



**SKYVIEW**  
REALTY LTD., BROKERAGE

# SkyViews

Apartment Report - Fall 2020

## DANNY'S CORNER



As we enter the sixth month of this unprecedented global crisis, I hope you and your loved ones are staying safe and healthy. This is a stressful time for all of us as we learn how to adapt to an ever-changing reality as we fight to contain the virus.

Although our provinces restrictions have slightly lifted, we are continuing to implement our new screening policies to protect our clients, employees and front-line workers.

With protection in mind, the Ontario government announced that Bill 184 'Ontario's Protecting Tenants and Strengthening Community Housing Act' has officially passed. Understandably, a lot of tenants have faced hardships, but as the health crisis eases and the moratorium on evictions comes to an end, the enactment of Bill 184 requires anyone with rent arrears to pay back their landlords in a structured repayment plan. On the premise that both parties will cooperate, we hope that this is a step in the right direction to help keep both landlords and tenants accountable.

With no clear end in sight, we are continually reviewing the situation and adapting as necessary. I'm confident that the apartment industry will bounce back despite the bump in the road. We'd be happy to discuss these new changes and more with you as you consider selling your apartment building. Please contact my team at Skyview to assist you with your investment property needs.

- Danny Iannuzziello,  
President & Broker of Record

## Bill 184: "Small" Landlords Are the Focus of RTA Changes

Joe Hoffer, Partner at Cohen Highley LLP Lawyers

The "Protecting Tenants and Strengthening Community Housing Act, 2020" (Bill 184) received Royal Assent on July 21, 2020. Bill 184 amends a number of housing statutes in Ontario but the one most relevant to the multi-res industry are the changes to the Residential Tenancies Act (RTA). For the most part, the changes negatively affect "small" landlords who are targeted in Bill 184 with stiffer rules and penalties where they attempt to "game the system" to terminate tenancies and secure new tenants at market rents. Small and large landlords will benefit, however, with some new changes. A "Spaghetti Western" ("The Good, The Bad, and the Ugly") critical review of the amendments follows.

### THE GOOD

#### Rent Arrears Repayment Offers and S. 83

**Eviction Refusals:** When COVID-19 began to infect every aspect of multi-res operations, we recommended that landlords offer tenants whose income was adversely affected by the province's shut downs, and who were therefore in arrears of rent, the opportunity to enter into a rent arrears repayment agreement. Most large portfolio operators followed that recommendation and Bill 184 now has a specific provision (s. 83 (6)) (see below) which will benefit such landlords. The new subsection requires a Landlord and Tenant Board (LTB) Member to consider whether the landlord offered the tenant, in a proceeding seeking eviction and judgment for rent arrears, the opportunity to enter into a rent arrears repayment agreement. If the landlord has done so then it is less likely that an LTB Member will use discretion to override a landlord's successful application and "deny or delay" termination. This provision will be helpful in evicting the small number of tenants who subscribed to the "Keep Your Rent" ideology and, despite landlord offers to work with those tenants to retain their housing, paid nothing over the past months. There is some irony here in that the tenant "advocates" who urged tenants to pay nothing

and defy any effort by landlords to work with them have now, in fact, seriously imperiled those tenants' housing.

#### Expansion of the Scope of "Damages" That May be Recovered at the LTB: A

number of LTB decisions previously held that the only "damages" a landlord could claim in an N5 were costs incurred where there was physical damage to property. Out of pocket expenses incurred as a result of tenant misconduct (ie: cost of mischief relative to a fine levied to the landlord when the tenant disabled a smoke alarm) were not recoverable. If landlords wanted to recover such damages they were required to file a claim in Small Claims Court. Bill 184 allows for the recovery of monetary damages incurred by a landlord at the LTB and the costs may be claimed in the context of an N5 (tenant "interference" with landlord's legal interest) thus giving rise to both termination and a judgment for recovery of costs incurred.

