



SKYVIEW
REALTY LTD.

SkyViews

DISTRIBUTION TO OWNERS OF OVER 11,500 APARTMENT BUILDINGS

APARTMENT REPORT

FALL 2003

DANNY'S CORNER



Danny Iannuzziello
Broker

I would like to start my column in this issue by extending my sincerest appreciation and Thank you to the various people who called or sent in congratulatory cards acknowledging my recent selection in the Real Estate Executive Magazine as Executive of the month which was included in our last issue of Skyviews (Summer 2003). As well a heartfelt

gratitude to both Anne Seagrove, TD Canada Trust and Sheldon Rajesky of Rajesky & Associates Appraisers for their personal donations to my favourite charity The Reena Organization.

In this issue of Skyviews I would like to acknowledge my good friend Dru McAuley at First National Financial Corporation. Dru is the Assistant V.P. Of Commercial Lending, as some of you know he is very well connected when it comes to financing apartment buildings. His significant help on some of my transactions is always appreciated. We have included his business card on the back page of this issue. Feel free to give him a call.

I'm finding in my day to day travels that low interest rates are continuing to keep the market active and there continues to be an abundance of money ready for investment in the apartment sector. Money continues to pour in from outside the Province. However, increased vacancy rates, which are being felt more predominantly in the GTA are beginning to have a slight downward adjustment in prices. This may be in large part due to the significant number of condo units being developed in the GTA (9400 units, last year alone), of which one-third are being offered for rent, directly increasing the supply of new rentals and levels of competition, especially at the top end of the rental pool. The apartment market is also losing renters to the purchase of new home/condos and this trend will continue in 2004 as long as interest rates stay low and the supply of new homes/condos continues. It should be noted that I'm not seeing as great an impact outside the GTA, where the affordable rental market continues to be somewhat stronger.

One trend that we are seeing outside the GTA in the past 6-8 months is the increased number of buildings becoming available. This trend has stabilized if not slightly declined prices.

If you are considering selling in an adjusting market such as we are in now, be careful of this adjustment because if prices are on the decline and you feel you should be achieving a higher price, by the time

MITIGATING RISING APARTMENT BUILDING INSURANCE COSTS WISELY

By Ron Glasser, Associate Broker
DAN LAWRIE INSURANCE BROKERS LTD.

After many consecutive years of declining business insurance premiums, 2001-2002 saw the start of increased Apartment Building Insurance costs. By now, most apartment building owners have become familiar with the many reasons things changed; steadily increasing claim costs, the Sept. 11 catastrophe and ensuing record losses, rising expenses for insurance companies such as increased re-insurance costs, the dramatic reduction in investment income, growing underwriting losses, etc.

For 2003, rate increases of 20-30 percent have been normal for most business owners including apartment buildings with good claims records and relatively innocuous liability exposures. Companies with previous losses, high liability, etc. often face much higher increases. The marketplace may level out somewhat in 2004 (barring any major catastrophes) but the general opinion is that we will still continue to experience some ongoing premium increases, albeit somewhat lower than 2003.

With these facts in mind, prudent apartment building owners look for ways to mitigate their increased costs. There are many alternatives to explore in doing this and they should all be examined to find the proper balance between costs & benefits. While some insurance coverages for minor exposure may even be

eliminated, depending on the individual owner's tolerance for self-insuring, one coverage that definitely should not be deleted is Rental Income protection.

A tenant is cooking french fries on the stove with a pot of oil. While the oil is heating up, the tenant leaves the kitchen. The pot of oil bursts into flames and quickly spreads to the cupboards over the stove. The tenant returns to see smoke and fire in the kitchen and quickly calls the fire department. While the physical damage is covered under the building coverages, the loss of income for this unit and possibly other units that would be affected due to water damage and smoke damage would not. This is where rental income or, loss of rents coverage would pay for the loss of income.

Yes, there are many options & alternatives to consider that can mitigate rising business insurance costs, but think very seriously before deleting your Rental Income safety net.

As always, to avoid unpleasant surprises, it's important to work with a professional in this area. ■

Ron Glasser, Associate Broker
Dan Lawrie Insurance Brokers Ltd.
1-800-661-1518

you realize that you will not obtain the higher price, prices may be even lower. This is why we recommend doing a proper evaluation of your building prior to going to market.

