GREAT A&A PROPERTIES LTD.

THE RYDELL

CENTRAL DISTRICT

INVESTOR INFORMATION PACKAGE

1220/1230 Pacific Ave, Kelowna, BC

INTRODUCTION

GREAT A&A PROPERTIES LTD.

Great A&A Properties is pleased to introduce a development at 1220/1230 Pacific Ave, Kelowna, BC (the "Property"). This is an investment opportunity in a multi-family asset, nestled within a rapidly densifying Urban Centre. This opportunity offers potential for growth, as the area continues to develop.

INVESTMENT RATIONALE

- The Property is desirably situated within the Capri-Landmark Urban Centre.
  - The 2019 "Kelowna 2040 OCP" strengthened the positioning of the Capri-Landmark area as an Urban Centre (an area supported by the City of Kelowna in achieving higher building density and promoting new developments with higher population densities).
  - Recently, the City of Kelowna has begun to focus its development goals on intensification of Urban Centres rather than continuous urban sprawl. This is expected to increase population density in central and amenity rich areas such as the Capri-Landmark zone.
- The Kelowna real estate market continues to be strong.
  - Based on 2020 CMHC studies demand is beginning to outpace supply in the form of housing starts.
  - According to OMREB, average condo housing prices have increased 15-20%, with sales up 75-100% and inventory down 25-45% YoY, depending on unit types.

INVESTMENT RATIONALE - CONTINUED

- The redevelopment of the Capri Mall will further secure this area as a prominent Urban Centre.
    - Within the medium-long term, the proposed redevelopment of the Capri Mall is expected revitalize the neighbourhood bringing new development, amenities, and employment. This is expected to further increase the desirability of the area.
- The Property is proximal to strong employment drivers.
    - The Property is located near to the Landmark District employment hub, boasting over **700,000 square feet of office space and over 3,500 employees**. Outside of the Landmark Office Buildings, an additional **1,700 employees** work within the Capri-Landmark Urban Centre boundary.
- The property is highly centralized within the City of Kelowna.
    - The "5 Minute Drive Time Radius" of the Property includes Kelowna Downtown and Kelowna General Hospital, as well as 7 schools and 2 post-secondary education campuses.
    - Bike lanes and frequent public transit provide easy access for residents to most City of Kelowna amenities including the beach.

