



SKYVIEW
REALTY LTD.
BROKERAGE

SkyViews

DISTRIBUTION TO OWNERS OF OVER 11,500 APARTMENT BUILDINGS

APARTMENT REPORT

SUMMER 2007

DANNY'S CORNER



Danny Iannuzziello
Broker of Record

In the past SkyViews newsletter issues, I have invited participants to write articles on current issues taking place in the marketplace, or on ways to improve revenue and/or lower operating expenses. In this issue I recognize that the ability of the Property Manager is a vital and crucial component of building ownership. A property manager may be either yourself or a third

party that you hire to manage your property. The manager's ability to deal with the day-to-day activities of operation and expertise related to increasing the value of your investment is key to your overall success over the years.

Skyview is extremely fortunate to have joined forces with Stan Cappe, a professional multi-unit apartment manager for the past thirty years. He is an industry leader and has headed multi-unit divisions for companies such as Greenwin Property Management and H & R Developments. As the new Business Manager of Skyview Realty, Stan brings a wealth of knowledge and experience to manage properties under the Skyview umbrella, and to share that knowledge and expertise with Skyview clients, looking to increase their investment's overall value. Stan will participate from time to time in contributing articles to our newsletter and will provide insight on various topics. In this issue, Stan identifies the initial strategies property managers should consider upon taking over a property.

In addition to Stan, we are extremely pleased to be associated with Joe Leone who has been active over the past 25 years in real estate in areas of consulting, sales, training, brokerage ownership/management, marketing, business development and land development. Most recently Joe has been involved in hiring and training new real estate salespeople. Joe joins Skyview in the capacity of Business Development Manager for the purpose of recruiting and training new sales people, as we continue to expand our business volume.

I am also proud to announce that Eric Wyckoff's role has now expanded to Sales Manager overseeing the sales transaction to a successful end.

I reported in our Spring newsletter of the significant volume of sales in the months of January and February 2007, and although we have not kept up the same pace, we are on a record pace of achieving our greatest year ever, and we are only half way through the calendar year. I acknowledge and pay tribute to our terrific team for their continued commitment to outstanding results which we all endeavour to deliver.

Professional Management - A Building's Best Investment

Management fees always appear on the expense side of the operating statement, but, while they are certainly a cash outlay, it is a misnomer to consider them as a "cost". In today's market of inexorably rising utility, realty tax, marketing and maintenance factors, professional management is, in reality, an investment in increasing the value of your property.

A "caretaker" manager can collect rents. A professional manager identifies those strategies that gain additional revenues and add to profitability. Each additional dollar gained multiplies seven to ten times in increased value for the property.

The professional manager can take on a site that has been neglected for some time. The tenants are unhappy. Its appearance is an eyesore and its mode of operations is not even out of the 20th (let alone the 21st) century. Rents are undervalued. Vacancies are rising.

Even before delving into operations and staffing and capital improvements the professional knows the basic appearance has to be addressed. "Curb appeal" is still the single most important factor in marketing rental units and, as a rental property is always in a marketing mode, it has to be "market-ready".

Next, a survey of the property and the units identifies key areas in need of improvement. The physical assets (structure, envelope, mechanical, electrical, life safety, grounds, common area aesthetics, etc.) are analyzed as well as the utility

The activity has no doubt been attributed to low interest rates, and although we are currently seeing a rise in the bond yield, we are still seeing significant investment funding available in the marketplace. Our cap rates continue to be significantly better than some other Provinces or other countries. To date this year other than Ontario investors, we have completed transactions with buyers from other provinces and are currently working with investors from Israel, California, Portugal and Saudi

consumption patterns to determine areas for savings.

An examination of the existing tenancies and occupancy patterns indicates the strength (or lack thereof) of the present revenue base. A survey of the market area surrounding the property establishes the potential that can be reached and the results that should be obtained. With the strategic goals and base lines established the professional plans out a program.

Financial parameters for budgets and funding are set out. The feasibility of revenue gains on turnover and through the regulatory process is ascertained. The steps of the program are initiated and carried through to completion.

