

Multi-Family Investment Opportunity

23 Units - North End Dartmouth

OFFERING MEMORANDUM

71 Primrose Street | Dartmouth, NS B3A 4C9

kw COMMERCIAL
ADVISORS[®]

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71 PRIMROSE STREET

TOM GERARD, CCIM, SIOR

COMMERCIAL PRACTICE MANAGER

O: 902-830-1318

C: +19028301318

tomgerard@kwcommercial.com

Nova Scotia

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KW COMMERCIAL ADVISORS

1160 Bedford Highway, Suite 100
Bedford, NS B4A 1C1

SECTION I

PROPERTY OVERVIEW



PROPERTY SUMMARY

71 PRIMROSE STREET



Property Summary

Building Size:	3 Level / 17,500 SF
Units:	23
Construction Type:	Wood Frame
Year Built:	1973
Heating:	Oil Fired Hot Water
Lot Size:	0.59 Acres
Zoning:	HR-1
List Price:	\$2,950,000
Price Per Unit:	\$128,260
Assessed Value:	\$1,172,000
	Commercial Taxable 2022
Assessed Owner:	Bowville Manor Ltd.

Property Overview

3 Storey wood framed walk-up apartment building containing 23 apartment units. Unit mix: 17 x 1 bedroom and 6 x bachelor units. Some with balconies (13). 25 paved surface parking. Attractively landscaped with good curb appeal. Building in very good overall condition. Mature long term tenant base. Current rents are significantly under valued at approx. 50% of market rents. Opportunity to renovate units and raise rents to market as units turnover.

Location Overview

Located in Dartmouth North at the top of Primrose Street. Nestled amongst several mid-sized professionally managed apartment buildings including a new 4 storey apartment under construction. Nearby Dartmouth North amenities include: Metro Transit Transfer Terminal, Burnside Business Park, Dartmouth Crossing, Mic Mac Mall and quick access to Halifax via both bridges.

BUILDING OVERVIEW

71 PRIMROSE STREET



VIEW FROM REAR PARKING LOT

This three storey walk-up building is configured with 17 x 1 Bedroom and 6 Bachelor apartments, 13 of which include balconies. All units separately metered for power.

The building features a secure front lobby with intercom system, central hallways, front and back stairwells, 3 common laundry rooms, front lobby office, a furnace room, garbage room, and storage rooms.

BUILDING SPECIFICATIONS

Floors:	3
Year Built:	1971
Foundation:	Concrete
Structure:	Wood frame with brick exterior
Basement:	Crawl space
Interior:	Painted drywall
Flooring:	Carpet Hardwood Laminate
Balconies:	13
Roof:	Mansard with shingles
Fire Safety:	Wet sprinkler system Monitored fire alarm Emergency lighting Pull stations Protected fire extinguishers
Heating:	Hot water baseboard
Furnace:	2x Oil fired B.N.H boilers
Domestic Hot Water:	Superstore ultra indirect fired
Laundry:	2 each with 1 washer and 1 dryer (token operated)
Fuel Storage:	1x 4,500 Litre fibreglass reinforced plastic UST (1990)

