

P R O S P E R I T A S

EUGEN KLEIN REAL ESTATE BROKERAGE & MARKETING SYSTEMS

AUGUST 2003

■ Pre-market Listings!

■ Top

Story:

Read

on

REITS!

■

Inside:

Investment

Opportunities

Editorial



In honour of BC day, I assembled a few facts of interest about our province. As of last year, there were 4.14 million

of us living here. Our province has more land area than France and Germany combined, and our protected parks are greater in area than Portugal. Of our work force, 950,000, or roughly one half, are employed by small business.

On that note I'll summarize some reading on growth capital funding strategies for small business. An emerging body of research emphasizes relationships between firm size and capital structure. Smaller firms are characterized by little diversity: either a heavy reliance on equity instruments and little debt, or a heavy reliance on debt instruments with relatively little equity. Those with more debt tend to expect rapid growth as opposed to more modest expectations of performance. There is also a marked relationship to the knowledge intensity of the business. High knowledge industries average 38% debt capital, whereas low knowledge industries average 56% debt. ■

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For your interest we have summarised a few of the advantages that REITs offer their investors:

- **Stable dividend income**
- **High dividend yields**
- **Dividend growth that has consistently exceeded consumer price inflation**
- **Liquidity**
- **Professional management by skilled REIT managers**
- **Portfolio diversification, to minimize risk**
- **Regular performance monitoring by independent directors of the REIT, analysts, the Securities and Exchange Commission, and the business and financial media.**

A Read On REITS

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

The REIT (Real Estate Investment Trust) has come into its own as a viable and attractive destination for investment capital.

Real estate, in terms of land or mortgage investments has always been a secondary or tertiary consideration to equity instruments (stocks & bonds). Prohibitive initial capital requirements and level of liquidity have always been the principal deterrents.

REITs make investments in large-scale, income-producing real estate accessible to smaller investors. They provide a way for average investors to invest in large scale commercial properties the same way they invest in other industries, through the purchase of equity.

(continued on page 4)

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

"I have had the pleasure of knowing Eugen Klein for nearly a year now and yet I feel strongly compelled to document what a remarkable agent and person he is. Rarely does someone come along who attacks life and business with such zeal. His eagerness is well directed having comprehensive real estate knowledge and experience, excellent skills and work ethic and a sophisticated business acumen.

I have been a commercial real estate agent for the past 16 years and have only met a handful of people with Eugen's credentials.

I have no compunction about sending any of my clients or referrals to Eugen for real estate in the Vancouver area as I know they will be well served.

Should you wish to discuss Eugen and his services in greater detail, please do not hesitate to call.

B. Mark Thiessen
RE/MAX Real Estate Inc.

- Sales & Leasing Representative
- Past-Chair Commercial Division, Winnipeg Real Estate Board
- Prairie Region Director, National Commercial Council, CREA

"Having met you has helped me regain my faith in the real estate sales system. Thank you for the special effort. ..."

Barrie Wamboldt, President
International H.O.M.E. Reserve Inc.

Please visit us on the world wide web at www.eugen-klein.com

Goddard & Smith
International Realty Inc.



1. 46 Acre Blaine Development
Between I-5 & Pacific Hwy; truck stop, manuf., duty free potential

- \$4.50 to \$6.50 / s.f.
- Border proximity
- 10 parcels, all serviced



\$10,500,000

2. NORTHERN BC RESORT

Near Revelstoke, BC. Newly built, year round activities: canoeing, heli-skiing, snowmobiling.

3. FAESSLER VINYARDS

On beautiful Serpentine River near Cloverdale, BC. Permit application pending for Winery License.

4. RAFTER LY RANCH

7 km frontage on Bulkley River near Smithers BC. 4000 acres, prime cattle ranching. Secluded, easily accessible.

5. TRAFFIC CONTROL COMPANY

Extremely lucrative business. Major contracts in place with city, municipalities, and blue chip companies. 34 years in oper.

6. DOWNTOWN STRATA OFFICE

Howe Street, Vancouver. Directly across the street from B.C. Supreme Court. Perfect for independent professional.

7. MIXED COMMERCIAL

Aldergrove: two level, commercial lease space downstairs and residential space upstairs. Currently fully leased / owner occupied.

8. OPTICAL MANUFACTURING & RETAIL

Four retail outlets (Kitsilano, Vancouver, North Shore, Burnaby), manufacturing plant (Burnaby). 20 years of established success.



SOLD!



\$4,250,000



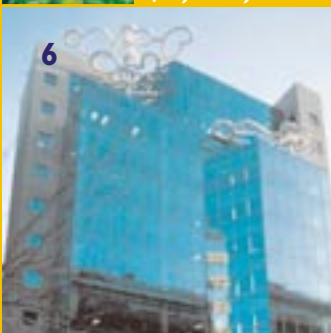
\$1,650,000



\$2,400,000



\$578,000



\$99,500



\$650,000



SOLD !



\$1,000,000

48 UNIT TOWNHOUSE DEVELOPMENT

Architectural plans completed, zoned; vendor tax benefits available, joint venture considered. Lower Mainland.

SHOPPING CENTRE REDEVELOPMENT

Shopping mall for redevelopment into mixed commercial/residential tower, 12 storeys. Upper floors will have exceptional view of Vancouver & Puget Sound

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.

C O M M U N I T Y

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.

