



Annual Sales

Ottawa’s commercial real estate market in 2012 set a record at almost \$2.7 billion in transactions. This is only the second time since 2002 that the total has been over \$2 billion. The previous record was set in 2007 when the total was at \$2.121 billion.

The adjacent chart details the sales for each of the asset classes for the past two years. The total number of sales for 2012 was down by 2.9% to 305 sales (over \$500,000) compared to 314 sales in 2011. The overall value transacted rose 137% from the previous year. All of the asset classes with the exception of land increased in the past year. The two asset classes with the largest increase were multi-family and office.

Property Type	2012		2011	
	# of Sales	Value	# of Sales	Value
Industrial	34	\$201,157,735	39	\$148,653,000
Multi-Family	61	\$664,181,553	55	\$133,480,500
Retail	42	\$151,920,000	41	\$88,344,400
Office	52	\$986,205,292	50	\$296,705,379
Land	100	\$299,571,729	117	\$331,416,976
Special	16	\$364,992,413	12	\$126,742,672
Total	305	\$2,668,028,722	314	\$1,125,342,927

The largest transactions that occurred in each of the asset classes in the past year were as follows.

Property Type	Address	Vendor	Purchaser	Consideration
Retail	3775-3777 Strandherd Drive	Barrhaven Town Centre Inc. & Jockvale Developments Inc.	Sun Life Assurance Company of Canada	\$46,500,000
Industrial	101-201 Innes Parkway, 1220-1240, 1250-1260 & 1280-1290 Old Innes Road	Sunlife Assurance Company of Canada	The Standard Life Assurance Company of Canada	\$78,750,000
Office	200 Kent Street	200 Kent Street Ltd.	The Great-West Life Assurance Company	\$143,400,000
Residential	Craig Henry Portfolio	Jack Aaron and Company	Minto Multi-Residential Income Partners I, GP Inc.	\$92,050,041
Land	245 Rideau Street	769470 Ontario Ltd.	Claridge Homes (245 Rideau) Inc	\$22,150,000
Special	751 Peter Morand Crescent	Alta Vista Manor Inc.	Regal Lifestyle Communities	\$42,040,000

These six sales have a total value of \$424,890,0421 which represents 16% of the total value in the past year. It is also note worthy that life insurance companies were purchasers in three of the transactions.

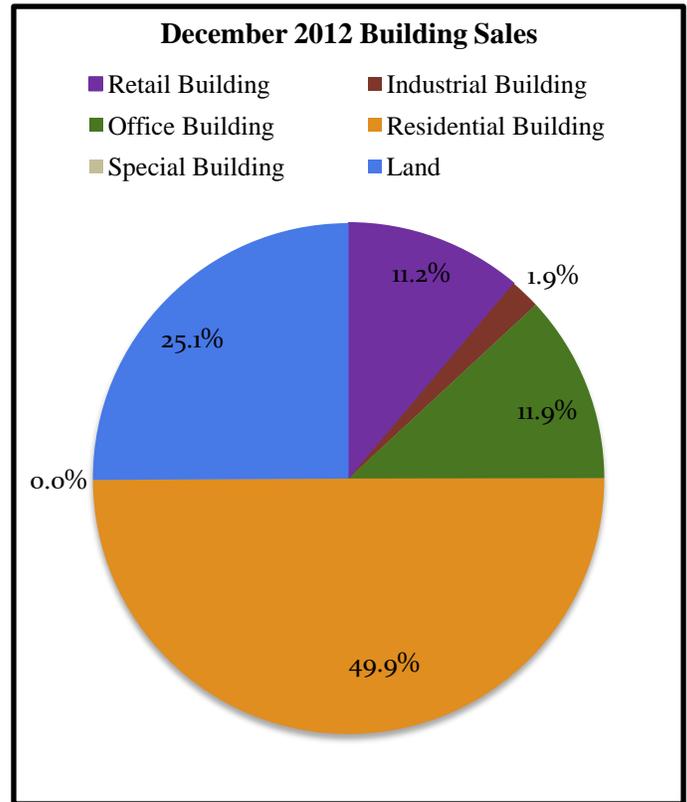
Overview of Market

The local unemployment rate as reported by Statistics Canada for the month of December held at 6.6% from the previous month. The provincial rate increased to 7.9% from 7.8% in November. The national overall unemployment rate also had a slight increase to 7.2% from 7.1% a month prior.

According to CMHC's news release, the number of residential units under construction increased by 10% over last year to a total of 5,411 units. Housing Starts for the month of December decreased by 32.1% year-over-year, from 563 units in 2011 to 382 units in 2012. Year-to-date housing starts have shown a 4% increase, from 5,794 units in 2011 to 6,026 units in 2012.

There were a total of 32 sales reported in the month of December with a total value of \$213,594,398. Retail building sales accounted for 11.2% of the total, industrial buildings 1.9%, office buildings 11.9%, apartment buildings 49.9%, special buildings 0.0% and vacant land 25.1%.

Sales data has been provided by RealTrack, Inc. For more information visit <http://www.realtrack.com> or call 1-877-962-9033



Retail Sales

There were seven transactions in the retail market with a total value of \$23,845,000. The most notable transaction was the purchase of 329 March Road. The property was acquired by 329 March Road Inc. from 852059 Alberta Ltd. for \$7,775,000 or \$170/sf. The building consist of ground floor retail and second floor walk-up office space. Ryan Barresi & Scott MacFarlane from Cushman & Wakefield Ottawa were the agents involved in the transaction.

