

# COMMERCIAL STRATA FOR SALE:

## 975-985 ACADEMY WAY, KELOWNA AT UBC'S OKANAGAN CAMPUS!

- *Fully leased Cap Rate already at over 5%± with rent steps to 6%± within a few years\**
- *Vibrant 14,141± ft.<sup>2</sup> (leaseable) retail strata with wide frontages & a great UBC location*
- *Adjoining 0.84±ac vacant land available separately with plans (est 0.36±ac developable)*
- *Leases in place to KBC – Kelowna Brewing Company, Medical Clinic, Tossing Pizzeria, Golden Island Restaurant, Convenience Store & Liquor Store*
- *Flexible zoning: C3LR, Community Commercial (Liquor Primary) [see attached]*
- *Exceptional on-site parking including LCP parking*
- *Retail Strata: \$4,995,000 (\$353± per leaseable ft.<sup>2</sup>)*
- *Vacant Land: \$995,000 (\$27± per ft.<sup>2</sup>)*
- *All Tenants benefit from wide frontages!*
- *Average remaining term is 4+ years!*



*\*see attached analysis and assumption set*



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[www.CorpAccord.com](http://www.CorpAccord.com)

# Executive Summary

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## OFFER PROCESS

*MLS #10233346*

Email offers to [peter@corpaccord.com](mailto:peter@corpaccord.com)

## SHOWINGS

Email [peter@corpaccord.com](mailto:peter@corpaccord.com) to book showings of non-public areas of Tenant's premises. (Showings cannot be booked July 14-25).

## CIVIC ADDRESS

Units 106,107, 108, 109, 120, 121 and 122 - 975 Academy Road, Kelowna, BC V1V 3A4

## VENDOR

Academy Commercial Ltd.

## SITE DESCRIPTION

Academy Hill has been developed on Lot A Plan EPP16167, which comprises a semi-rectangular shaped 5.09± acre site located on the southeast corner of the intersection of John Hindle Drive and Academy Way. The site has 359 feet of frontage on Academy Way, a 35± foot truncated corner, and 399± feet of frontage on John Hindle Drive.

## NEIGHBORHOOD

Academy Hill is conveniently located on the south side of the UBC campus in a predominately multifamily area. The site will further benefit when the remainder of the developable land nearby is completed (Approximately 70% of neighborhood buildout is already in place).

## YEAR BUILT

2012

## ENVIRONMENTAL

The property was undeveloped raw land when the existing development was approved. An Environmental Impact Assessment was completed in 2009 by Summit Environmental Consultants

## CURRENT ZONING

C3LR - Community Commercial (Liquor Primary) and [P3 – Parks and open space on portion of land near entrance] (see attached)

## OFFICIAL COMMUNITY PLAN

COMM - Commercial and [PARK - Major Park and Open Space on portion of land near entrance]



# Executive Summary | Retail Strata Specific

LEGAL DESCRIPTION & PID	Strata Lot 1, Section 10, Township 23, ODYD, Plan EPS1461 together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on form V   029-167-230
2021 TRIPLE NET BUDGET	\$7.82 per sf per year + GST
OCCUPANCY AND LEASE EXPIRY	The majority of the leasable area is leased until 2025 or longer
DESCRIPTION	15,114± square feet multi-tenanted stratified commercial unit; with 14,141± square feet of leasable area +1211 ft. <sup>2</sup> outdoor patio space as utilized by the Pub.

Southeast perspective from Academy Way



# Executive Summary | Vacant Land Specific

## LEGAL DESCRIPTION & PID

Lot A, Section 10, Township 23, ODYD, Strata Plan EPP16167 Except Strata Plan EPS1461 (Phase 1 & 2) and Except Plan EPP57823 | 028-789-580

## DESCRIPTION

0.84± acres Vacant Commercial Land; with 0.36± acres of net developable land.

## 1360sf TEMPORARY STRUCTURE

It has been donated to Aberdeen Hall school and will be removed by Vendor.



