DISTRIBUTION TO OWNERS OF OVER 11,500 APARTMENT BUILDINGS

SKYVIEW
REALTY LTD., BROKERAGE

SkyViews

Apartment Report - Winter 2011

DANNY'S CORNER

We at Skyview hope you had a joyous holiday season. Following our tradition, the Skyview Team donated gifts on your behalf to children at Holland Bloorview Kids Rehabilitation Hospital.

It's no secret that the apartment buildings in Ontario were built prior to the current awareness of energy efficiency and as they age, it's becoming an ever-increasing topic of discussion. To that end, I've asked Brian Burton to provide his insight into overcladding technologies, allowing buildings to become like new energy efficient structures without the necessity of rebuilding.

In this industry, relationships are such a key component of everything we do. I'm so grateful for the friends I have made over the years, from the principals I talk with daily, to the suppliers that help us run our businesses smoothly.

We like to include business cards in this newsletter from individuals and companies that we feel offer important products and services to you our valued clients. In this edition, I've included Vince Pascali from Investors Group on the fourth page. If you are in need of financial planning, I would suggest getting in touch with Vince.

You may have also noticed the flyer insert from our friends at Green Dolphin. As providers of environmentally friendly cleaning products, Green Dolphin has been widely used across the province and we have even started to implement their products at Skyview's buildings. I encourage you to take a look at their great product line.

As we move into 2011, I want to wish you continued success in all of your business endeavours. We look forward to continuing to work with you in achieving that success!

■ Danny Iannuzziello

OVERCLADDING TECHNOLOGIES

An Invitation to Innovation - By Brian Burton

The following article discusses some of the important elements involved in "overclad" retrofitting of older Multi-Unit Residential Buildings (MURB's) that were constructed in an era where energy costs were not a prime consideration. The challenge presented from a building science perspective, as you will see, is literally an invitation to innovation.

The overcladding retrofit of MURB's in Toronto is about to receive a great deal of attention as a result of three major initiatives in Ontario. The first is the City of Toronto's "Tower Renewal Project" which is based in large part on research conducted by the University of Toronto, John H. Daniels Faculty of Architecture, Landscape and Design by Professors Ted Kesik & Architect Ivan Saleff and ERA Architects. (Other contributors are listed on the web-site)

The second is the completion of the "Tower Renewal Guidelines - For the Comprehensive Retrofit of Multi-Unit Residential Buildings in Cold Climates" by University of Toronto, John H. Daniels Faculty of Architecture, Landscape and Design Professors Ted Kesik & Ivan Saleff.

The other high profile venture is the recently announced Zerofootprint Re-skinning Competition. For more details visit: www.daniels.utoronto.ca/trg - www.zerofootprint.net

The GTA has an enormous stock of MURB's and although these buildings are showing their age they are considered an extremely valuable resource.

These buildings were constructed in an era when energy efficiency was not a priority consideration and subsequently the thermal performance of these buildings is poor. Structurally they are in reasonably good shape however some exposed structural components such as balcony slabs and projecting shear walls require attention.

Professor Ted Kesik and Architect Ivan Saleff ran numerous simulations and concluded that these buildings represented cost-effective candidates for retrofit strategies.

The solid exterior masonry walls of these structures offer an excellent substrate for the support of "overcladding" systems and can cut the total energy requirements by one half.

However overcladding design, installation and commissioning will require a tremendous amount of building science expertise. This is a challenge that Canada is well equipped to tackle.

Overcladding Controls Rainwater

Overcladding offers a relatively simple solution to the problem of keeping rainwater out of buildings and there are several variations.

1. Basic overcladding which involves the installation of an air barrier and insulation protected by an exterior cladding applied to opaque wall elements (excluding balconies) and includes a replacement of the windows in the building.

2. Comprehensive overcladding involves the same approach as a basic overcladding however the cladding is installed over the entire opaque wall area and over open balconies and also includes a replacement of the windows in the building.

3. Integrated overcladding is somewhat more complex in that it involves installation of a secondary framing system that enables updating of building services and is more like a double façade that allows for natural ventilation and sound control. The ventilated cavity uses the pressure effects of the wind to dissipate the energy of driven rainwater and includes drainage paths that direct the water away from the cavity.

