

The Mysak Report

Dedicated to Apartment Building Sales

Summer 2013

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Curb appeal = Less Vacancy

American studies show that a potential tenant, in the USA referred to as a 'client', makes his decision to rent or not within the time it takes to go from the sidewalk of the building to the door of the apartment. First impressions are important to any prospective tenant. Increasing your building's curb appeal can be an effective way to garner attention from someone looking to rent. There are several things a landlord can do to achieve this. For instance, planting flowers or gardens will add to the décor of a building and is an easy, inexpensive way to enhance the building's exterior appeal. Whether you use containers or a garden bed, there are an array of colors and different size containers available. It is important to use containers that match the color

scheme of your building, and to plant them with flowers that will catch the eye and beautify the space. Flowers will give your property an accent that makes it feel friendly and inviting. Create a welcoming entryway. A nice front entrance can be paramount in giving a positive first impression of the building. Give the lobby a little 'something extra' with a splash of color, modern furniture, and lighting. This will increase the overall appeal to prospective tenants by making them feel safe, comfortable and welcome. The entry should be neat and free of debris or floor stains. Carpets should be clean. Mould, rot, or cracked caulking on windows are a major deterrent to a potential tenant. When these problems begin to show, it may be time to consider replacing the windows. New windows, in

addition to being energy efficient can significantly improve the look of your building and make it seem new and updated. Finally, the easiest way to increase curb appeal is to simply add a fresh coat of paint. Fresh paint can make an older building seem new again. Make sure to choose colors that are neutral, modern and appealing, avoiding anything too flashy or dated. Upgrading siding and trim will also enhance your building and have it looking its best.

Are you considering selling?

We are always actively looking for new properties. If you or anyone you know is considering selling, please call us at 416-767-5500 or send us an email at info@mysakrealty.com.

FOR SALE - Toronto



TORONTO, 52 Units
Asking \$6,100,000

Excellent opportunity to invest in popular South Etobicoke. Located 2 blocks away from million dollar houses and the lake. 2 min walk to 24hr street car on lake-shore. 10 Min walk to the expanding campus of Humber College. Consisting of 16 - 1 bedroom units, and 36 - 2 bedroom units. No financing to assume. Roof approx 7 yrs old. Call our office for an Investment Information Sheet or to book an appointment for viewing.

FOR SALE - Toronto



TORONTO, 30 Units
Asking \$2,220,000

Trendy Parkdale rooming house in prime rental location right on busy King St. Quiet building with excellent tenants. Consisting of 26 - bachelor units, and 4 - 1 bedroom units. Clean Phase 1 environmental report available. A large amount of the

units have been recently renovated. Located on a large lot with 12 parking spots at the back of the building. Call our office for an Investment Information Sheet or to book an appointment for viewing.

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

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OUR MISSION STATEMENT

We are a powerfully 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.

ENERGY EFFICIENCY (“EE”) AND YOUR MORTGAGE

Apartment investors have been exposed to numerous initiatives geared to savings in the use of water, fuel (heat) and hydro. Most are justified on the basis of rebates available to owners and the “payback period” – the amount of time it takes to recover the cash outlay required to install the energy efficient (“EE”) equipment via reduced operating expenses. Generally, the payback period is years. The payback period is influenced by the cost of utility consumption and which utilities are most affected. Regardless of the payback period, the conversion to EE equipment is worth it because of the long term savings, reduced maintenance required on newer equipment and the improved marketability of a building that has been upgraded to modern standards. However, there is another perspective on the rationale to convert to EE equipment and it is connected to the availability of CMHC insured financing for apartment investors. In the current market, and indeed over the last 5 years or so, CMHC insured mortgage loans have been the financing solution for most investors. On new CMHC insured loans, for either purchases or refinances, borrowers are able to implement a strategy that permits them to install EE equipment as part of the new loan. A recent deal is a case in point. The borrower acquired a 44 unit building in the

building in the western GTA that had not been upgraded with current EE equipment. As part of the acquisition, the borrower wanted to install new toilets, faucet aerators, low flow shower heads (water efficiencies), radiator reflector panels (gas efficiencies) and new lighting (electricity efficiencies). The total cost of the new equipment was approximately \$43,000. The borrower was required to install the equipment at his own expense. Upon receipt of evidence that the equipment was installed and paid for, a second loan advance was made in the amount of \$180,000. The second advance of \$180,000 was made because EE measures would produce a reduction in expenses – and an increase in net income and building value – that permitted a larger loan. In this case, energy costs were reduced by about 18%.

