



**SKYVIEW**

REALTY LTD., BROKERAGE

# SkyViews

*Apartment Report - Spring 2013*

## DANNY'S CORNER



After a long winter, it's wonderful to start seeing signs of spring budding around us. Similar to the change in seasons, we are seeing the multi-unit residential industry continue to grow!

Financing rates have remained

low over the past few months, and this continues to promote increases in building values with Buyers achieving lower mortgaging costs compared to previous years. Primarily in the GTA market we have seen a rise in the price per suites of buildings and a lowering of CAP rates. This has not translated into smaller markets as of yet, however the trend would suggest this will happen over time. As such, many buyers are currently purchasing in smaller markets to capitalize on both the lower financing rates and the higher CAP rates.

As of the publication date of this newsletter, 5-year financing was around 2.37% and 10 year terms were around 2.91%

Vito Campisi is well known in our industry as an expert in the field of multi-unit residential financing. Previously with CMHC, and now the Vice President of Commercial Lending with MCAP, Vito is well versed in advising owners on how to achieve the most return on their investment properties. I have asked Vito to share some of his knowledge on how to take advantage of energy efficiency incentives through CMHC. I trust his article will provide a valuable resource to you.

My team and I hope you find our newsletter to be a great read, filled with information that can benefit you and your business. If you have any suggestions on future resources that you think would be of use, we welcome you to contact us anytime. As always, we are committed to your success!

■ Danny Iannuzziello

## CMHC ENCOURAGES ENERGY EFFICIENCY IMPROVEMENTS FOR MULTI-UNIT PROPERTIES

TAKE ADVANTAGE OF THE PREMIUM REDUCTION AND POTENTIAL HIGHER LOAN AMOUNTS

By Vito Campisi-MCAP Financial Corporation

In January 2012 CMHC announced some welcome enhancements to the policy for energy efficiency with a two year pilot to support the construction and retrofit of multi-unit energy efficient properties. Since energy efficiency improvements are top of mind for most property owners and are regularly undertaken, you could be missing out on a benefit from this incentive if you are financing or refinancing your property. In addition to a premium reduction, a very important component of this policy is that CMHC will continue to include the anticipated lower energy costs when calculating net operating income to determine property lending value. A higher lending value will mean a higher loan amount for you, the borrower.

For New Construction projects to qualify, the building is required to be the higher of: 5% more energy efficient than if constructed to meet provincial/territorial requirements (where they exist), or 20% more energy efficient than if constructed to meet the Model National Energy Building Code for Buildings (MNECB). A premium reduction/refund of 10% of the premium paid or due will be provided.

For Existing Buildings (Retrofits), there is no minimum threshold for anticipated reduction in energy consumption. The premium/refund will be equal to the overall percentage reduction in energy consumption (heat, hydro, water) to a maximum of 15% of the premium paid or due. It should be noted that the reduction in energy consumption must be the result of the owners' or builders' capital investment in the property.

Borrowers are required to provide and demonstrate an estimate of the anticipated or actual reduction in energy consumption. This reduction can be demonstrated through a variety of documents, but not limited to: design proposals or energy retrofit plans and post commissioning reports or post retrofit reports prepared by qualified energy management professionals (in-house reports must be validated by a qualified external third party); reports from other qualified government agencies and energy companies that provide grants; two years of energy and/or water bills (to demonstrate reduction in annual energy consumption).

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**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.

Based on when the reductions in energy consumption are demonstrated, borrowers have the option of either receiving a premium reduction or a premium refund. Your Approved Lender will be able to advise you on the process.

Borrowers must also submit the required documentation to the Approved Lender within 12 months

after the loan has been finalized.

This information has been extracted from a CMHC publication that is exclusive to Approved Lenders. If you are interested in pursuing the benefits of the CMHC Enhancements to Multi-Unit Energy Efficient Properties, I recommend that you consult and discuss the policy with the Approved Lender of your choice.

