



Mid-Year 2013

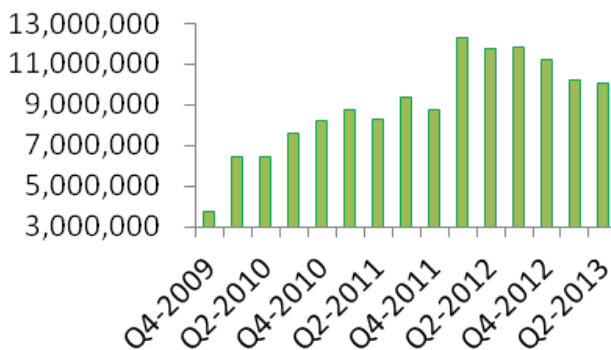
Stormy Waters and Headwinds

Ottawa is going through a period of change as Ottawa's office market moves from a landlords' market to a tenants' market with overall vacancy creeping up to levels that we have not seen in over a decade. Furthermore, the federal government is implementing its accommodations strategy. Couple this with their austerity measures and the lack of new business locating to Ottawa, in particular in the CBD, this creates the perfect storm as landlords struggle to keep and attract tenants to their buildings.

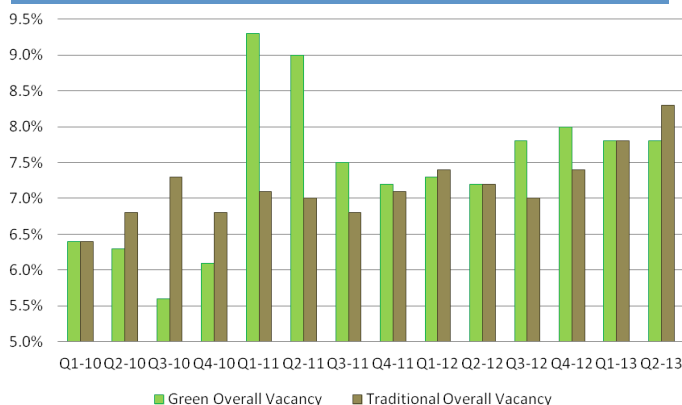
Green buildings for the last 8 quarters have shown higher occupancy levels on a direct basis, giving landlords a clear message that sustainable initiatives are necessary in maintaining and attracting tenants. Overall green market occupancy stayed the course this quarter at 92.2%, while traditional market occupancy fell for the fourth straight quarter to 91.7%. Direct green market occupancy rose by 30 basis points to 94.6%, while traditional market occupancy fell by 30 basis points to 93.1%, the fifth consecutive quarter of falling occupancy.

Green office inventory sits at about 27 percent of the market at slightly over 10 million square feet dropping for the 3rd straight quarter and down from its peak in the first quarter 2012 when it surpassed the 12 million square foot mark. Despite several new buildings being added to the inventory, several buildings came up for recertification under the BOMA BEST program impacting the total green inventory.

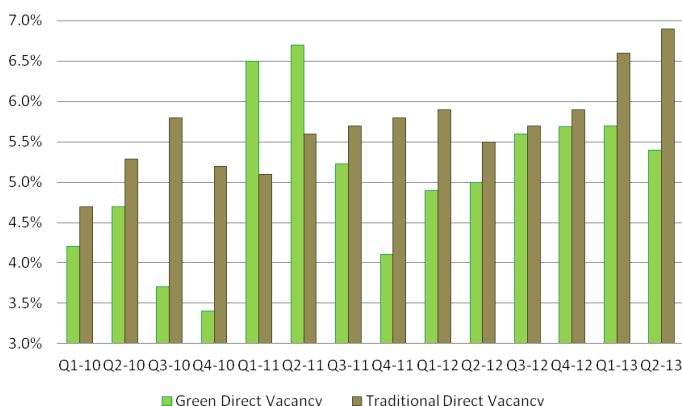
Green Office Space Growth



Overall Vacancy



Direct Vacancy





About James McNeil

James McNeil is the Founder and Managing Principal at JJMcNeil Commercial Inc., which provides the full spectrum of commercial real estate advisory services. With 25 years experience, James is one of the most knowledgeable and effective commercial real estate professionals in Ottawa. He is recognized internationally as a leading expert in green buildings and sustainable workplaces. James specializes in tenant representation for office, industrial and retail clients and has successfully sourced commercial space and negotiated hundreds of leases for private and public sector corporations. He has represented landlords and tenants alike.

James has received the Leadership in Business Award from Earth Day Ottawa for his commitment to the environment and was nominated as Corporate Citizen of the Year by the Kanata Chamber of Commerce. He has lectured on green buildings, leasing and market-related topics to industry stakeholders and holds the designation of Real Property Administrator (RPA) and is a LEED Accredited Professional (LEED AP).

James has held senior positions with major investors, institutional and government real estate organizations. He creates value for his clients from his direct experience and in-depth knowledge of industrial, office and retail markets, extensive experience in administration, leasing, accommodations strategies, portfolio management, building systems, maintenance, design and construction, building retrofits, leasehold improvements, development, property law, contracts, green buildings and sustainable workplaces.

Prior to forming JJMcNeil Commercial Inc., James held a senior position at Cushman & Wakefield Ottawa as a Broker, Vice President & Ottawa Green Real Estate Practice Lead. He is a Co-Founder, Co-Host and Presenter at Ottawa Better Buildings Breakfast Series and the Catalyst and Board President at Ottawa Centre Eco-District – Greening the core, advancing the economy.



JJMcNeil Commercial Inc.

Most Real Estate brokerages are sales centric organizations putting sales, prospecting and the related training above the fundamentals and complexities of real estate. Twenty years experience or one year experience twenty times? At JJMcNeil our experience is rooted in commercial real estate, our principals have extensive experience in portfolio management, major developments, transaction management for institutional investors and corporate occupiers and have been directly responsible for lease negotiations for both the Landlord and for the Tenant.

We use this extensive experience to effectively counter the strong position that landlords have in the market to put Tenants on a equal footing and negotiate lower real estate costs, minimized real estate occupancy risks, improve flexibility and occupancy control, and create more productive work environments for Office, Retail and Industrial clients.

Additionally JJMcNEIL is the market leader in Green Buildings and Sustainable work places. We integrate sustainability into the traditional leasing process. We track all of Ottawa's green buildings, the availability of leased space in these buildings and the overall growth of the green market, providing clients with qualitative and quantitative metrics of features that reduce operating costs, reduce tenants' capital requirements for both initial and ongoing leasehold improvements, as well as design features that specifically increase employee productivity and reduce absenteeism.

We provide the full range of real estate advisory services and have the knowledge and expertise to help your company in its quest for sustainability.

The Better Building Breakfasts

It's important to create a more sustainable Ottawa, JJMcNeil Commercial Inc. along with RENX.ca host the Better Buildings Breakfast Series which is an opportunity for stakeholders to learn about sustainable buildings and network with peers in the green real estate sector. The breakfasts serve an exciting line up of speakers, leaders in real estate, with informative presentations about how to create a sustainable built environment.



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