

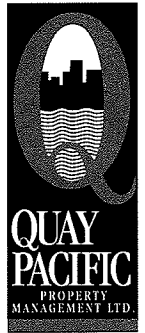
- ◆ Real Estate Sales
- ◆ Project Marketing

- ◆ Rental Management
- ◆ Strata Management

Case Study and References for Quay Pacific Property Management Ltd.

Highland Park, Port Moody
150 unit townhouse site in 25 six unit clusters
Managed since January 2003

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Assignment: Evaluate previous building envelope report

Result: Increased resale value by 122% in 3 years and saved \$10,000,000 in S/A costs

A building envelope report, ordered with questionable authorization by a previous council and management firm caused the corporation to face a potential special assessment in excess of \$13,000,000. Property value plummeted with the rumored \$86,000 special assessment per unit.

A number of owners believed the proposal for envelope restoration to a building approximately 25 years old was unreasonable. A new council was formed in November 2002 and hired Quay Pacific to assist in turning the situation around. An engineer was hired to conduct an independent and thorough review of the prior building evaluations, as well as complete additional required analysis. Quay Pacific took the engineers recommendations and prepared a detailed building condition maintenance report.

This report was based upon engineer recommendations, a site review and owner report. Quay Pacific distributed and collected an owner survey to determine areas of concern within the strata lots. Specific units were inspected as well as specific sections of the buildings. A general site review was then conducted by management. By July 2003 Quay Pacific presented a Building Condition Review. This review prioritized the required repairs and maintenance. More importantly the estimated cost of repairs could be completed for less than \$2,000,000. The council adopted an aggressive policy of "repair and maintain, rather than rebuild."

Quay Pacific recognized that most of the work was labour intensive maintenance. It was agreed to hire a full time contractor to complete the repairs over a 6 year program. Quay Pacific interviewed and hired an individual skilled in carpentry and general building construction to carry out the required work. During the summer of 2005 the site had a crew of 3 full time workers.

The owners have paid ½ of the \$1,600,000 assessment. The balance of the assessment is being collected over the next few years. With the threat of an enormous assessment now gone, market value has moved from a \$90,000 average in 2003 to almost \$200,000 in 2006 (122%). Proposed assessments of \$86,000 per unit have been reduced to \$11,000. In addition to raising market value we believe we have saved several families from foreclosures.

Further details of this case including on site references will be provided should the council wish to interview Quay Pacific for the position of Property Manager.