

P R O S P E R I T A S

EUGEN KLEIN REAL ESTATE BROKERAGE & MARKETING SYSTEMS

JUNE 2004

■ Pre-market Listings!

■ Top Story:

ICSC 2004

■

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Investment

Opportunities

Editorial



These past few months have brought many changes to my office. My website has gone through a rather subtle re-design. Those

of you who have seen me speak at one of Ozzie Jurock's seminars will recognize some of the files I have added to the new media section - you are welcome to download and review the video or audio files. I have also added a section with some stunning virtual tours of Vancouver and the Lower Mainland.

From May 23rd to the 26th, I attended the 47th annual ICSC (International Council of Shopping Centers) international spring conference in Las Vegas. The four-day ICSC Spring Convention, with 35,786 attendees (up 10% from 2003), is the largest gathering of real estate and retail professionals in the world. In Vegas, everything is larger than life and this event was no exception. This month I have done an overview of the conference and of trends in the shopping centre design and operation.

I would recommend any investors seriously considering shopping malls (of any size) to attend the event next year.

Contact me with any of your questions or concerns regarding the disposition of your commercial investments or business.

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During the month of May I was in Las Vegas for the annual ICSC national Spring Convention. ICSC is the global trade and professional association of the shopping center industry: it comprises over 44,000 members in the U.S., Canada, and 75 other countries, including shopping center owners, developers, managers, marketing specialists, investors, lenders, retailers, public officials and other professionals. ICSC sponsors over 200 meetings a year and provides a wide array of services and products, including publications and research data. As the global industry trade association, ICSC links with more than 20 national and regional shopping center councils throughout the world.

ICSC estimates that close to 25 percent of the transactions retailers and landlords make each year are initiated or concluded at this Las Vegas conference. This year's sold-out Leasing Mall had 850 companies in 512 booths. For those of you who have not been to the Las Vegas Convention Centre it boasts a total of 3.2 million square feet with over 2 million square feet of exhibit space. It is estimated that 26,000 people go through the Leasing

ICSC 2004

By Eugen Klein, B.Comm(UREC), CRES, ARM®, RI, FRI
Real Estate Broker

Mall each day of the convention.

As always, there were panel discussions, entertainment sessions and speeches by prominent figures from both inside and outside the industry: U.S. Environmental Protection Agency chief Mike Leavitt, former supermodel Kathy Ireland, Robert L. Tillman, chairman and CEO of Lowe's, boxing champion Sugar Ray Leonard, CNN personality Robert Novak and MSNBC's Bill Press.

There was plenty of activity away from the Convention Center as well, with banks, landlords and other companies putting on lavish parties for clients and associates. This is a dramatic contrast to the original convention which took place in 1957 at the Palmer House

hotel in Chicago and drew about 100 retail real estate professionals.

Shopping centres have seen large transformations over the past several hundred years with the introduction of automobile transportation, television, entertainment centres, and the internet. In particular, the latter two have had a dramatic effect on shopping centre design and operation

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

"I have known Eugen for many years through the Real Estate Institute of Canada, professionally, and the Real Estate Board of Greater Vancouver. I have always found him to be hard working, honest, technically savvy, ethical and professional. I can wholeheartedly recommend him for his innovative and creative ideas and the implementation of those strategies and plans."

Mercedes Wong, CPA, CCIM, FRI, RI(BC)
President, Commercial Division, REBGV

"I greatly appreciated your recent article in REM Magazine. You have identified and articulated the issues that business owners face and subsequently the challenges that business brokers and Realtors confront in marketing those businesses. Keep up the good work; I look forward to reading more!"

Doug Lytle
Commercial Realtor, Peterborough, ON

"I wanted to write you this note to thank you personally for your support over the past 12 months as a valued member in our coaching program. 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 on the world wide web at www.eugen-klein.com

Goddard & Smith
International Realty Inc.



