HIGHWAY INDUSTRIAL PROPERTY FOR SALE:

2714 Highway 97N, Kelowna, BC

On Highway 97N just North of Leathead Road

- 1.48± acres of I2 Industrial zoned land with 220ft± of Highway 97N frontage
- 25,424sf± of leasable area | built in 2003
- This versatile layout features 11± rear bay doors and nine± front bay doors
- 53± on-site parking stalls plus additional exclusive yard rental area
- Recent leases/renewals range between $18.50/sf - $20.00/sf net
- Remaining leases range between $11.50/sf - $14.25/sf and expire before February 2025
- Diversified tenant mix with nine tenants
- **Offered at $11,400,000 | Under $450/sf± leasable building area**
- **Asking price will equate to 4.3% CAP once average net rents climb to $19.28/sf**

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# 10254885*	Offers are evaluated at time of arrival except for offers received between June 5 and June 11 will be evaluated at noon on June 11 Email offers to peter@corpaccord.com
CIVIC ADDRESS	2714 Highway 97N, Kelowna, BC
VENDOR	Peter Cocar and Co. Ltd.
LEGAL DESCRIPTION & PID	Lot 1, DL 124, O.D.Y.D., Plan 20338, Except Plan KAP71215 | 004-466-063
LOT SIZE	1.48± acres | 64,600sf±
2022 TRIPLE NET BUDGET	$5.50/sf/year plus GST and utilities
APPROX. SITE COVERAGE	The 25,424sf± estimated gross main floor area covers an estimated 39.3%± of the lot
ENVIRONMENTAL	Sage Environmental Consulting Ltd. has completed an April 21, 2022 Phase 1 Environmental Site Assessment that concludes that "no on-Site or off-Site APECs have been identified. Based on the available information, it is our opinion that further contaminated sites investigations are not warranted at this time."
CURRENT ZONING	I2 (see attached)

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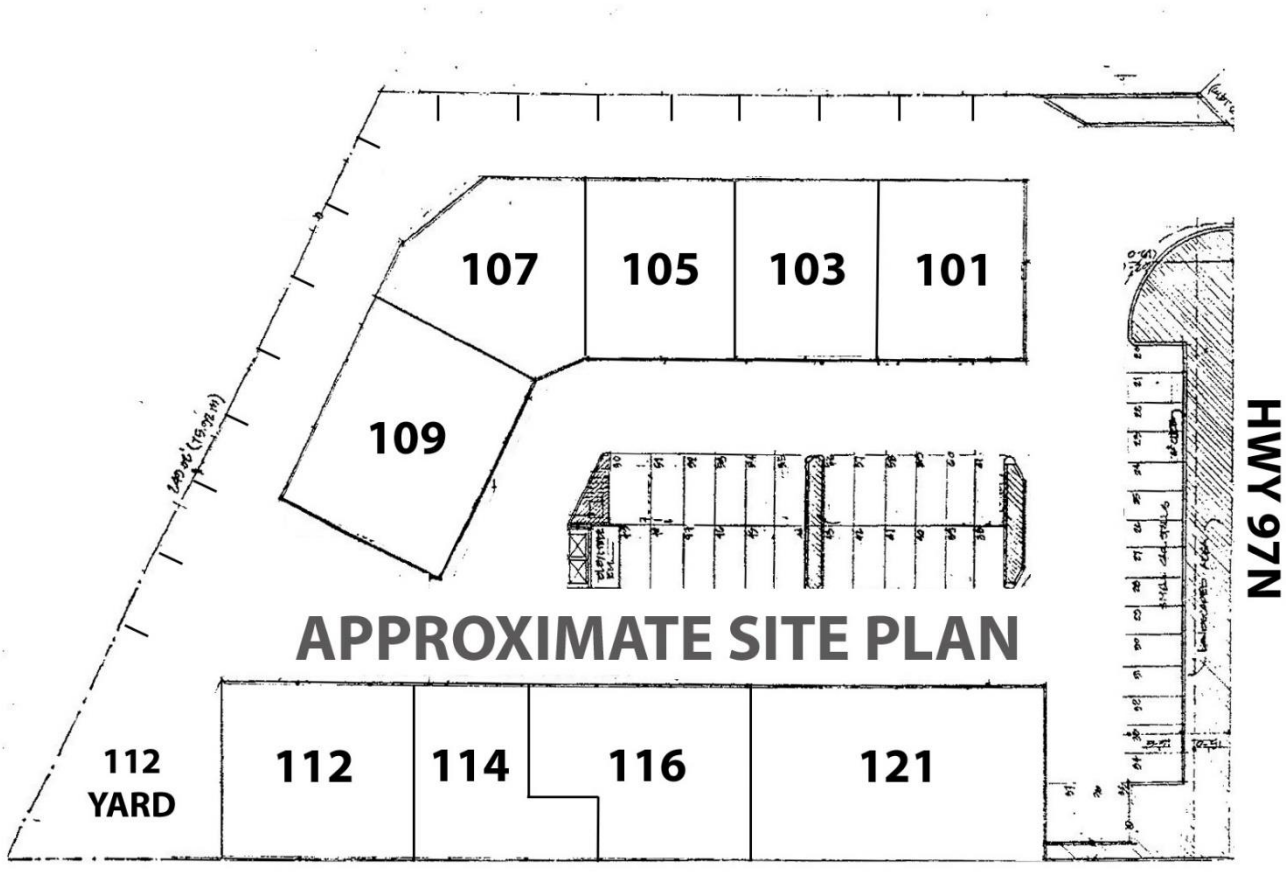
Site Plan and Tenant Summary:

