

100 Herzberg Road

REMARKABLE SUBURBAN OFFICE BUILDING FOR SALE

Kanata, Ontario



CBRE

The Offering

On behalf of the Vendor, CBRE Limited, Brokerage (“CBRE”) is pleased to present an exceptional value add opportunity located at the gateway to Kanata North, 100 Herzberg Road, Ottawa (the “Building” or “Property”).

This landmark 106,616 SF Office Building situated on 8.62 acres of Land is prominently situated at the intersection of Herzberg Road and March Road.

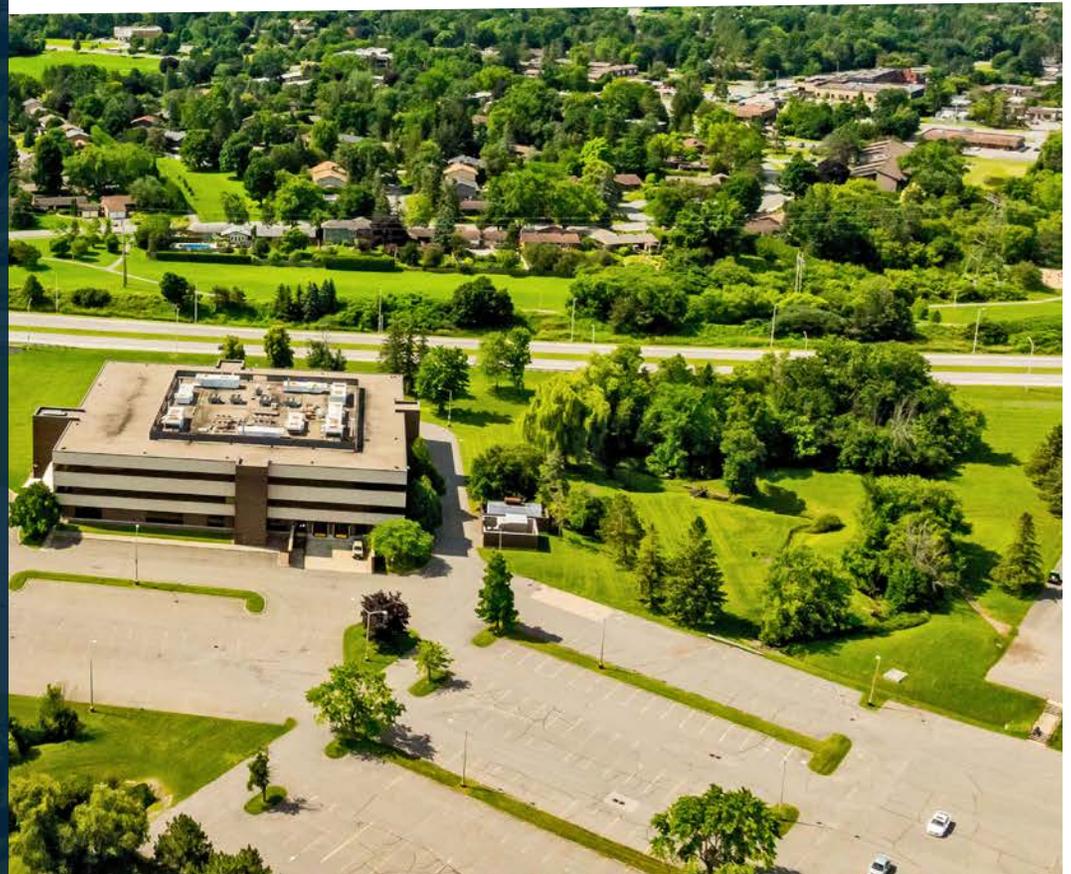
A 3-storey, fully vacant office building with a 38,070 square foot floor plate and 303 surface parking stalls, surrounded by greenspace provides an investor the opportunity to creatively enhance value. The campus-like setting and high-profile Kanata location supports repositioning the existing building and redeveloping the Property.

The Property is surrounded by an abundance of nearby amenities, is highly accessible by all modes of transportation, including public transit, bicycle and by car.

The Building is located in the Kanata North Technology Park, which is Canada’s highest density innovation hub. Kanata North is home to 540+ companies which contribute more than \$13-billion to Canada’s GDP. As a mature ecosystem, Kanata North provides a mix of commercial office, laboratory and light industrial spaces as well as the Marshes Golf Club and Brookstreet Hotel.

100 Herzberg provides a unique opportunity for a value-add investor to acquire a 100% freehold interest in a signature property and vacant office building.

