

P R O S P E R I T A S

EUGEN KLEIN REAL ESTATE BROKERAGE & MARKETING SYSTEMS

FIRST QUARTER 2005 ■ PRE-MARKET LISTINGS ■ THE ATTITUDE ■ BUILDING PERMITS SURGE

Editorial



I want to wish everybody a very happy New Year! I hope you all had an enjoyable holiday season, whether celebrating at

home with family and loved ones, or out on the town catching a little of the festive atmosphere. We all have reason to be excited... as long as conditions continue as they have been, this will be a very profitable year for many of us.

This year promises to be another strong year in real estate brokerage both in the residential and commercial sectors. We look forward to helping you fulfil your real estate investment needs.

As always, you are welcome to contact me any time with your questions and concerns regarding the disposition of your real estate investments. ■

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Toll Free 1.800.818.8599



As a home buyer or seller, whether you receive flyers in the mail or view an online site, you are expecting to see two things: the salesperson will attempt to demonstrate his qualifications, and provide you with a long list of all the services which he promises to provide. In general, it may be difficult to see the differences in realtor services agent to agent. However, if all that was required to transact real estate was to throw the property information up on a website I suggest we retire all realtors. This is simply not the case.

As a specialty, I want to point out the distinctions in commercial investment sales. In establishing trust, it is important for a client to feel that he is also dealing with a qualified professional. But it is equally important that the agent deals with a qualified client.

The fundamental difference between residential and commercial brokerage is this: if a residential transaction is going to happen, it will. This is due to a variety of factors: large supply of buyers and sellers, common valuation mechanism, and greater availability of market data to name a few. Once an offer is accepted, things tend to proceed fairly smoothly towards completion.

The Attitude

Eugen Klein, B.Comm(UREC), CRES, ARM®, RI, FRI
Real Estate Investment and Commercial Associate Broker

With commercial investments, the exact opposite is true. Even with a willing buyer and a motivated seller, it is certain that without a qualified and experienced broker to guide negotiations far fewer transactions take place. Usually both parties are sophisticated investors and business people – this means they expect justification for every single penny spent. Both are highly profit motivated, which puts them immediately in a strongly adversarial position. Even when an offer is accepted issues will arise to derail the deal. For example:

- Revenues: what level of personal benefits are being carried through investment properties; these itemizations may not be reflected in

the income statement. To verify this, a purchaser will need to source the bank statements, invoices and other personal financial records. Most sellers are very reluctant to release this information to anyone but a trusted agent. The agent's job is to ensure that this information is disseminated carefully and at the right moments so that the confidentiality of the investor is maintained and that the transaction is pushed forward.

(continued on page 4)

T E S T I M O N I A L S

"Eugen is a rare and genuine individual; we have enthusiastically recommended him to all our friends and associates. We are extremely fortunate to have such a dedicated, experienced, and intelligent individual working on our behalf."

Dr. A. Ignaszewski, M.D., FRCPC, FACC
Cardiologist Heart Transplant Program
Medical Director Healthy Heart Program
and Heart Function Program

"You've defined your niche pretty well... You've got a 12-year head start from your closest competitor, so that's a definite advantage. More power to you and your team, Eugen. I'm certainly glad to have gotten to know you. You are a larger than life person who's also refreshingly humble. And you seem to be headed toward even greater things."

George Verdolaga
Flowform Design Group, Ltd.

"It has truly been our pleasure to be of service to you... you are someone that should not settle for anything less than greatness, and have much value to offer the world."

Richard Robbins
President, Richard Robbins International

"In my family's 10 year association with Eugen Klein, he has displayed attributes which have secured our continued admiration. They are: Respect, dedication, dependability, passion and commitment to his causes, particularly in the areas of self-improvement and the service of his friendships, his family, his clients, his business associates."

Chris Stringer
President, ActionView

Please visit us online at www.eugen-klein.com

Goddard & Smith
International Realty Inc.





\$600,000

\$3,500,000

\$4,250,000

\$820,000

\$160,000

\$850,000

\$399,000

\$956,815

\$1,306,512

\$1,049,000

1. INTERNET SOLUTIONS FRANCHISOR

11 full-time employees, 11 existing franchises, \$480,000 revenues, \$49,000 net income, scalable business model & infrastructure, BC/AB/ONT/US expansion ready.

2. LADNER GOLF COURSE

10 Acre driving range, putting green, clubhouse; located beside Delta Golf Course. Very rare opportunity.

3. FOUR STAR RESORT

18.73 acres; restaurant, pub, 33 rooms, indoor swimming pool, cabins, strong revenue growth third straight year .

4. COMMERCIAL CORNER LOTS, HOPE

Excellent corner commercial lots in busy corridor. Lot is level & ready to build. Wide variety of uses. Total 2.3 acres.

5. LANGLEY TANNING SALON

Tanning salon in central Langley. 1st class equipment; all types of tanning from stand-up to spray-on & hair removal system. 1,500 sq ft, 3 employees, reasonable rent.

6. SILVER CHALICE PUB

Pub & liquor store; sales over \$1,000,000, 4,400 sq ft lease at \$12 per sq ft. Building & land available for \$400,000.

