



DISTRIBUTION TO OWNERS OF OVER 11,500 APARTMENT BUILDINGS

SkyViews

Apartment Report - Spring 2021

DANNY'S CORNER



Danny Iannuzziello
President &
Broker of Record

After a long and turbulent year, Spring is finally around the corner and it appears that we are starting to head back to a level of normalcy. Even though the current global pandemic did indeed impact the vacancy rate in the apartment industry, the multi-residential market has proven to be resilient and remains an overall essential service.

In CMHC's annual survey, it was revealed that overall vacancy rates in many areas increased in 2020 due to the combined effects of the economic decline brought on by COVID-19 and the constraint of social distancing measures to curb the spread of the virus. Continued economic unrest led people to be more cautious when making rental decisions and this has had a negative impact on vacancy rates month over month in several Ontario markets. As reported in the 2021 Vacancy Report, Toronto vacancy rates hit an increased level of 3.4%. Vacancy rates in supplementary markets which include St. Catharines – Niagara, Ottawa, London, Kingston and the Greater Sudbury area, have also increased. In other markets that Skyview Realty services, such as Hamilton and Barrie, vacancy rates have actually decreased. Moreover, in Oshawa, Belleville, Brantford and Guelph, the rates have continued to remain stable. We believe that as the pandemic begins to deliberately come to an end, contingent on the Ontario Government's effective vaccine distribution, immigration, as well as the return of international students, will increase again. This allows the sector to have the ability to return to the same level as it was pre-pandemic and with this being said, vacancy rate should continue to decrease throughout the province.

Since August 2020, Skyview Realty has seen a significant escalation in sales volume. We are

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Standard Lease / Additional Terms; RTA Update

Mark Melchers of Cohen Highley put together a webinar that further explains the changes to the updated Ontario Standard Lease. Excerpts have been shortened for clarity below:

On March 1st, 2021 the new Ontario Standard Lease Form was introduced and must be used for all new lease agreements entered on or after that date. The updated lease considers the RTA changes that were introduced in July 2020 by Bill 184. The Standard Lease creates a contract between a Landlord and a Tenant in Ontario and helps both parties understand their rights to one another to help avoid conflict and promote cooperation and understanding. There are no penalties or fines for Landlords who do not use the proper forms or the updated Standard Lease, however failure to use the proper forms can allow Tenants to break their fixed term lease early. Furthermore, the Additional terms that accompanied the new Ontario Standard Lease help to strengthen the rights of the Landlord.

A summary of some of the most significant changes are as followed:

GIVING NOTICES AND DOCUMENTS:

Notices, including legal notices of termination and LTB applications can now be served to Tenants via an admin email account. Tenants must agree to receive communications in this manner in writing prior to, as its

written in the original agreement. The types of notices that are allowed, have to meet the technical requirements set out in Rule 3 of the LTB's rules.

RENT DISCOUNTS:

In order to fill vacancies in today's climate, more Landlords are using marketing and rental incentives and discounts. Landlords must provide these types of rental discounts in Section 7 of the Standard Lease.

CHANGES TO ADDITIONAL TERMS

CLAUSE 20: PAYMENT OF RENT

If a Tenant's lease has been terminated by order of the LTB, no funds given by the Tenant can be applied to future rent due, only arrears and daily use and compensation. This clause also protects the Landlord as funds accepted after a Tenancy has been terminated will not declare that a new Tenancy has been created by accepting such funds.

CLAUSE 29: REDUCTION IN SERVICES OR FACILITIES

An amendment has been made to mitigate liability of potential rent reduction based on withdrawal of services and facilities. It also includes references to S. 123 and S.125 of the RTA to allow the Landlord to increase or decrease rent for water submetering, sewer and water services.

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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

Website: www.SkyviewRealty.com

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

DANNY'S CORNER

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seeing a greater number of portfolio sales where in most cases the next generation of family members are wanting to move in a direction that differs from their parents or grandparents. Most Sellers feel that they have hit an all-time high in building values while Buyers on the other hand are taking full advantage of all time low interest rates and are making decisions based on the longer-term economic landscape. As we start to see significant growth in Canada from new Buyers looking to grow their Multi-Unit portfolios, we are also noticing a greater influx of foreign money emerging in Ontario. Pension funds and REITS are spearheading this movement contributing to increased bidding activity on properties for sale. Skyview Realty is adapting to the needs of all Sellers as not everyone wants a frenzy of people at their buildings due to COVID-19, and/or wanting to maintain their sale activity as private as possible.