5-Minute Drive Time Radius

SOURCE: CITY OF KELOWNA

PROPERTY OVERVIEW

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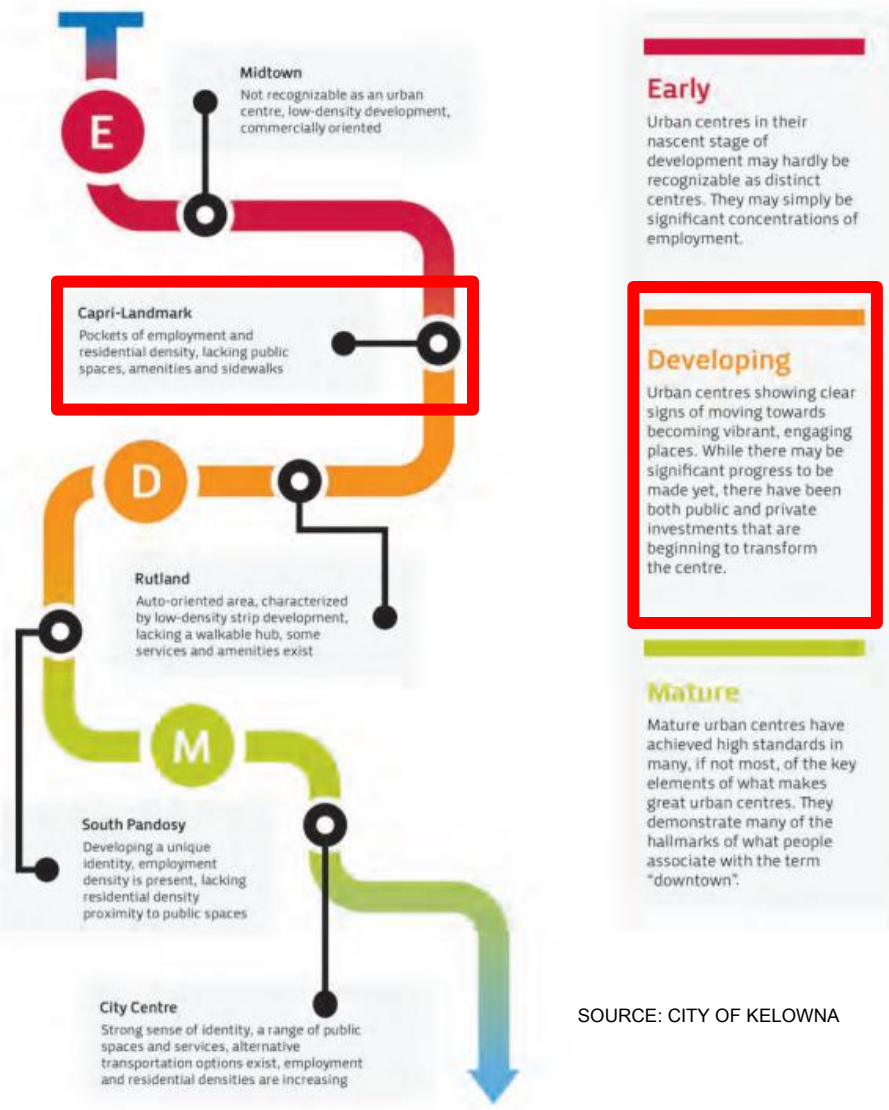
ADDRESS	1220-1230 Pacific Avenue, Kelowna, BC
BUILDING NAME	The Rydell
NUMBER OF UNITS	**Proposed:** 28 Units
BUILDING SPECS	**Proposed:** 5 Storey building - At-Grade secured parking
ZONING	**Proposed zoning:** Per the City of Kelowna OCP (2019) and zoning guidelines, rezone the property to C4 or RM5 with a maximum of 1.7 FAR.
LOCATION	• Central within the City of Kelowna boasting access to many amenities and transit options • Located within walking distance to the Capri Mall and Landmark District • Surrounded by large employment hubs as well as entertainment districts • Centered in an Urban Centre at the early stages of fast growth and development • Located in a density rich area primed for growth while still remaining on a relatively quiet and developing street.



SOURCE: CITY OF KELOWNA

Stages of Urban Centre Development and Change

The Capri-Landmark Urban Centre is in the early stages of growth and redevelopment, creating opportunities for high return on investment.