Suite	Tenant	Term	Size (sf±) per Lease	Expiry Year	Net* Rent/sf±	Net* Rent/year±
101	Wagner Appliances	3 years	2314			
103	Tubello Stone	5 years	2288			
105	CareBrite	3 years	2288			
107	1309663 BC Ltd.	3 years	2408			
109	Okanagan Radiator	2 years	3458			
112	Interior Floor Connection	5 years	3011			
114	Artisto	3 years	2107			
116	Kulwant Bal	3 years	2948			
121	Mattress Mattress	5 years	4602			
Total			25,424			$419,729

THIS INFO SHALL BE PROVIDED UPON RECEIPT OF A FULLY SIGNED CONFIDENTIALITY AGREEMENT (SEE THE LAST TWO PAGES OF THIS BROCHURE). EMAIL COMPLETED AGREEMENT TO PETER@CORPACCORD.COM

* *Net Rent for September 2022 as stated in leases*



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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 Rent per Lease SF	Net Income* / Asking Price	Net Income* Multiplier
Estimated 9/22 Net Income	$419,729	$16.51	3.7%	27.2
10% Rent Increase**	$461,702	$18.16	4.1%	24.7
20% Rent Increase**	$503,675	$19.81	4.4%	22.6
30% Rent Increase**	$545,648	$21.46	4.8%	20.9

* *Net Rent for September 2022 as stated in leases and with Seller guaranteeing the asking rent on existing unit 107 vacancy for a one year period.*