The "caretaker" manager's approach would take modest rent increases; maintain occupancy by undervaluing the revenue stream and profitability by deferring items. The professional approach will aggressively increase revenue and value while boosting profitability and efficiency.

In further issues we show the results and ongoing progress of some actual cases.

Stan Cappe
Business Manager
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Arabia. Our website continues to attract local, national and international interest.

We look forward to providing continued and outstanding service to you.

Danny Iannuzziello
Broker of Record



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

For future mailing, please inform us if there is a change of address

E-mail: info@skyviewrealty.com • Website: www.skyviewrealty.com

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

RECENT TRANSACTIONS

193 - 197 MOHAWK RD., BRANTFORD

June 2007 \$1,850,000

This 31 unit townhouse complex was listed and sold by Skyview Realty Ltd. for \$1,850,000. A new First Mortgage was arranged for 75% of the purchase price. This townhouse complex has the potential to build 19 additional units. This complex needed new management in order to turn it around.



2329 KIPLING AVE., ETOBICOKE

May 2007 \$3,200,000

This 40 suite building was listed and sold by Skyview Realty Ltd. for \$3,200,000. Skyview Realty Ltd. facilitated by arranging a new CMHC First Mortgage. The Mortgage was CMHC insured for 75% of the purchase price at a rate of 5.09% due May 2017. The property was well maintained on closing with a good tenant profile and was fully occupied.



8800 WILLOUGHBY DR., NIAGARA FALLS

May 2007 \$2,120,000

This 36 suite apartment building was listed and sold by Skyview Realty Ltd. for \$2,120,000. Skyview Realty Ltd. assisted the buyer in arranging an assumption of the existing First Mortgage and increasing the amount to 75% of the purchase price with a blended interest rate of 4.98% due September 2010. Building was in average condition on closing.



67 ONTARIO AVE., HAMILTON

March 2007 \$401,500

This building was listed and sold by Skyview Realty Ltd. for \$401,500. The buyer had a 25% downpayment and assumed and increased the existing First Mortgage with a blended mortgage of 4.71% due Dec 2008. The building was in excellent condition and had a lot of old charm from the 1800s with fabulous wood trim and doors. The buyer realized a 21.4% R.O.I.



3440 PETER ST., WINDSOR

March 2007 \$2,780,000

This building was listed and sold by Skyview Realty Ltd. for \$2,780,000. The buyer had a 5% downpayment and assumed an existing CMHC First Mortgage at 5.15% to July 2008. The seller facilitated with a VTB at 5%. The building had significant vacancies on closing, and required cosmetic upgrades to the suites. Good upside potential. Buyer realized a 71.8% R.O.I.



514 DAWES RD, TORONTO

March 2007 \$2,340,000

This 34 suite apartment building was listed and sold by Skyview Realty Ltd. The First Mortgage was assumed by the buyer. The seller facilitated with a VTB Mortgage for the balance of the purchase price with 20% downpayment. Well located building. Fully occupied on closing.



17-19 COLLIER ST., ST. CATHARINES

March 2007 \$1,800,000

This building was listed and sold by Skyview Realty Ltd. for \$1,800,000 to investors from Alberta. A new CMHC First Mortgage was arranged by Skyview Realty Ltd. for a 10 year term at 4.81%. Building was fully occupied, however was in need of a better tenant profile.



4-8 GRANT BLVD., DUNDAS

February 2007 \$1,770,000

This 29 suite building was listed and sold by Skyview Realty Ltd. in conjunction with 5-7 Don St., A 23 suite building. Existing financing was assumed by the buyer. A VTB for \$600,000 at 2.5% for 4 years facilitated the sale. The buyer had a 35% downpayment.



5-7 DON ST., DUNDAS

February 2007 \$1,405,000

This 23 suite building was listed and sold by Skyview Realty Ltd. in conjunction with 4-8 Grant Blvd., A 23 suite building. Existing financing was assumed by the Buyer. A VTB for \$113,500 at 2.5% for 2 years facilitated the sale. The buyer had a 35% downpayment.



