



-Dedicated to Apartment Building Sales-

FALL 2017

THE MYSAK REPORT

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Amazon Wants to Install Lockers in Your Apartment Building's Lobby

Amazon.com Inc. launched a new service this summer it pitches as a way to help bring order and security to the piles of delivered packages cluttering the lobbies of apartment buildings.

Called "Hub By Amazon," the locker can accommodate packages from any major carrier, including United Parcel Service Inc. and FedEx Corp. A modular unit measures about 7 feet by 7 feet and has 42 lockers in various sizes, accessible 24 hours a day.

The lockers are designed to prevent lobbies and mail rooms in multifamily housing units from getting overrun with packages. The units also secure packages so residents can get their items after hours when an apartment's management office may be closed. Such lockers are becoming must-have amenities in apartment complexes as tenants shift more spending online and lack a convenient way to receive their purchases.

The "hub" service differs from Amazon Lockers, which are in public spaces such as 7-Eleven convenience stores and handle only Amazon

packages. The lockers for apartments will be accessible only to residents. Amazon's new service was reported earlier by the Wall Street Journal.

AvalonBay Communities Inc., an American company, will install the lockers at 100 properties over the next year and could expand beyond that, and Equity Residential is experimenting with the lockers at some of its properties. AvalonBay and Equity Residential are the two largest publicly traded apartment companies.

FOR SALE-HAMILTON



HAMILTON, 12+3
Asking \$2,000,000
6.6% Cap Rate

Excellent investment opportunity. Mixed use building includes 2

Residential Units, a Lodging House Licensed for 10 rooms currently being used as student rentals, and 3 ground floor commercial units. Commercial Units pay own heat, hydro, water & TMI. Only a two minute walk to Hamilton GO station. Desirable tenant location close to all amenities and public transportation.

FOR SALE- BRANTFORD



BRANTFORD, 21 Rooms
Asking \$1,250,000
6.7% Cap Rate

Immaculate 21-Room Student Residence. 4 legal units. Fully renovated in 2013 with

high end features incl. granite countertops, hardwood flooring, new furnaces, windows, Etc. 2 min walk to Wilfred Laurier & Nipissing Universities. All bedrooms & common areas come fully furnished. Public transit only a block away. Rents include cable & high speed internet for optimal student renting. Onsite parking.

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.

Investors Can Minimize Some Risks by Controlling Variables

On a purchase of an apartment building, investors are exposed to a large degree of risk, prior to closing, which affects outcomes. There are many risk elements on a purchase (i.e. environmental condition, building condition, confirming rental revenue, confirming expenses, reviewing contracts to ensure veracity/service levels for such things as elevators, fire safety, waste disposal, etc.) that are variables that need to be factored into a buying decision.

We are all familiar with the expression “time is money”. Recent volatility in interest rates has brought this point home to several investors over the last few months and has become a variable that can impact a purchaser’s loan amount, required equity, return on equity, cash-on-cash returns, etc. For example, in the three months between early June, 2017 and early September, 2017 interest rates increased about 60 to 80 basis points (0.60% to 0.80%) depending on the bond and term (i.e. 5 years or 10 years). This appears to have signified an end to the declining rate environment we had all become used to.

Purchasers can protect themselves against interest rate

risk by having the ability to lock the rate early. There is usually a “hedging” cost to do so, which might add a few basis points to the borrower’s rate. However, this is a minor difference when failure to lock early can result in a rate that is higher by up to 80 basis points, as we have seen recently. Furthermore, this rate increase can result in a reduced loan amount which means more cash equity into the purchase is required. Purchasers can minimize interest rate risk by ensuring they have the ability to lock the rate early – don’t presume it is always available. Several lending institutions will only permit a rate lock within a week of closing. At First National, we offer this flexibility to borrowers on most apartment loans up to 8 – 10 weeks before closing.

In the current market, most properties offered for sale attract a lot of attention. All things being equal, a successful offer is often one that features the quickest closing. Again, we see time becoming a key factor. Since most loans require a clean environmental report, which can take up to 3 weeks, purchasers are encouraged to address this early instead of waiting for a lender’s commitment and then initiating an environmental report. In order to lock a rate early, a clean environmental report is usually required. The same principle applies to appraisals and any other third party reports that might be necessary. Failure to

proceed quickly with third party reports can result in lost time that might produce a higher rate and can also extend time lines to complete the purchase, which could take a purchaser’s offer out of a seller’s consideration.

In summary, investors are encouraged to recognize that current interest rate volatility can impact apartment investments and loan amounts. The risk to purchases created by the timing variable can be managed by having the ability to lock the rate early and ensuring no time is lost in having third party reports (environmental, appraisal) completed as quickly as possible.

Dru McAuley is Assistant Vice President, Commercial Financing 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. Contact Dru if you would like to receive, at no cost, a daily interest rate summary and weekly market commentary in your inbox. (Copyright 2017 Dru McAuley).

SOLD - WEST TORONTO



TORONTO, 13+2 Units

Asking \$4,500,000

5.0% Cap Rate

Incredible investment opportunity located in the Humbercrest neighbourhood. One of kind style & design inside the apartments, a must see! 13 residential & 2 commercial units. New kitchens, and new bathrooms in all units. Steps from public transit. Close to schools & all amenities. Separate hydro & gas meters, all tenants pay their own. All units have ensuite laundry, a dishwasher & A/C.