The next largest transaction was the purchase of 1008-1024 Wellington Street, which sold from 2102970 Ontario Inc. to Fairmont Wellington Holdings Inc. for \$4,686,500 or \$234/sf. It is improved with a two-storey freestanding retail building with second and third floor residential units. The building was constructed in 2007.

Another transaction included 41 York Street, which was sold by 2212019 Ontario Ltd. to 2350894 Ontario Inc. for \$3,400,000 or \$410/sf. The building consists of four storeys, which was split

between ground and second floor restaurants with office and residential uses above.

Finally the last significant transaction includes a portion of the Craig Henry Portfolio Transaction which will be further mentioned in the residential building section. The retail portion located at 3 Chartwell Avenue & 100 Craig Henry Drive was sold by Jack Aaron and Company Ltd. to Minto Multi-Residential Income Partners I, GP Inc. for \$2,500,000 or \$115/sf. The broker involved in the transaction is

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Brendan Hanna of Paracom Realty Corp.

Industrial Sales

There were three industrial building sales during the month of December with a total value of \$4,100,000. 70 Beech Street was the most noteworthy transaction. The property transferred from a Johnson Welding Works (Ottawa) to Beech Holdings Ltd for \$1,600,000 or \$533/sf. It is improved with a single-storey industrial building with two drive-in doors on either side. The purchaser intends to convert the building into retail uses.

Office Sales

There were six office building sales with a total value of \$25,421,831. The most notable transaction was the sale of 1-9 and 10 Brewer Hunt Way & 21-31 Richardson Side Road. The property sold to 8207283 Canada Inc. from BRIQ Nominee Inc. for \$18,500,000 or \$140/sf. It is improved with a campus style multi-tenant complex comprising of three single-storey buildings, plus a two storey ambient free chamber. Nick Pantieras, Aik Aliferis and Sam Firestone of Primecorp Commercial Realty had this property listed for sale.

Another significant office transaction includes the transfer of 30 Rosemount Avenue from Private Individuals to Somerset West Community Health Centre for \$2,195,000 or \$211/sf. The building consists of a two and one half storey structure that was purchased for owner occupancy.

Apartment Sales

There were four transactions in the apartment market during the month December with a total value of \$106,652,041. The Craig Henry Portfolio Transaction represented the largest transaction selling to Minto Multi-Residential Income Partners I, GP Inc. from Jack Aaron and Company for \$92,050,041 or \$183,002/unit. For a breakdown please refer to the chart labeled Craig Henry Portfolio. The purchase included a total of 369 townhomes, 134 residential rental units and a retail complex mentioned in the retail section of this report. The purchaser Minto has rebranded the community as "South Centrepointe". The broker involved in the transaction is Brendan Hanna of Paracom Realty Corp. Another significant apartment transaction was 235 Bay Street that was sold by a private individual to Hollyburn Properties Ltd. for \$9,932,000 or \$146,059/unit. It is improved with an eight storey, sixty-eight unit

apartment building. The building was initially built in 1964 with available parking both above and below ground. The last significant transaction in the apartment category for the month of December is 315 Nelson Street which was purchased by 8336997 Canada Inc. from 1828392 Ontario Inc. for \$3,645,000 or \$158,478/unit. The building is a two and one-half storey structure.

Special Sales

There were no transactions in the special buildings market for the month of December.

Craig Henry Portfolio Sale

Address	Consideration	Price Per Unit
203-229 Craig Henry Dr.	\$13,162,338	\$175,478
239-249 Craig Henry Dr.	\$19,997,854	\$149,238
269-297 Craig Henry Dr.	\$12,273,400	\$191,772
293-325 Craig Henry Dr.	\$17,361,274	\$195,071
327A-355F Craig Henry Dr. & 1 - 98 Greynam Ct.	\$29,255,175	\$207,484
3 Chartwell Ave. & 100 Craig Henry Dr. (commercial)	\$2,500,000	\$115/sf

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Land Sales

There were twelve vacant land transactions during the month of December for a total consideration of \$53,575,526. Of the twelve transactions, there were five residential land sales, one commercial land sale, four industrial land sales, one future growth land sale and one institutional land sale. The most notable transaction was the sale of 245 Rideau Street which was purchased by Claridge Homes (245 Rideau) Inc. from 769470 Ontario Ltd. for \$22,150,000 or \$410/sf. of site area. The site is currently improved with a Metro food store

and a surfaced paved parking lot. Brent Taylor of Brentcom Realty was the broker with respect to this transaction.

Another notable transaction was the sale of 201 Dibblee Road sold by 2235620 Ontario Inc. to Hydro Ottawa for \$6,606,067 or \$325,743/acre. This site was previously purchased in 2005 for \$500,000.

3311 Woodroffe was also sold during the month of December. The property was purchased by the City of Ottawa from the South Nepean Development Corporation for \$5,287,089 or \$531,312/acre. The

site is to be developed with an OC Transpo Park & Ride facility.

Also relevant was the transfer of 335 Roosevelt Avenue from Crawford Door Sales of Canada Ltd. to Uniform Properties Ltd. for \$4,500,000 or \$76/sf. The property is to be developed with two residential condominium towers with 194 units and underground parking.

