

of Capital Interest | February 2018

Juteau Johnson Comba Inc.

Annual Sales

Ottawa's commercial real estate market reached an all time high of more than two billion dollars of total value in 2017. This represented an increase of approximately \$639 million 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 2017 increased by 10.5% to 325 sales (over \$500,000) compared to 294 sales in 2016. The total transacted value increased 43% from the previous year. The two asset classes with the largest decrease in total value in the past year were mixed-use and special. The asset class that increased the most in the past year was the office class which increased by nearly 1 billion dollars. This was due to the purchase of Constitution Square and the purchase of a 50% interest in Minto Place.

Property Type	# of Sales	2017		2016	
		Value	# of Sales	Value	
Industrial	35	\$103,953,000	36	\$85,219,483	
Multi-Family	81	\$266,057,673	58	\$447,345,401	
Retail	45	\$187,921,264	37	\$169,601,139	
Office	46	\$1,083,816,657	30	\$133,040,180	
Land	98	\$369,231,173	100	\$269,429,555	
Special	7	\$105,071,000	13	\$310,238,289	
Mixed-Use	13	\$34,748,444	20	\$63,314,000	
Total	325	\$2,117,229,211	294	\$1,478,188,047	

The largest transactions that occurred in each of the asset classes in the past year are outlined in the chart below:

These 7 sales have a total value of **\$696,016,435** which represents **33%** of the total value in 2017.

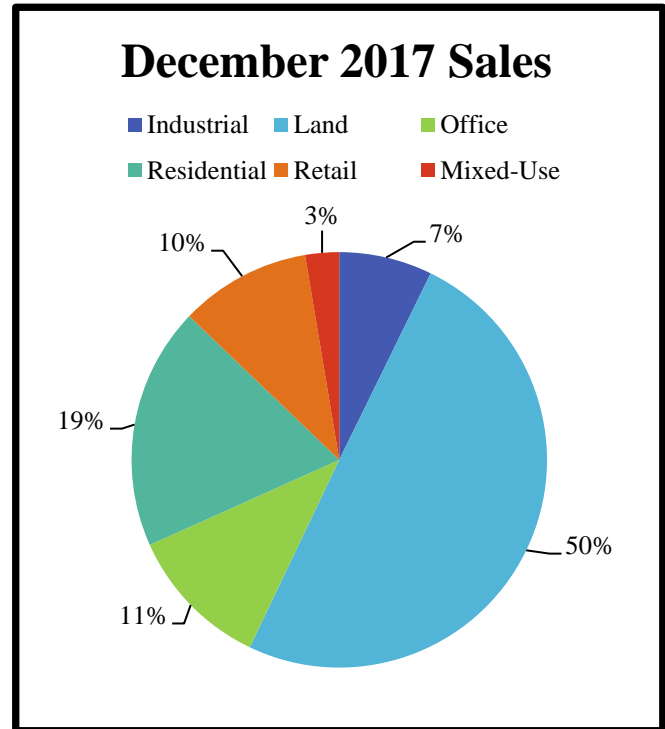
Property Type	Address	Vendor	Purchaser	Consideration
Retail	1642 Merivale Road (Merivale Mall)	1642 Merivale Road GP Inc. (Bentall Kennedy)	First Capital Holdings (Ontario) Corporation	\$57,460,435
Industrial	2215 Gladwin Crescent	BGV III Office Ottawa Inc.	9182071 Canada Inc. & 10064963 Canada Inc.	\$22,000,000
Office	340-360 Albert Street 150 Kent Street	OMERS Realty Corp. CPP Investment Board Real Estate Holdings Inc.	Greystone, Canderel & Canstone	\$480,000,000
Residential	131-141 Cooper Street	ESA Administrator LLC	8887322 Canada Incorporated	\$36,300,000
Land	1145 March Road	7089121 Canada Inc. (Multivesco Inc.)	CU Developments (Claridge Homes Ltd.)	\$36,000,000
Special	2018 Robertson Road	Caregard Holdings (2003) Inc.	CSH (Stillwater) Inc.	\$56,796,000
Mixed Use	25 Tapiola Crescent (Greenboro Plaza)	Liveart Limited & Sore Developments Inc.	Greenboro Medical Centre Inc.	\$7,460,000

Overview of Market

The local unemployment rate as reported by Statistics Canada for the month of December fell to 5.7% from 5.9%. The national rate fell to 5.7% from 5.9% and the Province of Ontario unemployment rate remained unchanged at 5.5%, from the previous month.

