



**SKYVIEW**

REALTY LTD., BROKERAGE

# SkyViews

Apartment Report - Spring 2010

## DANNY'S CORNER



Spring has begun to show signs of birth and we are already starting to see a tremendous amount of activity in our market. To see for yourself, pay attention to my website in the coming weeks and be sure to send us your email

address to be one of the first to receive our property listing updates.

There have been a lot of rumours circulating recently regarding changes at CMHC and the new HST coming in a few months. I thought I would share with you what we are hearing from our sources in the industry.

CMHC recently announced new measures to ensure stability in the lending market. It is our understanding that smaller income properties (under 4 units) will be affected by an increase in the minimum downpayment, from 15% to 20%. For the majority of us in the multi-unit residential industry, however, there will be no difference to our current lending requirements.

Many have been asking how the HST will affect our industry as well. The biggest impact of this new tax will be as it relates to operating expenses, predominantly items like insurance, utilities, repairs and maintenance, and professional services. With an increase of 8% in our overall property expenses, our net operating income will decrease. As you are aware, values of buildings are derived from the net income, therefore with the decrease in net income, the values of buildings will decrease accordingly.

The government is currently considering an above guideline increase to offset the HST costs, however, if your rents are currently at market rents you may not have the option of increasing.

Thank you for your continued support of Skyview and do let us know how we can support your business in any way.

■ Danny Iannuzziello

## Avoiding the DAWG Factor

Simple Ways to Make Your Building's Value Shine Through

Now and then I get the privilege of touring properties with other potential buyers and have often heard an expression used to describe buildings that would make an owner cringe. Whenever a building is not nearly reaching its potential esthetically, a potential buyer will refer to the property as a "dog".

In the spirit of the younger generation, I am going to address these types of properties with a little bit of English slang. We will look at ways to avoid what I call the "DAWG factor". Whether you are looking to improve tenant retention or are considering selling your property in the coming months, focusing on these four key areas will allow the value of your property to shine through and avoid them becoming the easy distraction.

### "D" is for Dirty

Nothing puts off a potential buyer or tenant quite like seeing dirty common areas in a building. Just as in residential properties, curb appeal (both indoors and out) plays an important role in a person's decision making process. When you are showing your property to people, ensure that your common areas give the impression that the building is cared for. You would be surprised how many buildings do not take the time to do the simple things.

Taking the Dirty factor out of your property can be as simple as:

- Cleaning the dead bugs out of light fixtures
- Dusting ledges, handrails, and the tops of radiators
- Organizing the laundry and utility areas

Not only are these items easy fixes, but they can play a significant part in obtaining an offer on your property or securing that new tenant.

### "A" is for Aged

Potential buyers and tenants both have critical eyes when viewing your property for the first time. One of the tell-tale signs that

a building is being neglected is by the age of the property - or at least the age it appears to be due to its condition. Whether the building's age is 10 years old or 60 years old is irrelevant, the impression of age is what you want to consider.

Simple things can be done to improve the appearance of age at your property:

- Replace older equipment (utilities, intercoms, mailboxes) to give a modern-day impression
- Upgrade suites to remove dated styles and furnishings
- Common areas should be painted using neutral, timeless colours rather than whatever the hot trend colour is of the day.

### "W" is for Weathered

There is nothing we can do to stop the external weather conditions from changing the appearance of our buildings, however regular maintenance and cleaning can show a viewer of your property that it is indeed looked after. When a building appears to be neglected, it devalues the property in the mind of the viewer.

To remove the weathered factor in your property, why not:

- Clean your exterior windows regularly to remove moisture stains and grit from outdoors
- Clean the exterior facing with a power washer regularly to remove weather stains on bricks or siding
- Perform regular maintenance and inspection on your roofing system to ensure it looks and performs to its optimal level. During a property showing, this can be one of the key differences between generating an offer or not.

