

of Capital Interest | February 2014

Juteau Johnson Comba Inc.

Annual Sales

Ottawa's commercial real estate market experienced a drop of approximately one billion dollars in the total value of transactions in 2013 from the previous year. This decrease would have been more significant had the Chateau Laurier and 234 Laurier Avenue West not closed in November and December respectively.

The adjacent chart details the sales for each of the asset classes for the past two years. The total number of sales for 2013 increased by 6.2% to 324 sales (over \$500,000) compared to 305 sales in 2012. However, the overall transacted value decreased 38% from the previous year. The two asset classes with the largest decrease total value in the past year were office and multi-family. The only two asset classes that increased in the past year were land and retail.

Property Type	2013		2012	
	# of Sales	Value	# of Sales	Value
Industrial	43	\$140,217,770	34	\$201,157,735
Multi-Family	72	\$267,546,294	61	\$664,181,553
Retail	40	\$298,340,365	42	\$151,920,000
Office	46	\$343,251,237	52	\$986,205,292
Land	112	\$389,299,947	100	\$299,571,729
Special	10	\$203,622,322	16	\$364,992,413
Total	324	\$1,644,877,935	305	\$2,668,028,722

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	1357 Baseline Road	Clydesdale Shopping Centres Limited	Calloway REIT Inc. & IG Investment Management Ltd.	\$101,611,304
Industrial	1645-1685 Russell Road, 1669 Russell Road & 740-850 Industrial Avenue	CIPF IX GP Inc.	Skyline Commercial Real Estate Holdings Inc.	\$25,060,000
Office	234 Laurier Avenue West	The Cadillac Fairview Corporation Ltd.	1258881 Ontario Inc.	\$75,750,000
Residential	Heron Gate Village	Kanco Heron Gate	TC Core GP Inc. & Mustang Equities Inc.	\$51,377,193
Land	4810 Bank Street	Aperdev Investments Inc. & Remer Holdings Inc.	Leitrim South Holdings Inc.	\$30,315,000
Special	Chateau Laurier Hotel	3428851 Canada Ltd.	Capital Hotel GP Inc.	\$120,000,000

These six sales have a total value of **\$404,113,497** which represents **24.6%** of the total value in the past year

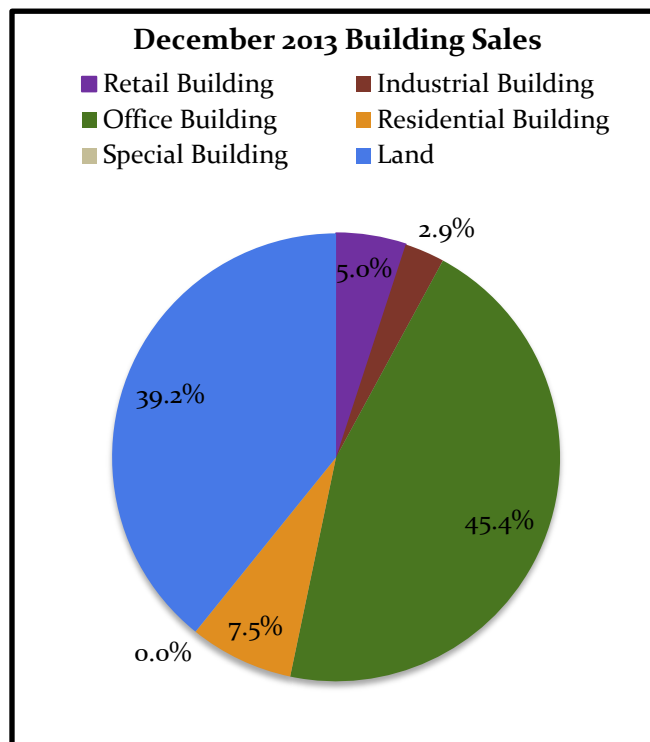
Overview of Market

The local unemployment rate as reported by Statistics Canada for the month of December increased to 6.2%, from the previous month when it was at 6.0%. The national and provincial rates increased slightly in December to 7.0% and 7.5% respectively.

