FULLY OCCUPIED INDUSTRIAL FOR SALE:

1418 – 1420 Hunter Court, Kelowna, BC

Just of Hunter Road near Home Depot in Central Kelowna

Overview:

- 1.00± acre corner cul-de-sac lot with two Service Commercial buildings
- 23,352sf± leasable building area includes 20852sf± at grade, 2000sf± leasable second-floor offices and 500sf± of leasable storage mezzanine [plus 2nd floor bonus areas]
- Nice upside: average existing rents of $9.04/sf± are below competitive MLS lease options
- McGregor & Thompson onsite for 25+ years | 3+ years remaining on existing lease
- Land Use Contract (ask city planning to verify similarity to C10 Service Commercial Zoning)
- $211,218± Estimated Net Income | 4.8% CAP on Ask
- *When average net rent increases to $11.76/sf then the CAP on Ask increases to 6.2%*
- Offered at $4,400,000 | $101/sf± (land area) | Under $189/sf± leasable building area

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
Fax: 888.861.5006

Executive Summary

OFFER PROCESS	Offers will be evaluated upon arrival. Email offers to peter@corpaccord.com
CIVIC ADDRESS	1418-1420 Hunter Court, Kelowna, BC V1X 7J4
VENDOR	Lochaven Holdings Ltd.
LEGAL DESCRIPTION & PID	Lot 9, DL 125, O.D.Y.D., LD 41, Plan 31272 Except Plan KAP 50559 | PID 003-756-238
ENVIRONMENTAL	Seller will be completing site profile and PDS forms and ordering a environmental report
CURRENT ZONING	A1 with Land Use Contract 77-1085 (see attached)
AGE	Completed building was surveyed in 1989 (attached)

Building Area Summary

Tenant	Main Floor	2nd Floor Office	Storage Mezzanine	Total Area	Leasable Area
McGregor & Thompson Hardware Ltd.	*15,000sf±*	*2000sf±*	*1500sf±*	*18,500sf±*	*17,500sf±*
Event Max Merchandising & Promotions Ltd.	*3788sf±*	*600sf±*	*280sf±*	*4668sf±*	*3788sf±*
Kristopher Bothe (Apple Works)	*2064sf±*		*440sf±*	*2504sf±*	*2064sf±*
Total	***20,852sf±***	***2600sf±***	***2064sf±***	***25,672sf±***	***23,352sf±***

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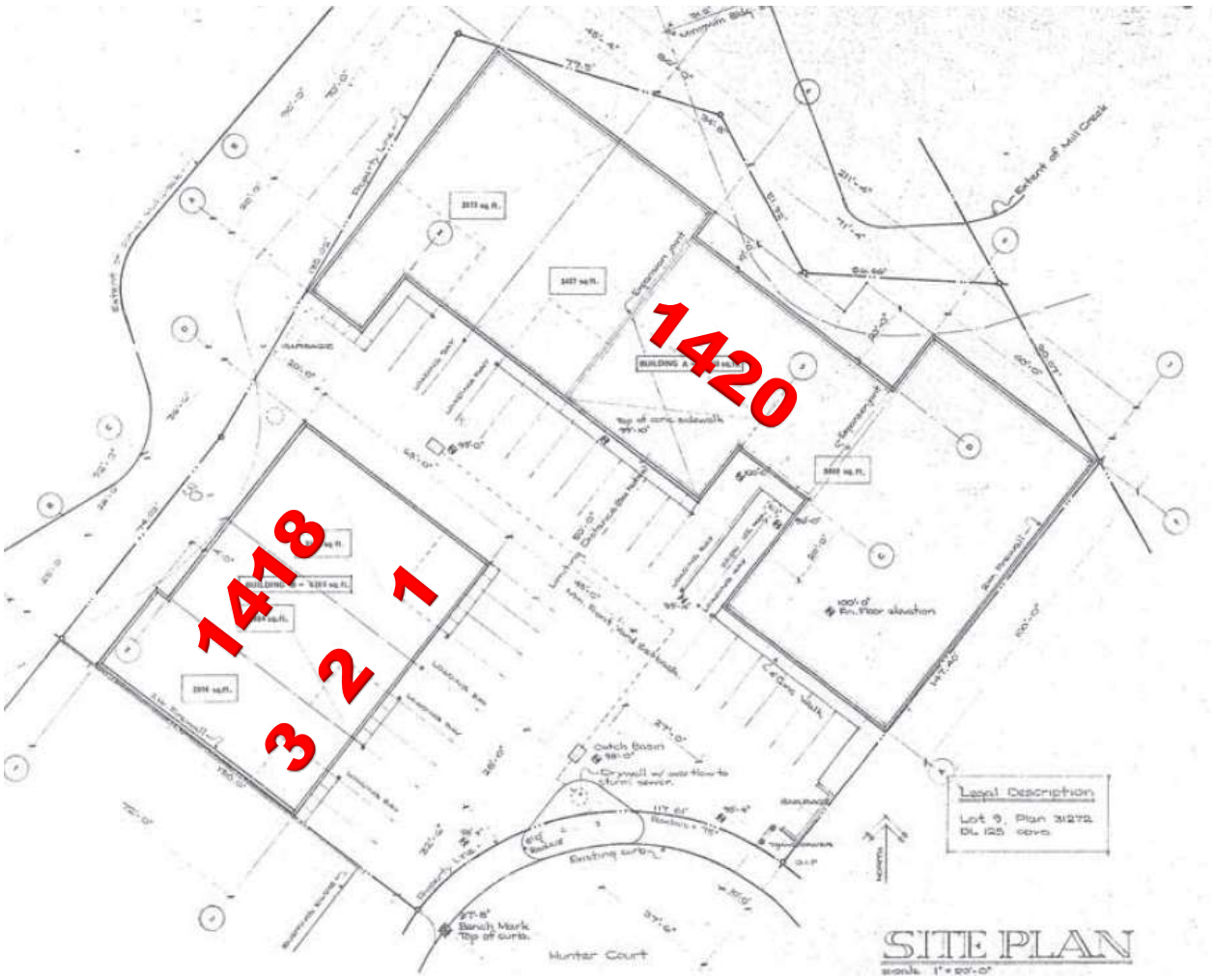
Approximate Site Plan & Tenant Summary