### "G" is for Garbage

The waste management areas of your property can speak volumes to potential tenants or buyers because it reveals a lot about your management and tenant base. It may not be easy to enforce proper placement of garbage as it relates to your tenants, but it is easy to introduce standards that your on-site...

...Continued on Page 2

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

Email: [info@skyviewrealty.com](mailto:info@skyviewrealty.com)

Website: [www.SkyviewRealty.com](http://www.SkyviewRealty.com)

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



# 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 buyers.
- 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!"***

## ...AVOID THE DAWG FACTOR, CONTINUED FROM PAGE 1

supervision and management team can implement - setting the example for the tenants. Often, when the building is maintained well, the tenants respect their homes more and will continue to uphold the standards personally.

To improve the impression your waste management gives about your building, consider:

- Organizing your waste disposal area for convenience and proper sorting. Rule of thumb: If it's inconvenient for the tenant, they won't adhere to the rule.
- Provide clear signage indicating how to dispose of waste in your building.
- Implement regular spot checks of common waste disposal areas and garbage chutes. Keeping it clean will encourage the tenants to do likewise, not to mention discouraging unwanted pests.

While some may argue that the appearance of a building plays only a little role in determining its value on paper, we cannot deny the human element that can easily be distracted by the visuals it sees. If your building is plagued by the "DAWG Factor" consider implementing some of these simple steps to bring out the true potential to that future tenant or purchaser.

Article By:  
Cliff Ford, Marketing Director  
Skyview Realty Ltd, Brokerage

## SKYVIEW OFFERS MORTGAGE SERVICES FOR YOUR MULTI-UNIT RESIDENTIAL PROPERTIES

- ✓ Tap into the Industry's Top Lenders
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- ✓ Private Lending Funds Available for Second Mortgages

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**SKYVIEW**  
REALTY LTD., BROKERAGE  
MORTGAGE SERVICES  
BROKERAGE LICENSE #11231, M09001748

**HAMILTON**



**CONDO STATUS**

Principals Only Please

- Asking \$4,940,000
- Asking \$74,848 per suite
- 2 Buildings totaling 66 Suites
- Well maintained and recent upgrades including windows, lighting, and boiler system
- 100% of Washrooms renovated under a forgivable low-rise rehabilitation mortgage
- Buildings have obtained Condominium Status
- 30 x One Bedrooms
- 36 x Two Bedrooms
- Excellent Tenant Profile
- Close to MacMaster University
- Potential Upside on Rents
- 6.8% CAP Rate
- 24.1% R.O.I.
- Existing 1st Mortgage of \$3,655,000 @ 3.8% P+I, paying \$18,883 due May 2011
- Seller will Consider VTB to Sell

**66 Suites**

**OSHAWA**



**25.6% R.O.I.**

Principals Only Please

- Asking \$3,600,000
- Asking \$76,596 per suite
- Many Improvements over the Last 3 Years, including:
  - Extensive Renovations
  - Elevator Renovations
  - Thermopane Windows - Vista Windows
  - Hydro Submetering System
  - New Appliances
- 47 x Two Bedrooms
- North Oshawa Location
- Excellent Rental Area
- Approximately 40 Suites Renovated
- Sloped Shingle Roof
- 7.2% CAP
- 25.6% R.O.I
- Treat Financing as Clear

**47 Suites**

**BELLEVILLE**



**HIGH DEMAND AREA**

Principals Only Please

- Asking \$2,050,000
- Asking \$56,944 per Suite
- Tenants Pay Own Hydro
- Tenants Pay Own Heat
- Convert Electrical Hot Water Tanks to Gas Hot Water Tanks for Potential Upside
- Large Lot with Extra Parking
- Excellent Suite Mix
- 3 x One Bedrooms
- 33 x Two Bedrooms
- Common areas have begun updating of flooring and wall covering
- Fire Retrofit Letter of Compliance
- 7.7% CAP Rate
- 28.4% R.O.I
- Treat Mortgage as Clear