According to CMHC’s news release, the number of residential units under construction increased by 27.9% over 2012 to a total of 6,921 units from 5,411 units. Housing Starts for the month of December increased by 9.2% year-over-year, from 382 units in December 2012 to 417 units in 2013. This resulted in the total number of starts for 2013 increasing to 6,560 which is up 8.9% from 2012. However, the total number of starts for condominium apartment units in 2013 was down slightly to 2,268 units from 2,277 units in 2012.

There were a total of 31 sales reported in the month of December with a total value of \$178,412,911. Retail building sales accounted for 5.0% of the total, industrial building 2.9%, office building 45.4%, apartment buildings 7.5% and land 39.2%.

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 four retail building sales during the month of December with a total value of \$8,975,000. The most notable sale for the month of December was the purchase of 470 Charlemagne Boulevard by Golden Dragon Ho 8 Inc. from Charlemagne Plaza Inc. for \$4,500,000 or \$215 per square foot. It is improved with a single-storey four tenant retail plaza that was constructed in 1996. The tenants in the retail plaza are the Bank of Nova Scotia, Parker Cleaners, Magicuts and Home Hardware. The brokers involved in this transactions were the mother and

daughter team of Aaida Oakley and Johanna Oakley from Primecorp Commercial Realty.

The other significant retail transaction was the sale of 2003 St. Joseph Boulevard to Merkburn Holdings Ltd. from Randall’s Paints Ltd. for \$2,050,000 or \$106 per square foot. This property is improved with a three-storey retail building on sloped land with all three levels at grade. The building is demised into 6,834 square feet at grade with the front door entry, 6,387 square feet at grade with the side door entry and 6,208 square feet

at grade with the entry at the rear (lower level). The agents involved with this transaction were the father and daughter team (looks like a trend) of Steve Lerner and Candice Lerner-Fry from Primecorp Commercial Realty.

Industrial Sales

There were three industrial building sales during the month of December with a total value of \$5,150,000. The most significant sale was the purchase of 2447 Kaladar Avenue by Kaladar Property Ltd. (Huntington Properties) from Al Brooks Ltd. for \$2,600,000 or \$98 per square foot.

The property is improved with two industrial buildings and a 500 square foot garage. Building A is a two-storey building with 20 foot clear ceiling and two at grade loading docks. Building B is a one-storey building built in 1961 with 10 foot clear ceilings and three at grade loading docks. The brokers involved in this transaction were Graeme Webster and Marc Morin (not related to each other that we know of) from District Realty.

2713 Fenton Road was purchased by 8571686 Canada Inc. from 2062680 Ontario Inc. for \$1,750,000 or \$109 per square foot. It is improved with a 16,000 square foot industrial building that has 5,000 square feet of office space and 11,000 square feet of warehouse space. The building has 20 foot clear ceilings, grade loading and 35 plus parking spots.

Office Sales

There were five office building sales during the month of December with a total value of \$80,920,000. The most significant transaction was the purchase of a 50% interest in 234 Laurier Avenue West by 1258881 Ontario Inc. from The Cadillac Fairview Corporation Ltd. for \$75,750,000 or \$335 per square foot (adjusted for a 100% interest). This property is improved with a twenty-six storey Class "A" office building that was constructed in 1983. There are also four levels of underground parking and one at grade loading dock. Nico Zentil of CB Richard Ellis was the real estate agent involved in this transaction.

Three, one-storey office buildings located at 2081 Merivale Road in the south end of the City were purchased by 1101600 Ontario Inc. from Tidal Quality Management Corporation for \$2,825,000 or \$111 per square foot. The buildings were 34% vacant at the time of sale and were purchased for partial owner occupancy. The agents involved with this transaction again were Aaida Oakley and Johanna Oakley from Primecorp Commercial Realty

