting (natural and artificial)
 - insulation (thermal and sound)
 - heating
 - ventilation
 - electrical equipment and outlets
 - furnishing and appointments
- c) The following notes concern the individual rating factors:

1. Living/Sitting Room

Points may also be allocated where no separate living room is provided but where the bedroom is large enough to provide sitting space (and appropriate furnishings) in addition to sleeping space.

2. Dining Room/Dinette

Dining room should only be rated where a separate room is provided, otherwise it should be rated as a dinette.

3. Kitchen/Kitchenette

Assign points only if the occupant has access to kitchen or kitchenette for meal or snack preparation.

4. Bedroom

Rate as private, semi-private or multi-shared, in accordance with planned use, not actual occupancy.

5,6,7 and 8 are self-explanatory.

9. Utilities

A factor of .28 approximates the normal value of the utilities provided (heat, light and water). Multiply the point value of item 8 by .28 to get the point value for utilities. This figure should be rounded to the nearest whole number.

10. Immediate Environment

Rate for availability of parking, building and location appeal, pollution (noise, dust and smell).

11. Amenities - Proximity

Rate for availability and proximity of shopping, recreational, medical, religious and transportation facilities at the unit location.

12. Unit Rating

Total points ratings assigned for items 8 through 11.

13, 14, 15, and 16.

Completion of these items determines the base shelter value of the accommodation based on its relationship to the benchmark apartment and the CMHC-appraised market rental of that apartment. It should be noted that this value does not include covered residential parking, where available, which is charged for separately, based on CMHC appraisal.

- (d) In rating room/dormitory accommodation, it is possible to have both private facilities (e.g. bedroom) and shared facilities (e.g. kitchen, bathroom, etc.) available to the occupant. It is also possible for no points to be assigned for items 6 and 7 where these facilities are not provided or for items 10 and 11 where these factors are judged to be so poor as to have no value to the occupant (e.g. a unit located in complete isolation would score "O" for proximity to amenities).

APPENDIX B

Tables for determining the appropriate market level shelter charge

Note: Refer to the definitions provided at the beginning of this guideline.

Table 1

Accommodation Size Norms

| Family Size | 1 | 2 | 3 | 4 | 5 | More than 5 |
|----------------------|--------------------------|-----|-----|-----|-----|-------------|
| Income Range | Norms (in square meters) | | | | | |
| Up to 19,999 | 25* | 70 | 85 | 90 | 95 | |
| \$20,000 to \$24,999 | 45 | 75 | 90 | 95 | 100 | |
| \$25,000 to \$29,999 | 50 | 80 | 95 | 100 | 105 | |
| \$30,000 to \$34,999 | 60 | 85 | 100 | 110 | 115 | |
| \$35,000 to \$39,999 | 65 | 95 | 110 | 120 | 130 | |
| \$40,000 to \$44,999 | 70 | 95 | 115 | 125 | 140 | |
| \$45,000 and over | 75 | 100 | 120 | 130 | 145 | 150 |

Note: This table is only to be used in conjunction with table 2 to establish the amount of the size suitability adjustment. The norms shown are not to be considered as an indication of an accommodation entitlement or a construction standard.

* Room/Dormitory unit

Table 2

Percentage Rental Reduction

Differential between: accommodation size norms (Table 1) and actual accommodation size

| (in square meters - SQ/M) | rental reductions |
|----------------------------------|------------------------------|
| Less than 5 SQ/M | 2 |
| 5 - 9.9 | 3 |
| 10 - 14.9 | 5 |
| 15 - 19.9 | 6 |
| 20 - 24.9 | 7 |
| 25 - 29.9 | 8 |
| 30 - 34.9 | 11 |
| 35 - 39.9 | 12 |
| 40 - 44.9 | 13 |
| 45 - 49.9 | 14 |
| 50 - 54.9 | 15 |
| 55 - 59.9 | 16 |
| 60 - 64.9 | 17 |
| 65 - 69.9 | 19 |
| 70 - 74.9 | 20 |
| 75 - 79.9 | 21 |
| 80 - 84.9 | 22 |
| 85 - 89.9 | 23 |
| 90 - 94.9 | 25 |
| 95 - 99.9 | 26 |
| 100 - 104.9 | 27 |
| 105 - 109.9 | 28 |
| 110 - 114.9 | 29 |
| 115 - 119.9 | 30 |
| 120 - 124.9 | 31 |
| 125 - 129.9 | 32 |
| 130 - 134.9 | 33 |
| 135 - 139.9 | 34 |
| 140 - 144.9 | 35 |
| 145 - 149.9 | 36 |
| 150 - 154.9 | 37 |

