

FOR SALE

COOK PLACE

8251 Cook Road, Richmond



LIST PRICE:
\$11,888,000

**45-UNIT MULTI-FAMILY APARTMENT BUILDING IN A SUPERB
LOCATION WITH PROXIMITY TO SKYTRAIN STATION,
RICHMOND CENTRE, AND LANSDOWNE CENTRE**

CONTACT JAMES BLAIR or RAY TOWNSEND FOR FURTHER DETAILS
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Each office independently owned and operated. The information contained herein has been obtained from sources deemed reliable. While we have no reason to doubt its accuracy, we do not guarantee it. It is your responsibility to independently confirm its accuracy and completeness.

Selling Apartment Buildings as if they were our own!

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410 – North Tower , 650 West 41st Avenue Vancouver, BC V5Z 2M9

AERIAL OVERVIEW



PROPERTY SUMMARY

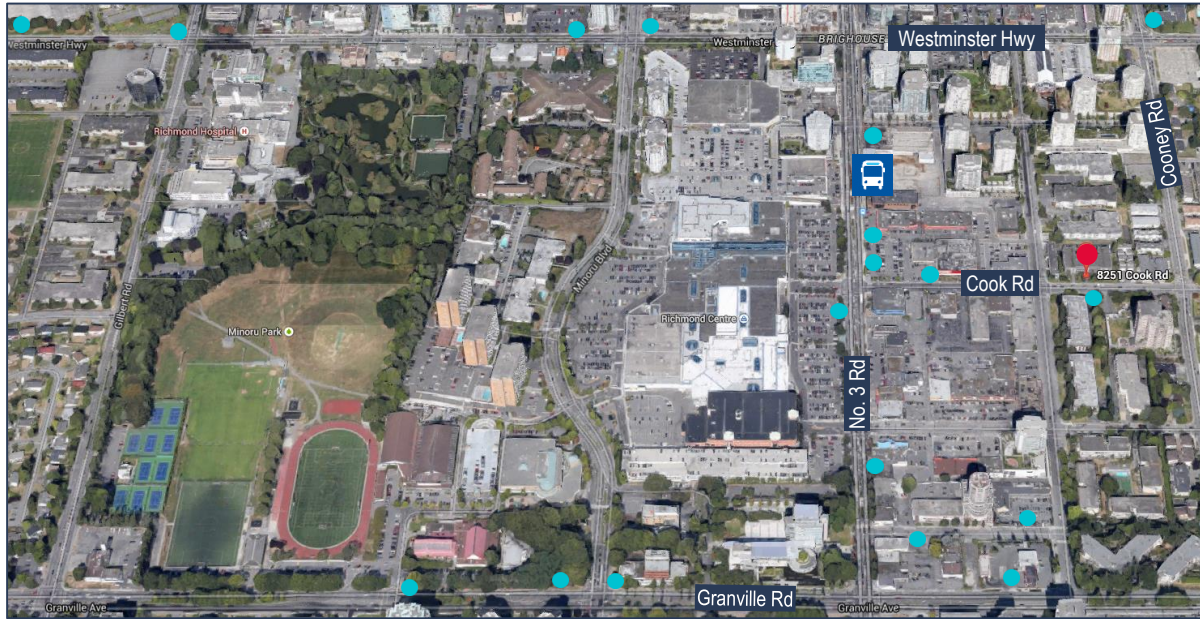


CIVIC ADDRESS:	8251 Cook Road, Richmond V6Y 1V3	
NEIGHBOURHOOD:	City Centre Commercial	
PROPERTY IDENTIFIER:	004-926-498	
LEGAL DESCRIPTION:	Lot 190 Block 4N Plan 56177 Section 9 Range 6W Land District 36 Except Plan 57261	
ZONING:	RAM1 – Multi Family Apartment Block	
LOT SIZE:	43,770 sq.ft.	
YEAR BUILT:	1979	
CONSTRUCTION TYPE:	3-storey wood frame on grade level concrete parking structure	
45 RESIDENTIAL UNITS:	30 - Two Bedroom 15 - One Bedroom	
ELEVATOR:	Yes – Hydraulic	
BALCONIES/PATIOS:	Yes - All suites	
PARKING:	Yes 65 secure stalls, 33 covered	
PROPERTY TAXES (2014):	\$29,679.64	
ASSESSMENT JULY 2014:	Land	\$7,068,000
	Improvement	<u>\$1,175,000</u>
	Total	\$8,243,000

