

# 15 & 17 FITZGERALD ROAD



## FIRST QUARTER REPORT 2022



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



**JENNINGS**  
**REAL ESTATE**

## UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

We are pleased to formally report (i) the repayment of the investment in the 302 Legget Drive partnership, which resulted in a distribution of capital, and (ii) the refinancing, each of which occurred in January of this year.

Repayment of Units. As noted in the email dated January 11<sup>th</sup>, the partnership received payment in full for the Class B units of the 302 Legget Drive partnership, which had been accruing an annual 6% return since inception. The repayment totalled \$1,377,032 and was received in early January. Such funds were used to (i) reduce the outstanding mortgage debt (by way of a prepayment of \$300,000), (ii) provide a return of capital to all partners equal to 50% of their initial investment (totaling \$935,000), and (iii) the remainder to increase the partnerships bank balance in order to fund certain tenant improvements and financing fees.

Refinancing. In January of this year, the financing of the property was consolidated and renewed with the Bank of Nova Scotia. Details are as follow

- Loan Amount: \$4,220,583.34 (note that \$300,000 of the proceeds from the Class B units were used to pay down the mortgage);
- Term: 5 years
- Amortization period: 22 years
- Fixed Interest Rate: 3.70%
- Recourse: None (the only recourse is to the property itself)

Occupancy. As noted in our previous report, all above grade space in these buildings remains fully leased, with no leases expiring in 2022. Further, we are happy to note that the below-grade space is now over 90% leased.

Capital Expenditures. No major capital expenditures were incurred during this quarter, and we do not anticipate any significant capital expenditures in 2022.

Distribution. Finally, we are making a **distribution of \$20,000.00** in relation to this quarter. Such amount has been mailed out on a proportionate basis.

Regards,

Ken and Christian Jennings  
Directors of the General Partner



## PROPERTY SUMMARY

### BUILDING INFORMATION

|                   |               |
|-------------------|---------------|
| Built             | 1985 and 2001 |
| Total Lot Acreage | 1.65 acres    |
| Building Size     | 30,314 sq ft  |
| Parking           | 98 spaces     |

### ZONING DESIGNATION

|              |                                  |
|--------------|----------------------------------|
| Designation  | IP                               |
| Description  | Business Park<br>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 also performs routine preventative maintenance.



## PROPERTY SUMMARY

### TENANT / LEASING

As of March 31, 2022, all above-grade space in both properties was 100% leased.

| Tenant                   | Square Feet   | Lease Expiry |
|--------------------------|---------------|--------------|
| John G. Cooke            | 3,509         | 28-Feb-24    |
| CFR Engines              | 6,538         | 31-Aug-24    |
| Stryten Energy (Galvion) | 7,400         | 31-Mar-25    |
| Motomike                 | 3,147         | 31-May-26    |
| TCC Canada               | 9,720         | 30-Apr-33    |
| <b>TOTAL</b>             | <b>30,314</b> |              |



#### 15 Fitzgerald

TCC Canada

8,820 SF , Exp: Apr 2033

Stryten Energy (Galvion)

7,400 SF, Exp: Mar 2025

TCC Canada

900 SF, Exp: April 2033

#### 17 Fitzgerald

John G Cooke & Associates

3,509 SF, Exp: Feb 2024

CFR Engines Inc.

6,538 SF , Exp: Aug 2024

Motomike

3,147 SF, Exp: May 2026

### LEASE EXPIRY YEAR

2022

2023

2024

2025+



## PROPERTY SUMMARY

### **BELOW-GRADE SPACE**

We are pleased to report that approximately 3,000 square feet of below-grade storage was leased this quarter, and there remains only 200 square feet of vacancy out of a total of 4,477 square feet. The below grade tenants are a mix of storage and operating businesses.

### **MARKET UPDATE**

In Q1 2022, the Ottawa Deep West office market's vacancy rate increased to 8.3% which is up from 7.1% in Q4 2021. Although there was an increase in the vacancy rate, the average asking net rent rate in the area slightly increased to \$14.48 from \$14.02. (as per CBRE Q1 2022 Ottawa Office Marketview)



## 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**  
for the three months ended March 31, 2022  
(Unaudited)

March 31, 2022

**ASSETS**

**CURRENT**

|                     |                |
|---------------------|----------------|
| Cash                | 266,567        |
| Accounts receivable | 12,979         |
| Prepaid expenses    | 6,316          |
|                     | <u>285,862</u> |

**LONG-TERM**

|                               |                  |
|-------------------------------|------------------|
| Security deposits             | 3,091            |
| Deferred finance charges      | 20,214           |
| Deferred leasing commission   | 125,106          |
| Deferred tenant inducements   | 3,991            |
| Property, plant and equipment | 4,789,347        |
|                               | <u>4,941,750</u> |
|                               | <u>5,227,612</u> |

**LIABILITIES**

**CURRENT**

|  |               |
|--|---------------|
| Accounts payable and accrued liabilities | 37,019        |
| Government remittances payable           | 14,118        |
| Deferred revenue                         | 36,715        |
|  | <u>87,852</u> |

**LONG-TERM**

|                 |                  |
|-----------------|------------------|
| Tenant deposits | 41,899           |
| Long-term debt  | 4,199,725        |
|                 | <u>4,241,624</u> |
|                 | <u>4,329,476</u> |

**PARTNERS' EQUITY**

|                        |                  |
|------------------------|------------------|
| Partners' capital      | 887,678          |
| Earnings of the period | 10,458           |
|                        | <u>898,136</u>   |
|                        | <u>5,227,612</u> |

FITZGERALD ROAD LIMITED PARTNERSHIP  
**STATEMENT OF EARNINGS**  
for the three months ended March 31, 2022  
(Unaudited)

March 31, 2022

**REVENUE**

|                 |                |
|-----------------|----------------|
| Rental income   | 217,999        |
| Interest income | 956            |
|                 | <u>218,955</u> |

**EXPENSES**

|  |                |
|--|----------------|
| Amortization of deferred finance charges | 1,305          |
| Amortization of leasing commissions      | 4,663          |
| Amortization of tenant inducements       | 521            |
| Bank charges                             | 245            |
| Depreciation                             | 41,630         |
| General and administrative expenses      | 22,398         |
| Insurance                                | 2,022          |
| Interest on long-term debt               | 39,120         |
| Management fees                          | 9,305          |
| Professional fees                        | 4,500          |
| Property taxes                           | 30,711         |
| Repairs and maintenance                  | 27,313         |
| Telecommunication                        | 212            |
| Utilities                                | 24,552         |
|  | <u>208,497</u> |

**NET EARNINGS**

10,458