According to CMHC’s news release, housing starts for 2017 were at 7,457 units compared to 5,298 units for the previous year, an increase of 41%. Housing starts for the month of December increased 54% year-over-year, from 526 units in December 2016 to 811 units in December 2017. In addition, the starts for condominium apartment units for 2017 were at 1,431 units as compared to 619 units in 2016, an increase of 131%.

There were a total of 38 sales reported in the month of December with a total value of \$170,673,104. Industrial building sales accounted for 7% of the total, office building sales 11%, residential building sales 19%, land sales 50%, retail building sales 10% and mixed-use 3%. Sales data has been provided by RealTrack, Inc. For more information, visit <http://www.realtrack.com> or call 1-877-962-9033.



Land Sales

There were sixteen land transactions during the month of December for a consideration of \$85,054,274.

Future Growth Land Sales

The most notable sale during the month of December was the purchase of 1145 March Road by CU Developments Inc. from 7089121 Canada Inc. (*Multivesco Inc.*) for \$36,000,000 or \$204,767 per acre. It is located in the northwest quadrant of the Kanata North Community Design Plan, which will feature 885

residential units and will also feature 5.21 acres of Parkland.

Residential Land Sales

557 Cambridge Street South & 774 Bronson Avenue was purchased by 10467855 Canada Inc. (*Katasa Group*) from Vector Financial Services for \$8,000,000 or \$205 per square foot. The vendor had a plan for a twelve-storey 341 bed student residence on the site.

33 Cambridge Street North & 192-196 Bronson Avenue was purchased by 192 Bronson Property Inc. (*Ron Lavy*) from Bronson Ltd. (*Lamb*

Development Corp.) for \$7,650,000 or \$292 per square foot. It is improved with a two and one half-storey office building. The vendor had a previous plan for an eighteen-storey condominium building with 214 residential units and 1,613 square feet of ground floor retail. District Realty was the broker for this transaction.

99 Parkdale Avenue was purchased by 9406573 Canada Inc. (*Brigil Construction Inc.*) from 99 Parkdale Inc. (*Urbandale Construction*) for \$6,000,000 or \$408 per square foot. A development plan for a 32-storey condominium building with 230

residential units, 1,460 square feet of ground floor retail and six-storeys of underground parking together with the four lots immediately north of the subject property had been proposed for this site.

319 Richmond Road was purchased by Churchill and Main Urban Properties Inc. (*Main and Main Developments Inc.*) from 2421483 Ontario Inc. (*Avenues Garage Limited Partnership*) for \$4,850,000 or \$340 per square foot. It is improved with a single-storey commercial building. The purchaser also owns the two lots immediately west of this property.

Rural Land Sales

4174 Rideau Valley Drive North was purchased by Urbandale Corporation from named individuals for \$4,378,990 or \$47,091 per acre. It is improved with a two-storey dwelling and three farm use buildings. James Kenny of RE/MAX Hallmark and Philip Zunder of Decathlon Commercial Realty Corp. were the agents involved in this sale.

4065 Prince of Whales Drive was purchased by Urbandale Corporation from Limerick Farms Ltd. for \$3,006,885 or \$48,087 per acre. It is improved with a three-storey dwelling. The property was listed by Philip Zunder of Decathlon Commercial Realty Corp.

Industrial Land Sales

20 Frank Nighbor Place was purchased by 20 Frank Nighbor Inc. & 40 Frank Nighbor Inc. from 764703 Ontario Inc. for \$3,508,811 or \$498,411 per acre. The first parcel will be utilized as an RV dealership and the second parcel as a hotel.

Special Use Land Sales

785 Goulbourn Forced Road was purchased by the Ottawa Carleton District School Board from KNL Developments Inc. for \$2,673,200 or \$411,262 per acre. A development plan was submitted for a 51,064 square foot single-storey elementary school and child daycare. The school will accommodate 500 students.

