

PARKSVILLE, BC

BEACH ACRES RESORT

LOTS 49/50 - 1051 RESORT DRIVE



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OPPORTUNITY

Colliers International is pleased to present the opportunity to purchase a highly successful resort management business in the popular Parksville resort area of Vancouver Island, British Columbia. Located within 2 km of downtown Parksville in the area known as “resort row”, Beach Acres Resort is a well-established, strata titled resort situated on world famous Rath Trevor Beach, a highly popular vacation area with endless sandy beaches and an abundance of both natural and other tourist amenities. The offering includes a very profitable resort management contract as well as a commercial strata unit (including resort amenities) and a residential strata unit. Beach Acres is a top rated destination through online travel sites including Trip Advisor and Booking.com.

SALIENT FACTS



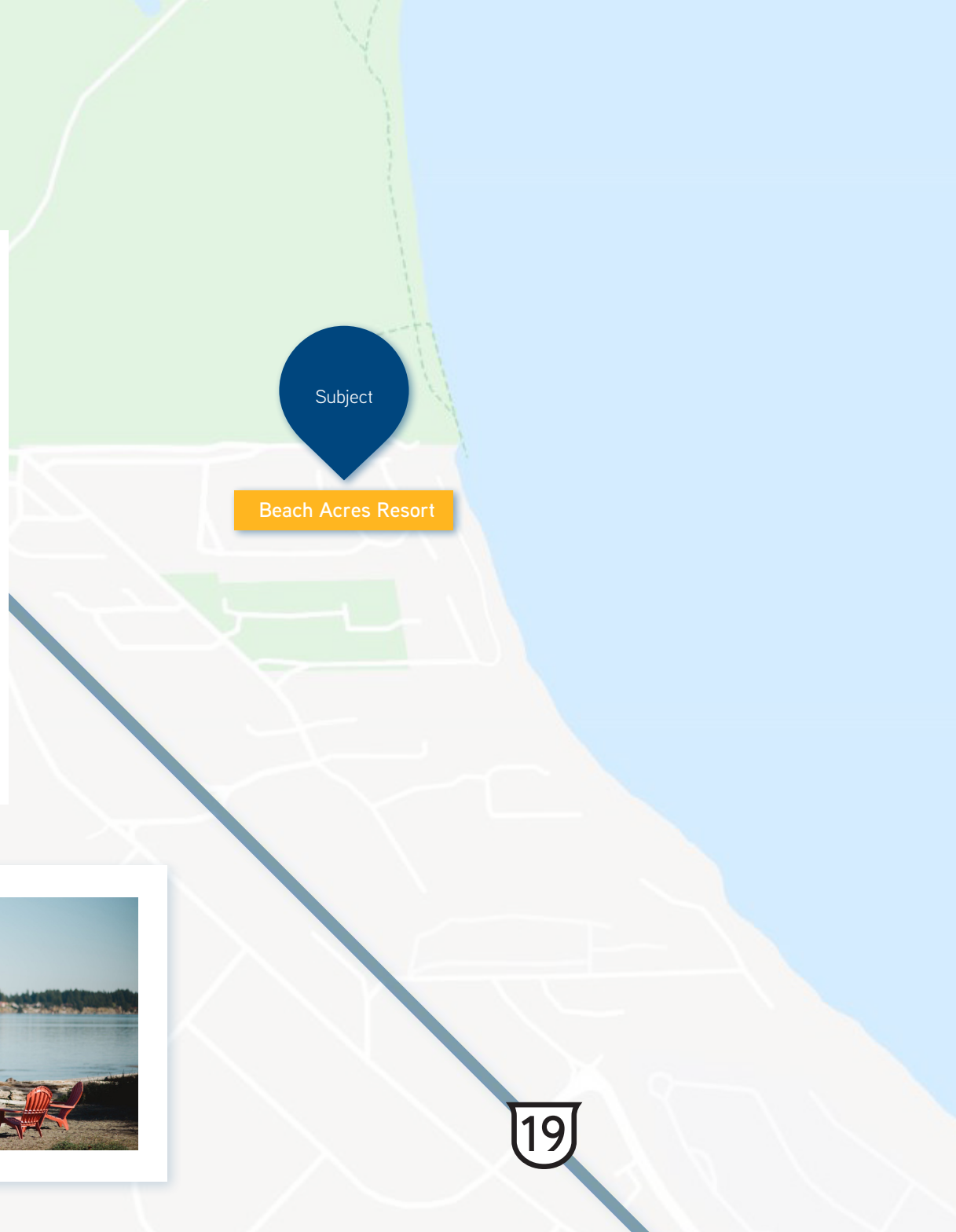
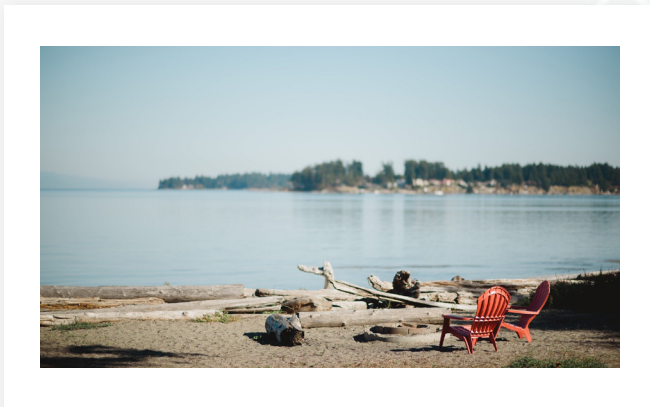
MANAGEMENT CENTRE

