

15 & 17 FITZGERALD ROAD



**FIRST
QUARTER
REPORT
2024**

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 provide you with the 2024 First Quarter Report for 15 and 17 Fitzgerald Road (the “Properties”).

As noted in the 2023 year end report, we were working with an existing tenant occupying 22% of the above grade gross leasable area (GLA) at the Properties on a lease extension. We are happy to report that we have now reached an unconditional lease extension with the tenant. As their space has the same layout and finish that has been in place for over 20 years, part of the extension includes an upgrade to their space, which will be partially funded by the landlord in Q3, 2024.

In the past 12 months, 58% of the GLA or 17,582 square feet has been renewed at the Properties, and we are happy to report that the weighted average lease term (WALT) of the Properties is currently 7 years.

A warehouse space representing 10% of the GLA is currently available for lease. To date, interest in the space has been strong, and we are negotiating with a prospective tenant to secure a lease for the space.

During the quarter, construction of the tenant improvements associated with the various lease extensions concluded.

As noted in our annual report and forecast, to fund the costs associated with the various lease extensions, we will not be distributing any funds this quarter.

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

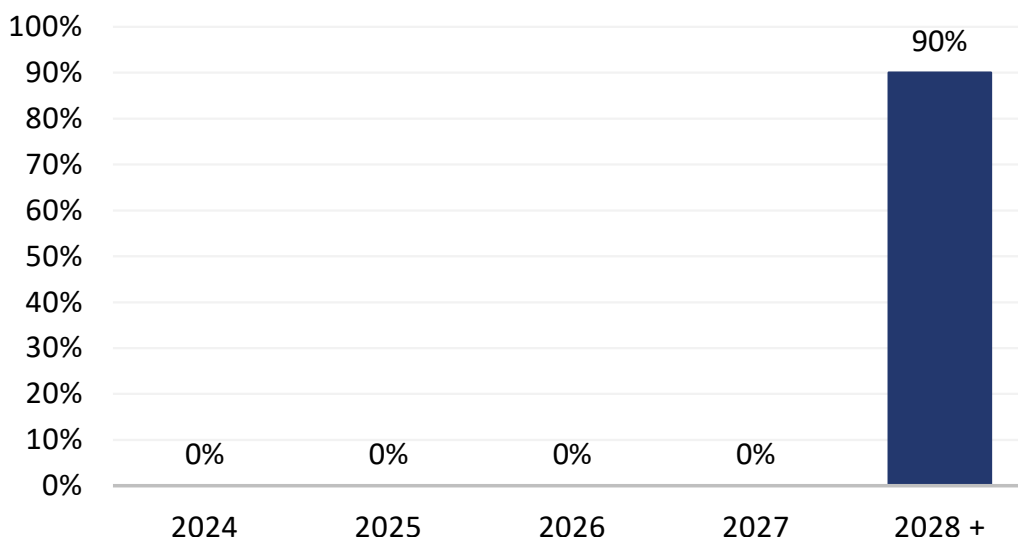
Designation	IP
Description	Business Park Industrial Zone
Municipality	City of Ottawa

LEASING

As noted in the annual report, negotiations for a lease extension were underway with an existing tenant occupying 22% of the above gross leasable area (GLA) of the Properties. That extension has now been finalized.

Over the past 12 months, 58% of the GLA, or 17,582 square feet, has been renewed at the Properties. The chart below illustrates the upcoming lease expirations at the Properties, broken down as a percentage of the total square footage, spanning the next five years.

Lease Expiry Profile



LEASING (CONTINUED)

A warehouse space, constituting 10% of the GLA is currently available for lease. Negotiations are underway with a prospective tenant to secure a lease for this space.

In addition to the above grade space the Properties also boasts several tenants utilizing below-grade space for storage purposes. 100% occupancy was maintained on the below-grade space during the quarter.

MARKET UPDATE

In Q1 2024, the Ottawa Deep West **office** market's vacancy rate decreased to 13.9%, down from 14.6% in Q4 2023. The average asking rent remained stable at \$14.86 per square foot in Q1 2024, down from \$14.89 in Q4 2023 (as per CBRE Q1 2024 Ottawa Office Marketview).

