

DANNY'S CORNER



*Danny Iannuzziello
Broker of Record*

Those of you who know me personally understand not only how much I love the career I'm in - the sale of apartment buildings - but also the great people that you meet along the way. The people that: help launch your career; inspire you; trust you; give you the confidence to work on their "big deal"; the people who become more than business... they become your friend.

During the past month, I've had a chance to reflect that sometimes those great relationships do come to an end.

Karafil Blea was one of those people who purchased and sold hundreds of apartments units from me over the past 20 years. He was a gentleman who came to Canada with virtually nothing and quietly built a nice little real estate empire. His ongoing support of the Multiple Dwelling Standards Association, his integrity, and his whole approach of doing business was a class act. He will be sadly missed as a result of his sudden passing from a heart attack. Certainly a great man I met along the way. Our sincere and deepest sympathy goes out to the entire Blea family.

Last month, Downtown Toronto was changed forever with the tragic fires that destroyed a historic block of the city. This, if anything, served as a reminder that as building owners and managers we need to be prepared for the worst. With that in mind, our article features helpful steps from the federal government's Public Safety Board on preparing your building and tenants for emergencies of any kind. ■

DANNY IANNUZZIELLO

When the unexpected happens, Is Your Building Prepared?

Emergencies happen. It's the harsh reality of the world we live in. While we cannot always predict what will occur, as property owners we can take steps to ensure that our buildings and tenants are prepared for any future emergencies. Being prepared not only protects your tenants and on-site staff, it's good business sense - speaking volumes to your tenants about the service and care they receive from you and your staff.

Over the past couple of years, the Canadian Government has been informing the public of the need to be aware of emergency preparedness. The goal is to have all the supplies readily available to survive self-sufficiently for 72 hours - allowing the authorities to focus their energies on resolving the problem - whether it be an environmental catastrophe or a terrorist-related problem.

Preparing for emergencies in a multi-residential building is no different than your home. The more vigilant in preparation you, as a property owner, can be ahead of time, the more likely your tenants will stay safe and secure during a crisis. Here are four steps you can follow to begin preparing your building for emergencies:

Know the Risks

Although the consequences of major emergencies can be similar, knowing the risks specific to your region can help you to prepare better.

For instance, in Ontario, regional risks may include flooding, severe storms, forest fires, and transportation accidents. As well, there is the possibility of acts of terrorism on Canadian soil. Being prepared and knowing what to do in advance could save lives.

Emergencies can occur suddenly and without any advance warning. Although local, provincial and federal officials are prepared for emergencies, individuals play a vital role in preparing for times of crisis when emergency services and other government resources may be strained. As multi-residential property owners, we can do our part to prepare both our buildings and our tenants for the unknown emergencies that can strike. Knowing the unique risks of your

region will better prepare you and your tenants for the worst. To learn more about the risks associated in your region, contact Emergency Management Ontario at 1-877-314-3723 or www.ontario.ca/emo.

Make a Plan

Every building needs an emergency plan. It will help you and your tenants know what to do in case of an emergency.

Public Safety Canada provides a step-by-step guide for developing your plan. You can get the package by visiting www.getprepared.ca. Once completed, keep this document in an easy-to-find, easy-to-remember place (for example, with your emergency kit).

St. John Ambulance recommends that every property have at least one person who is trained in First Aid. If you have on-site management, your superintendent or property manager would be the ideal candidate. If, however, you do not have on-site management, consider offering an incentive to your tenants if they get licensed in First Aid. A small investment on your part could save lives at your building. St. John Ambulance offers First Aid courses throughout the province. Visit their website at www.sja.ca to learn more.

Included in your emergency plan, it is also recommended that you have a copy of tenant information. Often, in a crisis, valuable time can be lost searching in numerous locations for all the information you need. Having a list of your tenants' emergency and alternative contact information, special health needs, and even their children and pet's names will provide authorities with the details to ensure everyone is safe and secure.

Lastly, an evacuation plan is a must during an emergency. Your fire department can work with you to not only plan for evacuation of the building but also suggest local meeting places for your tenants to gather. Should the emergency extend beyond just your building, as in the case of a natural disaster, it is important to know community centres, schools, or other complexes that will allow for shelter.

...Continued on Page 4

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!**

SOME OF OUR RECENT SALES

416 EAST 42ND ST, HAMILTON
February 2008 23 Suites \$1,795,000



This building was listed by Skyview Realty Ltd Brokerage and sold by a cooperating real estate brokerage for \$1,795,000 or \$78,043 per suite. A new mortgage was placed on the property for 75% of the purchase price at 6.7% for a 5-year term. The seller facilitated the sale by taking back a second mortgage for 11% of the purchase price at 5% for 2 years. The building was in excellent condition and had condo status.

