



SKYVIEW

REALTY LTD., BROKERAGE

SkyViews

Apartment Report - Fall 2008

DANNY'S CORNER



*Danny Iannuzziello
Broker of Record*

When I first started in the multi-residential industry over 20 years ago, I quickly gained an appreciation for the relationships that get built through our business. At Skyview, our first priority is our clients!

By understanding our client's needs, working to give them the best return for their investment, and assisting them with finding the resources and services to maintain and grow their investments, we have built some solid business friendships all across Ontario and around the globe.

Skyview's desire is to continue to provide this level of service to you, our valued client. That is why, in this newsletter, you will not only find our latest listings but also resources, updates, and links to information that can assist you in growing your investments in the apartment building industry.

This month, I've asked my long term friends Frank and Peter of JT Plumbing to share some valuable tips for dealing with your building's plumbing - helping you to save time and money resulting in greater efficiency in your building.

You may have noticed a special insert in this issue of Skyviews Newsletter. I encourage you to take a moment to fill that in and send it into my office. As we continually expand our level of service, we want to keep you informed of industry changes, valuable resources for your business, and additional investment opportunities in your area. By sending us your updated contact information, especially an e-mail address, you will receive the most up-to-date information on our industry.

■ Danny Iannuzziello

Smart Investing in Your Building's Plumbing

by Frank Salemi and Peter Todorofsky, JT Plumbing Inc.

Your car's engine and your building's plumbing have something in common. Both get taken for granted until something goes wrong. Just as routine maintenance and careful observations can prolong the life of your car, the same diligence with plumbing can help to reduce your overall costs and improve the longevity of your pipes and fixtures. In fact, proper maintenance and wise investments in the right types of plumbing for your building, can also reduce the overall costs for your entire building.

The following are some helpful tips for preventing major expenses down the road, and for ensuring the investment in your building's plumbing brings you a good return:

1) Fix Problems as they Arise

When it comes to plumbing, the quicker you can notice, address, and fix a problem, the better it is for your building and for your pocketbook.

Problems such as leaking pipes or backed up drains are fairly simple to repair, however if they are not addressed in proper time they can add up to more issues down the road. A leaking pipe that is not fixed immediately, for example, will cause you to spend more time and money to fix with issues such as water damage to surrounding areas and the possibility of mold developing.

The best practice for any owner of a residential building is to take a proactive approach to their building. Frequent inspections and keeping a watchful eye on your building's plumbing will save you money and frustration in the long run.



2) Take Care of Leaking Taps and Toilets

Leaking taps are a normal occurrence especially in older buildings where there haven't been upgrades to the kitchen and/or bathroom fixtures. Most tenants, however, will stall to report these leaks and will just live with the incessant dripping for a time.

These leaks are literally washing your income down the drain. Did you know that the average single leaking toilet can waste up to 200,000 litres of water annually? That's just one toilet. Imagine if you had a number of toilets leaking in the same building... it really adds up!

In order to avoid paying extra for water every month there are three key steps you must take in your building. First, make it a priority for your property manager or superintendent to address leaky plumbing service requests immediately. Secondly, during annual inspections, have your property manager keep an eye out for leaks in the bathrooms and kitchens. Lastly, post a notice to your tenants asking for their assistance in dealing with leaks.

Encourage them to file a report as soon as they are aware of a problem with the taps and let them know you will address it as quickly as possible. In buildings where your

...Continued on Page 2

IF YOU ARE THINKING OF BUYING OR SELLING, PLEASE CALL (416) 444-6545 FAX (416) 444-6997

Email: info@skyviewrealty.com Website: www.SkyviewRealty.com

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



ARE YOU THINKING OF SELLING?

Below is a partial **list of services** that our team at **Skyview Realty, Ltd. Brokerage** will provide for you.

- Provide you up front with a market evaluation of your building.
- Determine an asking price which is acceptable to you.
- Describe how to prepare your building for the best exposure in the market place.
- Prepare a marketing information package to be presented to all prospective purchasers.
- Create a dynamic marketing plan.
- Marketing directly to all prospective purchasers of apartment buildings.
- Follow up and represent the building to qualified potential builders.
- Negotiate an agreement of purchase and sale.
- Advise on various clauses pertinent to the purchase and sale of a prospective building.
- Facilitate the transaction during the due diligence process to ensure a smooth closing.
- Maintain the relationship even after close by providing resources and assistance.

By using Skyview Realty, Ltd. Brokerage, you don't just sell your apartment building, you experience a sense of comfort that you are making a proper decision each step of the way.

My team and I look forward to sharing that experience with you. We can be contacted at anytime through our office at (416) 444-6545.

- Danny Iannuzziello, Broker of Record

"We Don't Just List Apartment Buildings, We Sell Them!"

