

2019 Quarter 3 Statement

15 & 17 Fitzgerald Road

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





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Part A - Notice from General Partner

On behalf of the general partner of the Fitzgerald Road Limited Partnership, we will set out below an update of the property for third quarter of 2019.

Part B - Property Summary

Building Information

Built:	1985 and 2001
Renovated:	N/A
Total Lot Acreage	1.65 acres
Building SF:	30,233 sf
Parking:	100 spots

Zoning Designation

Designation:	IP
Description:	Business Park Industrial Zone
Municipality:	City of Ottawa

Property Management Update

Our property management team for these buildings is set out below:

Title	Name	Phone Number	Email
Property Manager	John Rowan	613-402-1260	jrowan@jenningsdevelopments.com
Property Manager	Ryan Dickie	613-697-5178	rdickie@jenningsdevelopments.com
Accountant	Andrew Irving	613-401-9008	airving@jenningsdevelopments.com
Administrator	Kelli Vidiuk	613-286-8691	kvidiuk@jenningsdevelopments.com
Analyst	Dan Donnelly	613-302-7302	ddonnelly@jenningsdevelopments.com

Jennings Real Estate Corporation completes daily site visits and ongoing maintenance of the property as well as oversees all contracts to ensure work is being completed correctly and up to standard. Some of the larger improvements made in the third quarter are as follows:

- Lift and replaced interlock at front and sides of 17 Fitzgerald;
- Repainted stairs in 17 Fitzgerald lobby; and
- Trimmed trees to raise canopy and removed dead branches of trees around property

Tenant / Leasing Update

Our previous tenant AET underwent bankruptcy proceedings in 2019, and ultimately had certain assets acquired by CFR Engines Inc. We successfully signed CFR to a new lease for 6,538 square feet for 5 years. This leaves approximately 3,000 square feet of office space available. The space is actively being marketed for lease by Darwin Properties Brokerage. There are no leases set to expire in 2020.

Please see stacking chart below outlining each tenant’s square footage and lease expiration.



Storage Space Update

This space is partially rented to the office tenants and is being actively marketed for new tenants.

Market Update

The Ottawa west Q3 office market was at 6.4% vacancy rate (according to CBRE) which is lower than the Ottawa average of 7%. The west end market also has an average net asking rent of \$14.56 which is significantly above our average net rents and may allow for rental increases over time.



Part C – Financial Statements

Management Report

Fitzgerald Road Limited Partnership
For the period ended September 30, 2019



Prepared on
November 20, 2019

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Profit and Loss

January - September, 2019

	Total
INCOME	
4110 Revenue - Base Rental	277,636.37
4120 Revenue - Administration	20,332.77
4130 Revenue - Storage	25,518.28
4140 Income - Interest	83.98
4160 Revenue - Parking	2,700.00
4170 Investment income	37,550.77
4210 Recovery - CAM	175,020.52
4240 Recovery - Property Tax	83,863.39
4250 Recovery - Utilities	19,427.68
Total Income	642,133.76
COST OF GOODS SOLD	
5010 Management Fees Expense - R	27,913.55
5020 Insurance - R	9,724.34
5030 Electrical - Bulbs and Ballasts - R	252.59
5040 Elevator - Contract - R	1,485.00
5042 Elevator - Repairs and Maintenance - R	1,401.00
5050 Fire and Life Safety - R	866.55
5060 Garbage - Contract - R	4,678.45
5070 General Repairs and Maintenance - R	2,967.61
5080 HVAC - Contract - R	6,609.75
5081 HVAC - Repairs - R	7,169.25
5100 Interior Plants - R	1,530.00
5110 Landscaping - Additional - R	16,983.64
5111 Landscaping - Contract - R	7,422.09
5120 Painting - R	2,824.00
5131 Parking Lot - Repairs - R	6,888.00
5150 Plumbing - R	202.21
5160 Roof Repairs - R	15,156.02
5170 Snow Removal - Additional - R	4,095.18
5171 Snow Removal - Contract - R	7,302.72
5180 Security System Monitoring - R	99.00
5190 Signage - R	265.00
5200 Utilities - Gas - R	13,204.17
5201 Utilities - Hydro - R	41,474.02
5202 Utilities - Water / Sewer - R	4,161.14
5221 Cleaning - Contract - R	32,195.58
5230 Doors, Locks and Hinges - R	636.30
5240 Management Office Allocation - R	585.27
5250 Cleaning - Windows - R	678.00
5261 Professional Fees - Other - R	-5,250.00
5270 Bank Charges - R	395.03
5285 Amortization - Equipment R	779.76
5510 Bookkeeping Fees - R	7,480.19
5520 TCC - R	2,320.10
Total Cost of Goods Sold	224,495.51
GROSS PROFIT	417,638.25

