



The Right Professionals, with the Right Advice

Prior to purchasing an apartment building it is ideal to find the right team to assist you.

A vital member of your team should be a lawyer who specializes in commercial real estate. Finding a solicitor that knows the industry of commercial real estate should be an essential part of your transaction, as they have the knowledge and guidance to offer seamless service and can lend a hand for all

of the various paperwork. They will be able to help with confusing contracts, legal concerns and due diligence support, in addition to so much more. A commercial real estate lawyer will strive to creatively and effectively overcome any obstacles which may arise during the course of the transaction. They can also give extra peace of mind by adding a subject clause that can be inserted into the contract allowing for your lawyer's approval of the agreement. Offers happen quickly, so when all subjects and conditions are

removed and the deal is firm, your lawyer will already be prepared to prepare all of the necessary documentation pertaining to your deal.

A commercial real estate lawyer can make all the difference in a smooth closing transaction after the conditions have been fulfilled. Seize the moment to find the right lawyer in advance. It is crucial to surround yourself with the right professionals with the right advice to make the right investment choice for you.

FOR SALE - Newmarket



NEWMARKET, 6 + 1 Units
Asking \$1,400,000
4.2% Cap Rate

Located in the Heart of Newmarket! This six residential and one commercial unit building is near all amenities as well as public transit, a hospital, a conservation area, the Newmarket GO Station and so much more! Fully tenanted. Residential units pay their own hydro. Onsite parking available for all units. Roof had shingles replaced in 2011. Phase 1 Environmental Report available - Clean.

FOR SALE - Belleville



BELLEVILLE, 12 Units
Asking \$1,100,000
6.4% Cap Rate

Pride of ownership throughout this 12 unit building in beautiful Belleville. Walking distance to Alemite Park, multiple public schools and close to all amenities. Onsite parking and laundry facilities available. 8 Units have balconies which have all recently been upgraded. Equipped with an intercom system. Fully tenanted. Thermal windows. Large apartments. 2 x 1 Bedroom & 10 x 2 Bedroom suites.

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

Joe Mysak, Broker of Record
Office: 416-767-5500 ext. 22 **Toll Free:** 1-877-382-5500
Fax: 416-760-7878 **Email:** Joe@MysakRealty.com
Website: www.MysakRealty.com

Industry Professionals

Accountant

Sandy M. Feld, B.Comm.
3089 Bathurst St. Suite 319
Toronto, ON M6A 2A4
416-789-4846

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.

MORTGAGE MARKET UPDATE

Apartment investors should be aware of the ongoing changes that take place from time to time with regard to apartment financing. I would like to point out some recent developments.

In the current low rate environment we have seen "spreads" (the amount by which loan rates are priced over the Canada Mortgage Bond ("CMB") or Government of Canada ("GOC") bonds) increase in order to compensate lenders when mortgage loan rates are based on low bond yields. This is more pronounced in conventional (i.e. not CMHC insured) lending than in CMHC insured lending. Most borrowers are aware that commercial mortgages on multi-unit properties are risk-adjusted to some degree, meaning more aggressive loans or buildings in less desirable locations might feature higher rates. Borrowers are well advised to be both aware and realistic in terms of the sort of mortgage rates their properties will attract.

As some apartment borrowers have seen, CMHC has made some adjustments to the cap rates it uses to determine "lending value" on applications received for mortgage insurance. CMHC is an insurance company and is more conservative than the market in establishing

values for buildings that are the subject of mortgage insurance applications. For a considerable period, a 6% cap rate would be used for typical Toronto properties and a slightly higher cap rate would apply to GTA properties. This was challenging for purchasers acquiring properties in a 4% cap rate market, which is not uncommon in Toronto. This had the effect of requiring more equity from purchasers. However, there has been some moderation in lending value cap rates over the last several months at CMHC, which has resulted in loan insurance approvals that are a bit closer to market value now compared to the recent past. The net effect is that loan insurance approvals are a little larger and less cash equity is required on purchase transactions.

