

DEMAND & ECONOMICS

The Dineen Building
TORONTO

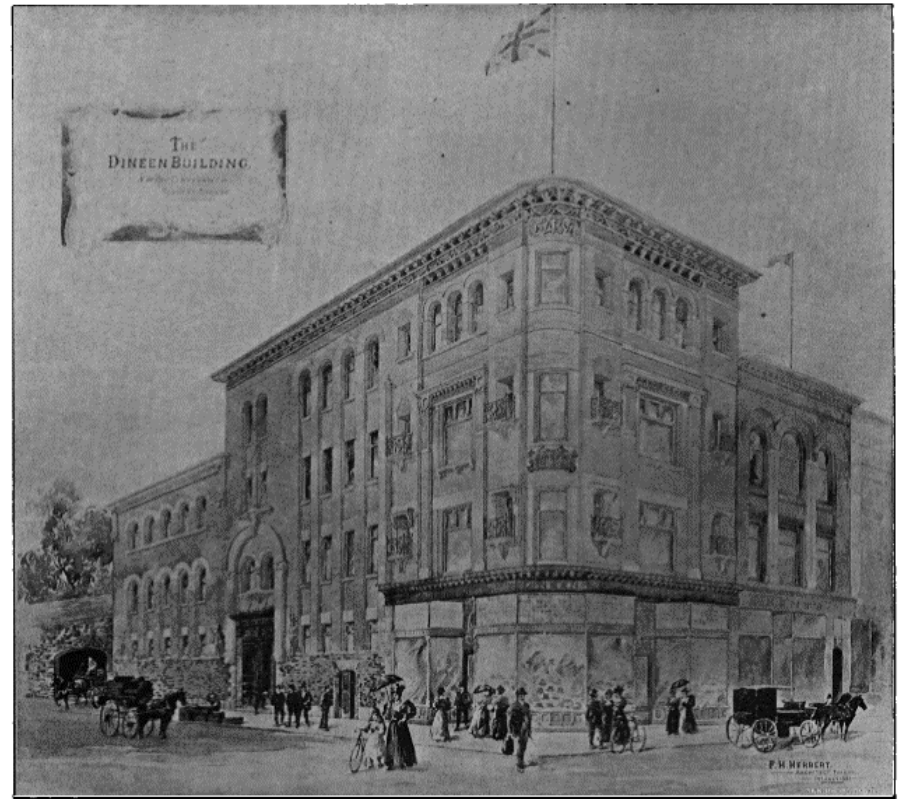
THE
COMMERCIAL
REALTY GROUP

HERITAGE BUILDINGS ■ MODERN SPACE



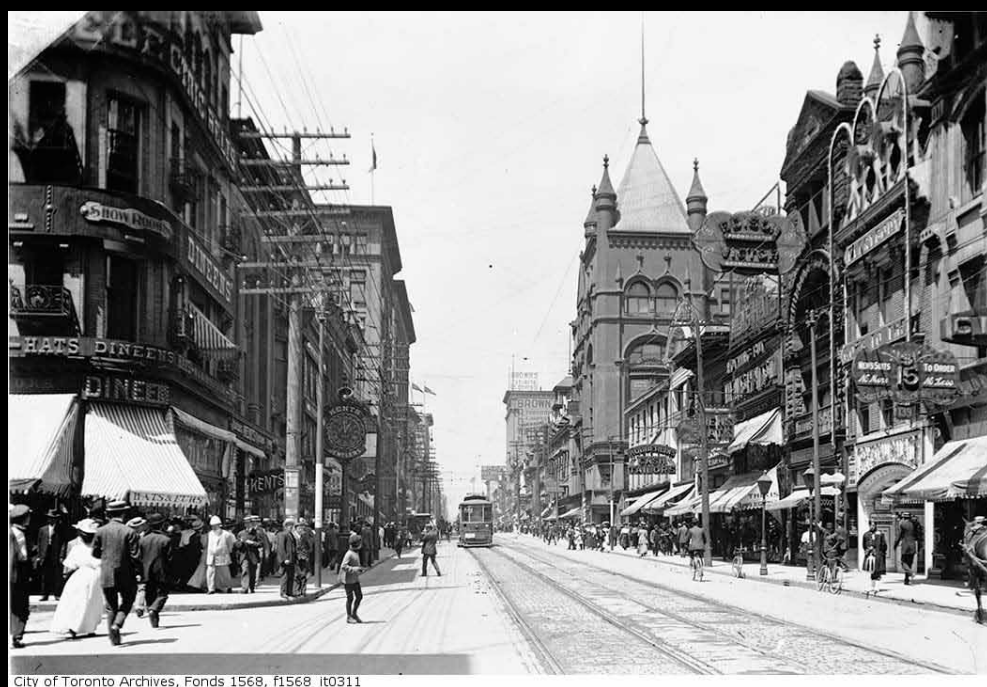
BUILDING BACKGROUND

- 1897 - W & D Dineen Co Ltd, Hats & Furs owned by William Dineen
- Designed by F. H. Herbert architect in Renaissance Revival style
- Original building cost of \$30,000
- 1900 – Building valued at \$80,000



THE DINEEN BUILDING, COR. YONGE & TEMPERANCE STS., TORONTO.

F. H. HERBERT, ARCHITECT, TORONTO



City of Toronto Archives, Fonds 1568, f1568_it0311



City of Toronto Archives, Fonds 1257, f1257_s1057_25935

BUILDING OVERVIEW

- 1973 – City of Toronto Inventory of Heritage Properties
- 2009 – Heritage Designation





PROJECT OVERVIEW

- 2011 – Purchased by Commercial Realty Group in December
- 2012 – Major Restoration with a 5th Floor Addition under a Design Build format
- 2013 – Full Tenant Occupancy with iQ Office Suites, The Chase and Dineen Coffee Co.







BUILDING STRUCTURAL OVERVIEW



STRUCTURAL ENGINEERING OF INTERIOR



INTERIOR SPACES



5TH FLOOR ADDITION





FINANCIAL OVERVIEW



Current Rental Summary

