



SkyViews

Apartment Report - Summer 2023

CLIFF'S CORNER



I hope you're enjoying your summer so far! It's a great time to recharge the batteries and soak up the sun's rays; spending time with loved ones and building precious memories together!

In this edition of our newsletter, I wanted to highlight some changes happening to the Residential Tenancies Act as Joe Hoffer from Cohen Highley updated our industry recently. If you don't already subscribe to Cohen Highley's regular email updates, I would encourage you to do so as they are always timely, knowledgeable, and a great resource to landlords throughout Ontario.

We have started to see increased activity within our market over the last couple of months. When interest rates started to rise in 2022, there was a noticeable decrease in the number of apartment building transactions occurring in our province, but that is changing with more and more transactions closing month over month as our industry adapts to the interest rates and continues to have a steady stream of investment dollars available to deploy. If you want to take advantage of this rise in sales, and are considering selling your multi-family asset, I welcome you to call me today to get a complimentary evaluation on your property.

Cliff Ford
Sales Representative,
Director of Sales & Marketing

YOU HEARD IT FROM THE EXPERTS...

RTA AMENDMENTS: INCREASE RISK AND FINANCIAL LIABILITY FOR LANDLORDS

by Joe Hoffer, Cohen Highley LLP

On June 8, 2023 the Ford government passed Bill 97 which, among other things, amends the RTA (see Schedule 7 of Bill 97) making new rules permitting tenants to install and use AC units in their suites; new rules for giving N13's based on renovations and notice to tenants to move back in; and, new liabilities if a tenant is not properly given a "right of first refusal" to re-enter a unit or if a designated person does not move into a rental unit "within a prescribed time" after a tenant vacates based on "landlord's own use".

AC Unit Rules: With limited exceptions, a tenant can now install an in-suite AC unit subject only to certain conditions as set out in 36.1 (3) RTA. The tenant must notify the landlord in writing before installing the unit; must ensure the unit won't damage the rental unit; must install the unit "safely and securely"; and ensure the installation complies with applicable law. The tenant must pay for increased hydro based on the use of the AC unit unless a tenancy agreement expressly states that the unit may be installed

without an increase in rent. The rent increase that the tenant must pay is to be based on the landlord's actual cost of the increased hydro used by the AC unit, so where hydro is included in the rent, unless the unit is sub-metered, the "actual cost" is bound to be the subject of numerous, time and money wasting disputes at the LTB...a recipe for conflict and financial loss to the landlord.

In our view, window AC units over a sheer drop may still be prohibited, but portable in-suite AC units may not. There is a special provision to allow for inspection of an installed AC unit but the right of inspection only increases the onus on the landlord to ensure it is properly installed and operating without potential damage to the unit. This means that where damage is caused, the landlord is likely to be blamed for not properly inspecting. Bottom line: landlords better make sure the tenant has insurance and where practicable, should consider sub-metering units so an objective measure of increased hydro

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consumption and cost...next year...can be determined.

Renovation Rules: Now when an N13 for renovations is issued it must be accompanied by a properly qualified person stating that vacant possession is necessary and will probably require an estimate of the time for which vacant possession is required. In a dispute an LTB member is not bound to accept the conclusion of a professional that vacant possession is required. Most LTB members will not have the qualifications to dispute the report of a professional so it is unclear on what basis the Member's opinion will "trump" that of the professional who prepared the report.

After the N13 is given, if the tenant shows an intention to exercise the right of first refusal, the Landlord must "without delay" inform the tenant as to when the unit will be ready for re-occupancy and if there is a change to that date, again without delay notify the tenant of the change. At a minimum, the tenant who has a right of first refusal is to be given

a minimum of 60 days "...after the day the unit is ready for re-occupancy.." to exercise the right of first refusal. Landlords will have to carefully plan the timing of the notice; otherwise, the unit may sit vacant for months pending the tenant's return to the unit. If a landlord does not strictly comply with the new rules for notice, the landlord will be "deemed" to have failed to afford a tenant a right of first refusal, thereby exposing the landlord to serious financial penalties and an order putting the displaced tenant back into possession.

New "landlord's own use" rule: There was always a question about how long a person who was entitled based on "landlord's own use" could have before being required to move into the vacated rental unit. If the unit was to be renovated to accommodate the landlord or one of the other class of persons who fall within "landlord's own use", there was no specific time limit for the renovations to be completed and the person to move in. The RTA will now have a deadline for the

move in date; however, that is to be "prescribed" by legislation and the time has not yet been prescribed.

Summary: The amendments to the RTA will invite more conflict between landlords and tenants in Ontario on the issues of AC unit use and landlord's possession for renovations or landlord's own use. Landlords are encouraged to know the rules before becoming embroiled in such conflicts and advice concerning the rules is available through your legal advisor or a very careful reading of Schedule 7 to Bill 97!

Questions about Bill 97 Changes? Please reach out to landlordreps@cohenhighley.com



Cohen Highley^{LLP}

LAWYERS

519-672-9330

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2024 Rental Increase Guideline: 2.5%



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President
Broker of Record



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Sales Representative
Director of Sales & Marketing



Pat Villani
Sales Representative,
Associate Vice President

WE DON'T
JUST LIST
APARTMENT
BUILDINGS...
WE SELL THEM!

