

# of Capital Interest | February 2016

Juteau Johnson Comba Inc.

## Annual Sales

Ottawa's commercial real estate market experienced a decrease of approximately 83 million dollars in the total value of transactions in 2015 from the previous year.

The adjacent chart details the sales for each of the asset classes for the past two years. The total number of sales for 2015 decreased by 2.2% to 305 sales (over \$500,000) compared to 312 sales in 2014. As a result, the overall transacted value decreased 6.44% from the previous year. The two asset classes with the largest decrease in total value in the past year were special and multi-family. The two asset classes that increased in the past year were retail and office.

Property Type	2015		2014	
	# of Sales	Value	# of Sales	Value
Industrial	47	\$133,032,908	36	\$153,207,716
Multi-Family	63	\$283,954,285	71	\$365,331,809
Retail	52	\$220,953,324	46	\$143,935,731
Office	44	\$281,447,010	38	\$273,603,613
Land	92	\$268,709,764	114	\$271,574,861
Special	7	\$12,040,549	8	\$75,128,000
<b>Total</b>	<b>305</b>	<b>\$1,200,137,840</b>	<b>312</b>	<b>\$1,282,781,730</b>

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	5707 Hazeldean Road, Stittsville (The Shopper's at Fairwinds)	North American (Goulbourn) Corp, North American (Goulbourn II)	Manulife Ontario Property Portfolio Inc.	\$37,450,000
Industrial	500 March Road, Kanata	Legget Drive Developments Inc.	SCI Brockville Corporation	\$25,300,000
Office	24 Office/Flex Building Portfolio, Ottawa	Investors Group Trust Co. Ltd.	CanFirst Ottawa Properties Inc.	\$64,875,000
Residential	2380 Baseline Road & 15,21, 26 & 28 Rockway Crescent, Nepean (Forest Ridge Apartments)	Andrews Brothers Construction(Ottawa) Limited and 3318907 Canada Limited	InterRent International Properties Inc. and InterRent Apartments Inc.	\$58,500,000
Land	2564 Tenth Line Road, Cumberland	Marcel Bisson & Jean-Georges Bisson	2447591 Ontario Inc.	\$27,000,000
Special	1071 Richmond Road, Ottawa	Larga Baffin Ltd.	Tungasuvvingat Inuit	\$3,495,000

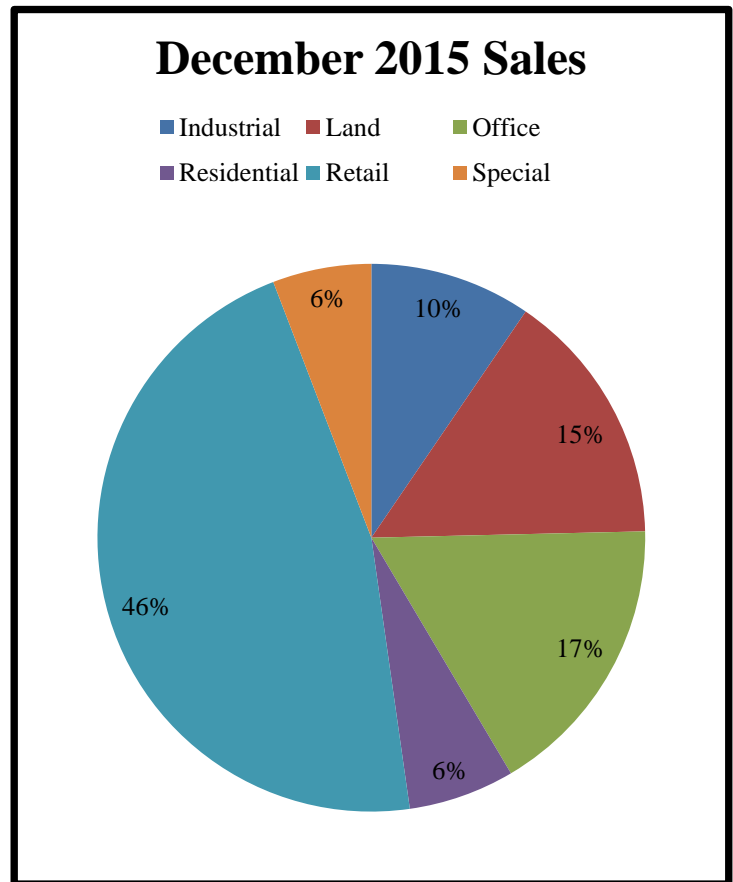
These 6 sales have a total value of \$ **216,620,000** which represents **18.05%** of the total value in the past year.

## Overview of Market

The local unemployment rate as reported by Statistics Canada for the month of December remained unchanged at 6.3%, from the previous month. The national rate also stayed at 7.1%, while the Province of Ontario decreased to 6.7% compared to 6.9% in November.

