

DANNY'S CORNER



Hoping that you and yours had a fantastic holiday season! As is our annual tradition, the Skyview Team gathered toy donations for the children at Holland Bloorview Kids Hospital in honour of you, our valued clientele.

2015 was a good year! We saw financing rates remain stable and relatively low throughout the year, and this fuelled a good number of sales in the marketplace. Here at Skyview, we certainly saw a rise in the number of transactions being completed as we drew closer to the year end.

Throughout the province we have noticed a trend towards the industry starting to branch out more into second and third tier markets. Previously, smaller markets were somewhat standalone and independent of the overall market however there is new interest in these towns and cities, as purchasing values are often more in line with the financing values set by the lenders and CMHC. Rental incomes are also on the rise in smaller cities as well, reaching levels closer to what you would find in larger cities like Toronto, the GTA suburbs, or Hamilton.

Our article in this newsletter issue deals with Preventative Maintenance at your rental properties. Many owners are starting to implement programs like these to tackle necessary repairs early for greater cost savings, efficiencies, and prudent budgeting. As you know, there are always "surprises" that arise in the repairing and maintaining of multi-unit residential properties, however a proactive plan can help to alleviate the pressure of these surprises. I trust this article will help you think of ways you can improve your systems for greater returns on your properties.

As we enter into 2016, I wish you a wonderful and successful year ahead! If my team can be of assistance to you and your investment properties, we welcome your phone call. I also welcome you to visit our website at any time to learn more about Skyview's unique approach to selling apartment buildings.

- Danny Iannuzziello

How to Start a Preventive Maintenance Program

By Emma Finch, FacilityDude

The question of how to start a preventive maintenance (PM) program is extremely common, and for good reason. With budgets tight and workers stretched thin, PM has become a nice-to-have instead of a must-have for many organizations. Many operations and maintenance crews find themselves operating in a reactive environment, never knowing what major equipment failure will occur next. It can be daunting for these crews to think about trying to shift to a more proactive workload.

Best practices suggest that 30 per cent of all work should be preventive and 90 per cent of work orders should be generated by PM inspections. Sounds good, but again, how does a team move from little to no proactive work to spending nearly a third of its time on proactive work?

First off, be assured that increasing the overall percentage of preventive maintenance is an achievable target for any operations and maintenance team. The key is to transition from short-term fixes to long-term improvements in small increments.

Start by focusing on one mission-critical system, such as the HVAC. Set up maintenance schedules based on manufacturer guidelines and warranty conditions. As a bonus, cleaning and inspecting HVAC equipment's various parts can reduce the energy costs associated with the system by up to 50 per cent.

Once routine maintenance schedules are established for one system, move on to another critical system, such as the roof. Again, set up maintenance schedules, documenting current conditions for future reference. An effective PM program can extend the life of a roof system by years and ensures that, as the roof reaches the end of its life, it can be replaced as a scheduled event rather than in an emergency situation.

Creating schedules for these two systems alone can usually move a workload close to 20 per cent proactive maintenance. Contin-

ue on in this way to build PM schedules for all systems. Concentrating on one system at a time builds a PM program at a comfortable speed, which allows the team to get used to a certain level of scheduled work before more is introduced. As PM schedules are established for each system, reactive work will start to decline as problems that may have cropped up later, in a bigger capacity, are caught early.

Implementing a comprehensive PM program takes time, but for those functioning in mostly reactive environments, making small changes means less chaos to deal with on a daily basis and more time to focus on proactive work. Research supports the 80/20 rule in facilities: 80 per cent of a facility's maintenance issues can be addressed by performing preventive maintenance on only 20 per cent of the facility's systems, so starting with the major systems can greatly reduce the emergency workload.

Another consideration for a PM program is whether a maintenance crew can be dedicated solely to emergency work while the rest of the crews spend their time on proactive activities. It's common for all technicians to be available to handle reactive work. While that can be a suitable approach, it can also lead to confusion.