<u>Tenant</u>	<u>Location</u>	<u>Area</u> <u>(s.f.) (2)</u>	<u>% of</u> <u>Total Area</u>	<u>Lease</u> <u>Start</u>	<u>Lease</u> <u>Expiry</u>	<u>Net Rent</u> <u>p.s.f.</u>	<u>Recoveries</u> <u>p.s.f.</u>	<u>Total Gross</u> <u>Rent p.s.f.</u>	<u>Monthly</u> <u>Gross Rent</u>	<u>Annual</u> <u>Gross Rent</u>	<u>% of</u> <u>Total Rent</u>
Current Tenant	Ground	5,000	12.50%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 13.40	\$ 6.60	\$ 20.00 \$ 20.50 \$ 21.00	\$ 8,333.33	\$ 100,000	12.50%
Current Tenant	Ground	5,000	12.50%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 13.40	\$ 6.60	\$ 20.00 \$ 20.50 \$ 21.00	\$ 8,333.33	\$ 100,000	12.50%
Current Tenant	Suite 100	10,000	25.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 13.40	\$ 6.60	\$ 20.00 \$ 20.50 \$ 21.00	\$ 16,666.67	\$ 200,000	25.00%
Current Tenant	Suite 200	10,000	25.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 13.40	\$ 6.60	\$ 20.00 \$ 20.50 \$ 21.00	\$ 16,666.67	\$ 200,000	25.00%
Current Tenant	Suite 400	5,000	12.50%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 13.40	\$ 6.60	\$ 20.00 \$ 20.50 \$ 21.00	\$ 8,333.33	\$ 100,000	12.50%
Current Tenant	Suite 410	5,000	12.50%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 13.40	\$ 6.60	\$ 20.00 \$ 20.50 \$ 21.00	\$ 8,333.33	\$ 100,000	12.50%