#### Expansion of Jurisdiction to Recover Judgments at LTB and Reduction of Small Claims Court Jurisdiction: In cases

where landlords sought recovery of rent arrears or damages to a rental unit, it was necessary to file a claim in Small Claims Court if the tenant was no longer in possession of the rental unit. It has long been recognized that the LTB has the expertise to decide such issues and the fact that a tenant moved out before the landlord could make a claim at the LTB, having to go to Small Claims instead, was costly and absurd. Bill 184 allows a landlord to make a claim against a "former tenant" within one year of the tenant vacating the rental unit so that the LTB, and not Small Claims Court, is the proper venue for such claims. It will still be incumbent on landlords to ensure they obtain a forwarding address

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](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.



## Bill 184: “Small” Landlords Are the Focus of RTA Changes

...Continued from Page 1

so that the tenant may be served with the application (which must be done with Small Claims anyway), but processing such claims (believe it or not!) will be far more efficient at the LTB than it is at Small Claims. In addition, many small landlords require tenants to pay “utilities” in addition to the monthly rent and the LTB previously required landlords to go to Small Claims for recovery of same; however, under Bill 184 landlords can recover unpaid utilities and related costs (disconnection fees, etc.) from tenants and former tenants by filing at the LTB. Pending claims in Small Claims Court may continue, but going forward landlords who have not filed against former tenants yet, may do so at the LTB instead of Small Claims.

### THE BAD

#### **Landlords Must Apply for Rent Arrears Within 2 Years:**

There is currently a convention allowing for recovery of rent arrears by filing a claim before the expiry of 6 years from the time the claim arises. Under Bill 184 that time limitation is reduced to 2 years and, while that may seem like a long time, in cases where landlords have worked with tenants to try to have them catch up on payments, it is often the case that more than two years pass before a claim is made. In addition, if a landlord seeks to enforce a guarantor’s obligation and the arrears claimed include amounts outside the two year period, it is our view that the guarantor can successfully dispute that portion of the claim. The Bill 184 amendment will require landlords to carefully administer and enforce rent arrears claims to ensure that a formal claim is made against tenants and guarantors within the 2 year limitation period. In any repayment agreements, it must be made clear that any funds received will be applied, first, to the most aged arrears owed.

#### **Small Landlords Exposed to Serious Financial Risk When Terminating For Landlords/Purchasers’ Own Use:**

A host of new provisions in Bill 184 is intended to aggressively curb the practice by some small landlords/investors to seek termination of tenancies so that the rental unit can be re-rented at a higher rent to a new tenant. In addition, new compensation is payable by the landlord (or seller) where landlord/purchaser’s own use Notices of Termination are given and acted on by a tenant. Without going into full details here, we can advise that landlords must now meet some stringent evidentiary and financial obligations in exercising the right to vacant possession and where those rights are exercised in bad faith or in non-compliance with the RTA, penalties are now extremely punitive. In cases of bad faith, etc., most landlord have no sympathy for offenders; however, there will likely be landlords who act in good faith but fail to comply with the stringent requirements imposed by Bill 184 and they will be severely penalized by the amendments. Landlords of rented condo units are particularly vulnerable to claims and where the unit is managed by a fee manager, attention should be given by both the landlord and fee manager to provisions of their management agreements to ensure proper allocation of liability and indemnity in the event it is found that vacant possession was improperly obtained.

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### THE UGLY...

**LTB Backlog Continues Unabated...:** There is nothing in Bill 184 to address the current adjudicative paralysis that exists at the LTB. While there are some signs the LTB will be back in business by September, in cases where tenants have been living for months, rent free, it is most likely that landlords will have to struggle to find any leverage they can to cut their losses in exchange for a tenant agreeing to vacate. With vacancy rates increasing and rents decreasing, tenants who deliberately violated their RTA and lease obligations will gain a substantial benefit if they can negotiate rent arrears forgiveness and the avoidance of a judgment on their credit record in exchange for vacating. Landlords should be wary of rewarding such tenant conduct as doing so will inevitably result in a repeat performance by unscrupulous tenants if and when the next COVID shutdown is announced.