HIGHLIGHTS:

- ✓ Superb location in proximity to: Richmond Centre, Lansdowne Centre, Brighthouse SkyTrain Station, Richmond Hospital, Richmond Public Library, Minoru Park and Aquatic Centre, and City Hall
- ✓ Great curb appeal with well maintained, attractive landscaping
- ✓ Favourable suite mix
- ✓ Generous parking
- ✓ Many upgrades including: windows, siding, balconies, plumbing, and roof
- ✓ Hydro-electric heat paid for by the tenants
- ✓ Building has an upgraded hydraulic elevator
- ✓ Long-term future development potential

LOCATION PROFILE



● Property – Cook Place

TRANSIT:

 SkyTrain Route | Destination

980 | Canada Line

● Bus Route | Destination

407 | Gilbert/Bridgeport

405 | Five Road/Cambie

401 | One Road/ Garden City

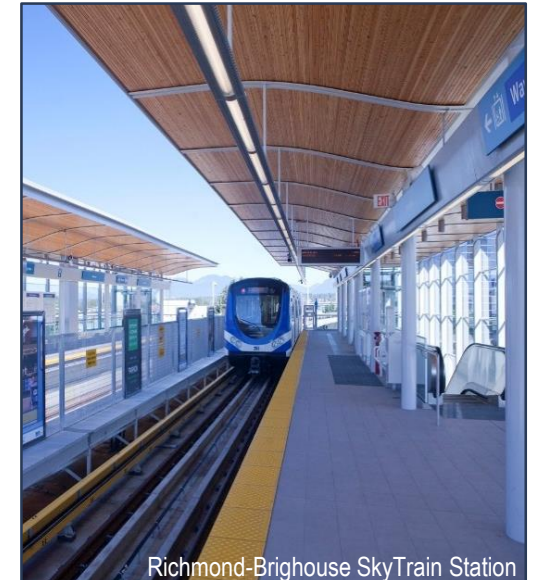
430 | Metrotown/Brighouse Station

LOCATION

Cook Place is situated in a prime location in Central Richmond southeast of the major intersection of No. 3 Road and Westminister Highway. The Property is just steps from the Richmond-Brighouse SkyTrain Station which allows commuters easy access to the Vancouver International Airport and to downtown Vancouver, with several convenient and strategic stops along the way.

This desirable location gives tenants access to major employers in both Richmond and Vancouver.

Also within walking distance is: Richmond Centre with its 200 retail stores and services; Lansdowne Centre; Richmond Hospital, a 200 bed facility offering Emergency and Ambulatory Care, Intensive and Coronary Care, Maternity, Psychiatry and Surgery; Minoru Park and Aquatic Centre; Richmond City Hall; medical and dental clinics; and, several elementary schools, secondary schools, and post-secondary educational facilities.



Richmond-Brighouse SkyTrain Station

PROPERTY DESCRIPTION

THE OPPORTUNITY

Seldom does an apartment building come available for sale in the Richmond area. Even more rare is an offering such as this 45-unit building known as Cook Place.

Not only is the location superb but the Property shows extremely well and is further enhanced by its alluring curb appeal.

The landscaping has been carefully designed and lovingly cared for. The rear courtyard provides for intimate conversations and tenant gatherings.

The Property has been owned and managed by the same family since construction completion in 1979. The same care and attention normally given to a family home has been given to the upkeep of this property.

The purchaser of this Property will have an opportunity to increase revenues, and subsequently its overall yield, by moving rents to market. The purchaser will also own freehold the one acre site, upon which Cook Place sits, potentially allowing for a much higher density residential development in the future. Long term, this is a very compelling investment.



BUILDING DESCRIPTION

Cook Place is a three-storey wood frame raised building over a concrete grade-level parkade. The building offers one hydraulic elevator, which provides access to 30-Two Bedroom and 15-One Bedroom units. The ratio of 33% one bedroom to 66% two bedroom units is an excellent suite mix.

The shared laundry is coin-operated with three washing machines and three dryers. The unit heating system is electric and paid for by the tenants. There is an intercom system and a central tenant mailbox alcove.

There are 65 gated surface parking stalls; 33 of which are covered and located at ground level under the building. There are no ground level residential units. All suites are contained on the second through fourth floors.