Most mortgage loans feature a condition requiring the lender's consent if the borrower wishes to arrange a second mortgage on a property. Such requests are dealt with on a case by case basis. The first mortgagee will want to ensure that the second mortgage loan does not imperil the viability of the first mortgage loan. A second mortgage can also indicate to the first mortgagee that there might be problems in the borrower's apartment portfolio or that the financial condition of the borrower is deteriorating. The first mortgagee's consent

would normally be provided in writing.

However, we are noticing that, in many cases, the first mortgage provides its consent subject to the second mortgagee executing a standstill agreement. This agreement places restrictions on the second mortgagee's ability to enforce its mortgage. If the second mortgagee refuses to sign the standstill agreement, then the deal is dead. Borrowers should be aware of this potential problem and ask - in advance - if the first mortgagee requires this document.

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. (Copyright 2016 Dru McAuley).

FIRST NATIONAL
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Quick closings available

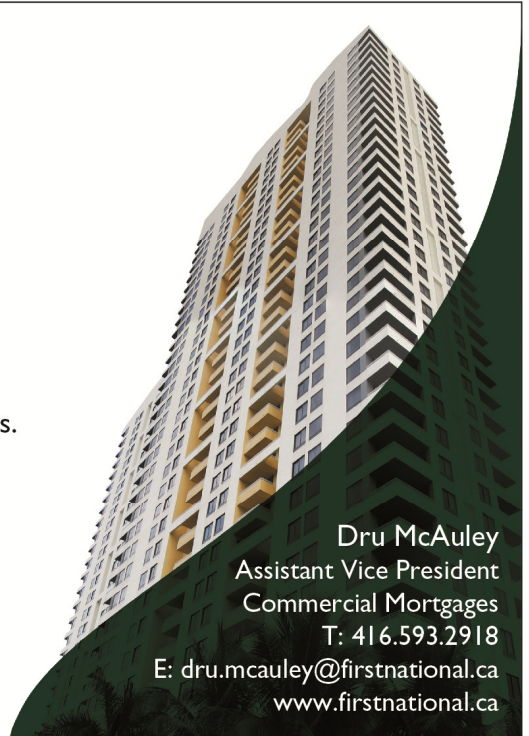
First National specializes in multi-family and commercial mortgage financing, and is a leading lender of CMHC insured mortgages for multi-family properties.

- 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.**

Dru McAuley
Assistant Vice President
Commercial Mortgages
T: 416.593.2918
E: dru.mcauley@firstnational.ca
www.firstnational.ca



FOR SALE - Brantford



BRANTFORD, 10 Units
 Asking \$950,000
6.1 % Cap Rate

A 10 unit building in great condition, perfect location, and with a tremendous cash on cash return. 8 x 1 Bed, 2 x 2 Bed. Excellent tenants. Tenants pay own gas, hydro.

10 Min walk to Laurier University. Large lot. Roof approx. 5yrs. Furnace 2015. Thermal windows approx. 5yrs. Clean phase 1 Environmental report. Renovated large units. Please contact our office for an investment information sheet.

FOR SALE - West Nipissing



WEST NIPISSING, 13 Units
 Asking \$699,000
8.2% Cap Rate

Less than a five minute walk to the Sturgeon Falls Arena, tenants can enjoy hockey, skating and curling.

Close to all amenities as well as a park, Hospital and the West Nipissing Recreation Centre. With onsite parking and laundry facilities, all newer fridges and stoves (New to 4 years), new roof within the last 5 years and separate Hydro meters and water tanks.

FOR SALE - Oakville



OAKVILLE, 115 Units
 Asking \$29,000,000
3.8% Cap Rate

Sitting on over 7 Acres of land. Ample parking. Every unit is two levels, plus full basement. Some units' basements include a finished recreation room. Each unit has in-suite laundry facilities, fridge, stove, breakfast nook, dining room & sliding patio doors to a landscaped courtyard. Close to schools, parks, shopping & all other amenities.

FOR SALE - Tweed



TWEED, 12 Units
 Asking \$650,000
6.6% Cap Rate

Sits on over 8 Acres of beautiful forest lined property. Ample yard space for family play and activities. Includes a

Swing Set, Basketball/Tennis Court & backyard garden. Ten of the units have been renovated within the past 5 years and freshly painted. Units boast hardwood floors, new bathroom vanities, new tub surrounds and gorgeous ceramic tiles.