ASKING PRICE: \$14,000,000



Investment Highlights



Marquee and Irreplaceable Location
at the Gateway to Kanata North



Value-add repositioning or
redevelopment opportunity



Located in one of the most desirable
technology hubs in North America



Exceptional access to abundance of
close by amenities and transit



Property Details

MUNICIPAL ADDRESS 100 Herzberg Road, Kanata, On K2K 2Y3

LEGAL DESCRIPTION

PART OF LOTS 4 AND 5, CON. 4, BEING PARTS 1 AND 7 ON PLAN 4R14584, KANATA. TOGETHER WITH AN EASEMENT OVER PARTS 2, 3, 6, 8, 9, 10 AND 11 ON 4R14584 AS IN LT1205904. TOGETHER WITH AN EASEMENT OVER PARTS 4, 5, 12, 13, 14, 15 AND 16 ON 4R14584 AS IN LT1205904. TOGETHER WITH AN EASEMENT OVER PARTS 8 AND 11 ON 4R14584 AS IN LT1205904. TOGETHER WITH AN EASEMENT OVER PARTS 5, 12 AND 15 ON 4R14584 AS IN LT1205904. SUBJECT TO AN EASEMENT IN FAVOUR OF PARTS 2, 3, 6, 8, 10 AND 11 ON 4R14584, AS IN LT1205904. SUBJECT TO AN EASEMENT IN FAVOUR OF PARTS 4, 5, 12, 13, 14, 15 AND 16 ON 4R14584 AS IN LT1205904. SUBJECT TO AN EASEMENT IN FAVOUR OF PARTS 2, 3, 6, 8, 9, 10 AND 11 ON 4R14584 OVER PART 7 ON 4R14584 AS IN LT1205904. SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 PLAN 4R-31500 AS IN OC2056855

LAND AREA 8.62 Acres

BUILDING AREA

Ground floor footprint - 38,070 SF

Second floor footprint - 38,070 SF

Third floor footprint - 38,070 SF

Total Measured Area - 106,616 SF

PARKING

303 surface parking stalls

BUILDING CONSTRUCTION

Slab on grade cast in place concrete foundation, steel structure superstructure, composite pour concrete floors and corrugated steel roof deck BUR system

DATE OF CONSTRUCTION

~1982/1983

ELEVATOR

1 hydraulic passenger elevator with 4,000 lbs or 26-person capacity (circa 1982, modernized 2005)

FLOOR LOAD CAPACITY

160 lbs/sq.ft.

SHIPPING & RECEIVING

3 truck level doors

ZONING

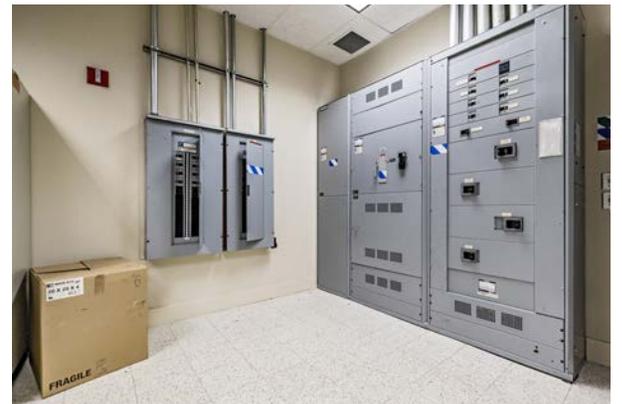
IG6 (General Industrial Zone, Subsection 6)

MPAC ASSESSEMENT

\$7,423,000 (2016)



Interior Photos



The Building

Originally constructed in 1982, 100 Herzberg Road, was home to Digital Equipment of Canada (DEC), subsequently Compaq Computers and ultimately Hewlett-Packard (HP). DEC was one of the pioneering technology companies in Kanata supporting the establishment of the Kanata North Business Park.

The building was completely retrofit by HP circa 2005 as a single tenant office building. The 3-storey building is constructed slab on grade (no basement) with approximately 38,070 square foot floor plates.

The Ground Floor is improved with a series of meeting rooms suitable for small and large groups, a large commercial kitchen and cafeteria area, a raised floor former data centre room, reception, shipping and receiving dock and base building service areas.

The 2nd and 3rd floors are open concept around the perimeter of the floors with meeting spaces, administrative services, washrooms and other common elements located centrally on the floor. There is a secondary raised floor former data centre area on the 3rd floor.

Overall, the existing improvements are in a good condition, representative of their age.

The window system provides ample natural light to the floors and great views of the surrounding greenspace.