I hope I haven't scared you with some of this negativity, however, if you step back for a moment and look at the large picture the numbers representing increased population growth over the next several years, the infrastructure being built i.e. Transportation (highways), expanding communities, etc. makes the overall long term apartment market a safe investment vehicle.

Also in this issue I would like to welcome owners of apartment buildings in the Greater Niagara Region and Belleville area, who have now started receiving our newsletter.

I would also like to thank Ron Glasser and Andreas Schwartze for their informative insurance related contributions. A timely topic that will continue to play a significant role in our industry. ■

Danny Iannuzziello

Tips For Insurance Success

- Deal with a broker who has a solid reputation and plenty of market success
- Make certain that your broker knows the apartment building business
- Don't assume that an insurer wants "all of your business"
- Ask how you can make your account "attractive"
- Take higher deductibles and dump coverages that aren't essential
- Offer to implement any recommendations that may be requested
- Be patient; a real estate insurance pro needs time to do the job well
- Forget about offering "all your business"; it's a non-starter

Andreas Schwartze, President
IMS Insurance Marketing Services
(905) 271-2070 www.takecover.ca

WE SPECIALIZE IN THE SALE OF APARTMENT BUILDINGS

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For future mailing, please inform us if there is a change of address

E-mail: info@skyviewrealty.com

Website: www.skyviewrealty.com

NOT INTENDED TO SOLICIT PROPERTIES ALREADY FOR SALE. NOT INTENDED TO INTERFERE WITH PURCHASER-AGENCY AGREEMENTS.



PROPERTIES CURRENTLY OFFERED FOR SALE



EXCLUSIVE LISTING

AVAILABLE IN NORTH YORK 130 Suite Apartment Building

- Asking \$9,750,000
\$75,000/suite
- 15% Downpayment
7.6% CAP Rate
- Building very well maintained
- Built 1969
- Many Capital Upgrades
- 34 x One Bedroom
74 x Two Bedrooms
22 x Three Bedrooms
- Close to all amenities
- "Pleasant" resident manager
- Existing 1st Mortgage \$5,000,000 with ability to increase CMHC Insured



POWER OF SALE

AVAILABLE IN BRAMPTON 64 Townhouses

- Asking \$5,950,000
- Fully occupied
- 15% Downpayment
18.1% R.O.I.
- Most rents below market
- All appointments for showings through listing broker
- 64 Townhouses
All units 3 bedrooms
- Approx. 1,000 sq ft plus basement
- Treat mortgages as clear
- The Vendor makes no warranties or representations
- All offers to include Vendor's Schedule "A"



SOLD

120 Denison Ave, Brampton 11 Luxury Townhouses

This 11 unit townhouse project located in Brampton was listed and sold for \$1,680,000. Although on the market for several months, Skyview persevered and was successful in obtaining a price satisfactory to the seller. Closed August 2003.



SOLD

1090 Roselawn Ave, Toronto 62 Suite Apartment Building

This 62 unit apartment building was listed and sold by Skyview Realty Ltd. for \$4,367,000. This property generated multiple offers. Building was in very good condition. Closed August 2003



VENDOR MOTIVATED TO SELL

AVAILABLE IN TORONTO 14 Unit Apartment Building

- Asking \$850,000
- Asking \$60,714/suite
- Located in Parkdale area of Toronto
- Fully Occupied
- Some Rents Below Market
- 10 Outdoor Parking Spaces
- Fire Retrofit Complete
- 14 Bachelor Apartments
- 15% Downpayment
9.2% CAP Rate
- 28.7% R.O.I.
- Upgrades to electrical system
- Treat Mortgages as clear
- VTB Mortgage to Sell



\$69,000 DOWNPAYMENT

AVAILABLE IN HAMILTON 9 Unit Apartment Building

- Asking \$460,000
- Located in Upper Mountain (Fennell & Ottawa)
- Some Upgrades Since 1989
- Fully Occupied
- Good Tenant Profile
- Tenants Pay Own Hydro
- Visit www.skyviewrealty.com for additional pictures
- 1 x Bachelor
2 x One Bedrooms
6 x Two Bedrooms
- 15% Downpayment
21.5% Return on Investment
- Some Rents Below Market
- Pleasure to Show



