

EVERGREEN HOUSE

1169 East 27th Street, District of North Vancouver, BC

FOR SALE

32-suite newly constructed non-strata rental building in Lynn Valley, District of North Vancouver.

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Note: Top picture is a rendering only.

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POLYGON

District of North Vancouver, BC



Executive Summary

Name of Building

Evergreen House

Address

1169 East 27th Street
District of North Vancouver, BC

Legal Description

Airspace Parcel 1, District Lot 2022,
Plan BCP 40272

Zoning

RM-2

Location

Evergreen House is located directly across the street from the Lynn Valley Shopping Centre to the north in the District of North Vancouver.

Improvements

With an estimated completion date of May 25, 2009, the property is improved with a 4 storey wood frame building. Includes underground parking (50 stalls), elevator and balconies/patios for all suites.

Site Area

19,258 sq. ft.

Building Density

1.67 FSR (including neighbouring Branches development)

Taxes (2009)

Estimated at \$40,500

Suite Mix

7	Two Bedroom
3	Two Bedroom & Den
18	Three Bedroom
4	Three Bedroom & Den
32	Suites Total

Net Rentable Area

29,564 sq. ft.

Shared Facilities (with Branches)

Fitness Room, Meeting Room, Guest Suite

Shared Facilities Cost

19% of Total Cost

Existing Financing

None

2009 Proforma

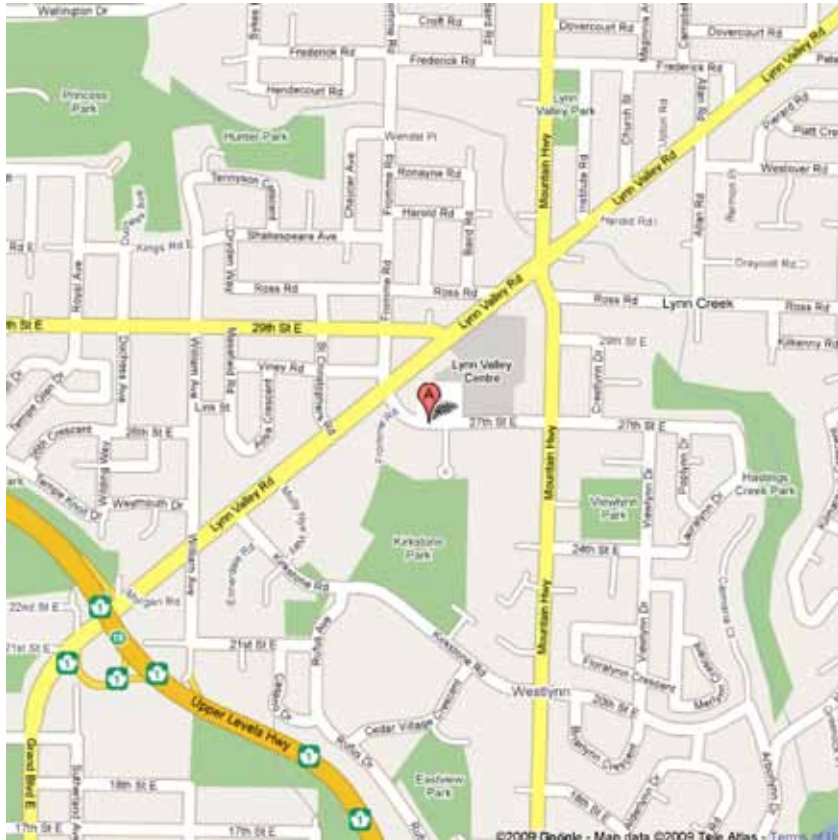
Effective Gross Income	\$671,000
Expenses	\$171,000
NOI	\$500,000

Pricing

Asking Price	\$9,500,000
Price Per Unit	\$296,875
Cap Rate	5.3%
GRM	14.16



Location



Evergreen House offers excellent access to shopping, schools, community amenities, transit and commuter routes. It's also just minutes from all the parkland and wilderness that North Vancouver is famous for - mountain biking trails, skiing, snowboarding, rock climbing and hiking. Evergreen is bordered, on one side, by the towering trees in a stretch of protected green space, and is just down the road from the Lynn Valley Canyon Park and Mount Seymour Provincial Park. With its lush forests, rushing rivers, sandy beaches and mountain views, Lynn Valley offers natural parkland for every type of sport and recreation enthusiast.

