



SKYVIEW

REALTY LTD., BROKERAGE

SkyViews

Apartment Report - Summer 2016

DANNY'S CORNER



I want to wish you and your family an enjoyable season as we enter into the summer months!

In previous newsletters, we shared that TD Bank was a good resource for getting coins from your laundry machines counted.

Unfortunately that service has recently been discontinued and already I've had a number of owners contacting me asking for alternatives. Some owners are switching their coin-operated machines to card-based systems through companies like Coinamatic or Sparkle; others pay the steep price of 9-10% for machines that count coins for you; and then there are some who roll and count the coins themselves still. What is your strategy? Reach out to us with the resources you use for counting coins and we'll share it with the rest of the landlords who are looking for options.

Our article in this edition of Skyviews is about Landlord Licensing which is becoming a hot topic in major cities throughout Ontario. Our friends at Hamilton District Apartment Association were instrumental in stopping the licensing program in its tracks in Hamilton. Now, Toronto is talking about doing the same type of program. You can imagine that licensing has the potential to create headaches in the operation of our business. I encourage you to get informed on this issue and get involved by having your voice heard in your municipal government. We already operate in a well-regulated industry that should not require additional oversight.

As you may know, autumn is the ideal time to have your property listed and sold. Sales in our industry always spike from September to November. With that in mind, if you are considering selling your multi-unit residential property in the upcoming months, the summer is a good time to start the process. My team would be happy to meet with you to discuss your options and prepare a complimentary evaluation of your property to achieve top dollar for you. I welcome you to contact us anytime to hear about our unique approach to selling apartment buildings.

- Danny Iannuzziello

Landlord Municipal Licensing: It's More than Just a Toronto Issue

It's been about 3 years since Hamilton ceased their attempt at introducing landlord licensing to their city. If you remember at that time, quite a number of landlords, property managers, and associations gathered their forces together to put a stop to the proposed program that would have put intensive oversight into how landlords operated their rental buildings. Now, Toronto is discussing the same type of legislation for the rental properties in their city.

But this is more than just a Hamilton or Toronto issue. It can have ripple effects throughout the province. As we've seen with previous trends and developments, as things are implemented in the larger markets, they trickle out to the smaller markets as well. Whether you own a rental property in Toronto or in a smaller market in Ontario, the issue of licensing of apartment buildings should be paid attention to.

Those arguing for licensing (including organizations such as ACORN) make the program sound quite altruistic. Landlord licensing is sold as a benefit to residents to ensure their rental units' quality standards are up to par. It is also sold as further accountability for the owners and operators of those properties. Ensuring landlords provide a good quality living space for their tenants is a good idea, in and of itself, but having further oversight in a market that is already fairly regulated can create additional headaches that could be detrimental to owners and tenants alike.

First, there is the issue of overkill... Take Toronto as an example. The city already conducts regular audits of multi-unit residential properties and is known to have an almost "zero tolerance" stance on city issued work orders. The majority of property owners are already diligent in upkeep of their rental properties and comply when the city issues a work order. Licensing, if it targeted just the problem minority (including Community Housing which has had a history of compliance issues), would be a good idea.

Unfortunately it blankets the entire industry with unnecessary additional red tape.

It feels as though the licensing program is being proposed to give tenants a greater voice on the quality of their homes. There are, however, already significant outlets that a tenant can turn to if their living space is not in a safe and liveable condition. Beyond the Landlord Tenant Board, tenants have a voice in the media, through community organizations, and through their own social media networks.

In this respect, it's almost a matter of letting the market speak for itself. If you run a good building - maintaining the common areas and building envelope, upgrading and maintaining your units - you will have a steady stream of prospective tenants to rent units as they become available. If a landlord is not diligent in these areas, a bad reputation can develop resulting in excessive move-outs and a lack of applicants to refill those units. It is, and has always been, in the landlord's best interest to be diligent with their properties. Licensing oversight starts to seem unnecessary from that perspective.

Then there's the issue of the costs associated with implementing a licensing program. Fees would be added on a per unit basis just as a start. There would also be additional costs to comply with licensing requirements through repairs and maintenance in common areas and individual units. These costs have to be absorbed by the landlord, and as we know the margins of profit for multi-unit residential properties continue to be challenged by rising utility costs and shrinking guideline rent increases.

Sure these costs may be passed along to the tenants by increasing rents, but that is likely only possible on turnover. Above-guideline increase applications can be attempted, though it is yet to be seen whether this would be a successful venture in recouping those additional costs.

...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

Website: www.SkyviewRealty.com

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

If the true purpose of landlord licensing is to make buildings safer for tenants, this again may be slightly redundant. Safety has always been a top concern for landlords in Ontario, and as mentioned earlier, the majority of them are diligent in ensuring their buildings are kept compliant for all safety-related issues including structural, environmental, and fire safety. As it relates to the individual rental units, the majority of those same landlords are diligent in repairing the apartments when it is necessary. Even if it's solely from a liability standpoint, which it's often not, many owners lose sleep at night worrying about the safety of their residents. No one wants to see anyone hurt on their watch.