TOTALS	40,000	100.00%				\$ 16.24	\$ 6.60	\$ 20.00	\$ 66,666.67	\$ 800,000	100.00%
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	<u>s.f.</u>	<u>% of Area</u>
Vacant	0	0.00%
Occupied	40,000	100.00%
Total Area	40,000	100.00%

<i>Total Net Rent</i>	\$ 536,000
<i>Total Recoverables</i>	\$ 264,000

PROFORMA STATEMENT

INCOME SUMMARY

RENTAL REVENUE			
Total Net Rental Income			\$ 536,000
Recoverable Income	\$ / p.s.f.	Area (s.f.)	\$ 264,000
	6.60	40,000	
POTENTIAL GROSS REVENUE			\$ 800,000
EFFECTIVE GROSS INCOME			\$ 800,000

RECOVERABLE OPERATING EXPENSES (2)	<u>Last 12 Months</u>	<u>p.s.f.</u>	<u>% of EGI</u>
2014 Realty Taxes	\$ 148,000	\$ 3.70	18.50%
Hydro	\$ 6,000	\$ 0.15	0.75%
Gas	\$ 2,000	\$ 0.05	0.25%
Insurance	\$ 8,000	\$ 0.20	1.00%
HVAC	\$ 12,400	\$ 0.31	1.55%
Water & Waste	\$ 2,000	\$ 0.05	0.25%
Telephone	\$ 644	\$ 0.02	0.08%
Building	\$ 10,000	\$ 0.25	1.25%
Elevator Maintenance	\$ 6,000	\$ 0.15	0.75%
Wasteco	\$ 6,000	\$ 0.15	0.75%
Security	\$ 2,000	\$ 0.05	0.25%
Abel	\$ 1,518	\$ 0.04	0.19%
Dust Mats	\$ 290	\$ 0.01	0.04%
Repairs and Maintenance	\$ 10,000	\$ 0.25	1.25%
<u>Management Fees (3)</u>	<u>\$ 50,000</u>	<u>\$ 1.25</u>	<u>3.00%</u>
TOTAL RECOVERABLE EXPENSES	\$ 264,852	\$ 6.62	29.86%

TOTAL OPERATING COSTS	\$ (264,852)
NET OPERATING INCOME	\$ 535,148

ANNUAL DEBT SERVICE

<u>1st Mortgage</u>	<u>Int. Rate</u>	<u>Maturity Date</u>	<u>Amortization</u>	<u>Principal & Interest</u>
\$5,400,000	5.50%	Oct-16	\$ 25	\$ (395,534)
<u>Total Debt</u>				<u>\$ (395,534)</u>
\$5,400,000				

NET OPERATING INCOME - after debt service	\$ 139,615
DEBT SERVICE COVERAGE RATIO	1.35

FEASIBILITY ANALYSIS

Using NOI	\$ 8,919,137
Estimated Cap Rate	6.00%

Current Rental Summary

<u>Tenant</u>	<u>Location</u>	<u>Area</u> <u>(s.f.) (2)</u>	<u>% of</u> <u>Total Area</u>	<u>Lease</u> <u>Start</u>	<u>Lease</u> <u>Expiry</u>	<u>Net Rent</u> <u>p.s.f.</u>	<u>Recoveries</u> <u>p.s.f.</u>	<u>Total Gross</u> <u>Rent p.s.f.</u>	<u>Monthly</u> <u>Gross Rent</u>	<u>Annual</u> <u>Gross Rent</u>	<u>% of</u> <u>Total Rent</u>
New Tenant	Ground	5,000	12.50%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 12,500.00	\$ 150,000	12.50%
New Tenant	Ground	5,000	12.50%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 12,500.00	\$ 150,000	12.50%
New Tenant	Suite 100	10,000	25.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 25,000.00	\$ 300,000	25.00%
New Tenant	Suite 200	10,000	25.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 25,000.00	\$ 300,000	25.00%
New Tenant	Suite 400	5,000	12.50%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 12,500.00	\$ 150,000	12.50%
New Tenant	Suite 410	5,000	12.50%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 12,500.00	\$ 150,000	12.50%