PROPERTY PHOTOS

71 PRIMROSE STREET



PROPERTY PHOTOS

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LOBBY ENTRANCE



COMMON HALLWAY



REAR STAIRWELL



LAUNDRY ROOM

PROPERTY PHOTOS

71 PRIMROSE STREET



STANDARD LIVING ROOM



STANDARD BEDROOM



BACHELOR - KITCHEN



BACHELOR - LIVING ROOM

PROPERTY PHOTOS

71 PRIMROSE STREET



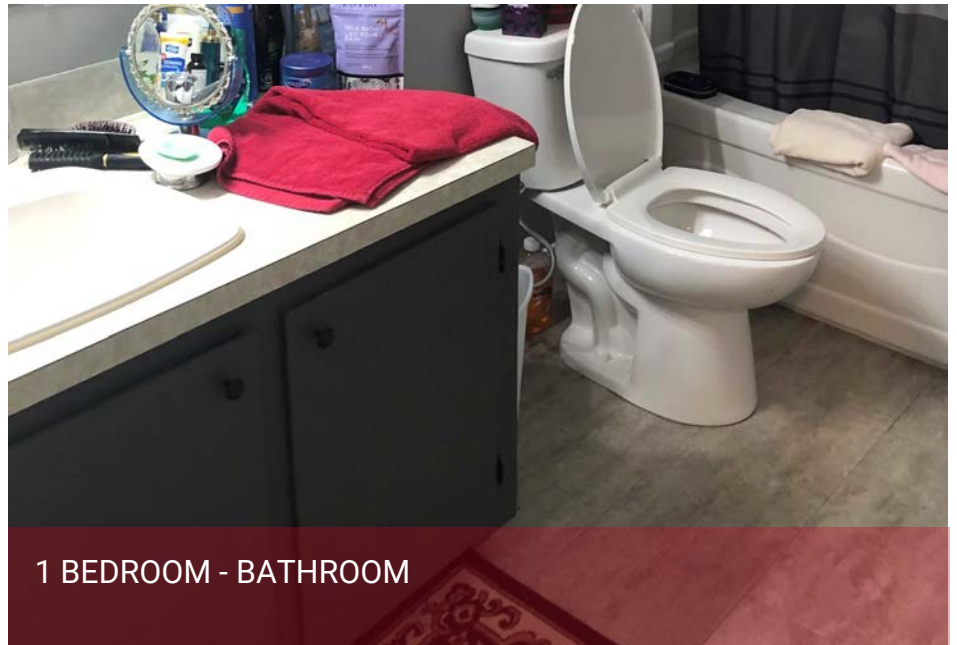
1 BEDROOM - LIVING ROOM



1 BEDROOM - KITCHEN



1 BEDROOM - HALLWAY



1 BEDROOM - BATHROOM

PROPERTY PHOTOS

71 PRIMROSE STREET



FURNACE ROOM

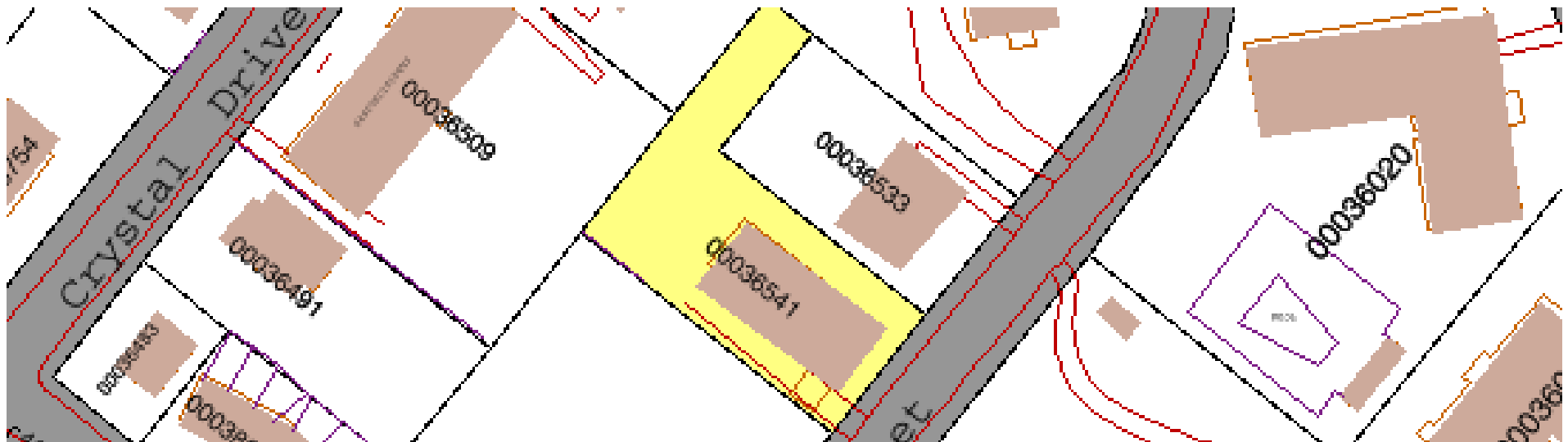


SITE SPECIFICATIONS

71 PRIMROSE STREET

Property Features

PID:	00036541
Lot Size:	25,800 SF / 0.59 Acres
Site Configuration:	Rectangular L shaped, flat topography
Site Improvements:	Paved parking - side & rear
Parking:	25 paved surface
Municipal Services:	Water & sewer
Landscaping:	Shrubs, trees, and lawn
Zoning:	HR-1 (Higher-Order Residential 1)



SECTION II

71 Primrose St

AREA OVERVIEW



LOCATION MAPS

71 PRIMROSE STREET



DARTMOUTH NORTH AREA

71 PRIMROSE STREET

DARTMOUTH NORTH AREA

The subject property is located in the north end of Dartmouth at the upper end of Primrose Street directly across from the newly constructed Emerald Apartment complex. The property is nestled amongst several mid sized professionally managed apartment buildings. The area is undergoing a transition with many older apartment buildings being purchased and renovated offering higher quality rental accommodations.