MANUFACTURED HOME PARK

- 100+ Pads
- Near Surrey city centre, w/land avail for expansion
- Solid revenues
- Below market rents
- 8% Cap Rate



\$5,000,000



\$325,000



\$125,000



\$10,500,000



\$3,585,000



\$145,000



\$13,000,000



\$450,000



\$64,500



\$325,000

2. VACANT COMMERCIAL LOT

50,600 sq. ft. commercial space in business park. Easy to access from highway - zoning allows for wide variety of uses.

3. LANGLEY BURGER RESTAURANT

Very popular drive-in, down town Langley. B Liquor license, 52 patio + 38 indoor seating. Owner will stay to train.

4. 46 ACRE DEVELOPMENT SITE

Between I-5 & Pacific Hwy; truck stop, manufacturing, duty-free potential \$4.50-\$6.50/sq.ft. Border proximity. 10 parcels, all serviced

5. BROADWAY COMMERCIAL

10,000 sq. ft., 220,000 net income; 6.1% cap rate. 1000 additional square feet available; solid tenants & leases.

6. DELICATESSEN

Deli & smoked meat manufacturing outlet. Established & profitable retail & wholesale operation. \$2190 gross rent per month.

7. MIXED-USE REDEVELOPMENT

Shopping mall for redevelopment into com/res tower; 15+ storeys. Exceptional view of Vancouver & Puget Sound.

8. CHILLIWACK WAREHOUSE

6000 sq. ft. warehouse; good rent & stable tenant.

9. SEAFOOD RESTAURANT

Heart of Walnut Grove; 50 seats & patio. Sales average \$700 per day, open for breakfast, lunch and takeout.

10. ABBOTSFORD WAREHOUSE

Aldergrove: two level; commercial lease space downstairs and residential space upstairs. Fully leased/owner occupied.

WANTED

20,000 - 30,000 sq. ft. retail location in close proximity to downtown: lease or buy

WANTED

Mobile home parks, 30-60 units; waiting list of buyers!

WANTED

Vancouver residences for land assembly

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.

COMMUNITY

My 'Community' section is dedicated to the extraordinary people who have contributed to my life 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

CAPITAL WEST MORTGAGE

Mr. Daymon Eng
Vancouver (604) 899-3799

CHARTERED ACCOUNTANT

Mr. Grant Gilmour
Langley (604) 888-4200

CIBC RESIDENTIAL FINANCE

Mr. Adam Beaudin-Ball
West Vancouver (604) 981-2549

CIBC RESIDENTIAL FINANCE

Mr. Derek Christiansen
Vancouver (604) 220-6161

COMFORT INN

Mrs. Valerie Orr
Vancouver (604) 605-4339

COMMERCIAL 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

12. FURNITURE MANUFACTURING

First class business with all equipment & tools. Contracts in place with major hotels, incl. Pan Pacific.

13. CHILLIWACK RESIDENCE

Excellent property, cntral Vedder Crossing Rental income \$1050 / month. 1110 sq. ft., priced to sell.

14. TRUCK/TRANSPORT BUSINESS

Serves all major routes in southern BC. 17 uninterrupted years of growth, 13 trucks, major contracts, awesome revenue!

15. LANGLEY OFFICE LEASE

6400 square foot office space for lease @ \$12/sq. ft.

16. ABBOTSFORD OFFICE LEASE

2000 sq. ft., 1st class, in industrial/ commercial park near Sumas border crossing. Additional 1200 sq. ft. 2 bdrm residence also available.

17. CHILLIWACK WAREHOUSE

Good rent - \$25,800 NNN - from this industrial building. New developments in area - future upside.

18. LANGLEY WAREHOUSE

Port Kells area, 1570 sq. ft. main floor + 2nd storey 3 bdrm residential suite owner occupied. Business also for sale.

19. AUTOMOTIVE SHOP

Mercedes Benz auto repair and body shop. Exclusive clientele; also well established auto licensed car broker.

