INDUSTRIAL BUILDING **(with residence)** FOR SALE:

685 Finns Road, Kelowna, BC

On Finns Road just east of Highway 97N

Excellent value featuring:

- Income-generating industrial building with five bay doors situated just off Highway 97N
- 10,698sf± of leasable area on 0.37ac± [16,100sf±] lot
- Currently rented to three long-term tenants including residential caretaker suite
- Zoned: I2 Industrial | Abundant offsite parking nearby!
- Designed to accommodate up to six different tenants (demisable)
- Current below market net income: $95,000± (only $8.94/sf)
- **Offered at $2,430,000 | Under $228/sf± of leasable building area!**
- **Asking price will result in a 5.9% cap if net rents climb to an average of $13.42/sf!**
- **Rent roll available upon a signed Confidentiality Agreement (see end of brochure)**

Corporate Accord Realty

Peter Bouchard, B.Comm. (UREC)
Peter@CorpAccord.com
250.470.9551

Corporate Accord Realty Ltd.
500 Sarsons Road,
Kelowna, BC Canada V1W 1C2

www.CorpAccord.com

Executive Summary

OFFER PROCESS MLS# 10265363	Offers evaluated at time of arrival Email offers to peter@corpaccord.com
CIVIC ADDRESS	685 Finns Road, Kelowna, BC V1X 5B7
VENDOR	Oak Lane Project Management Services Inc.
LEGAL DESCRIPTION & PID	Lot 3, Sect. 34, Twp. 26, ODYD, Plan 3236 Except Parcel A on Plan B5986, PID 003-947-718
LOT SIZE	0.37± acre | 16,100sf±
2022 OPERATING EXPENSES	$4.07/sf/year + GST
OCCUPANCY AND LEASE EXPIRY	The building is fully occupied. Detailed occupancy and lease information is available upon execution and submission of the confidentiality agreement included at the end of this brochure.
ENVIRONMENTAL	The Vendor will proceed with a Phase One Environmental Site Assessment upon mutual acceptance of an offer.
CURRENT ZONING	I2 (see attached)

Corporate Accord Realty

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Rate of Return Increases with Rents:

The below table shows how the net income on asking price increases as a purchaser is successful in increasing the rents on this property:

Income Description	Net Income	**Average Net Rent per SF**	Net Income / Asking Price	Net Income Multiplier
Est. Net Income as of Nov. 1, 2022	$95,690	**$8.94**	3.9%	25.4
40% Rent Increase*	$133,966	**$12.52**	5.5%	18.1
50% Rent Increase*	$143,535	**$13.42**	5.9%	16.9
60% Rent Increase**	$153,104	**$14.31**	6.3%	15.9

