

SkyViews

Apartment Report - Winter 2020

DANNY'S CORNER



Happy New Year to all! May your 2020 be a year filled with success and joy! This month we are celebrating 30 years since the founding of

Skyview Realty! It's hard to believe that much time has passed as I think back on all the memories. I'm blessed to have been able to build great relationships with many of you in the multi-unit residential industry over the years. It is your stories and experiences that have taught me so much and helped Skyview Realty to become a leader in this industry. As we look to the years ahead, it is my hope that Skyview Realty will continue to lead the apartment building sector in Ontario and that we will continue to be a valuable resource for your investment decisions.

This newsletter's main article is a very relevant topic - saving money on utility costs - and one that we continue to monitor as new technologies emerge to assist in operating properties. Utilizing new technologies, like discussed in this article, is one of the ways that landlords are improving their bottom lines.

As it relates to utility costs, one service that Skyview Realty offers to its valued clients is the analysis of utility consumptions to determine efficiencies that could be achieved. Next time you are considering selling, ask us about how utilities can be factored in as part of our evaluation process. We'd be happy to assist!

- Danny Iannuzziello

AI-driven Energy Management Platforms

The smart new way to save on energy
by Brad Pilgrim, CEO, Parity, Inc.

The apartment rental landscape is changing. Utility costs are rising, creating the need for improved energy management. And while inflated home ownership costs are driving increased rental demand, a fact that might suggest more profitable investment returns for owners of apartment buildings, the growing cost of utilities is an ongoing challenge to building management bottom lines.

In the coming years, for instance, electrical costs in Canada are forecasted to increase dramatically. A report from the Canadian Gas Association suggests national Canadian energy costs will increase by approximately \$580 billion and \$1.4 trillion between 2020 and 2050. Inflation like this applies significant pressure on both apartment building owners and their operational budgets.

We know that buildings, especially multifamily dwellings, consume a tremendous amount of energy. In fact, all of Canada's buildings make up approximately 33 per cent of the country's energy use. We also know that the cost of energy consumption can make up 30 – 40 per cent of an apartment building's operating budget. This energy (electricity and gas) is primarily consumed by the building's heating, ventilation and air conditioning (HVAC) equipment.

Given the forecasted increases in energy costs, traditional means

of managing energy consumption and costs will quickly become unsustainable. This is a staggering amount of a building's operational budget being consumed by electricity, gas and water. Maintaining profitability will require more efficient energy management solutions. When current property management practices intersect with emerging technologies, we have the potential for significant energy savings, improved comfort and enhanced mechanical service response.

Property technology

Using information technology (IT) to increase property efficiency and tenant engagement is known as property technology ("proptech"). It's a new approach to more traditional, manual building operations and tenant engagement methods. In this case, proptech is modernizing apartment building boiler rooms and streamlining manual monitoring of apartment energy use, temperature control and equipment performance.

For both new and tenured property managers, exploring property technology that can help improve building operations financially and mechanically can seem intimidating at first. Where do you start? What is the best investment for your tenants and the age and style of your building?...

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Email: info@skyviewrealty.com

Website: www.SkyviewRealty.com

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

AI-driven Energy Management Platforms

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Retrofits are costly, solar panels are a big investment and not practical, and installation of some solutions can potentially be intrusive for tenants.

Artificial intelligence (AI) and big data have made their way into many aspects of our lives. Energy management platforms (EMPs) are no different. EMPs attach to existing HVAC equipment, collecting data about a building's energy use and the AI "learns" about the building, helping to identify and address opportunities for improved efficiency. Even dated boiler rooms and equipment can typically accommodate these smart systems.

How do EMPs work?

During an initial assessment building experts can identify what energy capacity a property currently has, where inefficiencies exist and, with the correct software implementation and efficiency equations, what opportunities there are for a property to realize energy and energy cost savings in the future.

Once the assessment has been completed and reviewed with the apartment building owner, installation can begin. Installation involves attaching smart sensors and controllers to current equipment, all of which requires very little capital investment in comparison to a full equipment retrofit.