There are some key points and timing issues to consider if a borrower is contemplating this:

1. The borrower has to decide to pursue this course of action at the time of application for mortgage insurance.
2. A report is required from an authorized consultant. The report will identify the reduction in energy consumption as well as costs.
3. The EE equipment that is required to address the issue is identified and estimates of cost are provided by the

consultant.

4. The borrower has the equipment install and paid for.
5. The consultant provides confirmation that the EE equipment that was recommended has been installed and reconfirms the projected reduction in energy consumption.
6. The lender forwards the report to CMHC and recommends that the relevant conditions in the mortgage insurance approval have been satisfied and the advance of additional funds is warranted.
7. CMHC authorizes the lender to release the second advance of funds.
8. The borrower is also able to obtain a partial rebate of the CMHC insurance premium.

As mentioned above, this option is available on new CMHC insured loans. Since EE is here to stay, prudent landlords might want to consider this approach to funding these investments in the property.

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 all segments of the real estate market. He would be pleased to answer any questions or discuss this article. Dru can be reached at (toll free 1-800-465-0039) 416-593-2918 or dru.mcauley@firstnational.ca.



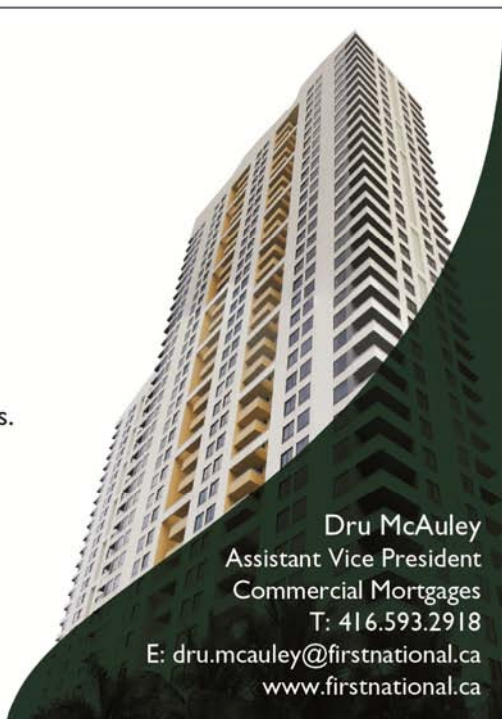
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Call Dru at 416.593.2918 to receive our daily bond market update via email.



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SOLD - Oshawa



OSHAWA, 9 Units
Asking \$1,100,000
 A REAL GEM! Worry free for years to come. Consisting of 1 - 1 bedroom unit and 8 - 2 bedroom units. Totally updated with new windows, newer roof membrane, new wiring including cable and Internet in all units, security system, separate hydro meters, huge balconies, newer appliances in each unit. Call our office for an Investment Information Sheet and Rent Roll or to book a viewing.

FOR SALE - Hamilton



HAMILTON, 12 Units
Asking \$810,000
 8.1% Cap Rate. Well maintained 12 unit apartment building. Located in a good rental area in Hamilton. Close to shopping and all amenities. Consisting of 2 - 1 bedroom units, 7 - 2 bedroom units, 3 - 3 bedroom units. Tenants pay own hydro, water and gas. Majority of plumbing copper and pvc. Laundry facilities onsite. Call our office for an Investment Information Sheet and Rent Roll or to book a viewing.

FOR SALE - Toronto



TORONTO, 6 Units
Asking \$1,179,000
 Legal 6-Plex in great rental location! 5.4% Cap Rate. 2 - 1 bedroom units, and 4 - 2 bedroom units. Close to shopping and public transit. Great tenant profile. Easily Managed, Phenomenal Curb Appeal. Hallways and a majority of units have recently been renovated. New Asphalt in 2012 in back parking area. Call our office for an Investment Information Sheet and Rent Roll or to book a viewing.