Tenant	Address	Lease Size	Expiry	Renewal	Bay Doors
McGregor & Thompson Hardware Ltd.	*1420*	*17,500sf*	*2022*	*1 x 5 year*	*4 at grade 1 dock*
Event Max Merchandising & Promotions Ltd.	*1&2 1418*	*3788sf*	*2019**	*none*	*1 at grade*
Kristopher Bothe (Apple Works)	*3 1418*	*2064sf*	*2019**	*none*	*1 at grade*

*Renewal negotiations are pending



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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. **Purchasers are strongly encouraged to evaluate the industrial leasing market to make their own determination of future rent increase timing and likelihood.**

Income Description	Net Income*	Average Rent per Lease SF	Net Income* / Asking Price	Net Income* Multiplier
Net Income as of May 2019	$211,218	$9.04	4.8%	20.8
10% Rent Increase**	$232,340	$9.95	5.3%	18.9
20% Rent Increase**	$253,462	$10.85	5.8%	17.4
30% Rent Increase**	$274,583	$11.76	6.2%	16.0
40% Rent Increase**	$295,705	$12.66	6.7%	14.9

** Calculated as estimated net income in May 2019*

*** Hypothetical future average rent increase for building over $211,218 per year*

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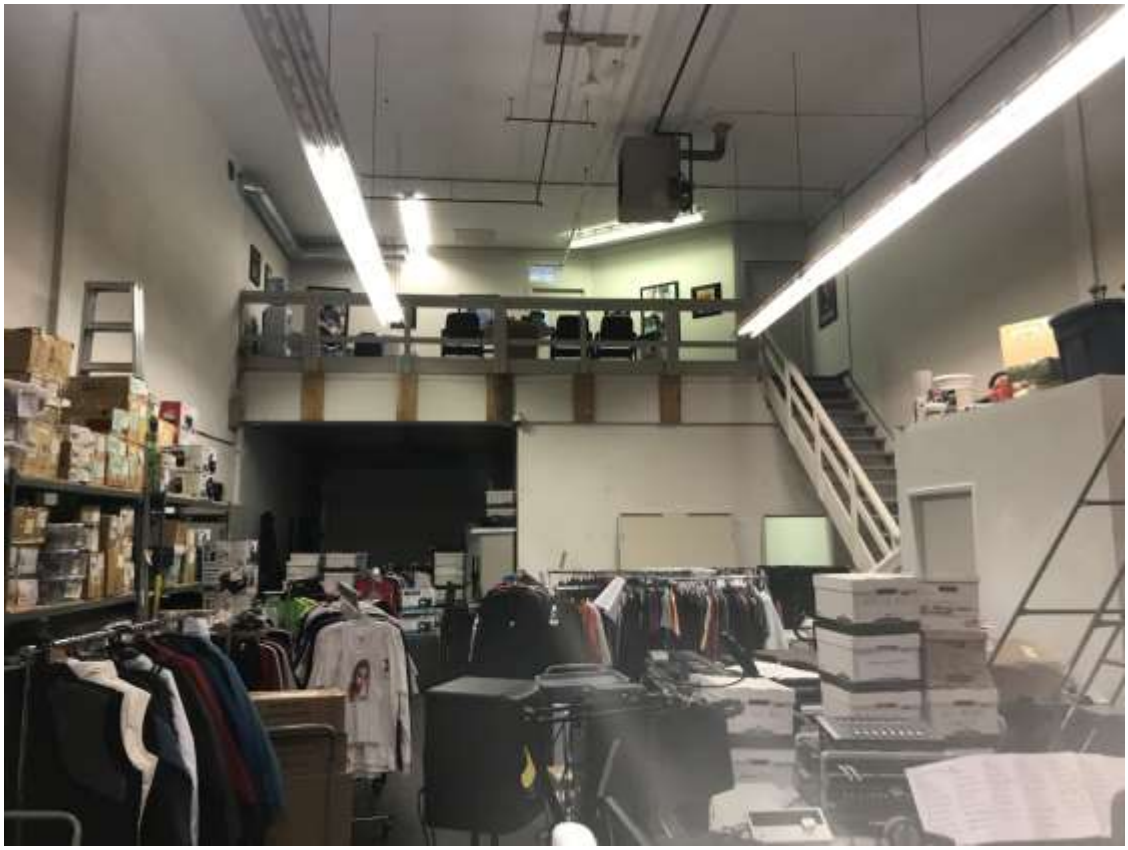
1420 - Interior Office & Showroom (McGregor & Thompson)

1420 – Woodshop & Warehouse (McGregor & Thompson)

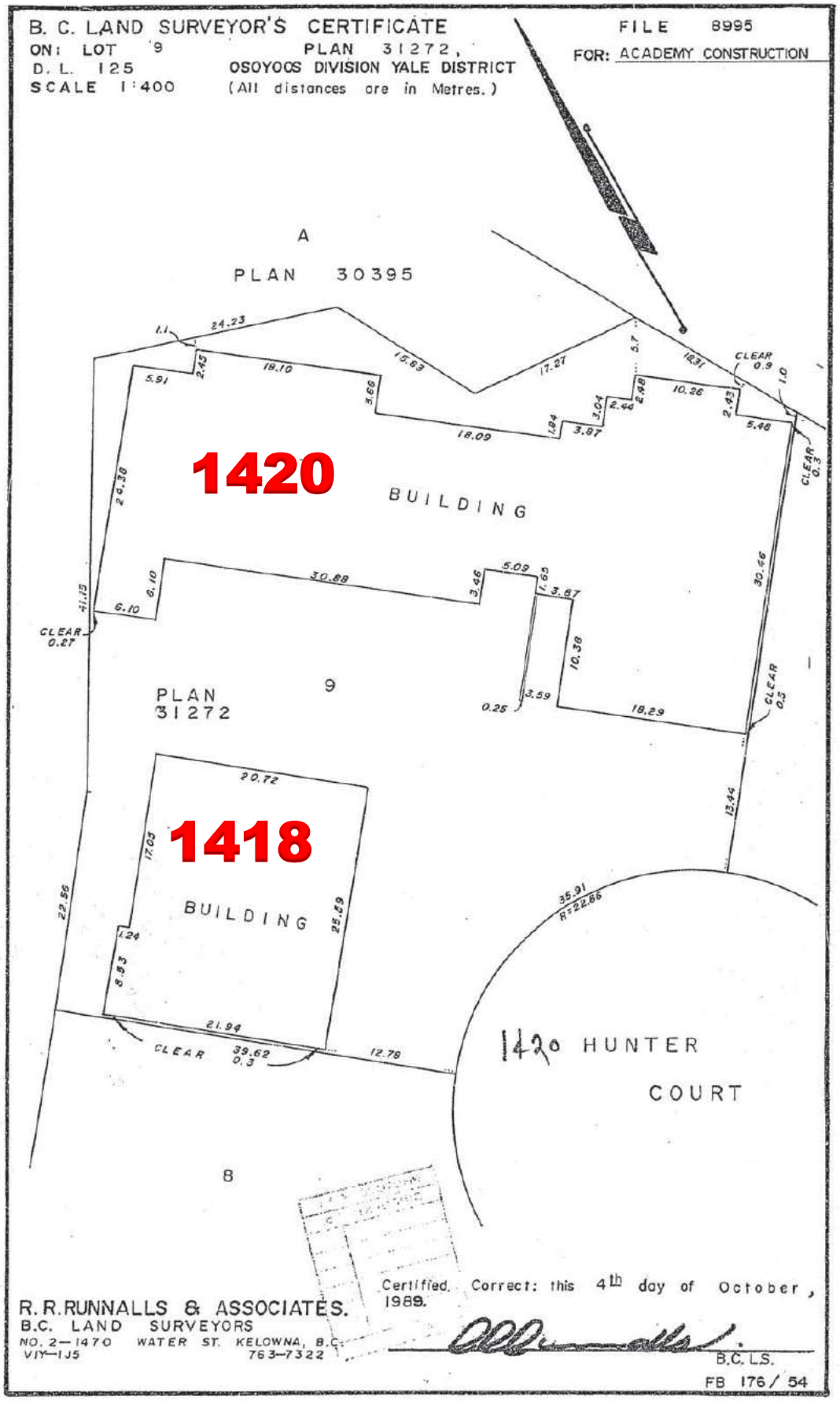
1 1418 - Interior Photos (Event Max)

