

Investment Package

4 Clark Street
St. Catharines, ON

List Price

\$870,000

@ 7.99% Cap Rate



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EXECUTIVE SUMMARY

A tremendous investment, this multi Tenanted Residential property boasts 100% occupancy with 11 units in total.

The site is located in the heart of a mature well established community that features surrounding services for the convenience of your Tenants.

4A Clark Street is an irregular shape $\pm 29,485$ square feet lot. The site has a 12 foot strip of land on the south side that passes between two 2 ½ storey brick apartment buildings that could be used for access to the site if it was to be developed into an apartment building site in the future. The subject property features three separate buildings two (2) single and one (1) two storey with a large paved parking lot. The middle building, 4B Clark Street, underwent a 2nd floor addition that added an additional 3 bedroom unit and it was totally remodeled in 2001 with new kitchens, bathrooms, and good quality ceramic and broadloom flooring.

The Investment Opportunity for this property (4 Clark Street, St. Catharines) shows an annual investment return of 14.8% and with appreciation and principal payments boast a huge 34.43% IRR over a five (5) year period.

All showings will be done during regular business hours Monday to Thursday only with 48 hours notice.

BUILDING DESCRIPTIONS

Building 1
4A Clark Street
4 Units Total



Main Level
(2 units)
2 bedroom
3 bedroom

Lower Level
(2 units)
1 bedroom
2 bedroom

General:

- One storey concrete block building with a concrete block foundation
- Full finished basement with two separate entrances to two apartments
- Exterior walls are brick with aluminum soffits and fascia
- Flat roof is tar and gravel
- Main floor has wood sash windows with wood storms
- Basement has Thermo pane windows
- The Main hydro service appears to be 100 amps and heating is by a gas fired, high efficiency hot water boiler that is approximately 8 years old but was installed one year ago.
- All units have all been hardwired for smoke detectors.

Main Level:

- Two main floor apartments, one 2 and one 3 bedroom unit equipped with kitchens, full 4 piece bathrooms and living rooms
- Interior finishes include plaster walls and acoustic ceiling tiles and broadloom, hardwood, ceramic tile and vinyl tile floor coverings

Lower Level:

- Two lower level apartments are a one bedroom and a two bedroom unit
- Lower level units have a main floor entry with a small foyer leading downstairs to an open concept living room, kitchen and a 3 piece bathroom.
- The two bedroom unit is accessed by a separate entry to a stairway at the rear of the building. It has a living room, kitchen access to the 2nd bedroom by walking through the 1st bedroom and there are two large storage areas

Building 2
4 B Clark Street
5 Units Total



Main Level
(4 units)
3- 2 bedroom
1- 3 bedroom

Upper Level
(1 unit)
3 bedroom

General:

- Middle structure is a two storey concrete block and wood frame dwelling on a poured concrete slab with no basement
- 2nd floor addition was added in 1990
- Exterior walls are brick veneer on the main floor and vinyl siding in the second floor with aluminum soffits and fascia
- Roof replaced in 2008
- Double pane windows, wood sash, casement style windows
- All units were renovated with new kitchens, bathrooms, flooring and light fixtures in 2001
- Kitchens and bathrooms have good quality white cabinetry and all new plumbing and fixtures.
- Main hydro service is 200 amps and heating is by two roof mounted gas fired furnace and central air units installed in 2001.

Main Level:

- Main floor is divided into 3 main floor two bedroom apartments and one 3 bedroom unit all equipped with kitchens, 3 or 4 piece bathrooms and living rooms
- Unit 1 has a laundry/storage room

Upper Level:

- 2nd floor is a large 3 bedroom unit with a large living room, kitchen, a 4 piece bathroom with whirlpool tub
- Interior finishing include plaster walls and ceilings and broadloom, sheet vinyl, tile and hardwood floor coverings

Building 3
4C Clark Street
2 Units Total
1 – 3 bedroom
1 – 2 bedroom



General:

- One storey, brick veneer over concrete block structure with no basement
- Flat tar and gravel roof approximately 15 years old.
- Double pane, wood casement windows are 15+/- years old
- Interior finishes include gypsum board walls and ceilings, broadloom, ceramic and vinyl floor coverings
- 100 amp main hydro service
- Roof mounted gas fired forced air furnace and central air unit installed in 2002
- Units have been wired for smoke detectors

CAPITAL IMPROVEMENTS SINCE 2008

Building A:	Heating System conversation Electric to Gas	\$1,100
	Drywall/6 Windows/Closure	\$7,000
Building B -	New Roof top A/C Compressor Uniys	\$4,400
Building B – Unit 3	Laminate Flooring	
	Laundry	
	Kitchen	\$5,300
Building C	Conversation from Commercial to Residential Units	\$8,800
	Water Heater	\$800
Building C – Unit 2	Bath tub installation	\$1,600
Grounds	Fencing between building C & Beer Store Building	\$800
Buildings A, B & C	Exterior painting of buildings	\$1,500
	<i>Cost of Improvements</i>	\$31,300.

SALIENT FACTS

<i>Municipal</i>	4 Clark Street (Building A, B & C) St. Catharines, Ontario
<i>Legal Owner</i>	4 Clark Street Inc.
<i>List Price</i>	\$870,000 @ 7.99% Cap Rate
<i>Legal Description</i>	CP2, Part Lot 283, RP30R6377, Part 1, R.O.W., Part Lot 273 In the City of St. Catharines Regional Municipality of Niagara
<i>Easements and ROW Zoning</i>	Yes BC– Business Commercial with Residential Permitted Uses
<i>Roll Number</i>	2629040011059010000
<i>Registry PIN Number</i>	46220008
<i>Assessment (2011)</i>	\$593,720.00
<i>Property Classification (Present)</i>	340 – Multi-residential, with 7 or more self-contained units (excludes row-housing)
<i>Realty Taxes (2011)</i>	\$15,426
<i>Site Size</i>	<ul style="list-style-type: none">➤ 289 feet x 180 feet x Irregular➤ Approximately ±29,485 Square Feet
<i>Building Size</i>	±9,600 sf
<i>Type of Property</i>	<ul style="list-style-type: none">➤ 11 residential units in three (3) buildings
<i>Highest and Best Use Improvements</i>	Current use <ul style="list-style-type: none">➤ Three (3) brick buildings housing 11 residential units with ample Tenant parking
<i>Municipal Services</i>	<ul style="list-style-type: none">➤ All Municipal Services➤ Internet➤ Telephone➤ Cable➤ Hydro➤ Natural Gas
<i>Parking</i>	<ul style="list-style-type: none">➤ Paved Parking lot- 23 Spaces➤ Ample Tenant/Guest Parking

**4 Clark Street
St. Catharines, Ontario
Rent Role & Valuation
Valuation Summary**

Line # Unit	Rent per Month	
Residential Units		
1 A 1 - Leased	\$1,100	\$13,200
2 A 2 - Leased	\$857	\$10,284
3 A 3 - Leased	\$650	\$7,800
4 A 4 - Leased	\$750	\$9,000
5 B 1 - Leased	\$880	\$10,560
6 B 2 - Leased	\$857	\$10,284
7 B 3 - Leased	\$1,200	\$14,400
8 B 4 - Leased	\$900	\$10,800
9 B 5 - Leased	\$880	\$10,560
10 C 1 - Leased	\$850	\$10,200
11 C 2 - Leased	\$935	\$11,220
Total	\$9,859	\$118,308
Less 5% Vacancy Allowance		-\$5,915
Total Residential Income		\$112,393
Other Income - Parking 1 @ \$100/mo		\$1,200
Eligible Gross Income (EGI)		\$113,593
Less Operating Expense		-\$44,049
Normalized Operating Income (NOI)		\$69,544
		Rounded
List Price	\$870,000	\$870,000
Cap Rate	7.99%	