This is just the preliminary "food for thought" on the landlord licensing issue. Whether you agree or disagree with the principle behind licensing, and the implications it may have, it is an issue

to be aware of and to pay attention to. Whatever comes of the Toronto decision, it will have an impact on how you operate your rental property in Toronto and in smaller markets throughout Ontario.

Get active in your local apartment association, if you are not doing so already. It is networking like this that can provide support and assistance to you in maintaining your properties; and allow a collective voice to be heard by municipal governments when programs such as licensing are being considered. Organizations like FRPO and GTAA are already doing their part to raise awareness on how the landlord licensing program could negatively impact our industry. We all have a vested interest; we all have a voice.

Article By: Cliff Ford, Skyview Realty Ltd, Brokerage

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!"

If you are considering selling your multi-unit residential property, give the Skyview Sales Team a call at 416-444-6545!



TORONTO

UPSCALE
Neighbourhood

Luxurious &
Large Apts



Principals Only Please

5 Luxury Suites

- Asking \$2,850,000
- Asking \$570,000 per Suite
- Located in Toronto Community Known as "The Beaches"
- Four of the Five Suites are Well Over 1,000 Square Feet
- Property is Full of Character and very Appealing to Tenants
- 2 x Two Bedrooms
- 3 x Three Bedrooms
- Excellent Tenant Profile
- Potential Upside on Some Rents on Turnover
- Treat Financing as Clear

PORT HOPE

Large
Corner Lot

PRICE
REDUCED!



Principals Only Please

11 Suites

- Asking \$804,888
- Asking \$73,172 per suite
- Historically Designated & Known as Seaton Hall
- 2 1/2 Storey Late Victorian Age House, Rectangular Floor Plan with Three Projected Gabled Bays
- Many Features of the Earlier Italianate Style, such as Wide Soffits and Paired Windows
- Loads of Potential in this Converted Large Home
- 1 x Bachelor
- 8 x One Bedrooms
- 2 x Two Bedrooms
- Private Driveway with Outdoor Parking and Large Double Garage Currently Used for Storage
- Upside Potential with Unit Renovations
- 6.1% CAP Rate
- 26.0% R.O.I.
- Treat Mortgage as Clear

NIAGARA FALLS

EXCELLENT
CONSTRUCTION

GREAT
SUITE MIX



Principals Only Please

57 Suites

- Asking \$5,200,000
- Asking \$91,228 per Suite
- Near City of Niagara Falls Municipal Offices and Located in Downtown Area
- Built and Owned in 1983 by the Same Family
- 4 Units Being Fully Renovated
- New Elevator Being Installed by Owner
- 1 x Bachelor
- 22 x One Bedrooms
- 34 x Two Bedrooms
- Walking Distance to Via Rail Station
- Well Constructed Concrete Building
- 5.8% CAP Rate
- Ex. 1st Mortgage to Be Assumed, Purchaser May Arrange 2nd Mtg

BELLEVILLE

27.0%
R.O.I

TREAT AS
CLEAR



Principals Only Please

12 Suites

- Asking \$1,149,000
- Asking \$95,750 per Suite
- Tidy 12 Plex with On-Site Superintendent
- Located in a Quiet Residential Neighbourhood
- Electric Baseboard Heating System
- Nice Size Lot 133 Feet x 133 Feet with Ample Paved Parking Area
- 2 x One Bedrooms
- 9 x Two Bedrooms
- 1 x Three Bedrooms
- Good Size Apartment Units
- Located in Proximity to Shopping, Schools and Park
- 27.0% R.O.I
- Treat as Clear. Purchaser to Arrange

HAMILTON

UPSIDE
ON TURN

UPDATED
UNITS



Principals Only Please

21 Suites

- Asking \$1,699,000
- Asking \$80,905 per suite
- Approx. 85% of All Units Have Updated Electrical & Plumbing
- Most Kitchens & Bathrooms Updated
- Professionally Managed & Landscaped
- Tenants Pay Their Own Hydro
- 3 x Bachelor
- 9 x One Bedrooms
- 9 x Two Bedrooms
- Lots of Useable Vacant Space in the Lower Level
- Brick Balconies
- 6.1% CAP Rate
- 29.3% R.O.I.
- Treat Financing as Clear

LONDON

NEWLY
RENOVATED

GOOD UPSIDE
ON TURNOVER



Principals Only Please

24 Suites

- Asking \$1,895,000
- Asking \$78,958 per Suite
- Short Drive to University of Western Ontario & Fenshawe College
- Four Storey Walk-up
- Clean & Well Maintained
- Attractive Low Rate VTB to Coincide With Maturing of 1st Mortgage
- 1 x Bachelor
- 3 x One Bedrooms
- 20 x Two Bedrooms
- 5.1% CAP
- 15.0% R.O.I.
- Ex. 1st Mortgage of Approx. \$861,164 @ 5.433% due Aug 2017 to be Assumed

