


SKYVIEW

REALTY LTD., BROKERAGE

SkyViews

Apartment Report - Summer 2014

DANNY'S CORNER



If you have not done so already, I welcome you to visit Skyview Realty's newly designed website at www.skyviewrealty.com. Skyview has always strived to bring you the latest and most relevant information

pertaining to current investment opportunities, and the resources you look for to operate your investment business successfully. We have recently launched our new website and we think you will find great value in it!

Owners of multi-unit properties are always asking how they can get greater returns on their investments. One way that has been made more readily available in recent years is through the implementation of submetering. By working alongside a submetering company, a landlord can see a direct increase to their net operating income by having their tenants pay their own hydro. Vince Brescia has provided a valuable article on this very topic in this newsletter. Many of you would know Vince as the former head of the landlord association FRPO. Vince's knowledge and insight on rental properties is well respected in our industry. We trust this information will be of great use to you.

Skyview Realty has many properties currently available for sale that you may want to consider for yourself. You can see these properties in this newsletter and get further details from our website. If you are considering selling your property at this time, we may even be able to bring you an offer from one of our qualified buyers. We look forward to working with you even more in the near future!

-Danny Iannuzziello

THE BENEFITS OF SMART SUBMETERING

By: Vince Brescia

Many property owners across Canada have discovered the benefits of submetering. With utility costs rising at 10% annually, many have accelerated their plans to convert "utilities included" buildings to individual billing utilities. The primary motivation has been the immediate improvement in net operating income, but there are other reasons. This article is intended to provide some background about submetering – what it is, how it is implemented, and a summary of the benefits.

Firstly, what is submetering? For those unfamiliar with it, submetering takes place when individual meters for each unit are installed behind the local distribution company's (LDC's) bulk meter. These meters are then used by a submetering company to individually bill and collect from tenants, whether commercial or residential, just like the LDC would if they had individually metered the building.

When you look around the world, bulk utility buildings, where utilities are included in rent, are unusual. Ontario in particular stands out within Canada because LDC's had an aversion to individual billing of electricity: they didn't want to deal with tenants, so thought it would be easier for them to deal with landlords. They didn't want the headache of dealing with tenants. So Ontario has this unique situation where the majority of rental buildings in the province are not individually metered for electricity. In the rest of the country (and the world), individual billing is the norm. However, there are still some bulk-metered buildings in all jurisdictions.

The process of moving from bulk billing to individual billing is quite simple. For the majority of installations, which are uncomplicated, a submetering company will usually install the meters often at no cost to the owner. The submetering company will recover the cost of the installation through a monthly customer charge, which is typically the same or lower than the LDC would charge. The residents will not see this customer charge: it will only be one element of a line called "Delivery Charge" as required by provincial rules – the same practice that the LDC's must follow.

In Ontario, billing of individual tenants for electricity would only happen on turnover, because

under the Residential Tenancies Act, an existing tenant's consent is required before you can convert them to individual billing, and they often will not grant consent. So individual billing commences as each suite turns over. Also in Ontario, individual billing for electric heat is not allowed, but just like gas-heated buildings, you can meter the lights and plug-load in the units, which is significant. In other provinces, these restrictions do not apply, so an entire building can be converted within 1 year, and you can meter electric heat. Currently, legislation in Quebec and Manitoba, which both have one monopoly provincial electricity utility, electrical submetering of residential properties is currently not allowed.

Once individual billing commences, the change in resident behavior is quite shocking. As soon as residents are exposed to a bill for a utility, their consumption drops dramatically. Wyse recently analyzed a portfolio of over 1500 units and found that bill payers consume on average 48% less electricity than non-bill payers. There is a huge environmental benefit to submetering.

And the other benefits? Our current clients tell us that they do not change their rents once they submeter. Therefore, the entire utility cost per unit goes straight to their bottom line in savings. In a typical suite, that's \$50 per month in cost savings. However, in the case of electricity, rates in some provinces are forecast to rise by 10% annually for years. So by 2020, \$50 per month will become \$90 per month. If cap rates are at 6%, that is \$18,000 in additional value created per unit by 2020 through submetering.

And with utility costs rising the way they are, there is another beneficiary – most residents. Individual billing means that residents who economize on utility consumption no longer have to effectively subsidize big users in their building. By conserving, they save. And they get to see directly the benefit they are having on the environment.

Vince Brescia is President of Wyse Meter Solutions Inc., Canada's leader in utility information and expense management.

1-800-672-1134 | www.WyseMeter.com

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.

PROPERTIES CURRENTLY OFFERED FOR SALE

TORONTO

Very Good Upside On Turnover!