2 1418 - Interior Photos (Event Max)



3 1418 - Photos (Apple Arts) and 1418 (Smaller) Building

Survey


B. C. LAND SURVEYOR'S CERTIFICATE
ON: LOT 9
D. L. 125
SCALE 1:400
PLAN 31272,
OSOYOOS DIVISION YALE DISTRICT
(All distances are in Metres.)
FILE 8995
FOR: ACADEMY CONSTRUCTION
A
PLAN 30395
1420
BUILDING
1418
BUILDING
PLAN 31272
9
8
1420 HUNTER COURT
CLEAR 0.27
CLEAR 0.3
CLEAR 0.9
CLEAR 0.3
CLEAR 0.3
R.R.RUNNALLS & ASSOCIATES.
B.C. LAND SURVEYORS
NO. 2—1470 WATER ST. KELOWNA, B.C.
V1Y—1J5 763—7322
Certified Correct: this 4th day of October, 1989.
B.C.L.S.
FB 176/54

Hunter Court Aerial

Property Report

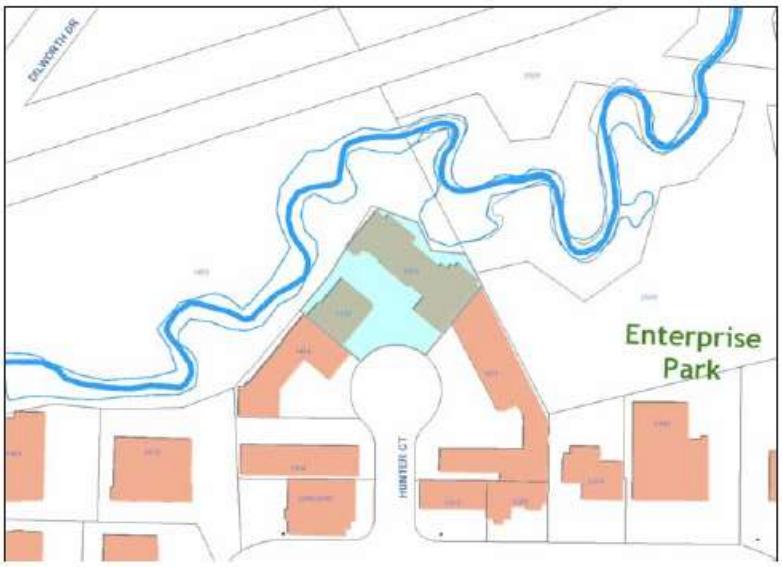
City of Kelowna

1435 Water St
Kelowna, BC
V1Y 1J4

Property Report

Produced by the City of Kelowna

Report Produced on: May 6, 2019



Property highlighted in blue

Property Information

Property Address: 1418-1420 Hunter Ct **Property Type:** P - Typical Property

KID: 309637 **Plan #:** 31272 **Lot#:** 9 **Block:**

Extra Legal Information:

PLAN KAP31272 LOT 9 DISTRICT LOT 125 EXCEPT PLA N KAP50559.