*The Remainder of Lot A Plan EPP16167 is proposed for the development of Phase 3 of the Academy Hill project. Lot A is located in the northwest corner of the site and occupies approximately 0.84± acres, of which only an estimated 0.36± acres (15,700± square feet) are considered developable. The remaining ±0.48 acres are encumbered statutory right of way, easements and related covenants limiting the developable area, additionally a steep slope along the northern portion of the site limits the develop potential of the site.*

*Although Phase 3 was originally proposed as a 7,500± to 9,500± square foot grocery store, considering the permitted uses under the C3 zoning, the site host a potential for several alternative commercial uses. The 0.36± acre net developable site area is currently developed with 9 surface parking stalls, however any future development on the site would have specific parking requirements under the City of Kelowna zoning bylaw (any parking requirement beyond 9 stalls would have to be developed within a parkade structure or over Fortis SRW area).*

## ILLUSTRATION

**Preliminary (not approved) plans for potential Grocery Store on Lot A are available to Purchasers after they return the Confidentiality Agreement (P16&17)**





# Climbing Rents, Cap Rates and Return on Investment:

The below table shows how the projected net income based on the below assumption set:

Income as of December:	Net Income	Average Rent per Lease SF	Net Income / Asking Price	Net Income Multiplier
2021	\$254,565	\$18.00	5.1%	19.4
2022	\$283,527	\$20.05	5.7%	17.5
2023	\$296,543	\$20.97	5.9%	16.7
2024	\$309,611	\$21.89	6.2%	16.0

*E&OE: The above analysis is based on the following assumptions. All purchasers are encouraged to verify their own assumptions and calculations as this projection not guaranteed or warranted in any way by Corporate Accord Realty Ltd.*

- Assuming that operating expense recoveries from tenant equals actual operating expenses
- Ignoring capital replacement costs, leasing commissions, and tenant improvements/inducements
- Ignoring structural, vacancy, and other non-recoverable expenses.
- Ignoring annual banking, accounting, legal and property acquisition costs
- Net income is **before** property management (self-managing owners may profit from P.M. fees )
- Assuming existing lease rates for duration of existing terms
- Assuming leasing of vacant manager unit at \$20/sf net (plus 3% annual increases
- Assuming renewals with rent increases at 3% per year after existing terms

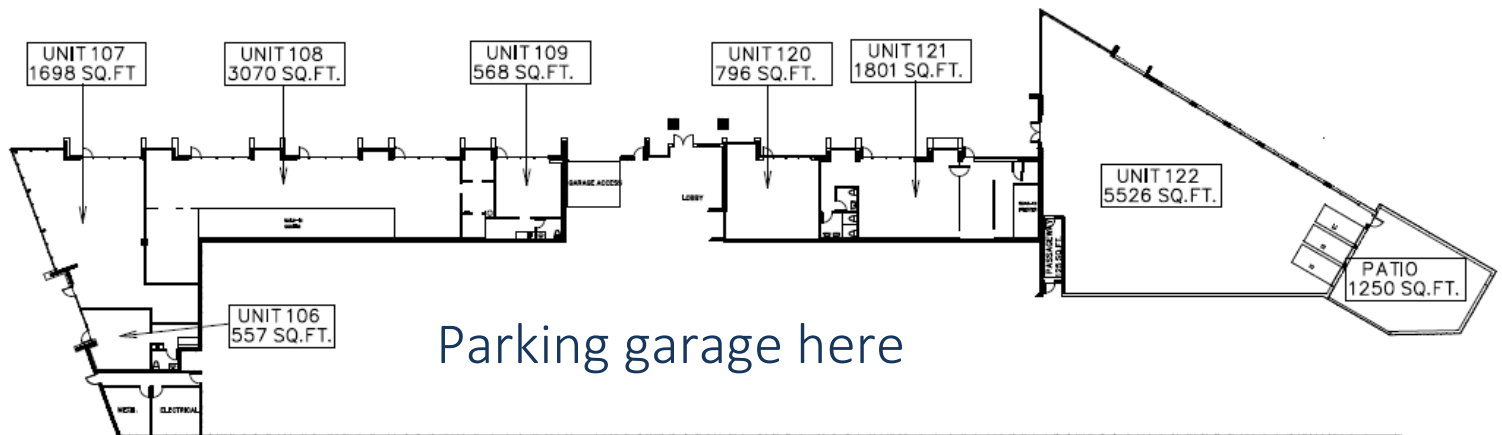
View from Kelowna Brewing Company (Unit 122)



## Tenant Summary:

The majority of the leasable area is leased until 2025 or longer! The tenant summary is included below:

UNIT #	TENANT	LEASED AREA (SF)	TERM (MONTHS)	EXPIRY YEAR
106	Vendor’s office (treat as vacant)	557	n/a	Vacant
107	Convenience Store	1,698	60	2022
108	Academy Hill Liquor Stores	3,070	60	2025
109	Medical Clinic	568	60	2021
120	Tossing Pizzeria	796	60	2025
121	Golden Island Restaurant	1,801	60	2025
122	Kelowna Brewing Company	5,651	120	2027
	Kelowna Brewing Company Patio	1,211		
Total		15,352		
Total w/o Patio		14,141		