**36 Suites**

**TORONTO**



**9-PLEX**

Principals Only Please

- Asking \$890,000
- Asking \$98,889 per suite
- Thermal Windows
- Terrazzo Hallways
- Substantial Renovations
- Quiet Family Building
- Close to Public Transit, Shopping, and Other Amenities
- 1 x Bachelor
- 8 x Two Bedrooms
- Good Tenants
- Located in Excellent Rental Area
- Surface Parking for 5 Cars
- 6.1% CAP Rate
- 19.7% R.O.I.
- Treat Financing as Clear

**9 Suites**

**OSHAWA**



**SOLD CONDITIONALLY**

Principals Only Please

- Asking \$1,179,000
- Asking \$78,600 per suite
- Individual Hydro Meters
- Individual Water Tanks
- Tenants Pay Own Hydro
- Tenants Pay Own Heat
- Tenants Pay Own Hot Water Utility
- Thermal Windows
- 4 x One Bedrooms
- 11 x Two Bedrooms
- Sloped Shingled Roof
- Good Tenant Profile
- 6.7% CAP Rate
- 23% R.O.I.
- Treat Mortgage as Clear
- More Pictures at [www.skyviewrealty.com](http://www.skyviewrealty.com)

**15 Suites**

**TRENTON**



**VTB AVAILABLE**

Principals Only Please

- Asking \$1,520,000
- Asking \$63,333 per suite
- 2 Buildings of 12 Suites Each
- Tenants Pay Own Hydro
- Building is Fully Occupied
- Sloped Shingled Roof - Updated in 2007
- New Balconies in 2009
- 2 x One Bedrooms
- 22 x Two Bedrooms
- Good Tenants
- Located close to CFB Trenton
- Surface Parking for 30 Cars
- 8.0% CAP Rate
- 25.9% R.O.I.
- Seller will Consider VTB

**24 Suites**

**TRENTON**



**WATERFRONT PROPERTY**

Principals Only Please

- Asking \$825,000
- Asking \$58,929 per suite
- Waterfront Property
- 4 Semi-Detached Buildings
- 1 Six-Plex Building
- Potential Upside on Rents
- Tenants Pay Own Heat and Hydro on Turnover
- Good Tenant Profile
- 5 x One Bedrooms
- 9 x Two Bedrooms
- Thermal Windows
- Boat Launch
- 7.5% CAP Rate
- 26.7% R.O.I.
- Treat Financing as Clear
- Seller Will Take VTB

**14 Suites**

**TORONTO**



**SOLD CONDITIONALLY**

Principals Only Please

- Asking \$1,590,000
- Asking \$113,571 per suite
- Large Corner Lot with Potential
- Solid Residential & Commercial Tenant Base
- Additional House may be Purchased as a Package for Maximum Corner Lot Coverage
- "As Is" "Where Is"
- 1 x Bachelors
- 1 x One Bedrooms
- 8 x Two Bedrooms
- 4 x Commercial
- Building is Distressed and in Need of Repair
- One Unit may be Non-Conforming
- 7.0% CAP Rate
- 25.1% R.O.I.
- Treat Financing as Clear

**10+4 Suites**

**408 BLOOR ST E, OSHAWA**



**SOLD**

SOLD JANUARY 2010

This building was listed and sold by Skyview Realty Ltd., Brokerage for \$1,425,000 or \$61,957 per suite. The Buyer assumed an existing first CMHC insured mortgage of \$995,075 @ 4.61% interest, due January 1, 2011. The Seller facilitated the sale with a VTB 2nd for \$130,000 @ 4% interest on a 2-year term. The building was well built in the late 1980's and was in good condition with no vacancies in existing units at time of closing.

