

FOR SALE



1777 FRANCES STREET
VANCOUVER, BC

Opportunity to acquire a large-scale 59-suite Rental Apartment building prominently located in East Vancouver, just steps from the vibrant Commercial Drive!

CBRE

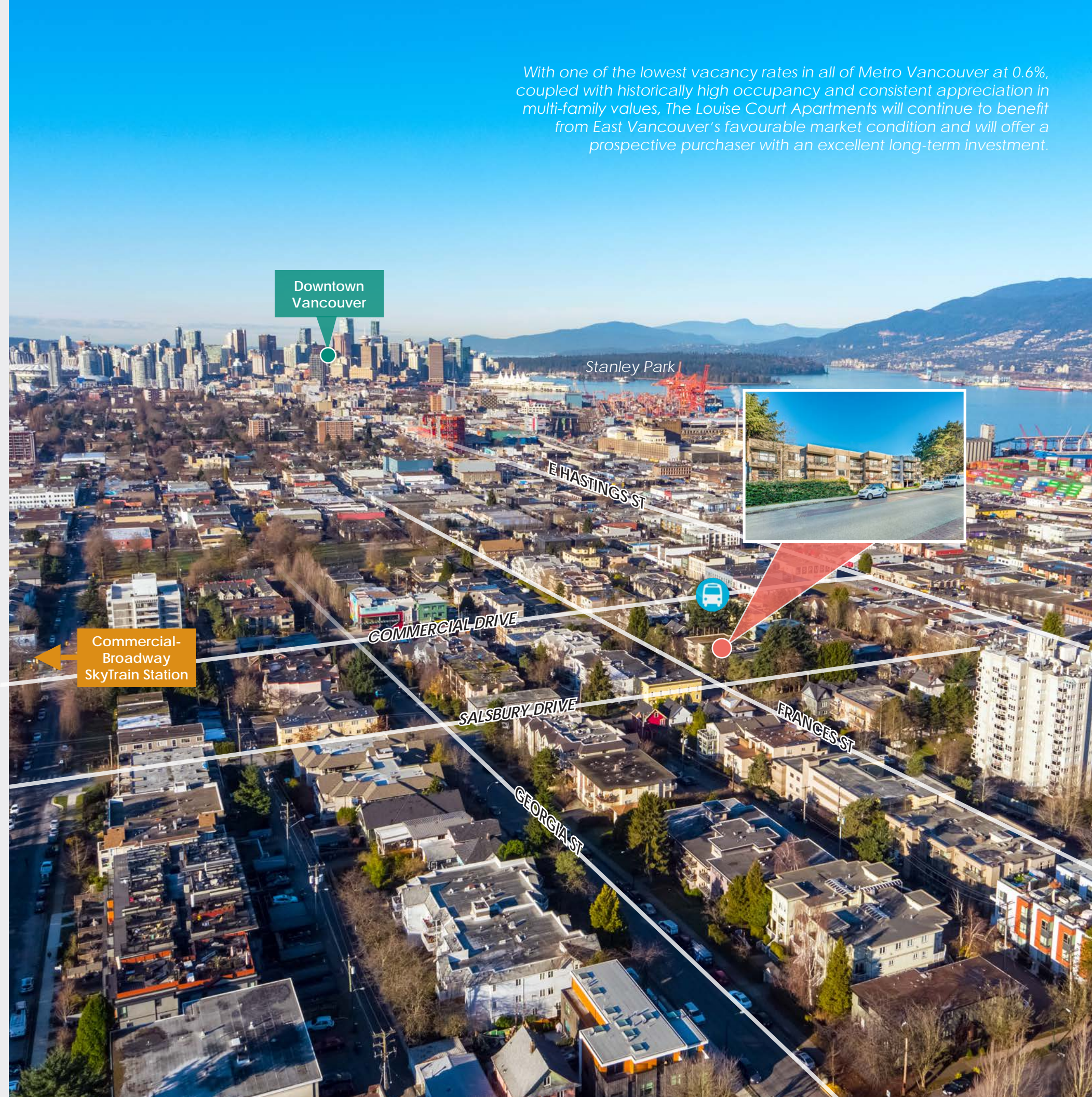


The Opportunity

The CBRE National Apartment Group - BC is pleased to present the opportunity to acquire the 100% interest in the Louise Court Apartments, a fully leased & well-maintained 3-storey 59-suite rental apartment building with secured underground parking situated on a large corner lot in the heart of East Vancouver, just steps from the vibrant Commercial Drive & Port Town neighbourhoods and only minutes from Downtown Vancouver. The property comprises an excellent suite mix of spacious one-bedroom suites and large bachelor suites (ranging from 438 - 554 SF), many of which could potentially be converted into junior one-bedroom suites as an opportunity to further increase overall return on investment.

Investment Highlights

- ◆ **Prime East Vancouver Location:** The Property is well located in East Vancouver's highly sought-after Commercial Drive neighbourhood, just steps from transit and an excellent assortment of restaurants, boutique shops and services, a vibrant music and bar scene, cafes, and specialty food stores.
- ◆ **A Building of Scale:** In a market dominated by smaller apartment buildings, the Louise Court Apartments offer investors a unique opportunity to acquire a building of scale with 59 larger than average suites, providing both operational and management efficiencies.
- ◆ **Upside & Repositioning Opportunity:** The Louise Court Apartments offer prospective investors the opportunity to increase cash flow by raising rents to market on turnover and repositioning and converting the large studio suites to Junior one-bedroom suites.
- ◆ **Long-term Future Redevelopment Potential:** The Subject Property is prominently situated on a large 26,840 square foot corner lot with 220' of prime frontage onto Frances Street and is included in the Grandview-Woodland Official Community Plan (OCP), which allows for redevelopment of up to 6-stories with a maximum density of 2.4 FSR.