MEET THE SKYVIEW SALES TEAM

OAKVILLE

SOLD
CONDITIONALLY



- Seller asking \$11,500,000
- Recent improvements include exterior brick painting, hallway carpeting, new hot water tanks, & many units renovated
- Great Upside on rents of approx. \$12,000/month
- Large corner lot for potential future redevelopment
- Tenants Pay Own Hydro
- 18 x 2 Bedrooms
- 12 x 3 Bedrooms
- 1 x 3 Bedroom House
- Professionally Managed
- Seller asking 3.7% CAP Rate
- Ex. 1st Mortgage to be Assumed by Buyer at 2.04%
- VTB 2nd Available at 2.0%
- Average Financing Rate at 2.024% may be Achievable

30 Suites + 1 House

SAULT STE. MARIE

ATTRACTIVE
FINANCING



- Asking \$15,300,000
- Located close to the water-front with views of the river
- Great Upside on Rents!
- Built in the 1980's
- Hydro paid by owner - potential to convert to smart metering
- 81st unit is currently in the process of being built
- 1 x Bachelors
- 48 x One Bedrooms
- 24 x Two Bedrooms
- 8 x Three Bedrooms
- Ex. 1st Mtg of approx. \$9 million at 3.2% until 2032 to be assumed
- Seller will provide VTB 2nd mortgage at \$2.5 million at 3.2% interest only

81 Suites

BURLINGTON

VTB 1st
AVAILABLE!



- Asking \$3,400,000
- Asking \$377,778 per Suite
- Located in Quiet Neighbourhood next to a large park
- Windows replaced in 2006
- Roof replaced in 2020
- Owned and managed by the same family for over 30 years
- 1 x 1 Bedrooms
- 8 x 2 Bedrooms
- Great upside on rents
- Seller currently getting \$1,900+ for 2 bedrooms
- Treat Financing as Clear
- Seller will consider a VTB 1st mortgage to facilitate the sale

9 Suites

OSHAWA

VTB 1st
AVAILABLE!



- Asking \$2,850,000
- Asking \$150,000 per Suite
- Located in Central Oshawa, North of 401
- Great upside in units following a repositioning and renovations
- Mutual driveway with church next door
- Includes two semi-detached 3 bedroom homes at rear of property
- 8 x 1 Bedrooms
- 1 x 2 Bedrooms
- 2 x 3 Bedrooms
- 8 x Commercial
- Zoning of Commercial is one unit, subdivided into 8 units
- 5.3% CAP Rate
- Seller will provide VTB 1st mtg with 25% down

11 Suites + 8 Commercial

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
Commercial Banking - Eastern Canada

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peoplesgroup.com



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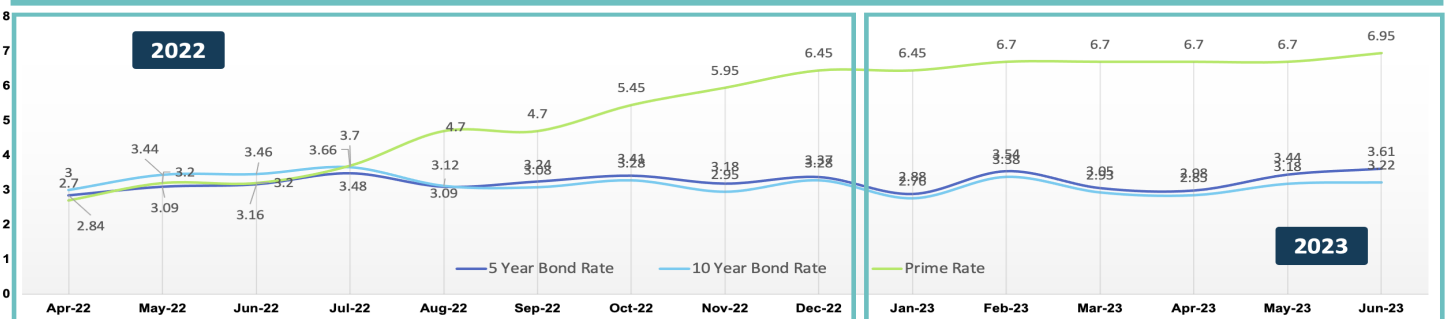
Suite 1310
95 Wellington St West
Toronto, ON
Canada
M5J 2N7

MULTI-UNIT RESIDENTIAL - RECENT TRANSACTIONS

250 Lena Cres, Cambridge	Jun. 21, 2023	134 Suites @ \$447,761	\$60,000,000
37 Vanier Dr, Kitchener	Jun. 7, 2023	120 Suites @ \$375,000	\$45,000,000
74 Curlew Dr, North York	Jun. 7, 2023	110 Suites @ \$407,273	\$44,800,000
49 Vanier Dr, Kitchener	Jun. 7, 2023	107 Suites @ \$361,682	\$38,700,000
2360 Weston Rd, North York	Jun. 6, 2023	52 Suites @ \$350,000	\$18,200,000
2360 Birchmount Rd, Scarborough	Jun. 1, 2023	186 Suites @ \$286,986	\$53,379,447
2808-2810 Keele St, North York	Jun. 1, 2023	54 Suites @ \$282,870	\$15,275,000
230 Moira St W, Belleville	May 31, 2023	30 Suites @ \$173,333	\$5,200,000
58 Bloor St, Sudbury	May 19, 2023	20 Suites @ \$87,500	\$1,750,000
544 McDonnell St, Peterborough	May 18, 2023	12 Suites @ \$216,667	\$2,600,000
1090 Kristin Way, Gloucester	May 16, 2023	101 Suites @ \$176,733	\$17,850,000
2147 Gerrard St E, Toronto	May 12, 2023	30 Suites @ \$175,833	\$5,275,000
116 Second Ave, Kitchener	May 3, 2023	16 Suites @ \$230,000	\$3,680,000

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

WATCH ON INTEREST RATES



SOURCE: First National Financial LP | 416-593-2918 & www.bankofcanada.ca

SkyViews Summer 2023

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