**4 Clark Street
St. Catharines, Ontario
Proforma Operating Expenses
12 Month Period (Rounded)**

Line #		
1	Taxes - Residential and Commercial	\$15,426
2	Repair and Maintenance (\$300/unit/yr x 11 units)	\$3,300
3	Utilities & Water	\$17,919
4	Insurance	\$2,194
5	Garbage and Miscellaneous	\$2,210
6	Property Management	\$3,000
	Totals	\$44,049

ONLY 37.7% OPERATING EXPENSE RATIO

**4 Clark Street
St. Catharines, Ontario
Cash on Cash (Rounded)**

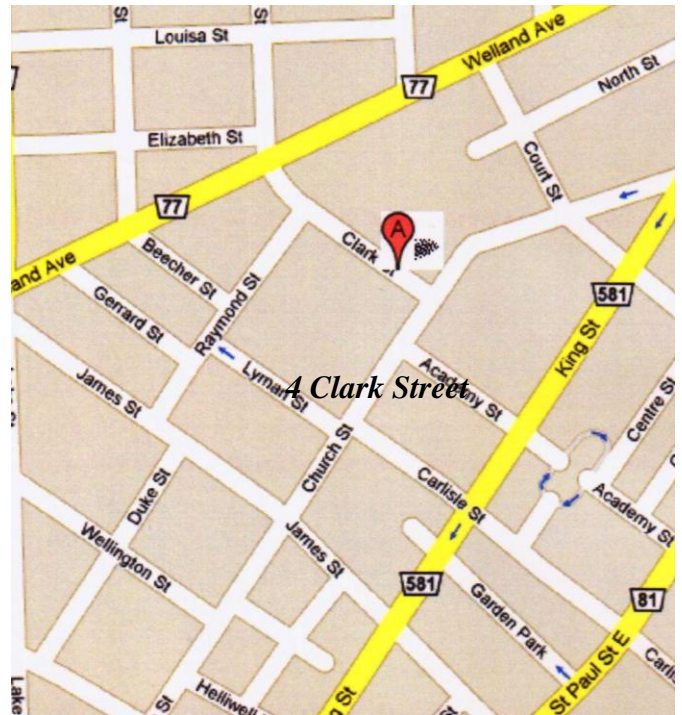
Line #		11 Residential Units
1	List Price	\$870,000
2	1st Mortgage @ 75% Loan to Value	<u>-\$652,500</u>
3	Cash Required	\$217,500
4	Plus Closing Costs @ 3.5% of PP	<u>\$30,450</u>
5	Total Cash Required	<u>\$247,950</u>
6	NOI Rounded	\$69,544
7	1st Mortgage Prime + 1/5/30 3% + 1% = 4%/5/30 Factor \$4.76/1000/mo Line 4 x \$4.76 x 12	<u>-\$37,271</u>
8	Net Cash (line 6 - Line 7)	\$32,273
9	Cash on Cash Rate (Line 8 ÷ Line 5)	14.8%
10	Five Year Cash Flow (Line 8 x 5 yrs)	\$161,364
11	Principal Payments (rounded)	\$48,000
12	Appreciation @ 5%/yr x 5yrs	<u>\$217,500</u>
13	Total	<u>\$426,864</u>
14	Five Year Average Return (Line 13 ÷ 5 yrs)	<u>\$85,373</u>
15	Five Year Yield (Line 14 ÷ Line 6)	<u>34.43%</u>

LOCATION HIGHLIGHTS

- Close to amenities
- Bus route
- Walking distance to:
 - Downtown
 - Doctors Offices
 - Pharmacy's/Clinics
 - Schools/Parks
 - Entertainment
 - Dining
 - City Hall
 - Police/Fire Stations
 - Market

4A Clark Street is located on the east side of Clark Street between Church Street and Welland Avenue in mid-town St. Catharines

