



-Dedicated to Apartment Building Sales-

Starting July 1st, all buildings that are 3 or more stories and 10 or more units in the city of Toronto will be required to have licenses. Property owners are expected to sign up within the first three to four months and must re-register every year.

This new bylaw is a way to make landlords more accountable for their actions and conduct in tenant complaints.

The program will cost around \$5 million, with 54 per cent of cost to be

recovered through an annual registration fee. Not complying with the new rules could mean paying \$108 per hour for inspections, or \$1,800 for an audit. A fine of up to \$100,000 could be laid through provincial offences court for a contravention of the bylaw. Enforcement will begin 12 months after the launch.

Listed below are some examples of what owners will be required to do:

- Register with the city & use licensed contractors for all repairs

- Use licensed contractors for all repairs
- Respond to urgent requests in 24 hours, smaller complaints within 7 days, respond to pest complaints in 72 hours
- Display a colour-grade sign visible to individuals entering the building
- Have staff report information should a landlord not comply with the new bylaw
- Pay annual fee of approximately \$10.60 for each unit in privately owned buildings

**COMING SOON**  
**30 Units in Central Toronto**

Close to all amenities  
Close to public transit

**UNDER CONTRACT - West Toronto**



**TORONTO, 30 Units**  
Asking \$6,000,000  
**3.9% Cap Rate**  
7 Bachelors, 6x2 Bdrms,  
16x1 Bdrms. Close to  
schools, parks, all  
amenities and just minutes  
away from two major transit lines. Onsite laundry facilities  
and onsite parking available. Seldom vacancy. Large bright  
suites with recent renovations. Refinished wooden floors  
and updated kitchens. One unit is heated via ELEC BB, all  
other areas are radiant heat. 1 Unregistered Unit.

PLEASE CALL US TO LEARN MORE  
ABOUT OUR UNIQUE AND PROVEN  
SELLING METHODS

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**OUR MISSION STATEMENT**

We are a powerful united team dedicated to apartment building sales and passionately committed to helping our clients achieve their real estate goals, by telling them the truth and using our proven non-traditional selling methods.

CMHC has issued some policy guideline amendments that became effective May 15, 2017. Since CMHC mortgage insurance plays a significant role in apartment financing, it is important for apartment investors to become familiar with changes to the guidelines. The changes fall into four broad categories: affordable rental housing, student housing, retirement homes and what we can refer to as standard rental apartment buildings.

Since Mysak Realty tends to focus on the standard rental apartment market, I will focus on that specific area. By way of a general comment, it should be noted that the changes are intended to make the mortgage insurance program a little more “user friendly” for borrowers. None of these changes have the effect of limiting mortgage insurance availability by imposing more stringent conditions.

A summary of the key aspects is as follows:

1. Personal guarantees: The guideline formerly required a personal guarantee for at least 50% of the original loan amount if the amount was deemed (by CMHC) to be 85% of lending value. This has now been amended to require a personal guarantee for 40% of the outstanding balance. In other words, the guarantee amount decreases as the loan balance decreases. In addition, CMHC will now consider applications up to 85% loan to value ratios without the requirement for a personal guarantee, where sufficient corporate guarantees are provided, or other risk mitigants such as collateral security.

2. Non-recourse threshold: The guideline formerly permitted mortgage insurance to be approved on a non-recourse basis (i.e. no personal guarantee, among other things) if the loan was deemed to be 60% or less of lending value. The threshold has been increased to 65% of lending value to obtain a non-recourse loan.

3. Non-residential space: The guideline formerly permitted non-residential floor space of up to 20% of a building’s area and up to 20% of total lending value. This has now been increased to 30% of floor space and 30% of lending value. The loan amount attributable to the non-residential space cannot exceed 75% of the non-residential space lending value.

4. Furnished suites: Under the former guidelines, these types of units were not eligible for mortgage insurance. They may now be considered because CMHC recognizes this is a viable housing option for many Canadians. The suites are to be intended for long term occupancy.

