

**Northwinds Investment and  
Loan Corporation**  
231 Main Street  
Oshawa ON L4L 8W9  
(416) 370 7070

March 19, 2014

Pierre Charlebois  
General Manager  
Northwinds Investment and  
Loan Corporation  
Oshawa ON

Dear Mr. Charlebois

I have completed the research for the new commercial space rental for our company, as requested in our conversation on February 20, 2014, and enclose 10 copies of the report describing the potential properties and my evaluation of the results for you to share with your business partners. The report is titled “Discovering the NILC’s future home.”

As I briefly reported my findings to you when we met on March 15, 2014, the property “C” located at 43 Bullion Street was chosen as the best option among the 11 properties I searched and the three I have personally visited and inspected. Property “C” is the cheapest, well located, and very promising and present the most economic and financial potential area developing in our city. Moreover, it is totally aligned with our vision of growth for the future.

I appreciated having the opportunity to head this project for you. If you have questions in regarding the report, please call me on extension 222.

Sincerely

Osvaldo Santos  
Supervisor of Office Services

## **Discovering the NILC's Future Home**

**Northwinds Investment and  
Loan Corporation**

231 Main Street  
Oshawa ON L4L 8W9  
(416) 370 7070

**Northwinds Investment and  
Loan Corporation**  
231 Main Street  
Oshawa ON L4L 8W9  
(416) 370 7070

## **Discovering the NILC's Future Home**

Prepared for  
**Pierre Charlebois**  
**General Manager**  
**NILC**  
Oshawa ON

Prepared by  
**Oswaldo Santos**  
**Supervisor of Office Services**  
**NILC**  
Oshawa ON

March 19, 2014

## **Summary**

Examinations of three potential properties indicate that Northwinds Investment and Loan Corporation's new home is property "C" which is located at 43 Bullion Street. This property attained the highest value to keep our business growing, focusing the future.

Property "C" presents the cheapest rental together with the largest space in a potential financial and economic area developing in our city. Concurrently, it is also the property that has the lower cost per square meter and higher square meters per staff member, and the property that best fits to our requirements of accessibility, parking availability and local amenities.

## Table of Contents

<b>Introduction</b> .....	<b>1</b>
Type chapter title (level 2) .....	2
Type chapter title (level 3) .....	3
<b>Type chapter title (level 1)</b> .....	<b>4</b>
Type chapter title (level 2) .....	5
Type chapter title (level 3) .....	6

## **INTRODUCTION**

Northwinds Investment and Loan Corporation (NILC) is a renowned business company that has been working successfully in the land property business for years and recently has focused its business in the financial area gaining market and expanding it in both revenue and number of employees. The building in which NILC is located has been sold and is about to be demolished to give room for a famous hotel to be built on the site. For these reasons, moving the company to a potential area in a new, promising and larger space is a great opportunity to keep the business growing and to attend the company's perspectives of expansion in the market.

This report was requested and authorized by Pierre Charlebois, the general manager of NILC in a meeting on February 20, 2014. The main purpose of the project is to ally the inquiry to vacate the building with the necessity to find an ideal property that could comply with the company's vision of growth and developing in the financial area for the future.

In the respective meeting, Mr. Charlebois provided some important information that I should follow in order to find the suitable property to relocate our company. The initial requirements were: find a larger space, compatible rental price, location's easy access by car or bus, sufficient parking spot to designed staff members, and local amenities.

The research was to be conducted in a prominent area and this report submitted no later than March 20, 2014.

## **DISCUSSION**

### **Present Situation**

NILC is located on 231 Main Street. For years the company has worked in the land properties business selling mortgages for the current and prospective customers as well. The company is

redirecting the force and strategies in the marketing by entering successfully in the financial business which now represents the majority of its revenues. At the moment, NILC's work force is formed by 187 employees working in a crowded space of 1470 square meters. It pays \$12 127 a month for rent with a cost of \$8.25 per square meter. The parking property lacks spots to fulfill the staff members request because it offers only 55 stalls and there are 12 in a waiting list to have a spot in the parking. The buses are frequent and restaurants, grocery store and drugstore are nearby the location.

### Comparative Analysis

Due to the expansion in the company's financial business and the requirement to vacate the building, Mr. Charlebois replies to me what he has mentioned consecutively in the executive meeting that now is the time to find a more prominent commercial location to relocate the company. For this purpose, Mr. Charlebois delivers me the idealistic criterions in order to identify three or four potential spaces.

Firstly, he says that he is looking for a bigger space to fit all the 187 employees plus the 40 news ones that he has planned to hire within three years. Lacuna (2004) states that "A good rule of thumb in planning space is to allow nine square meters per staff member" (p.33). So following this statement, I figured out that the ideal space will be 2043 square meters for the business.

Secondly, he is willing to pay around \$18 000 as a monthly rental which elevates the cost per square meter to \$8.81. Thirdly, he is looking for a location that provides easy access either by car or bus, for those who use the bus system. Also, it is important to have the amount parking space for at least 67 staff members; and finally, the building has to have nearby some amenities such as restaurants, grocery or convenience store and drugstore.