MUNICIPAL ADDRESS	Lots 49/50 - 1051 Resort Drive, Parksville, BC
LEGAL ADDRESS	STRATA LOT 49, DISTRICT LOT 123, NANOOSE DISTRICT, STRATA PLAN 1549, (PHASE 3), TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1 PID: 009-461-973 STRATA LOT 50, DISTRICT LOT 123, NANOOSE DISTRICT, STRATA PLAN 1549, (PHASE 3), TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1 PID: 009-462-007
CURRENT ZONING	CS-2 Tourist Commercial – intended to provide accommodation and other services to visitors to the community Permitted uses include, but are not limited to, resort condominiums; hotel/motel; campground; convenience store; food catering; public assembly; recreation facility
PROPERTY TAXES (2019)	\$19,697.34 (total) Assessed Value (2019) Lot 49 (residence) - \$347,100 Lot 50 (commercial building) - \$1,015,000

SITE

Beach Acres Resort is situated on approximately 23 acres of predominantly forested land with the 75 strata lots dispersed throughout the property and with the greatest unit density in proximity to the waterfront. A paved driveway provides access from Resort Drive to the various accommodation units and amenities throughout the property. The management center is located adjacent to the main driveway.

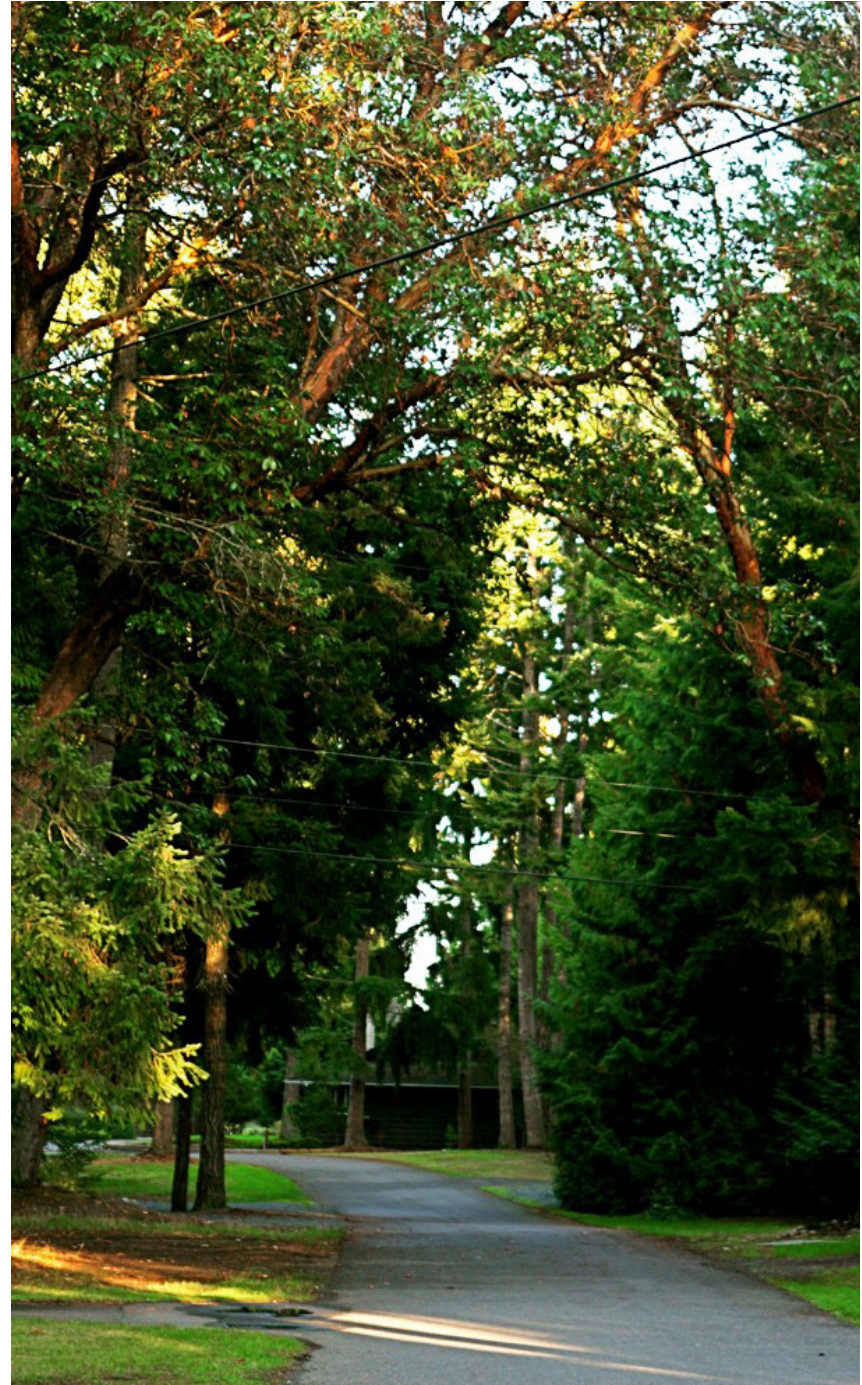
The overall site is rectangular in shape and generally level with extensive frontage and highly visible signage to Resort Drive. The area surrounding the subject building improvements is cleared and attractively landscaped with a mixture of lawn, shrubs, and trees. The balance of the site varies with areas of forest cover, parking lots, accommodation units, and amenity areas. The property is fully serviced with municipal water and sanitary sewer, hydro-electric power and other municipal services.