293 LIMERIDGE RD, HAMILTON
February 2008 15 Suites \$1,650,000



This property was listed and sold by Skyview Realty, Ltd Brokerage for \$1,650,000 or \$110,000 per suite. The buyer assumed an existing first mortgage of \$818,326 @ 5.63% paying \$5,138 P+I due October 2011. The complex consisted of 15 townhouses and had condo status. The tenants paid their own heat and hydro and there was possible upside on the rents with two vacancies at closing.

1050 HIGHLAND ST, BURLINGTON
February 2008 16 Suites \$1,410,000



This building was listed by Skyview Realty Ltd, Brokerage and was sold by a cooperating brokerage for \$1,410,000 or \$88,125 per suite. An existing first CMHC mortgage was assumed for \$918,000 @ 4.43% P+I due March 2010. The Seller facilitated the sale with a VIB 2nd mortgage for \$280,500 @ 3% due March 2010. The building was in average condition and the tenants were paying for heat, hydro, and hot water. The building was fully occupied on closing.

**We Don't Just List
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Thinking of Selling Your Property?

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- Utilizing the most appropriate marketing strategies
- Finding the active buyers interested in your specific building

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Domenic Cesenline

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Dani Pizzoferrato

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EASY TO MANAGE



TORONTO
17 Suites

- Asking 1,355,000
- Asking \$79,706 Per Suite
- New Roof in 2007
- Newer Boiler in 2003
- Laundry Revenue can be Increased
- For More Pictures Visit: www.skyviewrealty.com

- 1 x Bachelors
- 6 x One Bedrooms
- 10 x Two Bedrooms
- 7.3% CAP Rate
- 17.5% R.O.I.
- Ex. 1st Mortgage of \$717,002 at 4.81% paying \$5,440.00 due Sept 2008 - Treat as Clear
- Seller willing to take a VTB

LOCATION! LOCATION! LOCATION!



MISSISSAUGA 178 Suites

- Asking \$17,300,000
- Asking \$97,191 Per Suite
- 2 x Bachelor
- 72 x One Bedrooms
- 71 x Two Bedrooms
- 33 x Three Bedrooms
- 7.0% CAP Rate
- 17.6% R.O.I.
- Some new Boilers in 2006
- Tenants pay own Hydro
- New Kitchens on Turnover
- Well Maintained Building
- Long Term Superintendent
- Two Buildings
- Rents are Below Market
- Long Term Owner
- Great Upside Potential
- Treat Mortgages as clear

PRICE REDUCTION



KINGSTON
12 Suites

- Asking \$630,000
- Asking \$52,500 per suite
- Electric Baseboard Heating
- Parking Lot Paved in 2007
- Roof Re-Shingled in 2003
- 25% New Laminate Floors
- Good Tenant Profile
- Some Upside on Rents

- 2 x One Bedroom
- 10 x Two Bedrooms
- Building Well Maintained
- Close to Hwy 401 and Downtown
- 8.0% CAP Rate
- 20.2% R.O.I.
- Ex. 1st Mortgage \$344,481.73 @ 5.6% paying \$2,221.00 P&I, due August 2010.

SOLD FIRM



TORONTO
24 Suites

- Asking \$1,760,000
- Asking \$73,333 Per Suite
- High Demand Area in Etobicoke
- Building Located on Transit Line
- Parks and Schools Nearby
- Located just minutes from the Gardiner Expressway
- Potential Upside on Rents

- 7 x One Bedrooms
- 17 x Two Bedrooms
- 7.1% CAP Rate 17.6% R.O.I.
- Newer Individual Hydro Meters
- Electrical Circuits Being Replaced as Unit Becomes Available
- Easy to Manage Property
- Building has been Well Maintained
- Treat Mortgages as clear

SOLD CONDITIONALLY



GUELPH
15 Suites

- Asking \$1,175,000
- Asking \$78,333 per suite
- Balconies re-done in 2007
- Located in Quiet Neighbourhood
- Ten Minute Drive to Downtown, Guelph University, and Hwy 401
- Four H.W.G. Boilers installed 2006
- Potential for Locker Room Conversion to Additional Unit
- Thermo Vinyl Windows New in 1998

- 15 x Three Bedrooms
- 15.7% R.O.I. 7.5% CAP Rate
- Fire Retrofit Complete with Letter of Compliance
- Vendor to Consider VTB to Existing 1st Mortgage with 15% Downpayment
- Ex. 1st Mortgage of \$720,737.99 @ 6.05% paying \$4,725 P&I due October 2011

SOLID INVESTMENT



BARRIE
9 Suites

- Asking \$750,000
- Asking \$83,333 Per Suite
- Excellent Tenant Profile
- Potential Upside on Rents
- Individual Hydro Meters
- Requires Very Little Management
- Fully Occupied with Low Turnover
- Large Suites with Good Mix
- New Laminate Floors in Most Suites

