



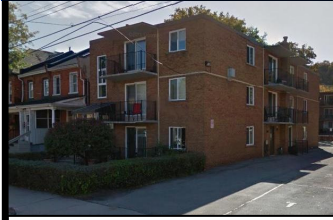
FOR SALE - Goderich



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

28 Units in gorgeous Goderich. Close to schools, parks, all amenities and just a short drive to Lake Huron. Pride of ownership throughout. On site laundry facilities and on site parking available. Seldom a vacancy. Rents currently include all utilities, including basic cable (can be removed for new tenants). Fantastic on site superintendent. All electric heating.

FOR SALE - Hamilton



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

Rarely offered 11 unit solid concrete building in trendy Corktown neighbourhood. Located near all amenities, surrounded by parks, schools, Hamilton Go centre, and St. Joseph's Hospital (downtown). Walk score Of 91. Onsite laundry facilities. 12 parking spots. Tenants pay own hydro. Intercom. New furnace 2017. All balconies refinished and all railings replaced in 2012

FOR SALE - Colborne



COLBORNE, 17+3 Units
Asking \$1,075,000
8.3% Cap Rate

Excellent location in the heart of downtown Colborne; steps to all amenities and just a 5 minute drive to the famous "The Big Apple" bakery & shop on the 401. Fully occupied, with a waiting list. Ample onsite parking available. Separately hydro metered, owner currently pays the majority. Well managed. Can be purchased with separate building (15 units). Please contact our office for an investment information sheet.

FOR SALE - Colborne



COLBORNE, 15 Units
Asking \$775,000
8.3% Cap Rate

Located in beautiful downtown Colborne, directly across from Victoria Square. Fully occupied, with a waiting list. Just steps to all amenities, including shops, restaurants, pharmacy and grocery. Ample onsite parking. Separately hydro metered, owner currently pays the majority - opportunity to increase income. Well managed. Can be purchased with separate building (17+3 units). Contact our office for more information.

**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.

MORTGAGE MARKET UPDATE

As we enter 2017 and think about the state of the apartment financing market, it is worth reviewing some recent developments that could impact apartment borrowers in the current market.

As regular readers of the Mysak Newsletter are aware, in the past we have pointed out the shift towards market oriented cap rates at CMHC. For several years CMHC would typically apply a cap rate of 6.0% to Toronto apartments and a slightly higher cap rate to GTA properties. Since most Toronto trades now occur with cap rates of less than 4.0%, a 6.0% cap rate led to very conservative lending values in CMHC mortgage insurance approvals. We have observed recently that CMHC is underwriting loans with lower cap rates in Toronto and the GTA. They are still not at market levels, but the reduction has led to larger loan approvals. As welcome as this news is for apartment owners, the recent increase in bond yields in the latter part of 2016 has had the effect of putting downward pressure on the amount of the loan that is available to borrowers because, apart from the value of the asset, the property's cash flow has to support the loan. As rates rise, the loan amount that a property can support declines.

This is clearly a case of good news and bad news. Speaking of interest rates, what a difference a year makes. Through most of 2016 we were seeing interest rates (bond yields that determine borrowing rates) that were at historical lows. However, between late August 2016 and year end 2016 we saw rates increase by about 50 and 70 basis points (0.50% and 0.70%) for 5 and 10 year terms, respectively. Rates seem to have stabilized at current levels but who knows for how long? Apartment investors should monitor the interest rate market regularly in order to be current with borrowing prices.

An interesting phenomenon is taking place. Cap rates usually correlate to interest rates. In other words, as interest rates rise, cap rates usually rise and if interest rates fall, cap rates usually fall. However, cap rates appear to be essentially unchanged for most apartment trades although rates/bond yields are up by about 50 to 70 basis points as noted above. The explanation seems to be that the desirability of owning real estate as an asset class is still exceedingly popular even with the rate rise. I suppose this makes some sense because rates are still pretty low.

Another by-product of the rate increase is that we have seen "spreads" (the increment over the bond yield) come down slightly with

regard to conventional (i.e. non CMHC insured loans). When bond yields were at their lowest, spreads increased to provide lenders with enough rate to justify being in the market. However, now that rates have increased, spreads for some types of loans have declined.

With regard to apartment fundamentals, the basics are still strong. At a recent CMHC sponsored conference, a presentation showed that vacancy rates in Toronto and the GTA are expected to decline further and strong rental demand should continue to support a lift in rents. For owners, this is clearly a case of good news and good news.

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. Contact Dru if you would like to receive a daily interest rate summary in your inbox. (Copyright 2017 Dru McAuley).

