



**SKYVIEW**

REALTY LTD., BROKERAGE

# SkyViews

*Apartment Report - Fall 2014*

## DANNY'S CORNER



I hope you have enjoyed the summer months! As we move into a busy Autumn season, our industry is holding steady as always. Interest rates continue to hold at reasonably low rates which is benefiting both Buyers and Sellers of multi-unit

residential properties.

This summer the Ontario government announced the 2015 Rental Increase Guideline at 1.6%. While this is still historically lower than previous years, it's a move in the right direction from 2014's guideline of 0.8%.

This newsletter's article is brought to you by Joe Hoffer - a well-respected solicitor in our industry. Joe has been a significant resource to not only myself, but countless other landlords throughout the province. His firm, Cohen Highley LLP, are known experts in the area of Real Estate law and Joe often contributes to seminars for landlords on topics such as tenant relations, Landlord and Tenant Board procedures, and property development.

In the past couple of months I had the opportunity to reconnect with a few families who have developed significant portfolios of their own over the years. It struck me, as I listened to their stories, that there is a common thread amongst these independent landlords. The word "legacy" kept emerging as their motivation. In every case, whether it is for their children or for a special cause they were dedicated to, these owners wanted to ensure that their success went beyond just themselves. I look forward to sharing more of their inspiring stories in the coming months!

My team and I look forward to hearing from you. If there is anything we can do to assist you with your properties, I welcome you to contact us at your convenience!

-Danny Iannuzziello

## Why Pre-Paid Rent Is Not (Always) A No-No

By: Joe Hoffer, Cohen Highley LLP

A recent decision of the Divisional Court (*Corvers v. Bumbia*, 2014 ONSC 985) has affirmed the legality of a landlord accepting "pre-paid rent" as long as the landlord does not "require" it as a condition of tenancy. The case vindicates a position often taken by landlords at the Landlord and Tenant Board (LTB), without success, where Board Members have routinely treated most pre-paid rent arrangements as "illegal charges". In some cases landlords have even been prosecuted and fined for accepting pre-paid rent.

In Ontario, landlords are careful to ensure that tenancy applicants are properly screened for their creditworthiness and tenancy history. If a landlord is not careful with screening and later had to apply to the LTB for judgment and eviction, the process can take several months. A professional tenant can easily get a few adjournments from the LTB and then, when the eviction order issues, can file an appeal to Divisional Court to automatically "stay" enforcement of the eviction order, all the while, not paying rent. Even where a "motion to quash" an appeal is filled, a properly drafted Notice of Appeal can result, at best, in an order requiring the tenant to pay the arrears into court pending an appeal hearing 6 months later. Landlords know the combination of lost rent and legal fees invariably runs from \$10 to \$15K, all because the landlord took a chance on a marginal rental application. The landlord is left with a large legal bill and a worthless judgment (and in some cases personal bankruptcy). So why take the risk?

Landlords considering rental applications from recent immigrants or foreign students, or from other individuals with no reliable credit or tenancy history, will be more likely than not to reject such applications and choose instead an applicant with an established financial track record. Where the landlord explains the reason for declining to rent, then an offer of prepaid rent may be made by the applicant to give the landlord comfort that there will be no payment issue. Prior to *Corvers* landlords would reject such Offers because to accept would expose them to provincial offence charges under the RTA (where fines can range up to \$100K) and a tenant who pre-paid the rent could simply apply, after moving in, for a full reimbursement of the sum on the basis that the payment was an "illegal charge". So why take the risk?

The *Corvers* decision, which is binding on LTB Members, removes the risk as long as the tenant offers to pay rent in advance and the Landlord then accepts it. The prepayment is not an illegal charge because it is not a "security deposit". Prepaid rent is payment of rent in advance of the date it is due, and it should make no difference if it is paid 12 days before its due or 12 months. So, as long as you don't make prepayment of rent a pre-condition of acceptance of a rental applicant, then you should attract no legal liability if a tenant offers to pre-pay the rent and you decide to accept.

**Joe Hoffer or Cohen Highley LLP**  
519-672-9330 | [www.CohenHighley.com](http://www.CohenHighley.com)

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



Email: [info@skyviewrealty.com](mailto:info@skyviewrealty.com)

Website: [www.SkyviewRealty.com](http://www.SkyviewRealty.com)

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

# Considerations When Selling an Apartment Building

When it comes to selling your apartment building, there are many things to consider. The most important, however, is which brokerage firm you will choose to represent your interests and generate the right potential buyers. The following is a general guideline for choosing the right brokerage firm for you.

