

**HORNBY ISLAND RESORT VACATION SUITES
PRO-FORMA REVENUE AND EXPENSES**

	\$
RENTAL REVENUE	105,000
OPERATING EXPENSES - 38%	<u>40,000</u>
NET INCOME	<u><u>65,000</u></u>
LIST PRICE (includes \$ 35,000 furniture package)	<u><u>1,050,000</u></u>
CAPITALIZATION RATE	<u><u>6.2%</u></u>

Notes:

1. Saratoga Beach House, at Saratoga Beach, 2 bedroom units of approx. the same size, 1,000 sq.ft., are currently listed for \$ 725 per day in the summer, up to \$ 825 on long weekends, and \$ 350 in off season.
2. Parksville Beach Club, 1 bedroom hotel units, no kitchen, rent for \$ 389, or \$ 778 to get 2 bedrooms.
3. Glamping tents on Hornby Island, 2 person, no bathroom, no kitchen, no security, rent for \$ 240 - 260 in summer.
4. Using \$ 600 as a conservative summer rent, 16 weeks x 7 days x \$ 600 = \$ 67,200
This assumes 100% occupancy which is normally the case on Hornby Island.
Destination BC average occupancy rates for the North Island, first 5 months of 2023 was 58.42 %.
This is 18 days per month. Using a conservative 12 days , (4 - 3 day weekends) at \$ 350 per day, revenue is 36 weeks x 3 days x \$ 350 = 37,800.
5. Expenses such as property taxes, utilities, strata fees, etc. run an average of 38%.
This includes management of 20%. Housekeeping is recovered by a charge on top of the daily rent.
Summer season is minimum 1 week at a time.
6. These units are not part of the 5 month vacation rental restriction currently in place on Hornby Island.
7. Participation in the Vacation Rental Management Program is required and includes a furniture and fixtures package estimated at \$ 35,000.