7. CLUB NV

Established night club with loyal clientele. Minutes from downtown Surrey. 5,000 sq ft, completed full renovations. Land & bldg also available.

8. 46201 OLDS DR. CHILLIWACK

First of two excellent properties in central area of commercial core. Lots are fully serviced and ready to build. Highway visibility.

9. 46180 OLDS DR. CHILLIWACK

Second of two excellent properties in central area of commercial core. Lots are fully serviced and ready to build. Highway visibility.

10. KWANTLEN SQUARE RETAIL

3883 sq ft unit; well constructed strata commercial complex; high ceilings, good frontage. Busy retail corridor of 72nd St. / 125th Ave.

This communication is not intended to induce a breach of already listed properties or businesses. All information must be verified by the purchaser. Images are representative only.

PROFESSIONALS DIRECTORY

The 'Professional Directory' is dedicated to the extraordinary people who have contributed to either my life or my clients with exceptional service. I would like to share my good fortune of knowing them with you. Please feel free to convey my recommendation.

BANK OF MONTREAL
Mr. Joe Corrado & Mr. Mark Tower
Vancouver 604.665.2682

BONNIE LEE CHARTERS
Mr. Kevin Addie
Vancouver 604.290.7447

CHAMBAR RESTAURANT
Mr. Quentin Kayne
Vancouver 604.879.7119

CIBC RESIDENTIAL FINANCE
Mr. Derek Christiansen
Vancouver 604.220.6161

COMFORT INN
Mrs. Valerie Orr
Vancouver 604.605.4339

VANCITY COMM MORTGAGES
Mr. Gary Khangura
Vancouver 604.879.0235

CYPRESS INSPECTIONS LTD.
Mr. Noel Murphy
West Vancouver 604.312.8606

DIGITAL PRINTING
Mr. Jason Romo
Vancouver 604.420.3400

FRANCHISE LAWYER
Mr. Jack M. Yong
Vancouver 604.443.7698

11. FRASER VALLEY RESIDENTIAL LAND

View property overlooking Fraser River; 30+ acres, serviced, zoned for 100+ units.

12. HEAVY INDUSTRIAL LAND

14.3 acres at Lickman Road Interchange (access to Hwy 1). Services at lot line. Enviro phases 1 & 2 completed and clean.

13. FRASER VALLEY GAS STATION

Excellent ESSO gas station in downtown Abbotsford. 1500 sq ft office & gas bar.

14. CHILLIWACK MANUFACTURED HOME PARK

Excellent mobile home park in the city centre of Chilliwack. Long established, good income flow. Gas station & restaurant. Medium density residential zoning.

15. WHISTLER LEASE SPACES

30,000 sq. ft. light industrial/service retail space: 17 units, varying size, \$15 - \$18 per sq ft. Located just off Hwy 99 in Function Junction, Whistler.

16. PUB & SPORTS BAR

Greater Vancouver Pub & Liquor Store, only liquor store in area. Near sky train & hi-density development.

17. YALETOWN RESTAURANT

Well established Yaletown restaurant. Lots of foot traffic; considerable tenant improvements; all equipment new or in excellent condition.

18. KWANTLEN SQUARE RETAIL

1400 sq ft unit; well constructed strata commercial complex; high ceilings, good frontage. Busy retail corridor of 72nd St. / 125th Ave.

19. FRASER VALLEY AUTO MALL LEASE

Retail & service bays available in auto mall. Easy access and great visibility; perfect for auto sales/service/accessories related business Valley Auto Mall Lease.

20. HOPE RESIDENTIAL LAND

Waterfront development property on Fraser River near Hope. Land fully serviced, excellent views. Perfect for hotel/motel or mobile home park.



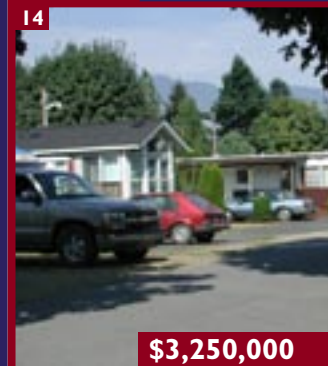
\$9,000,000



\$2,250,000



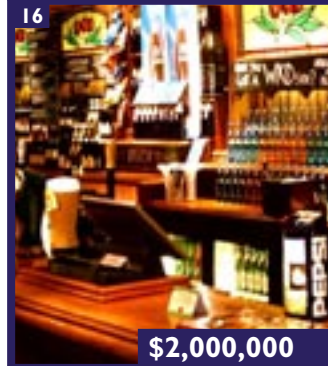
\$899,000



\$3,250,000



\$15-\$18/sq. ft.



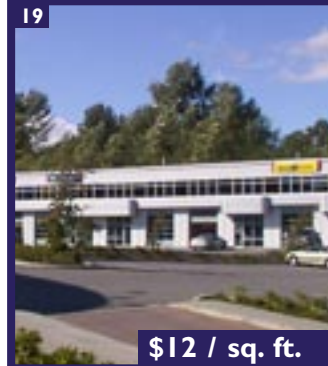
\$2,000,000



\$599,000



\$322,000



\$12 / sq. ft.