# Diligence Available To All Inquiries

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The below information is available in this drop box Link:

<https://www.dropbox.com/sh/rgdy6n4ocwuagvb/AADZeSC4mMyYEuuTnh0wTnyEa?dl=0>

- Property Condition Statement
- Site Profile Form
- 2020 and 2021 property tax notices
- 2021 BC assessment summaries
- Extensive strata information including rules, strata bylaws, amendments to bylaws, section information, depreciation report update, strata meeting minutes, management report and form B information certificate
- Title Search
- Strata Plan

## Diligence after Signed Confidentiality Agreement

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Shall be provided to Purchasers after they completely fill out, sign and return the Pages 16 & 17 Confidentiality Agreement to Peter@CorpAccord.com and Janna@ImpaxEvents.com

- Preliminary plans for development on vacant lot
- Architectural plans
- Commercial unit plans
- Parking layout plans
- Strata plan
- 2009 environmental impact study
- Hypothetical future cash flow analysis
- A sample lease agreement (others available upon accepted offer)

## Diligence after Accepted Offer

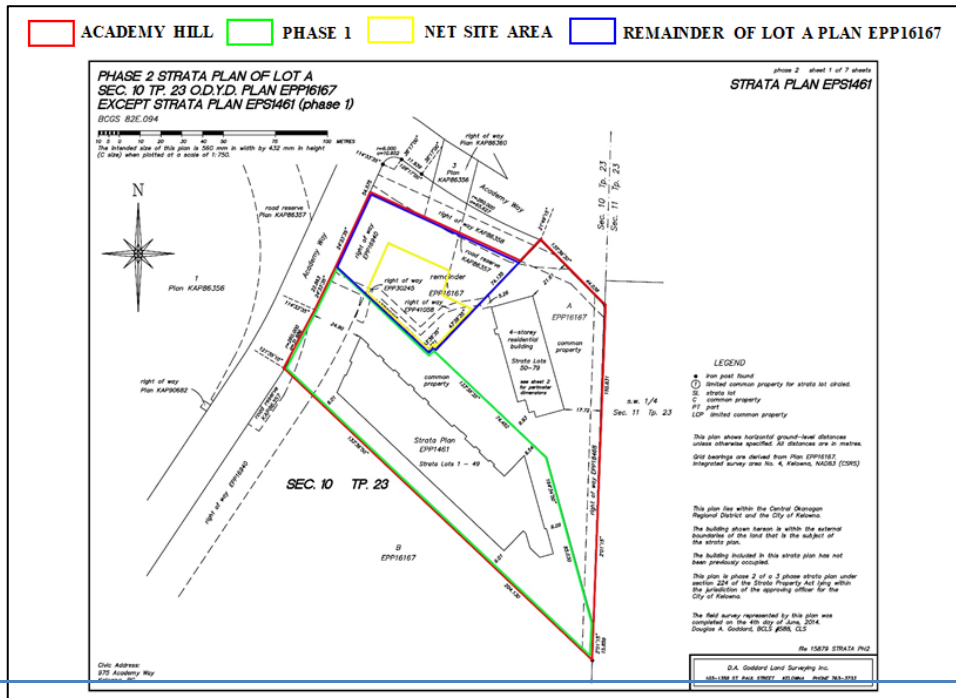
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- A copy of all rental agreements, Leases, renewals, and any amendments.
- Rent Roll calculations
- CAM calculations



