

of Capital Interest | March 2015

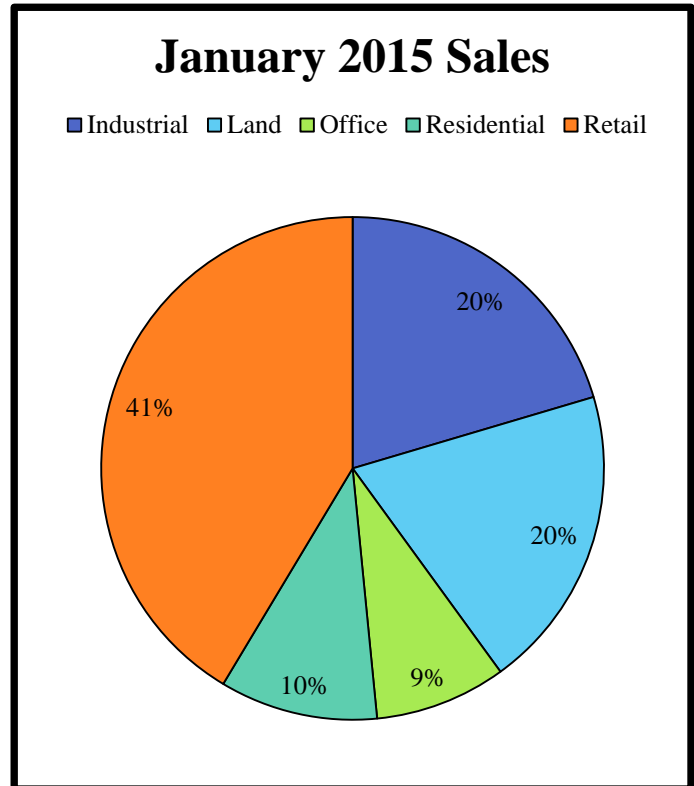
Juteau Johnson Comba Inc.

Overview of Market

The local unemployment rate as reported by Statistics Canada for the month of January increased to 6.6%, from the previous month when it was at 5.9%. The national rate remained at 6.6%, while the Province of Ontario decreased to 6.9% in January.

According to CMHC’s news release, housing starts for the month of January were trending at 5,984 units compared to 6,256 units in December, a decrease of 4.3%. Housing starts for the month of January decreased 14.5% year-over-year, from 221 units in January 2014 to 189 units in January 2015. In addition, the total number of starts for condominium apartment units in January 2015 increased marginally to 12 units from 8 units in January 2014.

There were a total of 27 sales reported in the month of January with a total value of \$54,254,462. Retail building sales accounted for 41.4% of the total, industrial buildings 20.4%, office buildings 8.5%, apartment buildings 10.2% and land 19.6%. 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 six retail building sales during the month of January with a total value of \$22,458,522. The most notable sale for the month of January was the purchase of 458 Montreal Road by Mrak Holdings Inc. (*Mark Motors East*) from Belisle Holdings Ltd. for \$14,600,000 or \$243/sf. The property is to be improved with a single-storey, Audi dealership comprised of a showroom, four drive-in doors and 18 service bays.

The two other significant retail transactions were the sales of 1556 Bank

Street and 945 Smyth Road from the Bank of Montreal to RioCan Holdings Inc. for \$3,031,237 or \$600/sf and \$2,579,285 or \$585/sf respectively. 1556 Bank Street is improved with a one-storey freestanding bank with approximately 25 surface parking spaces. 945 Smyth Road is improved with a one-storey freestanding bank with a partially finished basement and a drive-thru. There are approximately 23 surface parking spaces. These two transactions were part of the acquisition of 18 urban branch locations in a sale – leaseback transaction. The branches are located in British Columbia, Ontario and

Quebec. The portfolio was acquired at a purchase price of \$49.4 million.

Industrial Sales

There were six industrial building sales during the month of January with a total value of \$11,075,750. The most significant sale was the purchase of 33 Edgewater Street from OKON Holdings Ltd. (*Carstar Kanata Allards*) by 2428920 Ontario Inc. for \$3,500,000 or \$146/sf. It is improved with a collision centre comprised of office space, three drive-in doors and a clear ceiling height of 20 feet.

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In addition, 44 Iber Road was purchased from 1248800 Ontario Inc. by Iber Road Property Limited and Iber Road Property Limited Partnership (*Huntington Properties*) for \$3,067,000 or \$152/sf. The site is improved with a single-storey industrial building constructed in 1988. It is demised into three units. The 1.5 acre site at the rear is undeveloped and excess to the existing development.

Lastly, 2-8 Brewer Hunt Way was purchased by Embrylin Estates Ltd. (*Terlin Construction Ltd.*) from Brewer Hunt Properties Ltd. for \$2,275,000 or \$88/sf. It is improved with a single-storey, steel frame, office/flex building. There is dock loading with the potential to add additional grade level doors. The building was constructed in the mid 1980s and has a clear ceiling height of 14 feet and a parking ratio of 2 per 1000 square feet. Nathan Smith, Scott Brooker and Ryan Barresi of Cushman Wakefield Ottawa were the brokers involved in this transaction.

Office Sales

There were five office transactions during the month of January with a total value of \$4,585,000. 884 Churchill Avenue was purchased by 8021155

Canada Inc. (*Iron Horse Security & Investigations*) from 6712525 Canada Inc. (*Mann & Partners LLP*) for \$950,000 or \$238/sf. The property is improved with a two-storey building that has visible signage from the Queensway. It is demised into 75% office and 25% warehouse with 12 foot ceiling height and one drive-in door. John Zinati from District Realty Corporation was the broker involved in this sale.

Apartment Sales

There were four transactions in the apartment market during the month of January with a total value of \$5,514,000. The most significant was the purchase of 271-277 Dalhousie Street for \$3,200,000 or \$290,909 per unit or \$320/sf. It is improved with a three-storey brick apartment building comprised of 9 units, and a modern restaurant on the ground level that is licensed for 80 seats. There is also additional retail space. Tino (Juventino) Marques from RE/MAX Metro-City Realty Limited was the broker with regards to this sale.

Land Sales

There were six land transactions during the month of January for a total consideration of \$10,621,190. Of the six transactions, there were four commercial sales, one residential sale and one agricultural sale.

Commercial Land

The most notable commercial land sale is located at 360 Bobolink Ridge, in the Fernbank Community, in the west end of the City of Ottawa. It was purchased by CP REIT Ontario Properties Limited; PRC Fernbank Corp. and Phoenix Fernbank Inc. from Abbott-Fernbank Holdings Inc. for \$4,076,190 or \$465,850 per acre. Construction of a grocery anchored retail development is expected to commence in the second half of 2017.

The second significant commercial land sale was the purchase of 2707 Solandt Road by Kanata Research Park Corp. from Solandt Road Property Limited Partnership and Solandt Road Property GP Inc. (*Canderel*) for \$2,000,000 or \$405,186 per acre. The site was purchased by an adjoining property owner for development at some point in the future.

