

2011 Survey of Service Industries: Real Estate Rental and Leasing and Property Management

Reporting Guide

This guide is designed to assist you as you complete the 2011 Survey of Service Industries. If you need more information, please call the Statistics Canada Help Line at the number below.

Help Line: 1-800-972-9692

Your answers are confidential.

Statistics Canada is prohibited by law from releasing any information it collects which could identify any person, business, or organization, unless consent has been given by the respondent or as permitted by the *Statistics Act*. The confidentiality provisions of the *Statistics Act* are not affected by either the *Access to Information Act* or any other legislation. Therefore, for example, **the Canada Revenue Agency cannot access identifiable survey records from Statistics Canada.**

Information from this survey will be used for statistical purposes only and will be published in aggregate form only.

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B - Main business activity

1. Please describe the nature of your business.

To ensure that you have received the appropriate questionnaire, you are asked to describe the nature of your business. The description should briefly state the main activities of your business unit.

2. Please check the one main activity which most accurately represents your main source of revenue.

Below is a description of each main activity.

Lessors of residential buildings (apartments, houses, etc.)

Business units primarily engaged in renting and leasing residential buildings and dwellings, except social housing projects. They may operate (lease, administer and maintain) their properties on their own account, or they may subcontract the operation to a third party, and they may provide additional services, such as security, maintenance, parking and snow and trash removal.

Lessors of non-residential buildings (office buildings, shopping malls, etc.)

Business units primarily engaged in owning, or owning and operating, non-residential buildings such as shopping malls, offices, etc. They may operate (lease, administer and maintain) their properties on their own account, or they may subcontract the operation to a third party, and they may provide additional services, such as security, maintenance, parking and snow and trash removal.

Exclude:

- mini-warehouses.

Lessors - self-storage mini-warehouses

Business units primarily engaged in renting or leasing space for self-storage. They provide secure space (rooms, compartments, lockers, containers or outdoor space) where clients can store and retrieve their goods.

Lessors - other real estate property (mobile home parks, land, etc.)

Business units primarily engaged in renting and leasing real estate other than buildings (e.g., agricultural property rental, forest and land leasing, industrial park developing and operating, mobile home park operating, lessors of railroad property).

Property managers (residential and non-residential)

Business units primarily engaged in managing real estate properties on behalf of property owners (on a contract or fee basis). The work involves administrative and coordination activities, such as the negotiation and approval of lease agreements, the collection of rental payments, the administration of contracts for property services (e.g., cleaning, maintenance and security) and the preparation of accounting statements.

Exclude:

Social housing (if rental income derived from social housing exceeds 80% of revenue)

Business units primarily engaged in renting and leasing residential buildings and dwellings provided to low-income earners. These are typically operated or funded by non-profit government entities, but may also be operated by private, non-profit housing corporations. If social housing represents at least 80% of your total rental income, and if you have selected this box, please return the questionnaire.

Condo association

Associations or corporations of dwelling owners engaged in the management of properties on behalf of dues-paying members. If you have selected this box, please return the questionnaire.

If none of the above activities describes your main source of revenue, please call **1-800-972-9692** for further instructions.

C - Reporting period information

Please report information for your **fiscal year** (normal business year) **ending between** April 1, 2011 and March 31, 2012. Please indicate the reporting period covered by this questionnaire.

D - Revenue

A detailed breakdown may be requested in other sections.

1. Sales of goods and services (e.g., rental and leasing income, commissions, fees, admissions, services revenue) Report net of returns and allowances.

Sales of goods and services are defined as amounts derived from the sale of goods and services (cash or credit), falling within a business's ordinary activities. Sales should be reported net of trade discount, value added tax and other taxes based on sales.

Include:

- sales from Canadian locations (domestic and export sales);
- transfers to other business units or a head office of your firm.

Exclude:

- transfers into inventory and consignment sales;
- federal, provincial and territorial sales taxes and excise duties and taxes;
- intercompany sales in consolidated financial statements.

2. Grants, subsidies, donations and fundraising

Please report contributions received during the reporting period.