Transportation Links: Primrose Street offers easy access to Halifax via the two bridges, the Highfield Park Metro Transit Terminal and bus stops. Close to Highways 102 and 111 plus the Metro Transit nearby make commuting easy in this rental location in the North End of Dartmouth.

Recreation: Albro Lake Park Beach on the shores of Albro Lake is surrounded by walking trails and many community members swim and fish there. Residents also enjoy a range of activities at the Gray Memorial Arena, Pinehill Lookoff Park, Jason MacCullough Park and The Dartmouth Community Centre and the Dartmouth Sportsplex on Wyse Road.

Public Services: The newly renovated Dartmouth North Public Library and Community Center in Highfield Park, Dartmouth Boys and Girls Club

Schools: Elementary schools include Harbourview, Northbrook and John MacNeil, and Junior High School - John Martin are within the community, while Dartmouth High is a short walk away for senior students.

Shopping & Employment: The neighbourhood is close to downtown Dartmouth, No Frills Grocery at the Dartmouth Shopping Centre, Sobeys on Wyse Road, Lawtons Pharmacy on Primrose, the Mic Mac Mall, the new Dartmouth Crossing and the Burnside Park, the largest business park in Atlantic Canada.

Essential Services: 15 minutes from Dartmouth General Hospital and 5 minutes from a Walk-In Medical Clinic.

APARTMENT RENTS

The overall vacancy rate declined to 1% in 2021 according to the most recent CMHC Rental Market Report released in February 2022. Rental supply has been unable to keep up with higher demand. Canadians fleeing COVID-19 restrictions, crowded cities and high house prices resulted in record interprovincial migration trends in 2021. These extremely low vacancy rates and pushing rents higher making it more challenging for lower-income households, young adults, fixed-income seniors and new immigrants searching for affordable rental apartments.

Apartment Rents in North End Dartmouth have been increasing substantially. 1 Bedroom rents in renovated units are now in the \$1,000 - \$1,200 per unit range with bachelor units in the \$800 to \$900 unit range. The newly constructed Emerald Apartments at 72 Primrose Street are renting 1 Bedroom units containing 735 SF at \$1,495 per month.

SECTION III

FINANCIALS



PRO FORMA SUMMARY

71 PRIMROSE STREET



Investment Summary

Price	\$2,950,000
Year Built	1973
Units	23
Price/Unit	\$128,261
RSF	13,300
Price/RSF	\$221.80
Lot Size	0.59 acres
Floors	3
APN	00036541
Cap Rate	1.41%
Market Cap Rate	4.91%
GRM	20.38
Market GRM	10.16

Unit Mix & Annual Scheduled Income

Type	Units	Actual	Total	Market	Total
Totals	23		\$139,944		\$285,600

Annualized Income

Description	Actual	Market
Gross Potential Rent	\$139,944	\$285,600
- Less: Vacancy	(\$2,799)	(\$5,712)
+ Misc. Income	\$4,800	\$4,800
Effective Gross Income	\$141,945	\$284,688
- Less: Expenses	(\$100,277)	(\$139,911)
Net Operating Income	\$41,668	\$144,777

Annualized Expenses

Description	Actual	Market
Total Expenses	\$100,277	\$139,911
Expenses Per RSF	\$7.54	\$10.52
Expenses Per Unit	\$4,360	\$6,083

UNIT MIX REPORT

71 PRIMROSE STREET

Units	Type	Approx. SF	Avg. Rents	Monthly	Mkt Rents	Monthly
1	1 Bedroom	650	\$602	\$602	\$1,100	\$1,100
1	1 Bedroom	650	\$710	\$710	\$1,100	\$1,100
1	1 Bedroom	650	\$618	\$618	\$1,100	\$1,100
1	1 Bedroom	650	\$612	\$612	\$1,100	\$1,100
1	1 Bedroom	650	\$618	\$618	\$1,100	\$1,100
1	Bachelor - current management office	250	\$0	\$0	\$850	\$850
1	Bachelor	400	\$505	\$505	\$850	\$850
1	1 Bedroom	650	\$623	\$623	\$1,100	\$1,100
1	1 Bedroom	650	\$612	\$612	\$1,100	\$1,100
1	1 Bedroom	650	\$618	\$618	\$1,100	\$1,100
1	1 Bedroom	650	\$623	\$623	\$1,100	\$1,100
1	1 Bedroom - Super	650	\$0	\$0	\$1,100	\$1,100
1	1 Bedroom	650	\$638	\$638	\$1,100	\$1,100
1	Bachelor - Building Cleaner	400	\$200	\$200	\$850	\$850
1	Bachelor - Vacant	400	\$0	\$0	\$850	\$850
1	1 Bedroom	650	\$690	\$690	\$1,100	\$1,100
1	1 Bedroom	650	\$612	\$612	\$1,100	\$1,100
1	1 Bedroom	650	\$510	\$510	\$1,100	\$1,100
1	1 Bedroom	650	\$592	\$592	\$1,100	\$1,100
1	1 Bedroom	650	\$607	\$607	\$1,100	\$1,100
1	1 Bedroom	650	\$607	\$607	\$1,100	\$1,100
1	Bachelor	400	\$520	\$520	\$850	\$850
1	Bachelor	400	\$545	\$545	\$850	\$850
23		13,300		\$11,662		\$23,800