For differentials of 155 square metres and greater, the percentage rental reduction increases by one per cent for each additional five square metres, up to a maximum of 75 per cent.

Table 3

Percentage Rental Reductions – Loss of Privacy and Quiet Employment Frequency

| Intrusion Types | Frequency | | |
|---|-----------|----------|------|
| | High | Moderate | Low |
| Public use of living facilities | 30 % | 20 % | 10 % |
| Offensive noise | 20 % | 13 % | 6 % |
| Availability to public | 20 % | 13 % | 6 % |
| Public use of communications facilities | 10 % | 6 % | 3 % |
| Operations and maintenance of equipment | 10 % | 6 % | 3 % |

Frequency: The frequency of occurrence of the intrusion should be judged as follows:

- a) high: several times per week
- b) moderate: several times per month
- c) low: monthly or less frequently

Appendix C

Sample shelter charge calculations

Shelter charges - sample calculations to illustrate effects of adjustments (as per Part I of the guideline).

For example purposes only, applicable to the table below, all occupants are deemed to be in similar accommodation, 110 square metres in area with CMHC basic shelter value (BSV) of \$400/month.

Norm table used is Table 1, "Accommodation size norms" Appendix B.

Percentage reduction used is Table 2, "Percentage rental reductions - size suitability" Appendix B.

| Employees Salary | Up to \$19 999 | | \$20 000 to \$24 999 | | \$25 000 to \$29 999 | | \$30 000 to \$34 999 | | \$35 000 to \$39 999 | | \$40 000 to \$44 999 | | 45 000 \$ et plus | |
|---|----------------|--------|----------------------|--------|----------------------|-----|----------------------|--------|----------------------|--------|----------------------|--------|-------------------|--------|
| | 1 | 2 | 2 | 3 | 2 | 4 | 2 | 5 | 2 | 4 | 2 | 3 | 2 | 5 |
| Employee family size, including employee | | | | | | | | | | | | | | |
| 1) Size suitability adjustment | | | | | | | | | | | | | | |
| Actual space in square meters | 25 | 75 | 65 | 100 | 75 | 100 | 100 | 105 | 80 | 115 | 105 | 105 | 95 | 165 |
| Space norm (Table 1) | 25 | 70 | 75 | 90 | 80 | 100 | 85 | 115 | 95 | 120 | 95 | 115 | 100 | 145 |
| Differential in square meters | 0 | 5 | 10 | 10 | 5 | 0 | 15 | 10 | 15 | 5 | 10 | 10 | 5 | 20 |
| Per cent adjustment (table 2) | NIL | (3 %) | (5 %) | (5 %) | (3 %) | NIL | (6 %) | (5 %) | (6 %) | (3 %) | (5 %) | (5 %) | (3 %) | (7%) |
| BSV per month | 200 | 325 | 330 | 350 | 325 | 400 | 375 | 425 | 325 | 450 | 390 | 400 | 380 | 550 |
| Size adjustment (BSV X SA) | 200 | 315,25 | 313,50 | 332,50 | 15,25 | 400 | 352,50 | 403,75 | 305,50 | 436,50 | 370,50 | 380 | 368,60 | 511,50 |
| BSV x per cent adjustment | 0 | 9,75 | 16,50 | 17,50 | 9,75 | 0 | 22,50 | 21,25 | 19,50 | 13,50 | 19,50 | 20,00 | 11,40 | 38,50 |
| Above BSV less size adjustment | | | | | | | | | | | | | | |
| 2) Less factor for job-imposed occupancy | 50 | 0 | 0 | 0 | 0 | 0 | 88.13 | 0 | 0 | 109.13 | 0 | 95 | 0 | 0 |
| Computed charge | 150 | 315,25 | 313,50 | 332,50 | 315,25 | 400 | 264,37 | 403,75 | 305,50 | 327,37 | 370,50 | 285 | 368,60 | 511,50 |
| 3) Loss of privacy and quiet enjoyment | | | | | | | | | | | | | | |
| % Adjustment | 0 | 20 | 0 | 3 | 0 | 0 | 0 | 6 | 43 | 0 | 0 | 23 | 6 | 0 |
| \$ Adjustment | 0 | 63,05 | 0 | 9,98 | 0 | 0 | 0 | 24,23 | 131,37 | 0 | 0 | 65,55 | 22,12 | 0 |
| Total adjustments | 50 | 72.80 | 16.50 | 27.48 | 9.75 | 0 | 110.63 | 45.48 | 150.87 | 122.63 | 19.50 | 180.55 | 33.52 | 38.50 |
| 4) Total charge for shelter | 150 | 252,20 | 313,50 | 322,52 | 315,25 | 400 | 264,37 | 379,52 | 174,13 | 323,37 | 370,50 | 219,45 | 346,48 | 511,50 |