Include:

- non-repayable grants, contributions and subsidies from all levels of government;
- revenue from private sector (corporate and individual) sponsorships, donations and fundraising.

3. Royalties, rights, licensing and franchise fees

A royalty is defined as a payment received by the holder of a copyright, trademark or patent.

Please **include** revenue received from the sale or use of all intellectual property rights of copyrighted musical, literary, artistic or dramatic works, sound recordings or the broadcasting of communication signals.

4. Investment income (dividends and interest)

Investment income is defined as the portion of a company's income derived from its investments, including dividends and interest on stocks and bonds.

Include interest from:

- foreign sources;
- bonds and debentures;
- mortgage loans;
- G.I.C. interest;
- loan interest;
- securities interest and deposits with bank interest.

Exclude:

- equity income from investments in subsidiaries or affiliates; these amounts should be reported in **section E**, at question 25.

5. Other revenue (please specify)**Include:**

- amounts not included in questions 1 to 4 above.

6. Total revenue

The sum of questions 1 to 5.

E - Expenses**1. Salaries and wages of employees who have been issued a T4 statement**

Please report all salaries and wages (including taxable allowances and employment commissions **as defined** on the T4 – Statement of Remuneration Paid) before deductions for this reporting period.

Include:

- vacation pay;
- bonuses (including profit sharing);
- employee commissions;
- taxable allowances (e.g., room and board, vehicle allowances, gifts such as airline tickets for holidays);
- severance pay.

Exclude:

- all payments and expenses associated with casual labour and outside contract workers; please report these amounts in this section, at question 5.

2. Employer portion of employee benefits**Include** contributions to:

- health plans;
- insurance plans;
- employment insurance;
- pension plans;
- workers' compensation;
- contributions to any other employee benefits such as child care and supplementary unemployment benefit (SUB) plans;
- contributions to provincial and territorial health and education payroll taxes.

3. Commissions paid to non-employees

Please report commission payments to outside workers without a T4 – Statement of Remuneration Paid.

Include:

- commission payments to independent real estate agents and brokers.

4. Professional and business services fees**Include:**

- legal;
- accounting and auditing;
- consulting;
- education and training;

- architect;
- appraisal;
- management and administration.

5. Subcontract expenses (include contract labour, contract work and custom work)

Subcontract expense refers to the purchasing of services from outside of the company rather than providing them in-house.

Include:

- hired casual labour and outside contract workers.

6. Charges for services provided by your head office

Include:

- parent company reimbursement expenses and interdivisional expenses.

7. Cost of goods sold, if applicable (purchases plus opening inventory minus closing inventory)

Report cost of purchased goods that were resold during the reporting period. If applicable, report cost of goods and material used in manufacturing of sold products.

Include:

- goods purchased for resale: purchases during the period (including freight-in) **plus** opening inventory **less** closing inventory;
- materials used in manufacturing of products sold: report **only** the material component of cost of finished manufactured goods that were sold during the reporting period.

Exclude:

- direct and indirect labour costs (salaries, wages, benefits, and commissions);
- overhead and all other costs normally charged to cost of goods sold, such as depreciation, energy costs, utilities, sub-contracts, royalties, transportation, warehousing, insurance, rental and leasing; these expenses should be reported elsewhere in the detailed categories provided.

8. Office supplies

Include:

- office stationery and supplies, paper and other supplies for photocopiers, printers and fax machines;
- diskettes and computer upgrade expenses;
- data processing.

Exclude:

- postage and courier;
- telephone, Internet and other telecommunications expenses (please report this amount in this section, at question 14).

9. Rental and leasing (include rental of premises, equipment, motor vehicles, etc.)

Include:

- lease rental expenses, real estate rental expenses, condominium fees and equipment rental expenses;
- motor vehicle rental and leasing expenses;
- rental and leasing of computer and peripheral expenses;
- studio lighting and scaffolding, and other machinery and equipment expenses;
- fuel and other utility costs covered in your rental and leasing contracts.