The exterior siding and balcony railing walls were completely replaced with hardi-plank between 2011 and 2013. The tar and gravel roof was replaced in 1999 and the Duroid shingles and flashing a few years thereafter. The hot water tanks have been replaced as required. All unsheltered exposed aluminum windows were replaced with PVC windows between 2012 and 2014. Starting in March 2015, the hydraulic elevator's mechanical system is being upgraded to meet current provincial standards and the cab is being modernized with a new interior and controls. The building's plumbing was completely re-piped in 2000 by Brighter Mechanical.

Off the lobby is a large manager's office. Also off from the main lobby is a spacious tenant library and amenities room capable of seating 45 people. Adjacent to the amenities room is a very generous materials storage and workspace area for the owner and caretaker.

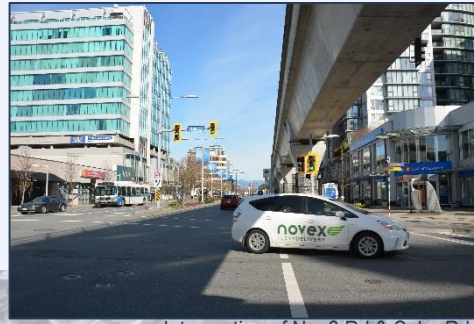
The building has a no pet policy in place.



LOCATION PROFILE



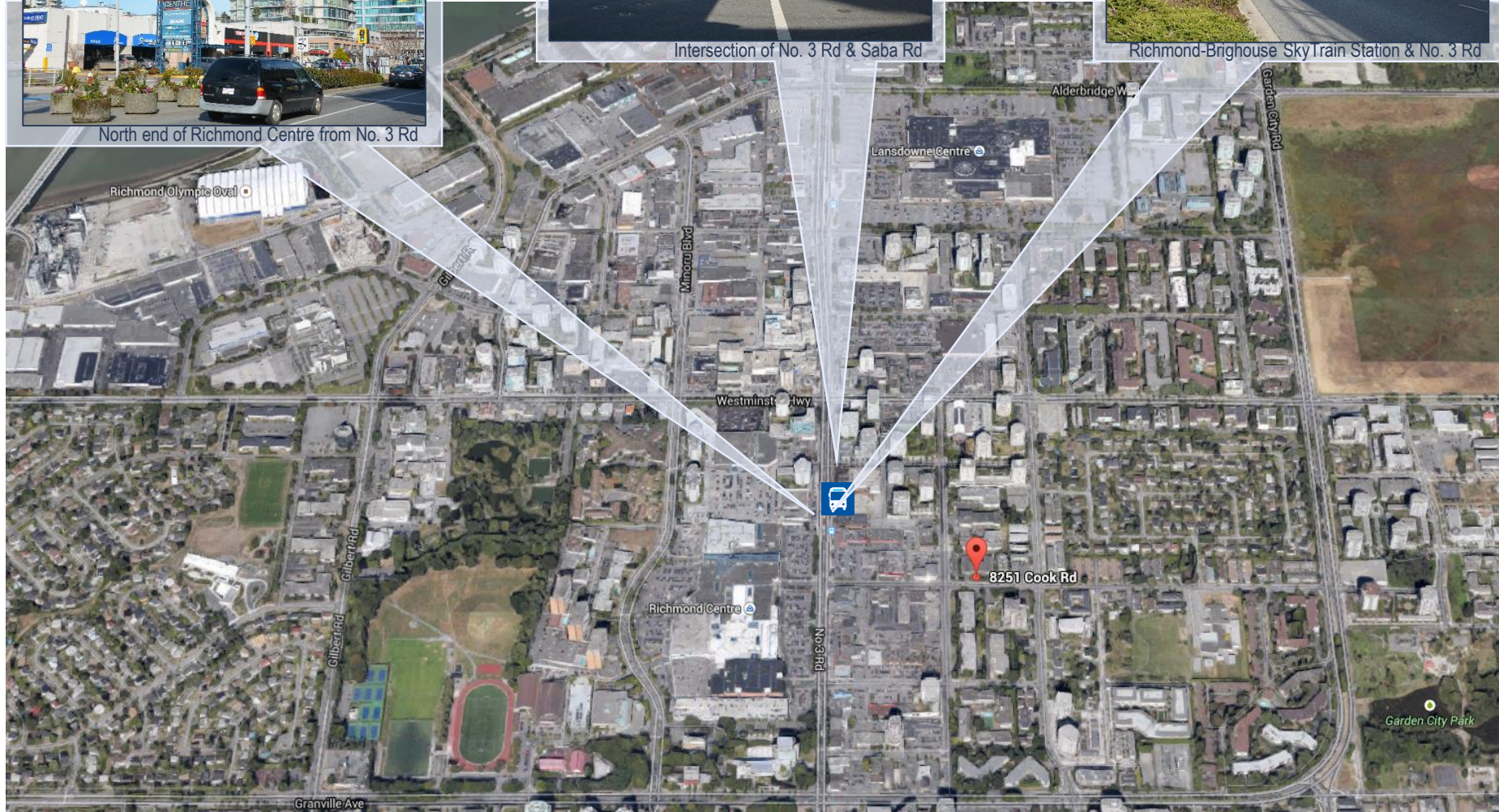
North end of Richmond Centre from No. 3 Rd