Advantages of Overcladding Systems

Overcladding technology is almost certainly an "exportable" technology. It will also lead to a tremendous amount of job creation opportunities and significant overall economic stimulus. Additional advantages include:

- Compared to demolishing the buildings and reconstruction overcladding is almost certainly more financially and ecologically reasonable.
- Improves thermal performance and air tightness.
- Enables transfer of the dew point outside the structural wall element.
- Optimizes the use of thermal mass.
- Overcladding contributes to improved sound insulation.

...Continued on Page 2

LONDON

11 & 23 MCCLARY AVENUE
November 2010 30 Suites $1,545,764

This property was listed by Skyview Realty Ltd and sold by a cooperating agent. The property consisted of two buildings located in central London, neighbouring residential homes and other rental properties. Both buildings' suites were separately metered for hydro. The buildings had potential upside on existing rents. At the time of sale there was only one vacancy but some capital improvement items remained outstanding.

BELLEVILLE

19ABC BENJAMIN STREET
November 2010 36 Suites $1,900,000

This property was listed by Skyview Realty Ltd and sold by a cooperating agent. The property consisted of three buildings, with 12 units each, sharing a common parking lot and driveway. This property was well located in the heart of Belleville, close to schools and amenities. Tenants paid their own hydro and heat, with electric baseboard heating and electric hot water tanks. The buildings required some work prior to closing.

TORONTO

2252 DUNDAS STREET WEST
November 2010 8 Suites $1,182,500

This building was listed by Skyview Realty Ltd. and sold by a cooperating brokerage. This attractive building was in an excellent location with close proximity to public transit (Bloor Subway) and commercial amenities. The building experienced rents above market average due to the individual units which were larger and featured some decorative fireplaces. The tenants paid their own hydro, and at the time of closing, the building had one upcoming turnover.

At Skyview, We Don't Just List Apartment Buildings... We SELL Them!

Overcladding Technologies

Cont'd from Page 1

- Quality control is improved as the insulation coverage is visible.
- Avoids internal building work and can be installed with minimal impact on occupancy.
- Increases the life expectancy of the building.
- Does not reduce the size of the rooms.
- Limits disruption to the fabric of the building.
- Renews ageing exterior facades and improves appearance of structure.
- Lowers maintenance costs and allows upgrading of building services.
- Improves air quality and general comfort
- When controlled ventilation is supplied overcladding helps eliminate internal problems such as dampness, condensation and mould growth.

And last but not least overcladding retrofits eventually pay for themselves.

Limitations of Overcladding Systems

- Overcladding systems may not be as durable as solid construction and as a result in damage can lead to dampness and weathering problems.
- Overcladding process can take a considerable length, requires state–of–the art scaffolding systems to complete and may be quite noisy.

These factors may annoy tenants however there are strategies to address these issues.

- Detailing is critical and requires knowledgeable design and care during installation.
- The installation of overcladding systems is premature where an existing substrate is structurally unsound or where repairs have not been completed.
- Overcladding systems are not generally suitable for historic buildings.

Challenges

The existing condition of these buildings ranges everywhere from reasonably good to urgently in need of attention and must be established by an initial conditional assessment to determine feasible strategies and associated costs.

When we examine the numerous high-rises in Toronto we also encounter almost every construction material and system employed over the past 40 years - not to mention balconies, ledgers, canopies, parapets, disconnect enclosures, roofing components and a whole host of building appendages.

The key performance issues in broad terms are safety, occupant comfort, stability, structural performance, acoustics, energy efficiency, control strategies, air quality/ventilation, daylighting, maintenance/cleaning and cost.


Shown is a conceptual rendering of an "overclad retrofit" of a high-rise building published in the Tower Renewal Guidelines by Ted Kesik and Ivan Saleff. (Copyright 2000) http://www.daniels.utoronto.ca/trg

Overcladding designs will need to consider a comprehensive list of performance criteria, of which many may be unknown quantities at the present time, such as connection details, fasteners, thermal & moisture movement, loads on the system, maintenance and serviceability.

The designs will also need to consider acoustics, air permeability, cavity ventilation, water penetration resistance, condensation, fire performance, electrical continuity and the potential for corrosion.

In the author's view what we're really looking at is a building science challenge. This is a challenge that Canada is well equipped to tackle. Another key factor, as one might expect, is in need for financial incentives and issues related to the building permit process, building code and by-law requirements.

Keeping the Water Out – The Rainscreen Principal

Traditional wall construction, which focused on caulking all of the joints in the wall assembly, has never worked effectively over the long term because of the practical difficulties involved in achieving a perfect seal and the differential expansion & contraction caused by the elements and UV radiation.

