



FOR SALE
859 Tunk Road
Sault Saint Marie
17 Suites

7.0% Cap
\$67,000/suite
+16% ROI



The SOO

Overview

Sault Ste. Marie is a city in northern Ontario, Canada. **The third-largest city in Northern Ontario after Sudbury and Thunder Bay**, it is located on the St. Mary's River on the Canada-US border. To the southwest, across the river, is the United States and the city of Sault Ste. Marie, Michigan.

The two cities are joined by the Sault Ste. Marie International Bridge, which connects Interstate 75 on the Michigan side to Huron Street on the Ontario side. Shipping traffic in the Great Lakes system bypasses the Saint Mary's Rapids via the American Soo Locks, the world's busiest canal in terms of tonnage that passes through it, while smaller recreational and tour boats use the Canadian Sault Ste. Marie Canal.

Population

In the 2021 Census of Population conducted by Statistics Canada, Sault Ste. Marie had a **population of 78,578** living in 32,530 of its 34,818 total private dwellings, a change of 1.8% from its 2016 population of 73,368. With a land area of 221.99 km² (85.71 sq mi), it had a population density of 324.6/km² (840.6/sq mi) in 2021.]

The city's census agglomeration had a total population of 76,731, down 1.8% from 78,159 in 2016. Sault Ste. Marie was at one time a haven for Italian immigrants. The city has a large concentration of ethnic Italians for a community its size, mostly descending from the southern region of Calabria.

Business

Algoma Steel is still the major economic force in the area. At its peak, **Algoma Steel** employed some 9,000 workers, but with restructuring and changes in technology and economic patterns its payroll is now closer to 2,900. The forests of the Algoma region also support **pulp and paper** and wood-processing companies in the city. The Sault is the home of the Great Lakes Forestry Centre, one of five Canadian Forest Service centres across Canada. The centre is involved in research and development as well as policy making.

Another large employer in the community is **the Ontario Lottery and Gaming Corporation (OLG)**. The OLG has a corporate office located on the waterfront. It employs a total of about 900 people in Sault Ste. Marie between the corporate office and OLG Casino Sault Ste. Marie.





859 Trunk Rd.

Area & Dimensions

126.69 feet frontage and 254.6 feet depth
0.421 acres or 18,352.45 square feet

Legal Description

Lot 33, Plan 654 Rankin Location – S/T T420820
City of Sault Saint Marie, District of Algoma
Pin No.: 314930237

Improvements

The Property consists of 17 residential apartment suites with the following mix: 16 bachelors and 1 one bedroom. This was a former motel converted to residential rental units. There is a brick and siding exterior, double glazed windows and pitched shingled roof. It is a two storey building with slab on grade foundation. Construction is wood frame.

There is ample surface parking. There are no hallways as all suites have direct access to the exterior. Heating is baseboard electric. There are gas fired hot water tanks and municipal water. The Seller pays all the costs for utilities even though hydro is metered separately.

Over \$150,000 has been spent on repairs including: suite upgrades; plumbing and electrical.

Suite Description

Most of the suites are small bachelors. Many are in original condition and about 10 have been updated in one degree or another. This includes new laminate flooring, paint, baseboards, repairs where needed, new appliances and kitchens where needed and updated bathrooms where needed.

