

Macdonald Commercial For Sale Commercial/Office Strata Lots



619 Victoria Street

Kamloops, BC

Victoria Landing

Goodman
R E P O R T

www.goodmanreport.com

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KAMLOOPS

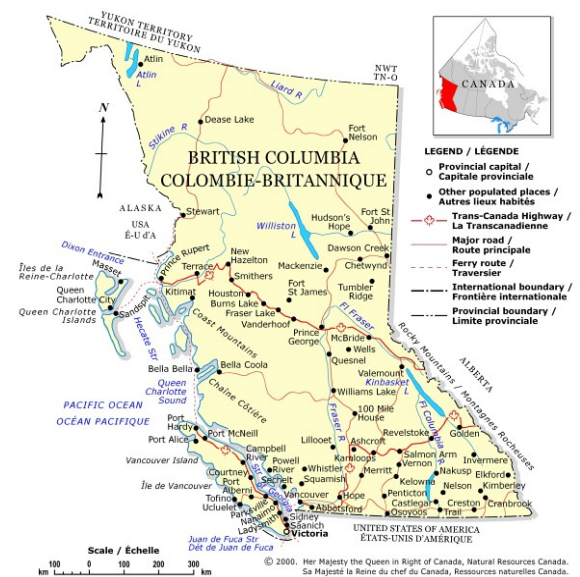
The City of Kamloops, gateway to the Interior of British Columbia, is situated in a scenic valley at the junction of the North and South Thompson Rivers. It is home for the approximately 80,000 people residing within its incorporated area of 144 square miles (373 kilometers).

Located at the crossroads of the Coquihalla, the TransCanada and the Yellowhead, B.C.'s major highways, Kamloops is approximately three and a half hours from Vancouver, nine hours from Edmonton, and five hours from Prince George and six hours from Banff or Seattle.

Kamloops offers diverse amenities to its residents and visitors, such as the Kamloops Symphony Orchestra, Western Canada Theatre Company and the Blazers Hockey Team. The region surrounding the city is an appealing mix of sage lands, pine forests, mountains, lakes, rivers and pastureland, renown for its fishing, water sports, horseback riding, house-boating, white water rafting, superb hiking, snowmobiling, downhill and cross country skiing.

Its economy is diverse and a variety of international corporations are located in Kamloops as well as numerous federal and provincial government services and many provincial organizations. Both the Canadian National and the Canadian Pacific Rail pass through Kamloops, and several major trucking firms are located here as is a pulp mill, stock yards, cement factories and lumber reload center. Kamloops is a destination stop-over for numerous tour buses, Greyhound coaches, and the Rocky Mountaineer Rail. Two national airlines, a helicopter company and a variety of small aircraft companies supply passenger and freight services from Kamloops Airport.

Economic diversity has historically been a major factor in Kamloops' development because of its impressive variety of resources. Forestry, tourism, mining and ranching are the major industries, with manufacturing and supply industries increasing annually. New citizens and investors from around the world continually choose Kamloops as a city of opportunity.



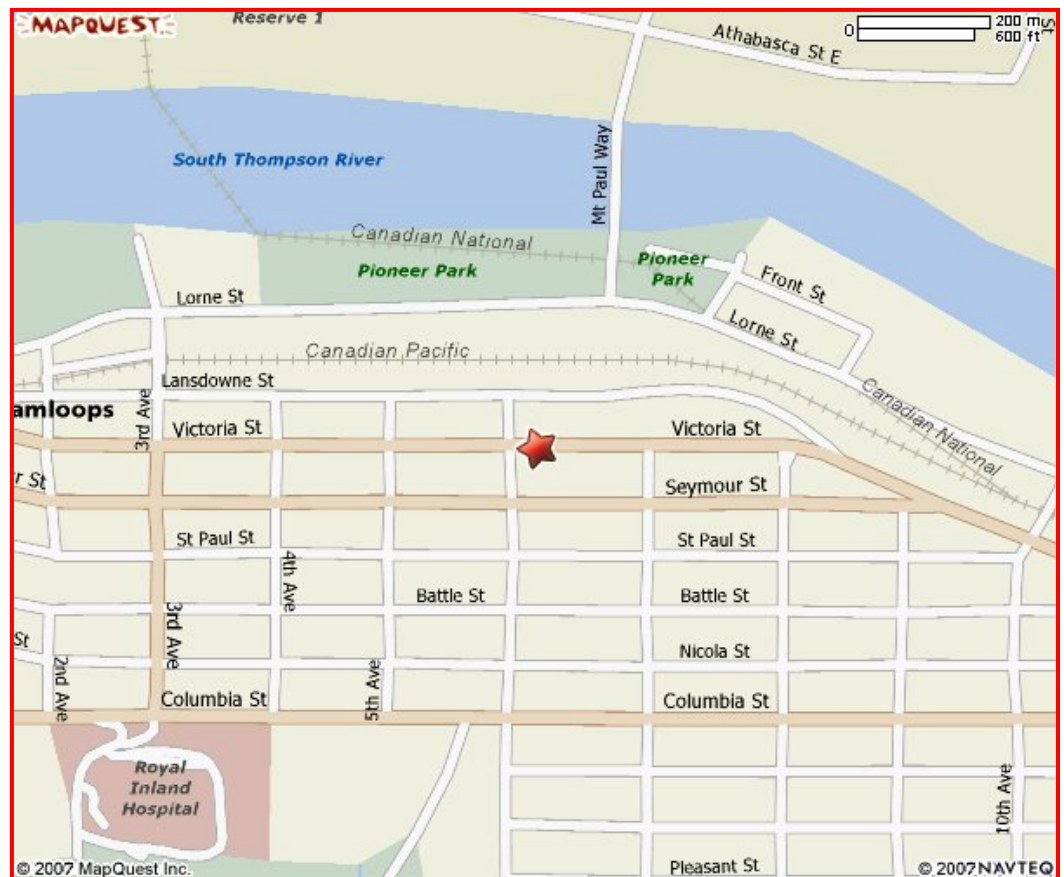
The Thompson Rivers University has had an economic benefit to the community as the student population has grown substantially in the past five years. The increasing number of International Students is expected to continue for the foreseeable future; as well TRU now includes the BC Centre for Open Learning (former Open University).