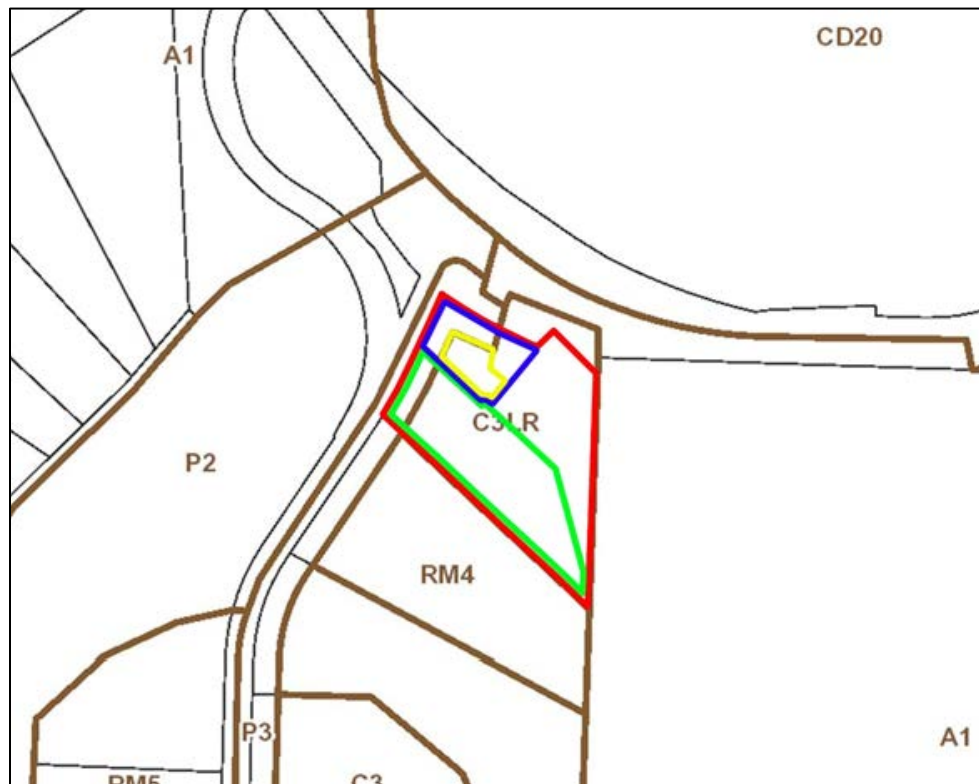


# Site Plan

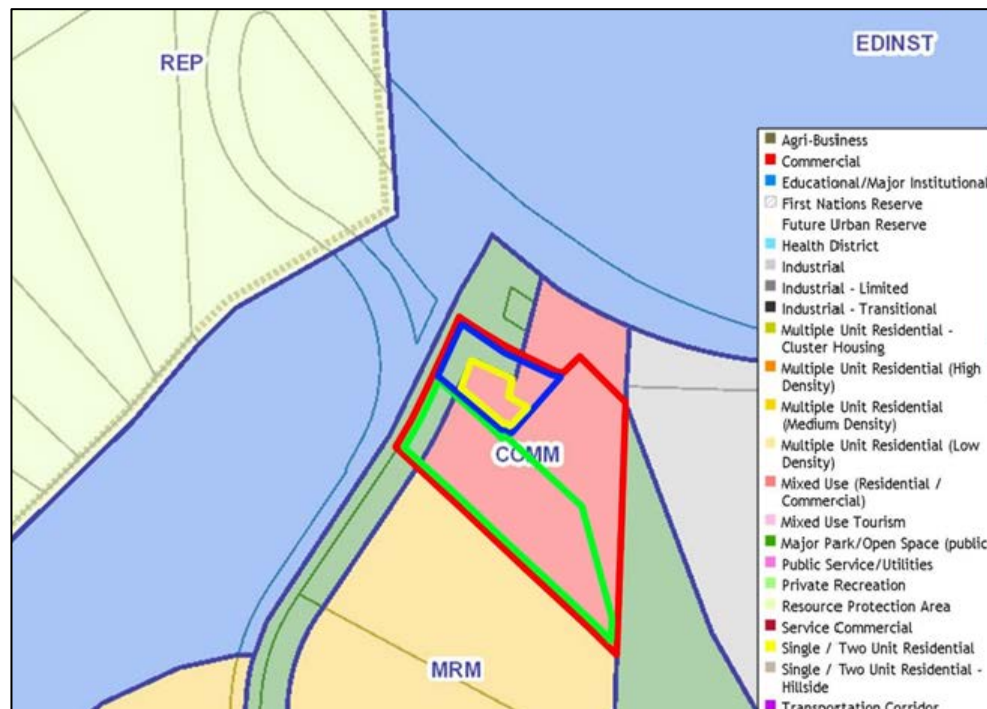




# Zoning & OCP Maps



- |   |  |
|---|--|
| <span style="border: 1px solid red; display: inline-block; width: 20px; height: 10px; vertical-align: middle;"></span> ACADEMY HILL | <span style="border: 1px solid yellow; display: inline-block; width: 20px; height: 10px; vertical-align: middle;"></span> NET SITE AREA                |
| <span style="border: 1px solid green; display: inline-block; width: 20px; height: 10px; vertical-align: middle;"></span> PHASE 1    | <span style="border: 1px solid blue; display: inline-block; width: 20px; height: 10px; vertical-align: middle;"></span> REMAINDER LOT A, PLAN EPP16167 |