The building includes a full shipping and receiving area with 2 truck level doors including exterior bumpers and dock levelers, and a 3rd dock level roll up door.

Heating and Cooling are primarily provided by 9 natural gas fired AHU's, two natural gas hot water boilers and electrically powered duct heaters.

The Building is serviced by City of Ottawa Water and Sewer, Hydro Ottawa electricity and Enbridge natural gas.

The building is fully sprinklered with a wet-sprinkler system.

The building is serviced with a 2000 AMP, 347/600 Volt service. There is a 50kW diesel fired generator for life safety emergency power and a 1200kW diesel fired generator for backup emergency power.





KANATA NORTH TECHNOLOGY PARK

For three decades, the city has been a global leader in telecommunications technology. Today, Ottawa is within the top 15 largest technology hubs in North America.

Prominently located at the gateway to the Kanata North Technology Park, the Building is uniquely surrounded by an abundance of greenspace in a campus like setting.

Immediately east of the Property is the National Capital Commission Greenbelt, which 14,950 hectares tract of land surrounds the City of Ottawa.

North of the Property is the Kanata North Technology Park. The Kanata North market is 13.2 million square feet of office, light industrial and laboratory building, home to over 540 companies predominately focused on technological innovation.

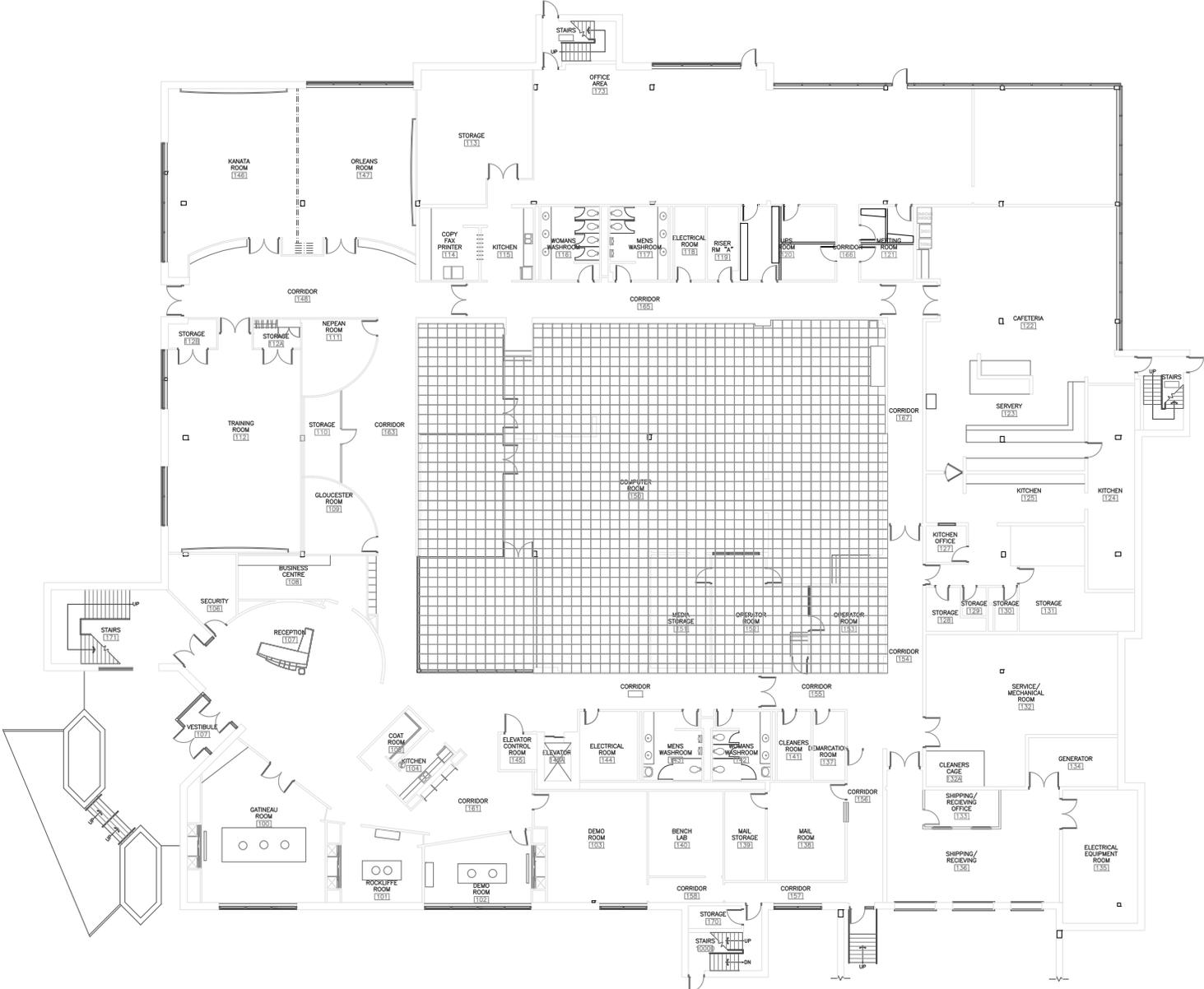
West/south of the Property are the established Beaverbrook and Kanata Lakes residential communities. These original Kanata communities are a mix of single-family homes, townhomes and low-mid density apartments. Earl of March Secondary School, the Kanata Lakes Golf Club, Roland Mitchener, George Vanier and Stephen Leacock Public Schools and numerous parks and recreation facilities provide these communities complete services supporting a great Kanata lifestyle.