Questions? Contact Joe Hoffer at [hoffer@cohenhighley.com](mailto:hoffer@cohenhighley.com), Kristin Ley at [ley@cohenhighley.com](mailto:ley@cohenhighley.com), or Mark Melchers at [melchers@cohenhighley.com](mailto:melchers@cohenhighley.com)

**This article has been condensed for brevity. Please visit [www.skyviewrealty.com](http://www.skyviewrealty.com) to read the full article.**

**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!



Cliff Ford  
Sales Representative

Donny Iannuzziello  
Broker of Record

Pat Villani  
Sales Representative







## PROPERTIES CURRENTLY OFFERED FOR SALE

### KINGSVILLE



Principals Only Please

- Asking \$4,450,000
- Upgraded Substantially
- Very Well Kept - Excellent Tenancy
- Main Commercial Intersection
- Wheelchair Accessible with Ramps & 2 Elevators
- 27 Residential Units from approx. 406 - 2160 Sq. Ft.
- 9 of the Apartments newly built in 2014
- Turn Key Investment
- 2 x Studio
- 6 x One Bedrooms
- 17 x Two Bedrooms
- 1 x 3 Bedrooms
- 1 x 4 Bedrooms
- 8 Commercial Units Totaling 9,561 Sq. Ft. Approx.
- First Mortgage Assumable
- May treat financing as clear

27 Suites + 8 Commercial Units

### OSHAWA



- Asking \$1,750,000
- Asking \$145,833 per Suite
- Three Units have Basements, One Finished, Two Unfinished
- Centralized Coin Laundry Room with Space for Expansion
- Decent Tenant Profile with a current Handyman on Site
- 11 of 12 Units Pay Own Hydro,
- 5 of 12 Units Pay Own Heat
- 2 x One Bedrooms
- 8 x Two Bedrooms
- 2 x Three Bedrooms
- Average Upside in Rents on Units is over \$300 per Month!
- Additional Storage in Previous Garage Space
- 4.2% CAP Rate
- Seller is Willing to Offer VTB 1st Mortgage with 25% Down

12 Suites

### OSHAWA



Principals Only Please

- Asking \$3,250,000
- Asking \$191,176 per Suite
- 8 of 17 Units Recently Renovated to Condo Quality Styles
- Building is now Submetered for Both Hydro and Water
- Newly Installed Efficient Thermostats
- 8 x One Bedrooms
- 9 x Two Bedrooms
- Sloped Shingle Roof Replaced in 2018
- Great Local Off-Site Superintendent
- 4.6% CAP Rate
- Contact Cliff Ford for more details!

17 Suites

### HAMILTON



This well-maintained apartment building was listed and sold exclusively by Skyview Realty Ltd. Located in central Hamilton near the GO Transit Centre, St. Joseph's Hospital, and Hess Village, there was significant upside in rents. The building featured either 1 or 2 bedroom layouts, both of which were spacious and well laid out. There was additional storage space in the building that could potentially be used for adding additional units or amenities. The property had its entire roof replaced within the last 4 months. The building was managed by the same owner for many years and had a good onsite building manager. Skyview Realty received multiple competing offers on the property.

60 Suites

### OSHAWA



This property was listed and sold by Skyview Realty Ltd in the highly sought after city of Oshawa. With both three and four bedroom layouts, this property had significant upside in rent, and was situated on a good portion of land in a residential neighbourhood. The property was overall in good condition and had many recent capital improvements totaling about 2 million dollars prior to its sale. This included a new shingled roof, retaining walls, new front doors, perimeter and unit fences, walkways, windows, sliding doors, new garage doors, and many other upgrades both within the townhomes and exterior. Boasting a good suite mix and ample surface parking, the building presented a good opportunity to reposition it under new management.