408 BLOOR ST., OSHAWA

February 2007 \$1,325,000

This 22 unit building was listed and sold by Skyview Realty Ltd. for \$1,325,000. Skyview Realty Ltd. assisted in assuming and re-arranging the CMHC First Mortgage at 4.61% due January 2011. The building was well kept with only one vacancy on closing.



For these and other buildings we have for sale please call (416) 444-6545 Fax (416) 444-6997



TORONTO
65 Suites

- Asking \$4,480,000
- Asking \$68,923 per suite
- New balconies with waterproofing
- New HWG boilers in 2001
- All plumbing risers completed
- Easy conversion to individual hydro meters
- Fire retrofit complete with letter of compliance
- All units have updated breaker panel
- 4 x Bachelors
- 35 x One Bedrooms
- 21 x Two Bedrooms
- 5 x Three Bedrooms
- 7.2% CAP Rate, 17.6% R.O.I.
- Ex. 1st Mortgage of \$2,657,423 @ 7.05% paying \$21,902.94 due Dec 09 Avg Mtg. rate of 5.524% with VTB
- 17.5 years amortization remaining on 1st Mortgage



ORILLIA
60 Suites

- UNDISCLOSED ASKING PRICE
- Brand new building
- Property Taxes exemption for approx. 20 years
- Next door to MURF development site, Orillia's new indoor/outdoor recreation and meeting facilities, see www.city.orillia.on.ca for details
- 27 x One Bedrooms
- 33 x Two Bedrooms
- Registered condominium
- 45 units subject to Affordable Housing Program (ask agent for details)
- Mortgage: treat as clear or assume existing 1st mortgage for \$4,500,000 at Canada Bond + 100 basis points



ST. THOMAS
51 Suites

- Asking \$2,038,000
- Asking \$39,961 Per Suite
- New ceiling in ground level hallway
- Rent below market with upside potential
- 75 space parking lot paved in 01
- 28 fridges and 16 stoves recently replaced
- Individual meter potential
- Three new risers employers
- 10 x Bachelors
- 21 x One bedrooms
- 20 x Two bedrooms
- Good location to all major
- Fire Retrofit complete with letter of compliance
- 8.1% CAP Rate, 22.6% R.O.I.
- Existing 1st Mortgage of \$1,200,000 @ 6.55% paying \$8074.29 due Jan 2009
- VTB to sell



BELLEVILLE
36 Suites

- Asking \$1,900,000
- Asking \$52,777 per suite
- Tenants pay own hydro
- Tenants pay own heat
- Excellent tenant profil
- Excellent suite mix
- Fully occupied with waiting list
- Large lot with extra parkin
- Family oriented complex
- 3 x One Bedrooms
- 33 x Two Bedrooms
- Potential upside with some rents below market valu
- 8.3% CAP Rate
- 27.0% R.O.I.
- Existing 1st Mortgage of approx. \$1,164,778.51 at 5.15% paying \$7,439.11 P&I due Dec 08



NIAGARA FALLS
35 Suites

- Asking \$2,250,000
- Asking \$64,286 per suite
- Individual Hydro Meters
- Easy conversion for tenants to pay own Heat and Hydro
- Thermo Windows & Patio Doors
- Upgraded Balconies with water protection layer
- Units are a good size & shape
- Very Good Tenant Profile
- 9 x One Bedrooms
- 14 x Two Bedrooms
- 12 x Three Bedrooms
- Most suites have been upgraded
- Fire Retrofit Completed
- Very clean and well managed
- Existing First Mortgage @ 5.032% pays \$8,745.58 P+I Monthly due March 2009
- View more pictures at: www.skyviewrealty.com