** Hypothetical future average rent increase for building over $95,690 per year*

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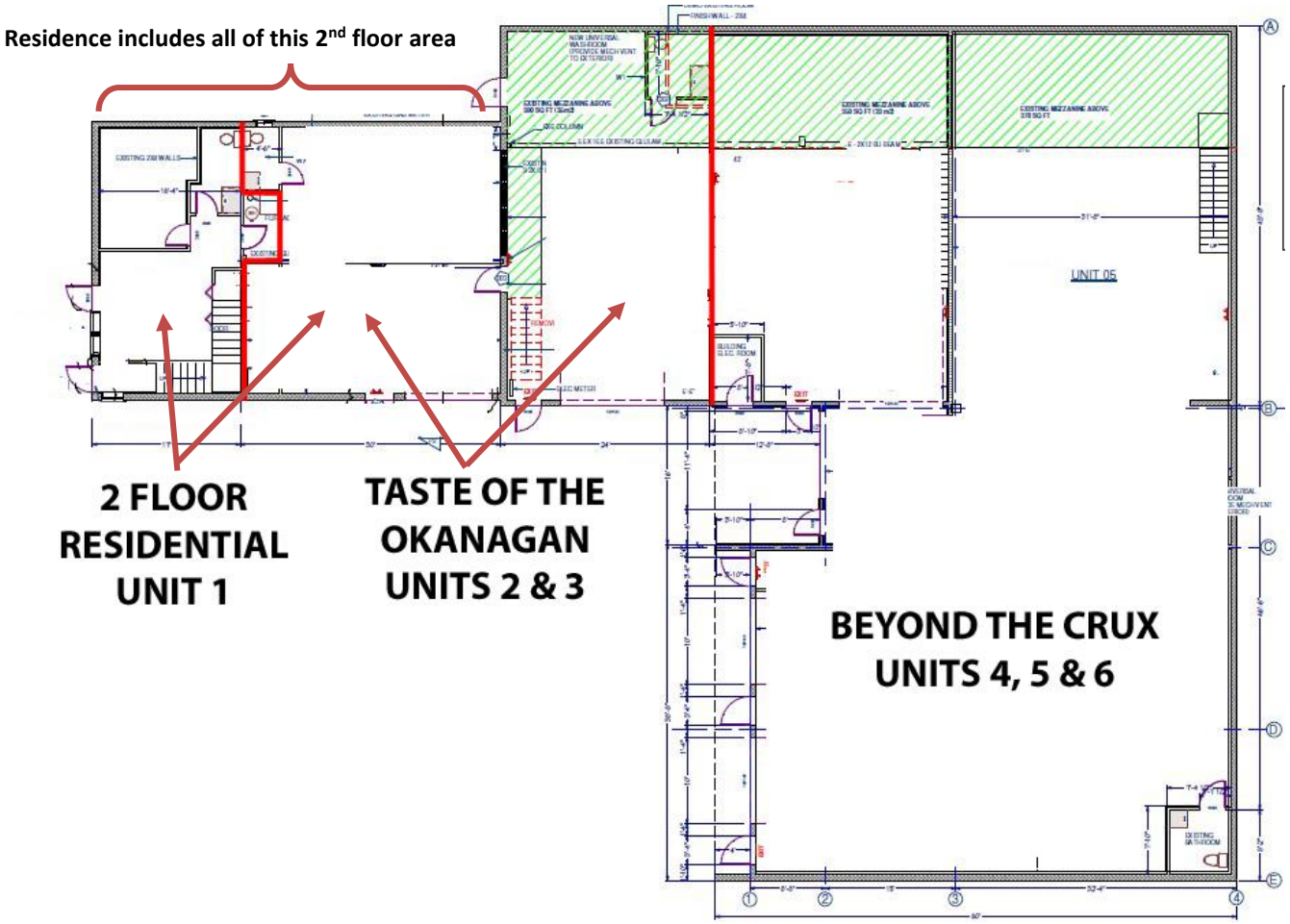
Main Floor Plan and Tenant Summary:

Suite	Tenant	Term	Floor	Size (sf±)	Expiry Year	Net Rent/sf±	Net Rent/year±
1	Residential	Month to month	Main 2nd	517 1426	THIS INFO IS PROVIDED UPON RECEIPT OF FULLY COMPLETED CONFIDENTIALITY AGREEMENT (PAGES 14-15). EMAIL TO PETER@CORPACCORD.COM		
2&3	Taste of the Okanagan	2 years	Main 2nd	2000 264			
4-6	Beyond the Crux	10 years	Main 2nd	5600 891			
TOTAL				**10698**			**$95,690**