URBAN CORE MAP + REDEVELOPMENT

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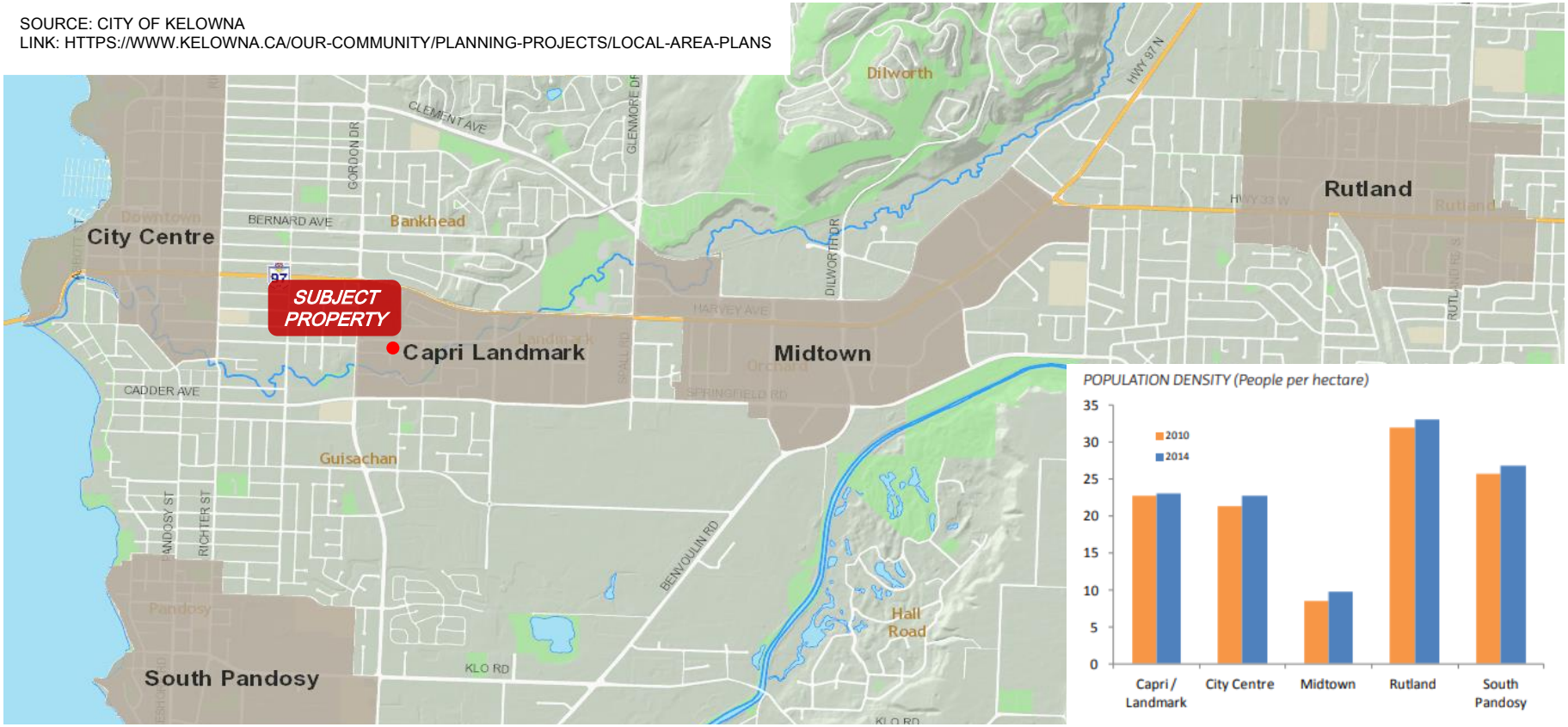
SOURCE: CITY OF KELOWNA
LINK: HTTPS://WWW.KELOWNA.CA/OUR-COMMUNITY/PLANNING-PROJECTS/LOCAL-AREA-PLANS



The City of Kelowna has identified 5 Urban Centres. As per the City OCP, Urban Centres are positioned to accommodated 40% of the population growth within Kelowna by 2030, with various public transit linking the 5 areas together. So far, the City Centre and South Pandosy area have grown tremendously, with population increases around 10% in both areas per year; however, new developable land in these areas is significantly overpriced and scarce, leading to issues of scale and availability. To contrast, the Capri-Landmark area has **a population density similar to that of the City Centre**, but this population currently resides primarily in older apartment buildings dating back to 1970 and 1980.

This presents an opportunity to own a modern product in an area anchored by strong employment centres, where the population is comfortable with high density development; thereby, allowing for growth of investment and ease of potential rental of units.