LOCATION

The City of Parksville is located along Island Highway 19A, 37 kilometres northwest of Nanaimo and centrally located on the eastern shores of Vancouver Island in what is known as the Oceanside region. Parksville and the neighbouring Town of Qualicum reflect an active community of retirees, urban professionals and young families who have chosen to live in these communities for the quality of life and the region's temperate climate and natural environment which makes it a popular year-round tourist and lifestyle destination. The local area is notable for its natural and man-made attractions including world-renowned parks and endless beaches and featuring hiking trails, waterfalls, and old growth forest; several championship local golf courses, and resorts. The City of Parksville and surrounding area is noted for its quaint shops, restaurants, and outdoor attractions including the world class Sand Sculpture competition and exhibition. With a combined population of approximately 30,609 (2019 BC Stats census agglomeration) the City and surrounding regions have shown consistent growth, and, over the next 25 years the city and surrounding area is forecast to have the some of the fastest growth among B.C. communities of its size.

The subject property is located within Beach Acres Resort which is located on the west side of Resort Drive, fronting Craig Bay and Rath Trevor Beach, approximately 3 km south east of the downtown core of the City of Parksville, BC. Beach Acres Resort is situated within a well-established tourist destination corridor which includes Tanglewood Resort, Ocean Trails Oceanside Village Resort, Tigh-Na-Mara Seaside Spa Resort & Conference Centre, and Ocean Sands Resort.





CARETAKER'S RESIDENCE

BUSINESS

The current resort managers are looking to retire after 30 years at Beach Acres. They are, accordingly, seeking offers for the resort management business which provides excellent income with minimal managerial oversight. Based on current normalized net income the property returns a yield of approximately 8.4%, inclusive of the real estate which can be considered integral to the business component.

Beach Acres is a Strata Titled Resort consisting of 72 condominium residential units, a restaurant, management center, and a “caretaker” residence for a total of 75 strata titled properties dispersed across 23 largely forested acres and featuring walk-on frontage on renowned Rath Trevor Beach. Resort amenities include: tennis courts, swimming pool, shuffleboard, basketball court, playground and other facilities. There is also a popular restaurant on site (the Black Goose Inn) owned and operated by a third party.

The management business has the exclusive right to the resort management ensuring guaranteed cash flow (via covenant registered on title). Approximately 70% of the strata owners “opt in” to a management program whereby the units are rented as resort accommodation (approximately 55+ rental units). This forms the Beach Acres Rental Pool. The rental pool is managed and operated via a contract between individual strata lot owners and Beach Acres Resort (1986) Ltd., which also owns the resort management center (including a swimming pool, sauna, whirlpool and tennis courts), located on Strata Lot 50, and the “caretaker’s” residence, located on Strata Lot 49.

Revenue for BA 1986 Ltd. is based upon a 10% management Fee of Gross Rental Pool Revenues relating to the rental pool operations, and a 5% fee of Gross Revenue of the Beach Acres Rental Pool for the use of the recreational facilities (including swimming pool and tennis court facilities) that are owned and operated solely by Beach Acres Resort (1986) Ltd.

Office rent is charged to Beach Acres Resort Rental Pool for use of unit 50 (commercial building housing the management centre) which also offers miscellaneous services and amenities (providing additional income) including games room, coin laundry, convention/meeting rooms, bicycle rentals, pool memberships and drop in, BBQ rentals, movies, gift shop including food and convenience items, firewood sales, and furniture.