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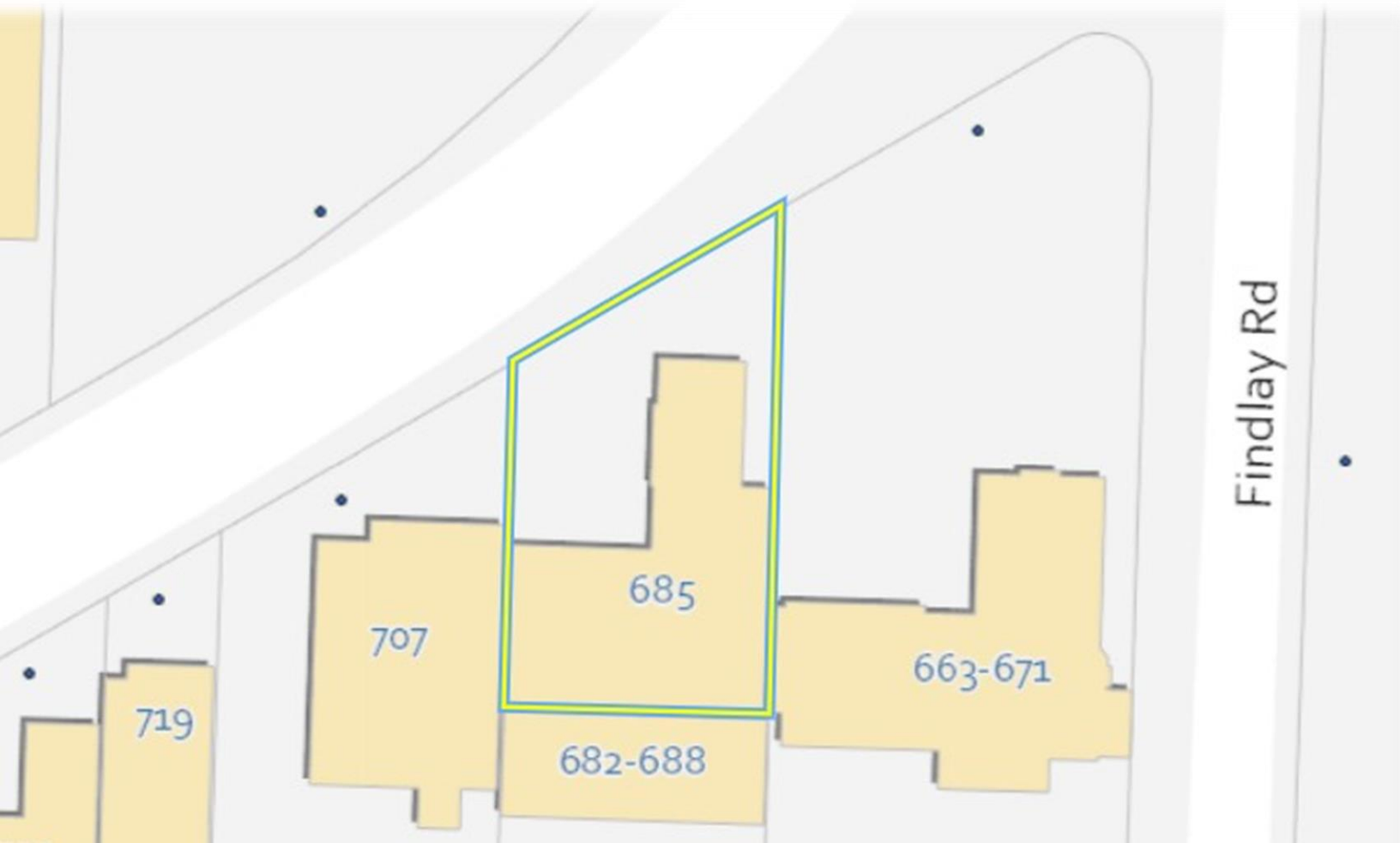
Expense Estimate Summary:

The existing leases are structured as a gross rent lease. To derive an estimate of net rents, the Vendor has used the following annual expense estimates for 2022:

