

2019 Mid Year Statement

302 Legget Drive

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



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Part A - Notice From General Partner:

On behalf of the general partner of 302 Legget Drive Limited Partnership, we will set out below an update of the property for the first half of the 2019 fiscal year.

Part B - Property Summary

Building Information

Built:	1975 and 1981
Total Lot Acreage	4.61 acres
Building SF:	84,830 square feet
Parking:	+/- 145 spaces

Zoning Designation

Designation:	IG6
Description:	General Industrial
Municipality:	City of Ottawa

The Property

The building was acquired in July 2018 by 302 Legget Drive Limited Partnership and will be completing its first full year of ownership.

The Kanata industrial market continues to remain strong with an availability (vacancy) rate of only 0.4% as of June 30, 2019 (as per CBRE). This property is positioned in an established and sought-after business park. This puts us in good position moving forward as low availability is putting upward pressure on rental rates.

Property Management Update

Jennings Real Estate Corporation replaced Inside Edge Properties Ltd. as the property manager on April 5th, 2019. This transition has been a successful one and all contracts and maintenance needs have been reviewed to ensure proper management.

We have a strong management team managing this property, with the key individuals listed below:

Title	Name	Phone Number	Email
Property Manager	John Rowan	613-402-1260	jrowan@jenningsdevelopments.com
Jr. Property Manager	Dan Donnelly	613-302-7302	ddonnelly@jenningsdevelopments.com
Accountant	Andrew Irving	613-401-9008	airving@jenningsdevelopments.com
Administrator	Kelli Vidiuk	613-286-8691	kvidiuk@jenningsdevelopments.com

Tenant / Leasing Update

The building is currently fully leased with no lease expiries in 2019 or 2020. Kanata Baseball Association’s lease expired on April 30 and the space was leased to Manotick Pool and Spa who renewed and extended for a total of 11,901 square feet for 5 years. The tenant is very pleased the property was able to accommodate their growing business.

A breakdown of all leases is below. Note that both Mastermind Event Rentals and MCL Hospitality are semi-gross leases. The rest are net leases.

Neptec Design Group

Start Date	Term	Expiry	\$/PSF	Square Feet	Annual Rent	Monthly Rent
01-Nov- 2011	10 years	31-Oct-2021	\$ 10.75	40,000	\$ 430,000	\$ 35,833

MPB Technologies

Start Date	Term	Expiry	\$/PSF	Square Feet	Annual Rent	Monthly Rent
01-July- 2016	5 years	30-Jun-2021	\$12.62	14,274	\$ 180,137	\$ 15,011

Mastermind Event Rentals

Start Date	Term	Expiry	\$/PSF	Square Feet	Annual Rent	Monthly Rent
01-Nov-2011	5.3 years	28-Feb-2023	\$11.80	12,467	\$ 147,171	\$ 12,264

Manotick Pool & Spa

Start Date	Term	Expiry	\$/PSF	Square Feet	Annual Rent	Monthly Rent
01- May - 2019	5 years	30-Apr-2024	\$8.50	11,901	\$ 101,160	\$ 8,430

MCL Hospitality Ltd.

Start Date	Term	Expiry	\$/PSF	Square Feet	Annual Rent	Monthly Rent
01-Jun-2017	5.5 years	31-Oct-2022	\$ 12.38	5,857	\$ 72,510	\$6,042

Building Improvements

Jennings Real Estate Corporation conducts weekly 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, some of the larger improvements that took place in the second quarter of 2019 are as follows:

- Replaced Neptec stairs at back of building;
- Replaced sump pump in parking lot;
- Repair of loading docks in tenant spaces;
- Small tenant fit up for Manotick Pool and Spa’s new space;
- Installation of new duct work and exhaust fan for the building’s main electrical room; and
- Repair of multiple rooftop building units.

Part C - Financial Statements

- Income Statement
- Receivables Report
- Budget