FOR SALE - Hamilton



TORONTO, 20 Units
Asking \$1,295,000
 Located on a major street which makes for easy renting of apartments. Consisting of 14 - 1 bedroom units, 6 - 2 bedroom units. Gross Income Of Approx \$162,782! Roof 2003, Tenants Pay Their Own Hydro. Thermal Windows. A Clean 2008 Environmental Report Is Available For Viewing. Call our office for an Investment Information Sheet and Rent Roll or to book a viewing.

FOR SALE - Wasaga Beach



WASAGA, 18 Units
Asking \$990,000
 Corner property converted from a motel. Main St Of Wasaga Beach, One Block From The Lake. Consisting of 5 - bachelor units, and 13 - 1 bedroom units. Well kept family run building. Separate Hydro Meters. New Roof in 2010, owner pays cable and hydro. Newer Units Updated, Old Need TLC. Excellent opportunity to own in fast growing Wasaga Beach with scarce amount of permanent rental units. Call our office for an information.

FOR SALE - Woodstock



WOODSTOCK, 41 Units plus 2 commercial
Asking \$1,899,000
 Cash cow located in Woodstock's Central Business District. 8.1% Cap Rate. 41 apartments plus 2 commercial store fronts. Consisting of 5 - bachelor units, 36 - 1 bedroom units, And 2 Commercial units. Fantastic Roi, very rare to find. Property is well taken care of but could always use some more cosmetic upgrades. Newer roof 6 yrs old. Call our office for more information.

[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 E-Mail to info@mysakrealty.com

FOR SALE - Toronto



TORONTO, 7 Units
Asking \$1,199,000
 Well maintained building consisting of 1 - bachelor unit, 6 - 2 bedroom units. Located within walking distance from Humber College, and 24 Hr transit. Large and spacious apartment units, most kitchen have been renovated. Thermal windows. Tenants pay hydro. New Roof in 2004, parking onsite. Call our office for an Investment Information Sheet or to book an appointment for viewing.

FOR SALE - Port Hope



PORT HOPE, 27 Units + 5 Commercial
Asking \$2,099,000
 8.0% Cap Rate. Historic St. Lawrence Building Located in downtown Port Hope on one of Ontario's finest main streets, the St. Lawrence. Close to the shopping, cultural, and recreational facilities of a historic community. 18 - bachelor units, 9 - 1 bedroom units, and 5 - Stores. Hydro paid by the owner. Call our office for more information.

SOLD - Milton



MILTON, 12 Units
Asking \$1,590,000
 Solid investment opportunity located on large lot close to future potential subdivision. Pride of ownership throughout. 1 - bachelor, 10 - 1 bedroom unit, and 1 - 2 bedroom unit. Great tenant profile. Thermal windows, Furnace Only 6yrs Old. Owner pays hydro. Ample parking at the back of the building. Call our office for an more information.

SOLD - Cobourg



COBOURG, 8 Units
Asking \$1,100,000
 AAA Location, steps from Cobourg Beach. Apartment building was built by the current owner Pride of ownership throughout. Consisting of 8 - 2 bedroom units, new Roof in 2008, laundry facilities onsite. Tenants pay own hydro. This is a true 'Trophy' property that rarely comes up for sale. Call our office for more information.

SOLD in Spring/Summer 2013

10 Mount Royal Ave., Toronto	11	11 units @ \$163,636/unit	\$1,800,000
2900 Keele St., Toronto	12	12 units @ \$126,666/unit	\$1,520,000
1317 Queen St. E., Toronto	18	18 units @ \$100,000/unit	\$1,800,000
245 Niagara St., St. Catharines	24	24 units @ \$66,000/unit	\$1,584,000
710 Lawrence Rd., Hamilton	24	24 units @ \$72,916/unit	\$1,750,000
715 Main St. E., Hamilton	31	31 units @ \$75,483/unit	\$2,340,000
13 Mill St., Mississauga	33	33 units @ \$166,666/unit	\$5,500,000
149 Henry St., Brantford	86	86 units @ \$77,906/unit	\$6,700,000

ADVERTISING

For advertising rates or to write an article for our newsletter, please contact our office via e-mail, info@mysakrealty.com

PUBLICATION

Our newsletter is published Quarterly and is mailed to over 16,000 Owners, Managers and Potential Purchasers

PRIVACY

We respect your privacy, If you wish to be removed from our mailing list, please contact our office via e-mail, regular mail or by phone.

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

The 2014 Residential Rent Increase Guideline is 0.8%