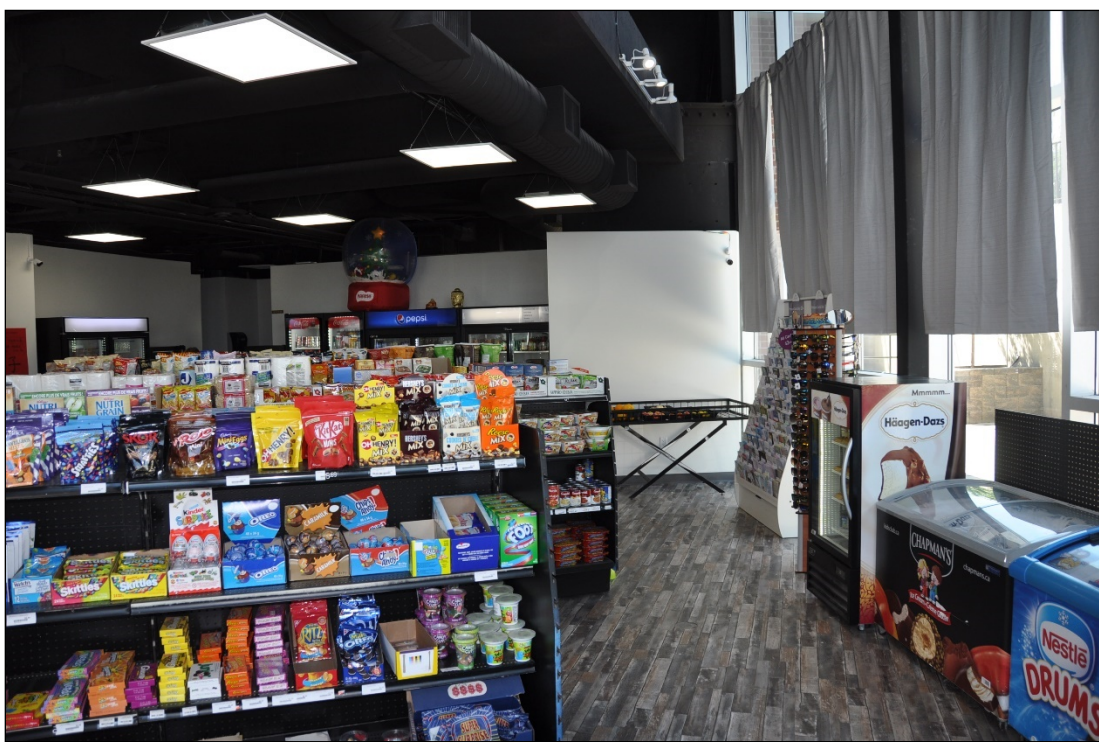
Photos: *Interior of Unit 106 (Vendor's Office | Treat as Vacant)*

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Photos: *Interior of Unit 107 (Convenience Store)*

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Photos: *Interior of Unit 108 (Academy Hill Liquor Store)*

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Photos: *Interior of Unit 109 (Medical Clinic)*

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Photos: *Interior of Unit 120 (Tossing Pizzeria)*

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Photos: *Interior of Unit 121 (Golden Island Restaurant)*

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Photos: *Unit 122 Frontage (KBC – Kelowna Brewing Company)*

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Photos: *Parking Area*

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# Current C3LR Zoning

CITY OF KELOWNA CONSOLIDATED ZONING BYLAW 8000 EXERPT 6/6/2021

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## **14.3 C3 – Community Commercial/**

**C3lp/rls – Community Commercial (Liquor Primary/Retail Liquor Sales)**

**C3rls – Community Commercial (Retail Liquor Sales)**

**C3lp – Community Commercial (Liquor Primary)**

**C3rcs – Community Commercial (Retail Cannabis Sales)**

**C3lp/rcs – Community Commercial (Liquor Primary/Retail Cannabis Sales)**

**C3rls/rcs – Community Commercial (Retail Liquor Sales/Retail Cannabis Sales)**

**C3lp/rls/rcs – Community Commercial (Liquor Primary/Retail Liquor Sales/Retail Cannabis Sales)**

### **14.3.1 Purpose**

The purpose is to provide a **zone** for the **development** of community commercial centres to serve more than one neighbourhood.

