

DANNY'S CORNER



Danny Iannuzziello
President &
Broker of Record

Happy Holidays to you and your loved ones. With the New Year comes new opportunities and possibilities. We here, at Skyview, wish that this year will be a prosperous, safe, and healthy year for you and your family. Although we are still battling a global pandemic,

the multi-housing industry has proven to be one of the most resilient real estate sectors during COVID-19. Multi-unit residential real estate has continued to be an appreciating asset even during times of difficulty. Will it continue to be a strong investment moving forward? With the new Omicron variant, we are not completely out of the woods, but the Ontario government continues to implement restrictions and plans to keep us safe and stimulate the economy. The impact of the new variant may decrease bond rates as experienced in March 2020 at the start of the pandemic.

As the vaccine rollout takes place, businesses are reopening, and jobs are being created. 421,000 jobs have been created in Canada since the month of May 2021, as reported by Statistics Canada. Offices are reopening and more people are moving back to the city. Urban Nations Q3 purpose built rental buildings survey revealed that vacancy rates dropped in the Greater Toronto Area, from 5.1% to 3%. Lower vacancy rates can be ascribed to the nearly 300,000 immigrants who have entered Canada and 110,000 immigrants who migrated to Ontario in 2021, as stated in a report by CIC news. As well, people are moving back to the economic hubs. Lower vacancy rates is one factor causing real estate prices to soar, amongst other factors such as inflation.

Economists in general are predicting a bullish market for one to two more years, but inflation may ultimately see rising interest rates which may eventually have an impact on

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YOU HEARD IT FROM THE EXPERTS...

Technology-Advanced Machines Deliver a Total Laundry Experience

By: Maria Mascall, Director-Sales, Sparkle Solutions

Sparkle Solutions, a subsidiary of CSC ServiceWorks, is part of the largest laundry equipment and solutions provider in North America. With decades of experience, we specialize in combining state-of-the-art laundry equipment with a cutting-edge technology platform to provide reliable, convenient service for property managers and their residents.

PERFORMANCE: SUPERIOR MACHINES WITH MAXIMUM PERFORMANCE

To ensure our clients are using the most superior machines with maximum performance, we offer energy-efficient, long-lasting Huebsch® washer and dryers. Not only does Huebsch equipment consume less utilities than other machines, but they offer more revenue-generating features, including 24 fully programmable cycle options. Our smart machines enable control of multi-level pricing and remote vend increases as needed, without calling a service technician.

TECHNOLOGY: WEBXPRESS

Our integrated and secure technology system truly enables Sparkle Solutions to launch our machines to an entirely new level of service. With our WebXpress system, we provide residents with a simple yet sophisticated laundry room experience. Property managers can choose the

most appropriate multi-vend solution for their residents, including contactless smart card and mobile app payment options. In turn, residents have the flexibility to pay for laundry according to their preference, increasing convenience and machine usage.

CONVENIENCE WITH A WEB-BASED PORTAL

Convenience continues with our web-based portal, where residents can view availability of the machines in the laundry room in real-time, sparing them from hauling baskets of laundry only to discover that all machines are busy, as well as entering a crowded laundry room where six feet of distance can't be maintained. Text message notifications provide cycle alerts, and prompt residents when their cycle is complete—they will always know what's happening with their laundry.

TRANSPARENCY FOR PROPERTY MANAGERS AND TEAMS

The WebXpress system also provides the utmost accessibility and transparency to property managers and their teams. We can monitor which machines are operating and if any require service. Oftentimes, we remotely resolve many simple equipment issues, reducing machine down time and the need to call a technician.

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IF YOU ARE THINKING OF BUYING OR SELLING, PLEASE CALL (416) 444-6545 FAX (416) 444-6997

DANNY'S CORNER

increasing bond rates and stabilizing real estate values. Over the past couple of months, inflation rates have been on the rise. Statistics Canada, also reported that the annual pace of inflation held steady in November as the consumer price index (CPI) rose 4.7% compared to a year ago. October also saw an increase of 4.7%, which was the largest year-over-year gain for the CPI since February 2003. These rapid increases in inflation are not only contributing to real estate prices to increase - we are also seeing substantial rent increases in various markets. With this taking place, investors are making money at an increased rate, which in turn is creating more demand in the marketplace. This demand is causing CAP rates to decrease, and investors are willing to pay a higher price for their investment.

What are the average cap rates in today's market? Cap rates in secondary markets, such as Hamilton, have now decreased to approximately 3%. Previously, in 2020, we were seeing CAP rates of approximately 4%. Likewise, in tertiary markets CAP rates are beginning to decrease. In places such as Brockville or Chatham, we are no longer seeing CAP rates of 5% - 7%. These are now approximately 4% - 5% respectively. What does this mean? Owners are now looking to sell to cash out at an all-time high. Whereas buyers are looking to buy with a long-term focus in mind or hopes that the bull market continues.