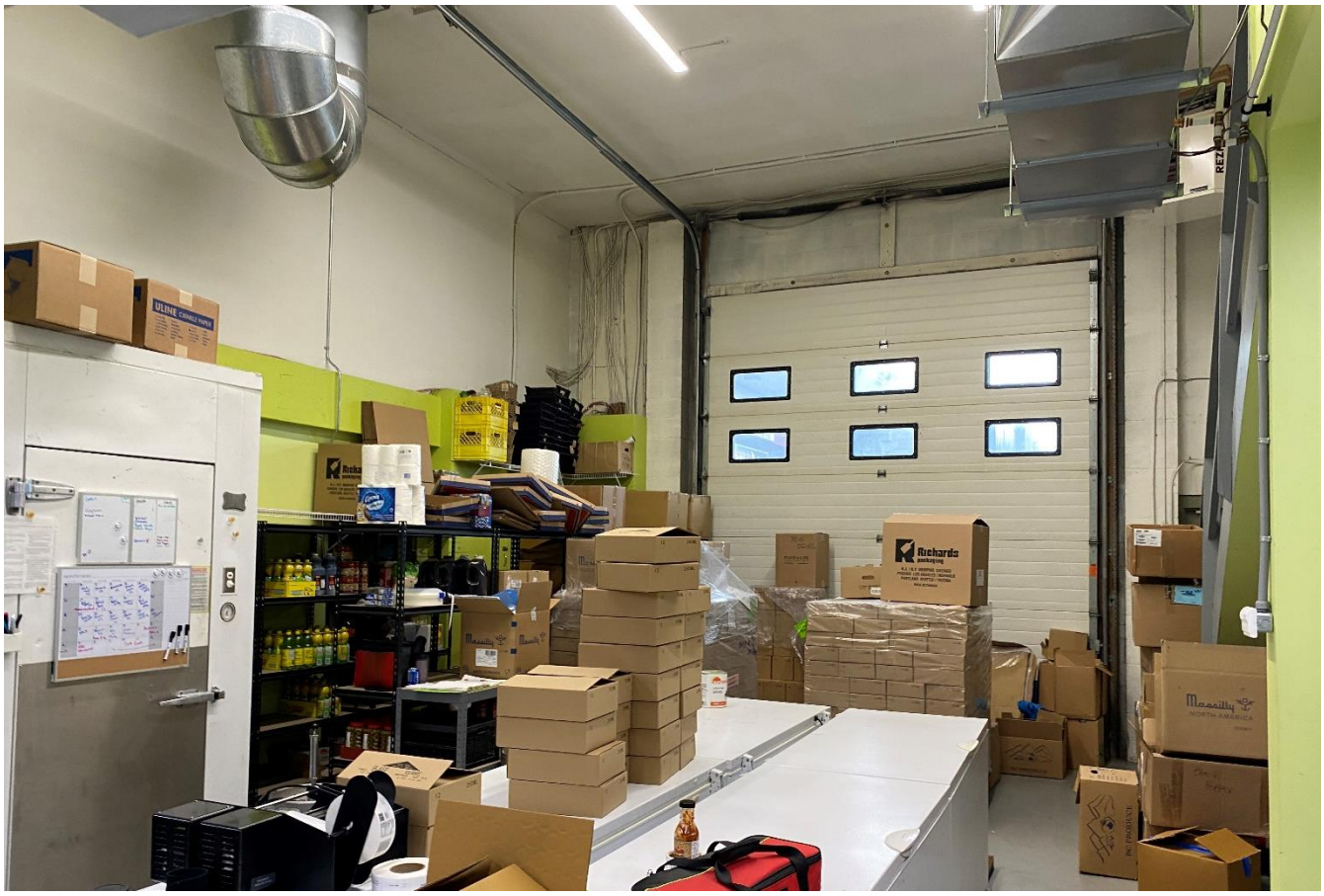
Annual Estimated Expenses	**685 Finns**
Property Taxes	$20,830
Insurance	$8,280
Water/Sewer	$600
Snow Removal	$1,000
Deemed Management*	$5,000
Estimated Maintenance	$3,000
Garbage	$4,800
Total	$43,510
Size	10698
Total/sf	**$4.07**

* The Vendor manages the property so $5000 is currently profit to the owner as there is no exterior property management service.



#1- Residence

#2&3 – Taste of the Okanagan



#4, 5, & 6 – Beyond the Crux

#4, 5, & 6 – Beyond the Crux

Exterior

Property Report

City of Kelowna

1435 Water St
Kelowna, BC
V1Y 1J4

Property Report

Produced by the City of Kelowna

Report Produced on: Oct 31, 2022

Property highlighted in blue

Property Information

Property Address: 685 Finns Rd **Property Type:** P - Typical Property

KID: 209421 **Plan #:** KAP3236 **Lot#:** 3 **Block:**

Extra Legal Information:

PLAN KAP3236 LOT 3 SECTION 34 TOWNSHIP 26 EXCE PT PLAN B5986.

BC Assessment Information

Roll Number:	6567000	**Jurisdiction:**	217
Net Land Value:	$719,300	**PID:**	003-947-718
Net Impr. Value:	$1,102,000	**Lot Size:**	0.37
Net Total Value:	$1,821,300	**Lot Size Unit:**	Acres
Actual Use: 273	Storage & Warehousing (Closed)		

Land Use Related Information

Zoning Code:	I2	**Inside ALR:**	No
OCP2040 FutureLandUse:	RCOM	**Water Provider:**	BMID
Land Use Contract:	No		

This information is derived from a variety of sources with varying levels of accuracy. The City of Kelowna does NOT warrant the accuracy, completeness, correctness or currency of this information and no representations are being made by providing this data. Any reliance on this information will be solely at YOUR OWN RISK and not that of the City

I2 Zoning (as of Nov. 18, 2022)

15.2 I2 – General Industrial
I2rcs – General Industrial (Retail Cannabis Sales)

15.2.1 Purpose

The purpose is to provide for **general industrial uses**.

