

310 HUNT CLUB ROAD



SECOND  
QUARTER  
REPORT  
2023

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



## UPDATE FROM THE GENERAL PARTNER

Dear Limited Partners,

We are pleased to provide you with the 2023 Second Quarter Report.

As noted in our previous report, Suite 203, which comprises 2,602 square feet, became available for lease on May 1. We are happy to report that we successfully entered into a lease agreement with our current tenant, Bayshore Healthcare, for this space. The lease will commence September 1, 2023, with rental payments beginning January 1, 2024. The lease term is for 10 years ending August 2033 and the rental rate will start at \$16.00 per square foot (which is an 8.1% increase over the rent paid under the previous tenancy). Further, the agreement includes rental rate increases of approximately \$0.25 per square foot per year.

In addition to taking this new space, we successfully extended Bayshore Healthcare in their existing space (Suite 202), which is 5,654 square feet and was to expire on January 31, 2026. The term has been extended until August 2033 to align with Suite 203, and includes rental rate increases of approximately \$0.25 per square foot per year throughout the term.

The above expansion and extension by Bayshore has secured 15.7% of the leasable area in the Building until 2033, with a national tenant in the stable medical care industry.

Suite 203 was originally forecasted to be renewed by the previous tenant, VBI Vaccines, on a shorter 3-year term with no incentives provided. The long-term lease expansion and extension completed with Bayshore Healthcare requires the landlord to complete the following improvements: new floor covering, painting, and upgrading a portion of the space with LED lighting. In addition, higher leasing commissions are due as a result of the longer term. These previously unforecasted costs were not contemplated in our 2023 budget.

To fund the above noted cost, we will be reducing the quarterly distribution from our forecast from \$76,000 to \$38,000. The distribution has been mailed out on a proportionate basis. At year end, a comprehensive summary and reporting of annual returns will be detailed.

Regards,

Ken and Christian Jennings  
Directors of the General Partner



## PROPERTY SUMMARY

### BUILDING INFORMATION

Built	2006
Total Lot Acreage	2.80 acres
Building Size	52,370 sf
Parking	211 spaces

### ZONING DESIGNATION

Designation	T1A
Description	Airport Lands
Municipality	City of Ottawa

### PROPERTY MANAGEMENT AND CAPITAL WORKS

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.

In the second quarter a work plan was completed for the lobby improvements that include: a new lobby floor, art installation and more modern millwork. Materials have arrived, and we expect construction to commence in Q3 with completion in Q4.

In connection with the expansion and renewal of Bayshore Healthcare, we have started design for the renovation of suite 202, and suite 203. We expect to commence work shortly, with completion anticipated in Q3, with tenant move in shortly thereafter.



## PROPERTY SUMMARY

### TENANT / LEASING UPDATE

As of June 30, 2023 the building is 100% leased.

Suite 203, which comprises of 2,602 square feet is now leased to Bayshore Healthcare. Suite 202 was successfully renewed until August 2033 with Bayshore Healthcare. Both spaces combine to a total 8,256 square feet and are now leased until August 2033.

We expect the 1,155 square feet occupied by Helux Systems Inc., expiring March 31, 2024 will be vacated, as the tenant has outgrown the space, and no suitable space is coming available at the building.

Tenant	Square Feet	Lease Expiry
Helux Systems Inc.	1,155	31-Mar-24
VBI Vaccines	9,807	31-Dec-25
Genvira Biosciences	5,460	30-Apr-30
Mital Group	1,323	30-Jun-30
Bayshore Healthcare	8,256	31-Aug-33
OneLife Management	7,118	31-May-35
Pryor Tax Law	3,232	30-Sep-35
Iogen Corporation	16,019	30-Jun-50
<b>TOTAL</b>	<b>52,370</b>	



## PROPERTY SUMMARY

OneLife Wealth Management 7,118 SF Exp: May 2035	Pryor Tax Law 3,232 SF Exp: Sep 2035	Genvira Biosciences Inc. 5,460 SF Exp: Apr 2030	Mital Group 1,323 SF Exp: June 2030	Helux Systems Inc. 1,155 SF Exp: March 31, 2024
Bayshore Healthcare Ltd. 8,654 SF Exp: Aug 2033	VBI Vaccines 9,807 SF Exp: Dec 2025			
Iogen Corporation 16,019 SF Exp: June 2050				

### LEASE EXPIRY YEAR



### MARKET UPDATE

The Ottawa South office market’s vacancy rate decreased from 8.7% in Q1, 2023 to 5.7% in Q2, 2023. The Ottawa South office market continues to outperform all other geographic area in Ottawa, with the downtown core, west and east Ottawa reporting vacancy rates above 12%+. The average net asking rent rate in the area increased \$0.33 to \$14.04 per square (as per CBRE Q2 2023 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.



**310 Hunt Club Limited Partnership**  
**Balance Sheet**  
**as at June 30, 2023**

**Assets**

**Current**

Cash	\$	260,723
Accounts Receivable		37,734
Prepaid Expenses		7,461
Deposits		107,224
	\$	<b>413,143</b>

**Long - Term**

Deferred leasing costs	\$	887,274
Deferred finance charges		32,500
Property, plant and equipment		6,437,694
	\$	<b>7,357,468</b>

**Total Assets**

**\$ 7,770,611**

**Liabilities and Investors' Equity**

**Current**

Accounts payable and accrued liabilities	\$	116,024
Deferred revenue		19
Government remittances payable		27,838
	\$	<b>143,880</b>

**Long-Term**

Long-term debt	\$	6,022,636
Security deposits		357,287
		6,379,923

**Total Liabilities**

**\$ 6,523,803**

**Investor's Equity**

Capital	\$	1,168,401
Current period profit (loss)		78,407

**Total Investors' Equity**

**\$ 1,246,808**

**Total Liabilities and Investor's Equity**

**\$ 7,770,611**

**310 Hunt Club Limited Partnership**  
**Income Statement**  
**for the period ended June 30, 2023**

**Revenue**

Rental Income	\$	896,364
	\$	<b>896,364</b>

**Expense**

Administrative costs	\$	53,568
Amortization		190,327
Interest on long-term debt		78,740
Property management		28,156
Professional fees		13,596
Repairs and maintenance		211,150
Utilities		121,358
Property Taxes		121,062
	\$	<b>817,957</b>

**Net Income**

	\$	<b>78,407</b>
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