For buyers, herein sparks the mortgage debate; 'Should I get a 5-year or 10-year mortgage?' A 10-year term may be the right option for an investor to lock in, as bond rates continue to climb. But for how much longer will bond rates climb, or will they be affected by the new variant? The continuing rising rates may correlate with increases in capital appreciation and the ability to lock-in lower mortgage rates today, leaving investors with the opportunity to make safe investments. And for those who implement the buy-and-hold strategy, multi-unit residential real estate has proven to be a definite option historically.

In this issue of "You Heard it From the Experts" we hear from Maria Mascall, Director of Sales, Sparkle Solutions. Sparkle Solutions is one of the largest laundry equipment and solutions providers in North America for multi-family residential facilities. Maria will speak to the new technology Sparkle offers that helps to provide more reliable and efficient services for property managers and their residents.

As we begin the new year, it is my hope that 2022 will be a successful year for you. At Skyview Realty, we are committed to your success in the apartment building sector and would welcome the opportunity to assist you in your multi-unit residential business. Let me and my team help you with your apartment needs. Until then, stay safe and healthy.

Danny Iannuzziello, President and Broker of Record

Technology-Advanced Machines Deliver a Total Laundry Experience *continued from page 1*

Our detailed usage reports and near real-time data share an overview of the laundry operations and generated revenue so property managers have the information they need to make impactful decisions on vend price and machine control settings.

With our mobile app, residents receive best-in-class convenience that's unsurpassed by anything else on the current market. Residents can preview machine availability in real time; view cycles and receive notifications when the cycle is finished; make payments; start a machine; submit a service request; and receive instant refunds and direct communications from the laundry operator—all on their phone. Through our technology benefits, we can help property managers attract and retain residents.

Our mission is to ensure that our clients are experiencing the best in technology, equipment, and service. Our connected Huebsch machines are backed by a powerful support system to deliver an ultimate laundry experience, making life easier for property managers and their residents.

This article was written by Maria Mascall, Director-Sales of Sparkle Solutions, the leading provider of Commercial Laundry Solutions in Canada and throughout North America. Their driving purpose is to provide consistent innovation, technology and dependable equipment with people-focused service to enhance everyday experiences for millions of residents, consumers, property managers and owners 24/7/365. Maria would be delighted to chat further with anyone looking to learn more about the services Sparkle has to offer. She may be contacted at 905-660-2282 or maria@sparklesolutions.ca.

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WE DON'T JUST LIST APARTMENT BUILDINGS...WE SELL THEM!



HAMILTON



4 MODERNIZED VICTORIAN STYLE DUPLEXES

- Asking Price \$3,750,000
- 8 x 2 Bedroom Suites
- Asking \$468,750 Per Suite
- Already Acheiving Great Rental Rates With Additional Upside
- 4 % CAP Rate
- Sought After Rental Area
- Beautiful Upgrades: High Ceilings, Gas Fireplace, Exposed Brick, Open Concept, Granite Countertops, Hardwood Flooring!
- High Profile Professional Tenants
- 10.4% R.O.I
- Tenants Pay All Utilities
- May Treat Financing As Clear
- Ample Parking on Site
- VTB 2nd Possible For Qualified Buyers
- Units Have Been Modernized With Great Finishes

8 SUITES

THUNDER BAY



SENIOR CATERED LIVING INVESTMENT OPPORTUNITY

- Asking Price \$9,500,000
- 80/109 Units Have Kitchenettes w/ Residents Participating in Meal Plan Program
- 7.9 % CAP Rate
- 20/109 Units Have Full Kitchens That Can Be Converted on Turnover
- Former Hospital Converted to Residential Living Home Catered to Seniors
- Recent Improvements: New Boiler, New Roof Segment, and Concrete Repairs
- Mature Tenant Profile: 55+ Years Old
- Significant Surface Parking Available
- Great On-Site Staff Running Operations
- May Treat Financing As Clear
- Significant Unused and Vacant Space For Additional Suites and Commercial
- Resident Amenities: Party Room, Libraries, and a Movie Theater

109 SUITES +

HAMILTON



IDEAL SPACE TO DEVELOP SIZABLE APARTMENT COMPLEX

- Asking \$2,500,000
- 18 x Bachelor Rooms
- Approx 16,000 Sq ft of Space
- 1 x 3 Bedroom Apt
- Great Rental Demand Area
- 2 x Commercial Units
- Can Convert to All Residential Units
- Commercial Component Vacant
- Parking Lot Next Door Also Included
- Tax & Other Incentives May Be Provided to Revitalize This Area
- Upside on Turnover
- Treat Financing As Clear