A crew may not be prepared for a call when it comes in, or the crew may have to stop work on something that's more important in the long term but less so in the immediate moment. Think about travel time, too, because that's one of the biggest drawbacks of a highly reactive work environment: the amount of time spent traveling from one unexpected job to another can end up being significant.

If the maintenance team isn't big enough to devote multiple people to reactive work, then think about designating one person as the go-to reactive worker so that everyone else can continue on with preventive activities.

...Continued on Page 2

...Preventive Maintenance Program - Cont. from Page 1

Team members can take turns serving as the go-to reactive worker so that everyone builds experience with both reactive and proactive maintenance work. The result is a stable schedule for team members doing PM that leaves team members available to respond to situations that require immediate attention.

So, how do you implement a preventive maintenance program? One system at a time. It's a process that starts with small steps and requires consistency and patience. Consider this: studies indicate that 70 to 85 per cent of equipment failures are self-induced, meaning their cause can be traced back to improper maintenance practices.

The benefits of performing regular preventive maintenance so far outweigh the consequences of not doing it that, for an organization to ensure optimal equipment life at minimal cost, it's absolutely a must-have. A full PM program is not beyond the reach of any team. The sooner the process is started, the sooner its benefits can be realized.

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Management and Design

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!



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. \$890,000 @ 5.433% due Aug 2017 to be Assumed

NIAGARA FALLS

EXCELLENT
CONSTRUCTION

GREAT SUITE
MIX



Principals Only Please

57 Suites

- Asking \$5,075,000
- Asking \$89,035 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
- Parking Lot Being Resurfaced by Owner
- 1 x Bachelor
- 22 x One Bedrooms
- 34 x Two Bedrooms
- Walking Distance to Via Rail Station
- Well Constructed Concrete Building
- 5.7% CAP Rate
- 13.9% R.O.I
- Treat as Clear. Purchaser to Arrange Own Financing

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

GRIMSBY

CONDO
STATUS

RESIDENTIAL
MTG AVAILABLE



Principals Only Please

7 Condo Townhomes

- Asking \$1,275,000
- Asking \$182,143 per Suite
- Attractive Townhomes Built in 1995
- Brick Construction Which Includes Decorative Corner Brick & Concrete Foundation
- Each Townhome with Full Basement, A/C, Furnace & Hot Water Tank
- 7 x Three Bedrooms
- Parking Lot at Rear of Buildings
- In Area of Newly Developed Homes
- Currently Fully Rented
- Veranda for Each House
- 5.0% CAP Rate
- 13.2% R.O.I
- Treat Financing as Clear

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
- Excellent Tenant Profile
- Property is Full of Character and very Appealing to Tenants
- 2 x Two Bedrooms
- 3 x Three Bedrooms
- Potential Upside on Some Rents on Turnover
- 4.0% CAP Rate
- Treat Financing as Clear

BELLEVILLE

25.7%
R.O.I

TREAT AS
CLEAR



Principals Only Please

12 Suites

- Asking \$1,189,000
- Asking \$99,000 per Suite
- Tidy 12 Plex with On-Site Superintendant
- 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
- 25.7% R.O.I
- Treat as Clear. Purchaser to Arrange

TORONTO

PRIME
LOCATION

YONGE &
EGLINTON



Principals Only Please

3 Suites

- Asking \$1,695,000
- Rare Opportunity in Desirable Davisville Village
- Owned by Same Family for More Than 25 Years
- Most Amenities within Walking Distance
- Owner will Deliver Vacant Possession
- 3 x Two Bedrooms
- Spacious Units
- Short Walk to Subway and Yonge St.
- Very Well Maintained
- Double Garage Parking Plus Surface Spaces
- Excellent for Family Use or Investment

HAMILTON

SOLD!

SOLD!



Principals Only Please

293 Suites + 2 Commercial

Sold at \$105,085 per Suite!
by Anne Meinschen, Pat Villani, and Arsalan Wathra
This condo converted property located in the east end of Hamilton, near Stoney Creek, had many upgrades over the recent years including new gas heating and hot water systems, separate hydro meters, and LED lighting. There was considerable upside potential on turnovers. The building was overall in good condition and did not experience vacancies other than natural turnover. The property was listed by Skyview Realty Ltd, Brokerage and sold through a co-operating brokerage.