TOTALS	40,000	100.00%				\$ 27.15	\$ 7.60	\$ 30.00	\$ 100,000.00	\$ 1,200,000	100.00%
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	<u>s.f.</u>	<u>% of Area</u>
Vacant	0	0.00%
Occupied	40,000	100.00%
Total Area	40,000	100.00%

<i>Total Net Rent</i>	\$ 896,000
<i>Total Recoverables</i>	\$ 304,000

New Tenant and Construction
PROFORMA STATEMENT

Street Outthere
Toronto, Ontario

INCOME SUMMARY

RENTAL REVENUE

Total Net Rental Income \$ 896,000

Recoverable Income \$ / p.s.f. Area (s.f.)
\$ 7.60 40,000 \$ 304,000

POTENTIAL GROSS REVENUE \$ 1,200,000

EFFECTIVE GROSS INCOME \$ 1,200,000

RECOVERABLE OPERATING EXPENSES (2)

	<u>Last 12 Months</u>	<u>p.s.f.</u>	<u>% of EGI</u>
2014 Realty Taxes	\$ 148,000	\$ 3.70	12.33%
Hydro	\$ 6,000	\$ 0.15	0.50%
Gas	\$ 2,000	\$ 0.05	0.17%
Insurance	\$ 8,000	\$ 0.20	0.67%
HVAC	\$ 12,400	\$ 0.31	1.03%
Water & Waste	\$ 2,000	\$ 0.05	0.17%
Telephone	\$ 644	\$ 0.02	0.05%
Building & Premises Cleaning	\$ 50,000	\$ 1.25	4.17%
Elevator Maintenance	\$ 6,000	\$ 0.15	0.50%
Wasteco	\$ 6,000	\$ 0.15	0.50%
Security	\$ 2,000	\$ 0.05	0.17%
Abel	\$ 1,518	\$ 0.04	0.13%
Dust Mats	\$ 290	\$ 0.01	0.02%
Repairs and Maintenance	\$ 10,000	\$ 0.25	0.83%
<u>Management Fees (3)</u>	<u>\$ 50,000</u>	<u>\$ 1.25</u>	<u>3.00%</u>
TOTAL RECOVERABLE EXPENSES	\$ 304,852	\$ 7.62	24.24%

TOTAL OPERATING COSTS \$ (304,852)

NET OPERATING INCOME \$ 895,148

ANNUAL DEBT SERVICE

<u>1st Mortgage</u>	<u>Int. Rate</u>	<u>Maturity Date</u>	<u>Amortization</u>	<u>Principal & Interest</u>
\$9,500,000	5.00%	Oct-16	\$ 25	\$ (663,030)

Total Debt
\$9,500,000 \$ (663,030)

NET OPERATING INCOME - after debt service \$ 232,119

DEBT SERVICE COVERAGE RATIO 1.35

FEASIBILITY ANALYSIS

Using NOI \$ 15,567,795
Estimated Cap Rate 5.75%

Current Rental Summary

<u>Tenant</u>	<u>Location</u>	<u>Area</u> <u>(s.f.) (2)</u>	<u>% of</u> <u>Total Area</u>	<u>Lease</u> <u>Start</u>	<u>Lease</u> <u>Expiry</u>	<u>Net Rent</u> <u>p.s.f.</u>	<u>Recoveries</u> <u>p.s.f.</u>	<u>Total Gross</u> <u>Rent p.s.f.</u>	<u>Monthly</u> <u>Gross Rent</u>	<u>Annual</u> <u>Gross Rent</u>	<u>% of</u> <u>Total Rent</u>
New Tenant	Ground	5,000	10.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 12,500.00	\$ 150,000	10.00%
New Tenant	Ground	5,000	10.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 12,500.00	\$ 150,000	10.00%
New Tenant	Suite 100	10,000	20.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 25,000.00	\$ 300,000	20.00%
New Tenant	Suite 200	10,000	20.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 25,000.00	\$ 300,000	20.00%
New Tenant	Suite 400	5,000	10.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 12,500.00	\$ 150,000	10.00%
New Tenant	Suite 410	5,000	10.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 12,500.00	\$ 150,000	10.00%
New Tenant	Suite 500	10,000	20.00%	01-Sep-11 01-Sep-12 01-Sep-13	31-Aug-12 31-Aug-13 31-Aug-14	\$ 22.40	\$ 7.60	\$ 30.00 \$ 30.50 \$ 31.00	\$ 25,000.00	\$ 300,000	20.00%