20 LANGLEY TANNING SALON

Central Langley, first class equipment: stand up tanning & hair removal. Call for complete equipment list.

WANTED

25,000 + sq. ft. building with ample parking in Vancouver/ Burnaby/ North Shore for use as cultural centre.

WANTED

Industrial building; south side of Fraser River, 1.5 acre lot with building preferred.



\$1,950,000

MANUFACTURING BUSINESS, BUILDING & LAND

- 45,000 sq. ft. bldg
- 3 acre parcel
- Major contracts
- Crane installed
- Turn key



12

\$250,000



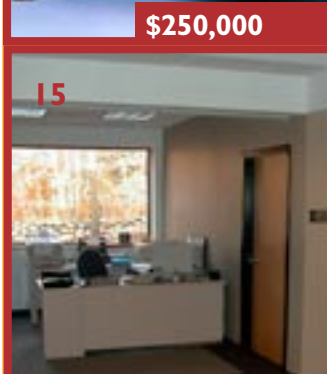
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\$145,000



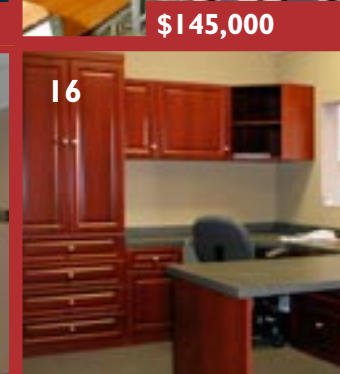
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\$1,950,000



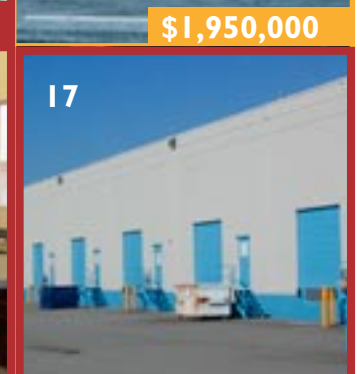
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\$12 / sq. ft.



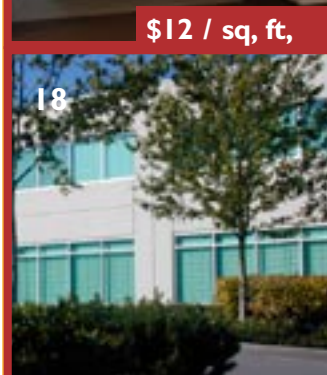
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\$10 / sq. ft.



17

\$275,000



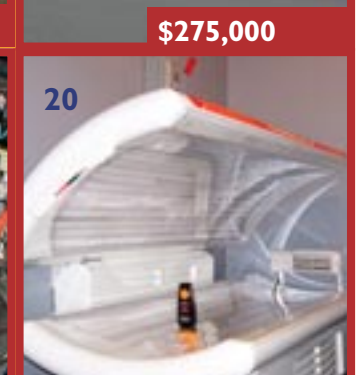
18

\$425,000



19

\$150,000



20

\$160,000

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C O M M U N I T Y

FLOWFORM DESIGN GROUP

Mr. George Verdolaga
Vancouver (604) 321-8008

GRAPHIC DESIGN & ART WORK

Mr. Denis Meyer Jr.
Burnaby (604) 777-0550

MAHOVLICH MARBLE & GRANITE

Mr. Frank Mahovich
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

PINK LIME SALON & SPA

Mr. Youssef Jawhari
Vancouver (604) 683-7444

PLAN-IT WITH US TRAVEL

Mrs. Pam Gosal
Richmond (604) 916-8044

POPCORN CREATIVE

Mr. Simon Dabbs
Vancouver (604) 408-7767

RENOVATIONS & APPRAISALS

Mr. Chris Lewin
North Vancouver (604) 562-5799

SCOTIA MCLEOD

Mrs. Vanessa Stenner-Campbell
White Rock (604) 535-4749

VANCITY CREDIT UNION

Mr. Joe Chan
Vancouver (604) 877-8296

VANCITY VENTURE CAPITAL

Mr. Axel Christiansen

Small Business

BC small business owners confident and optimistic



The results of the quarterly survey of small- and medium-sized firms show that confidence levels fell significantly across the country between March and June, except in BC where business owners' optimism led to a record high index of 118.2. According to CFIB chief economist Ted Mallett, business confidence in British Columbia has been defying the national norm for the past three quarters.