AREA MAP + AMENITIES

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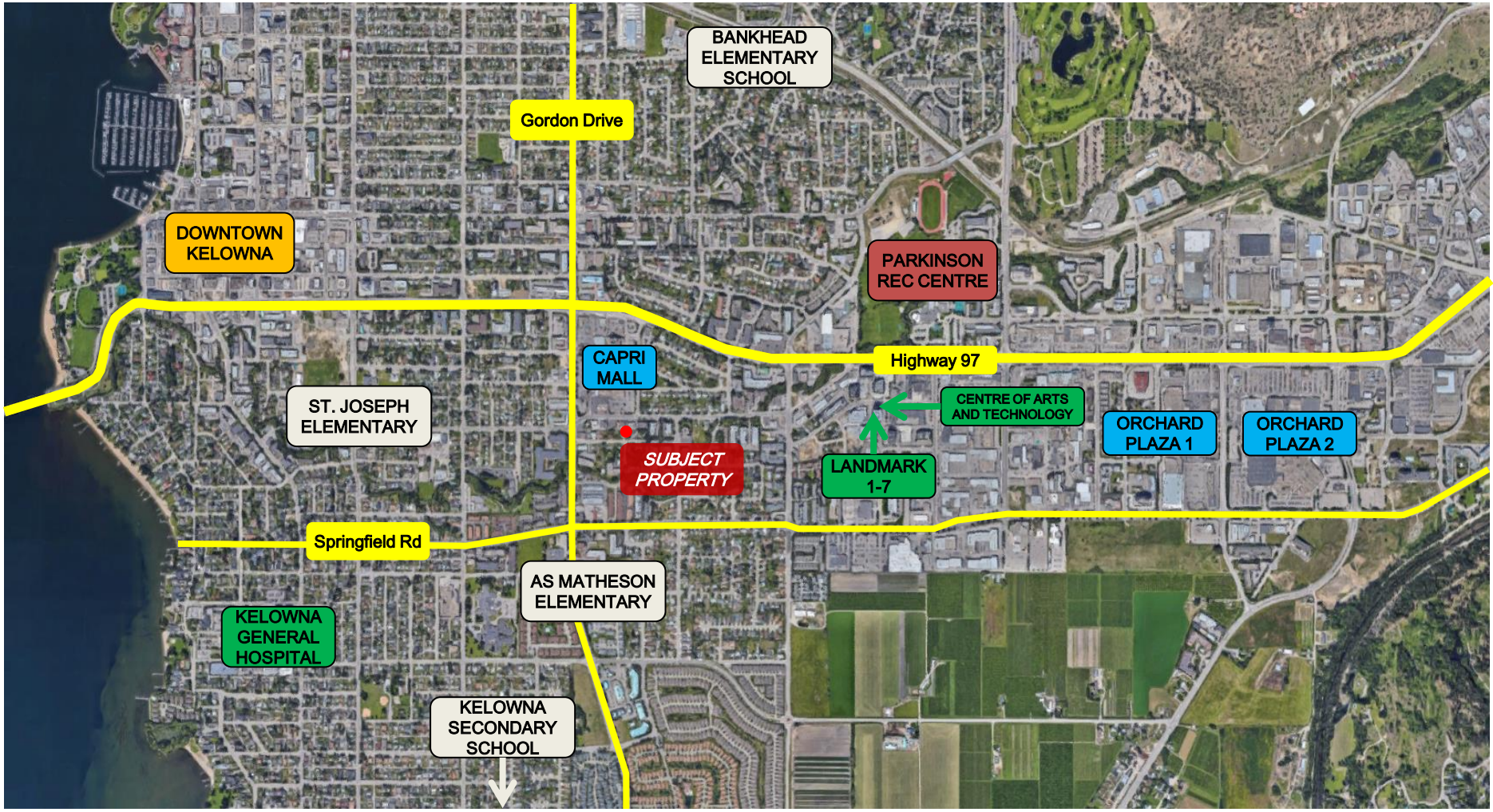

The Property is well situated with easy access to a variety of employment generators, amenities, and education centres. The immediate surrounding area includes retail and grocery shopping at the Capri Mall, office buildings in the Landmark District, as well as daytime activities and childcare at the Parkinson Recreation Centre. Quick access to arterial roads, bike lanes, and public transit add to the centrality of this area.