Three ways a lawyer can help you stop problems before they start

Apartment building owners face challenges on a daily basis. Working with an experienced commercial and real estate lawyer from the outset is essential to protect your interests.

Standard form contracts; Time is money. A lawyer can help you ensure your contracts are performed in a timely manner and avoid unnecessary litigation by reviewing your standard form contracts with you.

Standard Lease Agreement; Websites like Kijiji, AirBnB and Craigslist make it easy for tenants to earn extra cash by subletting their units on a short-term basis, which presents both liability and

security issues for owners of apartment buildings. Working with a lawyer to carefully draft a lease can help prevent these potentially dangerous secondary transactions.

Property Management Company; Let someone else do the work. Hiring a property management company can relieve pressure on the owner, but also limits the owner's control over the day to day operation of the building. Having a lawyer assist you in drafting a property management contract will allow you to rest assured knowing your building is being operated according to your wishes. Pro-actively working with a lawyer can prevent minor issues from

becoming major problems that require significant time and money to fix. Finding a legal professional that you trust is crucial to ensuring your real estate investment is a success.

Asif Lasani is a partner and litigator in the corporate/commercial and real property group at Evans Sweeny Bordin LLP, and regularly serves clients in contractual, construction and commercial tenancy disputes. Evans Sweeny Bordin LLP provides both commercial and residential real estate legal services. Asif would be pleased to answer any questions or to discuss this article. He can be reached at 905-523-5666 or alasani@esblawyers.com.

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

SOLD - Toronto



Toronto, 6 Units
Asking \$1,990,000
3.0% Cap Rate

Steps from subway, park, shopping and schools. Month-to-month tenants pay heat & hydro. Needs some TLC. Great up-side and opportunity knocks for the right buyer. Onsite laundry Facilities and onsite Parking. Brick construction, roof re-done in 2008.

SOLD - Hamilton



HAMILTON 8 Units
Asking \$1,200,000
5.5% Cap Rate

PRIME Hamilton Location! Stunning heritage property close to all amenities. Solid safe Investment. The building has incredible curb side appeal which continues throughout the inside of the building. Pride of ownership. Property never has a vacancy. Potential to add additional unit in basement.

SOLD - Sarnia



SARNIA, 12 Units
Asking \$770,000
7.5% Cap Rate

Great opportunity for serious investors. Well established 12 unit townhouse complex conveniently located beside Grocery Store, Gas Station, Public Transit, HWY 402 On-Ramp, Shopping and all other Amenities. Brand New Roof in 2015. Close to Schools and Parks. Onsite Laundry Facilities and Parking. Consists of 8 x 2 Bedroom units and 4 x 3 Bedroom units.

SOLD - Cambridge



CAMBRIDGE, 8 Units
Asking \$875,000
5.7% Cap Rate

8 Unit apartment building with large units, public bus stop across the street, ample parking in the lot and a great public school only a minute walk away, this building seldom has a vacancy. It is located in a great, quiet neighbourhood with only a 2 minute drive to grocery and all other amenities. Laundry Facilities on site. Tenants pay their own Hydro and Cable. Some units have balconies.

SOLD in Winter 2016

2087 - 2103 Prospect St., Burlington	73	73 units @ \$181,507/unit	\$13,250,000
425 Eleventh Ave., Cochrane	36	36 units @ \$38,889/unit	\$1,400,000
1164 Ouellette Ave., Windsor	42	42 units @ \$32,738/unit	\$1,375,000
6035 Murray St., Niagara Falls	18	18 units @ \$88,716/unit	\$1,596,000
119 Elmwood Ave., London	9	9 units @ \$69,44/unit	\$625,000
328 Queenston Rd., Cambridge	6	6 units @ \$135,500/unit	\$813,000
169 Lancaster St. W., Kitchener	20	20 units @ \$156,250/unit	\$3,125,000
3225 College Ave., Windsor	44	44 units @ \$47,818/unit	\$2,104,000

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

The 2016 Residential Rent Increase Guideline is 2.0%