10. Repair and maintenance (e.g., property, equipment, vehicles)

Include expenses for the repair and maintenance of:

- buildings and structures;
- vehicles (including vehicle fuel);
- machinery and equipment;
- security equipment;
- costs related to materials, parts and external labour associated with these expenses.

Also **include** janitorial and cleaning services and garbage removal.

11. Insurance (include professional liability, motor vehicles, etc.)

Include:

- professional and other liability insurance;
- motor vehicle and property insurance;
- executive life insurance;
- bonding, business interruption insurance and fire insurance.

Insurance recovery income should be deducted from insurance expenses.

12. Advertising, marketing and promotions (report charitable donations at question 22)

Include:

- newspaper advertising and media expenses;
- catalogues, presentations and displays;
- meeting and convention expenses;

- tickets for theatre, concerts and sporting events for business promotion;
- fundraising expenses.

13. Travel, meals and entertainment

Include:

- passenger transportation, accommodation and meals while travelling;
- other travel allowances as well as meal, entertainment and hospitality purchases for clients.

14. Utilities and telecommunications expenses (include gas, heating, hydro, water, telephone and Internet expenses)

Include:

- diesel, fuel wood, natural gas, oil and propane;
- sewage.

Exclude:

- energy expenses covered in your rental and leasing contracts;
- vehicle fuel.

15. Property and business taxes, licences and permits

Include:

- property taxes paid directly and property transfer taxes;
- vehicle licence fees;
- beverage taxes and business taxes;
- trade licence fees;
- membership fees and professional licence fees.

16. Royalties, rights, licensing and franchise fees

Include:

- amounts paid to holders of patents, copyrights, performing rights and trademarks;
- gross overriding royalty expenses and direct royalty costs;
- resident and non-resident royalty expenses;
- franchise fees.

17. Delivery, warehousing, postage and courier

Include:

- amounts paid for courier, custom fees, delivery and installation;
- distribution, ferry charges and cartage;
- freight and duty, shipping, warehousing and storage.

18. Financial service fees

Include:

- explicit service charges for financial services;
- credit and debit card commissions and charges;
- collection expenses and transfer fees;
- registrar and transfer agent fees;
- security and exchange commission fees;
- other financial service fees.

Exclude:

- interest expenses.

19. Interest expenses

Please report the cost of servicing your company's debt.

Include interest on:

- short-term and long-term debt;
- capital leases;
- bonds and debentures and mortgages.

20. Amortization and depreciation of tangible and intangible assets

Include:

- direct cost depreciation of tangible assets and amortization of leasehold improvements;
- amortization of intangible assets (e.g., amortization of goodwill, deferred charges, organizational costs, and research and development costs).

21. Bad debts

A bad debt is the portion of receivables deemed uncollectible, typically from accounts receivable or loans.

Include:

- allowance for bad debts.

Bad debt recoveries are to be netted from bad debt expenses.

22. All other expenses (please specify)

Include:

- amounts not included in questions 1 to 21;
- charitable and political expenses;
- research and development expenses;
- recruiting expenses.

23. Total expenses

The sum of questions 1 to 22.

24. Corporate taxes, if applicable

Include:

- federal, provincial and territorial current income taxes and federal, provincial and territorial provision for deferred income taxes.

25. Gains (losses) and other items

Include:

- realized gains/losses on disposal of assets and realized gains/losses on sale of investments;
- foreign exchange gains/losses, subsidiary/affiliate share of income/losses and other division income/losses;
- joint venture income/losses and partnership income/losses;
- unrealized gains/losses, extraordinary items, legal settlements, and other unusual items;
- write-offs.

26. Net profit/loss after tax and other items

Total revenue **less** Total expenses **minus** Corporate taxes **plus** Gains (losses) and other items.

F - Industry characteristics

Please **exclude** federal, provincial or territorial sales tax collected for remittance to a government agency.

1. Rental income - residential properties

Include:

- apartments;
- single family homes;
- semi-detached or row houses.

a) Rental or leasing of residential space in houses, for use as the principal residence of a household

Houses are accommodation units in which each housing unit is separated from its neighbours by a ground-to-roof wall, with no units either above or below. Includes single detached houses, and attached houses such as side-by-side town houses, row houses and doubles. May **include** additional facilities, such as parking and recreational amenities.

