

**310 HUNT CLUB ROAD**



**MID YEAR  
REPORT  
2020**



Presented to: the Limited Partners  
of 310 Hunt Club Road  
Limited Partnership



**JENNINGS**  
**REAL ESTATE**

## TABLE OF CONTENTS

**Part A | Update from the General Partner \_\_\_\_\_ 3**

### **Part B | Property Summary**

**– Building Information and Zoning Designation \_\_\_\_\_ 4**

**– Property Management \_\_\_\_\_ 4**

**– Tenant / Leasing \_\_\_\_\_ 5**

**– Market Update \_\_\_\_\_ 6**

### **Part C | Financial Statements**

**- Financial Statements \_\_\_\_\_ 7**



## PART A UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

The first half of 2020 was a busy one at 310 Hunt Club Road. With four new third-floor leases commencing between April and October of 2020, and the reconfiguration of the third-floor hallways and common areas, the third floor was a hub of activity. We are pleased to note that by the end of Q2, two of the new tenants have now completed their fit-ups and have moved in to their units, and the other two are well on their way to doing so as well.

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; the installation of hand sanitizer stations in common areas; 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 (over 70% of the tenants, by square footage, are either in the medical or research sectors) is such that the building has remained open and 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.

Further, in late March, we locked in a new mortgage with RBC, which will take the place of the interim construction financing, on terms that are significantly better than originally anticipated on acquisition :

- Interest Rate: 2.64% (we projected an interest rate of 3.89% prior to acquisition);
- Term: 5 years;
- Amortization Period: 25 years.

This financing will save approximately \$300,000 in interest costs over the five year term (as compared to our initial projections).

Finally, as the third floor construction work is not yet complete, we will be withholding distributions at this time. We expect to be in a position to provide distributions later in 2020.

Regards,  
Ken and Christian Jennings  
Directors of the General Partner



## PART B PROPERTY SUMMARY

### BUILDING INFORMATION

Built	2006
Total Lot Acreage	2.80 acres
Building Size	49,564 sf
Parking	211 spaces

### ZONING DESIGNATION

Designation	T1A
Description	Airport Lands
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.

In addition, some of the projects that took place in the first half of 2020 are as follows:

- Third Floor Renovation
  - The floor was subdivided into five units;
  - The construction of OneLife Wealth Management’s unit was substantially completed as of June 1, 2020;
  - The construction of Genvira Biosciences unit was substantially completed as of June 1, 2020;
  - The construction of Pryor Tax Law’s unit is underway and is expected to be completed in August 2020;
  - The construction of the Mital Group’s unit was substantially completed as of June 26, 2020; and
  - The third floor bathrooms have been renovated (including counter top, sinks, faucets and toilet partitions);
- A permit application, was submitted to the City of Ottawa for the renovation of the lobby on the ground floor. The projected timeline for completion of the work is Summer 2020; and
- OneLife Wealth Management has installed an exterior sign on the north and north east corners of the building.



## PART B PROPERTY SUMMARY

### TENANT / LEASING UPDATE

A 10-year lease agreement with the Mital Group was entered into on May 8, 2020. The tenant will be leasing approximately 1,000 sf of space on the third floor.

An extension agreement was entered into with Bayshore Healthcare on May 13, 2020. The tenant has extended for an additional 5 years, with their new lease expiry being January 31, 2026.

As of June 30, 2020, the building is approximately 98% leased, with the remaining 2% of vacancy being marketed for lease by Darwin Properties Brokerage Ltd.

