

Goodman
report:

Sharmerob Manor

53 Suite Apartment Building

1929 West 3rd Avenue, Vancouver, BC

Prime Kitsilano Location

For Sale



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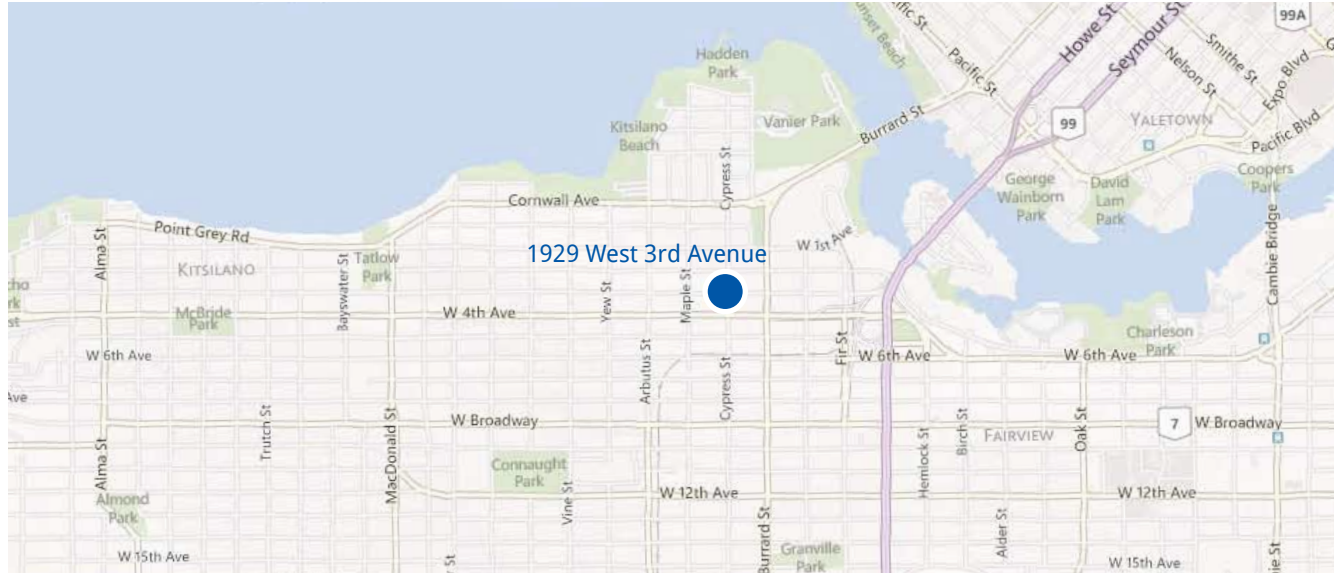
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Executive Summary

Name of Building	Sharmerob Manor								
Address	1929 West 3rd Avenue, Vancouver, BC								
Legal Description	Lot D (See A4181) Block 226 DL 526 Group 1 NWD Plan 590								
PID	015-287-211								
Zoning	RM-4								
Building Description	Sharmerob Manor is a 53-suite wood frame apartment building featuring secure underground parking, balconies/patios, elevator and is located in Vancouver's popular Kitsilano neighbourhood.								
Age	1973								
Site Size	225' x 120 (27,000 sf)								
Assessments (2012)	<table><tr><td>Land</td><td>\$8,417,000</td></tr><tr><td>Improvements</td><td>\$2,941,000</td></tr><tr><td>Total</td><td>\$11,358,000</td></tr></table>	Land	\$8,417,000	Improvements	\$2,941,000	Total	\$11,358,000		
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Improvements	\$2,941,000								
Total	\$11,358,000								
Taxes (2011)	\$41,261.66								
Parking	Secured underground parking for 52 cars.								
Suite Mix	<table><tr><td>One Bedroom</td><td>47</td></tr><tr><td>Two Bedroom</td><td>6</td></tr><tr><td>Total</td><td>53 suites</td></tr></table>	One Bedroom	47	Two Bedroom	6	Total	53 suites		
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Two Bedroom	6								
Total	53 suites								
Existing Financing	Treat as clear title.								
Pricing	<table><tr><td>Asking Price</td><td>\$15,950,000</td></tr><tr><td>Price Per Unit</td><td>\$300,943</td></tr><tr><td>Cap Rate</td><td>3.5%</td></tr><tr><td>GRM</td><td>19.6</td></tr></table>	Asking Price	\$15,950,000	Price Per Unit	\$300,943	Cap Rate	3.5%	GRM	19.6
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Cap Rate	3.5%								
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Note: This transaction must be by way of a share sale of the company, Sharmerob Investments Ltd. (the property is the only asset in the company).

Location



Sharmerob Manor is situated mid block on the north side of West 3rd Avenue between Cypress and Maple Streets in prime Kitsilano. Only four blocks south of Cornwall Avenue, the waterfront “main drag” which runs parallel to the popular Kitsilano Beach coastline and offers stunning views of English bay, the West End’s skyline and the North Shore Mountains. Within walking distance is Kitsilano Beach Pool and Park, a seaside walkway that overlooks the Burrard Inlet, Kitsilano Yacht Club and Point Grey Private Hospital. Various, restaurants, cafés, amenities and bus transportation are close by along Cornwall, 4th Avenue (one block south) and Burrard Street (one block east).