5. Single Room Occupancy (“SRO”) suites: These were previously not eligible for mortgage insurance. They may now be considered. Suites falling into this category would be rooming house units where individual rooms are rented with shared access to bathrooms and cooking facilities. Leases may provide short to long term accommodation.

6. Mortgage Insurance Premiums: The premium schedule has been amended. Loan amounts between 70% and 75% will see the premium increase from 2.25% to 2.50%.

However, a variety of surcharges have been eliminated: rental achievement, construction advances, student housing and senior/long term care facilities.

7. Amortizations: Under the former guideline, it was rare to obtain an amortization period longer than 30 years. CMHC will now consider longer amortization periods provided they are supported by the economic life of the property.

The foregoing information is a summary only. I would be pleased to review with you any aspect of CMHC insured financing. In addition, if you are the owner of affordable rental housing, student housing or retirement facilities I would be happy to elaborate on the CMHC policy changes affecting these asset classes.

*Dru McAuley is Assistant Vice President, Commercial Lending at First National Financial LP, a leading lender of CMHC insured mortgages on multi-unit properties. First National also provides short term or conventional financing in virtually all segments of the real estate market. He would be pleased to answer any questions or discuss this article. He can be reached at 416-593-2918 (toll free 1-800-465-0039) or [dru.mcauley@firstnational.ca](mailto:dru.mcauley@firstnational.ca). Contact Dru if you would like to receive a daily interest rate summary in your inbox. (Copyright 2017 Dru McAuley).*

**FIRST NATIONAL**  
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## Quick closings available

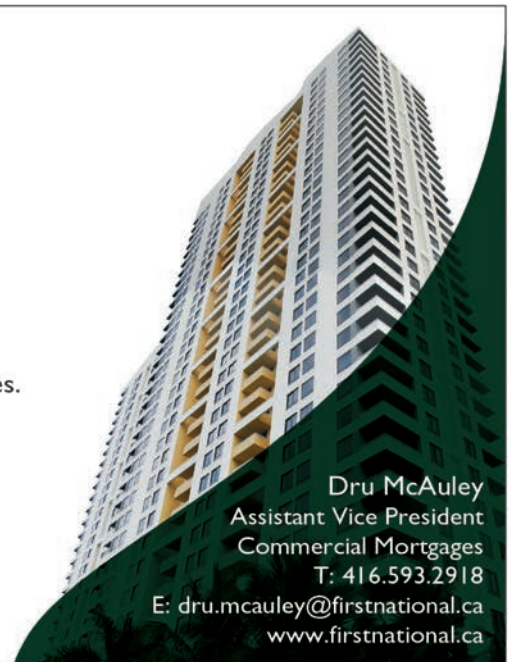
First National specializes in multi-family and commercial mortgage financing, and is a leading lender of CMHC insured mortgages for multi-family properties.

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to receive our daily bond  
market update via email.**

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The Mysak Realty Report



**WHO?** Ashley Lapier-Soares, Office Manager

**WHAT?** Welcome Back!!

**WHERE?** Mysak Realty

**WHEN?** November 2016

**WHY?** Mysak Realty is happy to have Ashley, our Office Manager, back in full force after her maternity leave. The office hasn't been the same without her. We look forward to bringing the office to new heights with all the great work she has done and continues to do for Mysak Realty.

**FOR SALE - Campbellford**



**CAMPBELLFORD, 16+5**

Asking \$3,500,000

**4.1% Cap Rate**

Owner-built in 1992.

Building is in AAA+

Condition, extremely well constructed. Owner wants to

retire. Very large apartments, each unit has storage room with HWT. Separate hydro meters, tenants pay own. Water sub metered. Elevator connected through phone line with emerg centre in Belleville. 5 comm units - owner has applied to change status to RES unit: to create 3 more 1 bdrms.

**SOLD - Hamilton**



**HAMILTON, 6+6 Units**

Asking \$1,200,000

**7.7% Cap Rate**

Six residential and six commercial suites in the heart of Hamilton. Just steps to public bus stop and

surrounded by grocery stores, restaurants and all amenities. 5 minute walk to new GO Station being constructed in Hamilton by 2021. 2 Minute walk from Hamilton General Hospital. Onsite parking. Good Traffic flow area for commercial units.