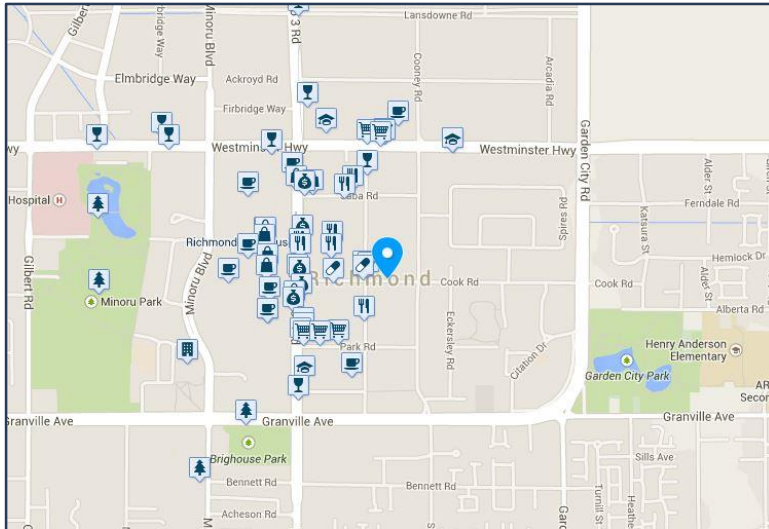
Intersection of No. 3 Rd & Saba Rd



Richmond-Brighouse SkyTrain Station & No. 3 Rd



LOCATION AMENITIES



★ **Walk Score Methodology:** Walk Score measures the walkability of any address. For each address, Walk Score analyzes hundreds of walking routes to nearby amenities. Points are awarded based on the distance to amenities in each category. Walk scores are based out of 100. (All information courtesy of www.walkscore.com)



Restaurants

Sakura Sushi
Silkway Halal Cuisine
Cactus Club Cafe
Earls Restaurant



Parks

Minoru Park
Garden City Park
Richmond Nature Park



Shopping

Richmond Centre
Lansdowne Centre



Errand | Entertainment

Richmond Hospital
Shoppers Drug Mart
Metro Theatre Centre
Richmond Cultural Centre



Groceries

Peppers Produce
Kin's Farm Market
PriceSmart Foods



Coffee Shops

Starbucks
Take Five Cafe

NEIGHBOURHOOD SHOWCASE



Top left: The Richmond Olympic Oval is an indoor multi-sports arena built for the 2010 Winter Olympics hosting recreational programs, health and wellness programs, cultural events, and community activities.

Top right: River Rock Casino Resort, located only a 10-minute drive from the property, is the largest casino in British Columbia. The River Rock Casino features live entertainment, seven restaurants, and over 115 table games and 1100 slots. River Rock Casino is also a park and ride stop along the Canada Line SkyTrain.

Bottom: Richmond Centre, a mall with over 200 stores including Aritzia, Zara, Coach, and Lululemon, is only a 5-minute walk from the Property.