** *Hypothetical future average net rent increase for building over 9/22 $418,527 per year*

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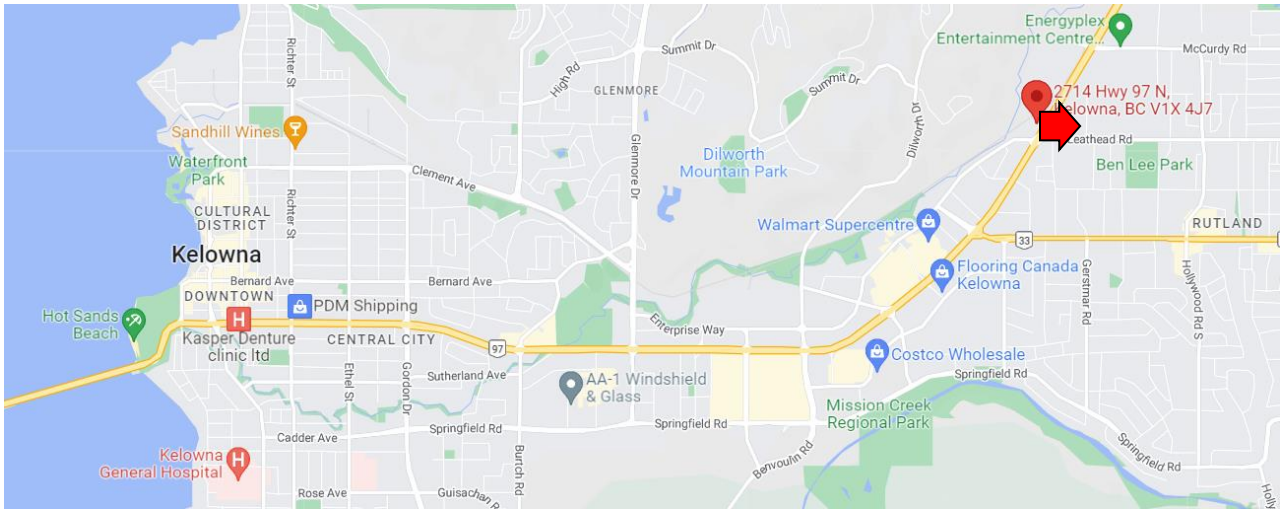
Location, Location, Location!



Kelowna BC is officially the fastest growing city in Canada according to the 2021 Census data released by Statistics Canada. 2714 Hwy. 97N is situated approximately seven km East of downtown Kelowna.

Kelowna's population in 2022 is estimated to be 153,148 and more than 222,000 people call the central Okanagan home. Kelowna is home to the 10th busiest airport in Canada. The Regional District of Central Okanagan has become one of the most desirable places in which to live. The appeal of Okanagan Lake, the natural beauty of the surrounding hillsides and the fragrant orchards and vineyards continue to draw people to the valley. Recreational opportunities abound from our mountain peaks, lakes and fantastic sandy beaches to our naturally forested areas. While our orchards and vineyards offer a rural, agricultural flavor we also have everything you'd expect in a thriving, urban centre.

Diligence Summary

1. **Click on the below link to view information available to all inquiries:**
   https://www.dropbox.com/sh/ty3ec8h0wl174jw/AABByFpkJkhXUr0_MpZt2hB3a?dl=0

   - Historical floor plans of individual units
   - City of Kelowna I2 - General Industrial Zoning summary
   - Property Disclosure Statement
   - Stage I Environmental Report
   - Title Search
   - Site plan
   - Interior and Exterior photographs

2. **Additional information will be provided to parties completing the Confidentiality Agreement which is the last two pages of this document and also available at the following dropbox link:**
   https://www.dropbox.com/sh/ty3ec8h0wl174jw/AABByFpkJkhXUr0_MpZt2hB3a?dl=0

