



# OTTAWA OFFICE PORTFOLIO

SUBURBAN OFFICE AND FLEX-OFFICE PORTFOLIO WITH UPSIDE

OTTAWA **ONTARIO** CANADA



*Investment Summary*



PORTFOLIO SUMMARY

#	Property	Type	# of Buildings	GLA (SF)
1	36-38 Antares Drive	Flex-Office	2	80,882
2	Camelot Business Centre	Flex-Office	9	71,556
3	St. Laurent Blvd	Office	6	64,150
4	14-20 Colonnade Road	Office	2	56,264
5	169 Colonnade Road	Flex-Office	1	11,896
6	106 Colonnade Road	Office	1	37,022
7	1140-1150 Morrison Drive	Office / Flex	2	95,157
8	20 Fitzgerald Road	Office	1	35,516
Total			24	452,443

EXECUTIVE SUMMARY

THE OPPORTUNITY

Colliers International (the “Advisor”) has been retained on an exclusive basis by CanFirst Ottawa Properties Inc. (the “Vendor”) to facilitate the sale of a 100% freehold interest in an office and flex-office portfolio (the “Portfolio”) located in Ottawa, Ontario. The Portfolio, which consists of 24 buildings situated on 8 properties totaling 452,443 square feet (“SF”), presents a unique opportunity for investors to acquire a critical mass with significant value-add potential.

The Portfolio is 88% leased to a highly diversified tenant base consisting of 66 tenants that engage in many different industry sectors, offering a truly diverse income stream. The Portfolio’s geographic concentration delivers management synergies and offers a critical mass within the suburban Ottawa office market, supporting tenant retention in terms of growth and contraction. The Portfolio offers investors several distinct value-add opportunities including driving income via lease-up of existing vacancy, development potential on excess density, converting multi-tenant properties to condominiums, and individual asset sales to users.