- ◆ **Recent Capex Improvements:** The building has undergone a number of capital improvements in recent years, some of which include: partial roof replacement, plumbing updates, balcony updates as required, new common area lighting & carpets, and updated kitchen and bathroom fixtures in a number of the suites.
- ◆ **Tenure:** The property will be offered free and clear of financial encumbrances, providing prospective purchasers the opportunity to capitalize on the current low interest rate environment.



With one of the lowest vacancy rates in all of Metro Vancouver at 0.6%, coupled with historically high occupancy and consistent appreciation in multi-family values, The Louise Court Apartments will continue to benefit from East Vancouver's favourable market condition and will offer a prospective purchaser with an excellent long-term investment.

Louise Court Apartments

CIVIC ADDRESS
1777 Frances Street, Vancouver, BC

PARCEL IDENTIFIER
015-164-055

LEGAL DESCRIPTION
LOT 11 OF LOT 6 BLOCK D DISTRICT LOT 183
PLAN 729

YEAR BUILT
1979

SITE SIZE
26,840 SF (220 x 122 ft)
**approximate & subject to verification by purchaser*

NET RENTABLE AREA
32,519 SF
**As measured by Lucca Marketing in December 2019*

TOTAL # OF SUITES
59*
**Suite 111 is currently being used as an office*

ZONING
RM-4; Multiple Family Dwelling

PARKING
59 Underground stalls

OCCUPANCY
100% leased

STABILIZED NOI
\$481,346

LIST PRICE
\$18,495,000

PRICE PER SUITE
\$313,475

TENURE
Title will be delivered free and clear of all financial encumbrances

Building Details

The Louise Court Apartments is a 3-storey wood-frame rental apartment building with one level of secured underground parking. The building is comprised of 59 suites, including **27 spacious one-bedroom suites and 32 large bachelor suites with excellent open concept floor plans, many of which can easily be converted into junior one-bedroom suites.** All suites in the building have either a balcony or patio.



