

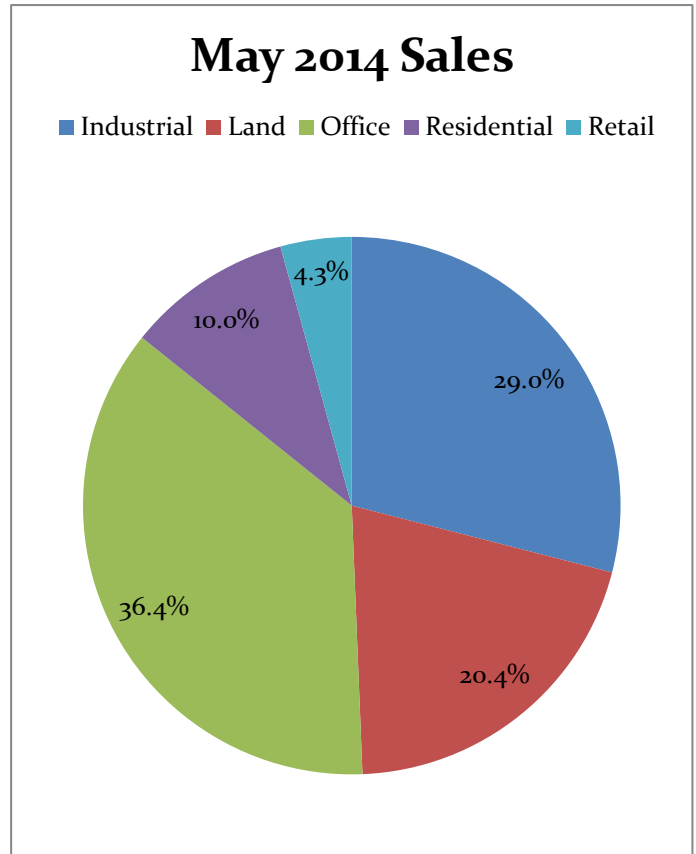
### Overview of Market

The local unemployment rate as reported by Statistics Canada for the month of May decreased to 6.7%, from the previous month when it was at 6.8%. The national rate remained steady at 7.0%, as did the provincial rate which has been 7.4% for several months of this year.

According to CMHC’s news release, the number of residential units under construction has increased by 15.6% over last year to a total of 6,369 units, previously 5,510 units. Housing starts for the month of May increased by 79% year over year, with 906 starts in 2014 compared to 507 in the same time period of 2013. In addition the total number of starts for condominium units for the first five months of the year is at 672 as compared to 914 for the same period last year.

There were a total of 36 sales reported in the month of May with a total value of \$133,131,432. Retail building sales accounted for 4.3% of the total, industrial buildings 29%, office buildings 36.4%, apartment buildings 10% and land 20.4%. The total value of sales for the first quarter of the year is \$511,956,419, a decrease of \$197,811,900 or 28% from the first quarter of 2013.

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 three retail building sales during the month of May with a total value of \$5,695,000.00. The most notable transaction was the purchase of 298-308 Dalhousie Street & 118-122 Clarence Street by Bascorp Enterprises Inc. from Desjar Pharmaceutical Holdings Inc. for \$4,400,000 or \$340/sf above grade. It is improved with a multi-tenant mixed use retail/office building. The

tenant leased back 3,200 square feet of ground floor space and 1,530

square feet of 2nd floor space for a 10-year term. The brokers involved in this transaction were Ed Belanger and Geoff Godding of Colliers International.

#### Industrial Sales

There were four industrial building sales during the month of May with a total value of \$ 38,607,716. The

most significant sale was the purchase of 501 Palladium Drive by BMO Life Assurance Co. from

2342997 Ontario Inc. (Summit Industrial Income REIT) for \$25,294,297(75% Interest) or \$131/sf. It is a two-storey assembly warehouse facility built in 2007. New leases are in place with Recall for 64,660 square feet and Lockheed Martin for 105,893 square feet. This property was sold by Steve Ward

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and Walid Cheaib of BMO Capital Markets.

Another notable sale was the purchase of 6968 McKeown Drive and 1381 Greely Lane in Osgoode, by 1847267 Ontario Inc. from Embrylin Estates Limited for \$2,700,000 or \$117/sf. It is a multi-tenant industrial office building that was constructed 25 to 30 years ago and it is situated on a 4.65 acre site. The vendor leased back 8,804 square feet and the purchaser will occupy 3,000 square feet. The balance of the space is leased to 4 tenants with leases expiring in 2015 and 2017 and a notice of 90 days for the tenants renting the yard space. The 1.8 acres of land at the rear of the building is leased for outside storage, is already severed and can be sold separately. The brokers involved in this transaction were Scott MacKay and Rick Vandebelt of Facilities Commercial, Warren Wilkinson of Colliers International and Mike Cavan of Cavan Realty.