CAPRI-LANDMARK URBAN CENTRE

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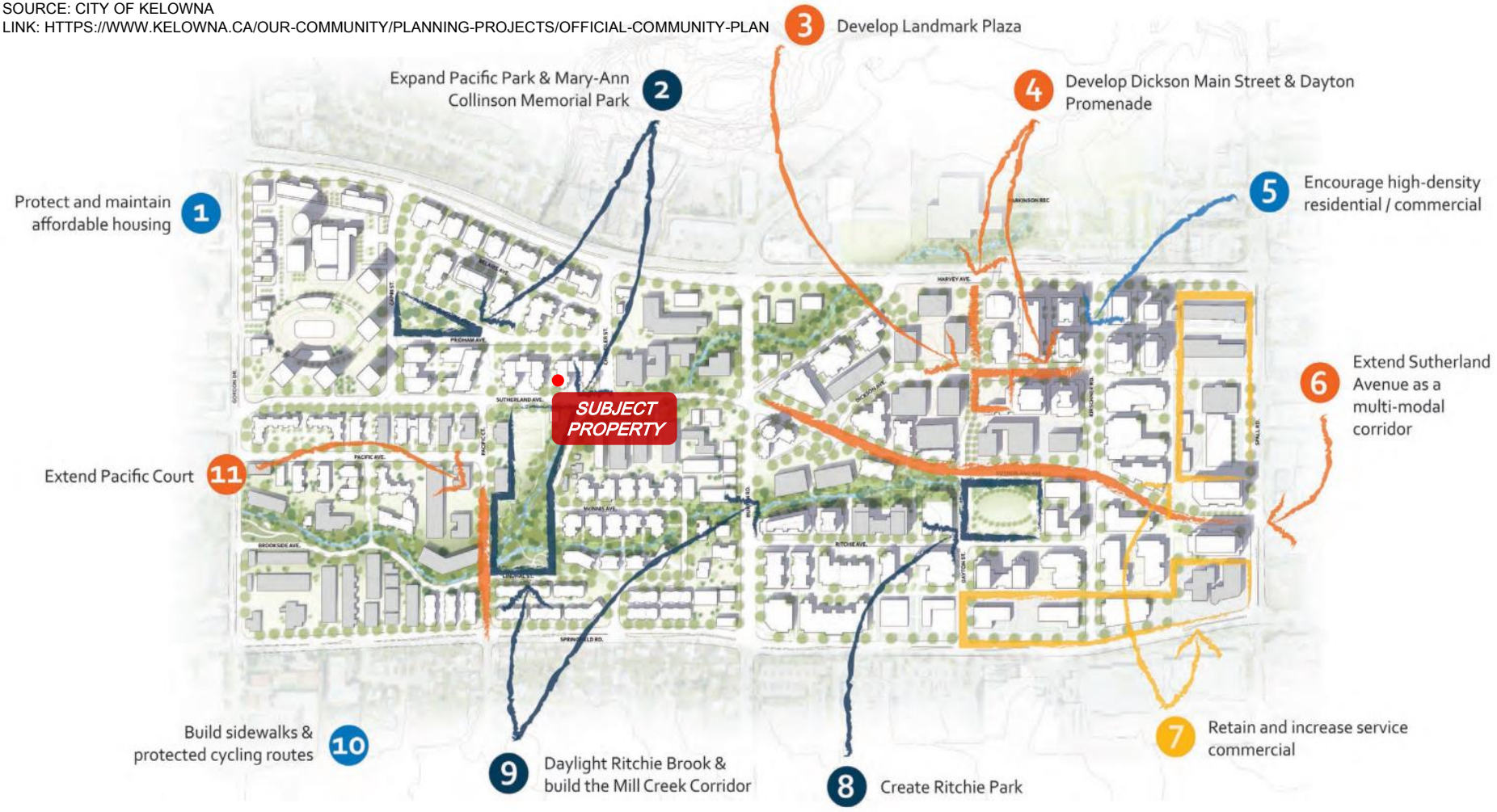
SOURCE: CITY OF KELOWNA
LINK: HTTPS://WWW.KELOWNA.CA/OUR-COMMUNITY/PLANNING-PROJECTS/OFFICIAL-COMMUNITY-PLAN