ROOF

The roof is divided into 5 panels: the East & West Panels are comprised of tar and gravel (repaired in 2012), and the 3 center panels are torch-on (replaced in 2011). The roof consists of 3 large skylights, providing an abundance of natural light in the 3rd floor common areas.



HEAT/HOT WATER

Heat & hot water are supplied via a natural gas-fired boiler (1994) located in the mechanical room on the underground parking level, and is paid for by the landlord.



ELECTRICAL

The main electrical service for the building consists of a 600 amp panel. All suites are equipped with individual breakers, and are individually metered for Hydro and paid for by the tenant.



ELEVATOR

One (1) hydraulically-operated elevator serving all floors & the parkade, which includes the laundry & mechanical rooms.



STORAGE

A number of suites have large in-suite storage "pantries" either 3' x 8' or 3' x 4' in size. For tenants who don't have storage pantries, there are approx. 22 large storage closets situated throughout the building.



LAUNDRY

4 washers & 4 dryers, leased from & maintained by Coin-a-matic, and provide the owner with an additional income stream.



BUILDING UPDATES

- Torch-on roof panels replaced (2011)
- Main-stack plumbing replacement (2011)
- New common area lighting & carpets (2011 & 2018)
- Replacement of balcony decks & railings to a selection of suites as was required (2011)



SUITE UPDATES*:

- Brand new open kitchens (converted from galley kitchens)
- New laminate kitchen counter tops & pressboard cabinets
- Updated bathroom vanities
- 9 suites were updated with brand new breakers, exterior doors, and double-paned windows & sliders.

**Suite updates were performed to a selection of suites as required.
Time frames for completed work are estimates only and should be confirmed by the prospective purchaser as part of their due diligence.



220' of frontage onto Frances Street



Example of a large bachelor suite (#212 - 464 SF) with the addition of a slide partition, could be converted into a junior one-bed suite



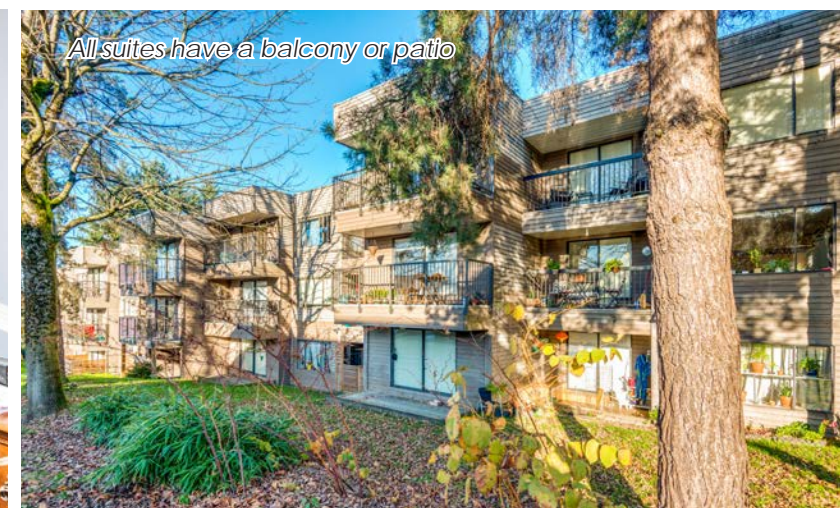
Large one bedroom suites, some with balcony access



Functional Kitchen Spaces



Bright living areas with large windows



All suites have a balcony or patio

Suite Breakdown & Rental Analysis

Unit Type	# of Suites	Average Size	Average In-place Rents ^[1]	Average In-Place Rent PSF	Average Market Rents ^[2]	Average Market Rents PSF	CMHC Average Rents ^[3]
1 Bed	27	639 SF	\$1,173	\$1.84	\$1,868	\$2.92	\$1,318
Bachelor	32	477 SF	\$895	\$1.88	\$1,622	\$3.40	\$1,330
Total/Avg^[4]	59	551 SF	\$1,022	\$1.86	\$1,707	\$3.10	\$1,325