LONDON

Solid 12-Plex in
Downtown
London

Bright Renovated
Spacious Units



Principals Only Please

12 Suites

- Asking \$1,250,000
- Asking \$104,167 per Suite
- On Bus Route
- Ample on Site Paved Parking
- 11 Tenants Pay Their Own Hydro
- Walking Distance to Amenities
- All 2 Bedroom Units Have Been Recently Renovated, Including New Kitchens and Baths
- 1 x Bachelor
- 11 x Two Bedrooms
- Good Size Bachelor Unit (Vacant) Requires Renovations; Kitchen Cabinets and Bath Missing, Buyer to Install
- 6.5% CAP Rate
- 20.3% R.O.I.
- Well Located rental Building
- Treat Mortgage as Clear!

NIAGARA FALLS

PRICE
REDUCED!

MOTIVATED
SELLER!



Principals Only Please

10 Suites

- Asking \$825,000
- Asking \$82,500 per Suite
- Located close to Access to Public Transit and Various Consumer Amenities within a Short Distance
- Potential Upside on Current Rents
- 8 of 10 Tenants Pay Their Own Hydro
- Potential to Add Additional Apartments
- 2 x Bachelor
- 8 x Two Bedrooms
- Building May Require Additional Capital and Upgrading in Order to Maximize its Potential
- 5.9% CAP Rate
- 16.2% R.O.I.
- Treat as Clear
- Contact Dani Pizzoferrato

TILLSONBURG

SOLD!



23 Suites

This property was listed and sold exclusively by Skyview Realty Ltd, Brokerage through Anne Meinschen, Pat Villani, and Arsalan Wathra. The building was located on a quiet cul-de-sac and featured solid concrete and brick construction. Recent improvements included new common area flooring and lighting, unit renovations, and balcony resurfacing.

SOLD IN ONE MONTH AT 99% OF ASKING PRICE!

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 properties@skyviewrealty.com

We Have Buyers!

Michael Lombard
Vice-President
Regional Manager - Ontario



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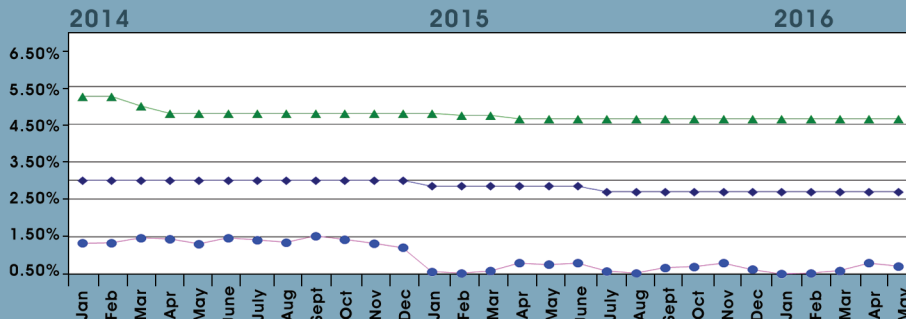
"Innovative Financial Products with Exceptional Client Services"

MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

680 Lawrence Rd., Hamilton	Apr. 04, 2016	12 Units @ \$115,000	\$1,380,000
80 Lawton Blvd., Toronto	Apr. 01, 2016	24 Units @ \$308,333	\$7,400,000
137 Church St., St.Catherines	Mar 31, 2016	95 Units @ \$81,632	\$7,755,000
850/860 Kyle Crt., Brockville	Mar 24, 2016	36 Units @ \$65,000	\$2,340,000
5964 Barker St., Niagara Falls	Mar 24, 2016	17 Units @ \$85,647	\$1,456,000
818 Broadview Ave., Toronto	Mar 22, 2016	31 Units @ \$164,516	\$5,100,000
285 North Service Rd., Mississauga	Mar 18, 2016	81 Units @ \$143,210	\$11,600,000
195 Exbury Rd., North York	Mar 17, 2016	159 Units @ \$159,748	\$25,400,000
831 Main St. E., Hamilton	Mar 01, 2016	13 Units @ \$96,154	\$1,250,000
312 Grand River Ave., Brantford	Feb 29, 2016	55 Units @ \$64,545	\$3,550,000
100 William St. W., Oshawa	Feb 26, 2016	59 Units @ \$101,695	\$6,000,000
1235 Huntingwood Dr., Scarborough	Apr. 29, 2016	14 TH's @ \$290,000	\$4,060,000
1440/1442 Lawrence Ave. W., North York	Apr. 28, 2016	411 Units @ \$112,530	\$46,250,000
70 Queen St., Tillsonburg	Apr. 22, 2016	39 Units @ \$82,308	\$3,210,000
40 Beaty Ave., Toronto	Apr. 06, 2016	27 Units @ \$117,593	\$3,175,000
1 Crown Hill Place, Etobicoke	Apr. 04, 2016	33 Units @ \$121,061	\$3,995,000

SOURCE: Realtrack Inc. 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

Summer 2016

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