NEIGHBOURHOOD SHOWCASE



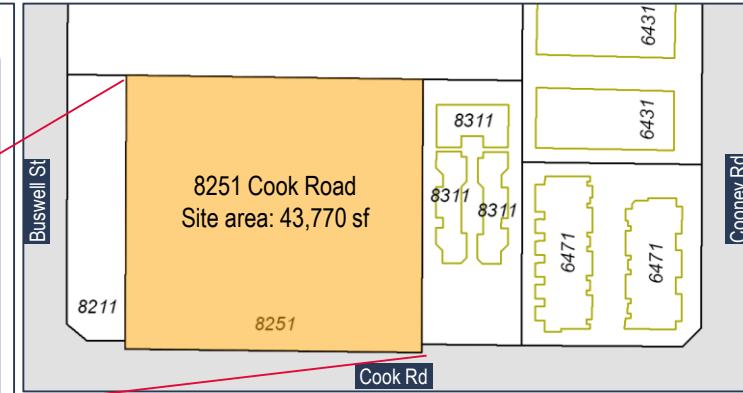
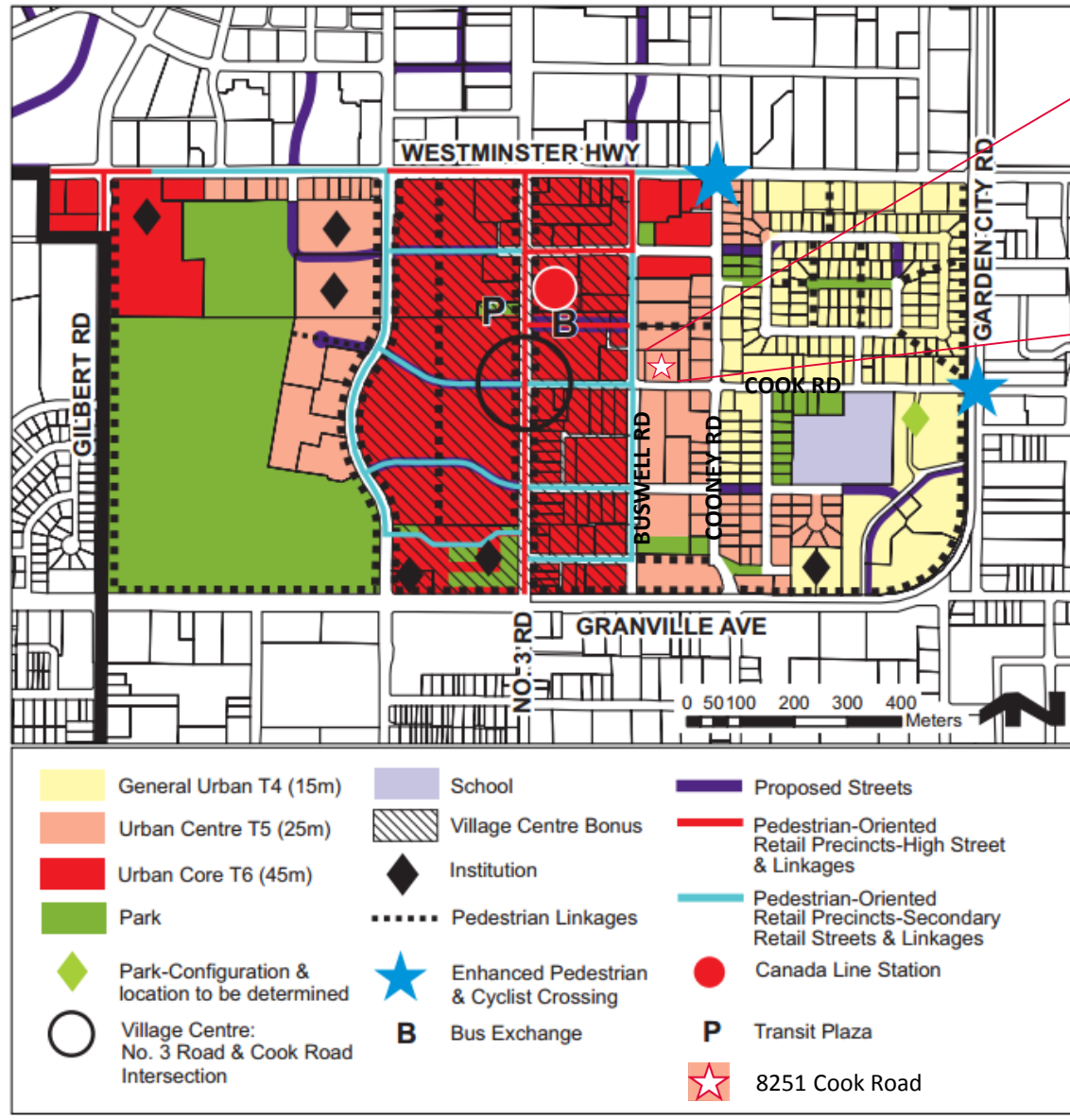
Top left: Providing service to Richmond and YVR the Canada Line SkyTrain, opened in 2009, operates an average of every 5-minutes. The Richmond-Brighthouse Station is only a 5-minute walk from the Property.