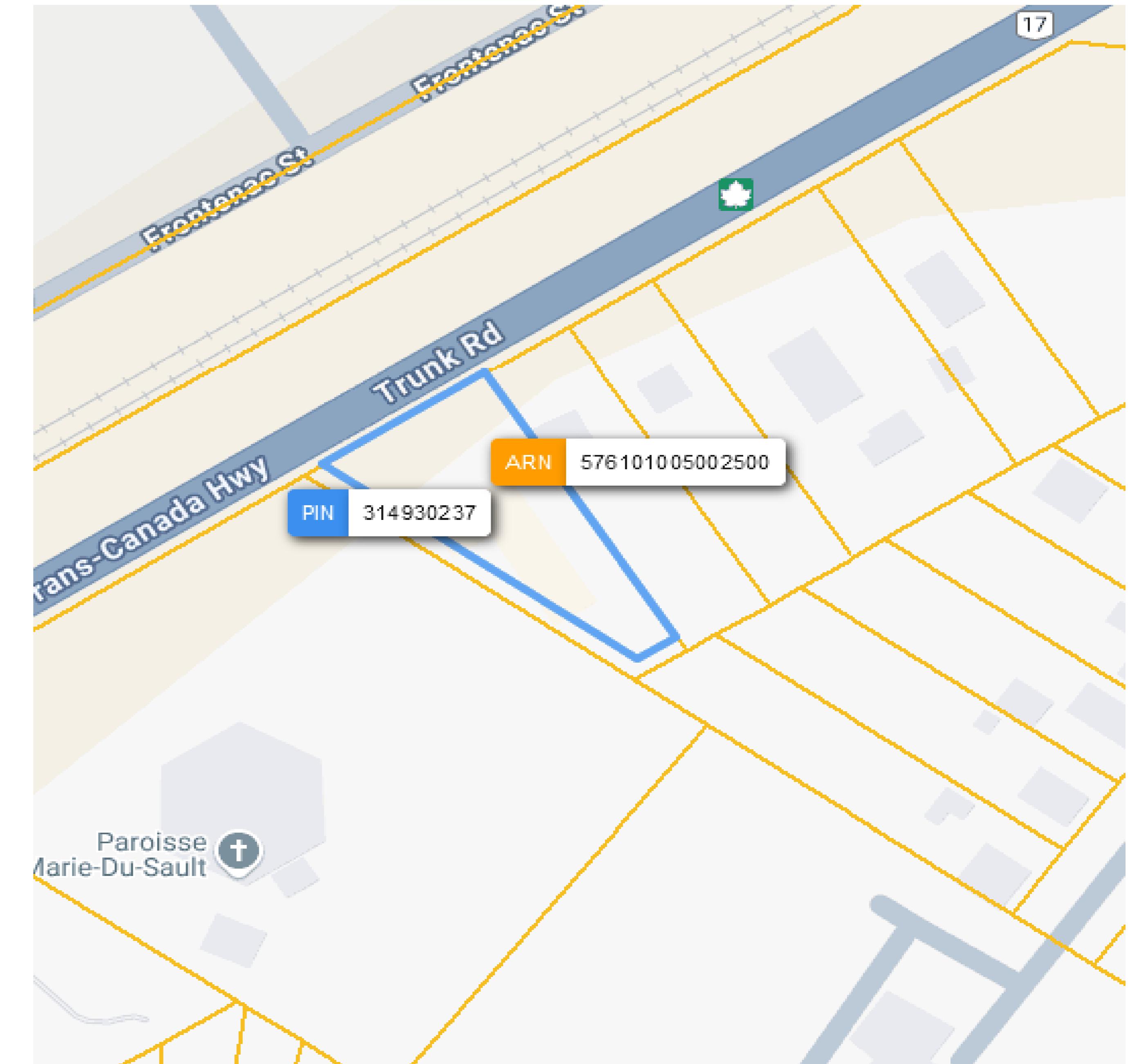
All suites have kitchenettes and two appliances and a 4 piece bathroom. Renovations are considered fine for the targeted tenant profile at this time.

Realty Tax Information

Roll No.: 576101005002500
2024 CVA \$308,000
Land Use Code Motel

Environmental Issues

Environmental reports were completed over the past 3 years by Pinchin. The Property is reported as clean. The reports are in the Data Room





Forecast of Operations				
For the year ending December 31st				
Revenues	Per Suite Per Month	Notes		Per Annum
Rental Income	\$809			\$165,120
Parking	\$0			\$0
Laundry	\$4			\$0
Other	\$0			\$0
Total	\$809			\$165,120
 Vacancy & Bad Debt	 -\$16			 -\$3,300
Effective Gross Income	\$793			\$161,820
Expenses				
	Per Suite Per Annum			Per Annum
Realty Taxes	\$1,076			\$18,290
Insurance	\$400			\$6,800
Utilities	\$1,896			\$22,055
Cable/Internet	\$462			\$7,860
Cable/Internet Rebate				-\$500
 R&M	 \$750			 \$12,750
Management	\$430			\$7,315
Wages & Benefits	\$375			\$6,375
Other	\$75			\$500
Total	\$4,791			\$81,445
 Net Income	 \$4,728			 \$80,375

SUITE MIX			
Type	Market Rent*	No.	%
Bachelors	\$900	2	12%
1 Bedroom	\$1,100	15	88%
2 Bedroom		0	0%
3 Bedroom		0	0%
4 Bedroom		0	0%
Total*	\$1,076	17	100%
 * estimated renovated	 33%	 upside	