*Outline Not to Scale



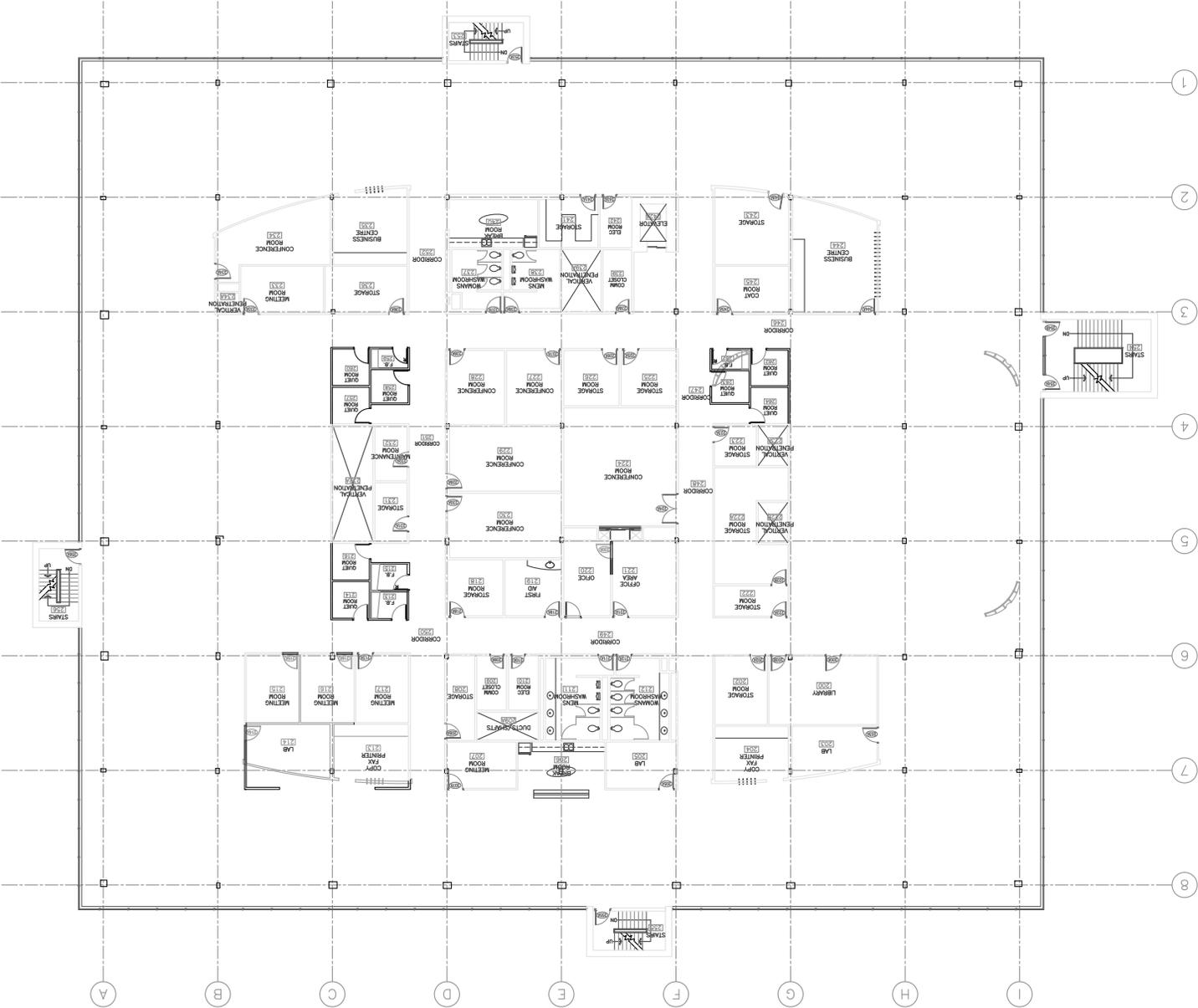
Floor Plans

GROUND FLOOR



Floor Plans

SECOND FLOOR



Kanata Marketview

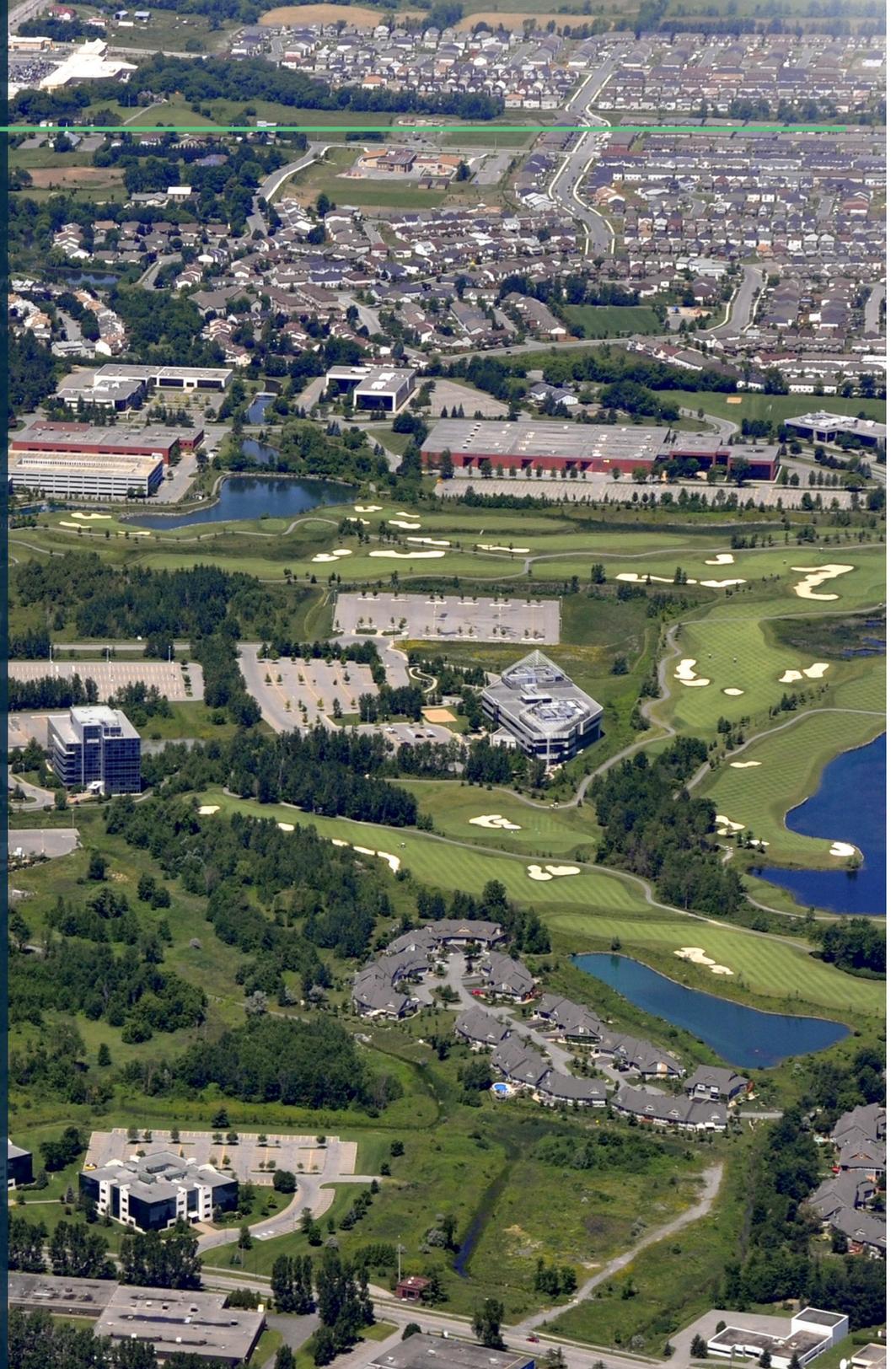
Located in the City of Ottawa's west end, Kanata is one of the largest suburbs, located 22 km west of the City's downtown. As of 2021, Kanata had a population of 137,118 and is still growing rapidly. Before it was amalgamated into Ottawa in 2001, it was one of the fastest growing cities in Canada and the fastest growing communities in Eastern Ontario. It is a planned community and an important hi-tech centre, often referred to as Silicon Valley North. Kanata boasts extensive shopping and recreation destinations, including several world class golf courses, and entertainment venues.

