

Executive Summary

Name of Building	La Masia
Address	19209-19240 Fraser Highway, Surrey, BC
Legal Description	Lot 1 Plan BCP 32553 and Lot 2 Plan 9440: Part Dedicated Road on Plan 678752 All of Section 10 Township 8 N.W.D
PID	027-233-413; 011-391-464
Zoning	Existing C4 (Proposed CD)
Investment Opportunity	<p>The developer RDG Management Ltd. proposes to construct a mixed-use complex consisting of 57 residential strata units (42,831 net leasable sq. ft.) and 14 strata commercial units. The commercial component is not included in this offering.</p> <p>The developer's intention is to build on behalf of an investor according to the plans and specifications agreed to by all parties. We are seeking a buyer who will commit to acquiring the project (as a rental) with closing approximately 18 months after a building permit is obtained.</p>
Location	<p>The subject property is located on the strategic corner of Fraser Highway, 64th Avenue and 192nd Street. Aside from the mega growth in housing being experienced in East Clayton and North Cloverdale, ambitious plans for future and additional commercial development immediately across from La Masia is proposed. There will be excellent sweeping views from the suites facing south of Mt. Baker and Langley City. A recent joint Translink/Provincial rapid transit study for Surrey has identified a rapid transit line (likely to be median running) on Fraser Highway from King George Blvd. to the City of Langley and Willowbrook Mall.</p>
Building Description	<p>The suites will be furnished to a high quality condo standard including granite countertops, 5 appliances, double paned windows, laminate flooring, etc. (schedule available for review).</p>
Age	New construction

Goodman report:

Site Size	81,219 sq. ft. (irregular)		
Parking	82 underground parking stalls (plus 11 for visitors). There will be an additional 51 surface parking (plus 10 underground) for the commercial component.		
Suites	57		
Suite Mix			<u>Size</u>
	One Bedroom (JR)	3	541 sq. ft.
	One Bedroom	28	607 - 720 sq. ft.
	Two Bedroom (JR)	2	706 sq. ft.
	Two Bedroom	13	849 - 896 sq. ft.
	Two Bedroom	11	905 - 995 sq. ft.
	Total	57 suites	(average suite size 751 sq. ft.)
Total Net Sq. Ft.	42,831		
Existing Financing	None		
Pricing	Asking Price	\$11,795,000	
	Price Per Unit	\$206,930	
	Price Per sq. ft.	\$275.38	
	Net Operating Income	\$602,558	
	Cap Rate	5.1% (estimated)	
	GRM	14.0	
	Expenses	28.5%	

SUITE SUMMARY - JANUARY 13, 2012

SUITE TYPE	SIZE	DECK	FLOOR 2	FLOOR 3	FLOOR 4	FLOOR 5	TOTAL	SQ. FT.	#	AREA	AVG	PROFORMA
A1	608	79	2	2	1	3	8	4,864	14	8,506	608	B
A1a	607	79		2	2	2	6	3,642				
A2	674	95	1	4	4	1	10	6,740	14	9,547	682	C
A2a	720	94	1	1	1		3	2,160				
A3	647	95		1	1		1	647				
B1	865	158	1	2	1		4	3,460	12	10,554	880	E
B1a	881	158			1		1	881				
B2	879	79	1	1			2	1,758				
B5	935	95	1	1			2	1,870				
B8	865	79			1	1	2	1,730				
B13	855	192				1	1	855				
B3	706	83	1	1			2	1,412	2	1,412	706	D
B4	966	196	1	1			2	1,932	6	5,819	970	F
B6	995	98		1	1		2	1,990				
B7	940	156			1		1	940				
B7a	957	224		1			1	957				
B9	869	476			1		1	869	6	5,370	895	G
B10	927	615			1		1	927				
B11	849	477				1	1	849				
B12	896	614				1	1	896				
B14	901	410				1	1	901				
B15	928	541				1	1	928				
S1	541	95	1	1	1		3	1,623	3	1,623	541	A
	751		10	18	17	12	57	42,831	57	42,831	751	

NOTE

1. All figures confirmed by architect on January 12, 2012

A Proforma

Income		Current
Rent	(42,831 sq. ft. x \$1.64 sq. ft. = 70,242 x 12 mo.)	\$ 842,914 ⁽¹⁾
Parking	(82 stalls x \$40 = \$3,280 mo. x 65% = \$2,132 x 12 mo. = \$25,584)	25,584
Laundry	Inc.	-
		<u>868,498</u>
Less Vacancy at 3%		- 26,055
Effective Gross Income		<u>\$ 842,443</u>

Expenses (2)		
Repairs/Maintenance (\$700 x 57 units)	\$	39,900
Water/sewer		15,000
Insurance		20,000
License/Dues		750
Pest Control		750
Fire Protection		1,500
Taxes		55,000
Gas		18,000
Wages		34,200 (\$50/unit/mo.)
Waste		6,000
Elevator		2,500
Interphone		500
Security		1,800
Advertising		2,500
Electricity		10,000
Miscellaneous		2,000
Property Management (3.5%)		29,486
Total Expenses	\$	239,886 (\$4,208/unit)
Net Operating Income	\$	<u>602,558</u>

Notes: ⁽¹⁾ Based on average rents of \$1.64 sq.ft.

⁽²⁾ The expenses are best estimates based on prevailing and normalized costs.