FIRST NATIONAL
FINANCIAL LP



Quick closings available

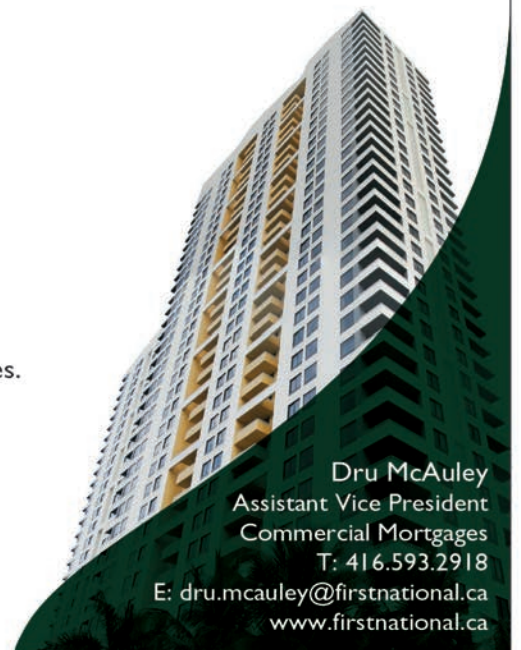
First National specializes in multi-family and commercial mortgage financing, and is a leading lender of CMHC insured mortgages for multi-family properties.

- Terms up to 20 years
- Attractive rates (fixed or floating)
- Higher loan amounts (up to 85% LTV)
- Extended amortization

**Make First National
your first call.**

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

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The Mysak Realty Report



WHO? Caitie Corkal, Office Administrator

WHAT? Began Real Estate courses at Ontario Real Estate Association

WHEN? October 2017

WHERE? OREA

WHY? Caitie has been with Mysak Realty for 3 years allowing her to know the ins and outs of real estate. She is now ready to make the jump forward to becoming a real estate agent. She is detail oriented, driven, and uses her efficient and accurate skills to make every transaction as smooth as possible for each and every client.

Good luck Caitie!

FOR SALE- WEST TORONTO



WEST TORONTO, 21+7 Units

Asking \$12,500,000

Incredible investment property on a large corner lot in a phenomenal location. Restaurants, shops, public transit are right outside the door, and only a short walk to grocery, schools and places of worship. Thriving ground floor commercial units and fully tenanted apartments. The building has excellent curbside appeal and has had extensive renovations in many of the residential units. Onsite laundry facilities and parking, including 5 garages. Majority of tenants pay own hydro.

SOLD-HAMILTON



HAMILTON, 17 Units
Asking \$1,950,000
4.8% Cap Rate

Located on top of the Hamilton mountain in sought after location. Close to shopping and all

amenities. 17 Large One Bedroom apartments. Pride of ownership throughout. Ample parking for all tenants and guests. Approximately 30% of units have been fully renovated. Major upside potential available on rents.

SOLD CONDITIONALLY-WHITBY



WHITBY, 6 Units
Asking \$1,250,000
3.7% Cap Rate

Well maintained 6-plex. Significant upside on all rents. Perfect building for investor looking for

upside. No major capital expenditures needed in near future. This building is ideal for re-positioning, increase value quickly with a few management changes. Located close to amenities, public transit. Onsite laundry, covered parking for each unit. Tenants pay hydro. Newer roof (approx. 3 years).

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

SOLD- PARKDALE-RONCESVALLES



TORONTO, 27 Units

Stunning 4-storey walk up, in the heart of Parkdale. Public transit at your doorstep and only a two minute walk to shopping. Recently passed city fire inspection. Easy access to downtown with the King St. W. streetcar. Great curbside appeal, with a modern design on the interior, reflecting the tenants in the neighbourhood. Onsite Laundry. 14 x Large Bachelors, 13 x 1 Bedrooms. Tenants pay own Hydro.

SOLD- HIGH PARK- RONCESVALLES



TORONTO, 30 Units

Located on the Queensway, just west of Roncesvalles. with views of Lake Ontario. Steps to St. Josephs Hospital, High Park & Roncesvalles Village. Close to many public transit routes, including the Queensway, King, & Queen streetcar. Rents below market, 6 units are well below market. Majority of the tenants pay own Hydro. Intercom system. Building has character and is in fantastic condition. Tenants are young professionals that enjoy the outdoors. 5 min walk to Lake.

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 or call 416-767-5500

SOLD in Fall 2017

457 Marlee Ave., Toronto	31	31 Units @ \$245,161/unit	\$7,600,000
689 Doon Village, Kitchener	17	17 Units @ \$193,529/unit	\$3,290,000
38 Barton Ave., Toronto	18	18 Units @ \$277,778/unit	\$5,000,000
16 Helen St., Hamilton	102	102 Units @ \$204,372/unit	\$20,845,947
81-83 Columbia St. W., Waterloo	19	19 Units @ \$331,578/unit	\$6,300,000
1378 Mayview Ave., Ottawa	8	8 Units @ \$157,500/unit	\$1,260,000
18 Ferguson Ave., Sault Ste Marie	38	38 Units @ \$44,737/unit	\$1,700,000
189 Talbot St. N., Essex	17	17 Units @ \$85,294/unit	\$1,450,000

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

The 2018 Residential Rent Increase Guideline is 1.8%