### **14.3.2 Principal Uses**

The principal uses in this zone are:

- (a) amusement arcades, major
- (b) animal clinics, minor
- (c) breweries and distilleries, minor
- (d) broadcasting studios
- (e) business support services
- (f) child care centre, major
- (g) commercial schools
- (h) community garden
- (i) custom indoor manufacturing
- (j) emergency and protective services
- (k) financial services
- (l) food primary establishment
- (m) gas bars
- (n) government services
- (o) group homes, major
- (p) health services
- (q) hotels
- (r) liquor primary establishment, major (C3lp and C3lp/rls only)
- (s) liquor primary establishment, minor
- (t) motels
- (u) non-accessory parking
- (v) offices
- (w) participant recreation services, indoor
- (x) personal service establishments
- (y) private clubs
- (z) recycled materials drop-off centres
- (aa) religious assemblies
- (bb) retail cannabis sales establishment (C3rcs, C3lp/rcs, C3rls/rcs and C3lp/rls/rcs only)
- (cc) retail liquor sales establishment (C3lp and C3lp/rls only)
- (dd) retail stores, convenience
- (ee) retail stores, general
- (ff) service stations, minor
- (gg) spectator entertainment establishments
- (hh) supportive housing
- (ii) temporary parking lot
- (jj) temporary shelter services
- (kk) used goods stores
- (ll) utility services, minor impact



# Current C3LR Zoning

CITY OF KELOWNA CONSOLIDATED ZONING BYLAW 8000 EXERPT 6/6/2021

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## 14.3.3 Secondary Uses

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

- (a) **agriculture, urban**
- (b) **amusement arcades, minor**
- (c) **apartment housing**
- (d) **child care centre, minor**
- (e) **congregate housing**
- (f) **home based businesses, minor**
- (g) **residential security/operator unit**
- (h) **short-term rental accommodation**, subject to section 9.17 of this Bylaw

## 14.3.4 Subdivision Regulations

- (a) The minimum **lot width** is 13.0 m, except it is 40.0 m if there is no **abutting lane**.
- (b) The minimum **lot depth** is 30.0 m.
- (c) The minimum **lot area** is 460 m<sup>2</sup>, except it is 1300 m<sup>2</sup> if there is no **abutting lane**.

## 14.3.5 Development Regulations

- (a) The maximum commercial **floor area ratio** is 1.0.
- (b) The maximum **site coverage** is 50%.
- (c) The maximum **height** is the lesser of 15 m or 4 **storeys**.
- (d) The minimum **front yard** is 3.0 m.
- (e) The minimum **side yard** is 0.0 m, except it is 2.0 m from a **flanking street** or where the **site** abuts a residential **zone** other than an RU<sub>1</sub>, RU<sub>2</sub>, RU<sub>3</sub>, and RU<sub>4</sub> **zone**. In these latter **zones**, the minimum **side yard** is the greater of 4.5 m or half the **height** of the **building**.
- (f) The minimum **rear yard** is 0.0 m, except it is 6.0 m where **abutting** a residential **zone**.

## 14.3.6 Other Regulations

- (a) Apartment housing and **major group homes** are allowed only above the **first storey** and requires access to grade separate from the **commercial uses**.
- (b) A minimum area of 6.0 m<sup>2</sup> of **private open space** shall be provided per **bachelor dwelling** or **group home bedroom**, 10.0 m<sup>2</sup> of **private open space** shall be provided per **1 bedroom dwelling**, and 15.0 m<sup>2</sup> of **private open space** shall be provided per **dwelling** with more than 1 **bedroom**.
- (c) Financial services shall have a maximum total **gross floor area** of 500 m<sup>2</sup> unless a larger branch of the Financial services establishment is located within the C<sub>7</sub> zone.
- (d) 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.



# CONFIDENTIALITY AGREEMENT

Sign and return to [peter@corpaccord.com](mailto:peter@corpaccord.com) AND [janna@impaxevents.com](mailto:janna@impaxevents.com)

RE: 975 Academy Road, Kelowna, BC (the "Property")

We, \_\_\_\_\_ (the "Purchaser"), have requested from Academy Commercial Ltd. (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 which 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, that this Agreement has been entered into, that discussions or negotiations are taking place concerning the Property or the Proposed Transaction, or 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 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](mailto:Peter@CorpAccord.com) and [Janna@ImpaxEvents.com](mailto:Janna@ImpaxEvents.com) to indicate that you agree to be bound strictly by the foregoing conditions and that you acknowledge that 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 6/7/2021

Academy Commercial Ltd.

Per:   
Vendor's 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	