1) See article 1.7,

2) See article 1.8,

3) See article 1.7 and Appendix B, maximum permitted : 50 %.

4) Fuel and utilities charges are computed separately where occupant does not pay them directly (Article 1.15)

APPENDIX D

Procedure for CMHC Appraisals of Living Accommodation Provided by the Crown

A Note About Appraisers

Appraisers are members of a federal government agency (CMHC) who are working within prescribed terms of reference and it is expected that they will be treated as professionals when they are doing their evaluations in the wide variety of homes visited. Their work requires analysis and review in the context of information on many types of accommodation, some of which may be similar to that in which you live. Records of such information generally are maintained in the CMHC field offices. However, during or after their visit, appraisers also may have to survey local realtors, rental agents, and municipal officials to see what rental ranges are for similar local accommodation. When all information is brought into focus after they have returned to their offices, these professionals are generally in a position to establish the fair market rental rates for each self-contained unit. As their work is obviously complex, one should not expect appraisers to determine specific rental rates as soon as visits are completed or before they leave the area.

Normal on-site appraisal procedures

How does the appraiser get to your place and how does he know details of your accommodation and of the area where you live? A number of events lead up to the final rental figure estimated by appraisal experts. (Except for unusual circumstances, each self-contained living unit is to be inspected by an appraiser at least once every five years. This means that you, as a new occupant, may not see an appraiser during your first several years in residence. (In the intervening years, the appraisal is done as a "desk appraisal", as indicated in paragraph 12 below).

1. CMHC field offices are provided with a list of living accommodation to be appraised and NAV CANADA provides the names, positions and telephone numbers of the administrators/representatives and occupants whom appraisers are expected to contact on arrival in each area.
2. CMHC appraisers contact local corporate housing administrators in advance of appraisal visits, to inform them of scheduled appraisals of self-contained accommodation and covered residential parking. Local administrators ensure that appraisers have comprehensive information and give required assistance to appraisers to ensure that they are aware of the complete picture.
3. On arrival, CMHC appraisers are briefed by contacts specified by corporate housing administrators.
4. Information provided during briefings includes:
 - any problems in maintenance which require considerable time to rectify;
 - any program to upgrade the accommodation or provide additional amenities at the specific site or in the general locality;
 - any special problems not normally visible to appraisers during their visits;
 - location and condition of facilities available to persons occupying the accommodation, which may include recreation areas, shopping facilities, social clubs, libraries, hospitals, churches in the area or within reasonable distance of the living accommodation unit;
 - location and condition of facilities, in the area or within reasonable distance, available for education of children or other dependents;
 - transportation facilities, both public and private;

- any other pertinent information, e.g. long-term vacant accommodation in the immediate area.

