

302 LEGGET DRIVE



**THIRD
QUARTER
REPORT
2020**

Presented to:
the Limited Partners
of the 302 Legget Drive
Limited Partnership



JENNINGS
REAL ESTATE

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PART A UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

Despite the COVID-19 pandemic, Ottawa's industrial real estate market has continued to experience record low vacancies. In September, the property experienced the vacating of Mastermind Event Rentals, a tenant who operates in the event sector and was severely impacted by the pandemic. Their space was immediately readied for lease and has been broadly marketed. We have seen significant interest in the space and do not anticipate any sustained vacancy.

No major capital expenditures have been made in 2020.

We will be making a distribution at this time equal to \$39,340.38. Such amount will be mailed out in the coming weeks on a proportionate basis. We will be retaining the other funds 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	1975 and 1981
Total Lot Acreage	4.61 acres
Building Size	84,499 sf
Parking	+/- 150 spaces

ZONING DESIGNATION

Designation	IG6
Description	General Industrial
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 also performs routine preventative maintenance.

In addition, the following project took place in the third quarter of 2020:

- The newly vacant unit was prepped for marketing. This included removal of existing carpet, replacement of ceiling tiles, painting, demolition of existing walls and the completion of some minor electrical work.



PART B PROPERTY SUMMARY

TENANT / LEASING

Mastermind Event Rentals Inc., an event rentals company severely impacted by the COVID-19, vacated their premises without notice in September 2020. A lease termination settlement agreement was entered into with them post-move out, such that the property has not experienced any vacancy loss to date. The vacant unit was immediately prepped for leasing and is being actively marketed.

MDA Corporation's lease is expiring on October 31, 2021. Jennings Real Estate Corporation has been in consistent contact with the tenant in order to work towards renewal.

As of September 30, 2020, the building is approximately 85% leased.

Tenant	Square Feet	Lease Expiry
Vacant	12,467	
MDA Corporation	40,000	31-Oct-21
MCL Hospitality	5,857	31-Oct-22
Purewater	11,901	31-Apr-24
MPB Technologies	14,274	30-Jun-26
TOTAL	84,499	



MARKET UPDATES

The Ottawa Deep West (Kanata) industrial market's availability rate decreased slightly to 1.8% in Q3 2020 which is down from 2.1% in Q2 2020. Indicative of the lack of supply, the average asking net rent rate in the area increased significantly from \$10.58 to \$12.42. (as per CBRE Q3 Ottawa Industrial 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.



302 Legget Drive Limited Partnership

BALANCE SHEET As of September 30, 2020

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
1011 Operating Account - 2nd	362,461.19
1050 Petty Cash	2.01
1070 Deposits	18,692.00
Total Cash and Cash Equivalent	\$381,155.20
Accounts Receivable (A/R)	
1100 Accounts Receivable	-7,791.67
Total Accounts Receivable (A/R)	\$ -7,791.67
1300 Prepaid Expenses	4,052.16
Total Current Assets	\$377,415.69
Non-current Assets	
Property, plant and equipment	
1500 Land	1,826,044.59
1501 Leasing Commissions	11,662.56
1510 Building	9,541,163.32
1610 Building Improvements	55,351.04
1620 Roof Replacement	127,810.84
1630 MDA RTU Replacement	19,216.00
Total Property, plant and equipment	\$11,581,248.35
1720 Financing Fees	15,340.29
Total Non Current Assets	\$11,596,588.64
Total Assets	\$11,974,004.33
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2000 Account Payable	206,798.93
Total Accounts Payable (A/P)	\$206,798.93
2110 GST/HST Payable	102,050.92
GST/HST Suspense	-34,234.61
Total Current Liabilities	\$274,615.24
Non-current Liabilities	
2400 First Mortgage	6,155,689.85
2600 Tenant Deposits	17,907.37
Total Non-current Liabilities	\$6,173,597.22
Total Liabilities	\$6,448,212.46
Equity	
3020 Investor Capital	5,487,727.72
Profit for the year	38,064.15
Total Equity	\$5,525,791.87
Total Liabilities and Equity	\$11,974,004.33



302 Legget Drive Limited Partnership

PROFIT AND LOSS

January - September, 2020

	TOTAL
INCOME	
4000 Rental Income	717,634.70
4200 Additional Rent	389,539.89
4300 Other Income	3,816.27
4400 Discounts/Refunds Given	-47,842.10
Total Income	\$1,063,148.76
RECOVERABLE COSTS	
5000 Recoverable Operating Costs	288,156.69
6570 Property Taxes	205,374.00
Total RECOVERABLE COSTS	\$493,530.69
GROSS PROFIT	\$569,618.07
EXPENSES	
6000 Non Recoverable Expenses	229,843.42
8000 Depreciation	301,710.50
Total Expenses	\$531,553.92
PROFIT	\$38,064.15