# industry report

trends and services

SKYVIEW'S  
RECOMMENDED  
SERVICES

**Michael Lombard**  
Vice-President  
Regional Manager - Ontario



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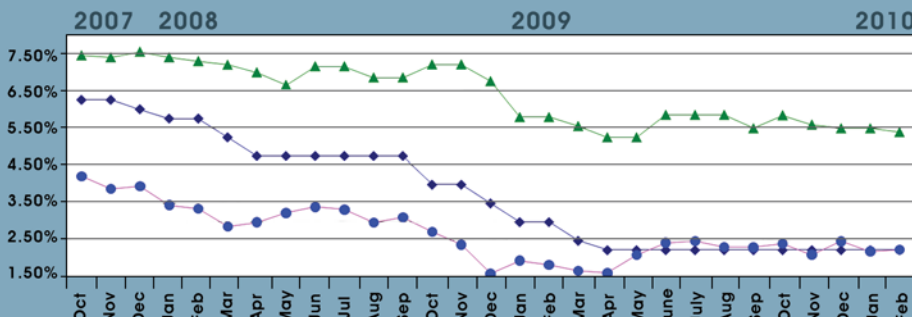
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## MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

1 BRIMLEY ROAD Scarborough	Feb 26, 2010	58 Units @ \$ 59,000	\$ 3,422,000
62 GLEN EVEREST ROAD Scarborough	Feb 26, 2010	46 Units @ \$ 59,000	\$ 2,714,000
2401 QUEEN STREET EAST Toronto	Feb 26, 2010	21 Units @ \$100,000	\$ 2,100,000
829 BIRCHMOUNT ROAD Scarborough	Feb 25, 2010	65 Units @ \$ 85,805	\$ 5,577,331
821 BIRCHMOUNT ROAD Scarborough	Feb 25, 2010	53 Units @ \$ 85,805	\$ 4,547,669
4918 BATHURST STREET North York	Feb 17, 2010	60 Units @ \$ 94,417	\$ 5,665,000
2850 JANE STREET North York	Feb 11, 2010	156 Units @ \$ 69,231	\$10,800,000
110 COTTONWOOD DR, 46 FOXDEN RD North York	Feb 11, 2010	44 Units @ \$100,000	\$ 4,400,000
309 MOUNT PLEASANT ROAD Toronto	Jan 29, 2010	25 Units @ \$111,920	\$ 2,798,000
740,746 MIDLAND AVENUE Scarborough	Jan 21, 2010	174 Units @ \$ 86,207	\$15,000,000
96 ISABELLA ST, 49 DUNDONALD ST Toronto	Jan 20, 2010	60 Units @ \$ 91,667	\$ 5,500,000
408 BLOOR STREET EAST Oshawa	Jan 20, 2010	23 Units @ \$ 61,957	\$ 1,425,000
474 KINGSTON ROAD Toronto	Jan 14, 2010	38 Units @ \$111,053	\$ 4,220,000
642 VAUGHAN RD Toronto	Jan 08, 2010	22 Units @ \$ 76,818	\$ 1,690,000
195 KENNEDY ROAD SOUTH Brampton	Dec 31, 2009	196 Units @ \$ 59,311	\$11,625,000
165 KENNEDY ROAD SOUTH Brampton	Dec 31, 2009	195 Units @ \$ 59,615	\$11,625,000
165 ONTARIO STREET St. Catharines	Dec 21, 2009	158 Units @ \$ 44,304	\$ 7,000,000
941 SIMCOE STREET NORTH Oshawa	Dec 18, 2009	20 Units @ \$ 74,000	\$ 1,480,000
955 WARWICK COURT Burlington	Dec 16, 2009	185 Units @ \$103,216	\$19,095,000
321,349 MARLAND AVENUE Oshawa	Dec 16, 2009	158 Units @ \$ 67,848	\$10,720,000

SOURCE: RealTrack Inc. [www.realtrack.com](http://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

Spring 2010

### PUBLICATION:

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

### ADVERTISING:

For advertising rates and article suggestions, please contact the marketing department or email [info@skyviewrealty.com](mailto:info@skyviewrealty.com)

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