*Vito Campisi joined MCAP Financial Corporation as Vice President, Commercial Lending after a long career with CMHC. Vito is a Certified General Accountant and an Accredited Mortgage Professional.*

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## 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!**



## OSHAWA

**LOCATED CLOSE TO AMENITIES** **SOLID CONSTRUCTION**



**Principals Only Please**

**21 Suites**

- Asking \$1,995,000
- Asking \$95,000 per Suite
- Located 5 minutes from the New Oshawa GO Station
- Located less than 10 minutes from the Oshawa Centre
- Recent Improvements include: New Sliding Patio doors, complete common area painting (2012), New Intercom
- Possibility to convert tenants to individual meters
- Ample surface parking
- 1 x Jr. One Bedrooms
- 6 x One Bedrooms
- 12 x Two Bedrooms
- 2 x Three Bedrooms
- Located at the end of a quiet residential area
- 5.5% CAP rate
- 19.6% R.O.I.
- Treat as clear
- VTB 2nd Available to Buyer
- Contact Dani Pizzoferrato for more information

## NORTH YORK

**LOCATED NEAR NEW HOSPITAL** **POTENTIAL UPSIDE**



**Principals Only Please**

**10 Suites**

- Asking \$1,298,000
- Asking \$129,800 per Suite
- Located near Jane and Wilson close to the New Humber River Hospital being Built
- Upgraded to Thermo Windows less than 2 years Ago
- Tenants Pay Own Hydro - Individually Metered
- 2 x One Bedrooms
- 8 x Two Bedrooms
- Capital Items in Good Condition
- Potential Upside on Rents and Potential to Add Additional Bachelor Unit in Basement
- TTC Bus Stop at Doorstep
- 18.8% R.O.I.
- Treat Financing as Clear

## OSHAWA

**GOOD CURB APPEAL** **CENTRAL LOCATION**



**Principals Only Please**

**15 Suites**

- Asking \$1,395,000
- Asking \$93,000
- Building in Good Condition and Shows Well to Tenants
- Suites have been updated to feature Laminate Flooring
- Potential to Convert Hydro to Individual Meters
- 10 x One Bedrooms
- 5 x Two Bedrooms
- Ceramic Flooring in Hallways and Stairwells
- Great Centralized Location just North of Highway 401
- 6.0% CAP Rate
- 17.3% R.O.I.
- Treat Financing as Clear!

## TRENTON

**PRICE REDUCED!** **8.3% CAP RATE!!**



**Principals Only Please**

**14 Suites**

- Asking \$779,000
- Asking \$55,643 per suite
- Property Contains Four Semi-Detached Bungalows & One Six-Plex
- Under New Management with Many Improvements Being Done
- Some rents are Below Market, Potential Upside
- New Tenants Paying All their Own Utilities on Turnover
- 5 x One Bedrooms
- 9 x Two Bedrooms
- Quiet Community with Good Tenant Profile
- Waterfront Property on Bay of Quinte with Boat Launch
- Good Amount of Excess Land at Rear of Property
- 8.3% CAP Rate
- 30.4% R.O.I.
- Treat Financing as Clear!

## COLLINGWOOD

**PRICE REDUCED!** **REDEVELOPMENT POTENTIAL**



**Principals Only Please**

**10 Suites**

- Asking \$799,000
- Asking \$79,900 per Suite including the two commercial units
- Nicely kept Apartments
- Very close to new Shoppers Drug Mart, Pizza Hut, McDonalds and Tim Hortons
- Tenants pay own utilities (except 1 unit) including Heat, Hydro and Water
- Corner property on Main Thoroughfare
- 2 x Commercial Units
- 8 x 1 Bedrooms
- Property is already severed into two (2) parcels
- 6.9% CAP Rate
- 20.6% R.O.I.
- Treat property financing as clear
- Seller willing to hold a second mortgage for 10% of the purchase price for qualified buyer

## WELLAND

**MANY RECENT UPGRADES** **CONDO STATUS**



**Principals Only Please**

**52 Suites**

- Asking \$4,795,000
- Asking \$92,212 per Suite
- Located near Highway 406 exit and Close to All Amenities
- Many Recent Upgrades to Complex in 2012 Including Roofs, Sidewalks, Exterior Painting, and Unit Upgrades
- Condo Quality Model Home Already Completed
- 44 x Three Bedrooms
- 8 x Four Bedrooms
- Complex is Condo Draft Plan Approved
- Tenants Pay for Own Heat & Hydro
- 6.4% CAP Rate
- 25.7% R.O.I.
- Treat Financing as Clear!

## NIAGARA FALLS

**8.5% CAP RATE!** **30.4% R.O.I.**



**Principals Only Please**

**11 Suites**

- Asking \$705,000
- Asking \$64,901 per Suite
- Located Five Minutes from Casinos/Tourism Area, in a Quiet Residential Neighbourhood
- Vinyl Thermo Windows (2006)
- New Roof Shingles in 2009
- Property consists of Two Four-Plexes and One Triplex
- 1 x Bachelor
- 2 x One Bedrooms
- 6 x Two Bedrooms
- Apartments are Spacious and Feature Laminate Hardwood
- 8.5% CAP Rate
- 30.4% R.O.I.
- Treat Financing as Clear\*
- Seller May Consider VTB to Qualified Buyer

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

If you are considering selling your multi-unit residential property, our sales team would be happy to assist you in the process...