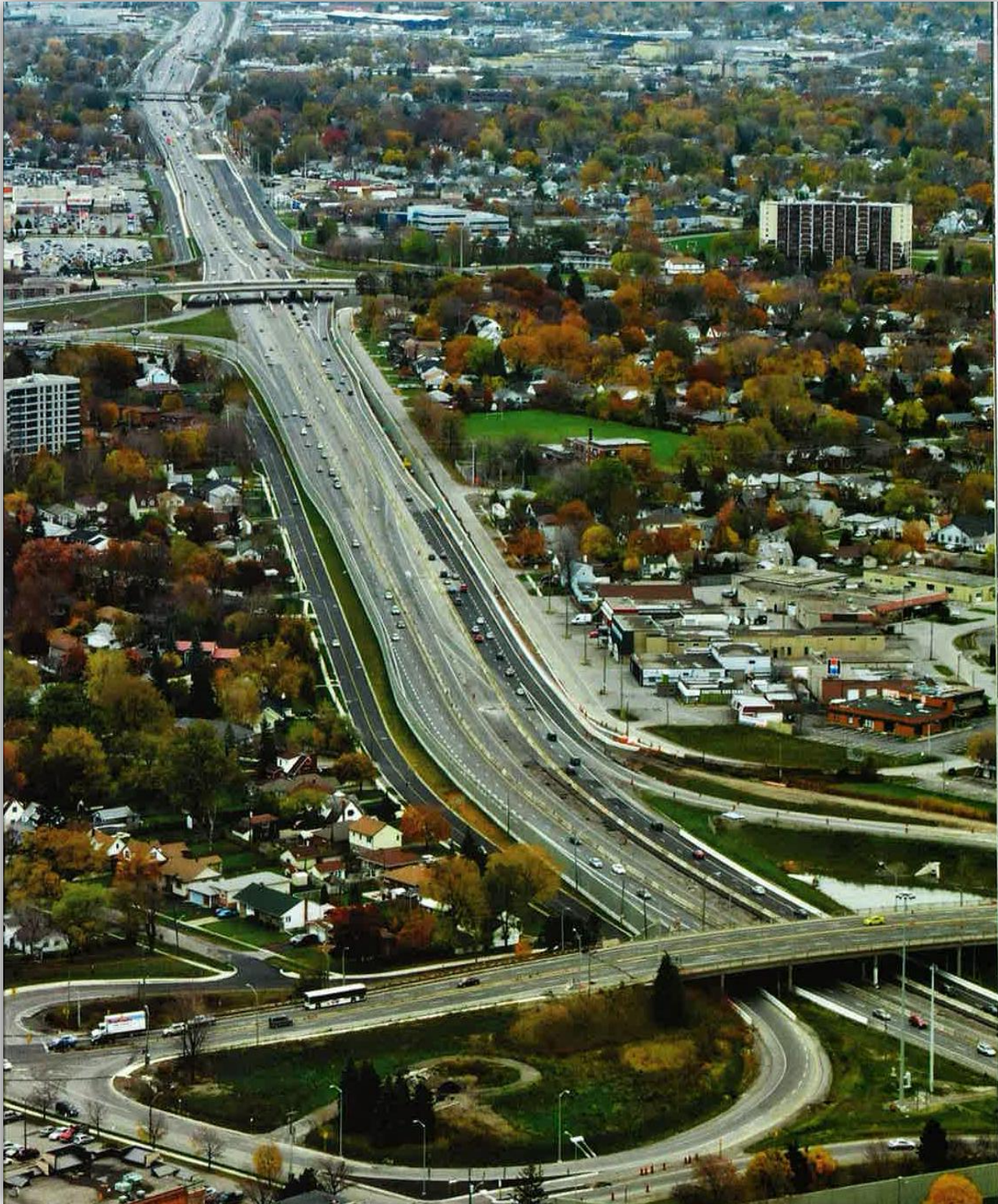
4 Clark Street is accessed by a registered right of way over a neighbouring property known as 2 Clark Street and walkway off Church Street.