## 1) Go with Experience

Real Estate markets change from year to year, even from month to month. When dealing with a brokerage, you need to find the delicate balance of experience coupled with the up-to-date understanding of today's current marketplace and trends. Experience alone will fail to provide you with strategies that will apply to current trends in the industry. On the other hand, a brokerage that lacks experience will not be able to accurately predict and prepare for upcoming trends.

## 2) Look Out for Number One

Above all else, the brokerage you choose should look after your interests and work hard knowing that they have your trust, confidence and commitment. Your brokerage should ultimately be looking to serve your needs throughout the process of selling.

## 3) Take the Right Approach

Some brokerages focus on the approach of "Bring Me an Offer". While multiple offers can be beneficial, finding the right buyer with the right offer is the most crucial element in working with a brokerage. A good brokerage will bring the right people to the table to help you sell your building.

## 4) Know Your Value

Many brokerages waste valuable time and resources hoping to pinpoint the market value for your building. The right brokerage, however, will have the knowledge and experience to provide an accurate opinion of value prior to even listing your building. Knowing what your building is worth will help you get the right return on your investment.

## 5) Exposure is Key

Marketing your property is not just a matter of using one or two forms of communication to blanket the market in hopes of finding potential buyers. To properly market your property, the right brokerage will utilize what is called "target marketing". Having access to multiple forms of

communication, your brokerage should identify the best strategy to reach all buyers in the apartment building industry directly, resulting in you getting the most efficient marketing results.

## 6) Knowing the Buyers

Your ideal brokerage is connected not only to you but also to a network of current buyers. When you are ready for your property to be listed, your brokerage should already have contacts with potential buyers and know who would be the right fit for your building.

## 7) Real Estate Networking

Along with knowledge of current buyers, a brokerage should have already established relationships with other companies in the industry - appraisers, environmental and structural inspectors, financial institutions, etc. Having an established network of industry professionals can assist you in bringing your transaction to a quicker close.

## 8) Beyond the Offer

Many real estate transactions fail at the most crucial stage... the due diligence process. Having a brokerage that engages in a thorough due diligence process ensures that your building's information is verified for the buyer and your transaction closes smoothly and promptly.

## 9) Get What You Pay For

Whether you are paying a low or high commission fee to the brokerage of your choice, you need to be confident in the level of service you received. The right brokerage will be dedicated to providing the ultimate service for the commission fees you pay.

## The Bottom Line

When all is said and done, the most important element in dealing with a brokerage is achieving top dollar for your apartment building. Finding the right brokerage - one that fulfills the above criteria - ensures that you will walk away from your transaction with the confidence that you have received exceptional service, maximum exposure, hassle-free processes, and the financial results you had planned for.

**Skyview Realty is THAT Brokerage!**

## 2015 Rental Increase Guideline: 1.6%

### We Don't Just List Apartment Buildings...WE SELL THEM!

If you are considering selling your multi-unit residential property, give the Skyview Sales Team a call at 416-444-6545!



**Dani Pizzoferrato**  
Sales Representative

**Anne Meinschen**  
Associate Vice President

**Danny Iannuzziello**  
Broker of Record

**Pat Villani**  
Associate Vice President

**Arsalan Wathra**  
Sales Representative



## BROCKVILLE

MANY RECENT UPGRADES

Treat As Clear



Principals Only Please

### 48 Suites

- Asking \$4,170,000
- Asking \$86,875 per suite
- Beautifully Maintained Property with Excess Land and Good Landscaping
- Individual Hydro Meters - Convert Tenants on Turnover
- Two Bedroom Suites are Duplex Apartments (Two Storey)
- Suites contain Individual Thermostats
- 2 x Bachelor
- 5 x One Bedrooms
- 41 x Two Bedrooms
- Invest in Growing City of Brockville
- Potential Upside in Rents
- 6.1% CAP Rate
- 23.9% R.O.I.
- Treat as Clear
- Seller may Consider VTB to facilitate the Sale

## TORONTO

Very Good Upside On Turnover

Short Ride To Future Eglinton LRT



Principals Only Please

### 9 Suites

- Asking \$1,099,000
- Asking \$122,111 per suite
- Driveway & rear parking paved in good condition
- Terrazzo Hallways & Stairs
- Legal 9-Plex
- There exists an under ground oil storage tank on the property which is obsolete
- 1 x Bachelor
- 5 x One Bedrooms
- 3 x Two Bedrooms
- Excellent upside in rents on turnover
- Flat roof; thermal windows; building shows well
- Treat as Clear
- Superintendent duties performed by Owner

## LONDON

MANY RECENT UPGRADES

23.4% R.O.I.