**Give them a call at 416-444-6545!**



**Dani Pizzoferrato**  
Sales Representative



**Anne Meinschenk**  
Associate Vice President



**Danny Iannuzziello**  
Broker of Record



**Pat Villani**  
Sales Representative



**Arsalan Wathra**  
Sales Representative



# industry report

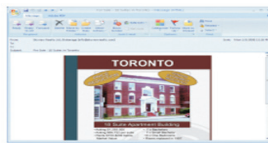
trends and services

SKYVIEW'S  
RECOMMENDED  
SERVICES

## WEEKLY E-MAIL BLASTS

Sign-up and begin receiving:

- Weekly Multi-Residential Property Listings
- Industry Related Articles
- News, Resources, and Valuable Links
- Updates on Sold Properties in Your Area



Send us Your Email Address Today!  
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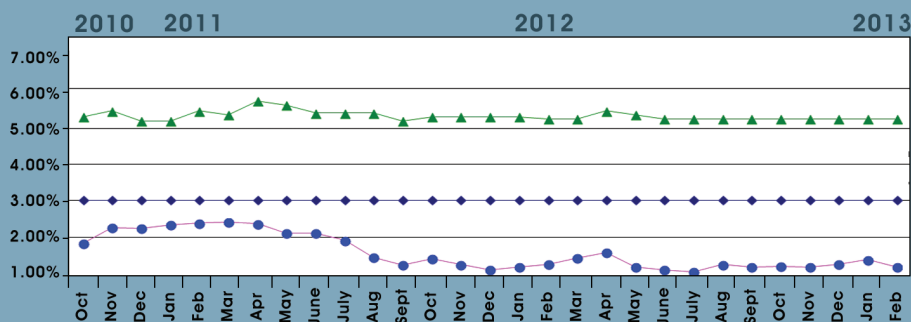
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## MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

11 & 23 MCLARY AVE London	Dec. 21, 2012	34 Units @ \$67,941	\$2,310,000
470 MORTIMER AVE East York	Dec. 27, 2012	41 Units @ \$96,220	\$3,945,000
262 GLENCARRY AVE Hamilton	Jan. 7, 2013	25 Units @ \$68,000	\$1,700,000
22 THORNCLIFFE PARK DR East York	Jan. 17, 2013	60 Units @ \$111,667	\$6,700,000
90 GURNETT ST Aurora	Jan. 22, 2013	51 Units @ \$143,627	\$7,325,000
5 DUFRESNE CT North York	Jan. 23, 2013	218 Units @ \$107,028	\$23,332,000
275 NORTH SERVICE RD Mississauga	Jan. 23, 2013	82 Units @ \$130,927	\$10,736,000
1175 DUNDAS ST W Mississauga	Jan. 23, 2013	104 units @ \$123,240	\$12,817,000
65 NORTH SERVICE RD Mississauga	Jan. 24, 2013	75 Units @ \$128,133	\$9,610,000
19 TASKER ST St. Catharines	Jan. 31, 2013	26 Units @ \$66,846	\$1,738,000
2548 KIPLING AVE Etobicoke	Feb. 1, 2013	153 Units @ \$78,431	\$12,000,000
1 ROSEMOUNT DR Scarborough	Feb. 1, 2013	110 Units @ \$113,636	\$12,500,000
104 SHERMAN AVE S Hamilton	Feb. 5, 2013	16 units @ \$43,125	\$690,000
28 ARLINGTON AVE St Catharines	Feb. 7, 2013	40 Units @ \$56,250	\$2,250,000
20 DUKE ST Hamilton	Feb. 28, 2013	27 Units @ \$64,815	\$1,750,000
3801 LAWRENCE AVE E Scarborough	Mar. 1, 2013	90 Units @ \$88,889	\$8,000,000
50 DRIFTWOOD AVE North York	Mar. 1, 2013	108 Units @ \$104,630	\$11,300,000
521-523 FINCH AVE W North York	Mar. 1, 2013	179 Units @ \$125,698	\$22,500,000

SOURCE: Realtrack Inc. [www.realtrack.com](http://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

### Spring 2013

#### PUBLICATION:

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

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