5. Arrangements are made (with advanced notices to occupants) for appraisers to view at least one type of living accommodation in each area plus any other living accommodation where special problems are known.

6. Corporate housing administrators ensure that an escort is made available for appraisers for the purpose of visits to individual accommodation units.

7. What does the appraiser look at when he/she makes an appraisal?

During the on-site visit, observations are made on the following:

Where a unit has been appraised previously by CMHC, there is already a record of essential information outlined below and the appraiser is primarily concerned about changes since previous appraisals.

- a) Age, type and size of accommodation;
- b) Construction, type, major structural feature advantages or deficiencies, insulation and ventilation;
- c) Size of rooms, closet space, storage;
- d) Condition, quality and size of household equipment, adequacy of lighting;
- e) General standards of maintenance. (Where maintenance is being postponed to the extent that the appearance and the livability of the accommodation is affected, an appropriate appraisal adjustment is made);
- f) Physical condition of the garage or carport which forms part of the single-family dwelling and which is located on the property (separately-provided garages are appraised individually);
- g) Adequacy of water and sewer systems;
- h) Physical environment, extent of landscaping, general outside appearance, proximity of traffic, pollution and external noise;
- i) Availability of schools, shopping, recreation facilities and other amenities.

8. There are a few things that will not affect appraisals:

- a) those items for which administrative adjustments are provided:
 - size suitability;
 - job-imposed occupancy;
 - loss of privacy and quiet enjoyment due to the intrusion of the public;
 - offensive noise which originates within the accommodation; and
 - major maintenance problems which are to be corrected to make the accommodation wholly livable.
- b) whether or not the unit (e.g. self-contained dwelling, mobile home, etc.) is fully furnished, partly furnished, or supplied with stove and refrigerator. Each house is appraised as if it were unfurnished;
- c) minor maintenance problems planned to be corrected in the near future; and
- d) costs of fuels, utilities and services.

9. When the appraisers' visits to specific units have been completed, results are discussed with corporate housing administrators to ensure that all pertinent factors have been reviewed. Generally, they will be prepared to discuss various aspects of appraisals but, as indicated in the initial "Note About Appraisers", they may not be in a position to discuss details of specific appraisals and related rental rates at the time of their visit.

10. As soon as the CMHC on-site evaluation is completed, the administrators or representatives inform occupants and report that problem areas previously reported by occupants have been adequately brought to the attention of appraisers.

In due course you will be notified of the appraised CMHC rental value and of the adjustments (where applicable) made NAV CANADA for the unit you are renting.

Desk appraisals - new units

11. In order to provide an efficient service to NAV CANADA, CMHC will perform, when necessary, "desk appraisals" on newly acquired units.

To be able to perform such appraisals, the appraiser has to be familiar with the area where the Crown-owned/corporately-leased living accommodation is located and have certain information provided by NAV CANADA, such as:

- size of the unit;
- number of rooms, bedrooms;
- type of housing form;
- age and condition of the unit;
- quality and type of construction;
- special features, i.e. garage, carport, recreation room;
- any other information relating to factors that might have an effect on the rental value of the accommodation.

Based on this information and the rental data which is constantly maintained in the office, the appraiser will be able to estimate the rental value of the housing unit.

Although this process will result in a rental estimate which will be similar to that of an on-site appraisal, CMHC will consider these rents as interim and subject to a future on-site inspection. This is because, in the final analysis, there is no substitute in the appraisal process for an on-site inspection.

Desk appraisals of units already appraised by inspection

12. The procedure set out in paragraph 11 is not applicable to living accommodation that has been previously inspected. The only data required in this instance are the changes that have occurred since the last on-site inspection. The estimated rents on those units will not be subject to a post-appraisal inspection and will be considered as final. If NAV CANADA does not inform CMHC of any change in the status of a certain unit, it will be assumed that the same conditions prevail and the appraisal will be performed on that basis.