TOTALS	50,000	100.00%				\$ 33.94	\$ 7.60	\$ 30.00	\$ 125,000.00	\$ 1,500,000	100.00%
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	<u>s.f.</u>	<u>% of Area</u>
Vacant	0	0.00%
Occupied	50,000	100.00%
Total Area	50,000	100.00%

Total Net Rent \$ 1,120,000

Total Recoverables \$ 380,000

**New Tenant and Construction
PROFORMA STATEMENT**

**Street Outthere
Toronto, Ontario**

INCOME SUMMARY

RENTAL REVENUE

Total Net Rental Income \$ 1,120,000

Recoverable Income \$ / p.s.f. Area (s.f.)
\$ 7.60 50,000 \$ 380,000

POTENTIAL GROSS REVENUE \$ 1,500,000

EFFECTIVE GROSS INCOME \$ 1,500,000

RECOVERABLE OPERATING EXPENSES (2)

	<u>Last 12 Months</u>	<u>p.s.f.</u>	<u>% of EGI</u>
2014 Realty Taxes	\$ 200,000	\$ 4.00	13.33%
Hydro	\$ 8,000	\$ 0.16	0.53%
Gas	\$ 2,500	\$ 0.05	0.17%
Insurance	\$ 9,000	\$ 0.18	0.60%
HVAC	\$ 13,000	\$ 0.26	0.87%
Water & Waste	\$ 3,000	\$ 0.06	0.20%
Telephone	\$ 644	\$ 0.01	0.04%
Building & Premises Cleaning	\$ 65,000	\$ 1.30	4.33%
Elevator Maintenance	\$ 6,000	\$ 0.12	0.40%
Wasteco	\$ 8,000	\$ 0.16	0.53%
Security	\$ 2,000	\$ 0.04	0.13%
Abel	\$ 1,518	\$ 0.03	0.10%
Dust Mats	\$ 290	\$ 0.01	0.02%
Repairs and Maintenance	\$ 10,000	\$ 0.20	0.67%
<u>Management Fees (3)</u>	<u>\$ 50,000</u>	<u>\$ 1.00</u>	<u>3.00%</u>
TOTAL RECOVERABLE EXPENSES	\$ 378,952	\$ 7.58	24.93%

TOTAL OPERATING COSTS \$ (378,952)

NET OPERATING INCOME \$ 1,121,048

ANNUAL DEBT SERVICE

<u>1st Mortgage</u>	<u>Int. Rate</u>	<u>Maturity Date</u>	<u>Amortization</u>	<u>Principal & Interest</u>
\$12,000,000	5.00%	Oct-16	\$ 25	\$ (837,511)

Total Debt
\$12,000,000 \$ (837,511)

NET OPERATING INCOME - after debt service \$ 283,537

DEBT SERVICE COVERAGE RATIO 1.34

FEASIBILITY ANALYSIS

Using NOI \$ 19,496,490
Estimated Cap Rate 5.75%

LOCATION



c.1916

City of Toronto Archives, Fonds 1244, Item 589



LEASABLE SPACE



BASEMENT



5TH FLOOR ADDITION

1897 - The Dineen Building



THE
COMMERCIAL
REALTY GROUP

PROJECT TEAM MEMBERS



GEORGE ROBB ARCHITECT



George Popper Architects