KEY STATISTICS

8  
properties

66  
tenants

24  
buildings

2.4  
acres excess land

88%  
occupancy

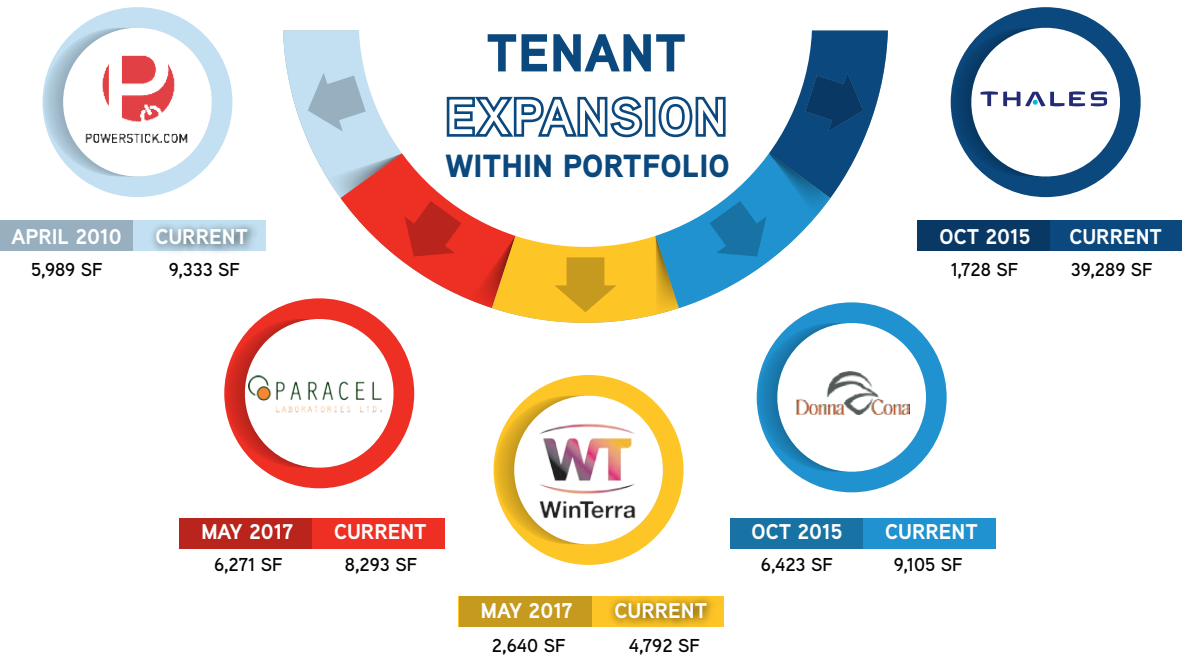
452,443<sup>SF</sup>  
portfolio GLA

Highly attractive levered return opportunity

Portfolio Highlights

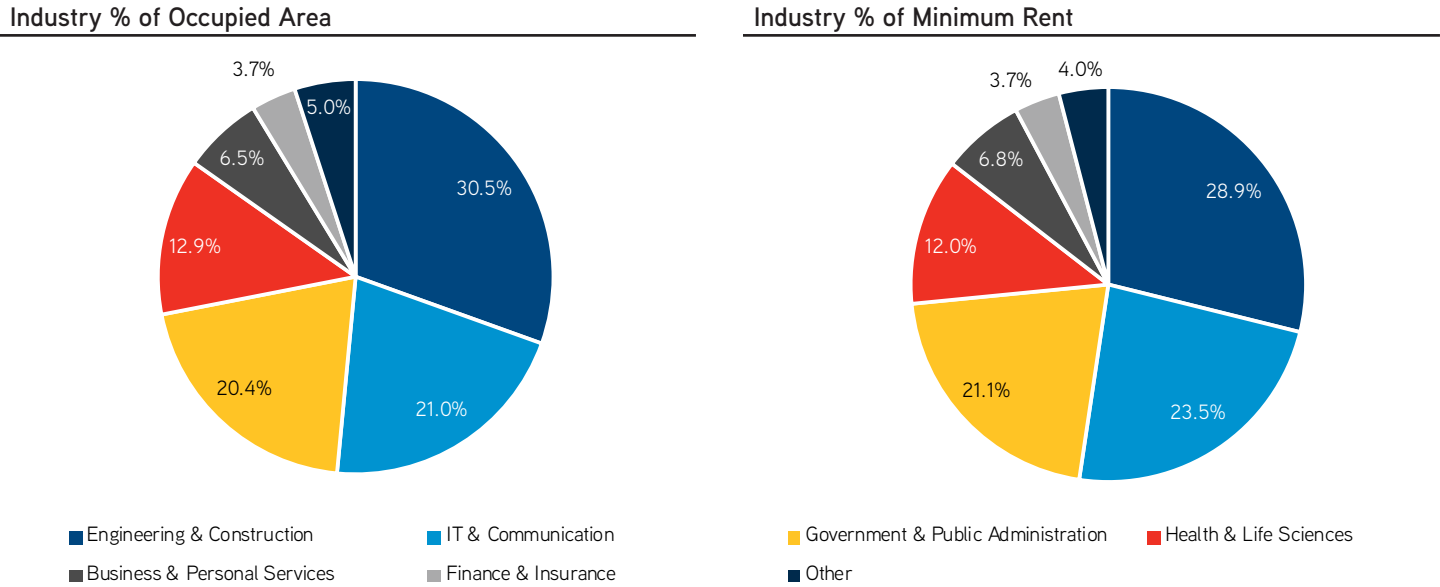
SYNERGISTIC PORTFOLIO WITH CRITICAL MASS

With the majority of the Properties being located within a 1.5-km radius, the Portfolio offers investors both management synergies as well as a critical mass within a confined geography. The Portfolio has a proven track record of tenant retention supported by a lengthy weighted average lease tenure of 7.5 years. Moreover, the size of the offering relative to the market provides investors with significant scale and ability to drive market rents.