NIAGARA FALLS

UPSIDE

LOW
MAINTENANCE
BUILDING



Principals Only Please

10 Suites

- Asking \$895,000
- Asking \$89,500 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
- 5.4% CAP Rate
- 14.3% R.O.I.
- Treat as Clear
- Contact Dani Pizzoferrato for More Details

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



Telephone: 416.368.3266
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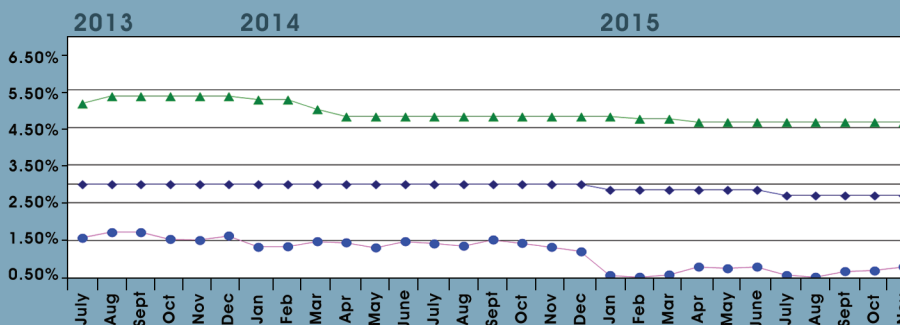
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MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

| | | | |
|---|---------------|-----------------------|--------------|
| 21 Grand Ave. & 25 Grand Ave., London | Nov. 13, 2015 | 55 Units @ \$129,091 | \$14,200,000 |
| 483 Linwell Rd., St. Catharines | Oct. 26, 2015 | 32 Units @ \$87,500 | \$2,800,000 |
| 1366 Elgin St., Burlington | Oct. 1, 2015 | 23 Units @ \$102,174 | \$2,350,000 |
| 20 Weichel St., Kitchener | Oct. 1 2015 | 15 Units @ \$85,000 | \$1,275,000 |
| 2323 Eglinton Ave. E., Scarborough | Sep. 11, 2015 | 75 Units @ \$137,067 | \$10,280,000 |
| 11917 Tecumseh Rd. E., Tecumseh | Sep. 10, 2015 | 98 Units @ \$102,041 | \$10,000,000 |
| 317 Park Lawn Rd., Etobicoke | Sep. 10, 2015 | 32 Units @ 150,000 | \$4,800,000 |
| 87-93 Cedar St., Kitchner | Sep. 8, 2015 | 36 Units @ \$159,722 | \$5,750,000 |
| 111 Lawton Blvd., Toronto | Aug. 10, 2015 | 152 Units @ \$302,632 | \$46,000,000 |
| 280 Morningside Ave., Scarborough | Sep. 1, 2015 | 165 Units @ \$114,545 | \$18,900,000 |
| 26 Maynard Ave., Toronto | Aug. 21, 2015 | 15 Units @ \$99,333 | \$1,490,000 |
| 390 Sundial Dr., Orillia | Aug. 11, 2015 | 23 Units @ \$93,261 | \$2,145,000 |
| 730 St. Clarens Ave., Toronto | Aug. 10, 2015 | 276 Units @ \$86,957 | \$24,000,000 |
| 1637-1645 Bathurst St., Toronto | Aug. 10, 2015 | 25 Units @ \$380,000 | \$9,500,000 |
| 2029-2055 Victoria Park Ave., Scarborough | Jul. 28, 2015 | 60 Units @ \$202,500 | \$12,150,000 |
| 22 Marley Place, London | Jul. 15, 2015 | 12 Units @ \$85,417 | \$1,025,000 |
| 54 Russell St., Kingston | Jul. 24, 2015 | 16 Units @ \$68,750 | \$1,100,000 |

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

Winter 2016

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