BUILT IN 1990

AVAILABLE IN BRADFORD Six Luxury Apartments

- Asking \$675,000
- Quality Building in Prestigious Area of Bradford
- Pleasure to Show
- Tenants Pay Own Hydro
- Rent Significantly Below Market
- Visit www.skyviewrealty.com for additional pictures
- 1 x One Bedrooms
5 x Two Bedrooms
- Excellent Tenant Profile
- Fully Occupied
- 7% Return
- Treat Mortgages as Clear
- Low Mortgage Rates Available

For these and other buildings we have for sale please call (416) 444-6545 • Fax (416) 444-6997

DANNY IANNUZZIELLO

BROKER

220 Duncan Mill Rd. Suite 419, Toronto, ON M3B 3J5

PROPERTIES FOR SALE INTENDED FOR PRINCIPALS ONLY

Not intended to solicit properties already for sale. Not intended to interfere with Purchaser-Agency Agreements.





NORTH OF LONDON

36 Unit Apartment Building

- Asking \$1,090,000
- Fully occupied
- Good Tenant Profile
- Small Community North of London
- Located in Hensall, Ontario
- 1 x Bachelor
- 14 x One Bedrooms
- 18 x Two Bedrooms
- 3 x Three Bedrooms
- 15% Downpayment
- 36.5% R.O.I.



FOR SALE IN BRANTFORD

34 Unit Apartment Building

- Asking \$1,450,000
- 15% Downpayment
- 9.3% CAP Rate
- Existing 1st Mortgage 6.9% to January 2007
- Some rents below market
- Located in the heart of Brantford, close to the Casino
- 2 adjoining buildings
- 10 x One Bedrooms
- 24 x Two Bedrooms
- Structural, Environmental Reports Available



WEST OF BARRIE

30 Townhouses

- Asking \$2,100,000
- Well Maintained
- Rents Below Market
- Fully Occupied
- Good Tenant Profile
- Tenants Pay Own Utilities
- VTB Mortgage to sell
- Located in Stayner
- 10 minutes from Wasaga Beach
- 15 minutes from Collingwood
- All units 2 - bedrooms
- No basements
- 15% Downpayment
- 23.3% R.O.I.



TORONTO

26 Unit Apartment Building

- Asking \$1,819,000
- Extensive Renovations: ie. Apt Suites, Weeping Tile, Parking Lot, Lighting, Windows, Boiler, Laundry, Hydro Meters, Intercom, etc.
- Some rents below market
- 5 x Bachelors
- 12 x One Bedrooms
- 9 x Two Bedrooms
- 15% Downpayment
- 22.7% R.O.I.
- Treat Mortgages as clear
- VTB Mortgage to sell
- Tenants Pay Own Hydro

What Our Clients Have To Say:

Dear Danny and the Skyview Team:

Buyer

On behalf of Palomar Properties Limited, I would like to thank you for all your hard work during the purchase of 2390 Marine Dr. The popularity of this property was apparent from the beginning where there was significant interest and we were very impressed with your integrity and fair process in a multiple offer situation.

We were very impressed with your due diligence package. The detail you put into your work is very apparent and was well reflected as presented, outlining all aspects of the building that we were purchasing.

An honest and open presentation of the building was appreciated and facilitated in the decision making process. We thank you for arranging on our behalf and in short order the Environmental and Structural Inspections of the property. Should you come across other similar buildings we would be happy to do business with you again.

Sincerely,

Martyn Lanaway (General Manager)
Palomar Properties Limited

Dear Danny;

Seller

Re: 2390 Marine Drive, Oakville

We would like to let you know that it has been a pleasure working with you on the recent sale of the above mentioned apartment building. Your dedication and expertise was invaluable as you proceeded very smoothly through the sale with the least amount of disruption to the tenants.

Your attention to detail, reporting to us, working with our lawyer and being available at all times was very much appreciated.

We will be happy to answer any questions others may have regarding your professionalism to broker our real estate transaction.

