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 Ottawa, ON
 June 8, 2009

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This Week



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News Story

Green specs boost interest in proposed south-end office

By Peter Kovessy, Ottawa Business Journal Staff
 Mon, Jun 8, 2009 12:00 AM EST

Development application approved by city last month for 56,000-square-foot facility

The environmental targets contained in plans for a 56,000-square-foot office building in suburban south Ottawa could help kick off its construction, observers say, despite being located in a submarket with healthy vacancy rates and plenty of proposed office projects.



The proposed fourth phase of the Hunt Club West Business Park. (Image supplied)

"We are in the process of responding to a (request for proposals) for a user right now," says Michael Church, a vice-president and broker at commercial real estate services firm Avison Young, which is marketing the property.

He adds the prospective tenant is looking at roughly 35,000 square feet and wants a building with a minimum rating of LEED Silver, a sustainability and environmental standard, and expressed interest in a LEED Gold rating.

Last month, city officials approved an application from Inside Edge Properties Ltd. to build the five-storey office at 2 Antares Dr., at West Hunt Club Road just off Prince of Wales Drive.

The proposal represents the fourth phase of the Hunt Club West Business Park, which currently features three buildings containing approximately 89,000 square feet, according to background documents filed with the city.

With no smaller-scale developers willing to build Ottawa office space on speculation, a tenant would have to pre-lease a significant amount of space – typically at least half, industry experts say – before construction begins.

Along with an all-class vacancy rate of nine per cent, there has been 950,000 square feet of proposed office space on the books in south Ottawa and around the airport for more than a year, the most of any submarket outside the central business district, according to real estate services firm Colliers International.

The addition to the Hunt Club West Business Park is one of several projects developers have planned for the area and has been in the pre-leasing stage for a couple of years, says Bruce Wolfgram, a vice-president and broker at DTZ Barnicke.

He adds he believes the building's environmental features make it more attractive in a submarket featuring plenty of leasing and built-to-suit options for tenants.

"As we come out of this downturn, companies will be looking for distinguishing factors, and one of those will be their type of office space," says Mr. Wolfgram.

"LEED is going to become increasingly important over the next decade."

Mr. Church says the building at 2 Antares Dr., which could be completed as early as next summer, will have a geothermal heating system and a white roof, which reflects light and reduces cooling costs in the summer. Other components common in LEED-certified buildings include motion-sensor lighting, waterless urinals and locally sourced construction materials, he adds.

With demand for south-end office space expected to grow dramatically once the Strandherd-Armstrong Bridge is constructed, building owners will likely consider obtaining LEED designations when reconditioning their properties, especially if hydro costs climb, says Mr. Church.

"I'm sure any of the institutional owners of properties (in that area) will, over time, spend the capital required when it is justified," he says.

"The payout is not so much now ... but as you push it out over time, that is where the big, big numbers come back."

Stock Markets

Name	Last	Chg	% Chg
TSX Comp	10565.43	▲ 17.57	0.17%
S&P/TSXV	1136.91	▼ -7.05	-0.62%
NYSE	6106.39	▲ 4.82	0.08%
NASDAQ	1844.07	▼ -16.06	-0.86%
S&P 500	939.76	▼ -2.67	-0.28%
TSXTLCM	75.34	▼ -0.01	-0.01%
RUSS1KV	477.60	▼ -0.50	-0.10%
NASDTLCO	197.13	▼ -1.06	-0.53%
TSXINFO	25.88	▲ 0.10	0.39%
^TXX	580.88	▼ -5.44	-0.93%

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Total inventory

Class A: 1.75 million square feet in 19 buildings

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Reader Poll 06/05/2009

Should cable and satellite companies pay a "fee for carriage" to broadcasters?

- Yes, cable companies should pay a fee for carrying the content of broadcasters.
- Yes, the traditional broadcasting revenue model is broken and local content must be protected.
- No, broadcasters profit from their own speciality channels.
- No, broadcasters should focus on airing more compelling content to attract and retain viewers.
- How much is this bailout going to cost us?
- Other.

Results

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MALCOLM GLADWELL
 AUTHOR OF BLINK, THE TIPPING POINT AND OUTLIERS
 NATIONAL ARTS CENTRE, JUNE 11, 2009

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Contact Us Class B: 1.52 million square feet in 40 buildings

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Vacancy rates

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- EllisDon scores \$62M federal design-build project

Class A: 8%
Class B: 10%

Average rental rates (per square foot)

Class A: \$14
Class B: \$11.50

Source: Colliers International Q1 Ottawa Office Report

WHO'S INVOLVED?

- **Delcan Corp.** (Hunt Club West Business Park phase 4)
- **Dynar Architect + Associates Inc.**
- **Goodkey, Weedmark and Associates** (Site lighting)
- **James B. Lennox & Associates Inc.** (Landscape architect)
- **PCL Constructors Canada** (General contractor)
- **Stantec Consulting Ltd.** (Surveyor)
- **Trow Associates Inc.** (Geotechnical investigation, phase one environmental assessment, servicing design brief, storm-water management plan)

Sources: City of Ottawa, Michael Church

Special Projects



by **Dragan Veljovic**



SMEs: Start Thinking Ahead



by **Trina Fraser**

BrazeauSeller.LLP

Update On Demand Promissory Notes



by **Stephanie Ruta**



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