KANATA OFFICE MARKET UPDATE | Q2 2024

Improvements in the office market have continued in the Deep West with Kanata observing a decline in vacancy rate of 190 bps from 14.6% to 12.7%. A positive net absorption of 123,000 sq. ft. was recorded in the market, signifying the fourth consecutive quarter of positive net absorption. Net asking rents have continued to remain stable at \$14.52 per sq. ft. for the market.

HI-TECH COMPANIES THAT CALL KANATA NORTH BUSINESS PARK THEIR HOME:

- Nokia
- Ciena
- Ericsson
- Cisco
- Huawei
- Ford
- Wind River
- MDS
- General Dynamics
- Thales
- Entrust Datacard
- Fortinet
- Juniper
- MNP
- N-able
- Nordion
- Blackberry QNX
- CAE
- Mitel
- Irdeto
- CISCO



Ottawa Economic Overview

Located in eastern-Ontario along the Quebec border, Ottawa is Canada's capital city, with a population of over 1M residents. Together with the neighbouring municipality of Gatineau, QC and its population of approximately 288,000, the Ottawa-Gatineau CMA is one of the largest population centres in the country. As a G7 capital city, and home of the Federal Government, the public sector accounts for nearly one-quarter of the Region's local economy. The balance is comprised of a diverse pool of local, national and multinational private sector businesses, industry associations and more than 120 foreign embassies, consulates and high commissions. The Region also benefits from industry clustering, especially in the field of high technology, with more than 800 high-tech firms located in Ottawa alone. Moreover, Ottawa is a centre for advanced research and development, especially in the fields of space science, telecommunications and environmental technology. Its robust economy is supported by the most educated workforce in the country. The Region also shares important economic ties to both Toronto and Montreal.

Ottawa's economy is currently being fueled by construction and infrastructure projects, and growth in the high-tech services. This substantial public and private investment is valued at well over \$6.B. Major infrastructure projects include a Light Rapid Transit system (\$2.1B), the widening of the Queensway.

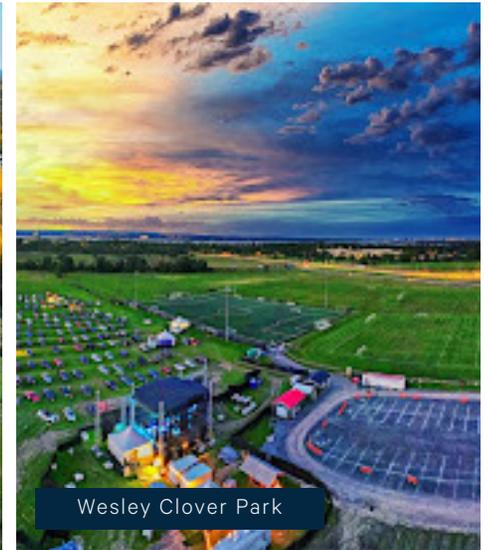
Ottawa's arterial 400-series highway (\$200M), and the renovation and expansion of the University of Ottawa Heart Institute (\$200M). Other major public and private sector projects include the rehabilitation of the Government of Canada Conference Centre located in downtown Ottawa (\$190M), the renovation of the National Arts Centre (\$110M) and the renewal of the Bank of Canada head office (\$460M). Stage 2 LRT construction (budgeted at \$3.6B) is expected to run until 2023, adding 44 kilometres of rail and 24 new stations. The expansion will ultimately bring 70% of Ottawa residents within five kilometres of the rail network.

Moreover, major investments in the retail segment are ongoing. The recent expansion and redevelopment work at Bayshore Shopping Centre, St. Laurent Shopping Centre, Rideau Centre and Promenade Gatineau totaled more than \$600M in aggregate investment. In addition, the \$1B Chaudière Falls redevelopment of the former Domtar lands now known as "Zibi", as well as the complete redevelopment of the Lebreton Flats Lands will further bolster Ottawa's development sector and solidify it as a world class city.