Investing in Your Plumbing, Continued from Page 1

tenants pay their own utilities, it is in their best interest to do so.

3) Insulating Pipes

In most apartment building utility rooms, the plumbing pipes are exposed to allow easy access for repairs and upgrades. These exposed pipes can often "sweat" during the summer months and if temperatures reach low enough in the winter months, can lead to freezing - cracking the pipes and causing major damage. Either way, it is a good practice to insulate any exposed pipes. This will improve the longevity of your system and prevent any water damage from the pipes leaking or bursting.

4) Upgrade your Old Plumbing

If it's time for you to upgrade the plumbing in your building, you should be looking at ways to get the most for your investment dollars.

There are cheap ways to upgrade and there are inexpensive ways. There is a difference! Most people look first to the bottom line and go with the cheap option but this can only lead to further expenses down the line. The priority should be placed on finding a plumbing system that is right for your overall budget but will provide your building with the service that will pay for itself in the long run.

There are many different types of plumbing - all with their own benefits. When choosing what type of plumbing (such as CPVC, copper, etc) to use on your building, you want to find the one that will last the most amount of time and require the least amount of maintenance.

One type of system that has been proven cost efficient and time saving is known as "AquaRise".

It's a CPVC hot and cold water distribution system which is quickly becoming the choice over copper piping because it is strong, highly-engineered, and affordable. Choosing a system such as AquaRise will ensure you have less issues with "sweating" and longer, maintenance-free use in your building.

As an owner of a multi-residential building, you focus on the bottom line to get the most out of your investment. By being watchful of your plumbing system and making the right choices regarding repairs and upgrades, you will save yourself valuable time and money.

This resource provided courtesy of:
JT Plumbing Inc.
Tel: 416-418-1187
jtplumbing@rogers.com

ORILLIA



- Asking \$7,250,000
- Asking \$120,833 per suite
- Built to Condo Specifications
- Seller will Complete Condo Status
- Individual Gas Meters
- Individual Hydro Meters
- 45 Units in Affordable Housing Program
- 15 Units Rent at Market Value
- 27 x One Bedrooms
- 33 x Two Bedrooms
- Property Tax Exemption applies to 45 Units for 10 years
- 6.1% CAP Rate 13.6% R.O.I.
- Existing CMHC 1st Mortgage of \$4,911,187 @ 4.805% P+I, paying \$22,059.36 due February 2018
- Mortgage Can Be Renegotiated

60 Suites

WHITBY



- Asking \$1,625,000
- Asking \$70,652 per suite
- Walk to GO Transit
- Electric Heat
- Easy Conversion to Individual Meters
- New Roof in 2007
- Fully Occupied / Good Rental Area
- One Unit Legal Non Conforming
- 20 x One Bedrooms
- 3 x Two Bedrooms
- Revitalization in Area
- Large Lot with Extra Parking
- Possible Upside on Rents
- 7.0% CAP Rate 20.3% R.O.I.
- CMHC Financing Available
- Treat Mortgage as Clear

23 Suites

TORONTO



- Asking \$1,655,000
- Asking \$78,810 per suite
- New Thermo Windows in 1996
- Individual Meters
- Owner Pays Hydro
- 400 Amps and Circuit Breakers
- Mechanicals in Good Condition
- 17 Updated, Unique Trendy Suites
- 21 x One Bedrooms
- Some Decorative Fireplaces
- Separate Dining Rooms
- Easy to Manage
- Easy Access to Downtown
- Scarborough Bluffs Nearby
- 8.1% CAP Rate 28.7% R.O.I.
- Treat Mortgage as Clear

21 Suites

HAMILTON



- Asking \$875,000
- Asking \$41,667 per suite
- Fully Occupied with Low Vacancy
- Tenants Pay Own Hydro
- Thermo Windows
- 400 Amp Service
- New Roof in 2000
- Fire Retrofit Complete
- 6 x One Bedrooms
- 13 x Two Bedrooms
- 2 x Commercial
- 9.8% CAP Rate 33.3% R.O.I.
- Seller Very Motivated
- One Unit Non-Conforming
- Treat Mortgage as Clear
- Seller will Consider VTB

21 Suites

WEST OF LONDON



- Asking \$550,000
- Asking \$42,308 per suite
- 2 New FAG Furnaces in 2007
- 6 Year Old Roof
- Most Units Updated
- 600 Amp Service
- Good Tenant Profile
- Fully Occupied
- 13 x One Bedrooms
- One Unit Non Conforming
- Very Little Management Required
- Fire Retrofit Complete
- 8.7% CAP Rate
- 25.9% R.O.I.
- Treat Mortgage as Clear
- Vendor May Consider VTB