Tenant	Square Feet	Lease Expiry
OneLife Wealth Management	6,000	31-May-35
Pryor Tax Law	3,000	30-Sep-35
Genvira Biosciences	5,000	30-Apr-25
Mital Group	1,000	30-Jun-30
Bayshore Healthcare	5,294	31-Jan-26
SEMP Engineering	2,569	30-Apr-24
VBI Vaccines	9,682	31-Dec-22
Iogen Corporation	16,019	30-Jun-50
Vacant	1,000	
<b>TOTAL</b>	<b>49,564</b>	



## PART B PROPERTY SUMMARY

OneLife Wealth Management 6,000 SF Exp: May 2035	Pryor Tax Law 3,000 SF Exp: Sep 2035	Genvira Biosciences 5,000 SF Exp: Apr 2025	Mital Group 1,000 SF Exp: June 2030	Vacant 1,000 SF
Bayshore Healthcare 5,294 SF Exp: Jan 2026	VBI Vaccines. 9,682 SF Exp: Dec 2022		SEMP Engineering 2,569 SF Exp: Apr 2024	
logen Corporation 16,019 SF Exp: June 2050				

### MARKET UPDATE

The Ottawa South office market's vacancy rate from increased to 6.3% in Q1 2020 which is up from 5.9% at the end of 2019. Although there was a slight increase in vacancy, the average asking rent rate in the area increased from \$12.49 to \$12.70. (As per CBRE Q1 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.



# 310 Hunt Club Limited Partnership

## BALANCE SHEET

As of June 30, 2020

	TOTAL
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalent	
1010 Regular Chequing	156,574.80
1011 High Interest Chequing	660,462.40
<b>Total Cash and Cash Equivalent</b>	<b>\$817,037.20</b>
Accounts Receivable (A/R)	
1100 Accounts Receivable	-1,447.93
<b>Total Accounts Receivable (A/R)</b>	<b>\$ -1,447.93</b>
1080 Investments	300,930.00
1111 Deposit - Hydro Ottawa	39,000.00
1115 Expense recoverable	2,308.61
1300 Prepaid Expenses	104,449.98
1320 Financing Fees	51,000.00
1450 Due from partners	1.00
<b>Total Current Assets</b>	<b>\$1,313,278.86</b>
Non-current Assets	
Property, plant and equipment	
1501 Leasing Commissions	386,030.57
1505 Leasing Commission - Non Depreciable	55,735.00
1510 Building	6,769,366.17
1610 Building Improvements	216,563.90
1630 Leasehold Improvements	34,969.15
<b>Total Property, plant and equipment</b>	<b>\$7,462,664.79</b>
1425 Repayable Tenant Improvement Allowance - ONELIFE	119,587.37
<b>Total Non Current Assets</b>	<b>\$7,582,252.16</b>
<b>Total Assets</b>	<b>\$8,895,531.02</b>
<b>Liabilities and Equity</b>	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
2000 Account Payable	108,575.50
<b>Total Accounts Payable (A/P)</b>	<b>\$108,575.50</b>
2110 GST/HST Payable	15,082.96
2142 Deferred Revenue	176,351.82
2160 Due to/from JREC	9,898.06
2350 Payable to IOGEN	5,381.60
<b>Total Current Liabilities</b>	<b>\$315,289.94</b>
Non-current Liabilities	
2400 First Mortgage	5,100,000.00
2600 Tenant Deposits	372,287.00
<b>Total Non-current Liabilities</b>	<b>\$5,472,287.00</b>
<b>Total Liabilities</b>	<b>\$5,787,576.94</b>
Equity	
3020 Investor Capital	3,060,844.15
Profit for the year	47,109.93
<b>Total Equity</b>	<b>\$3,107,954.08</b>
<b>Total Liabilities and Equity</b>	<b>\$8,895,531.02</b>



# 310 Hunt Club Limited Partnership

## PROFIT AND LOSS

January - June, 2020

	TOTAL
<b>INCOME</b>	
4000 Rental Income	256,805.04
4200 Additional Rent	330,224.52
4300 Other Income	194,031.76
<b>Total Income</b>	<b>\$781,061.32</b>
<b>RECOVERABLE COSTS</b>	
	<b>\$462,047.88</b>
<b>GROSS PROFIT</b>	<b>\$319,013.44</b>
<b>EXPENSES</b>	
6000 Non Recoverable Expenses	107,675.62
8000 Depreciation	164,227.89
<b>Total Expenses</b>	<b>\$271,903.51</b>
<b>PROFIT</b>	<b>\$47,109.93</b>