BC Assessment Information

Roll Number:	72480	**Jurisdiction:**	214
Net Land Value:	$1,371,000	**PID:**	003-756-238
Net Impr. Value:	$2,225,000	**Lot Size:**	1
Net Total Value:	$3,596,000	**Lot Size Unit:**	Acres

Actual Use: 273 Storage & Warehousing (Closed)

Land Use Related Information

Zoning Code:	A1	**Inside ALR:**	No
Future Land Use:	PARK;SC	**Water Provider:**	CITY
Land Use Contract:	77-1085		

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

Land Use Summary

1. The property is currently zoned A1 Agricultural

2. The official community plan designates the subject property as future land use service commercial (map shown on the following link: https://www.dropbox.com/s/x7m7uajl9ybzye6/Map%204.1%20Generalized%20Future%20Land%20Use%20Map.pdf?dl=0

   Service Commercial (SC)

   Developments for the provision of business support services and other commercial uses requiring extensive on-site storage. Building densities would be consistent with the provision of the C10 zone of the Zoning Bylaw.

3. A description of the above referenced C 10 zone is included the following link: https://www.dropbox.com/s/zc5n6u4987ho4rf/Future%20Land%20Use%20-%20C10%20Zoning%20as%20of%20May%207%202019.pdf?dl=0

4. Uses in the current C10 zone as of May 2019 include: animal clinics – automotive and equipment repair shops – breweries and distilleries minor – business support services – child care center major – commercial schools – commercial storage – equipment rentals – food primary establishment – funeral services – government agencies – household repair services – liquor primary establishment, major – offices, construction and development industry – participant recreation services, indoor – pawnshop – retail stores service commercial – thrift stores – truck and mobile home sales/rentals – used goods stores – vehicle and equipment sales/rentals/services industrial – warehouse sales

5. The property was developed under land-use contract 77-1085 which is currently in place. A summary of the entire land-use contract is included on the following link: https://www.dropbox.com/s/3xq34anrzc0sdfp/Land%20Use%20Contract%2077-1085.pdf?dl=0

6. Purchasers are encouraged to review the following questions with the City of Kelowna planning department | 250-469-8626 | planninginfo@kelowna.ca:
   a. Can you confirm that allowable uses under the land-use contract approximate the current C10 zoning?
   b. Are there any uses in the current C 10 zoning that would not be allowed on the subject property?
   c. We've heard that the Province is requesting that cities wrapup existing land-use contracts - is the city's plan to then initiate a rezoning of these affected properties to the current C 10 zoning before 2024?
   d. Is there anything an owner needs to do in this city rezoning process?

Current Title Search

TITLE SEARCH PRINT 2019-04-05, 09:53:29
File Reference: Requestor: Peter Bouchard
Declared Value $SECTION 185

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Title Issued Under	SECTION 185 LAND TITLE ACT
Land Title District	KAMLOOPS
Land Title Office	KAMLOOPS
Title Number	KG95297
From Title Number	KB39169
Application Received	1993-09-29
Application Entered	1993-09-29

Registered Owner in Fee Simple
Registered Owner/Mailing Address: LOCHAVEN HOLDINGS LTD., INC.NO. 59286
2000 - 700 WEST GEORGIA STREET
VANCOUVER, BC
V7Y 1A8

Taxation Authority Kelowna, City of

Description of Land
Parcel Identifier: 003-756-238
Legal Description:
LOT 9 DISTRICT LOT 125 OSOYOOS DIVISION YALE DISTRICT PLAN 31272
EXCEPT PLAN KAP50559

Legal Notations NONE

Charges, Liens and Interests
Nature: COVENANT
Registration Number: P1868
Registration Date and Time: 1979-01-11
Registered Owner: CITY OF KELOWNA
HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
AS REPRESENTED BY THE MINISTRY OF ENVIRONMENT
Remarks: INTER ALIA
SEC 24A LRA

Current Title Search (page 2)

TITLE SEARCH PRINT 2019-04-05, 09:53:29
File Reference: Requestor: Peter Bouchard
Declared Value $SECTION 185

Nature:	LAND USE CONTRACT
Registration Number:	P1869
Registration Date and Time:	1979-01-11
Registered Owner:	CITY OF KELOWNA
Remarks:	INTER ALIA SEC 702A MUNICIPAL ACT

Nature:	STATUTORY BUILDING SCHEME
Registration Number:	P44087
Registration Date and Time:	1979-07-31
Remarks:	INTER ALIA SEC 24B LRA

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	S76657
Registration Date and Time:	1981-09-30 12:27
Registered Owner:	WEST KOOTENAY POWER AND LIGHT COMPANY LIMITED
Remarks:	THAT PART SHOWN AS PCL D ON PLAN A16063

Duplicate Indefeasible Title	NONE OUTSTANDING
Transfers	NONE
Pending Applications	NONE