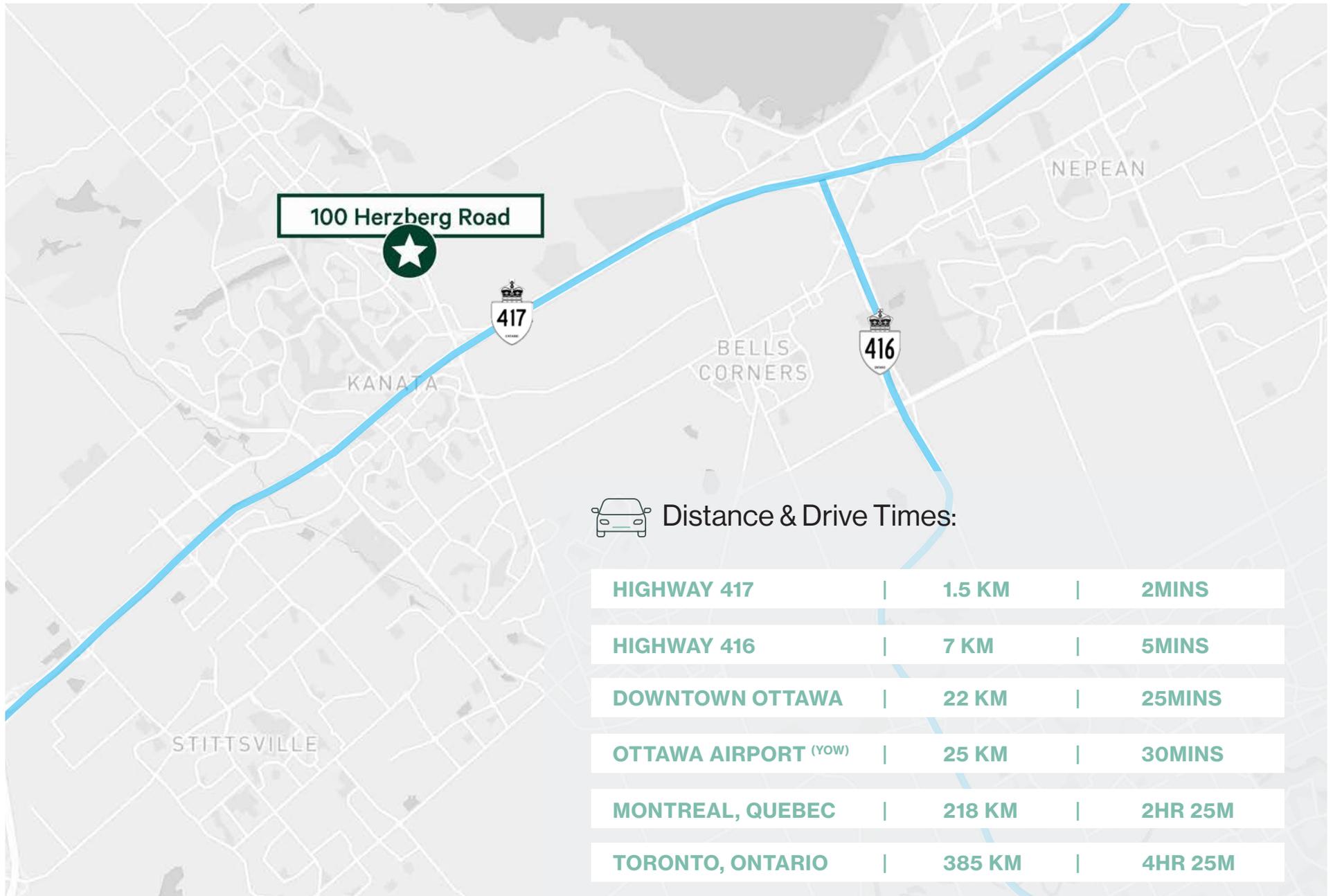


Access and Location

100 Herzberg Road is nearby several regional amenities, including the Kanata Centrum Shopping Centre, the Tanger Outlet Mall, and the Canadian Tire Centre, home of the NHL's Ottawa Senators and many others.



Map



Offering Process

MEMORANDUM CONTENTS

This Confidential Information Memorandum (“CIM”) has been prepared by the Advisor and is being delivered to prospective purchasers to assist them in deciding whether they wish to acquire the Property. This CIM does not purport to be all-inclusive or to contain all the information that a prospective purchaser may require in deciding whether or not to purchase the Property.

This CIM is for information and discussion purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Property. The CIM provides information relating to certain physical, locational and financial characteristics of the Property.

The information in this CIM has been obtained from various sources considered reliable. Neither the vendor nor the Advisor make any representations, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective purchasers without independent investigation and verification. The vendor and Advisor expressly disclaim any and all liability for any errors or omissions in the CIM or any other written or oral communication transmitted or made available to prospective purchasers. If any information relating to the Property, in addition to the information provided in this CIM, is provided at any time, orally or otherwise, by the vendor or the Advisor, such information is provided as a convenience only without representation or warranty as to its accuracy or completeness and such information should not be relied upon by prospective purchasers without independent investigation and verification.