DIVERSIFIED TENANT BASE PROVIDING INCOME SECURITY

The Portfolio is occupied by a diversified mix of 66 tenants with an average unit size of 4,570 SF. Two investment-grade tenants contribute 28.1% of the minimum rent, while the other tenants contribute no more than 3.1% of the Portfolio’s minimum rent creating a very low degree of leasing risk and a high degree of income certainty. The tenants are spread across various industry sectors, limiting industry exposure.



Multiple Areas to Add Value

VALUE ADD OPPORTUNITY THROUGH LEASE-UP AND DEVELOPMENT POTENTIAL

Currently 88% leased, investors are presented with an opportunity to engage in further lease-up of available space as well as grow income through rental rate enhancement. Recent capital expenditures at certain Properties within the Portfolio will appeal to new and existing tenants. The Portfolio also includes excess land at 169 Colonnade Road and St. Laurent Blvd, allowing for development potential.



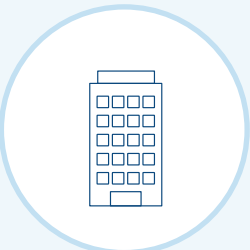
SEVER-AND-SELL SMALL FREESTANDING BUILDINGS

Camelot Business Centre consists of a cluster of 9, largely single-tenant, free standing buildings, ranging between 6,000 – 16,000 SF. Severing and selling the individual titled properties into the user market allows investors to take advantage of the financial arbitrage.



CONDOMINIUM CONVERSION

St Laurent Boulevard is comprised of a cluster of 6, multi-tenant buildings, that provides the opportunity to a purchaser to convert the complex into condominium units and to enhance the investment’s returns. The majority of the cluster’s units range in size from 2,000 - 6,000 SF and provide an ideal unit size for condominium sales. The properties’ short weighted average lease term (“WALT”) of 2.6 years, coupled with limited renewal options and favourable demolition clauses, offers additional flexibility for this value-add strategy.



HIGHLY ATTRACTIVE RETURNS

With attractive going-in yields, investors can expect an above-average risk adjusted return. Through active management and lease-up efforts, investors can expect to achieve attractive double digit 5 or 10-year levered returns. Returns can be further enhanced by severing-and-selling freestanding buildings and condominium conversion. This offering is free and clear of existing financing, with an opportunity to secure a new first mortgage at interest rates near all-time lows.





PORTFOLIO SUMMARY

The Portfolio is situated on 8 properties, comprised of 24 buildings and 452,443 SF of rentable area. The Portfolio maintains a weighted average lease tenure of 7.5 years and WALT remaining of 3.4 years demonstrating historical tenant commitment to the buildings and near term opportunity for rental growth.

#	Property	Type	# of Buildings	GLA (SF)	Site Area (ac.)	Coverage Ratio	Year Built	Tenants	Occ. Rate (%)	WAVG Lease Tenure (Yrs)	WALT (Yrs)
1	36-38 Antares Drive	Flex-Office	2	80,882	4.1	15%	1986/2016	15	87.3%	5.0 yrs	4.0 yrs
2	Camelot Business Centre	Flex-Office	9	71,556	5.5	30%	1989/1992	10	100.0%	6.6 yrs	3.5 yrs
3	St. Laurent Blvd	Office	6	64,150	7.2	20%	1985	8	69.8%	5.0 yrs	2.6 yrs
4	14-20 Colonnade Road	Office	2	56,264	2.1	32%	1988	3	95.1%	6.9 yrs	5.1 yrs
5	169 Colonnade Road	Flex-Office	1	11,896	2.3	12%	1983	1	100.0%	6.9 yrs	3.2 yrs
6	106 Colonnade Road	Office	1	37,022	1.9	23%	1983	5	67.2%	4.4 yrs	2.2 yrs
7	1140-1150 Morrison Drive	Office / Flex	2	95,157	3.8	23%	1974/1989	23	88.7%	8.7 yrs	3.7 yrs
8	20 Fitzgerald Road	Office	1	35,516	2.2	19%	1989	1	100.0%	18.1 yrs	1.2 yrs
Total			24	452,443	29.2			66	87.8%	7.5 yrs	3.4 yrs