ARIAL PHOTO



QEW AND ST. CATHARINES



GENERAL AREA DESCRIPTION

About St. Catharines

(Population 131, 989)

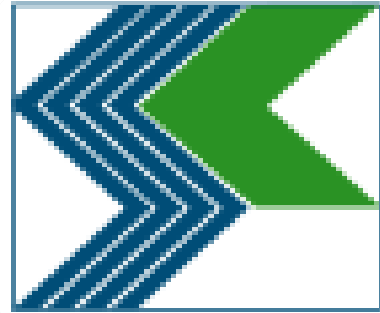
Nestled between Lake Ontario to the north, Lake Erie to the south and the Niagara River to the east, St Catharines is a vibrant city, surrounded by a gently rolling landscape, dotted with lakes and ponds, vineyards and some of Canada's most fertile agricultural land. Amid the picturesque geography, there's an undercurrent of social and commercial/industrial activity. St. Catharines carries the official nickname "The Garden City" due to its 1,000 [acres](#) (4 km²) of meticulously groomed parks, gardens and trails.

Within a few miles proximity to 'the Garden City', the bright lights of Toronto and Buffalo beckon -- close enough to accommodate the residents who work or go to school in those centres. But the thousands of people who live in the compact and vibrant nucleus of the richly fertile Niagara, and come home at the end of the day, know that their home is one of Canada's best-kept secrets.

Traditionally, St Catharines, the largest city in the Niagara Peninsula with a population of 145,000, has been the retail centre for the 12 municipalities of the Niagara Region, with a total population of nearly 500,000. Sustaining this important marketplace are a number of shopping centres such as the Pen Centre, Fairview Mall, Grantham Plaza, Lincoln Mall, and Lakeshore Square. The addition in recent years of several big-box stores, among them, Home Depot, Office Depot, Price-Costco, Pet Smart and Chapters, has not gone unnoticed.

St Catharines is situated in an excellent area for commerce and trade since it is conveniently located between [Toronto](#) and the [United States of America](#). Manufacturing is the city's dominant industry, as noted by the [heraldic](#) motto, "Industry and Liberality". [General Motors](#) operates two plants in the city and until recently was the city's largest employer, an honour now held by the [District School Board of Niagara](#). Foster-Wheeler and TRW also operate plants in the city, though in recent years employment has shifted from heavy industry and manufacturing to services. St. Catharines lies on one of the main [telecommunications](#) backbones between [Canada](#) and the United States, and as a result a number of call centres operate in the city. Combined, call centres employ the largest percentage of St. Catharines residents...

As part of one of the fastest growing regions in North America (the Greater Golden Horseshoe), St Catharines has been designated as an Urban Growth Centre under the provincial government's Places to Grow plan. When the [Ontario Greenbelt](#) legislation was introduced, plans for urban expansion were halted and St Catharines essentially became an "island". Future growth will involve skyward construction and like other areas where land for development becomes scarce, properties values will eventually increase.



Investment, Growth & Development

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NIAGARA CANADA: KEY FACTS & FIGURES

PROFILE

• Population	442,908 ¹
• Labour Force (2010)	231,045 ⁷
• Households	179,941 ²
• Average Per Capita Income	\$29,150 ³
• Average Household Income	\$71,893 ²
• Housing Starts 2009	1,015 ³
• Average Housing Price	\$209,563 ⁴
• Retail Expenditures	\$5,335,805,587 ²
• Number of Businesses	25,771 ⁵

INTERNATIONAL GATEWAY

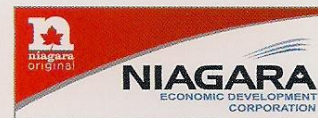
• Trade Value Crossing Niagara-US Borders, 2009 (\$US)	\$61,927,727,747 ⁶
• People Crossing Niagara-US Borders, 2009	12,729,452 ⁶

Sources:

¹Statistics Canada Estimate, 2009; ²FP Markets Canadian Demographics 2010; ³Municipal Property Assessment Corporation, 2010; ⁴Canadian Mortgage and Housing Corporation, Housing Now, 2010; ⁵Statistics Canada, Canadian Business Patterns, 2007; ⁶US Bureau of Transportation Statistics, 2010; ⁷Statistics Canada, Labour Force Survey, 2010

Information compiled in cooperation with local partners and stakeholders. Niagara Facts and Figures are best available at time of publication (08/10).