With new sensors collecting the building's operational and energy use data, information is sent to the cloud. There, it uses advanced algorithms to calculate the best HVAC settings for the building under various conditions. A lean hardware automation system is all that is needed to carry out dynamic changes that can be

generated from the cloud. The changes in the building can typically be undertaken in less than a month with virtually no disruption in building operation.

Greater visibility

Like anything that's learning to perform better, a report card on performance can demonstrate areas where there have been significant improvements made. EMPs can produce a monthly savings report that illustrates savings and energy performance. Keeping tabs on building operations manually is both inefficient and impractical. Ensuring management has a pulse on a building's internal nervous system is key to smoothly operating a contemporary property, ensuring focus can be redirected to more immediate resident needs. Having greater visibility into a building's energy performance offers managers peace of mind.

Improved operational efficiency can also mean an overall better value rating for your property. Assessing the value of your apartment building and measuring it against your current operational budget might reveal how much value can be gained by making smart business investments into technological modifications.

As 2020 begins, apartment building owners are faced with reevaluating budgets for the upcoming fiscal year, and evaluating what areas of investment are worth time and money. Incorporating smart, AI-driven technology into your future operational plans can help produce better financial returns. Going into 2020 with better savings projections is certainly an attractive way to ring in both a new year and a new approach to efficient energy management.

For more information, please visit:
<http://www.paritygo.com>

2020 Rental Increase Guideline: 2.2%

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

**"We Don't
Just List
Apartment
Buildings...
WE SELL
THEM!"**



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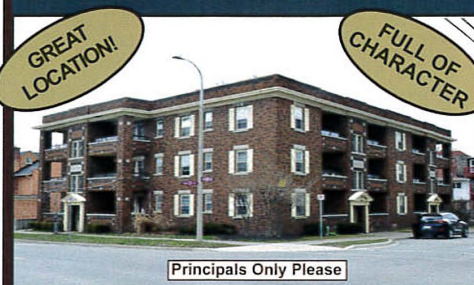
OSHAWA



- Asking \$15,885,000
- Located North of Highway 401 in East Oshawa
- Recent Improvements include: Parking Repaving, Suite Renovations.
- Majority of Tenants Pay All Their Own Utilities. The Rest will be on Turnover.
- Potential to Add 16 Additional Town Homes on Existing Land
- 1 x One Bedrooms
- 24 x Two Bedrooms
- 22 x Three Bedrooms
- 4 x Four Bedrooms
- 1 Bedroom Unit may be Legal Non-Conforming Status
- 4.1% CAP Rate
- Treat as Clear! Buyer may be able to Purchase with approx. 20% Down.
- Seller may Consider a VTB 2nd Mortgage

51 Unit Townhouse Complex

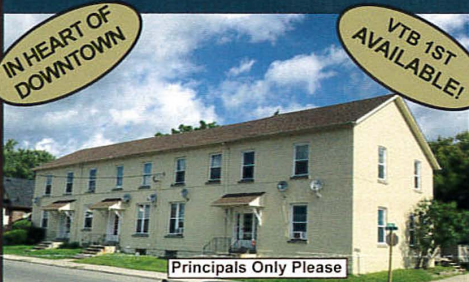
ST. CATHARINES



- This Property is being Offered to the Market in a Bid Submission Process
- Contact Skyview Realty for Financial Information on this Property
- Located in the Heart of Downtown St. Catharines
- Many Recent Improvements including Roof, Sidewalks, Balconies and Suites
- 6 x Bachelor
- 9 x One Bedrooms
- 6 x Two Bedrooms
- Old World Charm with Modernized Suites and Common Areas
- Tenants Pay Their Own Hydro
- Significant Upside on Rents already being Achieved
- Treat Financing as Clear!