Top right: The Richmond Night Market has 80 food stalls and over 200 retail vendors offering an impressive cross-section of cultures and cuisines.

Bottom: McArthurGlen Designer Outlet Mall on Sea Island. This luxury designer outlet centre will feature European and North American brands. Phase 1 is scheduled to open in Spring 2015 with 100 stores, such as Prada, Versace, Armani, Michael Kors, Gucci, and Burberry.

DEVELOPMENT POTENTIAL

Specific Land Use Map: Brighthouse Village (2031)



Under the OCP this property falls in the Urban Centre T5 which allows for an FSR of 1.2 with an additional bonus of 0.8, if the affordable housing policy is adhered to. Our understanding is that you could develop two times the site area or a gross building area of 87,540 sf with a maximum height of eight storeys. However, in taking advantage of the maximum density allowed, a developer would have to replace the existing rental on a 1:1 basis with the same suite mix distribution. Therefore, 45 units within the new development would need to be dedicated to be in the same distribution of one and two bedrooms. These one and two bedroom units would have to be available to those earning \$34,000 – \$57,500/year.

RENT ROLL

As of February 2015

UNIT NUMBER	TYPE	MONTHLY RENT	CMHC RENT	MARKET RENT	UNIT NUMBER	TYPE	SQ.FT.	MONTHLY RENT	CMHC RENT	MARKET RENT
101	2-Bedroom	\$1,040	\$1,198	\$1,250	209	1-Bedroom		\$910	\$994	\$1,050
102	2-Bedroom	\$1,100	\$1,198	\$1,250	210	1-Bedroom		\$895	\$994	\$1,050
103 ^[1]	2-Bedroom	\$800	\$1,198	\$1,250	211	2-Bedroom		\$1,175	\$1,198	\$1,250
104	2-Bedroom	\$1,200	\$1,198	\$1,250	212	1-Bedroom		\$925	\$994	\$1,050
105	1-Bedroom	\$895	\$994	\$1,050	213	2-Bedroom		\$1,125	\$1,198	\$1,250
106	2-Bedroom	\$1,025	\$1,198	\$1,250	214	2-Bedroom		\$1,035	\$1,198	\$1,250
107	2-Bedroom	\$1,085	\$1,198	\$1,250	215	2-Bedroom		\$1,118	\$1,198	\$1,250
108	1-Bedroom	\$870	\$994	\$1,050	301	2-Bedroom		\$1,080	\$1,198	\$1,250
109	1-Bedroom	\$890	\$994	\$1,050	302	2-Bedroom		\$1,105	\$1,198	\$1,250
110	1-Bedroom	\$890	\$994	\$1,050	303	2-Bedroom		\$1,155	\$1,198	\$1,250
111	2-Bedroom	\$1,080	\$1,198	\$1,250	304	2-Bedroom		\$1,085	\$1,198	\$1,250
112	1-Bedroom	\$900	\$994	\$1,050	305	1-Bedroom		\$895	\$994	\$1,050
113	2-Bedroom	\$1,135	\$1,198	\$1,250	306	2-Bedroom		\$1,135	\$1,198	\$1,250
114	2-Bedroom	\$1,085	\$1,198	\$1,250	307	2-Bedroom		\$1,115	\$1,198	\$1,250
115	2-Bedroom	\$1,130	\$1,198	\$1,250	308	1-Bedroom		\$895	\$994	\$1,050
201	2-Bedroom	\$1,200	\$1,198	\$1,250	309	1-Bedroom		\$885	\$994	\$1,050
202	2-Bedroom	\$1,150	\$1,198	\$1,250	310	1-Bedroom		\$900	\$994	\$1,050
203	2-Bedroom	\$1,085	\$1,198	\$1,250	311	2-Bedroom		\$1,110	\$1,198	\$1,250
204	2-Bedroom	\$1,085	\$1,198	\$1,250	312	1-Bedroom		\$910	\$994	\$1,050
205	1-Bedroom	\$925	\$994	\$1,050	313	2-Bedroom		\$1,250	\$1,198	\$1,250
206	2-Bedroom	\$1,135	\$1,198	\$1,250	314	2-Bedroom		\$1,085	\$1,198	\$1,250
207	2-Bedroom	\$1,085	\$1,198	\$1,250	315	2-Bedroom		\$1,110	\$1,198	\$1,250
208	1-Bedroom	\$905	\$994	\$1,050	TOTAL	45 Units		\$46,593	\$50,850	\$53,250