Please visit www.niagaracanada.com for updates and additional detailed information.



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“OVER 5 BILLION IN NEW INVESTMENTS”

NIAGARA CANADA: SELECT MAJOR PROJECTS

Over \$5 BILLION of new investments in Niagara continues to build a strong economy attractive to investors worldwide. Here's just a few examples of the exciting growth and development being realized in NIAGARA CANADA.

PROJECTS COMPLETED 2008-2010

ESTIMATED INVESTMENT (\$ MILLIONS) COMPLETED

• Northland Power Cogeneration Plant	500	2010
• Niagara Falls Hilton Hotel Expansion	150	2009
• St. David's Hydroponics	74	2008
• Vineland Innovation & Research Centre	54	2010
• Gale Centre Four-Pad Arena Complex	38	2010
• Smart Centres Retail Development, Welland	25.6	2010
• Greater Niagara General Hospital Expansion	21.4	2008
• Vincor International Expansion	21	2009
• Dave & Buster's Restaurant and Amusement Centre	15	2009
• Biolyse Pharma Clean Room Expansion	5	2010
• Lakeside Steel Expansion	5	2009
• Peace Bridge Investments	5	2010
• Niagara College Wine Visitor and Education Centre	3.2	2009
• nGen Niagara's Interactive Media Generator	3.2	2010
	920.4	

PROJECTS CURRENTLY UNDERWAY

ESTIMATED INVESTMENT (\$ MILLIONS) COMPLETED

• Ontario Power Generation Niagara Tunnel Project	1,600	2013
• Niagara Health System Health Care Complex	759	2013
• QEW Highway Expansion in Niagara	174	2011
• Niagara Health and Biosciences Research Complex	111	2012
• Highway 406 Expansion to Welland	111	2013
• Niagara Convention and Civic Centre	105	2011
• St. Catharines Cultural & Academic Arts Centre	101	2014
• Niagara College Campus Expansions	90	2011
• Smart Centres Retail Development, St. Catharines	75	2012
• Smart Centres Retail Development, Niagara Falls	70	2011
• Niagara Region Wastewater Plant Upgrades	58	2011
• Downtown St. Catharines Parking Garage	28	2011
• West Niagara YMCA	20.5	2011
• Kiwanis Aquatic Centre and Library Branch	20	2011
• Niagara Falls History Museum/1812 Legacy Project	12	2012
• Boys and Girls Club of Niagara Falls Centre	12	2011

PROJECTS CURRENTLY UNDERWAY (continued)

ESTIMATED INVESTMENT (\$ MILLIONS) COMPLETED

• Grimsby Town Hall Reconstruction	7.8	2011
• Highway 140 Resurfacing	6	2010
• Silicon Knights New Video Game Project	4	2013
• Main Street Redevelopment, Port Colborne	3.6	2010
	3,367.9	

PROJECTS ANNOUNCED

ESTIMATED INVESTMENT (\$ MILLIONS) COMPLETED

• General Motors Transmission & Engine Lines	480	2012
• Loretto Hotel Development	200	TBD
• Canadian Motorsport Complex Fort Erie	150	2012
• Miller's Creek Marina Redevelopment	120	TBD
• Niagara Falls People Mover System	80	TBD
• Port Place Development	60	2012
• Port Colborne Health and Wellness Centre	33	2012
• Thorold Student Residence	25	2012
• Wainfleet Wind Energy Farm	25	2012
• Niagara School Boards Capital Improvements	22.4	2011
• Welland Multi-Sports Complex	15.8	TBD
• 2015 Pan American Games Related Investments	15	2015
• Niagara District Airport Upgrades	11.4	2011
• Pelham Fire Hall Improvements	5.7	2011
• Peace Bridge Plaza Expansion	2	2011
	1,245.3	