Yours sincerely,

Leon and Angela Wolfe



**2390 Marine Dr.,
Oakville**

Listed and Sold
by
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COMPANIES WE'VE DONE BUSINESS WITH AND SERVICES WE WOULD RECOMMEND

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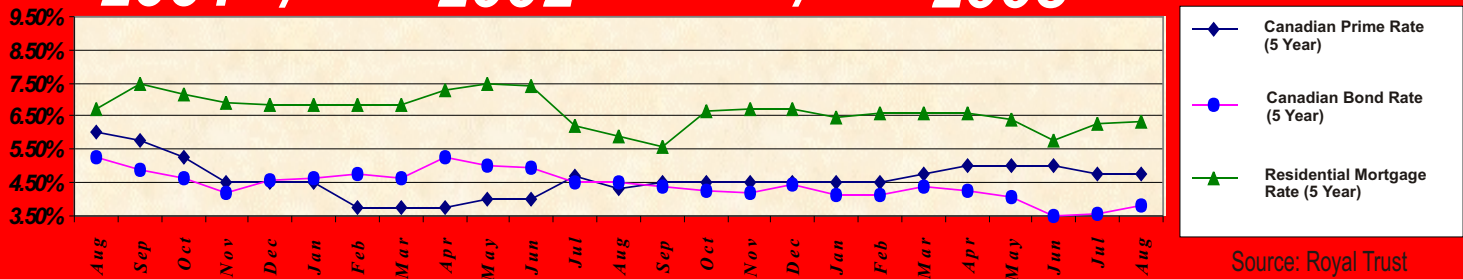
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Watch on Interest Rates...

2001 / 2002 / 2003



2003 MULTI RESIDENTIAL TAX RATES

City	Mill Rate (%)	City	Mill Rate (%)	City	Mill Rate (%)
Ajax	2.914221%	Hamilton	3.901085%	Oshawa	3.450000%
Aurora	1.586703%	King Township	1.190289%	Pickering	2.723043%
Barrie	1.521420%	Kitchener	Not Yet Set	Port Colborne	3.336501%
Brampton	1.965183%	Markham	1.137053%	Richmond Hill	1.135192%
Brantford	3.184556%	Milton	2.167194%	St. Catharines	3.159000%
Burlington	2.004952%	Mississauga	1.697076%	Stoney Creek	3.533722%
City of Vaughan	1.130017%	Newmarket	1.234109%	Toronto	2.876183%
Collingwood	2.640130%	Niagara Falls	3.092704%	Town of Georgina	1.442770%
East Gwillimbury	1.241003%	Oakville	2.204063%	Uxbridge	2.582050%
Halton Hills	Urban 2.202305%	Orangeville	3.152946%	Whitby	Urban 2.895939%
	Rural 2.085611%	Orillia	3.891896%		Rural 2.821834%
				Whitchurch-Stouffville	1.140789%

Mortgage Investors Wanted



Skyview Realty Ltd. is currently developing a list of investors interested in purchasing second mortgages on properties sold by Skyview Realty Ltd. If you are such an investor and are interested in joining the list, please call Danny Iannuzziello at... **416-444-6545**

STATUTORY RENT INCREASE GUIDELINES

FOR YEARS 1975 - 2003

From	To	Amount	From	To	Amount
Jul. 1, 1975 - Oct. 26, 1977		8.0%	Jan. 1, 1994 - Dec. 31, 1994		3.2%
Oct. 27, 1977 - Jul. 31, 1985		6.0%	Jan. 1, 1995 - Dec. 31, 1995		2.9%
Aug. 1, 1985 - Dec. 31, 1986		4.0%	Jan. 1, 1996 - Dec. 31, 1996		2.8%
Jan. 1, 1987 - Dec. 31, 1987		5.2%	Jan. 1, 1997 - Dec. 31, 1997		3.0%
Jan. 1, 1988 - Dec. 31, 1988		4.7%	Jan. 1, 1998 - Dec. 31, 1998		3.0%
Jan. 1, 1989 - Dec. 31, 1989		4.6%	Jan. 1, 1999 - Dec. 31, 1999		3.0%
Jan. 1, 1990 - Dec. 31, 1990		4.6%	Jan. 1, 2000 - Dec. 31, 2000		2.6%
Jan. 1, 1991 - Dec. 31, 1991		5.4%	Jan. 1, 2001 - Dec. 31, 2001		2.9%
Jan. 1, 1992 - Dec. 31, 1992		6.0%	Jan. 1, 2002 - Dec. 31, 2002		3.9%
Jan. 1, 1993 - Dec. 31, 1993		4.9%	Jan. 1, 2003 - Dec. 31, 2003		2.9%