PORTFOLIO TENANT PROFILE

The Portfolio is 88% occupied by a highly diverse tenant base consisting of 66 tenants. While investment grade tenants such as Her Majesty the Queen c/o Public Works and Government Services (“HMTQ c/o PWGS”) and Thales Group represent 28.1% of the Portfolio’s minimum rent, offering income security, no other tenant represents more than 3.1% of the minimum rent, offering a highly diversified income stream. Furthermore, the tenants engage in a variety of different industry groups with no over-exposure to any one sector, but a strategic weighting towards the City of Ottawa’s largest and fastest growing industries.

#	Tenant	Property	Area (SF)	% of Total	% of Yr. 1 Minimum Rent	% of Yr. 1 Gross Rent
1	HMTQ c/o PWGS	14 Colonnade Road, 20 Fitzgerald Road, Camelot Business Centre	68,314	15.1%	16.6%	18.2%
2	Thales Group	14-20 Colonnade Road	39,289	8.7%	11.5%	13.1%
3	Cathelle Inc.	36 Antares Drive	12,632	2.8%	2.0%	2.4%
4	Classic Care Pharmacy Corporation	169 Colonnade Road	11,896	2.6%	3.1%	2.9%
5	Y's Owl Maclure Co-op	1140-1150 Morrison Drive	11,328	2.5%	2.2%	2.1%
6	Honey Construction Ltd.	38 Antares Drive	9,590	2.1%	2.3%	2.2%
7	Powerstick.com Inc.	9-49 Camelot Drive	9,333	2.1%	2.4%	2.4%
8	Donna Cona Inc.	106 Colonnade Road	9,105	2.0%	2.5%	2.6%
9	Canadian Paediatric Society	2305 St. Laurent Boulevard	8,354	1.8%	1.7%	1.9%
10	Paracel Laboratories Ltd.	2319 St. Laurent Boulevard	8,293	1.8%	2.0%	2.0%
Top 10 Total			188,134	41.6%	46.3%	38.6%
Other Tenants (56)			208,943	46.2%	50.2%	57.6%
Vacant			55,366	12.2%	3.6%	3.8%
Property Total			452,443	100.0%	100.0%	100.0%



9 Camelot Drive



36 Antares Drive



20 Camelot Drive



169 Colonnade Road



## COLLIERS CAPITAL MARKETS | CANADA

181 Bay Street, Suite 1400

Toronto, Ontario M5J 2V1

T: +1 416 777 2200 F: +1 416 777 2277

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John Stewart\*\*  
Senior Vice President  
+1 416 643 3401  
john.stewart@colliers.com

Bill Pitt\*\*  
Senior Vice President  
+1 416 643 3400  
bill.pitt@colliers.com

Scott Chandler\*\*  
Senior Vice President  
+1 416 643 3796  
scott.chandler@colliers.com

Andrew Barnicke\*\*  
Vice Chairman, Managing Partner  
+1 416 643 3766  
andrew.barnicke@colliers.com

## COLLIERS INTERNATIONAL | OTTAWA

340 Albert Street, Suite 960

Ottawa, Ontario K1R 7Y6

T: +1 613 567 8050

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Michael Pyman\*  
Associate Vice President  
+1 613 683 2202  
michael.pyman@colliers.com

Jordan Lovett\*  
Sales Representative  
+1 613 683 2239  
jordan.lovett@colliers.com

Jeff Brown\*\*  
Associate Vice President  
+1 613 683 2230  
jeff.brown@colliers.com

\* Sales Representative

\*\* Broker

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