The subject is located directly across the street from the Lynn Valley Shopping Centre to the north in the District of North Vancouver, while adjoining Branches, Polygon's newly-built 133 unit condominium complex, is situated immediately to the south. Specifically, the subject is on East 27th Street & Whiteley Court, with Lynn Valley Rd. just to the west and Mountain Hwy only one block to the east. Minutes away, the Upper Levels Hwy 1 intersects Lynn Valley Rd. and provides major transportation access to East Vancouver/Burnaby via the Second Narrows bridge to the south and Central Lonsdale/West Vancouver to the west as well as Downtown Vancouver via the Lions Gate Bridge to the southwest.

The property boasts a highly strategic location next to the prominent thoroughfare of Lynn Valley Rd, conveniently situated only 150ft from Safeway. A wide range of retail amenities, supermarkets, community services, restaurants and excellent bus transportation characterize this vibrant community. Within the immediate vicinity, for example, there are banking establishments (TD Canada Trust & Scotia Bank), national retailers (Starbucks, Save-on-Foods, Zellers, Pizza Hut and Winners), municipal buildings (all new 80,000 sq. ft.) Lynn Valley Public Library, Lynn Valley Care Centre (Private Hospital & Lodge), the Karen Magnussen Recreation Centre (wave pool, ice rinks, tennis courts) and desirable upper-income residential communities (Lynn Valley and Westlynn).

Building Description

Evergreen House is situated at the northeast corner of 27th & Whiteley Court, providing unparalleled views to the North Shore mountains. The subject is a 32-suite newly constructed non-strata rental building featuring 10 two bedrooms and 22 three bedroom suites. Taking advantage of the scenic North Shore surroundings, Evergreen features striking Pacific Northwest award-winning design with unique details that include heavy timbers paired with brick and extensive glazing, low pitched roofs, extra-wide overhangs and ground-floor yards that rival single family homes. Inside, these two and three bedroom homes feature open living spaces totalling 29,564 leasable sq.ft.

The building features were specifically included to minimize landlord expenses including tile flooring, quality loop carpeting and electric heat to tenant account. The landlord supplies only the domestic hot water from a high efficiency boiler. All suites are adaptable. Some features include electric fireplace, gourmet kitchens and contemporary bathrooms, 5 appliances including washer/dryer, 1 1/2" skim coat in floors, and of course, the high quality flooring, finish and attention to detail typically associated with the Polygon brand. There are 50 secure underground parking stalls and shared facilities to include a fitness room, meeting room and guest suite. Evergreen's estimated completion is May 25th, 2009 (see complete features list on following page).



Evergreen House Features

An Impressive Arrival

- Evergreen House is situated at the northeast corner of 27th & Whiteley Court, providing unparalleled views to the North Shore mountains.
- Built to the highest standard and designed to fit with the robust North Shore environment, Evergreen House features contemporary Pacific Northwest architecture designed by award-winning Raymond Letkeman Architects.
- Exterior materials include extensive brick, heavy timber detailing and large windows to maximize views and light.
- Homes facing south have a view of the large, dramatic courtyard and enjoy a sunny southern exposure.
- Spacious balconies or ground floor patios invite informal outdoor living.
- Private yards with wood fencing and latched gates off patio for some ground floor homes.
- Ground floor homes have doors with direct access to sidewalks

Distinguished Interiors

- Dramatic entry with exposed heavy timber structures, brick entry piers at private yards and painted wood fencing.
- Attractive and easily maintained porcelain tile flooring and upgraded closed loop carpeting.
- Top floor homes feature dramatic vaulted ceilings.
- Cozy electric fireplace with custom mantel complete the elegant living room.
- Select from two designer colour schemes.
- Painted baseboards and door casings throughout all rooms.
- Horizontal mini-blinds on windows and patio doors.