According to CMHC's news release, housing starts for 2015 were at 4,972 units compared to 5,762 units for the previous year, a decrease of 13.7%. Housing starts for the month of December decreased 26.9% year-over-year, from 577 units in December 2014 to 422 units in December 2015. In addition, the starts for condominium apartment units for 2015 were at 792 units as compared to 1,418 units in 2014, a decrease of 44.2%.

There were a total of 32 sales reported in the month of December with a total value of \$100,462,037. Industrial building sales accounted for 9.5% of the total, office buildings 16.9%, apartment buildings 6.3%, land 15.1% and special 5.8%. 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 retail building sales during the month of December with a total value of \$46,633,263. The most notable sale for the month of December was the purchase of a 75% interest in 5707 Hazeldean Road in Stittsville (The Shoppers at Fairwinds) by Manulife Ontario Property Portfolio Inc. from North American (Goulbourn) Corp, North American (Goulbourn II) CentreCorp Management Services Ltd., for \$37,450,000 or \$362/sf based on

100% interest. The property is improved with six recently constructed single-storey retail buildings. Five of the buildings are leased to single tenants and the sixth is divided into six units. Peter Senst, Hillel Abergel Casey Gallagher and Nico Zentil of CBRE were involved with this transaction.

The other significant retail transaction was the sale of 7-13 Kakulu Road in Kanata from WIIT Investments Inc. (Paradigm

Properties Inc.) to 2493691 Ontario Inc for \$3,600,000 or \$293/sf. The property is improved with a single-storey, "L"-shaped strip plaza that was constructed between 1978 and 1979. The broker involved in this transaction was Rocco Manfredi of Royal LePage Team Real Estate.

### Industrial Sales

There were five industrial building sales during the month of December with a total value of \$9,575,225. The most significant sale was the

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purchase of 145 Walgreen Road in West Carleton by Gerald K. Tallman Holdings Limited from Lischer Holdings Corporation for \$2,600,000 or \$179/sf. The property is improved with an office/warehouse building. The 4,000 square foot office component has two floors, and the 10,500 square foot warehouse component is all clear span construction with no load bearing interior walls.

Lastly, 2590 Blackwell Street, in the east end of Ottawa was purchased by 2491189 Ontario Inc., 2491190 Ontario Inc., 2491191 Ontario Inc. and GMW Ottawa Inc. from Interprovincial Properties Corp. for \$1,600,000 or \$242/sf for the building and \$900,000 or \$16/ sf for the excess land, for a total purchase price of \$2,500,000. It is improved with a one-storey brick clad structure with four large overhead doors.

### Office Sales

There were only three office transactions during the month of December with a total value of \$16,935,000. The most significant transaction was the purchase of 595 Montreal Road, in the east end of the City by Mohawk Montreal Road Inc. from Edifice Professional Phenix Inc. for \$12,000,000 or \$293/sf. The building is occupied by 32 physicians and medical services including lab, x-ray and pharmacy.

The other sale of interest is 2120 Robertson Road in Bells Corners in

the west end of the City. This property was purchased by Domeron Inc from Actum Ltd. for \$4,200,000 or \$254/sf. The property is improved with a two-storey, plus basement, retail/office building that was constructed in 1977. Marc Morin & Graeme Webster of Koble Commercial Real Estate were the agents for this transaction.

### Apartment Sales

There were four transactions in the apartment market during the month of December with a total value of \$6,295,000. The most significant was 441 & 443 Echo Drive which was purchased by JB Holdings Inc. (Bassi Construction) from Private Individuals for \$2,615,000 or \$163,438 per unit. It is improved with a three and one half storey, brick apartment building with ±15 paved surface parking spaces.

### Special Sales

There were three transactions in the special market during the month of December with a total value of \$5,855,549. The most significant was the purchase of 1071 Richmond Road by Tungasuvvingat Inuit from Larga Baffin Ltd. for \$3,495,000 or \$85,244 per unit (\$43,148/bed). It is improved with a four-storey, brick veneer and vinyl siding, 41 unit (81 bed) personal care facility/rooming house with a partial basement.

### Land Sales

There were ten land transactions during the month of December for a total consideration of \$15,168,000. Of the ten transactions, there were four industrial, three residential, one commercial, one agricultural, and one special sale(s).

### Commercial Sales

The northeast corner of Strandherd Drive & Cresthaven Drive in the Barrhaven Community was purchased by 2490754 Ontario Limited from South Nepean Development Corporation (Minto) for \$3,800,000 or \$915,663 per acre. It was purchased for its development with three freestanding buildings including a grocery store. The broker involved in this transaction was Jamie Boyce of CBRE.

### Special Sales

5731 Hazeldean Road in Stittsville was purchased by Wellings Communities Holding Inc. and Extendicare (Canada) Inc. from Ottawa Community Lands Development Inc. for \$4,100,000 or \$359,019 per acre. The property is located on the north side of Hazeldean Road to the west of Huntmar Road. The site is surrounded by existing and future retail commercial development to the east and west.

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