Short Ride To Future Eglinton LRT



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

HALIBURTON

Turn Key Investment!

Low Maintenance!



15 Suites

Principals Only Please

- 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

TORONTO

Location! Location! Location!

Two Severed Properties!



2 Central Toronto Buildings

Principals Only Please

- Asking \$2,400,000/\$1,950,000
- High demand Annex area immediately next door to Subway station & close to Bloor St. W.
- Properties are already severed
- 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. (Speak to LA, may consider sale of individual property)
- Call Listing Brokerage office for income & expenses
- Treat as Clear
- Properties are listed Heritage buildings

ARE YOU THINKING OF SELLING?

Below is a partial **list of services** that our team at **Skyview Realty, Ltd. Brokerage** will provide for you.

- Provide you up front with a market evaluation of your building.
- Determine an asking price which is acceptable to you.
- Describe how to prepare your building for the best exposure in the market place.
- Prepare a marketing information package to be presented to all prospective purchasers.
- Create a dynamic marketing plan.
- Marketing directly to all prospective purchasers of apartment buildings.
- Follow up and represent the building to qualified potential builders.
- Negotiate an agreement of purchase and sale.
- Advise on various clauses pertinent to the purchase and sale of a prospective building.
- Facilitate the transaction during the due diligence process to ensure a smooth closing.
- Maintain the relationship even after close by providing resources and assistance.

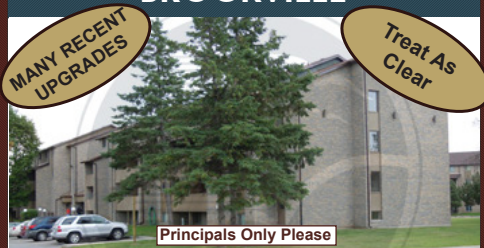
By using Skyview Realty, Ltd. Brokerage, you don't just sell your apartment building, you experience a sense of comfort that you are making a proper decision each step of the way.

My team and I look forward to sharing that experience with you. We can be contacted at anytime through our office at (416) 444-6545.

- Danny Iannuzziello, Broker of Record

"We Don't Just List Apartment Buildings, We Sell Them!"

BROCKVILLE



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



38 Suites

- Asking \$5,275,000
- Asking \$138,816 per Suite
- Located in a Quiet Residential Neighbourhood in East York, close to Don Valley Pkwy and Danforth Ave
- Capital Items in Good Condition
- Thermo Windows
- Storage Lockers Available for all Units
- 6 x Bachelors
- 25 x One Bedrooms
- 7 x Two Bedrooms
- Upside Potential on Rents, Parking, and Storage Lockers
- 5.2% CAP Rate
- 18.2% R.O.I.
- Treat Financing as Clear
- Seller May Consider VTB to Qualified Buyer

LONDON



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

WELLAND



52 Suites

- Asking \$4,435,000
- Asking \$85,288 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 in Final Stages of Condo Status Approval
- Tenants Pay Heat & Hydro
- 6.3% CAP Rate
- 20.0% R.O.I.
- Treat Financing as Clear!

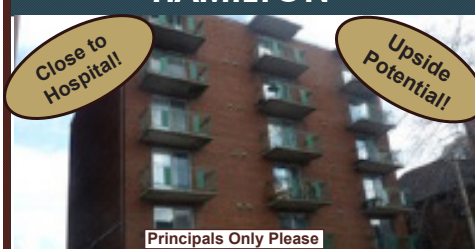
CLARINGTON



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

HAMILTON



25 Suites

- Asking \$2,095,000
- Asking \$83,800 per Suite
- Subject property is located close to St. Joseph's Hospital & GO Transit Station
- Redeveloping area of Hamilton
- Potential Upside in Rents on Turnover
- Individually Metered. Tenants pay own Hydro
- 15 x Bachelor
- 10 x One Bedrooms
- Additional income from parking rentals for Hospital and office rental in Building
- 5.6% CAP Rate
- 18.2% R.O.I.
- Existing 1st Mortgage of approximately \$1,200,000 at 3.71% to be assumed.