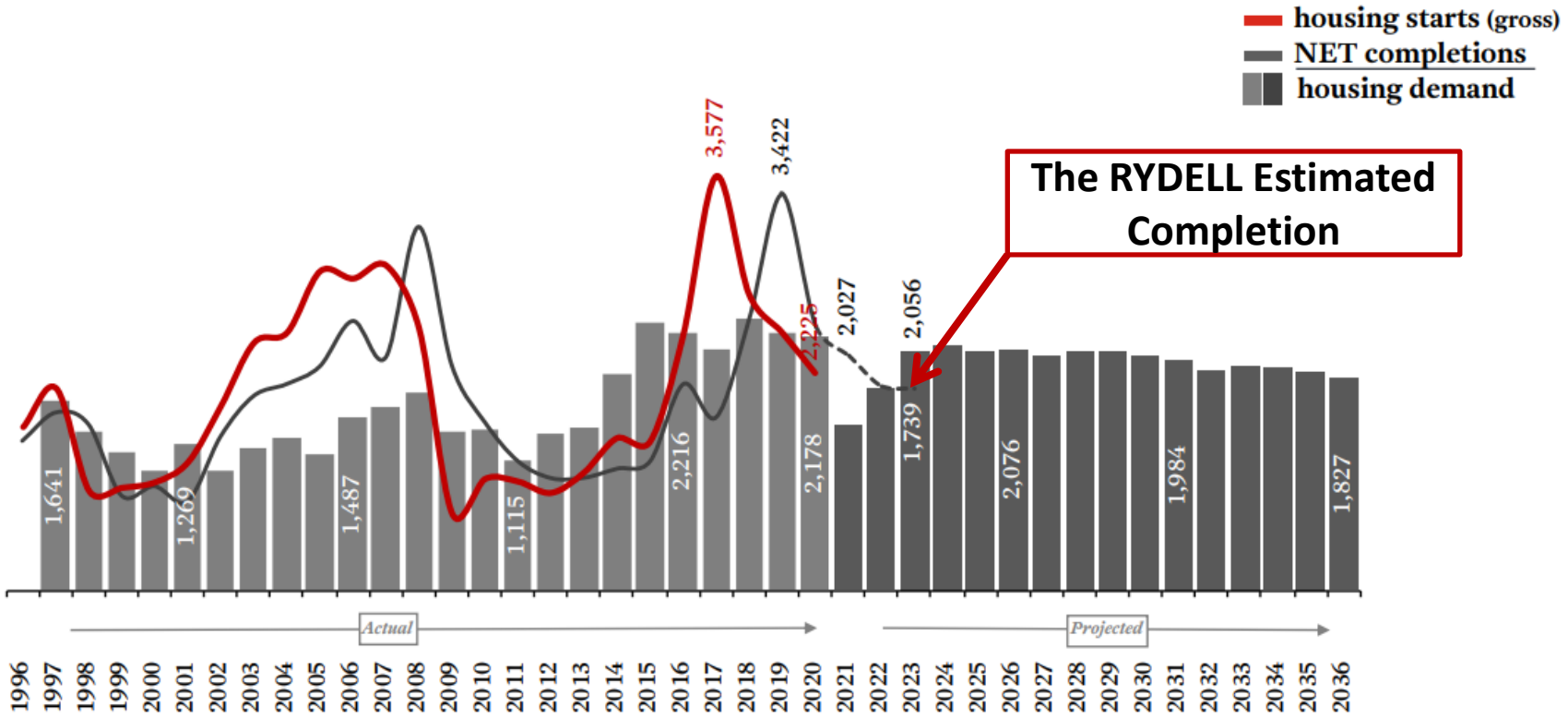


Goals outlined in the Capri-Landmark Urban Centre plan are clear in optimizing land use and creating a sense of community , while allowing for the growth of the employment area. In the near future, the area is expected to have improved traffic flow and park space increasing the appeal of the area and subsequently, property values.