Economic options and supports are provided locally by the Kamloops Economic Development Corporation, the Development Bank of Canada, the Community Futures Development Corporation, the Central Interior Centre for Science, Innovation and Technology and Forest Renewal of British Columbia.

Weyerhaeuser Canada, BC Lottery, Pollard Banknote, Tolko Industries and Lafarge Canada are a sample of the corporations based in Kamloops. It is also home of organizations such as the B.C. Cattlemen's Association of B.C., the B.C. Fishing Resort and Outfitters Association and the Interior Logging Association.

The tourism industry is flourishing, with significant increases generated by new developments at Sun Peaks, a four season's destination resort. Events like the Annual Provincial Winter Fair and Annual Bull Sale are also part of the local economy. As well, many, new visitors were introduced to the benefits of the region when Kamloops hosted the Canada Games and the International Fly Fishing Championship in 1993, and Labatt Brier in 1996.

The real estate and retail markets are very active, with a shortage of commercial real estate listings with reasonable prices showing regular and annual increases; land, commercial and housing options continue to be easily available. Because the city is the main service center for residents in the Thompson Nicola Regional District, Office Depot, Home Depot, Costco, Wal-Mart, Toys R Us have all located in Kamloops within the last five years. In the downtown core, numerous new combined retail-apartment buildings are attracting an interesting mix of stores and residents.



Location and General Area

Victoria Landing is located in the central downtown district of the City of Kamloops. Immediate area developments include an older movie theatre and motel/motor lodge across Victoria Street to the north, 1 and 2 storey commercial buildings east and west of the subject, multifamily dwellings behind (to the south of the subject) and vacant undeveloped (parking lot) adjacent to an older, refurbished hotel development to the northwest of the intersection of 6th and Victoria. This building is fully leased to provincial and federal government tenants with approximately 82% leased to the Province of BC (B.C.B.C.).

Project Description

The building is a new Class B, multi-storey commercial/residential building comprising fifty four (54) strata titled residential units and a total of eleven (11) strata titled commercial units plus two levels of underground parking and one above ground (enclosed) parking (Level 2). The ground floor is occupied by Community Living BC and the federally funded Work Search Centre. The third floor is occupied by a Regional Office for the Ministry of Social Services. 100% of the commercial strata lots are listed for sale.

Sizes

Main Floor:	Lot 1	127.1 m ²	1369.09 sq ft	
	Lot 2	77.4 m ²	833.12 sq ft	
	Lot 3	97.1 m ²	1045.17 sq ft	
	Lot 4	195.4 m ²	2103.26 sq ft	
	Second Floor:			
	(Parking)	Lot 5	335.6 m ²	3612.37 sq ft
	Third Floor:			
	(Offices)	Lot 6	137.4 m ²	1478.96 sq ft
		Lot 7	136.4 m ²	1468.19 sq ft
		Lot 8	132.7 m ²	1428.37 sq ft
		Lot 9	134.4 m ²	1446.67 sq ft
	Lot 10	106.7 m ²	148.51 sq ft	
	Lot 11	132.7 m ²	1428.37 sq ft	
Total:		1612.90 m²	17361.11 sq ft	