APPENDIX E - Living accommodation charges calculation sheet

Living accommodation charges calculation sheet (A)

APPENDIX F - Format sample: Annual report request

Format sample: Annual report request

APPENDIX G

Occupancy agreement for Crown-owned/corporately-leased accommodation

Generic agreement

I, _____, hereby offer to rent _____ (hereinafter called the premises) from the Crown/NAV CANADA, on the following terms and conditions:

1. The rental period is to commence on the ___ day of ___ (month), ___ (year) and will terminate 30 days after written notice of the termination has been given by either party, except that NAV CANADA may waive this requirement where, for operational reasons, a move on lesser notice is required.
2. NAV CANADA shall ensure that each employee occupying Crown/NAV CANADA accommodation shall be provided with a copy of the Living Accommodation Charges Guideline.
3. It is a condition of this agreement that the occupant be an employee and remain so during the entire period of this agreement.
4. The occupant shall pay for the following, in advance, by monthly payroll deduction or by other means in exceptional circumstances, in amounts which are prescribed by the Living Accommodation Charges Guideline, as amended from time to time:
 - (a) the use and occupation of the premises;
 - (b) fuel and utilities;
 - (c) parking, where provided separately and apart from the premises.

Three months' advance notice in writing of changes in such charges shall be provided.

5. Where Crown-owned/corporately-leased furniture and equipment is supplied, an inventory thereof will be listed and attached to this agreement and signed by the occupant after having received and inspected the same. The furniture shall remain on the premises and the occupant shall pay to NAV CANADA, through deductions from salary or other moneys payable to the occupant by NAV CANADA, the cost of repairing or replacing any such furniture damaged, lost or stolen during the period of occupancy, fair wear and tear excepted.
6. The premises are to be in good repair on possession, except for those deficiencies listed on the premises condition inspection report and the Crown/NAV CANADA will make repairs as necessary to the main fabric of the dwelling (i.e., permanent elements of the building, including approaches, external landscaping, entrances and exits, those parts commonly used by more than one occupant, those parts normally available to the public and all technical areas associated with the property management and functions) during the rental period.

Other repairs to keep the premises in good condition, fair wear and tear excepted, will be made by the occupant. A premises condition inspection certificate shall be signed by both the occupant and a duly authorized officer of the Crown/NAV CANADA on initial occupancy and when the premises are vacated.
7. A duly authorized officer of the Crown/NAV CANADA may, during the rental period, on a minimum of 24 hours' advance notification, except in situations of emergency, enter the premises for the purpose of inspecting its state of repair and cleanliness and to have maintenance work done. He may order necessary repairs to be made due to any act or neglect of the occupant, and

the occupant shall reimburse NAV CANADA through deductions from salary or other moneys payable to the occupant by NAV CANADA, for the cost of making any such repairs, other than repairs to the main fabric of the dwelling.

8. The occupant shall report promptly all leaky faucets, toilets and other deficiencies or damage. Failure to do so shall be the occupant's financial responsibility. Plumbing blockages resulting from the occupant's negligence are also the occupant's financial responsibility.

9. The occupant shall use and occupy the rented premises as a private dwelling house only and shall not carry on or permit to be carried on therein any trade or business unless otherwise authorized in writing. Further, the occupant shall not sublet or assign the premises without the approval of the Crown/NAV CANADA.

10. The occupant may keep certain pets on the rented premises provided that the Crown/NAV CANADA may limit the kind and number of such pets or prohibit them entirely.

11. The occupant shall indemnify and save NAV CANADA harmless from all liabilities, fines, suits, claims, demands and actions of any kind or nature for which NAV CANADA shall or may become liable and suffer by reason of any breach, violation or non-performance by the occupant of any term or provision herein or by reason of any death or injury resulting from, occasioned to or suffered by any person or any property by reason of any act, neglect or default on the occupant's part or any member of the occupant's family or household or guests. Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death occurring during the term of the rental period shall survive the termination of the rental period, anything in this agreement to the contrary notwithstanding.