DETAILED GENERAL EXPENSES

71 PRIMROSE STREET

Description Year Ending	Year 1 05-2023	Year 2 05-2024	Year 3 05-2025	Year 4 05-2026	Year 5 05-2027
Property Management Fee	(\$5,790)	(\$6,639)	(\$7,615)	(\$8,736)	(\$10,024)
Building Super	(\$8,050)	(\$8,050)	(\$8,050)	(\$8,050)	(\$8,050)
Building Insurance	(\$8,000)	(\$8,160)	(\$8,323)	(\$8,490)	(\$8,659)
Snow Removal	(\$4,140)	(\$4,347)	(\$4,564)	(\$4,793)	(\$5,032)
Landscaping	(\$1,500)	(\$1,575)	(\$1,654)	(\$1,736)	(\$1,823)
Janitorial	(\$3,500)	(\$3,570)	(\$3,641)	(\$3,714)	(\$3,789)
Repairs & Maintenance	(\$19,550)	(\$19,550)	(\$19,550)	(\$19,550)	(\$19,550)
Pest Control	(\$1,856)	(\$1,893)	(\$1,931)	(\$1,970)	(\$2,009)
Taxes - Real Estate	(\$14,000)	(\$16,800)	(\$20,160)	(\$24,192)	(\$29,030)
Garbage Removal	(\$5,296)	(\$5,402)	(\$5,510)	(\$5,620)	(\$5,733)
Utility - Electricity	(\$3,997)	(\$4,157)	(\$4,323)	(\$4,496)	(\$4,676)
Utility - Oil	(\$20,030)	(\$20,831)	(\$21,664)	(\$22,531)	(\$23,432)
Utility - Water	(\$4,568)	(\$4,751)	(\$4,941)	(\$5,138)	(\$5,344)
Total Expenses	(\$100,277)	(\$105,725)	(\$111,927)	(\$119,016)	(\$127,151)
Operating Expense Ratio	70.64%	64.96%	59.96%	55.58%	51.75%

DISCLAIMER

71 PRIMROSE STREET

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KW COMMERCIAL ADVISORS
1160 Bedford Highway, Suite 100
Bedford, NS B4A 1C1

Each Office Independently Owned and Operated

PRESENTED BY:

TOM GERARD, CCIM, SIOR
Commercial Practice Manager
O: 902-830-1318
C: +19028301318
tomgerard@kwcommercial.com
Nova Scotia

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TOM GERARD BIO

71 PRIMROSE STREET



**TOM C. GERARD, CCIM, SIOR
COMMERCIAL PRACTICE MANAGER
KW COMMERCIAL ADVISORS**

902-830-1318 | TOMGERARD@KWCOMMERCIAL.COM

ROLE & RESPONSIBILITIES

Based in Halifax, Nova Scotia, Tom leads a hard-working, results oriented commercial real estate team of agents specializing in Income and Investment Property Sales & Leasing, Buyer & Seller Acquisition and Disposition, Project Leasing and Tenant Representation assignments.

WORK EXPERIENCE

With over 30 years of commercial real estate experience, Tom has become one of Atlantic Canada's top commercial real estate brokers. Specialties include: Multi-Family Apartment Buildings, Development Sites, Single and Multi-Tenant Industrial Buildings, Office Buildings, Retail Shopping Centers, Church and Institutional Properties. Clients over the years include real estate developers, private investors, major corporations, government, non-profit and church institutions and a wide variety of industrial and office space users.

EDUCATION, MEMBERSHIPS AND AWARDS

- 1989 – BA Economics, Dalhousie University,
- 1997 - CCIM designation from the CCIM Institute.
- 1998 – S.I.O.R. designation from The Society of Industrial and Office Realtors.

STAT TRACKER

- Tom and his team have successfully executed in excess of \$500 million of Investment Property transactions within the HRM marketplace.