

WHY SHOULD OTTAWA FOCUS ON LAND?

Dr. Gordon K. McIvor

If there were an Ottawa version of Trivial Pursuit, a very obvious question would be: “Name the largest single land owner in Canada.” While some might guess the Catholic Church or a large province such as Ontario or Québec, most people would know that the correct answer is the Government of Canada, the second largest country in land mass in the world. Part of our mythology and national psyche revolves around the pure magnitude of the 10-million square kilometres we call home. While most Crown lands fall collectively within provincial or territorial jurisdictions, the single largest land owner remains Her Majesty in right of Canada. These are administered by Program departments, Crown corporations and a third category under the Canada Lands Survey Act including Territories, Indian Act lands and offshore lands south of 60° latitude.

Decentralized departments hold the vast majority of these federal land assets and are –through their respective ministers-responsible for their stewardship. As a result, scores of men and women within custodian departments and Crown corporations end up having real property responsibilities as part of their job descriptions and larger departments retain real property administrators who may have this area as their sole function. Furthermore, common service providers such as the Department of Justice and Public Works Government Services Canada have hundreds – if not thousands– of employees who deal with everything from property law to property management, while management and policy coordination are ensured by a group at Treasury Board Secretariat. Federal real property legislation and regulations can come from still other groups of employees at Environment, Canadian Heritage, and Human Resources and Skills Development Canada.

With all of this talent being applied to the enormous real property assets of the Federal Government, one could quite logically assume that this area would receive a great deal of attention in the Nation's capital, and this is where the story becomes more complex. Since real property is never the core business of a custodian department, traditionally it has been viewed as a cost of program delivery with the result being a general lack of incentive to manage these assets beyond what Departments see as direct benefits accruing directly to them. Historically, real property has been an afterthought, and afterthoughts tend to be undermanaged or not dealt with at all. The result is that many properties are not dealt with from a real estate perspective and may erode in value.

The recent economic crisis led the Government of Canada to embark on an extensive asset review, and many custodian departments and Crown corporations are now more acutely aware of the enormous value of their real property assets. They have begun to look at both financial and social optimization of these properties, often streamlining operations as a result. Just as importantly, there is a new prestige associated with being a real property expert in Ottawa as the Government realizes the enormous potential of this field.

Enter the Real Property Institute of Canada (www.rpic-ibic.ca), an organization that for years has delivered training to real properties practitioners across the federal system and which has recently been focused on bringing more attention to this fundamental area of Government business. RPIC has created “Federal Real Property Week”, which occurs in conjunction with its national November workshop in Ottawa and has recently begun to attract the attention of both mandarins and elected officials as a fundamental information exchange for those human resources operating in this area.

In short, the economic crisis has made everyone more sensitive to the assets and liabilities of all operational areas, and nowhere is this more true than in the domain of federal lands.

The Canadian public has known the value of real property for a very long time, and most Canadians make the most important investment decisions of their lifetime around real estate issues. With Ottawa clearly poised to focus more on this area, the Canadian taxpayer will increasingly be sensitized to the value potential behind the real property used in the delivery of the numerous programs provided to the public by the Government of Canada. This will not only be good for the bottom line, but will allow the Government to make better decisions as it administers the life cycle – from cradle to grave– of its enormous land holdings and building portfolio.

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