Exclude:

- rental of land;
- renting space for use as temporary accommodation, such as hotel rooms, cottages and camp sites.

b) Rental or leasing of residential space in apartments and similar housing units, for use as the principal residence of a household

These are units in which each housing unit is not separated from its neighbours by a ground-to-roof wall, and/or adjoins units constructed above or below, including apartments, duplexes, triplexes. May also **include** additional facilities, such as parking and recreational amenities.

Exclude:

- rental of mobile homes, motor homes, and rooms in boarding houses and dormitories, when used as principal residences;
- renting space for use as temporary accommodation, such as hotel rooms and camp sites.

c) Rental or leasing of land for residential uses

Property with buildings or other structures is treated as land if the value of the land is greater than the value of the structures. Includes rental of serviced lots in trailer and mobile home parks.

d) Other rental of residential space (e.g., mobile homes, motor homes, houseboats, rooms in boarding houses and dormitories when used as a principal residence)

2. Rental income - non-residential properties

Include:

- shopping centers;
- plazas;
- stores;
- office buildings;
- factories;
- warehouses;
- recreational spaces;
- convention spaces in hotels;
- convention centers.

a) Rental or leasing of buildings, or space within buildings or other facilities, for office and professional uses

Exclude:

- rental of space for meetings, conventions and similar events;
- rental of parking spaces.

b) Renting or leasing of buildings, or space within buildings or other facilities, for commercial uses such as stores, restaurants, cinemas, bank branches and beauty salons

Include rental of sites on a “concession” basis at entertainment, sports and other venues; and rental of commercial space in hotel and office building lobbies.

Exclude:

- providing a location for the placement of vending machines.

c) Rental or leasing of buildings, or space within buildings or other facilities, for use in manufacturing, storage, distribution and similar industrial activities

Include rental of space for research activities. Includes rental of space for these uses in industrial, manufacturing and research parks.

d) Rental or leasing of land for non-residential uses

Property with buildings or other structures is treated as land if the value of the land is greater than the value of the structures. **Include** rents paid for the right to exploit inland surface waters for recreational or other purposes, including fishing.

Exclude:

- rental of non-residential buildings and other facilities, including engineering structures;
- rents, royalties or other payments paid for the right to explore for, or exploit deposits of minerals or fossil fuels;
- providing a location for the placement outdoors of coin-operated machines such as children’s mechanical rides;
- rental of parking spaces.

e) Other rentals of non-residential space
(for banquets, parties, and social events, business conventions, theatres, sports venues, auditoriums, stadiums etc.).

3. Rental income - mini-warehouses and self storage units

Include:

- rooms;
- compartments;
- lockers;
- containers;
- outdoor spaces.

4. Property management services

Please report revenue generated by managing real estate properties on behalf of the property owners.

a) Management of residential buildings, such as houses and apartments, on behalf of property owners

This service may comprise activities such as: negotiation of lease agreements; screening prospective tenants; collection of rental payments; tenant relationship; administration of contracts for property services (e.g., cleaning, maintenance and security); contract renewal or recovery of the building at the end of the renting contract, etc.

b) Management of non-residential buildings, such as office, retail and industrial space, on behalf of property owners

This service may comprise activities such as: negotiation of lease agreements; screening prospective tenants; collection of rental payments; tenant relationship; administration of contracts for property services (e.g., cleaning, maintenance and security); contract renewal or recovery of the building at the end of the renting contract, etc.

c) Land property management on behalf of property owners

This service may comprise activities such as: negotiation of lease agreements; screening prospective tenants; collection of rental payments; tenant relationship; administration of contracts for property services (e.g., cleaning, maintenance and security); contract renewal or recovery of the land at the end of the renting contract, etc.

5. Revenue from goods purchased for resale as is (drinks, food, games)

Include:

- soft drinks;
- food;
- games;
- laundry detergent, etc.