Gourmet Kitchens

- Contemporary cabinetry in light or dark edge grain laminate matched with polished chrome hardware.
- Designer selected laminate countertops available in two colour schemes.
- Special cabinet features include corner lazy susan and a microwave shelf.

- Complete appliance package by Whirlpool:
 - 30" wide electric self-cleaning slide-in range.
 - Approx. 19 cu.ft Energy Star Refrigerator with a top mount freezer, auto defrost and ice maker.
 - 30" wide, 2 speed Hood fan with light.
 - 24" wide, 4 button control Dishwasher.
 - Full-size stacking Washer/dryer unit.
- Double compartment stainless steel sinks.
- Polished chrome single-lever faucet with pull-out vegetable spray, and waste disposal for added convenience.
- Designer-selected ceramic tile backsplash.

Bathrooms That Pamper

- Contemporary cabinetry in light or dark edge grain laminate complemented by stylish polished chrome hardware.
- Polished single-lever chrome faucets.
- Deep, white linen Maax soaker tub and shower surround with non-slip acrylic base and integral tile flange.
- White toilets and lavatory sinks with polished chrome levers.

Thoughtful Touches

- Pre-wired for high-speed Internet access with multi-ports in various locations.
- Full capacity stacking washer and dryer.
- Key fob access to parkade and to all common areas.

Safety and Energy

- Secured, well lit underground parkade (including visitor parking) with painted white walls, emergency buttons, video surveillance at exits and lobbies and overhead security gates.
- Enter phone outside main lobby with security camera.
- Rough-in alarm system with motion and smoke detector provided.
- Sprinklers in all homes and common areas.



Note: Pictures above show unfinished suites. Estimated project completion time: May 25, 2009.

The Lynn Valley Rental Market

Considerable study and research went in to the projected rental rates for Evergreen House. Several condominiums in the area have been rented out at significantly higher rents than comparable older rental projects. Mountain Village, an older rental project next door, is currently achieving approximately \$1,400 for 2 bedroom units and \$1,600 for 3 bedroom units.

Evergreen House is ideally designed for families and will allow students to attend the highly regarded Argyle High School or the brand new Sutherland High School, both of which are highly regarded in the Fraser Institute rankings. Seniors, looking to downsize, will also appreciate the convenience of walking to the local shops and retail amenities that Lynn Valley has to offer.



Note: Pictures above are of the neighbouring condominium project "Branches".