Interest Rates which are reflective of how the Bond Market is doing, have been generally low for quite some time now. However, at the beginning of 2020 when COVID-19 became apparent, the Bond Rates started to drop significantly and within a few months continued to fall by about 100 basis points on a 10-year bond, and 130 basis points on a 5-year bond. These rates have remained steady until February 2021, but have since increased by about 70 and 50 basis points on a 10-year Bond and a 5-year Bond respectively. With the rates steadily rising on a daily basis, we could be on track to pre-covid rates over the next few months. With positive news on vaccine distribution and overall confidence in the Canadian government, we could see an increase in interest rates and CAP rates in the near future. We may have just peaked on apartment building values driving the current period! The good news is that Capitalization rates are not the only factor that influence the value of your property. However, for a more definitive value, kindly consult with one of Skyview's Sales representatives. Allow us to show you how Skyview's 30 years of experience can be the difference in your next transaction! Until then, stay safe and stay healthy.

**– Danny Iannuzziello,
President and Broker of Record**

Standard Lease / Additional Terms; RTA Update

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CLAUSE 32I: SMOKE & CARBON MONOXIDE ALARMS

Changes have been made to articulate liability of Tenant for fines levied against the Landlord due to Tenant misconduct or tampering.

CLAUSE 35: INSURANCE

This clause helps to strengthen Section 11 of the Ontario Standard Lease (Tenancy Insurance Clause) as it states that the failure of the Tenant to secure and maintain their insurance throughout their tenancy, will be deemed a substantial breach of their lease agreement and will provide the Landlord grounds to terminate the tenancy.

The following sections are awaiting proclamation under Bill 184:

Section 87(1): Allows the Landlord to file for a rental arrears application against Tenants and former Tenants within 1 year of a Tenant vacating.

Section 87(3): Allows the same as Section 87(1) but where the Tenant is overholding and owes rent and compensation but has vacated, the Landlord has up to 1 year to file an application against them.

Section 89: Landlords can apply for a judgement for damages up to 1 year after a Tenant vacates.

All information derived is of general nature for information purposes only and is not intended to represent a definitive opinion of Skyview Realty or Cohen Highley. If you have additional questions, please contact Mark Melchers of Cohen Highley at melchers@cohenhighley.com

We Don't Just List Apartment Buildings...WE SELL THEM!
Considering Selling Your Multi-Unit Residential Property? Give the Skyview Sales Team a call at 416-444-6545!



Pat Villani Sales Representative Dan Bates Broker Danny Iannuzziello Broker of Record Zac Willms Sales Representative Cliff Ford Sales Representative

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- Industry Related Articles!
- News, Resources and Valuable Links!
- Updates on Properties Sold Within Your Area!

Contact Tysha Campbell with your full name and email address to begin receiving your weekly email blast straight to your inbox!
info@skyviewrealty.com 416-444-6545 x 21

PROPERTIES CURRENTLY OFFERED FOR SALE

HAMILTON



SOLD COND

Principals Only Please

CLOSE TO HAMILTON EDGE

- Bid Submission Process
- Beautiful Views of City
- Great Rental Demand Area
- All Tenants Pay Own Hydro
- All Equipment Is Owned
- Treat Financing As Clear
- 31 x 1 Bedrooms
- 12 x 2 Bedrooms
- 2 x 3 Bedrooms
- Significant Upside on Turnover
- Recent Improvements: Roof, Windows And Balconies

44 SUITES

ST. CATHARINES



FOR SALE

Principals Only Please

NEWLY BUILT CUSTOM DESIGN PROPERTY

- Asking \$3,200,000
- Close to QEW & Amenities
- Tenants to Take Possession Prior to Closing
- Stainless Steel Appliances, Laminate & Ceramic Within
- Turn Key Investment
- 1 x 2 Bedrooms, 2 Bath
- 1 x 3 Bedrooms, 2 Baths
- 3 x 3 Bedrooms, 3 Baths
- 1 x 3 Bedrooms, 3 Baths
- 1 x 3 Bedrooms + Office, 3 Baths
- Contact Cliff Ford

**6 SUITE
TOWNHOUSE**

SAULT STE MARIE



SOLD COND

Principals Only Please

HIGH-RISE WITH SOCIAL HOUSING PROGRAM

- Listing at \$12,500,000
- Listed at \$99,206 per Suite
- 121/126 Units With Housing Program
- Program Expires in 2023
- Significant Upside in Rents & Upside in Utilities
- Views of Sault Ste. Marie Bay
- 125 x 1 Bedrooms
- 1 x 2 Bedrooms
- Can Add 1-2 Units in Party RM
- Non-Registered Suite on Top Floor
- 5.3% CAP Rate & 10.6% R.O.I
- Treat Financing As Clear

