

15&17 FITZGERALD ROAD



MID YEAR REPORT 2020

Presented to: the Limited Partners
of the Fitzgerald Road
Limited Partnership



JENNINGS
REAL ESTATE

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PART A UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

The first half of 2020 was an active one at 15 and 17 Fitzgerald Road. In March, a ten-year lease was entered into for the remaining vacancy at 17 Fitzgerald Road, upon which time, the above-grade space at the buildings became fully leased. Since that time, the new tenant has completed their fit-up and is fully operational.

While the COVID-19 pandemic, and the stay-at-home orders imposed by the Province, had an immediate impact on the office sector, we have responded to it by (i) implementing safety measures (including increased cleaning of building touch-points; and increased signage relating to awareness) and (ii) maintaining consistent communication with tenants. Further, although COVID-19 affected the work patterns of our tenants, the nature of the tenants' businesses is such that the building has remained open and partially occupied throughout the COVID-19 pandemic.

We are happy to note that we have received rent paid in full from all tenants thus far in 2020.

Finally, we will be making a distribution of \$20,000 at this time. Such amount will be mailed out in the coming weeks on a proportionate basis. We will be retaining the other funds in order to increase the reserve in the property account with a view to providing further distributions later in 2020.

Regards,
Ken and Christian Jennings
Directors of the General Partner



PART B PROPERTY SUMMARY

BUILDING INFORMATION

Built	1985 and 2001
Total Lot Acreage	1.65 acres
Building Size	30,314 sf (above grade)
Parking	98 spaces

ZONING DESIGNATION

Designation	IP
Description	Business Park Industrial Zone
Municipality	City of Ottawa

PROPERTY MANAGEMENT

Jennings Real Estate Corporation conducts frequent site visits, maintains communication with tenants to understand any specific needs or problems, monitors all contract workers to ensure work is done correctly, and performs routine preventative maintenance.

The improvements made in the first half of 2020 relate to the new lease signed with Splash Autocare at 17 Fitzgerald, as set out in the next section. They are as follows:

- Demolition performed to bring Suite 102 back to base building condition;
- New windows were installed in the rear warehouse;
- Block wall was removed between industrial bays;
- The mechanical and electrical services were separated for Suite 102; and
- A new front door facing Fitzgerald Road was installed.



PART B PROPERTY SUMMARY

TENANT / LEASING

A ten-year lease agreement with Splash Autocare was entered into in March of 2020. The tenant has leased the remaining 3,147 square feet of space on the first floor of 17 Fitzgerald Road.

The above-grade space in both properties are now fully leased with no expiries in the next twelve months.

Tenant	Square Feet	Lease Expiry
John G. Cooke	3,509	28-Feb-24
CFR Engines	6,538	31-Aug-24
Splash Autocare	3,147	31-Mar-30
Galvion Inc.	7,400	31-Mar-25
TCC Canada	9,720	30-Apr-22
TOTAL	30,314	



17 Fitzgerald

John G Cooke & Associates 3,509 SF , Exp: Feb 2024	
CFR Engines Inc. 6,538 SF , Exp: Aug 2024	Splash Autocare. 3,147 SF , Exp: Mar 2030

15 Fitzgerald

TCC Canada 8,820 SF , Exp: Apr 2022	
Galvion Inc. 7,400 SF, Exp: Mar 2025	TCC Canada 900 SF, Exp: Mar 2022



PART B PROPERTY SUMMARY

BELOW-GRADE SPACE

The storage space is partially leased to the building's tenants and some third-party tenants. The remaining space is being actively marketed for lease.

MARKET UPDATE

The Ottawa west office market's vacancy rate increased to 6.3% in Q2 2020 which is up from 5.1% at the end of 2019. Although there was a slight increase in vacancy, the average asking rent rate in the area increased from \$12.91 to \$13.23. (As per CBRE Q2 Ottawa Office MarketView)



PART C FINANCIAL STATEMENTS

Please find the enclosed Financial Statements

*Disclaimer. These financial statements are interim, internally prepared and for management purposes. We do not express an opinion or any other form of assurance on them. This report is for management only. It is not intended for distribution or consideration for credit purposes.



Fitzgerald Road Limited Partnership

BALANCE SHEET

As of June 30, 2020

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
1020 Savings Account	14.46
1030 Operating Account - 2nd	146,272.08
1050 Petty Cash	2.01
1070 Deposits	3,091.00
Total Cash and Cash Equivalent	\$149,379.55
Accounts Receivable (A/R)	
1100 Accounts Receivable	-9,241.00
Total Accounts Receivable (A/R)	\$ -9,241.00
1300 Prepaid Expenses	3,973.32
Total Current Assets	\$144,111.87
Non-current Assets	
Property, plant and equipment	
1500 Land	798,407.51
1510 Building	4,032,250.95
1550 Building Improvements	60,960.82
1560 Building improvements - R	12,025.52
1600 Information Systems	616.70
1750 Tenant Inducements	7,634.92
Total Property, plant and equipment	\$4,911,896.42
1320 Financing Fees	1,916.71
1410 Leasing Commissions	85,204.92
1700 Long Term Investments	1,502,032.83
Total Non Current Assets	\$6,501,050.88
Total Assets	\$6,645,162.75
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2000 Account Payable	56,001.03
Total Accounts Payable (A/P)	\$56,001.03
2310 Interco - JREC	1,078.69
GST/HST Payable	0.01
GST/HST Suspense	6,640.61
Total Current Liabilities	\$63,720.34
Non-current Liabilities	
2400 First Mortgage	3,509,644.21
2500 Second Mortgage	1,242,130.07
2610 Tenant Prepayments	43,188.32
Total Non-current Liabilities	\$4,794,962.60
Total Liabilities	\$4,858,682.94
Equity	
3020 Investor Capital	1,771,302.48
Profit for the year	15,177.33
Total Equity	\$1,786,479.81
Total Liabilities and Equity	\$6,645,162.75

Fitzgerald Road Limited Partnership

PROFIT AND LOSS

January - June, 2020

	TOTAL
INCOME	
4000 Rental Income	174,291.62
4200 Additional Rent	193,057.59
4300 Other Income	45,791.28
Total Income	\$413,140.49
RECOVERABLE COSTS	
5000 Recoverable Operating Costs	149,733.26
5295 Taxes - Property	63,018.00
Total RECOVERABLE COSTS	\$212,751.26
GROSS PROFIT	\$200,389.23
EXPENSES	
6000 Non Recoverable Expenses	94,411.49
8000 Depreciation	90,800.41
Total Expenses	\$185,211.90
PROFIT	\$15,177.33