Kitsilano, especially north of 4th Avenue, is considered one of the most desirable locations in the City of Vancouver to live, with its numerous beaches, parks, recreation centres, retail amenities, movie theatre, cafes and its close proximity to Downtown Vancouver and UBC.

The Site



The site is rectangular with a frontage of 225 feet long along West 3rd Avenue and a depth of 120 feet for a total area of 27,000 square feet.

Building Highlights

- Views from 3rd floor – Ocean & North Shore Mountains
- Prime north-of-4th Avenue Kitsilano location
- Large 225' x 120' site
- Exceptionally clean and well maintained rental building
- Suites feature balconies or patios
- Elevator service (to underground)
- Secured underground parking for 52 cars
- Two bedroom units have additional 2-piece en suite bathroom, dishwasher & garburator
- Original cabinets & tubs, but nicely maintained
- 3 washers & 3 dryers owned by building
- Tubs have floor-to-ceiling tile
- Large workshop area in basement
- Original furnace (Super Hot)
- Brick and aluminum exterior
- Aluminum soffits
- Separate office on main floor
- Beautifully landscaped
- Secured area for bikes, building storage and supplies

Building Upgrades

- Roof replaced including all new vents (2009)
- New hot water boiler (2012)
- 2 storage tanks (2009)
- New sump pump (2010)
- New cable wiring installed by Shaw (2009)
- Jets changed on furnace (2011)
- Annunciator panel in meter room
- Wallpaper, carpets and lighting replaced in halls (6-7 years ago)
- 4-5 stoves replaced, all fridges are newer
- Elevator – recent \$6,000 upgrade (door control and monitor)
- Piping - one stack replaced with separate shut offs installed for each stack
- Balcony work: Redoing vinyl decks as needed—front suites complete, ongoing for side and rear suites
- Ongoing program of building maintenance to suites and common areas



Rent Roll September 2012

Suite #	Type	Rent (\$)
101	1 bedroom	1,055
102	1 bedroom	1,225
103	1 bedroom	1,345
104	1 bedroom	1,140
105	2 bedroom	1,620
106	1 bedroom	1,250
107	1 bedroom	1,080
108	1 bedroom	(caretaker) 650
109	1 bedroom	1,245
110	1 bedroom	1,079
111	2 bedroom	1,620
112	1 bedroom	974
113	1 bedroom	1,325
114	1 bedroom	1,140
115	1 bedroom	1,070
116	1 bedroom	1,255
117	1 bedroom	1,255
201	1 bedroom	1,120
202	1 bedroom	1,270
203	1 bedroom	1,140
204	1 bedroom	995
205	2 bedroom	1,695
206	1 bedroom	1,250
207	1 bedroom	1,105
208	1 bedroom	1,095
209	1 bedroom	1,340
210	1 bedroom	1,245
211	1 bedroom	1,300
212	2 bedroom	1,535
213	1 bedroom	1,050
214	1 bedroom	1,340
215	1 bedroom	1,215
216	1 bedroom	1,295
217	1 bedroom	1,160
218	1 bedroom	1,325
301	1 bedroom	1,120
302	1 bedroom	1,150
303	1 bedroom	1,465
304	1 bedroom	1,150
305	2 bedroom	1,790
306	1 bedroom	1,340
307	1 bedroom	1,340
308	1 bedroom	1,100
309	1 bedroom	1,320
310	1 bedroom	1,335
311	1 bedroom	1,320
312	2 bedroom	1,825
313	1 bedroom	1,105
314	1 bedroom	1,395
315	1 bedroom	1,260
316	1 bedroom	1,405
317	1 bedroom	1,350
318	1 bedroom	1,375
Total	53 Suites	\$ 66,948

2012 Income and Expense Statement

Income (Annualized as of September 2012)

(1) Rents	(\$66,948 x 12 months)	\$	803,004
Parking	(included in rents)		-
Laundry (estimated)	(\$900 x 12 months)		10,800
		\$	813,804
Less Vacancy at 0.6%		\$	4,883
Effective Gross Income		\$	808,921

(2) Expenses

Landscaping		\$	2,650
Insurance			15,564
Taxes (2012)			46,443
Water/Sewer			11,921
Cable			22,210
Gas			44,768
Hydro			4,980
Repairs and Maintenance (normalized)			45,040 \$850/unit/year
(3) Caretaker (normalized)			23,400
(4) Property Management (normalized)			26,290 3.25%
Pest Control			805
Fire			1,177
Elevator			3,355
Garbage			3,202
Office			1,500
License (2012)			3,339
Total Expenses		\$	256,644 (\$4,842/unit)
Net Operating Income		\$	552,277

- (1) Income annualized as of September 2012.
- (2) Expenses are Actual 2011 unless specified otherwise.
- (3) Caretaker receives rent abatement of approximately \$8,400/year.
Therefore, salary is normalized to \$23,400/year (total caretaker salary \$50/suite/year).
- (4) Management expense normalized as property is currently self-managed.