Evergreen House
1169 East 27th Street, North Vancouver
Projected Rent Roll

As of March 16, 2009

General Notes

9' floor to ceiling all units

Suite No.	Unit Type	sf	Beds	Rent	\$ PSF	Unit Description
101	B	807	2	\$1,575	\$1.95	2 bdrm grnd. Floor- patio w. direct access to street
102	G	955	3	\$1,785	\$1.87	3 bdrm corner - patio w. direct access to street-north facing
103	G	955	3	\$1,785	\$1.87	3 bdrm corner - patio w. direct access to street-south facing
104	Manager	780	2	\$1,385	\$1.78	2 bdrm grnd. Floor- patio
105	E	816	2	\$1,635	\$2.00	2 bdrm grnd. Floor- patio
106	G	955	3	\$1,785	\$1.87	3 bdrm corner - patio w. direct access to street-south facing
107	G	955	3	\$1,785	\$1.87	3 bdrm corner - patio w. direct access to street-north facing
108	B	807	2	\$1,575	\$1.95	2 bdrm grnd. Floor- patio w. direct access to street
201	B	927	3	\$1,725	\$1.86	3 bdrm
201	G	955	3	\$1,745	\$1.83	3 bdrm corner - north facing
203	G	955	3	\$1,745	\$1.83	3 bdrm corner - south facing
204	E1	888	2	\$1,585	\$1.78	2 bdrm + den
205	E	816	2	\$1,585	\$1.94	2 bdrm
206	G	955	3	\$1,725	\$1.81	3 bdrm corner - south facing
207	G	955	3	\$1,725	\$1.81	3 bdrm corner - north facing
208	B	927	3	\$1,725	\$1.86	3 bdrm
301	B	927	3	\$1,725	\$1.86	3 bdrm
302	G	955	3	\$1,745	\$1.83	3 bdrm corner - north facing - big view
303	H	1,055	3	\$1,745	\$1.65	3 bdrm + den corner - south facing
304	E1	888	2	\$1,585	\$1.78	2 bdrm + den
305	E	816	2	\$1,585	\$1.94	2 bdrm
306	H	1,055	3	\$1,725	\$1.64	3 bdrm + den corner - south facing
307	G	955	3	\$1,725	\$1.81	3 bdrm corner - north facing
308	B	927	3	\$1,725	\$1.86	3 bdrm
401	B	927	3	\$1,825	\$1.97	3 bdrm - vaulted l.r. ceiling- big view
402	G	955	3	\$1,825	\$1.91	3 bdrm corner - north facing- vaulted ceiling - big view
403	H	1,055	3	\$1,985	\$1.88	3 bdrm + den corner - vaulted clg.- east facing - view
404	E1	888	2	\$1,685	\$1.90	2 bdrm + den
405	E	816	2	\$1,685	\$2.06	2 bdrm
406	H	1,055	3	\$1,985	\$1.88	3 bdrm + den corner - vaulted clg.- south facing
407	G	955	3	\$1,825	\$1.91	3 bdrm corner - north facing - vaulted ceiling - view
408	B	927	3	\$1,825	\$1.97	3 bdrm - vaulted ceiling - big view
Totals		29,564		\$55,070	\$1.86	
				x 12mos =		\$659,868
10	2-Bedrooms					
22	3-Bedrooms					
32	Total					

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Evergreen House
Projected Operating Budget
1169 East 27th Street, North Vancouver

As of March 16, 2009

			32 units
			29,564 sf
REVENUE			
Residential Rental Revenue	\$	659,868	\$1.86 psf
Parking Revenue	\$	24,000	\$50.00 pm (50 stalls @ 20% vacancy)
Interest Income	\$	300	
Damage and Recoveries	\$	250	
Vacancy	\$	(13,197)	2.00% allowance
GROSS REVENUE	\$	671,000	
OPERATING EXPENSES			
Insurance	\$	11,600	\$8.0 M \$14.5 per \$1,000
Management Fees		24,659	3.5% plus GST
Office Charges		1,200	\$100 pm supplies, credit checks, tel etc.
Advertising		1,000	N Shore News & Craig's List (free)
Wages - Manager		30,000	\$2,500 mo
CPP		900	
EI (UIC)		650	
WCB		150	
Electricity		-	See Shared Facilities
Gas		4,200	\$125 unit pa + GST (DHW)
Water		9,408	\$294 pa per unit
Sewer		8,576	\$268 pa per unit
Waste Removal		-	See Shared Facilities
Recycling Removal		-	\$60 pm + GST (2 pick-ups per week)
Elevator Maintenance		1,890	\$150 pm + GST
Overhead Gates - Contract		250	\$250 pa contract
Landscape Contract		2,400	\$200 pm contract
Fire Service - Contract		1,575	\$125 pm
Carpet Cleaning & Supplies		2,400	\$75 unit pa
Common Area - R&M		19,200	\$600 unit
Shared Facilities		8,700	19% of Shared Facilities
Property Taxes		40,500	\$4.50 per \$1,000 Assessed
Licenses & Dues		1,920	\$60 business, elevator, suites
TOTAL OPERATING EXPENSES	\$	171,000	\$5.78 \$5,344 pa unit
NET OPERATING INCOME	\$	500,000	

Notes:

1. Landlord to pay 19% of the cost of operating the proposed shared facilities operating budget (i.e. garbage/recycling, snow removal, fitness equipment lease, electricity, courtyard landscape and maintenance).
2. Est. 2009 Assessment \$9,000,000

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