15.2.2 Principal Uses

The **principal uses** in this **zone** are:

(a) analytical testing
(b) animal clinics, major
(c) auctioneering establishments
(d) automotive and equipment repair shops
(e) automotive and minor recreation vehicle sales/rentals
(f) breweries and distilleries, major
(g) breweries and distilleries, minor
(h) bulk fuel depots
(i) cannabis production facilities
(j) commercial storage
(k) contractor services, general
(l) contractor services, limited
(m) convenience vehicle rentals
(n) custom indoor manufacturing
(o) emergency and protective services
(p) equipment rentals
(q) fleet services
(r) food primary establishment
(s) gas bars
(t) general industrial uses
(u) household repair services
(v) liquor primary establishment, minor
(w) outdoor storage
(x) participant recreation services, indoor
(y) private clubs
(z) rapid drive-through vehicle services
(aa) recycling depots
(bb) recycled materials drop-off centres
(cc) service stations, minor
(dd) service stations, major
(ee) temporary shelter services
(ff) truck and mobile home sales/rentals
(gg) utility services, minor impact
(hh) vehicle and equipment services, industrial
(ii) warehouse sales

15.2.3 Secondary Uses

The **secondary uses** in this **zone** are:

(a) agriculture, urban
(b) child care centre, major
(c) residential security/operator unit
(d) retail cannabis sales establishment (I2rcs only)

15.2.4 Subdivision Regulations

(a) The minimum **lot width** is 40.0 m.
(b) The minimum **lot depth** is 35.0 m.
(c) The minimum **lot area** is 1.0 Ha unless a connection to the community sanitary sewer system, in accordance with the requirements of the City of Kelowna's Subdivision, Development & Servicing Bylaw, has been installed. If a connection to a community sanitary sewer system in accordance with the requirements of the City of Kelowna's Subdivision, Development & Servicing Bylaw has been installed, the minimum **lot area** is 4000 m².

15.2.5 Development Regulations

(a) The maximum **floor area ratio** is 1.5.
(b) The maximum **site coverage** is 60%.
(c) The maximum **height** is 14.0 m.
(d) The minimum **front yard** is 7.5 m.
(e) The minimum **side yard** is 4.5 m, except it is not required **abutting** a **lot** in the C or I **zones**, and it is 6.0 m on a **flanking street**.
(f) The minimum **rear yard** is 0.0 m where **adjacent** to commercial or industrial zones, except that it is 6.0m **abutting** other zones.

15.2.6 Other Regulations

(a) No **use** shall produce dust, or other emissions that exceed standards set by provincial legislation, without written authorization from the appropriate provincial agency.

(b) No **use** shall produce odour, glare, or noise that creates a **nuisance**.

(c) There shall be no **outdoor storage** of toxic, noxious, explosive, odorous, or radio-active materials.

(d) Only one **residential security/operator unit** is permitted on a **site**.

(e) In addition to the regulations listed above, other regulations may apply. These include the general **development** regulations of Section 6 (accessory **development**, **yards**, projections into **yards**, accessory **development**, lighting, stream protection, etc.), the **landscaping** and fencing provisions of Section 7, the parking and loading regulations of Section 8, and the specific **use** regulations of Section 9.

(f) Drive-in food services are not a permitted form of development in this zone.

Confidentiality Agreement

RE: 685 Finns Road, Kelowna, BC (the "Property")

We, _____ (the “Purchaser”), have requested from Oak Lane Project Management Services Inc. (the "Vendor") and CORPORATE ACCORD REALTY LTD. (the "Agent") confidential information relating to the Property.