12. The occupant shall comply with the attached rules and regulations and any other regulations which the Crown/NAV CANADA may from time to time make to ensure the proper care, cleanliness and safety of the premises or to prevent nuisances. Further, the occupant shall comply with all statutes, regulations and by-laws of any federal, provincial or municipal authority which affect the premises or their use and occupation.

13. The occupant is fully responsible for damage to or loss of personal effects while occupying the Crown/corporately-provided dwelling.

14. Rents charged to employees for shared self-contained accommodation shall follow procedures set out in the Living Accommodation Charges Guideline.

15. Charges for fuel and utilities for employees occupying self-contained accommodation must be included with the base shelter value (BSV) bench mark provided by CMHC, when calculating individual employee rates.

16. Garages and carports are included in the CMHC appraisal check list; however, they are excluded from forming part of the BSV for residences used as shared self-contained accommodation. A separate charge for garages and carports shall be calculated by CMHC appraisal. Assignment for use shall be on a first-come, first-served basis, or a lottery process as appropriate, as determined by the on-site manager. The employee assigned to the facility shall be responsible for the appraised charges.

This offer shall be deemed to have been accepted upon its approval by a duly authorized NAV CANADA officer.

Dated at: this ___ day of _____, _____
(month) (year)

Witness: _____

Employee: _____

The undersigned, on behalf of NAV CANADA, accepts the above offer to rent

Dated at: this ___ day of _____
(month) (year)

Witness for NAV CANADA:

Name: _____

Title: _____

Name: _____

Title: _____

Responsibilities

NAV CANADA responsibilities

1. NAV CANADA shall provide living accommodation complete with heating, electrical, water and sewage disposal facilities: in addition, furniture and equipment, where necessary, shall be provided in accordance with standard inventory lists.

2. Whenever a new employee moves into Crown/corporate accommodation, the Crown/corporate representative at the site, together with the new occupant, shall carry out an inspection of the building to check its condition as well as the furniture and equipment inventory.

The occupant shall certify the accuracy, and be provided with a copy, of the condition report and the inventory. The Crown/NAV CANADA shall be responsible for making good all deficiencies noted during the inspection.

3. The Crown/NAV CANADA shall ensure the accommodation is reasonably maintained and all costs of such maintenance required as the result of normal wear and tear will be borne by the Crown/NAV CANADA.

4. As part of the maintenance program, the Crown/NAV CANADA shall decorate or redecorate periodically, as necessary, the interior and the exterior of the accommodation. An attempt shall be made to satisfy the wishes of the occupant when redecorating, but in all cases the final decision rests with the Crown/NAV CANADA.

5. The Crown/NAV CANADA shall repair or replace all furniture, where provided, which has become unserviceable as the result of normal wear and tear.

6. When an employee moves from Crown-owned/corporately-leased accommodation, the Crown/NAV CANADA representative at the site, together with the occupant, shall carry out an inspection of the building and check the inventory. Charges for repair and replacement, as the result of other than normal wear and tear, shall be assessed against the employee.

7. When an occupant's employment terminates, the spouse and/or dependents shall have the right to remain in the accommodation unit until the end of the current school year or other reasonable period as determined by the Company, until other suitable accommodation is found, subject to the following paragraph. The provision may be canceled with a minimum of three (3) months' notice if the accommodation is required for operational use by the Company, e.g. the arrival of a replacement employee.

Responsibilities of the occupant

1. The occupant shall use good housekeeping practices and procedures in the day-to-day upkeep of the accommodation.

2. The occupant shall not alter the premises without written consent. This includes:

- redecorating of the premises, such as calcimining, wall papering, painting or varnishing;
- installation of wires, cables, or aerials for radio or television purposes upon the roof or other parts of the building;
- installation of additional major electrical appliances; and
- construction of fences, recreation rooms or buildings, such as garages, greenhouses, or pet houses.