All expenses including employee and manager wages (the rental pool employs an office manager), advertising, office, repairs & maintenance, accounting/legal, insurance, automotive, supplies, travel, telephone, vehicle are expensed to the Beach Acres Resort Rental Pool.

STRATA LOTS & IMPROVEMENTS

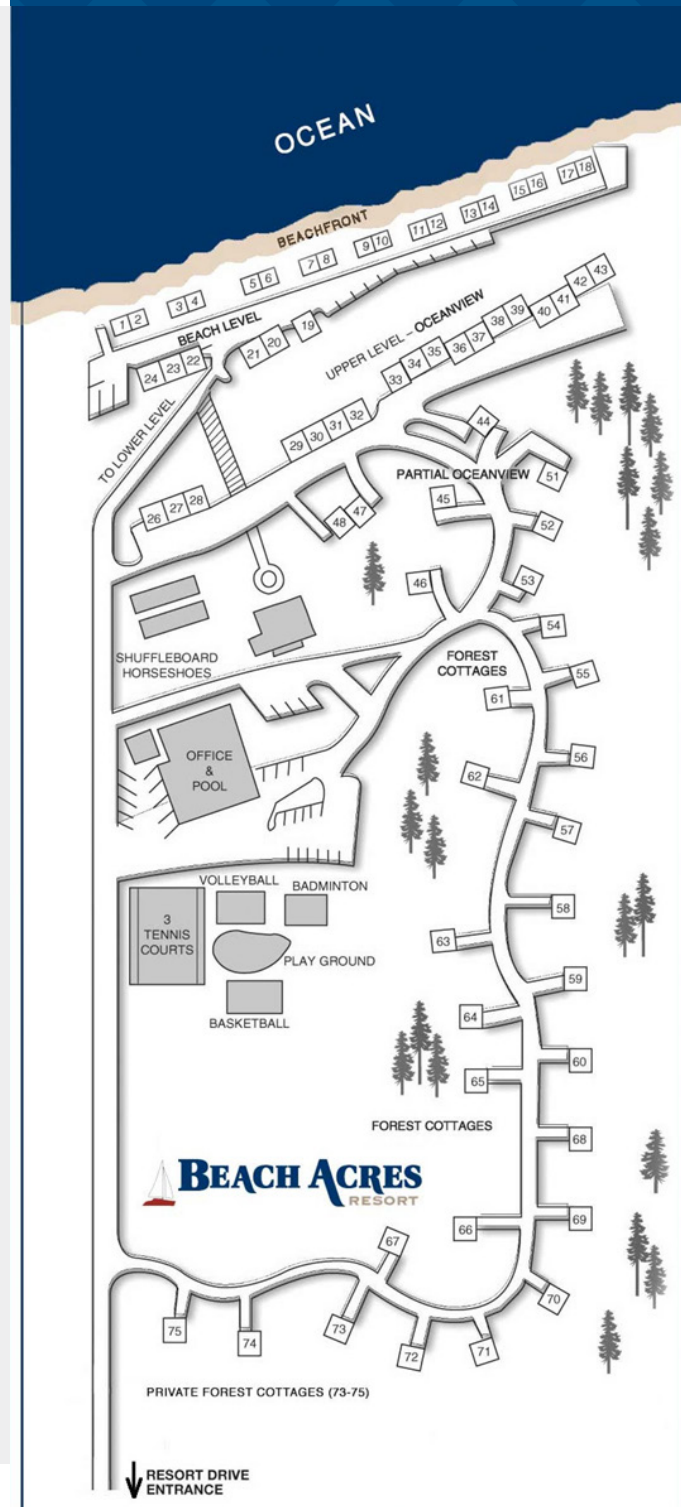
The Strata Lots and improvements owned by BA 1986 LTD consist of the following:

Strata Lot/Unit 49 – Residential Unit

1,446 square foot recently renovated home featuring 3 bedrooms and 2 bathrooms and fireplace. This unit is located next to the management center on Lot 50. This home is currently rented from BA1986 LTD by the rental pool and utilized as a caretaker's residence. Heat pumps (inclusive of AC) were installed in the home and management office in 2015. The Limited Common Property (LCP) yard area is approximately equal to 3,000 SF.

Strata Lot/Unit 50 – Commercial Unit

6,500 square foot building consisting of an indoor swimming pool and hot tub, offices, two function/meeting rooms for occupancy up to 100 persons, games and amenity rooms including kitchen area, 3 tennis courts and approximately 1.4 acres of LCP land area. Other recreational amenities in the resort include: sand volleyball court; badminton court; horseshoes and shuffleboard, and children's playground.



PRICE

Two Million Four Hundred and Ninety-Five Thousand Dollars

(\$2,495,000)

*8.4% capitalization rate including two strata lots and improvements

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