Principals Only Please

### 36 Suites

- Asking \$2,875,000
- Asking \$79,861 per Suite
- Many Recent Upgrades Including Roof, Parking, Common Area Hallways, Unit Renovations
- Professionally Managed Property
- Located in North End of London Close to UWO
- 19 x One Bedrooms
- 17 x Two Bedrooms
- Individually Metered - Tenants Pay Own Hydro
- Outdoor Surface Parking
- Upside Potential on Rents
- 6.0% CAP Rate
- 23.4% R.O.I.
- Treat Financing as Clear

## HALIBURTON

Turn Key Investment!

Low Maintenance!



Principals Only Please

### 15 Suites

- Asking \$1,299,000
- Asking \$86,600 per suite
- Superintendent on-site
- Currently fully occupied
- Tenants pay own hydro - individually metered
- Well water is routinely tested & maintained
- 14 x Two Bedrooms
- 1 x Three Bedrooms
- Property subject to registered easement
- 6.4 CAP Rate
- 17.6 R.O.I.
- Treat as Clear
- Please Contact Dani Pizzoferrato for further details

## CLARINGTON

A MUST SEE!

Future Development Potential



Principals Only Please

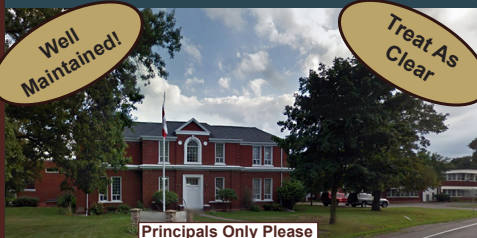
### 7+1 Suites

- Asking \$1,595,000
- Gorgeous century mansion on 4 acres with 7 legal apartment units
- Cabana by the pool (used for short-term rental)
- Large barn on property in good condition. Lots of storage space.
- Beautifully landscaped property with rock waterfalls, walkways, in-ground pool, and lots of trees and shrubs.
- 7 x 1 Bedroom
- 1 x 5 Bedroom House
- Several large development proposals close to property
- Town has said property lies within the urban boundary - Buyer to do their own Due Diligence
- Treat as Clear

## PELHAM

Well Maintained!

Treat As Clear



Principals Only Please

### 81 Suites

- Asking \$5,800,000
- Asking \$71,605 per suite
- Historic School House Converted to Apartments in the 1990's
- Professionally Managed Property
- Thermal Windows
- Building Experiences Very Little Vacancy
- Ample Surface Parking
- 6 x Bachelor
- 43 x One Bedrooms
- 29 x Two Bedrooms
- 3 x Three Bedrooms
- Well Maintained and Landscaped Property
- 6.0% CAP Rate
- 19.9% R.O.I.
- Treat Financing as Clear

## OSHAWA

Desirable Location!

Building with character



Principals Only Please

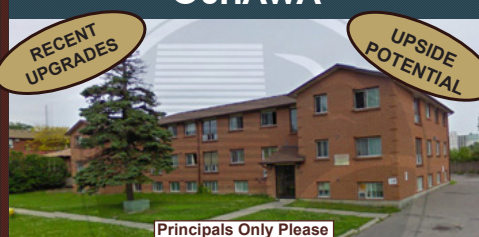
### 9 Suites

- Asking \$875,000
- Asking \$97,222 / Suite
- Potential upside on rents
- High efficiency boiler installed 2008
- New Hot Water Tank installed Summer 2013
- Tenant pay their own Hydro
- 1 x Bachelor (Hydro included)
- 8 x One Bedrooms
- 5.4% CAP Rate
- 20.7% R.O.I.
- Treat Financing as Clear
- Vendor may consider a VTB Second Mortgage
- Bachelor is a non-registered unit

## OSHAWA

RECENT UPGRADES

UPSIDE POTENTIAL



Principals Only Please

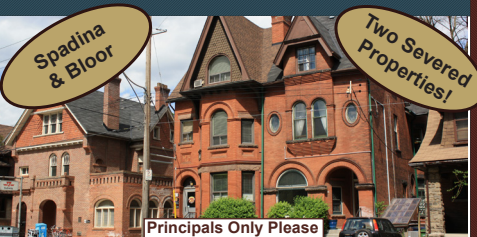
### 21 Suites

- Asking \$1,995,000
- Asking \$95,000 per Suite
- Three Storey Walk-up Located in Good Rental Neighbourhood
- Each Unit has their own Hot Water Tank
- Coin Laundry Produces Above Average Revenues
- Roof Re-Shingled in Last 5 Years
- Potential Upside in Rents
- 10 x One Bedrooms
- 8 x Two Bedrooms
- 3 x Three Bedrooms
- Recent Renos include Some Unit Upgrades, Mailboxes, and Common Area Flooring
- 5.5% CAP Rate
- Ex. 1st Mortgage of Approx. \$1,260,000 @ 2.99% for 5 Years to be Assumed

## TORONTO

Spadina & Bloor

Two Severed Properties!