A large percentage of the buildings in North America have been constructed using this method and looking back now with the benefit of hindsight this approach appears misguided - and we are paying for it. Over the past 10 years the approach to wall construction has moved to the concept of employing "rainscreen" technology.

As a result most of these retrofit projects will likely involve the application of various forms of rainscreen overcladding systems that came into use in Europe in the 1970s.

Two excellent sites for readers wishing to obtain more detail are listed.
www.nrc-cnrc.gc.ca/eng/ibp/irc/ctus/ctus-n17.html
www.aaa.ab.ca/pages/members/media/RainScreenWallQAwa.pdf

The rainscreen principle involves intentionally leaving the joints in the façade open in order to allow air to move freely between the exterior environment and the interior cavity. This results in pressure equalization between the two.

In a rainscreen the air is trapped in the cavity. Therefore the air pressure equalizes between the exterior and the interior. In theory when the pressure outside and inside equalize the pressure to push water into the cavity is zero. The vent holes and the base flashings at the bottom of the wall permit any water that has penetrated the cladding to drain. Air that is continuously flowing through open joints also provides ventilation for the interior cavity. This ventilation is important because aids in the prevention of heat build-up and also maintains the effectiveness of thermal insulation by promoting the drying of any penetrating humidity in colder climates.

Brian Burton is a regular columnist for Glass Canada and a Business Development Consultant for Kleinfeldt Consultants Ltd. Brian was recently appointed to the Personnel Committee for the Canadian Standard Council's new Fenestration Installation Technician Certification Program. He can be reached at bburton@kcl.ca or visit www.kcl.ca

This article was originally published in FRPO's FE Magazine - www.frpo.org

TRENTON

- Asking $1,485,000
- Asking $61,875 per suite
- 5 Minutes from CFB Trenton
- 2 Buildings of 12 Suites Each
- Large Lot Size with Ample Parking
- Tenants Pay Own Hydro
- Roof Updated in 2007
- Balconies New in 2009
- 2 x One Bedrooms
  22 x Two Bedrooms
- Good Size Units
- Superintendent Currently Offsite
- $50k Spent on Septic Remediation, Reducing Septic Expense in Half
- 7.9% CAP Rate 25.3% R.O.I.
- Seller may Consider VTB

24 Suites

TORONTO

- Asking $9,450,000
- Asking $69,485 per Suite
- Great North York Rental Location near Schools, University, and All Amenities
- Currently Fully Occupied
- Recent Upgrades include 100% of Windows, Updated U/G Parking, and Submetering
- Additional Annual Income from Rogers Antenna on Roof
- 2 x Bachelor
  42 x One Bedrooms
  79 x Two Bedrooms
  13 x Three Bedrooms
- 7.7% CAP Rate 24.5% R.O.I
- Ex. 1st Mortgage of Approx. $2,861,383 at 6.3% due May 2023 to be Assumed
- Ex. 2nd Mortgage of Approx. $1,692,124 at 3.85% due Feb 2015 to be Assumed

136 Suites

NIAGARA FALLS

- Asking $4,950,000
- Asking $69,718 per Suite
- Property is Very Clean and Well Maintained
- Building 1 has 36 Suites, Building 2 has 35 Suites
- Both Buildings have Similar Layout and Appearance
- Recent Upgrades include Suite Laminate Flooring, Water Protection Layer on Balconies, and Landscaping
- Thermo Windows
- 1 x Bachelors
  14 x One Bedrooms
  32 x Two Bedrooms
  24 x Three Bedrooms
- Great Tenant Profile
- 6.7% CAP Rate 18.8% R.O.I.
- Building 1 Treat Financing as Clear
- Building 2 has Ex. 1st Mtg @ 5.653% due Aug 2012 paying $10,216.91 P+I
- Seller May Consider VTB

71 Suites

COURTLAND

- Asking $675,000
- Asking $56,250 per Suite
- Property in Very Good Condition
- Located a Short Drive from Tillsonburg and London Area
- 2.4 Acres of Land with Possible Further Development Potential
- On Septic System - in Good Condition
- 2 x Bachelor (Small 1 Br)
  6 x One Bedrooms
  2 x Two Bedrooms
  2 x Three Bedrooms
- Converted from Former School House
- 7.0% CAP Rate
- 24.3% R.O.I
- Treat Financing as Clear