Where permission is granted for such additions, applicable city and municipal by-laws governing the same shall be adhered to, the occupant must bear their total cost and they must be completed within a reasonable time for inspection by the Crown/NAV CANADA representative and, thereafter, kept in a good state of repair. Constructed additions which are permanently affixed to the premises or property shall not be demolished or removed by the occupant upon termination of the occupancy.

3. The Crown/NAV CANADA shall supply the initial complement of light bulbs and fuses for each re-rental, but all replacements are the responsibility of the tenant.

4. Occupants of premises are responsible for the normal maintenance and repair of the dwelling which they occupy; this will include:

- the replacement of broken windows, the replacement of fuses, the replacement or refastening of hinges and latches on kitchen cupboards, window and door hardware, etc.;
- the removal and replacement of storm windows and doors, including their installation for the winter season; and
- the maintenance of the grounds forming part of the accommodation in a condition satisfactory to the Crown/NAV CANADA and making suitable arrangements to have the following attended to during periods of absence:
 - a) the removal of snow and ice from sidewalks, steps, etc.,
 - b) cutting the grass; and
 - c) control of leaves.

5. Nothing shall be done or permitted which will create a fire hazard. This shall include the following:

- no kerosene, gasoline, or other flammable material shall be kept on the premises except in proper containers and in reasonable amounts;
- all fire escapes and exits shall be kept free of obstructions;

- the occupant shall not alter or interfere with the electrical wiring, fixtures or electrical panels of the premises;
- wiring across the fuses or bridging fuse plugs in any manner is strictly forbidden;
- stoves shall be kept clean and free of excessive grease; and
- occupants must clean and change, as necessary, the furnace air filters and humidifier pads, which are provided by the Crown/NAV CANADA.

6. Should an occupant fail to comply with any of the above clauses, the Crown/NAV CANADA may order the work to be done and assess the cost of such work against the occupant. Such failure by the occupant may be considered reasonable grounds for termination of the occupancy and the occupant may, at the option of the Crown/NAV CANADA, be given notice to vacate the premises.

7. The occupant shall not allow ashes, refuse, garbage, unserviceable vehicles or other loose objectionable material to accumulate in or about the building, yard or passages on the premises and shall at all times keep the accommodation in clean and wholesome condition and shall immediately before the termination of the occupancy wash the floors, windows, and woodwork of the rented premises. Upon the occupant's failure to keep the rented premises in clean and neat condition, the Crown/NAV CANADA shall have the right to enter the rented premises upon two days written notice, clean up the said premises, and charge the expenses to the occupant as additional rent.

8. The occupant is expected to exercise discretion and common sense in the use of utilities, and, in particular, to turn off electrical lights when not needed.

9. The occupant is responsible for the premises during the entire period of occupancy and may be assessed all or a portion of the cost of repairs for any damage or maintenance to the grounds or premises, furniture and equipment that may be required and can be shown to be the occupant's responsibility, whether or not such damage occurred or maintenance was required during a period the occupant was absent from the premises. In the event of an absence from the premises for a period of time up to 24 hours, the occupant must make the arrangements in regard to the care of the premises for the period of such absence. Should the absence exceed a 24-hour period, the occupant must advise the Crown/NAV CANADA representative as to the period involved so that the necessary arrangements for periodic inspection can be made.

Should the occupant fail to make appropriate arrangements or notify the Crown/NAV CANADA representative and damage occurs to the premises during the period of absence, the full cost of repair of such damage shall be assessed against the occupant.



APPENDIX H - Annual report form

Annual report form

APPENDIX I - Relevant Forms

| Title of Form | No. of form | Issued by | Available from |
|---|--------------------------|-----------|--|
| Room/Dormitory Accommodation Rating | 6-GP-175P | SSC | "Decentralized Forms" printed on request; contact your Forms Management or Purchasing Services |
| Living Accommodation Charges Calculation Sheet | TBS/330-269 (1990/03) | TBS | As mentioned above |