[1] Rental & Parking Revenue is annualized based on the Vendor's Rent Roll for April 2021, inclusive of the stabilized rent for the unit currently utilized as the Manager's office
[2] Avg. market rents have been estimated by CBRE following a comprehensive study of market rental rates for modernized and newly constructed rental apartment units in comparable East Vancouver neighbourhoods
[3] CMHC Avg. Rents are as per the 2021 CMHC Rental Market Report for Vancouver - East Hastings



Property Details

Location Highlights

- 1777 Frances Street is prominently located just half a block East of Commercial Drive and one block South of East Hastings Street, providing quick access to Downtown Vancouver & neighbouring municipalities;
- The Subject Property is situated between two prominent retail districts: the famous Commercial Drive & the eclectic Port Town, both of which can be easily reached by foot. These retail districts offer a combined 400+ amenities including restaurants, breweries, retailers, boutique fashion stores, and trendy cafes.
- The Louise Court Apartments enjoy excellent access to public transportation along East Hastings and Commercial Drive, with bus lines to Downtown Vancouver, UBC, and SFU just steps from the property;
- Commercial-Broadway Station, the most prominent transit exchange in Metro Vancouver, can be accessed from the property by foot in approx. 20 minutes or by bus in approx. 12 minutes.
- The Property is situated in an area with excellent market fundamentals and strong potential for future rental rate growth due to its close proximity to Downtown Vancouver and an abundance of highly sought-after amenities.



THE SITE
 The Louise Court Apartments are situated on the North-West corner of Frances Street and Salsbury Drive, just north of the vibrant Commercial Drive hub between Venables Street and East 1st Avenue. The total property site size is approximately 26,840 SF with approx. 220 ft of prime frontage onto Frances Street and a return frontage of 122 ft. onto Salsbury Drive.

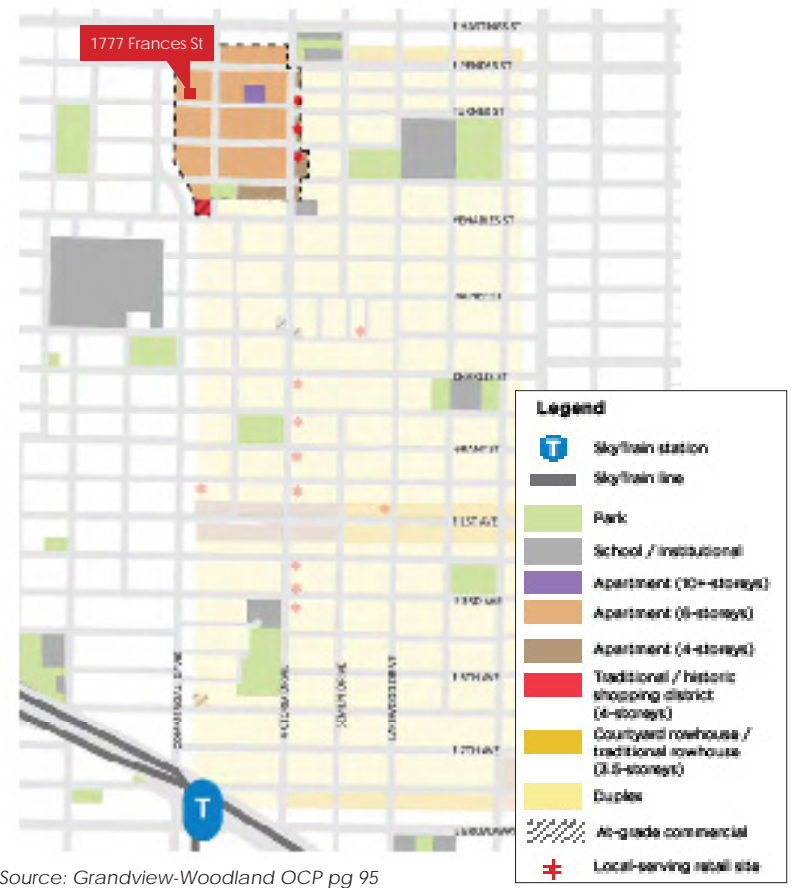
The Property is currently zoned as RM-4 and is situated within the Grandview North West Apartment Land Use Area of the Grandview-Woodland Community Plan.