Apartment Sales

There were seven transactions in the apartment market during the month of December with a total value of \$13,405,000. The most significant was the purchase of 425 & 429 Daly Avenue by Daly Court Apts Ltd from 1394943 Ontario Inc. for \$6,400,000 or \$160,000 per unit. It is improved with two, four-storey apartment buildings that were built in 1863 and 1878. The agent involved in this transaction was Michel Ferlatte from Coldwell Banker Sarazen Realty. The other notable sale was the purchase of 39-85 Costello Avenue by Golden Dragon Ho 7 Inc. from HE 1942 Investment Inc. for \$2,500,000 or \$104,167 per unit. It is improved with 24, two-storey townhouse units 16 of which have three bedrooms and 8 that have four bedrooms. There is a concrete garage that has 32 parking spaces, however it is in need of major repairs. For the third time this month, the agents involved in this transaction were Aaida Oakley and Johanna Oakley from Primecorp

Commercial Realty. Well done ladies!!

Land Sales

There were twelve land transactions during the month of December for a total consideration of \$69,962,911. Of the twelve transactions, there were four commercial, five residential and three special use sales.

Commercial Land

The most notable commercial land sale was the purchase of 9 Colonnade Road by 1067005 Ontario Ltd. (Dow Honda) from Colonnade Development Inc. for \$5,454,000 or \$1,214,158 an acre. This site is to be developed with the new Honda car dealership. The parcel is part of a larger property that will be developed with retail and office uses in the future. Another significant transaction was the purchase by Northland Properties Corporation of 280 West Hunt Club Road from Triform Developments Inc. for \$4,914,000 or \$24.09 per square foot. This site is to be developed with a Sandman Hotel and two free-standing restaurants.

Lastly, 5639 Bank Street was purchased by Otis Developments Ltd. from Eastview Sand & Gravel Ltd. for \$2,957,500 or \$95,557 an acre. The eastern portion of this site is proposed to be developed with a retail shopping centre. The western portion is undevelopable as it is a former sand pit. The shopping centre will include two other parcels 5640 Bank Street and 7107 Marco Street. The proposed development

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will be 96,878 square feet in size with a total of 464 surface parking spaces.

Residential Land

A land assembly of two sites located at 890 & 900 Bank Street was completed by 8694605 Canada Inc. (Canderel) The two sites were purchased from Brewers Retail Inc. and Hubert Renaud Ltd. for \$7,640,000 or \$219 per square foot of site area. 890 Bank Street is improved with a Mister Muffler auto services store and 900 Bank Street is improved with a free standing Beer Store. The purchaser plans to develop the properties with a mixed-use development with retail on the ground floor and residential condominium units above. Jamie Boyce and Quintin Colaiacovo of CB Richard Ellis had the Beer Store property listed for sale. 5873 Perth Street was purchased by 1470424 Ontario Inc from Richmond Creek Estates Ltd. for \$5,100,000 or \$39,279 per acre. The site is proposed to be partially developed

with a residential subdivision. The southern portion of the property is located within the Village of Richmond while the north end is outside the Village boundary. The property is affected by a flood plain which significantly reduced the developable area.

Claridge Homes (Beechwood) Inc. purchased 89 & 99 Beechwood Avenue from Caisse Populaire Rideau - Vision d' Ottawa Inc. for \$4,200,000 or \$198 per square foot. The site is improved with a two-storey former bank building and parking lot. The purchaser is proposing to develop the property with a five-storey condominium apartment building with ground floor retail space.

Lastly, 357 Booth Street was purchased by 1332741 Ontario Inc. from 345 Booth Street Ltd. for \$3,000,000 or \$121 per square foot. It is improved with two older dwellings and several older commercial buildings. The property is proposed to be developed with 20

freehold townhouses in four buildings. The units will be between 1,322 to 2,017 square feet in size and will include one parking space.

Institutional Land

There were three institutional land sales that were purchased by two school boards for new school sites. The Ottawa Catholic District School Board purchased 3024 Brian Coburn Boulevard from Minto Communities for \$7,596,810 or \$400,043 an acre. It is to be developed with a secondary school.

The Ottawa Catholic District School Board also purchased 2300 Esprit Drive from Minto Communities for \$2,398,200 or \$401,036 an acre. This site is to be developed with a 507 pupil elementary school that is scheduled to be opened in September 2015.