21 Suites

BOWMANVILLE



- Asking \$1,450,000
- Asking \$131,818 per Suite
- Located on a Main Street in Beautiful Bowmanville
- Majority of Units have over \$300 in Upside on Rents per Month
- Tenants pay for their Own Hydro
- Each Unit has its own Water Shut-off Valve
- Exterior Re-Painted in Summer of 2019
- 9 x One Bedrooms
- 2 x Two Bedrooms
- Additional Income Potential by Adding Laundry and Charging for Storage
- Capital Improvements include Windows, Roof, Electrical and Plumbing
- 4.0% CAP
- Treat Financing as Clear!
- Seller will consider offering VTB 1st Mortgage with 25% Downpayment

11 Suites

OSHAWA



- Asking \$3,250,000
- Asking \$191,176 per Suite
- 8 of 17 Units have been Recently Renovated to Condo Quality Styles
- Building is now Submetered for Both Hydro and Water
- On Turnover of Remaining 9 units, only utilities will be common areas/laundry
- 8 x One Bedrooms
- 9 x Two Bedrooms
- Sloped Shingle Roof Replaced in 2018
- Great Local Off-Site Superintendent
- 4.6% CAP Rate
- Treat Financing as Clear
- Buyer to Arrange their Own Financing
- Contact Cliff Ford for More Details!

17 Suites

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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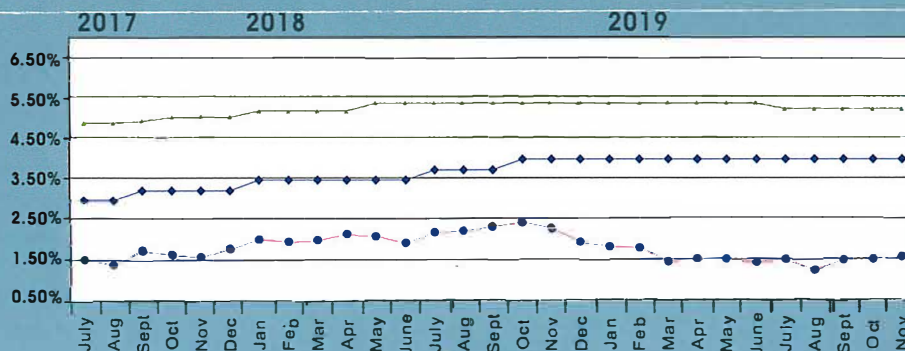
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MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

2 Glenhaven St, Toronto	Aug. 14, 2019	24 Suites @ \$229,167	\$5,500,000
160-190 Canterbury Crt, Sarnia	Aug. 30, 2019	155 Suites @ \$95,832	\$14,853,975
3101 Eglinton Ave E, Scarborough	Sept. 5, 2019	68 Suites @ \$289,706	\$19,700,000
2367 Queen St E, Toronto	Sept. 10, 2019	24 Suites @ \$224,583	\$5,390,000
2040 Eglinton Ave E, Toronto	Sept. 10, 2019	37 Suites @ \$251,081	\$9,290,000
778 Broadview Ave, Toronto	Sept. 10, 2019	39 Suites @ \$255,128	\$9,950,000
2701 Eglinton Ave W, Toronto	Sept. 10, 2019	49 Suites @ \$247,755	\$12,140,000
338-342 Donlands Ave, East York	Sept. 13, 2019	36 Suites @ \$186,944	\$6,730,000
5-9 Stag Hill Dr, East York	Sept. 13, 2019	68 Suites @ \$284,265	\$19,330,000
580 The East Mall, Etobicoke	Sept. 13, 2019	122 Suites @ \$311,230	\$37,970,000
296 Grenfell St, Oshawa	Oct. 1, 2019	37 Suites @ \$150,000	\$5,550,000
18 Steeles Ave E, Markham	Oct. 16, 2019	91 Suites @ \$304,945	\$27,750,000
96 Stanley St, Belleville	Oct. 21, 2019	12 Suites @ \$120,833	\$1,450,000
85-95 Gamble Ave, East York	Oct. 31, 2019	175 Suites @ \$342,357	\$59,912,500
3575 Bathurst St, North York	Nov. 1, 2019	61 Suites @ \$286,885	\$17,500,000
564 York St, London	Nov. 5, 2019	12 Suites @ \$107,083	\$1,285,000x

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 2020

PUBLICATION:

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

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