

THE MARRESE

634 Twelfth Street, New Westminster, BC

FOR SALE

14-Suite Multi-Family
Opportunity in
New Westminster

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Goodman
report:

Executive Summary

Name of Building

The Marrese

Address

634 Twelfth Street
New Westminster, British Columbia

Legal Description

Lot 23 of 7, Suburban Block 11, LD 37, PL 2620

PID

000-646-431

Zoning

C2-A Community Commercial

Location

Situated on the west side of Twelfth Street, between Nanaimo St. and 7th Ave., one block from Moody Park in New Westminster.

Improvements

Built in 1957 and extensively renovated, 3 storey wood-frame building consisting of 14 suites including two penthouse units and covered parking.

Parking

14 stalls (10 covered & 4 surface)

Lot Size

61.8' x 132' = 8,157.6 sq. ft.

Assessments (2009)

Land	\$	693,000
Improvements	\$	667,000
Total Value	\$	1,360,000

Taxes (2008)

\$7,999

Suite Mix

12	One Bedroom
2	One Bedroom Penthouse

14 Suites Total

Existing Financing

Treat as clear title

2009 Proforma

Effective Gross Income	\$127,840
Expenses	\$32,802
NOI	\$95,038

Pricing

Asking Price	\$1,849,000
Price Per Unit	\$132,071
Cap Rate	5.1%
GRM	14.5



Location



The subject property is located in the Uptown District of the City New Westminster, on the west side of Twelfth Street, between 7th Avenue and Nanaimo Street and only one block north-east of Moody Park. Retail amenities, financial institutions, office buildings, restaurants and strip retail facilities are prevalent in this neighbourhood. Within the immediate vicinity, there is major shopping (Safeway, London Drugs, Royal City Shopping Mall), banks, library, Douglas College and other schools, medical services and bus/SkyTrain transportation. Twelfth Street has undergone a major upgrade (decorative lighting, boulevard style sidewalks, and water and sewer line replacement). There is direct access to Metrotown in Burnaby, Downtown Vancouver, the airport and the US border.

Site Plan



634 Twelfth Street, New Westminster, BC

The subject property is rectangular in shape with a 61.8 foot frontage on Twelfth Street and a depth of 132 feet for a total area of 8,157.6 square feet.



Building Features

- The building contains 14 one bedroom suites; 6 suites on each of the first two floors and two penthouse suites on the top floor
- The suites at the rear of the building have views looking west over the Fraser River and towards Vancouver Island
- 9 suites were extensively renovated during 2007 & 2008; 4 others have received minor upgrades (upgrades have been done to comply with building code and insurance requirements)
- 14 parking stalls; 10 undercover & 4 surface parking stalls at the rear of the building
- 14 storage lockers; a laundry room is located on the lower level of the building (coin operated and owned by the building)
- Fire protection and alarm system in each suite
- Electric heat; suites are individually metered and tenants pay their own electricity (electricity is provided by the City of New Westminster—not BC Hydro).
- Hot water, cable and parking are included in rent
- The building experienced no vacancies in 2007, 2008 or 2009 (to date) except when suites were being renovated
- The building has a very good mix of tenants and enjoys a reputation of being “quiet”.
- The building is actively managed by the owner together with a part-time caretaker; it is very well maintained and pride of ownership is evident.



Recent Upgrades (For the Period May 2007 through March 2009)

Suites

- Suites 4, 8, 10 and 14 have had various upgrades (not all suites have had the same upgrades) ranging from new kitchen cabinets, new kitchen sink, fans, lighting and tile flooring. Some painting has also taken place.
- The fire alarm system in all suites and the building common areas have been checked and upgrades have been done to comply with building code and insurance requirements. Inspections are done annually.

Building Interior

- A new hot water tank was installed in October 2007 and the boiler and piping was upgraded.
- A new commercial dryer (Huebsch) was installed in October 2007.
- New light fixtures have been installed in the hallways (2008). All of these changes have made the building more energy efficient.
- Some common areas were re-painted in 2008.

Building Exterior

- The building exterior was completely re-painted in 2006 and a new aluminum railing fence was installed at the front of the building.
- In 2008 a new fence was built at the rear of the property and a remote-controlled security gate for the parking area was activated in 2007.
- Landscaping has been upgraded to enhance attractiveness while minimizing ongoing maintenance.
- Energy Star windows were installed in the summer of 2007. The windows improve energy efficiency while providing a more effective noise barrier.

Property

- A new fence was installed at the rear of the property in April 2008 and landscaping has been upgraded to enhance attractiveness while minimizing ongoing maintenance.

Roof

- A new roof was installed in 2009.

**The Marrese
634 Twelfth Street, New Westminster, BC
Rent Roll at May 1, 2009**

Unit #	Type	Rent Amount
1	One Bedroom	\$ 850.00
2	One Bedroom	\$ 835.00
3	One Bedroom	\$ 715.00
4	One Bedroom	\$ 540.00
5	One Bedroom	\$ 674.00
6	One Bedroom	\$ 865.00
7	One Bedroom	\$ 850.00
8	One Bedroom	\$ 574.00
9	One Bedroom	\$ 730.00
10	One Bedroom	\$ 620.00
11	One Bedroom	\$ 835.00
12	One Bedroom	\$ 840.00
14	One Bedroom Penthouse	\$ 800.00
15	One Bedroom Penthouse	\$ 910.00
14 Units		\$ 10,638.00

Total Annual Rent \$ 127,656.00

Notes:

1. There are 10 corner suites and 4 smaller inner suites.
2. There is no "suite 13".

**Goodman
report:****The Marrese
634 Twelfth Street, New Westminster, BC
Operating Statement****Income (Annualized May 2009)**

Rents	\$10,638 /mo. X 12 mo.	\$	127,656
Laundry		\$	1,475
Parking	(included in rent)	\$	<u>-</u>
Total Gross Income		\$	129,131
Less Vacancy Allowance 1.0%		\$	<u>(1,291)</u>
Effective Gross Income		\$	127,840

Expenses

(1) Cable	\$	5,438
Electrical	\$	933
Water & Sewer	\$	1,184
(2) Gas	\$	2,471
Ann. Utility	\$	3,203
Garbage Tags	\$	329
Insurance	\$	3,836
Property Taxes	\$	7,999
Business Licence	\$	551
(3) Caretaker	\$	4,800
(4) Maintenance	\$	<u>2,058</u>

Total Operating Expenses **\$** **32,802**

Net Operating Income **\$** **95,038**

Notes:

- (1) Cable on contract until November 15, 2010.
- (2) Gas expense is low; heat is electric (paid by tenants).
- (3) Self-managed with part time caretaker.
- (4) Maintenance figure is actual. Normalized estimate is \$7,700 (\$550/unit).