126 SUITES

BROCKVILLE



SOLD FIRM

Principals Only Please

NEWLY BUILT 3-STOREY MULTI-FAMILY

- Off Market Listing
- Built By A Premium Builder
- Decent Tenant Profile
- Tenants Pay In-Unit Hydro
- Card Operated Laundry
- Great On-Site Resident Manager
- 5 x 1 Bedrooms
- 32 x 2 Bedrooms
- 11 x 3 Bedrooms
- 52 Parking Spots, 19 Underground
- Spray Foam Insulation
- Treat Financing As Clear

48 SUITES

HAMILTON



SOLD

Principals Only Please

MODERN PROPERTY WITH MOUNTAIN VIEW

- Off Market Listing
- 41 Suites, 1 Unit Not Legal
- Good Onsite Resident Manager
- Tenants Pay Own Hydro Through Individual Meters
- Significant Upside In Rents
- 24 x 1 Bedroom
- 17 x 2 Bedrooms
- Treat Financing As Clear
- Ideal Location for Families and Couples
- Recent Capital Improvements: High Efficiency Boilers, New Balconies & a New Roof

41 SUITES

NIAGARA FALLS



SOLD

Principals Only Please

WELL KEPT BUILDING CLOSE TO SHOPS

- Located Close to Tourism area of Niagara Falls
- Roof Replaced in 2016
- Owner Pays All Hydro
- Upside in Rents on Turnover
- Family Owned And Managed Since Construction in 1966
- 1 x Bachelor
- 7 x 1 Bedroom
- 21 x 2 Bedrooms
- 3 x 3 Bedrooms
- 4.2 % CAP Rate & 8.4% ROI
- Treat Financing As Clear

32 SUITES

VIEW OUR FULL LISTINGS WITH PROPERTY DETAILS AT 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



Telephone: 416.304.2089
Facsimile: 416.368.3328
adys@peoplestrust.com
www.peoplestrust.com

95 Wellington St West,
Suite 1310
Toronto, ON, M5J 2N7

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MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

165 La Rose Ave, Etobicoke	Nov. 30, 2020	211 Suites @ \$396,209	\$83,600,000
3360 Paul Anka Dr, Ottawa	Nov. 30, 2020	232 Suites @ \$232,069	\$53,840,000
141 Erskine Ave, Toronto	Nov. 30, 2020	162 Suites @ \$395,556	\$64,080,000
2400 Carling Ave, Ottawa	Dec. 01, 2020	119 Suites @ \$220,168	\$26,200,000
401 West St. N, Orillia	Dec. 18, 2020	55 Suites @ \$190,909	\$10,500,000
204 Kingston Rd, Toronto	Dec. 29, 2020	15 Suites @ \$388,333	\$5,825,000
516 Dawes Rd, East York	Jan. 14, 2021	46 Suites @ \$215,000	\$9,890,000
70 Wilson Park Rd, Toronto	Jan. 15, 2021	25 Suites @ \$319,800	\$7,995,000
1126-1154 Adelaide St. N, London	Jan. 20, 2021	558 Suites @ \$172,043	\$96,000,000
652 Macdonald Ave, Sault Ste. Marie	Jan. 28, 2021	61 Suites @ \$90,164	\$5,500,000
15 Gilmour St & 137 George St, Brockville	Jan. 29, 2021	48 Suites @ \$214,583	\$10,300,000
21 Summit Ave, Hamilton	Feb 01, 2021	41 Suites @ \$185,366	\$7,600,000
89-96 King Edward Ave, London	Feb 01, 2021	155 Suites @ \$121,290	\$18,800,000
55 Wooley St, Cambridge	Feb 10, 2021	39 Suites @ \$179,487	\$7,000,000
2892 St. Clair Ave E, East York	Feb 16, 2021	34 Suites @ \$294,118	\$10,000,000

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

WATCH ON INTEREST RATES



SkyViews

Spring 2021

PUBLICATION:

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

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THE SKYVIEW TEAM

419-220 Duncan Mill Rd., Toronto, Ontario M3B 3J5

(416) 444-6545 Fax: (416) 444-6997

Email: info@skyviewrealty.com

www.SkyviewRealty.com

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