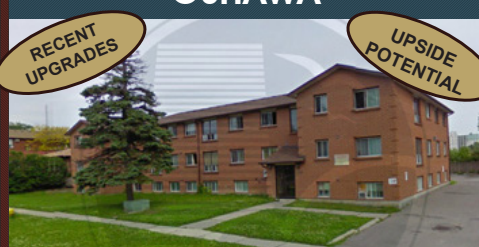
OSHAWA



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

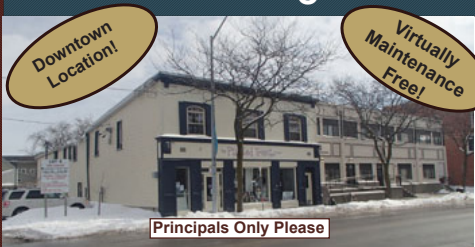
OSHAWA



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

Cobourg



11+1 Suites

- Asking \$1,130,000
- Asking \$94,167 per suite centrally located for easy access to all available amenities
- Many capital upgrades completed within the last 10 years
- Professional Management already existing
- Tenants pay their own Hydro
- Four Parking Spaces belonging to the building located in rear
- 3 x Bachelor
- 7 x One Bedrooms
- 1 x Two Bedrooms
- 1 x Commercial Retail
- 6.1% CAP 16.7% R.O.I.
- Seller may consider a small VTB second mortgage
- Treat as Clear
- Call Dani Pizzoferrato for further details

industry report

trends and services



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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

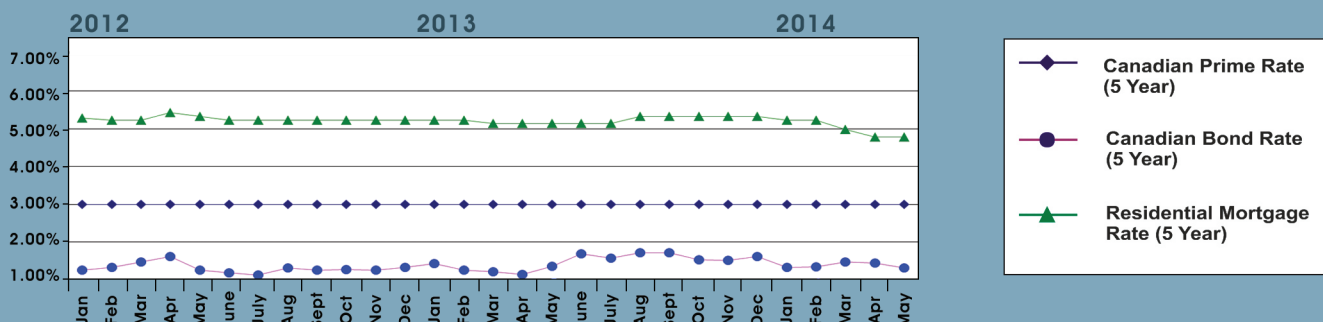
We Have Buyers!

MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

186 Danforth Road, Scarborough	Feb. 3, 2014	14 Units @ \$137,143	\$1,920,000
1 - 3 Albany Heights, Belleville	Feb. 14, 2014	12 Units @ \$67,500	\$810,000
28 Arlington Avenue, St. Catharines	Feb. 14, 2014	40 Units @ \$70,938	\$2,837,500
208, 210 & 212 North Street, Clearview	Feb. 20, 2014	30 Units @ \$116,667	\$3,500,000
79 - 81 Duke Street, Hamilton	Feb. 27, 2014	21 Units @ \$63,810	\$1,340,000
222 Nonquon Road, Oshawa	Feb. 27, 2014	139 Units @ \$70,863	\$9,850,000
17 Anthony Road, North York	Feb. 28, 2014	11 Units @ \$122,273	\$1,345,000
145 Elinor Avenue, Scarborough	Mar. 3, 2014	21 Units @ \$157,143	\$3,300,000
55 Mutual Street, Toronto	Mar. 6, 2014	37 Units @ \$72,973	\$2,700,000
1780 Victoria Park Avenue, North York	Mar. 7, 2014	83 Units @ \$114,880	\$4,767,560
256 Clyde Road, Cambridge	Mar. 21, 2014	12 Units @ \$69,667	\$1,160,000
424 Austen Court, Oshawa	Mar. 27, 2014	6 Units @ \$115,000	\$690,000
164 Belmont Avenue West, Kitchener	Apr. 28, 2014	31 Units @ \$83,226	\$2,580,000
210 Vaughan Road, Toronto	Apr. 28, 2014	25 Units @ \$166,400	\$4,160,000
225 Wilson Avenue, Toronto	Apr. 30, 2014	20 Units @ \$171,500	\$3,430,000
145 - 147 Wellington Street West, Aurora	May 1, 2014	204 Units @ \$170,343	\$34,750,000
221 Melvin Avenue, Hamilton	May 6, 2014	199 Units @ \$47,242	\$9,401,195

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

WATCH ON INTEREST RATES



SkyViews

Summer 2014

PUBLICATION:

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

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