32 Suites

### UXBRIDGE



- Offered To The Market in a Bid Submission Process
- 3-Storey Walk-Up Immaculately Maintained
- Recent Improvements Include Entrance Patio Stones and Balcony Railings
- Building is close to Markham Stouffville Hospital
- Located 15-mins away from the Port Perry Hospital
- 6 x Bachelors
- 12 x One Bedrooms
- 1 x One Bedroom + Den
- 4 x Two Bedrooms
- Roof To Be Completed Prior to Closing
- Long Term Tenants
- Predominantly Occupied by Seniors
- Electric Efficiency Heating
- Tenants Pay Their Own Hydro

23 Suites

VIEW OUR FULL LISTINGS WITH PROPERTY DETAILS AT [WWW.SKYVIEWREALTY.COM](http://WWW.SKYVIEWREALTY.COM)





# Industry Report

**SKYVIEW'S  
RECOMMENDED  
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 info@skyviewrealty.com

## We Have Buyers!

**Ady Steen**  
Vice-President  
Regional Manager - Ontario



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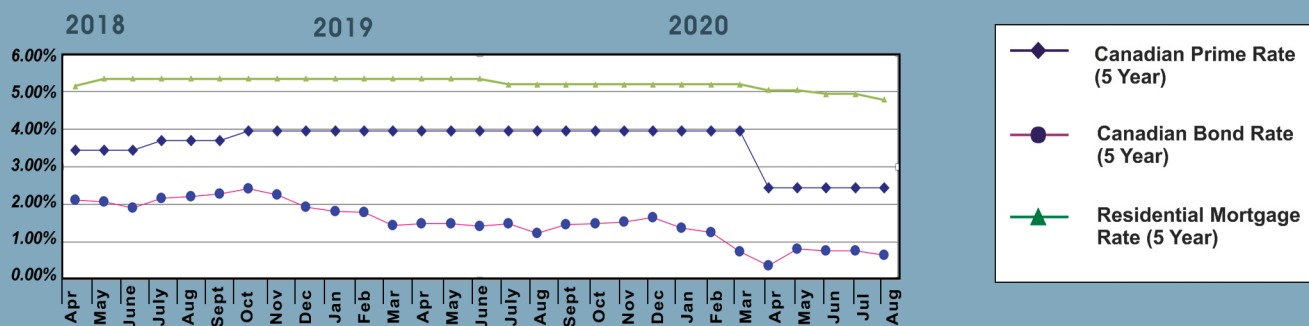
*"Innovative Financial Products with Exceptional Client Services"*

## MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

33 Berkley Dr, St. Catharines	Apr. 09, 2020	79 Suites @ \$175,781	\$13,886,720
140 Main St W, Hamilton	Apr. 20, 2020	321 Suites @ \$443,508	\$142,336,000
511 Albert St, Waterloo	Apr. 22, 2020	88 Suites @ \$60,966	\$5,365,000
117 Second Ave, Kitchener	Apr. 24, 2020	11 Suites @ \$177,727	\$1,955,000
2313 Islington Ave, Etobicoke	Apr. 29, 2020	80 Suites @ \$280,000	\$22,400,000
294 Conacher Dr, Kingston	Apr. 30, 2020	24 Suites @ \$73,875	\$1,773,000
162 Becker St, Kitchener	May. 01, 2020	6 Suites @ \$160,000	\$960,000
1422-1474 Coldrey Ave, 1427-1443 Laperriere Ave, Ottawa	May. 07, 2020	78 Suites @ \$153,846	\$12,000,000
797 Jane St, York	Jun. 29, 2020	93 Suites @ \$265,000	\$24,645,000
50 Driftwood Ave, North York	Jun. 29, 2020	109 Suites @ \$245,505	\$26,760,000
160 Hughson St S, Hamilton	Jul. 15, 2020	60 Suites @ \$191,667	\$11,500,000
155 Lake Shore Dr, Etobicoke	Jul. 16, 2020	34 Suites @ \$314,706	\$10,700,000
765 Browns Line, Etobicoke	Jul. 16, 2020	26 Suites @ \$269,231	\$7,000,000
235 Des Peres Blanc Ave, Ottawa	Jul. 16, 2020	6 Suites @ \$176,667	\$1,060,000
15 Don St, Hamilton	Jul. 23, 2020	36 Suites @ \$145,000	\$5,220,000
8 & 16 Wilsonview Ave, Guelph	Jul. 28, 2020	56 Suites @ \$294,643	\$33,000,000

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

## WATCH ON INTEREST RATES



## SkyViews

Fall 2020

PUBLICATION:

Our newsletter is published quarterly  
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