Over the next 12 months, almost half of business owners (49 per cent) expect an improvement, while another 35 per cent expect no change to their firm's performance. The remaining 16 per cent of respondents expect a weakening of their business performance.

The survey was conducted between June 7 and June 18 of this year, and drew 2,925 responses. The national results are accurate to within +/- 1.8 percentage points 19 times out of 20

Survey results provided by the Canadian Federation of Independent Businesses ■

BC Permits High

The value of Canadian building permits retreated 9.5 per cent in May to \$4.1 billion, as construction intentions declined in both residential and non-residential sectors, reports Statistics Canada. After an exceptional month in April, the level recorded in May was the lowest in the past nine months.

In contrast, permits issued in BC rose 3.2 per cent. So far this year, municipalities have issued a total of \$21.7 billion in building permits, up 6.4 per cent from the same period in 2003. This advance came from

the sustained demand for new dwellings since the beginning of the year. The cumulative value for housing permits totaled \$14.5 billion, a 16.9 per cent growth from the same period in 2003. In contrast, the non-residential permits declined 10.2 per cent to \$7.1 billion.

Regionally, Montreal and Vancouver recorded by far the largest advance (in dollars) in the cumulative value of permits. In both areas, the strong demand for new dwellings drove the figures up. Nearly 21,000 new dwelling units have



been approved in these two metropolitan areas alone.

The strength in the housing sector had a positive impact on other sectors. From January to May, 97,900 new dwelling units have been approved by municipal authorities, 10,325 more than the same period last year.

...Provided by Stats Canada ■

The Shopping Experience

(continued from page 1)

since 1990.

Entertainment quickly became an industry buzzword in the early 1990s as technological advances allowed shopping center developments to recreate the magical experiences of national amusement parks such as Disney Land: children's playgrounds, virtual reality gaming, live entertainment, multiplex cinemas, food courts and themed restaurants, carousel rides, visually stunning merchandising techniques, robotic animal displays, and interactive demonstrations. Thus the largest mall in the United States (Mall of America in Bloomington, Minn.) includes a seven-acre amusement park, nightclubs, restaurants; only half of its 4.2 million square feet is devoted to retailing.

As the 1990s drew to a close, Internet retailing tested the stability of the shopping center industry. Companies rushed to develop websites that would sell directly to consumers. In the euphoria it mattered little that

“...visually stunning merchandising techniques, robotic animal displays...”



many of these Internet companies had little or no retail experience. Fearing the cannibalization of store sales, brick-and-mortar retailers at first were hesitant to sell directly to the public via the Internet. However, when it became apparent that they had some clear advantages over pure Internet retailers (brand name recognition, distribution facilities, supplier relationships, ability to accept returns at stores, etc.) brick-and-mortar retailers launched their own websites. By 1998, brick-and-mortar retailers' websites captured

60% of online sales.

In addition to buying online, brick-and-mortar retailers discovered that their consumers were using the web as a research vehicle. The Internet has transformed a large and growing number of retailers into “multi-channel” retailers with all sales channels (stores, web, and catalog) working as one to help retailers maximize the value of their brands.

Adapted from ICSC Research
Further information: www.icsc.org. ■

INVESTMENT ■ BUSINESS BROKERAGE ■ SITE SELECTION ■ ASSEMBLY



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it is my pleasure to serve your real estate needs.**

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