**SOLD - Cambridge**



**CAMBRIDGE, 18 Units**

Asking \$1,925,000

**5.1% Cap Rate**

Solid concrete building. All major cap ex items have been completed. Roof 2014, Windows 2010.

Clean Phase 1 environmental 2009 Available. Master Key 2011. Intercom + security camera system 2010. All fridges + stoves replaced in last 2 yrs. Majority of rents below market. Property could use more prudent management of expense and aggressive rental program.

**SOLD - Toronto**



**TORONTO, 5 Units**

Asking \$1,150,000

**3% Cap Rate**

A must see for anyone looking to create & renovate! Currently 4 units with rents well below

market. Huge upside potential. 2x2 Bed, 1x1 Bed, 1xBach. Separate metered water & hydro. Owner presently pays all water and 2 tenants pay own hydro. Across street from Humber River nature trails & all amenities. Ample space in basement to add laundry facilities.

**Join Our E-Mail Updates**

Sign Up Today to Start Receiving Market Updates, Exclusive Apartment Building Listings, Recently Sold Properties and Helpful Landlord Information Directly to Your Inbox. Send us an Email to [info@mysakrealty.com](mailto:info@mysakrealty.com)



**SOLD - Goderich**



**GODERICH, 28 Units**  
 Asking \$1,850,000  
**7.1% Cap Rate**

Close to all amenities and short drive to Lake Huron. Onsite laundry facilities & onsite parking available. Seldom vacancy. Rents currently include all utilities, including basic cable (can be removed for new tenants). Fantastic onsite superintendent.

**FOR SALE - Etobicoke**



**ETOBICOKE, 10 Rooms**  
 Asking \$575,000  
**6.7% Cap Rate**

Licensed rooming house. Close to all amenities & transit. Close to Mimico Go Station, parks, and Lake Ontario. Nearby schools, library, and more. New roof shingles in 2016, new furnace in 2011. Onsite laundry, onsite parking. Mircom intercom.

**SOLD - Hamilton**



**HAMILTON, 14 Units**  
 Asking \$1,475,000  
**5.1% Cap Rate**

Excellent 3 storey walk-up, just steps to public transit. Close to all amenities and short commute to downtown Hamilton, including Hamilton GO Station. Walkscore of 82. Equipped with Intercom System & Outside Cameras. Onsite parking and laundry facilities.

**SOLD - Hamilton**



**HAMILTON, 11 Units**  
 Asking \$1,370,000  
**4.1% Cap Rate**

Solid concrete building in trendy Corktown neighbourhood. Located near all amenities. Onsite laundry facilities. 12 Parking spots. Tenants pay own hydro. Intercom. New Furnace 2017. Balconies refinished in 2012

**NOTICE**

If you did not see these properties for SALE when they were available, please contact our office to update your buying criteria and contact information. Please email us at [info@mysakrealty.com](mailto:info@mysakrealty.com) or call 416-767-5500

*SOLD in Winter 2017*

2515 Trout Lake	68	68 Units @ \$92,647/unit	\$6,300,000
800 Wallace St., Kent County	42	42 Units @ \$40,476/unit	\$1,700,000
460 Winona Dr., York	55	55 Units @ \$26,364/unit	\$1,450,000
558 Durham St., Woodstock	46	46 Units @ \$104,130/unit	\$4,790,000
74 Sheppard St. W., Windsor	18	18 Units @ \$61,111/unit	\$1,100,000
265 James St., Bracebridge	11	11 Units @ \$100,000/unit	\$1,100,000
932 King St. E., Hamilton	20	20 Units @ \$110,000/unit	\$2,200,000
417 & 419 Linwell Rd., St. Catharines	34	34 Units @ \$97,353/unit	\$3,310,000

If we can be of any assistance for your multi-residential needs please do not hesitate to call us at 416-767-5500!

**The 2017 Residential Rent Increase Guideline is 1.5%**