Principals Only Please

### 2 Central Toronto Buildings

- Asking \$2,400,000/\$1,950,000
- High demand Annex area immediately next door to Subway station & close to Bloor St. W.
- First property is a 19 unit licensed, upper scale rental accommodation
- Second property is a more conventional investment property with 3 apartments & 3 rooms
- 22 x Bachelors
- 1 x One Bedrooms
- 2 x Two Bedrooms
- Seller prefers to sell both properties as a package.
- Call Listing Brokerage office for income & expenses
- Treat as Clear
- Properties are listed Heritage buildings



# industry report

trends and services

SKYVIEW'S  
RECOMMENDED  
SERVICES

**Michael Lombard**  
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Regional Manager - Ontario



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"Innovative Financial Products with Exceptional Client Services"

## Want an Offer?

Skyview Realty has a good number of active and qualified buyers who are looking for multi-unit residential buildings throughout Ontario.

If you are considering selling your property, we may be able to bring you an offer immediately.

For more information, contact us at  
416.444.6545 or properties@skyviewrealty.com

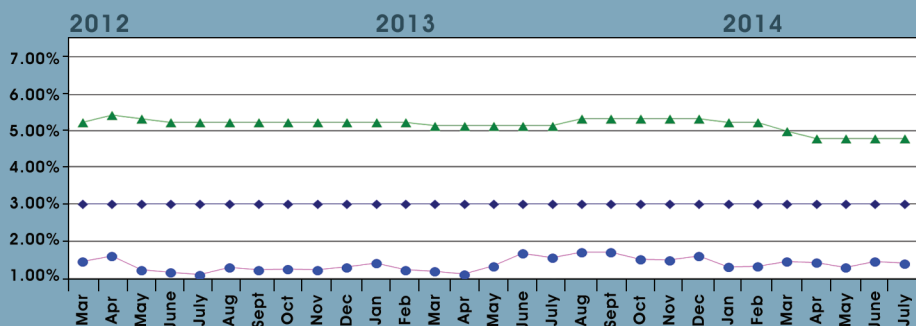
## We Have Buyers!

### MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

351 Geneva Street, St. Catharines	June 17, 2014	106 Units @ \$103,774	\$11,000,000
363 Geneva Street, St. Catharines	June 17, 2014	113 Units @ \$106,195	\$12,000,000
1200 Talwood Court, Peterborough	June 17, 2014	117 Units @ \$122,222	\$14,300,000
76 Roehampton Avenue, St. Catharines	June 17, 2014	95 Units @ \$171,474	\$16,290,011
33 Centre Street, Bradford	June 19, 2014	24 Units @ \$103,854	\$2,492,500
19 & 23 Englehard Crescent / 64 & 68 Harris Park Drive, Scarborough	June 26, 2014	44 Units @ \$127,273	\$5,600,000
2076 & 2086 Meadowbrooke Drive, Burlington	June 30, 2014	20 Units @ \$100,000	\$2,000,000
67 Lake Shore Drive, Etobicoke	June 30, 2014	16 Units @ \$176,563	\$2,825,000
400 Second Street, Collingwood	July 2, 2014	18 Units @ \$109,778	\$1,976,000
10 Kinsdale Boulevard, Etobicoke	July 2, 2014	23 Units @ \$97,826	\$2,250,000
261 Hazel Street, Waterloo	July 9, 2014	13 Units @ \$83,077	\$1,080,000
211 - 215 Reedaire Court, Whitby	July 9, 2014	76 Units @ \$132,895	\$10,100,000
227 Cathcart Street, London	July 10, 2014	46 Units @ \$67,391	\$3,100,000
25 Paisley Boulevard East, Mississauga	July 15, 2014	10 Units @ \$165,000	\$1,650,000
26 Gulliver Road, North York	July 15, 2014	53 Units @ \$129,245	\$6,850,000
749 - 751 Windermere Avenue, Toronto	July 17, 2014	6 Units @ \$218,333	\$1,310,000
507 - 509 & 511 & 513 Quiet Place, Waterloo	July 17, 2014	26 Units @ \$90,385	\$2,350,000

SOURCE: Realtrack Inc. www.realtrack.com 1-877-962-9033

### WATCH ON INTEREST RATES



◆ Canadian Prime Rate (5 Year)  
● Canadian Bond Rate (5 Year)  
▲ Residential Mortgage Rate (5 Year)

## SkyViews

Fall 2014

### PUBLICATION:

Our newsletter is published quarterly (January, March, June and September)

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## THE SKYVIEW TEAM

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