CONFIDENTIALITY

By accepting this CIM, prospective Purchasers agree to hold and treat this CIM and its contents in the strictest confidence. Prospective Purchasers will not, directly or indirectly, disclose or communicate or permit anyone else to disclose or communicate this CIM or any of its contents or any part thereof to any person, firm or entity without the prior written consent of the vendor and CBRE. Prospective Purchasers will not use or permit this CIM to be used in any manner detrimental to the interests of the vendor, or CBRE or their affiliates or for any other purpose than a proposed purchase of the Property. The recipient of this CIM agrees to provide CBRE with a list of those persons to whom this CIM or any information contained herein is provided. The terms and conditions in this Section with respect to confidentiality and the disclaimer contained under the heading “Memorandum Contents” will relate to all Sections of the CIM as if stated independently therein.

The CIM shall not be copied, reproduced or distributed, in whole or in part, to other parties at any time without the prior written consent of the vendor and CBRE. It is made available to prospective Purchasers for information purposes only and upon the expressed understanding that such prospective Purchasers will use it only for the purposes set forth herein.

Upon request, the recipient will promptly return all material received from the vendor and CBRE (including the CIM) without retaining any copies thereof. In furnishing the CIM, the vendor and CBRE undertake no obligations to provide the recipient with access to additional information. The division of the CIM into sections, paragraphs, sub paragraphs and the insertion or use of titles and headings are for convenience of reference only and shall not affect the construction or interpretation of this CIM.

INDEMNIFICATION

Recipients of this CIM acknowledge that they are principals or investment advisors in connection with the possible acquisition of the Property. Where a recipient of this CIM is working with another broker, that broker must register its client with CBRE at the outset. The broker must notify the listing agents at CBRE in writing, at the time the CIM is provided, that it is representing that Purchaser and must provide a written acknowledgment of representation from the Purchaser. Failing receipt of such notice and acknowledgment, it shall be deemed that the recipient has not dealt with any broker, other than CBRE, regarding the acquisition of the Property, and the recipient agrees that they will not look to the vendor or CBRE, or any of their affiliates for any fees or commissions in connection with the sale of the Property.

In exchange for specific good and valuable consideration provided by the vendor and CBRE, including without limitation, the delivery of this CIM, the receipt and sufficiency of which are hereby acknowledged by the prospective Purchasers, prospective Purchasers hereby agree to indemnify the vendor and CBRE, and their affiliates against any compensation, liability or expense (including legal fees), arising from claims by any other broker or other party the Purchaser had dealings with (excluding CBRE) in connection with the sale of the Property, or in connection with a breach by the prospective Purchaser of its obligations as described herein. In no event shall prospective Purchasers or any of their agents or contractors contact any governmental authorities concerning the Properties, or make any physical inspection or testing of the Properties, without the prior written consent of the vendor or CBRE.

DATA ROOM & CONFIDENTIALITY AGREEMENT

A data room has been set up for this transaction. Prospective purchasers are strongly encouraged to access the data room in order to make their offers as unconditional as possible. Information contained in the data room includes items such as copies of financial documents, surveys, environmental and building condition reports, and other major agreements affecting the Property.

The Advisor has made most data room material available on-line at the Advisor Sharefile. Access to the Advisor Sharefile is restricted to those who have executed a Confidentiality Agreement (CA) and been issued a user ID and password.

TRANSACTION REQUIREMENTS

Interested parties are invited to submit a proposal on a purchaser's form of Letter of Intent when prepared. From the submissions, the proposal may be selected to proceed to the next stage of the process where it is the intent of the vendor to enter into a binding Agreement of Purchase and Sale on the vendor's form for the Property. All participants in the process do so of their own accord. Neither the vendor nor CBRE make any representation or warranty, or any agreement whatsoever, that the vendor will accept any Agreement of Purchase and Sale, before or after negotiations, which may be extensive, that the vendor will accept the highest or any price offered or, that the vendor or CBRE, shall compensate any participant for any costs incurred in its participation in the process.

Offers will be evaluated on, among other criteria, the consideration offered for the Property, the prospective Purchaser's ability to complete the transaction, and the proposed conditions of closing.

ACCEPTING OFFERS ON A FIRST-COME-FIRST-SERVED BASIS WITH AN ASKING PRICE OF \$14,000,000

OFFER SUBMISSIONS

All offers to be submitted to the advisors below:

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