\$668,000

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PROFESSIONALS DIRECTORY

GRAPHIC DESIGN & ART WORK

Mr. Denis Meyer Jr.
Burnaby 604.777.0550

INVESTMENT PLANNING

Mrs. Vanessa Stenner-Campbell
White Rock 604.535.4749

KITS PLUMBING & ELECTRIC

Mr. Stefen Kim
Vancouver 604.618.7684

MEDIATION & ARBITRATION

Mr. Kenneth J. Glasner, Q.C.
Vancouver 604.683.4181

MAHOVLICH MARBLE & GRANITE

Mr. Frank Mahovlich
Vancouver 604.293.0093

MCKITRICK CLARK MCLEOD

Mr. Bruce J. Preston
Vancouver 604.736.6717

NATIONAL HOME REVIEWS

Mr. Dean Kazoleas
Vancouver 604.681.2108

PAUL'S TAILOR

Ms. Julie Minichello
North Vancouver 604.985.9222

PINK LIME SALON & SPA

Mr. Youssef Jawhari
Vancouver 604.683.7444

RBC COMMERCIAL BANKING

Ms. Saadi Lau
Richmond 604.665.0968

URBAN CONSULTANTS

Mr. Jose Andio
Vancouver 604.669.2724

VANCITY VENTURE CAPITAL

Mr. Axel Christiansen
Vancouver 604.877.6582

Developing Trends



In January I attended the UDI Luncheon. Held annually by the Urban Development Institute, this luncheon brings together specialists in development, construction, land acquisition, engineering, and project marketing. Speaking at this event were three well recognized figures: Neil Crystal of Polygon Homes spoke on the current state of the market from a developer's perspective, Bob MacDonald of the MacDonald Development Corporation discussed the strategies which create development opportunity, while Avtar Bains from Colliers touched on the impact of globalization and the mobility of capital on our local market.

Among the threads common to all speeches was a favourable judgment of the direction of the real estate market. With soaring construction costs (due, among other things, to a drastic shortage of skilled labour) and having enjoyed two exceptional years in 2003 and 2002, one might expect a sour note and cautious predictions in view of the markets tendency to follow highs with lows. However, the continuing economic recovery of the province, combined with in-migration that could reach 80,000 next year and the building excitement of the 2010 Olympics should keep the pressure on, preventing the type of market collapse that many fear is inevitable after such a good run. ■

Building Permits Surge

Reprinted from the **BCREA Website**

The value of national building permits surged to their second highest level on record in November 2004 in the wake of strong gains in the non-residential sector and continuing growth in the residential sector, reports Statistics Canada.

Municipalities issued \$5 billion in permits, up 9.3 per cent from October. This level was second only to the \$5.4 billion worth of construction intentions in June.

In the non-residential sector,

contractors took out permits worth \$1.85 billion, a 20.8 per cent increase from October. This level was the second highest during the past 15 years, surpassed only by intentions worth \$1.91 billion in June 2004.

In the residential sector, the picture remained positive. The value of housing permits issued by municipalities totalled \$3.1 billion, up 3.5 per cent from October. A surge in demand for new multi-family dwelling units more than offset a decline in the single-family component.

On a year-to-date basis, the total value of building permits reached \$50.5 billion between January and November, up nine per cent from the same period



in 2003. This advance was entirely the result of a 15.2 per cent increase in residential construction intentions. The value of permits in the non-residential sector fell 1.3 per cent. ■

Minimizing Client Risk

(continued from page 1)

- Valuation of assets & inventory: depends entirely on the direction the purchaser wants to take. A new website may be worthless to a purchaser who intends to expand his existing website. A seller may have a personal attachment to items that are essential to the operation or maintenance of the investment. Out of date inventory may be quite valuable to replace parts that are no longer manufactured.

- Risk and security: the seller may have ongoing involvement: providing training, financing, and often continuing as an employee or paid consultant of the new ownership until such time as the new owner is comfortable on his own. The seller will demand, in return, adequate security and guarantees for the financing and limited liability for future performance. Neither wants to assume any risk for the other's negligence or involvement.

Negotiating these minefields is why a broker's involvement is essential.



"minimize unnecessary costs and risks form the core of our client services"

By the same token, a good broker will not get involved in such a process unless they are convinced that the buyer and seller have the necessary frame of mind to follow the transaction to completion. This is what is meant by the Attitude.

How do I establish if a potential

client has the right Attitude? There is no set formula, but there are telltale signs. Is a buyer willing to sign a non-disclosure agreement and take personal responsibility for sensitive documents? Will they sign a buyer's agency agreement and commit to working with their realtor exclusively? Is the seller committed to selling the property or merely testing the market? Is the client referred to me by someone whose judgment I trust?

Systems to minimize unnecessary costs and risks form the core of our client services. ■

COMMERCIAL ■ INDUSTRIAL ■ INVESTMENT ■ PROJECT MARKETING ■ BUSINESS BROKERAGE



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Please do not hesitate to call me at **604.818.5888**
It is my pleasure to serve your real estate needs.

Goddard & Smith
International Realty Inc.

