

FULLY OCCUPIED INDUSTRIAL FOR SALE:

# 1418 – 1420 Hunter Court, Kelowna, BC

*Just off 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 2<sup>nd</sup> 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
- Offered at \$4,400,000 | \$101/sf± (land area) | Under \$189/sf± leasable building area

**Corporate  
Accord Realty**

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www.CorpAccord.com  
Fax: 888.861.5006

# Executive Summary

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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 an environmental report
CURRENT ZONING	A1 with Land Use Contract 77-1085 (see attached)
AGE	Completed building was surveyed in 1989 (attached)

## Building Area Summary

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

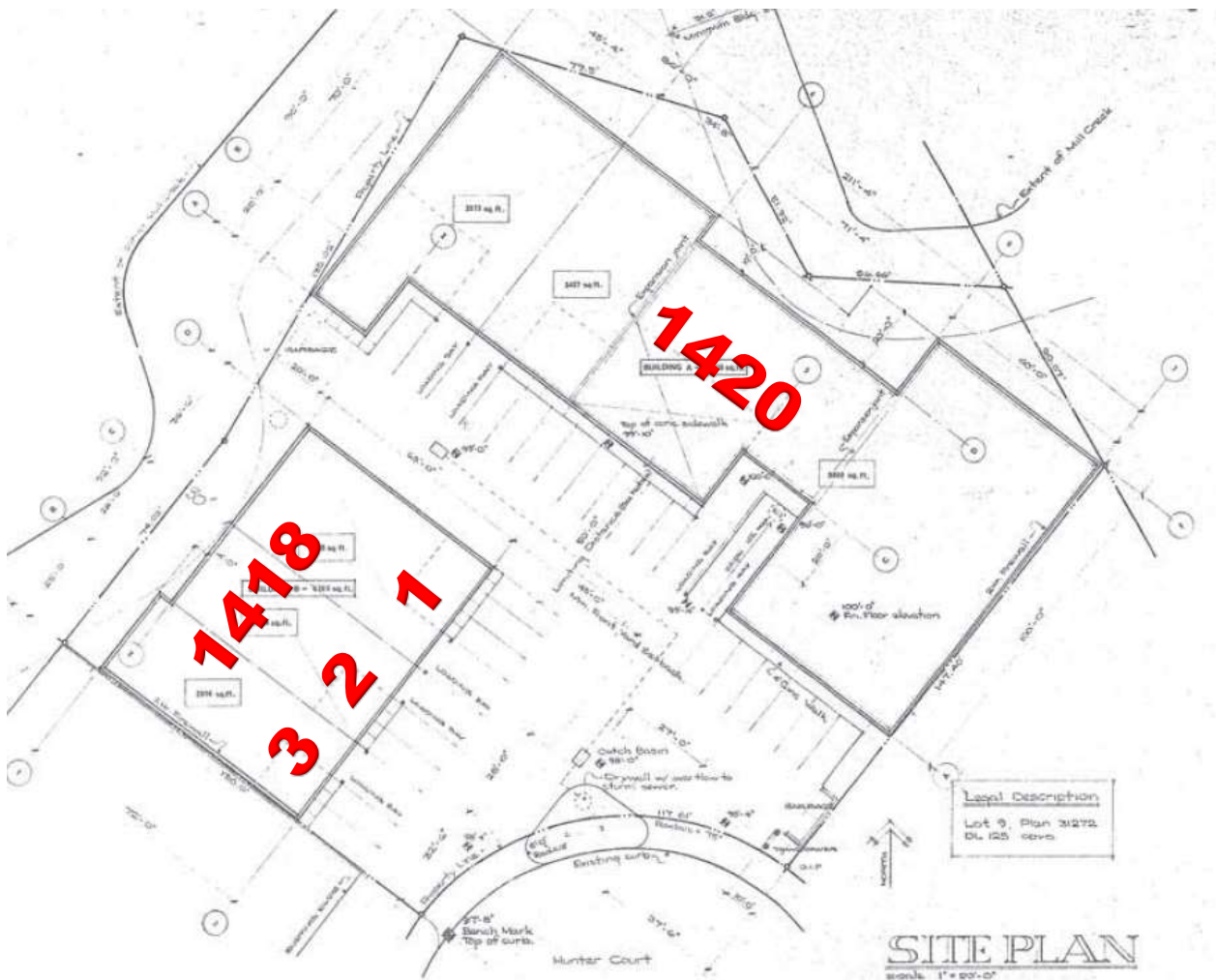


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# Approximate Site Plan & Tenant Summary

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





# 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)

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# 1420 – Woodshop & Warehouse (McGregor & Thompson)

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McGregor and Thompson



# 1 1418 - Interior Photos (Event Max)

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2 1418 - Interior Photos (Event Max)