	Total
EXPENSES	
5400 Professional Fees - Accounting - NR	5,000.00
5401 Professional Fees - Legal - NR	8,162.00
6011 Administration Fees - NR	2,676.83
6150 HVAC - Repairs - NR	359.00
6160 Landscaping - Additional - NR	454.04
6220 Signage - NR	124.29
6430 Bank Charges - NR	2,355.46
8010 Depreciation - NR	128,579.40
8020 Amortization - Leasing Commissions - NR	1,360.52
8030 Amortization - Finance Fees NR	749.97
Total Expenses	149,821.51
OTHER EXPENSES	
5295 Taxes - Property	94,707.00
6020 Interest Expense - Mortgage	115,705.01
Total Other Expenses	210,412.01
PROFIT	\$57,404.73

Balance Sheet

As of September 30, 2019

	Total
ASSETS	
Current Assets	
Cash and Cash Equivalent	
1010 Operating Account	12.49
1020 Savings Account	14.46
1030 Operating Account - 2nd	209,056.91
1050 Petty Cash	2.01
1070 Deposits	3,091.00
Total Cash and Cash Equivalent	212,176.87
Accounts Receivable (A/R)	
1100 Accounts Receivable	79,040.57
Total Accounts Receivable (A/R)	79,040.57
1115 Expense Recoverable	221.48
1320 Financing Fees	5,000.00
1321 Accum. Amortization - Financing Fees	-2,333.26
Total 1320 Financing Fees	2,666.74
1410 Leasing Commissions	10,457.84
1411 Accum. Amortization - Leasing Commissions	-1,547.77
Total 1410 Leasing Commissions	8,910.07
Total Current Assets	303,015.73
Non-current Assets	
Property, plant and equipment	
1500 Land	798,407.51
1510 Building	4,524,309.22
1511 Accum. Amortization - Building	-366,907.63
Total 1510 Building	4,157,401.59
1600 Information Systems	2,607.25
1610 Accum. Depreciation - Information Systems	-1,496.75
Total 1600 Information Systems	1,110.50
Total Property, plant and equipment	4,956,919.60
1700 Long Term Investments	1,434,441.39
Total Non Current Assets	6,391,360.99
Total Assets	\$6,694,376.72
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2000 Account Payable	22,069.65
Total Accounts Payable (A/P)	22,069.65
2300 InterCo - Inside Edge Properties Ltd.	208.51
2310 Interco - JREC	1,431.39
2320 Interco - 17 Fitzgerald	314.31
2340 Interco - 15 Fitzgerald	-314.31
GST/HST Payable	1,512.37
GST/HST Suspense	32,455.22
Total Current Liabilities	57,677.14

	Total
Non-current Liabilities	
2400 First Mortgage	3,591,609.59
2500 Second Mortgage	1,265,387.75
2610 Tenant Prepayments	29,159.48
Total Non-current Liabilities	4,886,156.82
Total Liabilities	4,943,833.96
Equity	
Total 3020 Investor Capital	1,693,138.03
Profit for the year	57,404.73
Total Equity	1,750,542.76
Total Liabilities and Equity	\$6,694,376.72