6. Other sales (please specify)

Include:

- coin-operated laundry services;
- parking;
- bad debt recoveries;
- operating subsidies;
- any other operating revenue not reported above.

7. Total sales

The sum of amounts reported at questions 1 to 6.

8. Percentage of total revenue from real estate investment trust

Please report your percentage of total revenue from real estate investment trust.

Selected expenditure information

Please report expenses **excluding** the portion of federal, provincial or territorial sales tax refunded by government. If your bookkeeping practices make this impossible, please indicate which refunds are included.

9. Property management fees paid

Please report expenses generated by hiring a property management firm to manage an owner's real estate property.

10. Real estate commissions paid

Please report commissions paid to an agent or middleman for providing the service to the vendor or purchaser of bringing together the two parties to a transaction.

11. Value of inducements to tenants

Includes:

- leasehold improvements;
- loan interest;
- free rent;
- paid moving expenses.

Please only report the amount of expenses you capitalized during the reporting period.

12. Transfer taxes and lot levies paid

Please report expenses related to transfer taxes and lot levies.

13. Property taxes paid

Please report taxes paid on vacant land and buildings.

14. Mortgage interest paid

Please report the interest portion of the mortgage payments.

Excludes:

- interest expenses related to bank loans.

Property information

15. Number of buildings owned and/or managed at year end

Please report the number of buildings you owned or managed at the end of the reporting period.

16. Number of rental units owned and/or managed at year end

Please report the number of units you owned or managed at the end of the reporting period.

17. Square feet rented or leased (non-residential only)

Please report the number of square feet you rented or leased at the end of the reporting period.

Renovations and alterations

Definition of additions:

Structural extensions or additions to the property (such as rooms, decks, garages, carports, garden sheds, swimming pools, fences, patios, driveways and major landscaping, etc.).

Definition of renovations:

Work done that was intended to upgrade the property to acceptable building or living standards, rearrange the interior space, and modernize existing facilities in order to suit changing needs without changing the type of occupancy.

Include:

- room renovation;
- adding or replacing doors and windows;
- renovating exterior walls and balconies;
- upgrading insulation;
- adding eavestroughs.

Also **include** any finishing in new homes, and the cost of any equipment and built-in appliances that were part of the renovation project.

Definition of replacement of equipment:

Installation of equipment that replaces an existing unit.

Include:

- upgrading to a superior quality of equipment and conversion from one type of unit to another (such as replacing an electric hot water heater with a gas-fuelled unit).

Definition of new installations:

The installation of equipment that did not previously exist on the property or that was installed in addition to the equipment on the property.

Include:

- the installation of a shower stall in what had been a half-bathroom;
- the installation of security equipment;
- the installation of a ceiling fan;
- the installation of light fixtures.

18. Total capital expenditures

Please report the total value of investment or capital expenditures which comprises additions, renovations or alterations, replacement and new installations of equipment.

G - Personnel

To fully measure the contribution of all human capital in this industry, we require information on the number of partners and proprietors as well as the number and classification of workers.

1. Number of partners and proprietors, non-salaried (if salaried, report at question 2 below)

For unincorporated businesses, please report the number of partners and proprietors for whom earnings will be the net income of the partnership or proprietorship.

2. Paid employees

a) Average number of paid employees during the reporting period

To calculate the average number employed, add the number of employees in the last pay period of each month of the reporting period and divide this sum by the number of months (usually 12).

Exclude:

- partners and proprietors, non-salaried reported at question 1 above.

b) Percentage of paid employees (from question 2a) who worked full time

Full-time employment consists of persons who usually work 30 hours or more per week. Please specify the percentage of paid employees who have been working full time by rounding the percentage to the nearest whole number.

3. Number of contract workers for whom you did not issue a T4, such as freelancers and casual workers (estimates are acceptable)

Contract workers are not employees, but workers contracted to perform a specific task or project in your organization for a specific duration, such as self-employed persons, freelancers and casual workers. These workers are not issued a T4 information slip. Please report the number of contract workers employed by your organization during the fiscal year.