### Office Sales

There were six office building sales during the month of May with a total value of \$ 48,439,000. The most notable transaction was the purchase of 4000 & 5050 Innovation Drive Portfolio by Innovation Blvd I, LLC and Innovation Blvd II, LLC from 2113007Ontario Inc. and 2118777 Ontario Inc. for \$ 37,539,000 or \$114/sf. These properties form part of the Blackberry Portfolio. The buildings represent a Class “A” office development with an

additional 10.7 acres of development land on Hines Road. 4000 Innovation Drive was built in 2000 and Blackberry Ltd. leased back the property from the buyer. 5050 Innovation was built in 2012 for Blackberry Ltd., but recently Blackberry closed this office and the building remains vacant. It has been reported that Ciena will occupy the building come 2017. The vendor is reported to have attributed the overall price per square foot throughout the Blackberry portfolio to the buildings with no value to the land. The Blackberry Portfolio was marketed by CBRE.

Another noteworthy office building sale was the purchase of 5420 Canotek Road by Amelie Tech Inc. for \$2,540,000 or \$127/sf from Paul Daoust Construction Canada Ltd. The site is improved with a one-storey office/industrial building constructed in 1984. There is 2,500 square feet of basement space utilized for storage. At the time of sale, the building was fully leased to six tenants. It was acquired by one of the tenants of the building.

Tower 311 Inc purchased 311 McArthur Avenue from The Ottawa Hospital for \$4,225,000 or \$137/sf. The 3-storey medical office building was constructed in 1990. The vendor leased back part of the building. The brokers involved in this transaction were Ernie Potechin of NAI Commercial and Michael Church and Matthew Schultz of Avison Young.

Lastly, 2301 Carling Avenue was purchased by 2301 Carling Inc from 6507689 Canada Ltd for \$2,900,000 or \$222/sf. This is a three-storey multi-tenant elevated office building that was constructed in 1990. The purchaser will be occupying the vacant space. Ryan Barresi and Scott MacFarlane of Jones Lang Lasalle were the agents involved in this sale.

### Apartment Sales

There were six transactions in the apartment market during the month of May with a total value of \$13,279,000. The most significant apartment building sale was the purchase of 344 and 360 Dundas Street in Vanier by Dundas Group Inc. from Kanco 344 & 360 Dundas Ltd. for \$5,900,000 or \$96,721/unit. The two buildings have 61 units and were constructed in 1959. There are 43 surface parking spaces. 360 Dundas Street was updated with a new boiler. Sam Firestone and Aik Aliferis of Primecorp Commercial Realty were the brokers with respect to this transaction.

30 Mountain Crescent was purchased by 4552199 Canada Inc. from Centro Comunitario do Divino Espirito Santo da Comunidade Portuguesa de Ottawa for \$2,950,000 or \$196,667/unit. It is improved with a three-storey 15 unit residential apartment building that was constructed in 1990. The property previously sold in 201 for \$2,385,000. Jennifer Alvarenga of

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Century Action Power Team had this property listed for sale.

### Land Sales

There were seventeen land transactions during the month of May for a total consideration of \$27,110,716. Of the seventeen transactions, there were six industrial, six residential, two commercial and one sale each of agricultural, institutional and future growth land

### Commercial

The most notable commercial land sale was the purchase of 10 Cope Drive in Kanata by Taggart (Eagleson) Corporation from Bradley Air Services Ltd. (First Air) for \$2,358,750 or \$456,856 per acre. The purchaser has proposed the construction of a retail development

featuring three buildings with a total gross floor area of 54,960 square feet. The south end of the site is proposed to include a large format retail food store (22,012 square feet) and a specialty retail store (12,992 square feet). To the north a small commercial plaza (14,574 square feet) and a small retail building (5,382 square feet) are proposed along the Eagleson Road frontage. There will be approximately 267 parking spaces.

### Residential

The other significant land sale was the purchase of residential land on Hinton Avenue in Hintonburg for \$3,000,000 or \$145/sf of site area by four numbered companies from Central Tile Co (Ottawa) Ltd. The properties are improved with older detached dwellings. The purchaser proposes to redevelop the property

with a four-storey apartment building.

Lastly, 113 and 115 Echo Drive was purchased by Uniform Urban Developments Ltd. from Centro Comunitario do Divino Espirito Santo da Comunidade Portuguesa de Ottawa for \$3,550,000 or \$216/sf of site area. The site is located on the southeast corner of Echo Drive and Main Street in the Old Ottawa East neighbourhood. It is zoned Institutional and is improved with a community hall and a single family house.