FIRST NATIONAL
FINANCIAL LP



Quick closings available

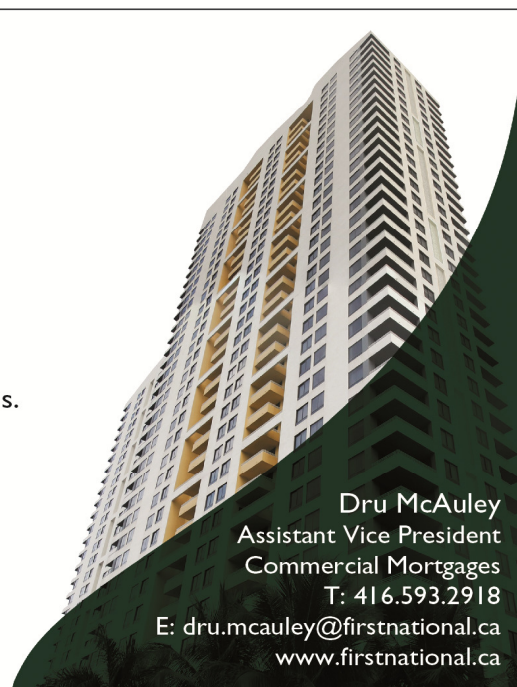
First National specializes in multi-family and commercial mortgage financing, and is a leading lender of CMHC insured mortgages for multi-family properties.

- 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 REALITY REPORT...THE 5 W'S –



WHO? The Mysak Realty Team

WHAT? Volunteered with Salvation Army

WHERE? Salvation Army Bloor Central

WHEN? December 2016

WHY? We strive to give back to our community in any way we can, this December we were able to join forces with the Salvation Army to set up a toy store for hundreds of families in need of some extra help at Christmas.



EXCLUSIVE - Cobourg



COBOURG, 19 Units
Asking \$2,350,000
5.1% Cap Rate

Incredible Investment opportunity. Just across from Cobourg Beach. A beautiful view of

Lake Ontario right outside the door. Onsite parking and laundry facilities available. Charming character throughout, building is in great shape. Close to schools, parks, and all amenities. Less than a ten minute walk to the downtown core of Cobourg. Roof recently upgraded.

FOR SALE - Campbellford



CAMPBELLFORD, 16+5 Units
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 hot water tank. Separate hydro meters, tenants pay own. Water sub metered. Elevator connected through phone line with emerg centre in Belleville. Five Comm Units – owner has applied to change status to RES Unit: to create three more 1 Bedrooms.

NOTICE

Recently the city of Toronto proposed a new bylaw that will require all multi-residential building owners to license their apartment buildings. The focus is aimed on buildings that are 3 or more stories and 10 or more units. This new bylaw is a way to make landlords more accountable for their actions and conduct in tenant complaints.

Under the new bylaw owners will be required to do the following;

- Register with the city
- Have a comprehensive pest management plan that includes licensed professionals
- Use licensed contractors for all repairs
- Have a good repair capital plan
- Display a colour-grade sign visible to individuals entering the building, similar to those which restaurants already have
- Have annual inspections of all common areas
- 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, 12 per cent for enforcement action and 35 per cent from property taxes

If you'd like more information on the new Bylaw and how it may affect you, please visit our website at www.mysakrealty.com and go to our links page, or contact us by phone at 416-767-5500 or email to info@mysakrealty.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 - 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.

SOLD - Cambridge



CAMBRIDGE, 8 Units
 Asking \$910,000
5.5% Cap Rate

Same Owner for over 35 years. Rents well below market value for 5 of 8 of the units. 5.5% Cap rate. Great Location, Bus stop right in front of the building and less then 5 minute drive to shopping, restaurants & grocery.

SOLD - Newmarket



NEWMARKET, 6 + 1 Units
 Asking \$1,300,000
4.5% Cap Rate

Located in the Heart of Newmarket! This 6 Res & 1 Comm unit building is near all amenities, public transit, hospital, conservation area, GO Station & so much more! Fully tenanted. Residential units pay their own hydro. Onsite parking available.

SOLD - Quinte West



QUINTE WEST, 24 Units
 Asking \$1,725,000
7.9% Cap Rate

Two 12-Unit buildings sitting on almost two acres of land. Just a short walk to Lake Ontario. Both roofs replaced within the last 5 years. Tenants pay own hydro – All units have separate HWT & hydro meters.

COMING SOON

29 Units - Toronto

If interested please contact Joe Mysak for more information

SOLD in Winter 2017

270 Spadina Rd. E., Kitchener	59	59 Units @ \$103,814/unit	\$6,125,000
1770 Wilson Ave., Toronto	21	21 Units @ \$237,619/unit	\$4,990,000
1255 Birchmount Rd., Scarborough	68	68 Units @ \$142,059/unit	\$9,600,000
316 The Kingsway., Toronto	17	17 Units @ \$191,588/unit	\$3,257,000
123 Huron St., Toronto	18	18 Units @ \$222,256/unit	\$4,000,600
9050 Wyandotte St. E.	26	26 Units @ \$76,000/unit	\$1,976,000
630 Huron St., London	36	36 Units @ \$78,194/unit	\$2,815,000

If we can be of any assistance for your multi-residential needs

The 2017 Residential Rent Increase Guideline is 1.5%