In Q1 2024, the Ottawa Deep West **industrial** vacancy rate was just 2.1%, an increase of 0.3% from 1.8% in Q4, 2023. The average asking rent for Ottawa Deep West held steady in Q1, and is currently \$15.71 per square foot, an increase of \$0.11 from Q4, 2023 (as per CBRE Q1 2024 Ottawa Industrial Marketview).

CAPITAL EXPENDITURES AND IMPROVEMENTS

The capital improvements associated with the previously completed lease extensions have been finalized. The photos on the following page show some of the renovations completed at the Properties.



CAPITAL EXPENDITURES AND IMPROVEMENTS



Before



After



Before



After



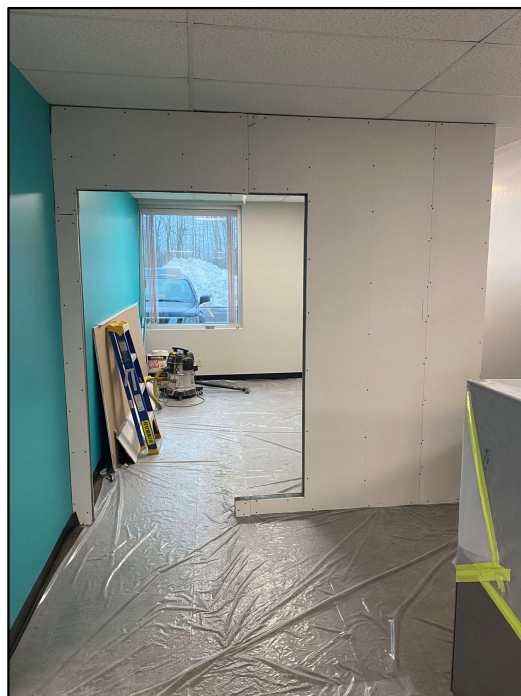
CAPITAL EXPENDITURES AND IMPROVEMENTS



Before



After



Office Under Construction



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.



15 & 17 Fitzgerald Road Limited Partnership
Balance Sheet
as at March 31, 2024

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Assets		
Current		
Cash	\$ 84,275	\$ 109,347
Accounts Receivable	4,090	3,913
Prepaid Expenses	7,006	9,341
	<u>\$ 95,371</u>	<u>\$ 122,601</u>
Long - Term		
Deferred leasing costs	\$ 144,813	\$ 148,219
Deferred finance charges	11,607	12,662
Property, plant and equipment	4,653,566	4,631,403
	<u>\$ 4,809,985</u>	<u>\$ 4,792,284</u>
Total Assets	<u><u>\$ 4,905,356</u></u>	<u><u>\$ 4,914,885</u></u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 26,383	\$ 36,813
Deferred revenue	37,889	38,052
Loan from General Partner	102,114	100,449
Government remittances payable	10,996	3,682
	<u>\$ 177,381</u>	<u>\$ 178,996</u>
Long-Term		
Long-term debt	\$ 3,940,541	\$ 3,974,148
Security deposits	40,899	39,899
	<u>\$ 3,981,440</u>	<u>\$ 4,014,047</u>
Total Liabilities	<u>\$ 4,158,821</u>	<u>\$ 4,193,043</u>
Investor's Equity		
Opening Surplus (Deficit)	\$ 721,842	\$ 782,690
Distributions	-	(128,000)
Current period profit (loss)	24,693	67,152
Total Investors' Equity	<u>\$ 746,535</u>	<u>\$ 721,842</u>
Total Liabilities and Investor's Equity	<u><u>\$ 4,905,356</u></u>	<u><u>\$ 4,914,885</u></u>

15 & 17 Fitzgerald Road Limited Partnership
Income Statement
for the quarter ended March 31, 2024

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Revenue		
Rental income	\$ 229,396	\$ 226,958
	\$ 229,396	\$ 226,958
Expense		
Administrative costs	\$ 12,439	\$ 11,901
Amortization	47,501	44,827
Interest on long-term debt	38,231	24,707
Property management	9,229	9,305
Professional fees	-	2,345
Repairs and maintenance	44,029	39,728
Utilities	27,814	30,866
Property taxes	30,435	30,561
Recovery of doubtful accounts	(4,975)	-
	\$ 204,703	\$ 194,240
Net Income	\$ 24,693	\$ 32,718