13 Suites

HAMILTON



- Asking \$340,000
- Asking \$56,667 per suite
- New HWG Boiler in 2001
- New Roof in 2001
- New Plumbing in 2001
- New Thermo Windows in 2001
- New Circuit Breakers in 2001
- Tenants Pay Own Hydro
- 4 x One Bedrooms
- 2 x Two Bedrooms
- Minutes Away from the Eaton Centre and Hamilton General Hospital
- Situated in the Employment District
- 7.7% CAP Rate 19.1% R.O.I.
- Treat Mortgage as Clear
- Forgivable Low Rise Rehabilitation Mortgage is to be Assumed by the Buyer

6 Suites

NIAGARA FALLS



- Asking \$599,000
- Asking \$59,900 per suite
- Unique and Full of Character
- Seven Apartments Renovated
- Building Upgrades to Boilers, Plumbing and Electrical
- Tenants Pay Their Own Hydro
- Lots of Wood Trim Throughout
- 6 x One Bedrooms
- 3 x Two Bedrooms
- 1 x Three Bedrooms
- 20.8% R.O.I. 7.1% CAP Rate
- Some Upside in Rents
- Treat Mortgage as Clear
- P.T.A. CMHC Insured First Mortgage and Vendor Take Back Second to Sell

10 Suites

SKYVIEW'S RECENT TRANSACTIONS

2503-2507 HURONTARIO ST, MISSISSAUGA
July 2008 178 Suites \$17,300,000

This building was listed and sold by Skyview Realty Ltd., Brokerage for \$17,300,000 or \$97,191 per suite. A new first CMHC mortgage was placed on the property for 85% of the purchase price at 4.75% on a 5 year term and a 25 year amortization period.



industry report

trends and services

It's Rare... but it Happens

Landlord faces 135 days in Jail for Fire Code Violations

As reported in "Canadian Apartment Magazine" June/July 2008 edition, a Hamilton landlord now faces 135 days in jail for failing to comply with fire code regulations. While jail sentences are rare, it is an indication that fire code violations are taken seriously in the province of Ontario. In this particular case, the landlord was fined and given warnings on other code infractions prior to receiving a warrant for arrest but it does show the extent of the law in relation to tenant safety.

As an owner or investor in multi-residential properties, it is in your best interest to be aware of fire code laws and what your building needs to be compliant.



Working with the right real estate brokerage during the sale or purchase of your property ensures that all fire codes are adhered to.

Contact Skyview's team if you have any questions or would like to access our database of service professionals related to fire code specifications.

Financial Transactions and
Reports Analysis Centre of Canada



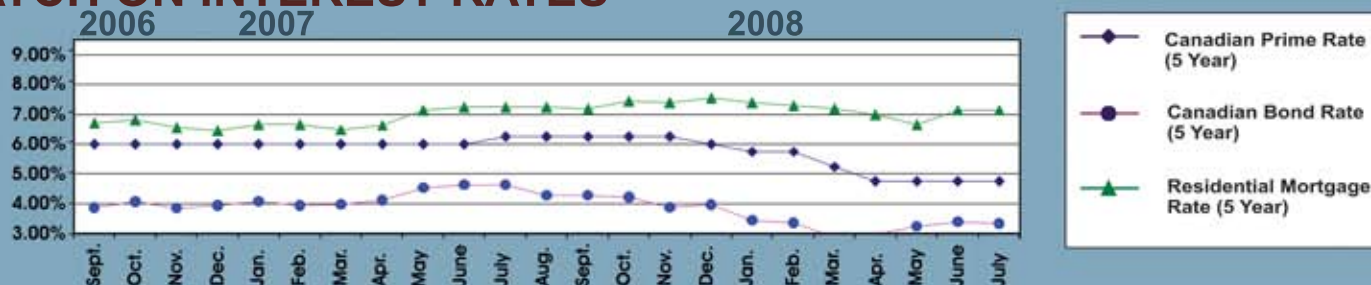
Centre d'analyse des opérations
et déclarations financières du Canada

UNDERSTANDING FINTRAC

You may notice changes in the process of your next real estate transaction. FINTRAC or Financial Transactions and Reports Analysis Centre of Canada is the federal government's financial intelligence unit with a mandate to collect, analyze and disclose financial information in business transactions. Their purpose is to watch these transactions for possible ties to money laundering and terrorism-related financing. The most noticeable change you will find is when a financial transaction occurs - for example, a deposit placed on a property you are purchasing - you will be asked to provide a government-issued photo identification. Be aware! FINTRAC has issued a Fraud Alert because some individuals have been posing as representatives of FINTRAC and charging fees for "clearance certificates". FINTRAC does not charge any fees related to their program.

For more information on FINTRAC, visit www.fintrac-canafe.gc.ca.

WATCH ON INTEREST RATES



SKYVIEW'S
RECOMMENDED
SERVICES

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SkyViews FALL 2008

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