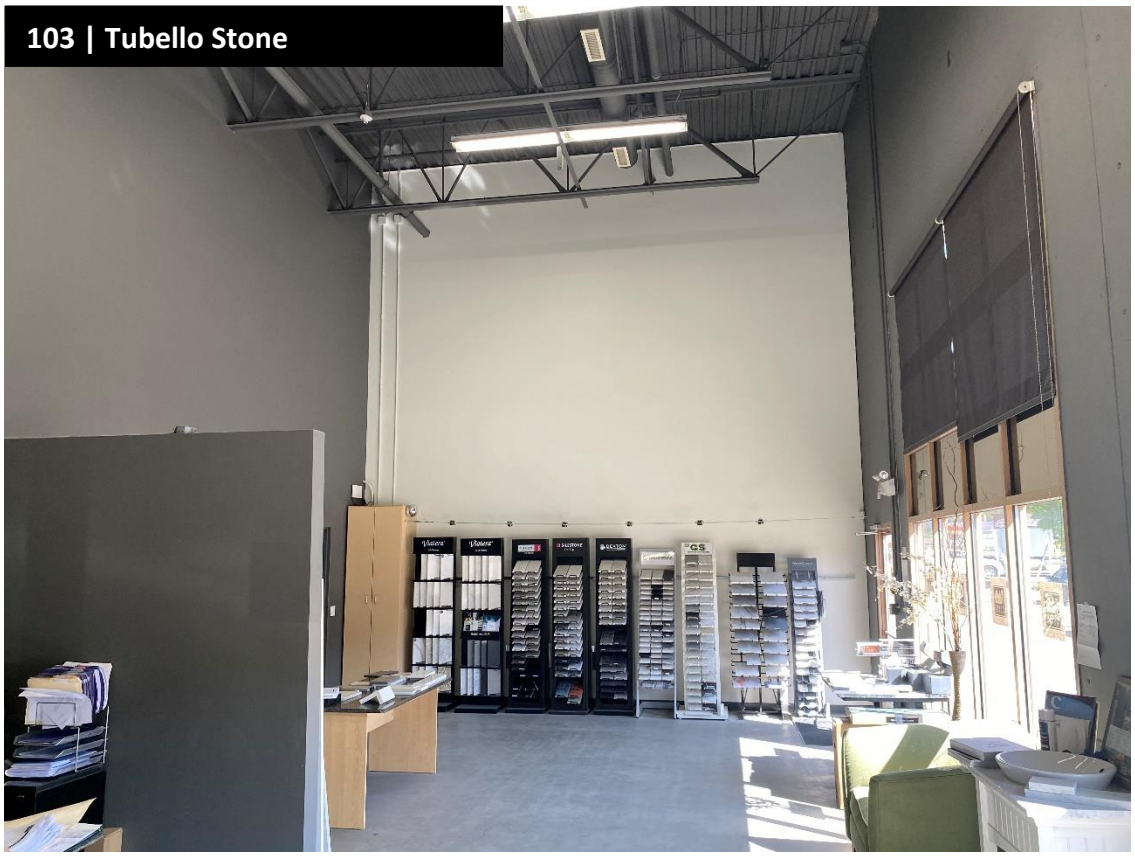
   - Expiry years of each tenancy
   - Current rental rate of each tenancy
   - Standard Lease format for 2714 Hwy 97N rentals

3. **Upon achieving accepted offer the following additional