H - Sales by type of client

This section is designed to measure which sector of the economy purchases your services.

Please provide a percentage breakdown of your sales by type of client.

Please ensure that the sum of percentages reported in this section equals 100%.

1. Clients in Canada

a) Businesses

Percentage of sales sold to the business sector should be reported here.

Include:

- sales to Crown corporations.

b) Individuals and households

Please report the percentage of sales to individuals and households who do not represent the business or government sector.

c) Governments, not-for-profit organizations and public institutions (e.g., hospitals, schools)

Percentage of sales to federal, provincial, territorial and municipal governments should be reported here.

Include:

- sales to hospitals, schools, universities and public utilities.

2. Clients outside Canada

Please report the share of total sales to customers or clients located outside Canada including foreign businesses, foreign individuals, foreign institutions and/or governments.

Include:

- sales to foreign subsidiaries and affiliates.

I - Sales by client location

Please provide a percentage breakdown of your total sales by client location (first point of sale).

Please ensure that the sum of percentages reported in this section equals 100%.

The percentage in question 14 must equal question 2 in section H.

J - International transactions

This section is intended to measure the value of international transactions on goods, services, and royalties and licences fees. It covers **imported services and goods** purchased outside Canada as well as the value of **exported services and goods** to clients/customers outside Canada. Please report also royalties, rights, licensing and franchise fees paid to and/or received from outside Canada. Services cover a variety of industrial, professional, trade and business services.

K - Provincial/territorial distribution

This section is intended to collect information on the locations operated by your business during the reporting period.

Please report the number of business units or locations operating in Canada during the reporting period. Business unit is defined as the lowest level of the firm for which accounting records are maintained for such details as revenue, expenses and employment.

Please report data for the provinces or territories in which you have business units and indicate if you are reporting in Canadian dollars **or** percentages.

General information

Survey purpose

Statistics Canada conducts this survey to obtain detailed and accurate data on this industry, which is recognised as being an important contributor to the Canadian economy. Your responses are critically important to produce reliable statistics used by businesses, non-profit organizations and all levels of government to make informed decisions in many areas.

The information from this survey can be used by your business to benchmark your performance against an industry standard, to plan marketing strategies or to prepare business plans for investors. Governments use the data to develop national and regional economic policies and to develop programs to promote domestic and international competitiveness. The data are also used by trade associations, business analysts and investors to study the economic performance and characteristics of your industry.

Data-sharing agreements

To reduce respondent burden, Statistics Canada has entered into data-sharing agreements with provincial and territorial statistical agencies and other government organizations, which must keep the data confidential and use them only for statistical purposes. Statistics Canada will only share data from this survey with those organizations that have demonstrated a requirement to use the data.

Section 11 of the *Statistics Act* provides for the sharing of information with provincial and territorial statistical agencies that meet certain conditions. These agencies must have the legislative authority to collect the same information, on a mandatory basis, and the legislation must provide substantially the same provisions for confidentiality and penalties for disclosure of confidential information as the *Statistics Act*. Because these agencies have the legal authority to compel businesses to provide the same information, consent is not requested and businesses may not object to the sharing of the data.

For this survey, there are **Section 11** agreements with the provincial and territorial statistical agencies of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and the Yukon.

The shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

Section 12 of the *Statistics Act* provides for the sharing of information with federal, provincial or territorial government organizations. Under **Section 12**, you may refuse to share your information with any of these organizations by writing a letter of objection to the Chief Statistician and returning it with the completed questionnaire. Please specify the organizations with which you do not want to share your data.

For this survey, there are **Section 12** agreements with the statistical agencies of Prince Edward Island, the Northwest Territories and Nunavut.

For agreements with provincial and territorial government organizations, the shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

Record linkages

To enhance the data from this survey, Statistics Canada may combine it with information from other surveys or from administrative sources.

Please note that Statistics Canada does not share any individual survey information with the Canada Revenue Agency.

Please visit our website at www.statcan.gc.ca/survey-enquete/index-eng.htm or call us at **1-800-972-9692** for more information about these data-sharing agreements.

Thank you!