FINANCING INFO - Asking Price			
Assuming 25% Down Payment= \$288,750			
Mortgage Amount*			\$866,250
Interest Rate			3.85%
Amortization Period (Years)			30
 * arrange new CMHC insured 1st 5 yrs			
FINANCIAL RETURNS - Asking Price			
Net Operating Income			\$80,375
Less: Annual Mortgage Payment			\$48,552
POSITIVE CASH FLOW			\$31,823
Add: Principal Recapture 1st Yr			\$15,739
 RETURN ON INVESTMENT			\$47,562
R.O.I.%			16.47%
Cash on Cash return			11.02%

859 Trunk Road Sault Saint Marie

Rent Roll - May 2025

Process

Offers will be presented on a first come first served basis. All Agreement/Confidentiality Agreement and then will be provided the CIM and will be given access to the data room where all relevant due diligence materials will be kept.

Buyers are invited to submit an Offer to Purchase through the Listing Brokerage or through their Buyer Brokerage by the date specified if any. Offers should be presented in the form of an Agreement of Purchase and Sale or Binding Letter of Intent, spelling out the significant terms and conditions of the Buyers Offer including but not limited to the following:

- Purchase price
- 1st and 2nd deposits
- Details of mortgage to assume or arrange
- Description of Debt and Equity Structure
- Due Diligence period and closing time
- Explanation of Capital Sources
- List of buildings owned or purchased

Submission will be evaluated on the consideration offered for the asset, the method of payment of the consideration, the prospective Buyer's ability to complete the transaction, the form of Offer presented, conditional period and the proposed date of Closing.

Prospective Buyers should note that the Seller is under no obligation to respond to or accept any submission for the Property. The Seller reserves the right to remove the Property from the market and to alter the process described above and timing thereof at any time or times at its sole discretion.

If there is a Seller Offer Form it will be located in the Data Room. If there is no Seller Offer Form in the Data Room then Buyers and Co-operating Buyer Brokerages can use whatever format they choose.

If there is a Seller Offer Form, the Seller and Listing Brokerage encourage Buyers and others to use it but it is not a requirement.

Prospective Buyers will have the opportunity to visit the Property via prescheduled property tours as may be set by the Listing Brokerage. In order to accommodate the ongoing operations of the property, a minimum of 48 hours is required for tours to be arranged on a one on one basis.

Tours will include a sampling of suites to be shown at the Seller's discretion, common areas, utility rooms, storage rooms, roof, underground parking etc. Buyers and their agents are to use caution and discretion when dealing with



MEMORANDUM CONTENTS

This Confidential Information Memorandum (“CIM”) and Due Diligence Materials (“DDM”) are being delivered to prospective Buyers to assist them in deciding whether they wish to acquire the Property. This CIM & DDM does not purport to be all-inclusive or to contain all the information that a prospective Buyer may require in deciding whether or not to purchase the Property.

This CIM & DDM is for information and discussion purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Property. The CIM & DDM provides selective information relating to certain physical, locational and financial characteristics of the Property.

The information on which this CIM & DDM is based has been obtained from various sources considered reliable. Neither the Seller nor Commercial Focus Realty Inc. (“CFR”) make any representation, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective.

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If any information relating to the Property, in addition to the information provided in this CIM & DDM, is provided at any time, orally, or otherwise, by the Seller or CFR or any one acting on their behalf, such information is provided as a convenience only without representation or warranty as to its accuracy or completeness. Such information should not be relied upon by prospective Buyers without independent investigation and verification.

CONFIDENTIALITY

By accepting this CIM & DDM, prospective Buyers agree to hold and treat them and their contents in the strictest confidence. Prospective Buyers will not, directly or indirectly, disclose or communicate or permit anyone else to disclose or communicate this CIM & DDM or any of its contents or any part thereof to any person, firm or entity without the prior written consent of the Seller and CFR.

Prospective Buyers will not use or permit this CIM to be used in any manner detrimental to the interests of the Seller, CFR or their affiliates or for any other purpose than a proposed purchase of the Property. The terms and conditions in this Section with respect to confidentiality and the disclaimer contained under the heading “Memorandum Contents” will relate to all Sections of the CIM as if stated independently therein.

DUE DILIGENCE MATERIALS

Further to executing a Confidentiality Agreement, Prospective Purchases shall be given private access to the Property Data Room which will contain materials required for due diligence. Any additional materials will be provided to Purchases on written request and if in the possession or control of the Seller.

DISCLAIMER

While every reasonable effort is made to ensure the accuracy of this Information, we (the Seller or Listing Brokerage) are not responsible for any errors or omissions contained on these informative materials.

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