information will be provided to the prospective purchaser:**

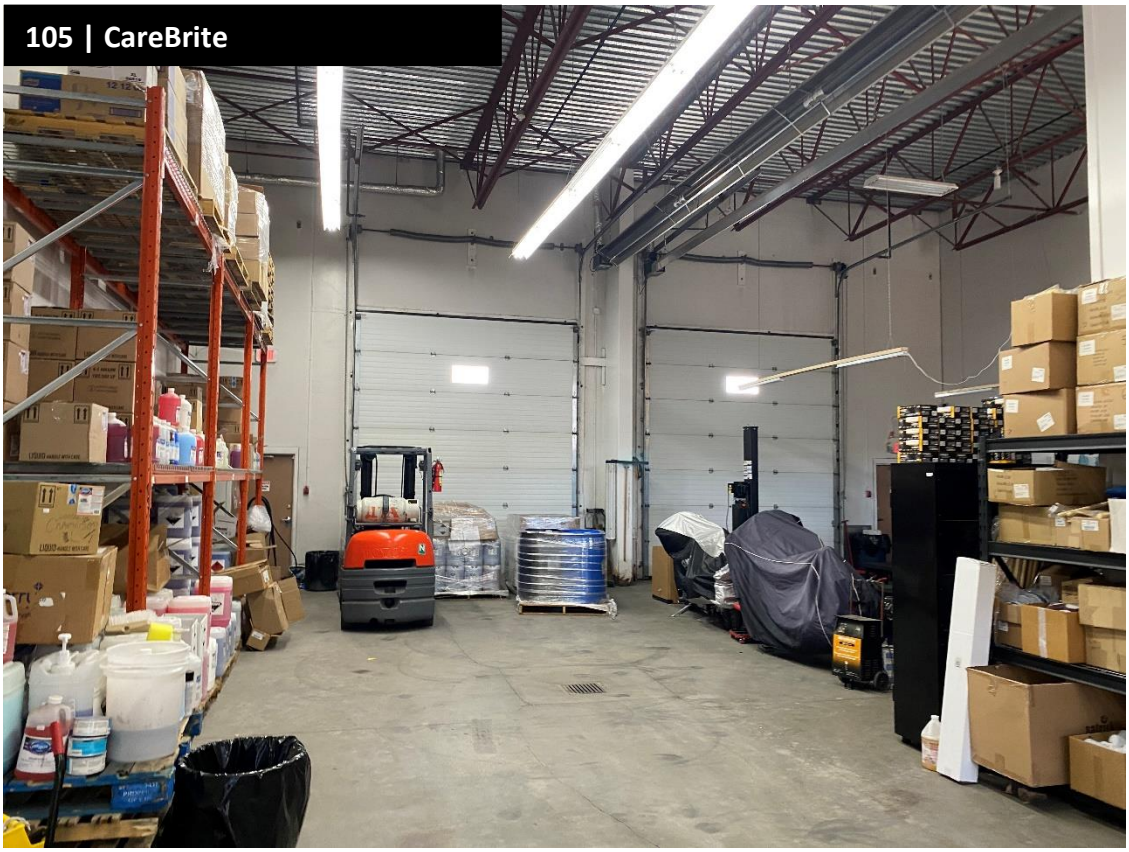
   - Lease agreements for each tenancy
   - All applicable renewal documents for each tenancy
   - City of Kelowna files