DEVELOPMENT POTENTIAL

SAULT STE. MARIE



HIGH RISE IN BEAUTIFUL AREA

- Asking Price \$10,390,000
- 48 x 1 Bedroom Suites
- Asking \$129,875 per suite
- 24 x 2 Bedroom Suites
- 5.2 % CAP Rate
- 8 x 3 Bedroom Suite
- Potential To Add Additional Units In Unused Party and Library Room
- Significant Upside in Rents on Turnover
- Ample Parking on Site
- Beautiful Upgrades Throughout: High Ceilings, Gas Fireplace, Exposed Brick, Open Concept, Granite Countertops, Hardwood Flooring
- Built in the 1980's
- 11.4% R.O.I
- Amazing Views of Sault Ste. Marie
- May Treat Financing As Clear
- Hydro Paid By Owner, Possibility to Submeter

80 SUITES

CHATHAM



HISTORICAL BUILDING WITH LARGE UNITS

- Asking \$2,850,000
- 1 x Legal Bachelor
- 4.5 % CAP Rate
- Bachelor is Currently a Airbnb Short Term Rental
- Interior Rebuilt in 1998 for Apartments
- 10 x Large 2 Bedrooms
- Formerly Business School
- Property Tax Credit Applied to Expenses
- Formerly OPP Headquarters
- Upside on Turnover
- Historical Designation on Property
- Treat Financing As Clear

11 SUITES

OWEN SOUND



BEAUTIFULLY DESIGNED FORMER POST OFFICE CONVERTED TO APTS

- Asking Price \$2,500,000
- 2 x Bachelors
- Asking \$166,667 per suite
- 10 x 1 Bedroom Suites
- 5.2 % CAP Rate
- 3 x Offices / Desks
- Located in The Centre of Downtown Owen Sound
- Most Tenants Are Short Term Rentals
- Converted to Apartments Approx. 20 Years Ago
- Additional Income Is Generated From Roof Solar Panels
- Commercial Units Located On Ground Floor/ Basement
- 9.3% R.O.I
- Main Floor Commercial Unit Is Rented to One Tenant, Basement is Rented to Four Tenants
- Hydro Paid By Owner
- May Treat Financing As Clear

12 SUITES + 3 COMM

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



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MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

| | | | |
|--|---------------|------------------------|--------------|
| 204 Hespeler Rd, Cambridge | Sep. 07, 2021 | 146 Suites @ \$268,836 | \$39,250,000 |
| 297, 301 Base Line Rd W, London | Sep. 07, 2021 | 332 Suites @ \$188,253 | \$62,500,000 |
| 24,26,28 Helen Ave, Brantford | Sep. 07, 2021 | 284 Suites @ \$227,113 | \$64,500,000 |
| 200 Jameson Ave, Toronto | Sep. 27, 2021 | 100 Suites @ \$322,000 | \$32,200,000 |
| 433 King St, Longon | Oct. 01, 2021 | 129 Suites @ \$263,566 | \$34,000,000 |
| 192 Hughson St N & 181 John St N, Hamilton | Oct. 14, 2021 | 383 Suites @ \$193,950 | \$74,283,000 |
| 919 Dufferin St, Toronto | Oct. 18, 2021 | 113 Suites @ \$396,460 | \$44,800,000 |
| 30 Edith Dr, Toronto | Oct. 18, 2021 | 172 Suites @ \$466,279 | \$80,200,000 |
| 20 Duke St, Hamilton | Oct. 20, 2021 | 29 Suites @ \$153,448 | \$4,450,000 |
| 2 Balsam Ave S, Hamilton | Oct. 27, 2021 | 15 Suites @ \$235,000 | \$3,525,000 |
| 1817, 1827 Victoria Park Ave, Scarborough | Oct. 27, 2021 | 72 Suites @ \$311,111 | \$22,400,000 |
| 1505 Bowmanville Ave, Clarington | Oct. 29, 2021 | 75 Suites @ \$187,194 | \$14,039,576 |
| 601 Dundas St E, Whitby | Oct. 19, 2021 | 60 Suites @ \$235,000 | \$14,100,000 |
| 1817-1827 Victoria Park Ave, Scarborough | Oct. 27, 2021 | 72 Suites @ \$311,111 | \$22,400,000 |
| 575 Hyde St, Prescott | Nov. 03, 2021 | 24 Suites @ \$137,500 | \$3,300,000 |

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

WATCH ON INTEREST RATES



SOURCE: First National Financial LP | 416-593-2918

SkyViews
Winter 2022

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