CIBC RESIDENTIAL FINANCE

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

ENGLAND PAINTING

Mr. Andrew Rabek
Vancouver (604) 377-0763

EVENT COORDINATOR

Ms. Malinda Poe
Vancouver (604) 738-2286

KAL-TIRE

Mr. Paul Ouellet
North Vancouver (604) 985-4221

MAGIC TOUCH AUTO CENTRE

Mr. Reza Akhavan
West Vancouver (604) 922-6666

PURPLE ONION CABARET

Mr. Ken Svazas
Vancouver (604) 602-9442

12. NIGHT CLUB - FRASER VALLEY

Established club with loyal clientele. Minutes from downtown Surrey. Excellent lease 5,000 sq.ft. currently undergoing full renovations.

13. ELECTRONICS SERVICE & SALES

Located in the lower mainland with full compliment of services. Contracts in place with major hotel chains, retailers. Flexible terms of acquisition. Real Estate can be purchased or leased..

14. AUTO REPAIR, DETAIL & SALES

Located on the North Shore. Building purchase option. Exceptional reputation for quality of service in wealthy neighbourhood.

15. BED & BREAKFAST

Near Steveston in Richmond. Beautifully appointed and easy to run, especially busy in summer. Ideal for retirement couple.

16. ENGLISH TRAINING COLLEGE

Central Location in downtown Vancouver. \$800,000 in annual revenue in only third year of operation; ~35% Cap.

17. PRIME YALETOWN LEASE

2000 s.f. prime corner retail space, heart of Yaletown, a trendy high income district. High pedestrian traffic; accessibility and exposure.

18. STEEL MANUFACTURING

Specialized steel manufacturing facility. Excellent cash flows; real estate option.



TOWING COMPANY

Serving all major southern BC highways from Merritt location

- 17 years growth
- 13 trucks
- Major contracts
- Awesome cash flow!

\$1,950,000



\$1,650,000



\$690,000



SOLD!



SOLD!



\$699,000



\$629,000

WANTED

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

WANTED

Industrial building; south side of Fraser River, 2 acre lot preferred.

WANTED

Buyer for distress sale of mobile home park with redevelopment potential.



\$799,000



\$30 / sq.ft.



\$2,200,000

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C O M M U N I T Y

VANCITY VENTURE CAPITAL

Mr. Axel Christiansen
Vancouver (604) 877-6582

CHARTERED ACCOUNTANT

Mr. Grant Gilmour
Langley (604) 888-4200

BARFLY

Mr. Jesse Bannister
New Westminster (604) 519-0333

EVERGREEN PRINTING

Mr. Shaf Malek
Vancouver (604) 734-3774

VANCITY CREDIT UNION

Mr. Joe Chan
Vancouver (604) 877-8296

MEGA ASSISTANCE

Mr. Alain Blancard
Vancouver (604) 669-7582

SIGNS ILLUMINATED

Mr. Dale Hammond
Vancouver (604) 930-8414

NATIONAL HOME REVIEWS

Mr. Dean Kazoleas
Vancouver (604) 681-2108

Property & Money

Courtesy of the Eugen Klein Real Estate Team. Feel free to use the coupons below!

Multicultural Night Benefit Oct. 4th

On Oct. 4, the Real Estate Board of Greater Vancouver will be hosting the 2nd annual Multicultural Night benefit for the Vancouver Children's Hospital at the Hyatt Regency Hotel. This was one of the two major functions held last year, raising \$45,634.62 toward our ongoing commitment to fund

critical research and treatment of children's cancer.

There has been remarkable advancement in the recent past in the treatment of cancer in youth; today, due to these advances, over 75% of children diagnosed remain disease free.

This year our goal is to raise \$100,000. For your \$60 ticket,



the event includes a sumptuous multi-course dinner; multi-ethnic entertainment, a huge silent auction, and a live dance band. To participate in this event or become a sponsor, please call:

Mercedes Wong,
President, Commercial Division
(604) 734-3816. ■

Early REIT-irement...

(continued from page 1)

A REIT is a company that owns, and in most cases, operates income-producing real estate such as apartments, shopping centres, offices, hotels and warehouses. Some REITs also engage in financing real estate. The shares of most REITs are freely traded, usually on a major stock exchange.

"... average dividend yields four times greater than other stocks'..."



REIT investments are attractive to people looking for cash flow since the rules that govern the trusts oblige them to distribute between 85% and 90% of their net income (excluding capital gains) to the unit holders. This often results in stable returns between 9% and 10%, and average dividend yields four times greater than other stocks.

average total returns of 12.35%. To put that in perspective, \$1 million invested 30 years ago in stocks on the S&P 500 would on average be worth \$20 million today. In REITs, it would be closer to \$32 million.

funds, and trusts. This has helped to maintain the strength of the market for investment property.

(source material provided by nareit.org, jurock.com, realtor.com, and theglobeandmail.com) ■

One ancillary effect of the emergence of REITs has been the added competition they have given to the traditional institutional purchasers of investment property – insurance companies, pension

How have REITs fared, compared to other investments? Publicly traded equity REITs have an annual



IREM At Science World!

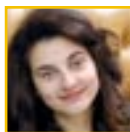
The Institute of Real Estate Management invites you to its 4th Annual Signature Event and Mini-Trade Show to be held at Science World on Thursday, September 18th, 2003. Over 20 contractors exhibiting; food and refreshments, trade show and networking from 6:00 pm to 8:00 pm followed by the movie WHALES at the Omnimax Theatre. Whether you are a property manager, contractor, developer, realtor, buyer, or seller you will find it a truly rewarding experience. For tickets call Eugen Klein at 604-818-5888 by September 8th. Tickets are just \$29 per person.

INVESTMENT ■ BUSINESS BROKERAGE ■ SITE SELECTION ■ ASSEMBLY



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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.