101 | Wagner Appliances

103 | Tubello Stone



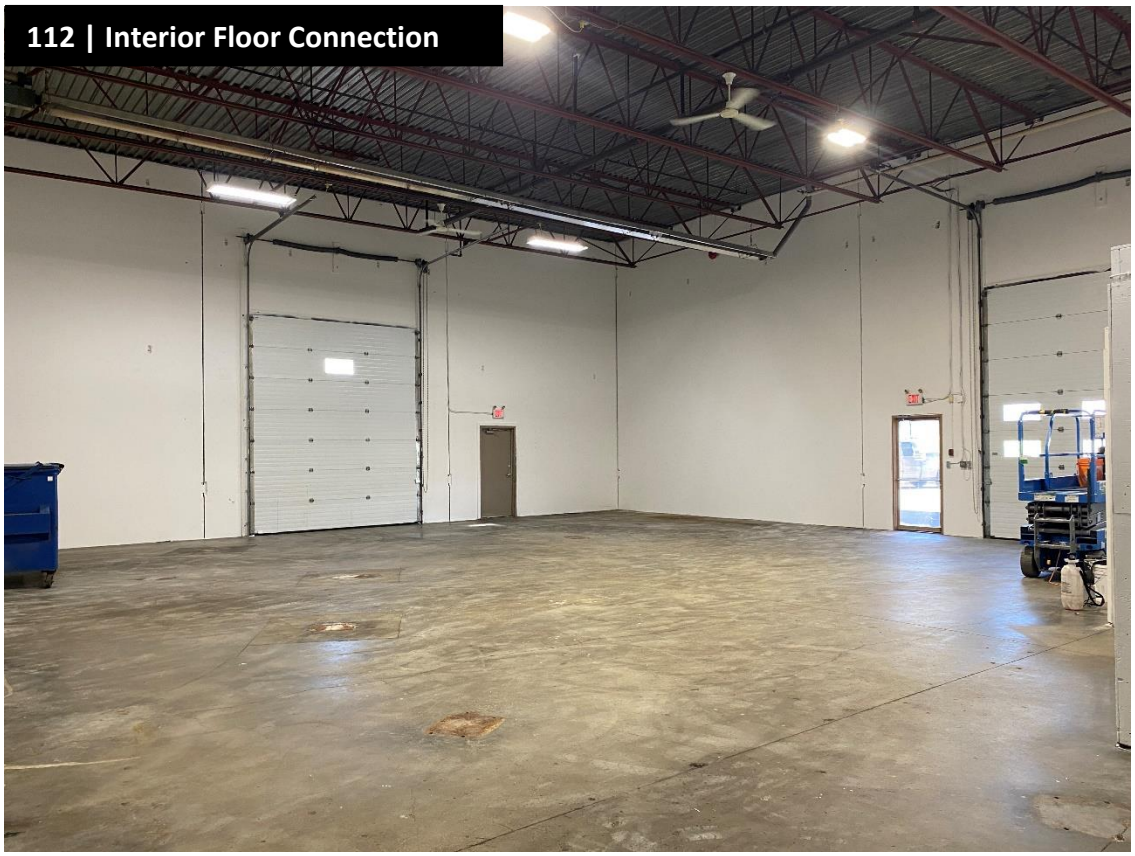
105 | CareBrite



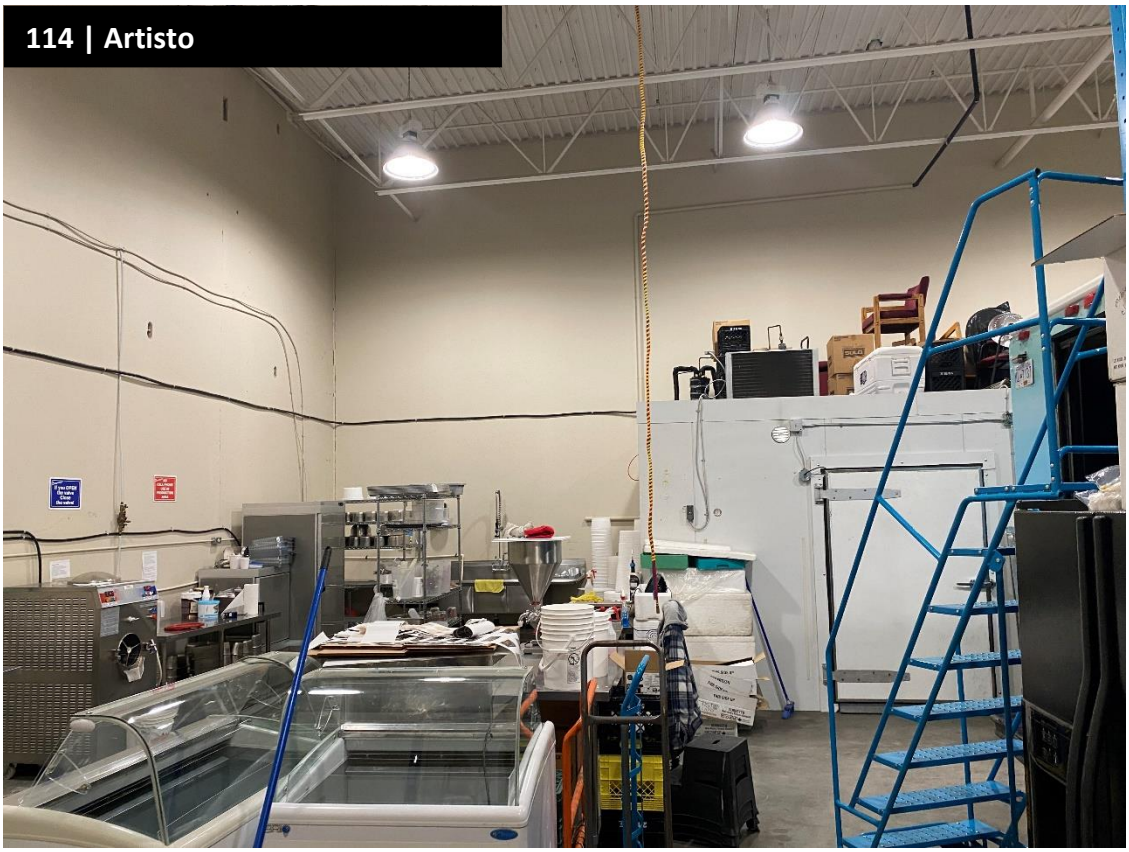
107 | Concrete Business

109 | Okanagan Radiator

112 | Interior Floor Connection



114 | Artisto



116 | Kulwant Bal

121 | Mattress Mattress

121 | Mattress Mattress

Property Report

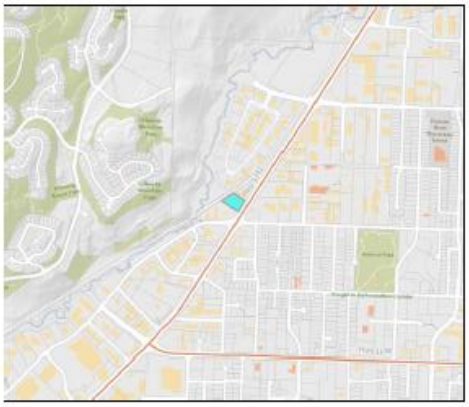
City of Kelowna

1435 Water St
Kelowna, BC
V1Y 1J4

Property Report

Produced by the City of Kelowna

Report Produced on: May 7, 2022



Property highlighted in blue

Property Information

Property Address: 2714 Hwy 97 N **Property Type:** P - Typical Property

KID: 326734 **Plan #:** KAP20338 **Lot#:** 1 **Block:**

Extra Legal Information:

PLAN KAP20338 LOT 1 DISTRICT LOT 124 EXCEPT PLA N KAP71215.

BC Assessment Information

Roll Number:	10277015	**Jurisdiction:**	217
Net Land Value:	$4,027,000	**PID:**	004-466-063
Net Impr. Value:	$2,614,000	**Lot Size:**	1.484
Net Total Value:	$6,641,000	**Lot Size Unit:**	Acres

Actual Use: 273 Storage & Warehousing (Closed)

Land Use Related Information

Zoning Code:	I2	**Inside ALR:**	No
OCP2040 FutureLandUse:	IND	**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 - General Industrial - Zoning

CITY OF KELOWNA CONSOLIDATED ZONING BYLAW 8000 EXERPT 12/1/2018

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.

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Corporate Accord Realty

CONFIDENTIALITY AGREEMENT

RE: 2714 Highway 97N, Kelowna, BC (the "Property")

We, the Purchaser (as described on the following page) and, if applicable, the Purchaser's Agent (as described on the following page) have requested from Peter Cocar and Co. Ltd. (the "Vendor") and Corporate Accord Realty Ltd. (the "Broker") confidential information relating to the Property.