[1] Night Manager

INCOME AND EXPENSE PROFORMA

	YEARLY	YEARLY/UNIT	% OF EGI	POTENTIAL: CMHC	YEARLY/UNIT	% OF EGI	POTENTIAL: MARKET	YEARLY/UNIT	% OF EGI
REVENUE									
Rental Income ^[1]	\$559,116	\$12,425		\$610,200	\$13,560		\$639,000	\$14,200	
Laundry ^[2]	\$9,600	\$213		\$9,600	\$213		\$9,600	\$213	
Parking	\$4,800	\$107		\$4,800	\$107		\$4,800	\$107	
Gross Income	<u>\$573,516</u>	\$12,745		<u>\$624,600</u>	\$13,880		<u>\$653,400</u>	\$14,520	
Less: Vacancy 1.60% ^[3]	\$8,946	\$199		\$9,763	\$217		\$10,224	\$227	
EFFECTIVE GROSS INCOME	<u>\$564,570</u>	\$12,546		<u>\$614,837</u>	\$13,663		<u>\$643,176</u>	\$14,293	
EXPENSES ^[4]									
Property Taxes	\$29,680	\$660	5.26%	\$29,680	\$660	4.83%	\$29,680	\$660	4.61%
Insurance	\$14,400	\$320	2.55%	\$14,400	\$320	2.34%	\$14,400	\$320	2.24%
Utilities: Gas/Hydro/Phone	\$18,968	\$422	3.36%	\$18,968	\$422	3.09%	\$18,968	\$422	2.95%
Utilities: Garbage	\$4,600	\$102	0.81%	\$4,600	\$102	0.75%	\$4,600	\$102	0.72%
Utilities: Water/Sewer	\$35,858	\$797	6.35%	\$35,858	\$797	5.83%	\$35,858	\$797	5.58%
Elevator	\$2,640	\$59	0.47%	\$2,640	\$59	0.43%	\$2,640	\$59	0.41%
Miscellaneous ^[5]	\$2,250	\$50	0.40%	\$2,250	\$50	0.37%	\$2,250	\$50	0.35%
Caretaker ^[6]	\$27,540	\$612	4.88%	\$27,540	\$612	4.48%	\$27,540	\$612	4.28%
Management ^[6]	\$19,760	\$439	3.50%	\$19,760	\$439	3.21%	\$19,760	\$439	3.07%
Repair & Maintenance ^[7]	\$33,750	\$750	5.98%	\$33,750	\$750	5.49%	\$33,750	\$750	5.25%
TOTAL EXPENSES	<u>\$189,446</u>	\$4,210	33.56%	<u>\$189,446</u>	\$4,210	30.81%	<u>\$189,446</u>	\$4,210	29.45%
TOTAL NET INCOME	<u>\$375,125</u>			<u>\$425,391</u>			<u>\$453,730</u>		
	SALE PRICE	CAP RATE		SALE PRICE	CAP RATE		SALE PRICE	CAP RATE	
	\$11,888,000	3.16%		\$11,888,000	3.58%		\$11,888,000	3.82%	

[1] February 2015 Rent Roll x 12

[2] Actual for 2014

[3] CMHC reported average vacancy rate for October 2014

[4] 2014 Expenses

[5] Includes bank charges and licensing

[6] Building is owner managed. Caretaker and management both stabilized

[7] Stabilized at \$750 per unit per year. Actual R&M for 2014 was \$28,261

* Actual Gross Revenue for 2014 was \$570,800

CASH FLOW ANALYSIS



FINANCING:	50.0%
Lender: CMHC PROPOSED	
First Mortgage Principal:	\$5,944,000
CMHC Fee: 4.75%	\$282,340
Total Financing:	\$6,226,340
Interest Rate:	1.85%
Amortization:	30
Due Date:	5 Years
Monthly Payments:	\$22,528
Prin.Red./annum:	\$156,908