DESCRIPTION OF IMPROVEMENTS

Use	Eleven storey building comprising 54 strata condominium units on the fourth to eleventh floors, strata commercial/retail units on the main floor and strata commercial/office units on the third floor. The second floor contains a parkade (Strata Lot 5) intended for use by the commercial space. There are also two levels of basement parking to serve condominiums. An area of mezzanine storage over the residential parking is incorporated with strata lot No.5.
Structure	The construction comprises a load-bearing poured concrete frame with steel frame exterior walls, concrete flooring system with cement cover and engineered steel trussed roof, incorporating a curved roof system with metal decking.
Exterior Finish	Acrylic stucco siding and brick cladding; painted concrete masonry to lower levels of the sides and rear; twin sealed windows; and plated glass entrance doors/store fronts in aluminum sash. Each residential unit has a balcony. The roof is an engineered curved roof system with metal cover and areas of flat roof.
Heating	Residential units predominately electric baseboard with forced air for the top floor units. Commercial units are supplied by overhead radiant heat/cooling with ducting.
Elevators	Two Dover high speed cable elevators. One with a 7 foot ceiling and the other with a 10 foot ceiling. Capacity on each elevator is 1600 kg.
Main Floor	Entrance vestibule and lobby area with two elevators which serve the residential units, the second level parking and third floor commercial.

TENANT SCHEDULE

Name	Strata Lot	Total Area (Sq Ft)	Lease Term	Gross Lease	Expenses* Estimated 2007	Net Rent	Annual Net Income		
Main Floor									
1 (A)	Community Living BC (B.C.B.C.)	1 & 2	2201	July 1, 2006 to June 30, 2011	Yr 1-3 \$22.28 Yr 4-5 \$23.28	\$10.17	\$12.11	\$26,654.00	
2 (B)	TQM Consulting	4 & 5	3148	Oct 1, 2006 to Sept 30, 2009				\$47,220.00	
Third Floor									
3	Ministry of Social Services (B.C.B.C.)	6,7,8,9, part of 10, part of 11	7092	May 1, 2006 to Oct 31, 2008	\$22.50	\$9.65	\$12.65	\$91,132.20	
4	Community Living BC (B.C.B.C.)		1583	July 1, 2006 to June 30, 2011	Yr 1-3 \$22.28 Yr 4-5 \$23.28	\$10.17	\$12.11	\$19,170.13	
Second Floor - Parking Level 2									
5	BCBC	16 stalls @ \$60 each per month							\$11,520.00

- Expenses will vary depending on amount for strata fees, property taxes, hydro and janitorial for the premises.

- (A) British Columbia Building Corporation (B.C.B.C.) is an agency of the Province of British Columbia. All provincial leases are through B.C.B.C.
- (B) TQM Consulting, although not guaranteed by the Federal Government, has 2 locations in Kamloops and have been successfully operating for more than 10 years. The Federal Government paid for 100% of all their leasehold improvements in Victoria Landing estimated to be in excess of \$200,000.00 in 2006/2007.

SCHEDULE OF STRATA FEES

Voting, 1 Unit Entitlement

Lot	Unit Entitlement	Interest Destruction	Votes	2007-2008 Strata Fee
1	1271	258	1.8	379.33
2	774	149	1.1	231.00
3	971	194	1.4	289.80
4	1954	391	2.6	583.17
5	800	250	1.1	238.76
6	1374	221	1.9	410.07
7	1364	258	1.9	407.09
8	1327	227	1.9	396.04
9	1344	206	1.9	401.11
10	1067	170	1.5	318.45
11	1327	212	1.9	396.04
Total	13,573	2,536	19	\$4,050.86

Total Votes in Strata Corporation = 73

Commercial Lots = 19 Votes

Currently the commercial strata suites (strata lots 1-11) hold enough votes to veto any special resolution of the Strata Corporation that would negatively impact the commercial interests.

PROPERTY TAXES

Lot #	Assessed Value (2007)	2007 Taxes
Lot 1	157,200	4,410.89
Lot 2	95,700	2,568.04
Lot 3	120,100	3,299.20
Lot 4	241,300	6,931.00
Parking Lot 5	87,500	2,322.33
Lot 6	161,900	4,551.74
Lot 7	160,700	4,515.78
Lot 8	156,800	4,398.91
Lot 9	158,800	4,458.86
Lot 10	126,200	3,481.98
Lot 11	156,800	4,398.91
TOTAL	1,623,000	45,337.64

SUMMARY OF OFFERING

The Shares of Victoria Landing Ltd. are being offered at \$2,650,00.00 plus the assumption of a leasehold improvement loan of approximately \$340,000 at Prime + 0.50%. This loan is being amortized over 60 months and the monthly payments on the loan are being paid, as additional rent by BCBC on behalf of Community Living BC, therefore, there is no cost to the landlord.

Victoria Landing Ltd. is a Bare Trustee on behalf of the two owners and thus there is no negative income tax implications associated with this purchase (no recapture of Capital Cost Allowance).

The purchase of the shares will include the assumption of the first mortgage (Royal Bank) of approximately \$849,000 at 4.55% with monthly payments of \$8,296.86, maturing in 2009.

PRICE: **\$2,650,000**
+ taking over the leasehold improvement loan of \$340,000

NET INCOME: **\$195,696**

CAP RATE: **7.4%**

PRICE PER SQUARE FOOT **\$152.64**

FLOOR PLAN LAYOUTS

Floor Plan – Level 2 (Park of Lot 5)