TORONTO
35 Suites

- Asking \$2,550,000
- High efficiency HWG boiler in 2006
- High efficiency domestic HWG boiler in 2006
- Thermo windows
- Updated lobby
- 90% new fridges
- State of the art security system
- 17 x One Bedrooms
- 18 x Two Bedrooms
- CMHC insured
- 7.0% CAP Rate
- 21.9% R.O.I.
- Existing first mortgage of approx. \$1,929,679 @ 4.34% pays \$10,819 P&I /month due December 2010



HAMILTON
21 Suites

- Asking \$810,000
- Asking \$38,571 per suite
- Thermo windows
- 400 amp service
- Hardwood floors
- Fire Retrofit completed
- New HWG boiler in 2007
- Kitchen cabinets & tops 90% done in 2005
- Bathroom sinks 50% replaced in 2005
- 3 x Bachelors
- 12 x One bedrooms
- 6 x Two bedrooms
- New railing & spindal on fire escape stairs
- Seller is building new laundry room
- 8.8% CAP Rate, 27.2% R.O.I.
- Existing 1st Mortgage of \$541,000 @ 5.73% pays \$3,462.68 due March 2010



PENETANGUISHENE
10 Suites

- Asking \$729,000
- Asking \$72,900 Per Suite
- Tenants pay own Hydro
- Tenants pay own Heat
- Thermo Windows
- Roof replaced in last 5 years
- 11 Lockers & 10 Parking Spaces
- Easy to manage with very
- 7 x One Bedrooms
- 2 x Two Bedrooms
- 1 x Three Bedrooms
- One Unit to be completed by Purchaser
- Fire Retrofit to be completed by Seller
- 7.9% CAP Rate 22.2% R.O.I.
- Treat Mortgage as Clear
- More photos: www.skyviewrealty.com



HAMILTON
8 Suites

- Asking \$525,000
- Asking \$65,625 per suite
- Excellent tenant profile
- Very attractive and spacious
- Quiet family residential neighborhood
- Upgraded kitchens and bathrooms
- New hot water tanks
- New roof in 1996
- 1 x One bedroom
- 6 x Two bedrooms
- Requires very little management
- Very low vacancy rate
- New HWG heater in 1997
- 19.6% R.O.I.

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industry report

trends and services

OUR TEAM



TORONTO 30 Suites

- Asking \$2,350,000
- Asking \$78,333 per suite
- New high efficiency boiler in 2003
- New roof in 2005 with 5 year warranty
- Elevator mechanicals partially rebuilt
- 20 fridges and stoves less than 1 year old
- This is a fabulous building that shows extremely well
- 7 x One bedrooms
- 20 x Two bedrooms
- 3 x Three bedrooms
- Potential for individual hydro meters
- Fire Retrofit complete with Letter of Compliance
- Fully occupied with good tenants
- 7.4% CAP Rate 18.0% R.O.I.
- Treat mortgages as clear VTB to sell



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Broker of Record



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Sales Manager



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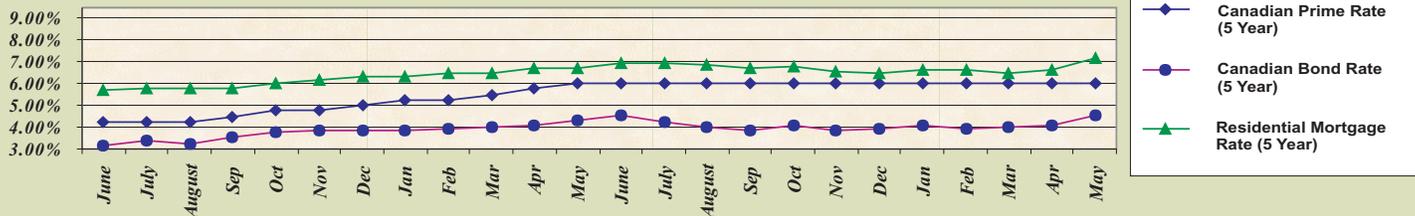
We Don't Just List
**APARTMENT
BUILDINGS**
WE SELL THEM!!!

WATCH ON INTEREST RATES

2005

2006

2007



SkyViews SUMMER 2007

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