

# The Mysak Report

Dedicated to Apartment Building Sales

Spring 2013

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## Energy Management Retrofits

With the growing age of apartment buildings in Ontario many owners are beginning to face the reality retrofitting their buildings. It is a daunting task however it is one that many apartment building owners will have to face in the future.

Once a building has been retrofitted it can substantially reduce energy costs, with savings ranging between 24-33 percent with a typical payback within 18-36 months. Aging heating and air-conditioning systems that have reached the end of their useful life and ever-increasing maintenance requirements can be blamed for the high amount of energy waste and costs.

To improve energy usage, a smart thermostat can be installed. These in-unit management systems are designed for apartment buildings where utility costs are included in the rent.

They operate by adjusting the temperature based on tenant presence using a motion detector with adjustments being able to be made for seniors and those with special needs. The motion detector automatically resets to at-home temperature when the tenant returns. Settings can be changed within the building owner's defined range which reduces energy abuse (e.g. high settings and open windows in the winter or tenants leaving the heating or cooling systems on when away on vacation) and it automatically

adapts to seasonal switch-over's in accordance with minimum by-law temperatures. The preset manual adjustment range can also reduce stress and extend the life of existing HVAC equipment.

There are many advantages to retrofitting your apartment building. A project such as installing a smart thermostat like the one described above can be completed without any major disruption to tenants, without compromising their comfort and in relatively little time. Most importantly, in doing so higher energy savings will be achieved thus increasing building NOI and overall building value.

## SOLD - Toronto



**TORONTO, 12 Units**  
**Asking \$1,688,000**

Prime location on a corner lot. Close to TTC, highway 401 and walking distance from all amenities such as York University, Downsview Park, and New Humber hospital. Consisting of 1 - 1 Bedroom unit, and 11 - 2 Bedroom units. Separate hydro meters, Ample outdoor parking

plus 6 garages. Call our office for an Investment Information and information on the sale of this property.

## FOR SALE - Cambridge



**CAMBRIDGE, 56 Units**  
**Asking \$5,500,000**

6.2% Cap Rate. Well maintained building with 8 - Bachelor units, 13 - 1 Bedroom units, 21 - 2 Bedroom units, and 14 - 3 Bedroom units. A majority of the units have been renovated. The building is separately metered for Hydro, 48 tenants are

paying for their own hydro, fire compliant, thermal windows. 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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## Industry Professionals

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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.

## ARE YOU FOLLOWING THE BOND MARKET...

As regular readers of the Mysak Realty Newsletter are aware, I have often encouraged investors to remain current with events in the bond market. Bond market interest rates (referred to as “bond yields”) are the major influence on mortgage rates. Bond yields are subject to rapid and wide swings. A borrower who considered a loan a few months ago might be surprised to see that 10 year mortgage rates have varied by as much as 35 basis points (a basis point is one one-hundredth of one percent i.e. 0.01%) between late November 2012 and mid March 2013.

Interestingly, many investors assume that current rates will remain the same because the press confirms this on a regular basis. However, the rate that is most often referred to in the press is the Bank Rate, which is administered by the Bank of Canada, our central bank, and is essentially the cost of money for one day. Prime rates at banks are influenced by the Bank Rate. This rate has negligible influence on 5 and 10 year bond yields and, in turn, mortgage rates. This makes sense: factors influencing a 24 hour cost will

be different from factors influencing a cost that covers a ten year period.

First National offers a daily bond market summary, via email, that also provides rates in effect on that day. This allows apartment investors to stay up to date with news and data that affect rates on a daily, weekly, monthly, etc basis. It is a useful tool for apartment investors who want to stay in touch with issues and events that will affect the availability of capital to finance their property investments.

Please contact me at 416 593 2918 or via email at

[dru.mcauley@firstnational.ca](mailto:dru.mcauley@firstnational.ca) and I can have it delivered every day, usually before noon, to your in box. The daily update is usually a few paragraphs and can be read quickly.

### CMHC UPDATE

In the Spring 2012 issue of the Mysak Realty Newsletter, I mentioned that CMHC had fallen under the supervision of the Office of the Superintendent of Financial Institutions (“OSFI”), which is the federal regulator of financial institutions in Canada. Most mortgage market participants

have monitored developments at CMHC for new policy directives as a result.

To date, there have not been many meaningful changes – it seems to be business as usual for apartment investors. There has been a requirement for a little more due diligence with respect to some stages of the approval process. Frankly, these are simply prudent underwriting measures that most lenders have been observing. Considering the important role that CMHC mortgage insurance has in the apartment industry, most investors would be well served to stay informed of any new policy developments.

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 416-593-2918 (toll free 1-800-465-0039) or [dru.mcauley@firstnational.ca](mailto:dru.mcauley@firstnational.ca).  
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## 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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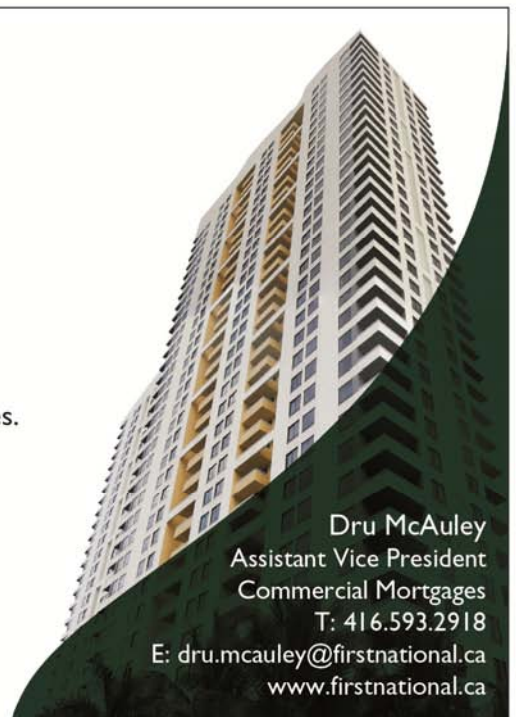
Call Dru at 416.593.2918  
to receive our daily bond  
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**SOLD - Oshawa**