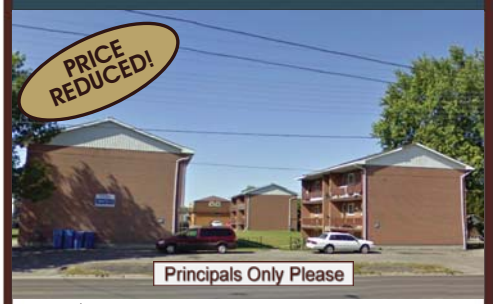
12 Suites

ORILLIA

- Asking $1,239,000
- Asking $77,438 per suite
- Good Location, Close to Downtown & Highway Access
- All Suite Windows Updated with Vinyl Thermal
- Some Units Updated with Laminate and Ceramic Flooring
- Some Electrical Panels Replaced
- 1 x Bachelor
  4 x One Bedrooms
  8 x Two Bedrooms
  3 x Three Bedrooms
- Common Hallways Freshly Painted
- Individual Meters
- 7.6% CAP Rate
- 28.3% R.O.I.
- Treat Financing as Clear

16 Suites

BELLEVILLE



- Asking $1,375,000
- Asking $57,292 per Suite
- Four 6-Plex Buildings on a Good Sized Lot
- Four HWG Boilers & Four Hot Water Tanks Less than 1 Year
- Pitched Shingle Roof 9 Years Old
- Thermo Windows
- Located on Major Street, with Easy Access to Highway 401
- 4 x One Bedrooms
  20 x Two Bedrooms
- Currently has a Good Offsite Superintendent
- Tenants Pay Own Hydro
- Good Sized Suites
- 8.3% CAP Rate
- 33.2% R.O.I.
- Treat Financing as Clear

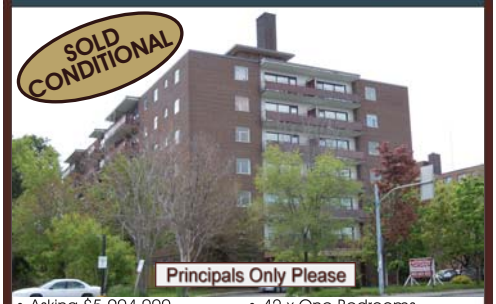
24 Suites

NIAGARA FALLS

- Asking $115,000!!!
- Fantastic Opportunity with a small Income Property for a New or Seasoned Investor.
- 2 Commercial Units on Main Floor and 2 - 1 Bedroom Apartments on Second Floor with Separate Entrance
- Situated on a Corner Lot with Good Exposure
- Located in Residential Area only 2 Minutes from the Falls and Casinos
- Close to Highway 420
- Property is Currently Vacant
- Commercial Units suitable for Deli, Barber Shop, Nail Salon, Convenience Store
- Property being Sold 'As Is', 'Where Is'

2+2 Suites

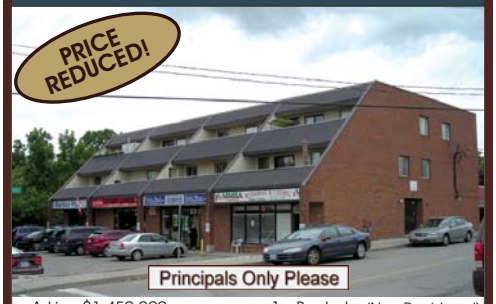
TORONTO



- Asking $5,904,000
- Asking $72,000 per suite
- Building Requires Repositioning
- Rents Significantly Below Market
- Suites feature Above Average Square Footage
- Recent Upgrades: Plumbing, Balconies, Canopy, Underground Walkway
- 42 x One Bedrooms
  34 x Two Bedrooms
  6 x Three Bedrooms
- Located in Great Rental Area
- 6.0% CAP Rate
- 17.4% R.O.I.
- Treat Financing as Clear
- Seller will Consider VTB
- Pending City Work Order on Rehabilitation Audit

82 Suites

ALLISTON



- Asking $1,450,000
- Asking $96,667 per Suite
- Separate Hydro for Commercial Tenants
- Good Sized Apartments
- On-Site Superintendent
- 12 Parking Spots on Lot
- Plenty of Free Municipal Parking Close By
- 1 x Bachelor (Non-Registered)
  10 x Two Bedrooms
  4 x Commercial Units
- 7.7% CAP Rate
- 28.8% R.O.I
- Treat Financing as Clear
- Purchaser to Arrange Own Financing