Net Operating Income	<u>\$375,124</u>
Capitalization Rate	3.16%
Annual Debt Service	\$270,333
Cash Flow Before Taxes	\$104,791
Principal Reduction Year 1	\$156,908
Price	<u>\$11,888,000</u>
Mortgage	\$5,944,000
Equity	\$5,944,000
Return on Equity %	1.76%
R.O.I. inclusive of debt reduction	4.40%
Number of Units	45
Price per Unit	<u>\$264,178</u>
Mortgage per Unit	\$138,363
Average Rent per Unit	\$1,035
Expenses per Unit/per annum	\$4,210
Monthly Mortgage Payment	\$22,528
Amortization remaining	30
Interest	1.85%
Gross Rent Multiplier	20.73
% Mortgage to Value	50.00%

Net Operating Income	<u>\$425,391</u>
Capitalization Rate	3.58%
Annual Debt Service	\$270,333
Cash Flow Before Taxes	\$155,058
Principal Reduction Year 1	\$156,908
Price	<u>\$11,888,000</u>
Mortgage	\$5,944,000
Equity	\$5,944,000
Return on Equity %	2.61%
R.O.I. inclusive of debt reduction	5.25%
Number of Units	45
Price per Unit	<u>\$264,178</u>
Mortgage per Unit	\$138,363
Average Rent per Unit	\$1,035
Expenses per Unit/per annum	\$4,210
Monthly Mortgage Payment	\$22,528
Amortization remaining	30
Interest	1.85%
Gross Rent Multiplier	19.03
% Mortgage to Value	50.00%

Net Operating Income	<u>\$453,730</u>
Capitalization Rate	3.82%
Annual Debt Service	\$270,333
Cash Flow Before Taxes	\$183,397
Principal Reduction Year 1	\$156,908
Price	<u>\$11,888,000</u>
Mortgage	\$5,944,000
Equity	\$5,944,000
Return on Equity %	3.09%
R.O.I. inclusive of debt reduction	5.73%
Number of Units	45
Price per Unit	<u>\$264,178</u>
Mortgage per Unit	\$138,363
Average Rent per Unit	\$1,035
Expenses per Unit/per annum	\$4,210
Monthly Mortgage Payment	\$22,528
Amortization remaining	30
Interest	1.85%
Gross Rent Multiplier	18.19
% Mortgage to Value	50.00%

All figures estimated and calculated based on assumptions as to loan amount and interest rates achievable. Purchaser not to rely on these figures and to conduct their own analysis.

AREA OVERVIEW

Richmond, just south of Vancouver, is a part of Metro Vancouver. With a population of 207,000, which is expected to grow to 280,000 over the next 30 years, it is BC's fourth highest populated city. Of the 17 municipalities that make up Metro Vancouver, Richmond received the fourth largest number of immigrants. 58% of its population were born in countries other than Canada with the greatest numbers coming from China, the Philippines, and Taiwan. Currently 60% of the population is Asian and that has driven retail development – so much so, that UK based McArthurGlen is building a 240,000 sf fashion mall, the first in the province. It will house such world renown tenants as Prada, Versace, Armani and Gucci.

In October 2014 the Western Investor ranked Richmond the #1 spot in Western Canada to invest in real estate. Due to its continued investment in transportation and logistics infrastructure, Richmond also ranks among the top 10 cities for 'Best Infrastructure' in North America for its size. It's business base is diverse and includes aerospace and aviation, logistics, agriculture and food production, information and communication technologies and advanced manufacturing. The Vancouver International Airport which handles approximately 19 million passengers a year and generates \$12B in economic activity is within Richmond's jurisdiction.

Several seasoned developers are reacting to market demand for housing and the pressure to build rental housing continues as the vacancy rate fell to 1.6% from 1.7% last year. Vancouver and its surrounding municipalities continue to attract real estate investors looking to place funds in a secure and safe environment. Richmond will experience the benefit of continued immigration and much more foreign investment into real estate. The Property is located right in the city centre in proximity to rapid transit, shopping and service amenities, and easy access to medical and dental facilities.



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