

Thinking About Thinking

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When it comes to condominiums, time is a scarce and precious resource. Whether you're a manager, lawyer, engineer, or director, you probably know *exactly* what I mean. Between arguing neighbours, capital projects, audits, meetings, tenders, AGMs, work orders, spring inspections, contract negotiations, budgets, that one guy that keeps you on the phone forever, emergency status certificate updates, and the raccoon making a mess, there isn't much downtime.

Something worth considering is whether those in our industry take enough time to stop, unplug, and just think. Sometimes, as a consequence of reflection, I come up with ideas about how to improve some things that condominiums regularly do. For example, due to recent inflation, condominiums are facing increased costs that might affect their operating and reserve funds. However, in 1991, we had a similar inflation rate of 5.63% (even if it was not construction specific). What could we consider about the preceding information? Some things might be:

1. In light of recent inflation, should reserve fund studies increase to 40 or even 60-year cycles, as discussed for a few years now?
2. Should reserve fund planners, managers, and boards be more backward-looking when considering a multi-decade interval in order to get a sense of what is possible? What about including ideas like product improvements (windows now last much longer than they used to, for example)?
3. Some data analytics methods, such as a Monte Carlo simulation (a method of smoothing out randomness by running thousands or more simulations), could be included in Reserve Fund planning to account for the variability of all kinds of factors, including interest rates and inflation.

Of course, I don't mean to beat up on reserve fund planners! Many of these things are out of their control too. We are lucky in this industry to have an incredible group of planners and I don't mean to say that they don't stop to think. I am sure they do!

In fact, readers are invited to keep their eyes peeled for a future webinar from CAI Canada featuring Jon Juffs from McIntosh Perry. Readings may recognize Jon from co-authoring this actuarial-science based study on condominium reserve funds: <https://www.cia-ica.ca/publications/publication-details/rp222024>

I am just advocating in this article that we consciously prioritize deep thinking.

Moving away from financial matters, what about regulatory matters? For example, Canada is going to all-electric vehicles sales in 2035. What does this mean for your condo physically? What about its by-laws? Should we be passing by-laws now that allow the reserve fund planner to begin to work electrical costs into the cash-flow table? Twelve years might seem like a long time. Still, that's the purpose of taking time to concentrate: to consider what isn't obviously in front of us during the moment.

In Ontario, it's easy to think of new regulations that now affect condos. Aside from the CAO, CMRAO, and CAT, some highlights from the past few decades are the Smoke-Free Ontario Act, EWRB reporting, changes to the Occupier's Liability Act, prompt-payment amendments to the Construction Act, Health and Safety requirements (including to condo pools which are often considered public pools), not to mention Covid rules and mandatory reserve fund studies. There's a lot more, too! Indeed, we are still waiting for the next round of the Condominium Act amendments to come into force. I am not saying that every regulation is a bad one. I am just asking: do we take the time to stop and think of where this is all heading? How difficult will it be to run a condo in 2035? Will it be realistic to expect volunteer directors to handle all of the foregoing? Will we see professional directors at some point? What about management time and administrative burden?

I hope the preceding examples have been interesting to think about, but the real point I want to make is that it's essential to carve out time to think deeply about our industry. A great book on this topic is called "Deep Work" by Cal Newport (link below). The author explains how crucial deep thinking is and how, to be successful, one must often sequester to think without distraction. He gives the example of Carl Jung, the famous psychologist, who had strict rules about taking time to think deeply. He would steal away to the country to not be bothered while he worked (not while he vacationed), and he would reserve two hours of every morning for deep thinking about his trade, no matter what.

Maybe Jung's schedule is not possible for you, reader. In that case, what amount of time can you manage for deep thought about your job and industry? If you don't already, give it a try, and see if it helps. But you have to really sequester, according to Cal Newport. He cites studies showing that even minor distractions are detrimental to real focus, so if you're going to try this, do your best to shut off your inbox and your phone (if possible).

A final thought is that you might find that taking a bit of time to think will increase your job satisfaction. You'll feel more engaged and get a greater sense of meaning from your work. If you're deriving meaning from your work, you may experience stress differently, and you may derive health benefits from the change of mindset. For anyone interested, I have also included a link (in the references) to a Ted Talk by Kelly McGonigal, a psychologist who runs down the empirical literature on the perception of stress.

I hope that after reading this, you will think about thinking!

References:

Deep work: <https://www.calnewport.com/books/deep-work/>

Electric Vehicle Sales story: <https://www.cbc.ca/news/canada/calgary/canada-electric-cars-2035-1.6085540>

Kelly McGonigal TedTalk: https://www.ted.com/talks/kelly_mcgonigal_how_to_make_stress_your_friend?language=en

Inflation in Canada by Statista: <https://www.statista.com/statistics/271247/inflation-rate-in-canada/>

Monte Carlo Simulation and what it's good for:

<https://www.investopedia.com/terms/m/montecarlosimulation.asp#:~:text=A%20Monte%20Carlo%20simulation%20is,in%20prediction%20and%20forecasting%20models.>