SOURCE: UDI PRESENTATION
LINK: HTTPS://WWW.UDIOKANAGAN.CA/?PAGE_ID=4168

CENTRAL OKANAGAN REGION

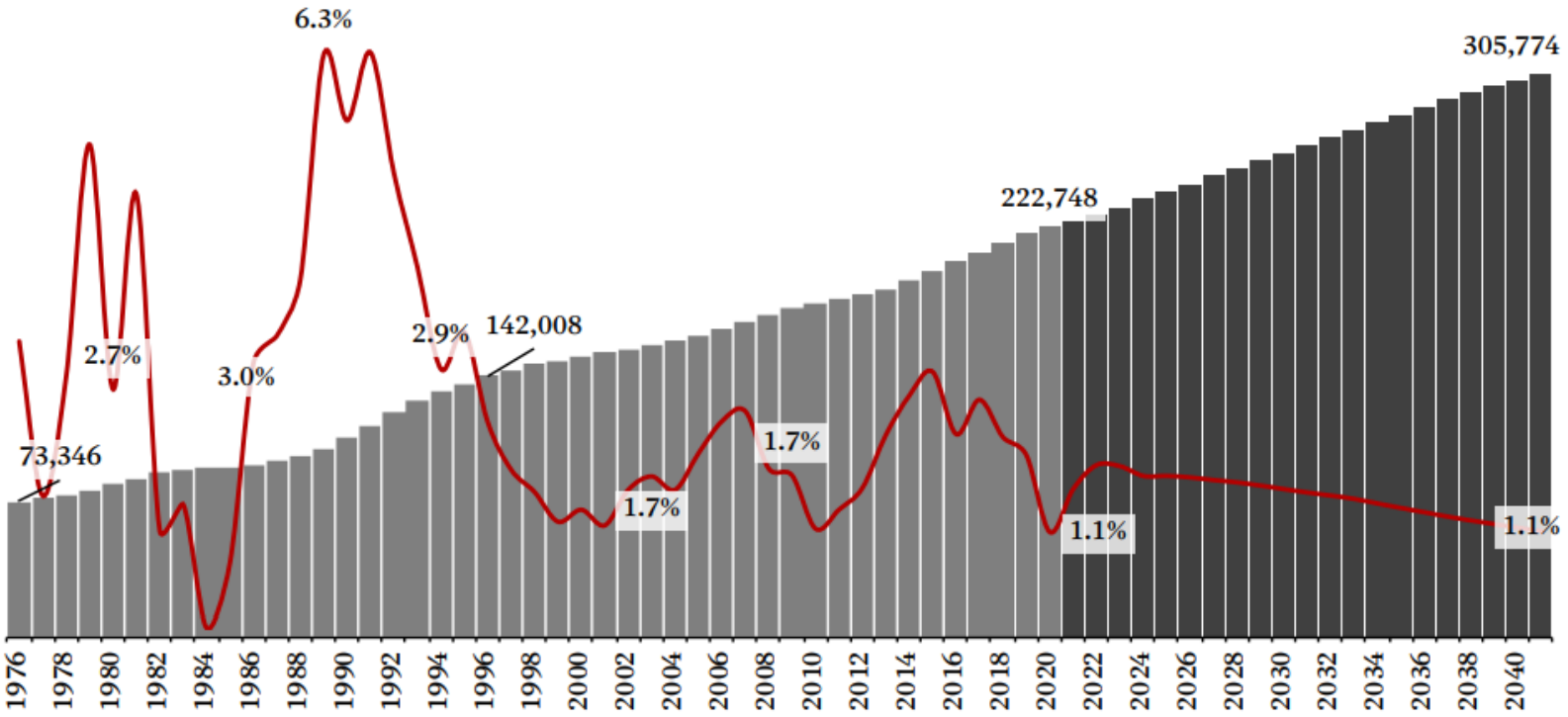
housing supply & demand



Using empirical evidence we are able to see that the central Okanagan, mainly Kelowna, is expected to see a housing shortage for the next 3-5 years given the current housing starts seen in the market. This trend may continue for a further length of time if builders are not able to produce enough supply in the short term. The proposed development is expected to reach completion in early 2023; a time where housing supply will be outmatched by demand.