For good and valuable consideration provided by the Vendor and the Agent (including, without limitation, the delivery of a Confidential Information Memorandum (the "CIM"), the receipt and sufficiency of which consideration is hereby acknowledged, we agree with the Vendor and the Agent to comply with all of the provisions of this Agreement. We and our Representatives (as defined below) shall keep confidential any and all Confidential Information (as defined below) provided to us by the Vendor or the Agent, and shall not disclose any Confidential Information to any Person other than our Representatives. We and our Representatives shall utilize the Confidential Information only to evaluate our potential purchase of the Property from the Vendor (the "Proposed Transaction"). **"Confidential Information"** means all information (whether in oral, graphic, written, or electronic form) relating to the Vendor or the Property that is not publicly available (including without limitation, the CIM and the leases/tenancy agreements for the Property) and all analyses, summaries, compilations, data, notes, studies, and other documents or records prepared by us or our Representatives containing or based upon, in whole or in part, any such information. **"Person"** means any individual, corporation, company, trust, group, partnership, government, government’s agency or authority, or any other entity whatsoever.

We may disclose Confidential Information to our officers, directors, employees, legal advisors, and financial advisors (collectively, **"Representatives"**) only to the extent they need to have such Confidential Information for the purpose of evaluating the Proposed Transaction. We shall inform each such Representative of the provisions of this Agreement and we shall cause such Representative to comply with all provisions of this Agreement. We shall be responsible for any acts or omissions of our Representatives that constitute a breach of this Agreement. We also agree that any fees, expenses, and other amounts payable to legal, financial, or other third party advisors retained by us, or who act on our behalf, will be paid by us. Real estate commissions will be as per MLS.

We agree that we will not, without the prior written consent of the Vendor or the Agent, disclose to any other Person other than Representatives the fact that: any Confidential Information has been made available to us, this Agreement has been entered into, and discussions or negotiations are taking place concerning the Property or the Proposed Transaction. Further, we agree that we will not, without the prior written consent of the Vendor or the Agent, disclose to any other Person other than Representatives any of the terms, conditions, or other facts with respect thereto (including the status of such discussions or negotiations thereof).

We agree that, upon the Vendor's request, we and our Representatives shall return all Confidential Information (including the CIM). We further agree not to make copies of the Confidential Information (including the CIM), without the Vendor’s prior written consent. We also agree that we and our Representatives shall not use the Confidential Information in any way detrimental to the Vendor, any parties assisting the Vendor, or any tenant of the Vendor. We agree that (i) the CIM and all of the other information with respect to the Property being delivered to us by or on behalf of the Vendor or the Agent is subject to the limitations on liability and disclaimers for the protection of the Vendor and the Agent contained in the CIM, and (ii) we and our Representatives are bound by such provisions.

We agree to indemnify and save harmless the Vendor, any tenant of the Property, and the Agent from all claims, losses, damages, and liabilities whatsoever (including legal fees and disbursements) arising out of a breach by us or any of our Representatives of this Agreement. In addition, we agree that monetary damages will not be a sufficient remedy and that the Vendor and the Agent shall be entitled to seek preliminary and permanent injunctive relief in the event of a breach or threatened breach of this Agreement, as well as all other applicable remedies at law or equity. This Confidentiality Agreement shall be binding upon the undersigned and all of our subsidiaries, affiliates, and/or related Persons and shall be governed by the laws of British Columbia.

Please sign below and return this letter to Peter@CorpAccord.com to indicate that you agree to be strictly bound by the foregoing conditions and that you acknowledge your Agreement to do so constitutes a material inducement to Vendor and Agent to send the Confidential Information to you.

The Vendor accepts, acknowledges and agrees to the terms as referenced herein as of 11/19/2022.

Oak Lane Project Management Services Inc.

Per: 756D06C520ED441 Connie Marson DocuSigned By: Connie Marson
Vendor Signature

The Purchaser accepts, acknowledges, and agrees to the terms as referenced herein as of _____.

Per: _____ _____
Purchaser Signature Email Address

_____ _____
Signatory Name Phone Number

TO BE COMPLETED IF THE PURCHASER IS BEING REPRESENTED BY A REALTOR / BROKER:
The Purchaser's Agent accepts, acknowledges, and agrees to the terms as referenced herein as of _____.

Per: _____ _____
Purchaser's Agent Signature Email Address

_____ _____
Signatory Name Phone Number

_____
Signatory Brokerage