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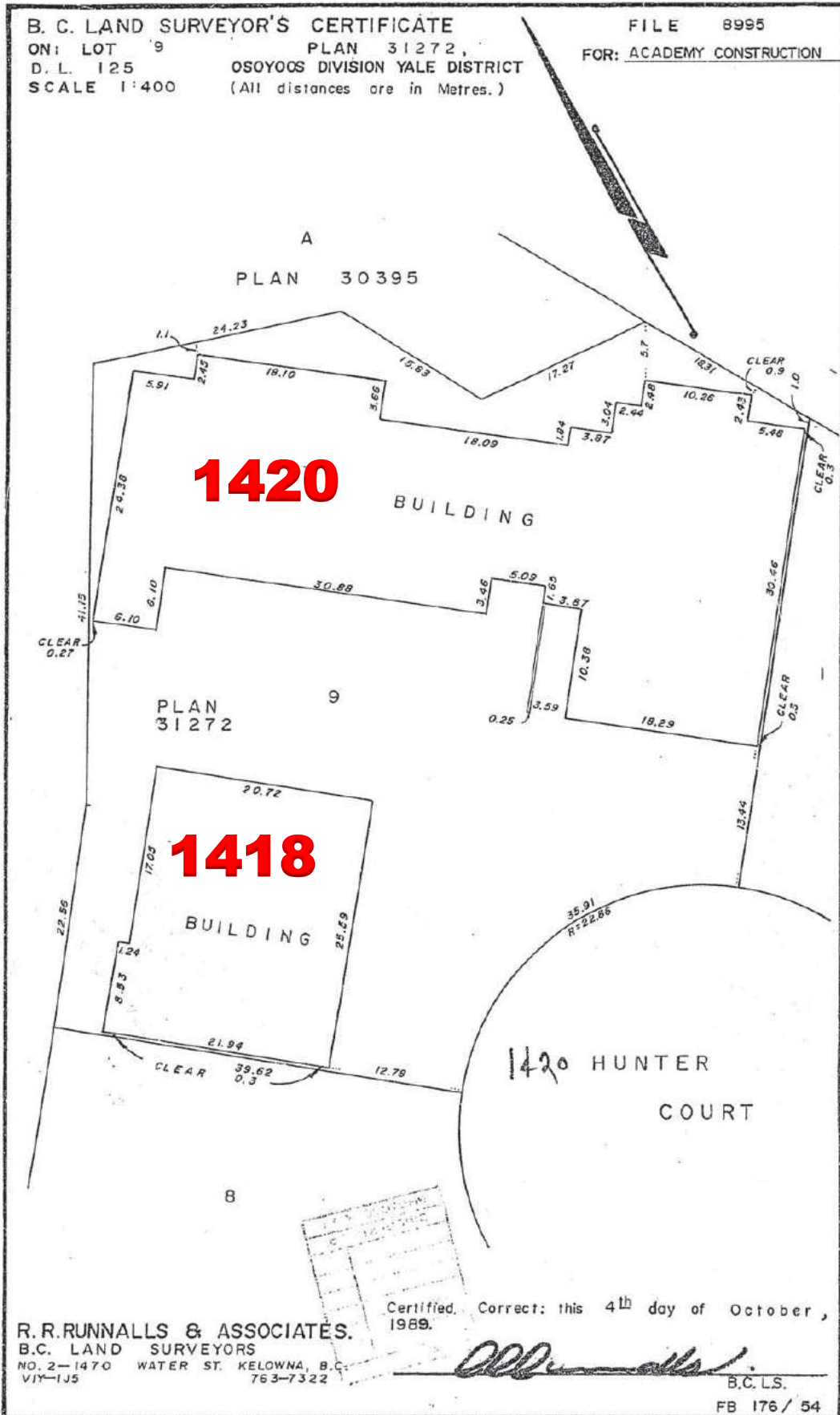


3 1418 - Photos (Apple Arts) and 1418 (Smaller) Building

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# Survey





# Hunter Court Aerial





# Property Report



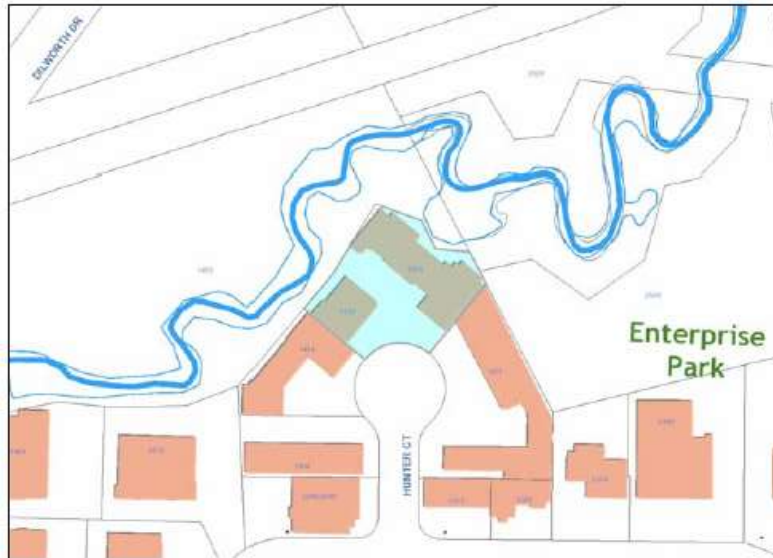
City of Kelowna

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

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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/3xq34anzc0sdfp/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](mailto: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

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## TITLE SEARCH PRINT

File Reference:

Declared Value \$SECTION 185

2019-04-05, 09:53:29

Requestor: Peter Bouchard

\*\*CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN\*\*

<b>Title Issued Under</b>	SECTION 185 LAND TITLE ACT
<b>Land Title District</b> Land Title Office	KAMLOOPS KAMLOOPS
<b>Title Number</b> From Title Number	KG95297 KB39169
<b>Application Received</b>	1993-09-29
<b>Application Entered</b>	1993-09-29
<b>Registered Owner in Fee Simple</b> Registered Owner/Mailing Address:	LOHAVEN HOLDINGS LTD., INC.NO. 59286 2000 - 700 WEST GEORGIA STREET VANCOUVER, BC V7Y 1A8
<b>Taxation Authority</b>	Kelowna, City of
<b>Description of Land</b> Parcel Identifier: Legal Description:	003-756-238 LOT 9 DISTRICT LOT 125 OSOYOOS DIVISION YALE DISTRICT PLAN 31272 EXCEPT PLAN KAP50559
<b>Legal Notations</b>	NONE
<b>Charges, Liens and Interests</b> Nature: Registration Number: Registration Date and Time: Registered Owner:	COVENANT P1868 1979-01-11 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)

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## 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