**OSHAWA, 18 Units**  
**Asking \$1,599,000**

18 unit apartment Building in a quiet area of Oshawa. Consisting of 16 - 2 bedroom units, and 2 - 3 Bedroom units. Onsite Parking for 15 cars, Tenants pay Hydro, Laundry Onsite, Upside potential on rents. Clean Phase 1 Available. Owner willing to

hold 2nd Mortgage with minimum 25% down. Call our office for further information on the sale of this building.

**SOLD - Hamilton**

**HAMILTON, 31 Units**  
**Asking \$2,449,000**

7.3% Cap Rate. 31 unit apartment building consisting of 13 - 1 Bedroom units, and 18 - 2 Bedroom units. Great rental area close to Shopping and all amenities. New Roof In 2006. Tenants pay hydro, Laundry Facilities onsite. Clean Phase 1

Environmental Available. Asking price Includes the parking lot behind the building. Call our office for further information on the sale of this building.

**SOLD - Toronto West**

**TORONTO, 12 Units**  
**Asking \$1,490,000**

5.2% Cap Rate. Great rental location! This property has good "up-side", with 6 of the units renovated. Recent waterproofing all around the building. Close to shopping and all amenities. Consisting of 1 - Bachelor unit, and 11 - 2 Bedroom units. Most tenants

pay their own hydro. Laundry facilities onsite. Call our office for further information on the sale of this building.

**SOLD - Toronto**

**TORONTO, 11 Units**  
**Asking \$1,799,000**

Well maintained property with in great location with beautiful curb side appeal. Renovated unit. Seldom a vacancy. 4 - bachelor units, 6 - 1 bedroom units, and 1-2 bedroom unit. Separate hydro meters. Laundry facilities onsite. Financing free

and clear. Call our office for an Investment Information and information on the sale of this property.

**SOLD - Toronto West**

**TORONTO, 15 Units**  
**Asking \$1,750,000**

Pride of ownership throughout. Rents are well below market value. Consisting of 8 - 1 bedroom units and 7 - 2 bedroom units. Thousands spent on upgrades including all new mechanicals, new roof in 2011, new dual furnaces in 2006, new hot water tanks and refinishing all balconies. Laundry facilities and ample parking on site. Call our office

for further information on the sale of this building.

**SOLD - Kitchener**

**KITCHENER, 8 Units Plus 2 Commercial units**  
**Asking \$809,000**

Perfect for handyman investor. Benefit of commercial tenants and residential tenants in the same location. Consisting of 1 - 1 bedroom unit, 5 - 2 bedroom units, 2 - 3 bedroom units plus 2 commercial units. Separate hydro meters, Tenants pay hydro. Call our office

for an Investment Information Sheet and further information on the sale of this property.

**[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](mailto:info@mysakrealty.com)

## FOR SALE - Hamilton



**HAMILTON, 12 Units Asking \$875,000**  
 7.0% 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 more information.

## SOLD - Kingston



**KINGSTON, 11 Units Asking \$899,000**  
 Extremely Well Kept 11 unit Apartment Building just minutes from Queens University. Consisting of 11 - 2 bedroom units. Tenants Pay Hydro, Laundry facilities onsite, fire compliant, parking onsite. Large Lot 75' x 166'. Call our office for an Investment Information Sheet and for more information on the sale of this property.

## FOR SALE - Hamilton



**HAMILTON, 6 Units + 1 Commercial Asking \$875,000**  
 2 - bachelor units, 2 - 1 bedroom units, and 2 - 2 bedroom units plus 1,200 sq ft on the main floor and 1,000 sq ft in the basement which is presently occupied by Rumak Eatery & Bar. Business also for Sale for \$199,000. \$16,000 spent to upgrade all windows in 2007, new

Roof in 2004, parking onsite, Most tenants pay hydro. Call our office for more information.

## FOR SALE - Barrie



**BARRIE, 6 Units Plus 3 Commercial units Asking \$2,690,000**  
 6.3% cap rate. 6 - 2 Bedroom units plus 3 commercial units with additional income from signage. Barrie is the fastest growing city in Canada. No new billboards are being approved for the area which

makes the existing billboards a "goldmine." Residential tenants pay their own hydro. New roof 2004 and ample parking onsite.

## SOLD in Fall-Winter 2012

2850 Keele St., Toronto	12	12 units @ \$126,666/unit	\$1,520,000
554 Harvie Ave., Toronto	15	15 units @ \$110,000/unit	\$1,650,000
249 Drew St. & 209-215 Stacey St., Oshawa	18	18 units @ \$81,944/unit	\$1,475,000
1580 Bathurst St., Toronto	24	24 units @ \$100,000/unit	\$2,400,000
604-606 Cheapside St., London	32	32 units @ \$59,375/unit	\$1,900,000
340 The East Mall, Etobicoke	77	77 units @ \$140,260/unit	\$10,800,000
350 The East Mall, Etobicoke	77	77 units @ \$141,558/unit	\$10,900,000
255 Bold St., Hamilton	82	82 units @ \$85,976/unit	\$7,050,000

### ADVERTISING

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



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