GRANDVIEW-WOODLAND OCP
 The Northwestern corner of the Granview sub area is bound by Commercial Drive, East Hastings Street, Victoria Drive, and Adnac Street. The area consists of low-rise apartment buildings interspersed with some detached houses, townhouses, and some non-market housing for seniors and members of the aboriginal community.

New secured rental housing will gradually be introduced, while retaining existing heritage resources.

- This area allows for 100% secured rental housing as follows:**
- Height: up to 6-stories
 - Density: up to 2.4 FSR (may not be achievable on all sites)
 - Site frontage: 15.1m (49.5 ft) minimum to 60.9 (200 ft) maximum
 - Setbacks: front 3 m (10 ft) / Rear 6 m (20 ft) / Side yards 2.1 m (7 ft)
 - Require ground-level access for first floor units
 - Provide public realm improvements thta could increase sidewalk width, street trees, and amenities such as seating, bike racks, and feature lighting.

Figure 6.40: Grandview Northwest Apartment Area Land Use



Source: Grandview-Woodland OCP pg 95

94
Walker's Paradise

84
Very Bikable

72
Excellent Transit

124,548
Population (2019 Estimated)*

\$87,508
Household Income (2019 Estimated)*

*Within 3 KM of the subject property.



COMMERCIAL DRIVE

Commercial Drive (also known as "The Drive") is the cultural heart of East Vancouver and one of the best shopping, dining, and nightlife districts in Vancouver. In total, 8 blocks on the drive are officially designated as "Little Italy", representing over 60 years of Italian heritage and offering a variety of restaurants and shops dedicated to Italian cuisine and culture.

In total, The Drive is comprised of 22 blocks with over 300 unique merchants, including an eclectic collection of restaurants, boutique stores, a vibrant music and bar scene, theaters, coffee houses, specialty food stores and bakeries, most of which are single location and owner-operated.

PORT TOWN

In recent years, Port Town has undergone a major transformation to become much more than just an industrial node. A variety of new businesses, unique restaurants, trendy coffee shops and craft breweries (the highest concentration in Canada) have set up shop over the last few years, some of which include: Parallel 49 Brewing Company, JJ Bean, Tacofino, and Pallet Coffee Roasters.

The area has also attracted some major commercial developments, including the 300,000 sq. ft. Terminal City Iron Works currently under construction by Conwest Developments, which is expected to add over 50 new businesses over the next 2 years.



DOWNTOWN VANCOUVER

DRIVE TIMES 	
Downtown Vancouver	8 Minutes
North Vancouver	14 Minutes
YVR Airport	30 Minutes
University of BC	33 Minutes
U.S. Border Crossing	50 Minutes



- NO FRILLS
- THE TIKI BAR
- ANDINA BREWING COMPANY
- STARBUCKS
- YOLKS CAFE
- 020 - Downtown Bus Stop
- COMMERCIAL DRIVE
- POWELL STREET
- BOSA FOODS
- JJ BEAN CAFE
- SIR WILLIAM MACDONALD ELEMENTARY SCHOOL
- PALLET COFFEE ROASTERS
- PARALLEL 49 BREWING COMPANY
- THE RED WAGON CAFE
- TACOFINO COMMISSARY
- PANDORA PARK
- NANAIMO STREET
- HASTINGS ST
- DUNDAS STREET
- VICTORIA DRIVE

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