For good and valuable consideration provided by the Vendor and the Broker (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, commissions, expenses and other amounts payable to legal, financial or other third party advisors retained by us, or who act on our behalf, including any real estate brokers other than the Agent, will be paid by us.

We agree that we will not, without the prior written consent of the Vendor or the Broker, 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) to the Broker. 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 Broker is subject to the limitations on liability and disclaimers for the protection of the Vendor and the Broker 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 Broker from all claims, losses, damages and liabilities whatsoever (including legal fees and disbursements) arising out of

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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 complete the required information before emailing this completed document to peter@corpaccord.com to indicate that you have agreed 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 Broker to furnish the confidential information to you.

The undersigned accepts and agrees to the terms as referenced herein on 5/29/2022.

Peter Cocar and Co. Ltd.

Per: DocuSigned by: Rob Cocar 42142507E98E4CA...
Vendor's Signature

The Purchaser accepts and agrees to the terms as referenced herein on _____.

Per:

_____ _____
Purchaser Signature Purchaser Signatory Name

_____
Purchaser Company Name (if applicable)

_____ _____
Purchaser Phone Number Purchaser Email Address

If the Purchaser is being represented by a Realtor then please complete the following:

The Purchaser's Agent accepts and agrees to the terms as referenced herein on _____.

Per:

_____ _____
Purchaser's Agent Signature Purchaser Agent's Name

_____
Purchaser Agent's Brokerage Name

_____ _____
Purchaser's Agent's Phone Number Purchaser's Agent's Email Address