



FACTS – TIPS - \$ SENSE – WINTER 2001 – HASKETT REALTY INC, REALTOR

MORTGAGE RATES

Very attractive rates are currently available with interest rates, in most instances, tied to 5 and 10 year Canada Bond Rates. Conventional rates are approximately 140 – 190 basis points (100 basis points is 1%) above the corresponding Bond rate. CMHC insured rates range from 80 – 110 basis points above the Canada Bond Rate for 5 years and 85 – 115 points for 10 year funds. Loan amount and location of the property can affect the spreads. These rates are typically for loans in excess of one million dollars and properties located in better areas of the GTA.

PROPERTY TAX ASSESSMENT INCREASES

The Ontario Property Assessment Corporation has released its 1999 property assessments for use in determining the Realty Taxes for the years 2001 and 2002. The new assessments show an increase of almost 45% over the 1996 assessments for the GTA and these increases have troubled many apartment building owners. However, as almost all buildings had substantial assessment increases, taxes will not be going up substantially as a result of the reassessments.

With these new assessment values, in order for the Municipalities to continue achieving the same amount of tax revenue it would have to decrease the current tax rates from the current rate of 4.6% to approximately 3.2% for the GTA. This decrease in tax rate would mean apartment building owners who have already reached their current assessment value would receive an increase only if the Municipality requires more tax revenue. The City of Toronto has indicated that there will be a need to increase the tax revenue for 2001.

We would like to offer some clarification into these increases to hopefully place your minds at ease. The Province recently introduced legislation to continue limits on assessment related tax increases for apartment buildings. Any such tax increase will be phased in at a rate of 5% each year starting in 2001 until the properties are taxed at full current value assessment. As well, the City of Toronto can choose a lower limit of 2.5%.

If you have any questions please give us a call.

ALLOWABLE RENT INCREASES

The Tenant Protection Act (TPA), declared law in June 1998, sets out specific terms for increasing rents and froze the Legal Maximum Rent for all rental units as of June 1998. Any apartment rented after June 1998 creates a new Legal Maximum Rent for that unit, all subsequent rent increases are subject to the allowable annual increase as set by the Ministry of Housing until the suite is rented once again. At that time a new legal maximum is

then created. Note that if a rent increase is not given in the one year that the rent increase could be given it is lost forever. That is, "Don't Use It-You Loose It"! However, the rent for a tenant who occupied an apartment prior to June 18, 1998 and still is in the same apartment, may be increased to the Legal Maximum Rent or any rent below that if the tenant has not received an increase notice in the last 12 months and is served at least 90 days notice of the increase. It may be worth the \$25 (including G.S.T.) that the Tribunal charges to determine the legal maximum rents of each of the suites in your building. We have determined that in some of the buildings we have listed and sold there are rent increases that could be given – which means more value for your property. This is just one of the ways in which we can assist you in maximizing the value of your property.

CAPITAL GAINS TAX

Prior to January 2001, 75% of a Capital Gain on the sale of an apartment building was taxable. This meant that if the seller was in a 50% tax bracket, which most owners would find themselves in, on the sale of a major asset, a cheque would have to be written to Revenue Canada for 37.5% of the profit on the sale.

Good news for Landlords is that rate has been decreased to 50% resulting in Revenue Canada only requiring 25% of the profit – a much better deal for those contemplating a Sale!

If you are thinking about selling, we would appreciate the opportunity of providing a FREE, no obligation, evaluation of your property. Just give us a call.

HASKETT REALTY INC.

2001 will show some new changes within the office of Haskett Realty. New areas of growth and ways of assisting our clients have been successfully implemented and other such programs are being developed for the future.

One such development is the addition of Mr. Matt Mysak to the Haskett Team. Matt is no stranger to Real Estate Brokerage; he has been working in the industry since 1972. Over the years Matt has gained significant knowledge and experience as a Real Estate Broker and Office Manager. Matt has served as a Director with the Toronto Real Estate Board and as the President of the Toronto Real Estate Exchange. He has received his Fellowship from The Real Estate Institute of Canada. Matt is a great addition to our ever-growing Haskett Team.

Apartment Building Brokerage Since 1973

TECHNICAL UPDATE

We would like to take this opportunity to share with all of our clients some wonderful changes and advancements that have just occurred in our office

1. Visit our website that is updated regularly to view current listings, recent sales, copies of past newsletters and current mortgage rates.

WWW.HASKETTREALTY.COM

2. We have been changing our ways of distributing New Listings, Newsletters, etc. and many clients are now asking to receive our documents via EMAIL or FAX. Unfortunately, we are still missing many EMAIL & FAX numbers. Please forward this information to our office as quickly as possible so we can be sure that you are receiving our documents.

THE CURRENT MARKET

Over the last six months there has been an ever-increasing demand for apartment buildings in the market place. Currently, the market is experiencing a

shortage of properties "For Sale", which makes this an ideal time to place your property on the market.

PROPERTIES AVAILABLE

4 Suites	Toronto	Guildwood Pkwy
6 Suites	Toronto	Hot Beaches
6 Suites	Toronto	Danforth
17 Suites	Whitby	Adult w A/C
47 Suites	Whitby	13 yrs old
100 Suites	Toronto	Extra Land

SOME RECENT SALES

44 Pharmacy Ave	6 Suites	\$370,000
2573 Lakeshore Rd	9 Suites	\$520,000
159 Stephen Dr	24 Suites	\$1,650,000
67 Church St	57 Suites	\$3,620,000
1617 Vic Park	58 Suites	\$3,800,000

**Don't forget to send us your FAX & EMAIL address to continue receiving our Newsletter and our
NEW ELECTRONIC MONTHLY REPORT**

Quarterly Quote

"The Successful Business Man Is One Who Is Able To Adapt To His Changing Business World "

CALL NOW FOR A NO OBLIGATION, PROFESSIONAL EVALUATION!

HASKETT REALTY INC., REALTOR

PHONE (416) 922-5777, FAX (416) 922-5572, TOLL FREE (877) 922-5777

EMAIL: INFO@HASKETTREALTY.COM

WEBSITE: WWW.HASKETTREALTY.COM

NOT INTENDED TO SOLICIT PROPERTIES CURRENTLY LISTED FOR SALE. NOT INTENDED TO INTERFERE WITH PURCHASER-AGENCY AGREEMENTS.

<p align="center">Benefit From...  Experience You Will Receive</p>	<ul style="list-style-type: none"> • A complete detailed financial analysis • An in-depth discussion of value • A thorough discussion of your options • A sound, professional, presentation to the market • Suggestions that can maximize your sale price • Experienced marketing of your property • Complete and continuing service 	<p align="center">Got a question or two?? I Make Time to Answer Your Questions. Just call!! Glenn Haskett, M.B.A. Broker (416) 922-5777</p>	 <p align="center">Visit our Website and let us know What else you would like to see or would Find useful in our next report?</p> <p align="center">Visit our Website for updated Information WWW.HASKETTREALTY.COM</p> <p align="center">Send us your Email Address and we will add you to our Email List</p>
---	---	---	--



120 Carlton Street, Suite 413
Toronto, ON M5A 4K2

Request for Return

Important News for Apartment Building Owners!

Mortgage Rates – Assessment Increases – Allowable Rent Increases – Capital Gains Tax