- 4 x One Bedrooms
- 3 x Two Bedrooms
- 2 x One Bedrooms + Den
- Good Residential Neighbourhood
- Walking Distance to Downtown and Lake
- 7.8% CAP Rate 20.3% R.O.I.
- Ex. 1st Mortgage of \$345,478 @ 5.06% Paying \$2,179.95 P&I Due July 2009

LOCATION



TORONTO
18 Suites

- Asking 1,255,000
- Asking \$69,722 Per Suite
- Rents \$150-\$200 below market value
- Laundry coinslots can be increased
- Thermo Windows
- HWG boiler replaced in 2003
- Risers replaced in 1997

- 7 x Bachelors
- 1 x Small Bachelor
- 10 x One Bedrooms
- Long-term ownership (25 years)
- 5.6% CAP Rate
- Treat Mortgage as Clear
- More photos: www.skyviewrealty.com

EASY TO MANAGE



PENETANGUISHENE
10 Suites

- Asking \$699,000
- Asking \$69,900 Per Suite
- Tenants pay own Hydro
- Tenants pay own Heat & Hot Water
- Easy to manage with Great Tenants
- Thermo Windows
- Roof replaced in last 5 years
- 11 Lockers & 10 Parking Spaces

- 7 x One Bedrooms
- 2 x Two Bedrooms
- 1 x Three Bedrooms
- 30 Minutes North of Barrie
- One Suite under Construction and Needs to be Completed
- 8.1% CAP Rate
- 22.2% R.O.I.
- Treat Mortgage as clear

industry report

trends and services

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Are Your Prepared? Cont'd from Page 1

Prepare a Kit

In an emergency you will need some basic supplies. You may need to get by without power or tap water. You may have some of the items already in your building, such as a flashlight, battery-operated radio, food, water, a first aid kit, and blankets. The key is to make sure they are organized and easy to find.

Depending on the number of units in your building, you will have to determine what is most necessary for storage. Buildings with 6-10 units could develop an emergency kit that included food and water rations for all its tenants, but a building comprised of 80 units or more would be difficult to properly stock rations for all the tenants in the building. The larger your property, the more important it is to delegate the preparation of emergency kits to your tenants.

Your building's emergency kit should be stored in a safe place but one that is easily

accessible by your superintendent or on-site manager. Be sure to have a copy of your emergency plan stored in the kit as well. For help in gathering the supplies needed for your building's kit, contact the Canadian Red Cross at www.redcross.ca. Pre-packaged kits are available through the Red Cross, St. John Ambulance, Salvation Army or from a number of retailers throughout Ontario.

Inform your Tenants

While it's important to be prepared as a property owner, it is also vital to inform your tenants about steps they can take in preparing for the worst. Each unit of your building should be encouraged to have an emergency kit of their own supplies.

The best way to inform your tenants would be to provide each of them with the Emergency Preparedness Guide which can be obtained free of charge from Public Safety Canada. This will allow your tenants to read about the risks in your region, how to make an emergency plan and how to prepare their own emergency kit.

**SKYVIEW'S
RECOMMENDED
SERVICES**

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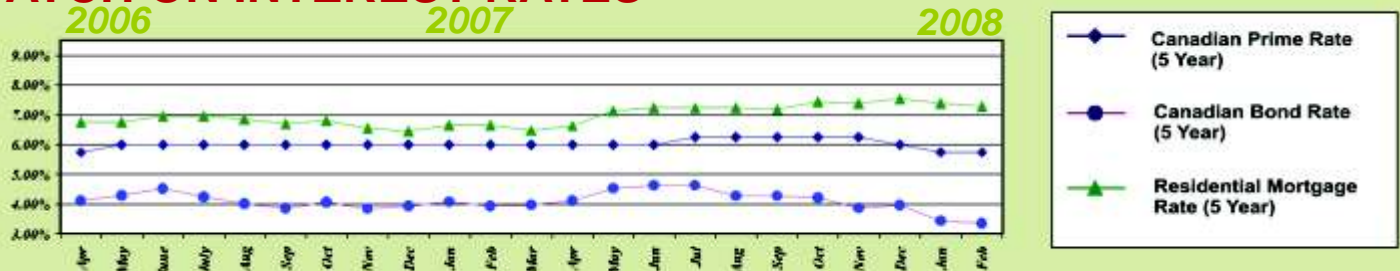
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You can obtain extra copies of the Emergency Preparedness Guide to distribute to your tenants by visiting www.getprepared.ca, info@getprepared.ca or calling 1-800-O-Canada (1-800-622-6232).

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WATCH ON INTEREST RATES



SkyViews SPRING 2008

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