11+4 Suites

industry report
trends and services

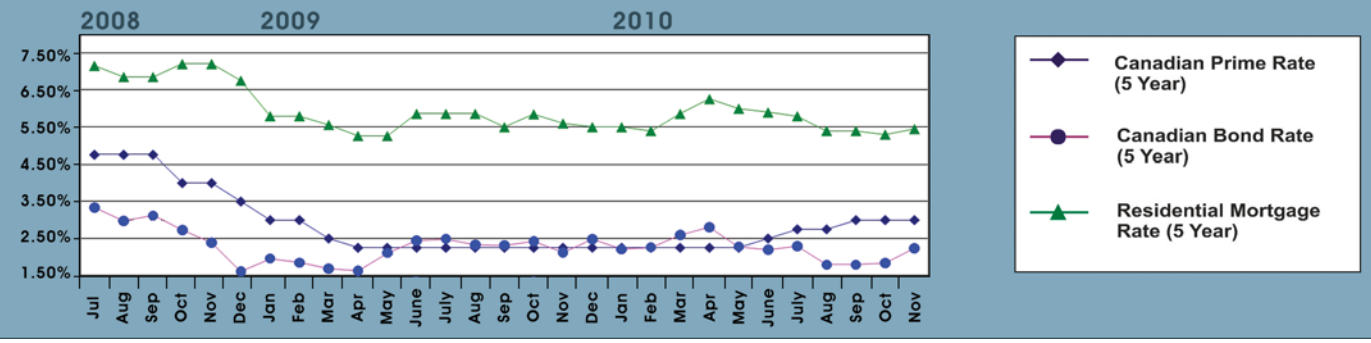
SKYVIEW'S RECOMMENDED SERVICES

MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

75-89 GOSFORD BLVD North York	Nov. 01, 2010	91 Units @ $ 73,176	$ 6,659,000
9-15 THIRTYTHIRD ST Etobicoke	Nov. 01, 2010	93 Units @ $ 50,161	$ 4,665,000
80-100 TWENTYFIFTH ST Etobicoke	Nov. 01, 2010	74 Units @ $ 51,824	$ 3,835,000
40,60 TYNDALL AVE Toronto	Oct. 29, 2010	134 Units @ $ 57,015	$ 7,640,000
135-139 WELLINGTON ST W Barrie	Oct. 29, 2010	77 Units @ $ 82,468	$ 6,350,000
50 DRIFTWOOD AVE North York	Oct. 29, 2010	108 Units @ $ 49,630	$ 5,360,000
126 BELLAMY RD N Scarborough	Oct. 21, 2010	253 Units @ $ 67,031	$16,958,755
45 ARKLEDUN AVE Hamilton	Oct. 20, 2010	36 Units @ $ 54,167	$ 1,950,000
550 WESTMOUNT RD W Kitchener	Oct. 06, 2010	57 Units @ $ 68,421	$ 3,900,000
653 MAJOR MACKENZIE DR E Markham	Sep. 30, 2010	64 Units @ $114,647	$ 7,337,400
3370 HAVENWOOD DR Mississauga	Sep. 30, 2010	52 Units @ $102,404	$ 5,325,000
181 COLBORNE AVE Richmond Hill	Sep. 30, 2010	29 Units @ $137,712	$ 3,993,650
120 DUNDAS ST E Mississauga	Sep. 29, 2010	155 Units @ $119,677	$18,550,000
40 TRETHEWEY DR, 3 GREENTREE CRT Toronto	Sep. 21, 2010	86 Units @ $ 60,465	$ 5,200,000
1751 VICTORIA PARK AVE Scarborough	Sep. 02, 2010	35 Units @ $ 71,429	$ 2,500,000
3875 SHEPPARD AVE E Scarborough	Sep. 01, 2010	155 Units @ $ 87,742	$13,600,000
70 DRURY ST Bradford	Sep. 01, 2010	107 Units @ $ 84,436	$ 9,034,600
399 MARKHAM RD Scarborough	Aug. 19, 2010	251 Units @ $ 69,622	$17,475,000
160 ESSEX AVE Richmond Hill	Aug. 13, 2010	93 Units @ $134,194	$12,480,050
135 ATHERLEY RD Orillia	Aug. 12, 2010	48 Units @ $ 81,250	$ 3,900,000

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

WATCH ON INTEREST RATES



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Winter 2011

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