CENTRAL OKANAGAN REGION

population growth



SOURCE: STATISTICS CANADA & RENNIE POPULATION MODELS

SOURCE: UDI PRESENTATION
LINK: HTTPS://WWW.UDIOKANAGAN.CA/?PAGE_ID=4168

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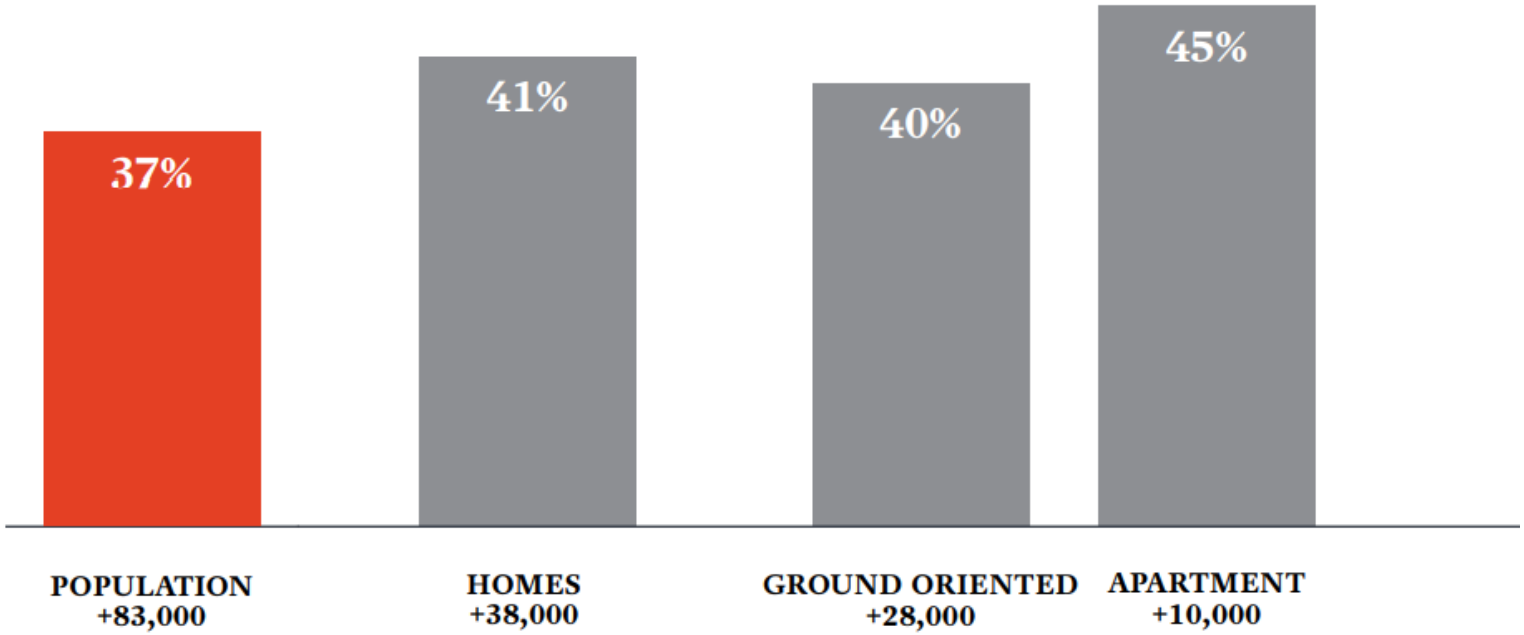
CENTRAL OKANAGAN REGION

housing 83,000 more residents by 2041



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