Commercial Land Sales

895 Montreal Road was purchased by Mattamy (Rockcliffe) Ltd. from the Ontario Superior Court of Justice for \$2,350,000 or \$49.12 per square foot. It is improved with a small single-storey commercial building. The site was formally utilized as a car dealership.

Residential Sales

There were seven residential transactions during the month of December for a consideration of \$32,204,200.

2920 Fairlea Crescent was purchased by NVU 2920 Fairlea Ltd. (*Northview Apartment REIT*) from

Fairlea Crescent Inc. (*Timbercreek Asset Management*) for \$15,000,000 or \$132,743 per unit. It is improved with a six-storey 113 unit apartment building. It has ± 77 underground and ± 89 surface parking spaces. It sold as part of a 10 property portfolio totaling 1,250 units for a total consideration of \$196,800,000.

305 Presland Road was purchased by Presland Tower Apts Ltd. (*Saickely Enterprises*) from 2155200 Ontario Inc. (*Bassi Construction*) for \$7,800,000 or \$147,170 per unit. It is improved with a seven-storey 53 unit apartment building that was constructed in ± 1970 . It has 39 underground and 25 surface parking spaces. Aik Aliferis & Sam Firestone of Primecorp Commercial Realty Inc. were the agents for this transaction.

109 Doane Street was purchased by an individual from Westmount Capital Mortgage Corp Inc. for \$6,000,000 or \$83,333 per unit. It is improved with a 72 unit three-storey walk-up apartment building that was constructed in ± 1964 . It has ± 68 paved surface parking spaces. District Realty was the broker with respect to this sale.

Retail Sales

There were seven retail transactions during the month of December for a consideration of \$17,429,630.

4366 Innes Road was purchased by 2599492 Ontario Inc. from Plaza Management Ltd. (*Stereo Plus and*

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Design) for \$4,200,000 or \$458 per square foot. It is improved with a two-storey retail/office building that was constructed in 2007. It has ±41 paved surface parking spaces. Jeff Hooper of RE/MAX Hallmark Realty and Marc Morin and Graeme Webster of Koble Commercial Real Estate Inc. were the agents for this transaction.

280 Didsbury Road was purchased by United Malwood Real Estate Holdings Inc. (*Canadian Tire Kanata*) from Dymon Storage (Ottawa) Corporation for \$4,000,000 or \$296 per square foot. It is improved with a single-storey retail building that was vacant at the time of sale.

1179 Hunt Club Road, Units 22-30, was purchased by Long Holdings Inc. from 1179 Hunt Club Inc. for \$3,704,750 or \$302 per square foot. It is improved with a single-storey retail building that was constructed in 2017.

Industrial Sales

There were four industrial transactions during the month of December for a consideration of \$12,385,000.

5499 Canotek Road was purchased by Summit (5399 Canotek Road) Ltd. (*Summit Industrial Income Reit*) from Morguard Industrial Properties (1) Inc. for \$5,050,000 or \$136 per square foot. It is improved with a single-storey warehouse building with two-storey office component that was constructed in ±1985. It was acquired as part of a 9 property portfolio from Morguard.

2715 Sheffield Road was purchased by Sheffield Road Property Ltd. & Sheffield Road Property Limited Partnership (*Huntington Properties*) from Fortann Iron Works Ltd. for \$3,660,000 or \$140 per square foot. It is improved with a single-storey multi-tenant industrial building with a two-storey front office component that was constructed in 1968. Aaida Oakley of Primecorp Commercial Realty was the agent for this sale.

Office Sales

There were three office transactions during the month of December for a consideration of \$19,100,000.

303-307 Rideau Street was purchased by 2592653 Ontario Inc. from Canada Lands Company CLC Limited for \$16,250,000 or \$69 per square foot. It is improved with an eleven-storey office building that was constructed in ±1963. It has ±45 underground and ±25 surface parking spaces. The purchaser intends to reposition the building as residential. The brokers involved with this sale were Eric Falardeau, Daniel Niedra and Nico Zentil of CBRE and Nick Pantieras of Primecorp Commercial Realty.

Mixed-Use Sales

282-290 Bank Street was purchased by 1977469 Ontario Inc. from Golden Dragon Ho 10 Inc. (*Chi Suites*) for \$4,500,000 or \$253 per square foot. It is improved with three adjoining one and two-storey buildings. It was fully leased at the time of sale.