Having assembled all these criteria, I started calling real estate agents to identify possible commercial rental locations in a core and prominent business area. From an initial list of 11 possible commercial spaces that they were offering, I chose three potential locations to visit personally. The results are documented in Appendix A.

### **Property “A”**

This property is located at 200 Broadway Avenue close only 0.5 kilometers from the city center. It was shown by Carol Carruthers of Simkin Agencies. This space is one of the rooms that are part of the Rothesay building. Her initial approach was that this space was the most valuable and appealed space in the financial district, not only by its location, but because it was surrounded by large financial companies such as TD Canada Trust Bank on its left side and Royal and CIBC on the right side of the space. She added value to the building saying that the building was only 6 years old and that most of the tenants belonged to the investment field. The space is located in the fifth floor its refinement is impressive. As soon as we stepped off the elevator we entered into the office through a heavy glass door and I came across with a luxurious decoration. The layout is modern and at the same time is conservative which focus our target customers. The ceilings are high, the walls are perfect with some modern paintings and the floor is impeccable surfaced with a good quality carpet. The impression is that our company would reach a higher status in the market only by the fact to be installed in that space.

Following my list of criteria I asked about the total space and she said that was 1910 square meters. The rental price suggested was \$20,055.00. My third item in the list was on the accessibility and she said the location was easy to access because three major bus routes circled the building. So I asked about the parking space and she said that the building had more than 70

spots at a price of \$55.00 monthly. Other question was about the local amenities and she answered that there were four restaurants within 0.3 kilometers. My final question talked about the length of the contract and she said two years; after that the rent had to be renegotiated.

After this visit I draw my thoughts about this property comparing it to my criterions and I ended with the following: 1. The total space offered is less than the estimated space we will need projecting our growth within three years (1910 against 2043); 2. The rental monthly price asked is much superior than we can afford initially to pay (\$20 055 against \$18 000), so the cost per square meter would go up to \$10.50, and the square meters per staff member would be 8.41 which is less that the proposed 9.00 square per staff; 3. The building has easy access by car and by bus once is circled by three major bus system routes; 4. It has more than the maximum amount parking space that we need. The problem is that the price for it would increase 175 % going from \$20.00 to \$55.00; and 5. The amenities fit only partially in our requests because it has four restaurants within 0.3 kilometers, but it does not have groceries and drugstore. Two years contract is acceptable.

### **Property “B”**

This property is located at 2850 Carterton Road distant 6.5 kilometers from the city center. It was shown by Lislle Dietmann of Princeton Leasing. Despite of the distance from the city center, this building had good features. The building was part of a large food chain and two years ago it was totally renovated to accommodate a small shopping in the first floor and a business complex in the second floor. Its structure is not fabulous but aggregates value. The building has only one entrance allowing people to circulate in both floors, and the access to the second floor is by a

single pair of escalators which was well designed to cope with the traffic of people. The building has a modern appearance covered with dark glass panels giving the idea of a brand new building. It has good ventilated spaces, well illuminated, the floors are covered by carpet which seemed to be recently installed, and the ceilings have new painting in different styles and formats. After words, the space will be ready in three weeks, and we can be the first tenants after the renovation.

Following my list of criteria I asked about the total space and she said that it could be through two options as the units were subdivided in spaces of 340 square meters each one. The first option would be to rent five units totalizing 1700 square meters or six units totalizing 2040 square meters. If I decided to rent five units the rental asked price is \$16 150, and if I decided to rent six units, the price would be \$19 380. My third item in the list was on the accessibility and she said that was an inconvenience to have only a single bus route around the building; however, the buses used to travel both ways along Carterton Road every eight minutes all day along. When I asked about the parking spaces she said that initially they were free for all staff members. The difference would be if I want a block heater plug which would cost \$30.00 each with 50 stalls with plugs that could be adjusted to more stalls if I needed. Other question was about the local amenities and she answered that there were boutiques, a nice little restaurant, a convenience store and a chain drugstore that based on the number of people that circulate in the shopping mall, seemed to be well-frequented. My final question was about the length of the contract and she said two years automatically renewable, except for the rent which they would send the new proposal price four months in advance.

After I visited this building I draw my thoughts about this property comparing it to my criterions and I ended with the following: The building is in a business complex, but located in a suburb

6.5 kilometers away from the city center. I need 2043 square meters within three years to fit all the 227 staff members, so five units or 1700 square meters would not be enough. If I decided to rent six units, 2040 square meters the rental price is \$19 380 which is \$1380 over the budget. The access to the location is made only by a single route that even with buses each eight minutes it would be hard for our employees once they would combine the rush hour with the local population in the neighborhood. The parking initially is free, but it is comfortable to some staff members to have their spot defined to avoid the worries to not find a spot when coming to work. So the price to pay to have this comfort is \$30.00 which is not too expensive if compared to the \$20.00 they pay at this moment. The building is well served in regarding the amenities. It has boutiques, a small restaurant, convenience store and drugstore. Two years contract is acceptable; however, the fact that they would give the new proposal for the rent four months in advance is not recommended because it can go to prices that we could not afford to pay.

### **Property “C”**

This property is located at 45 Bullion Street distant only 0.6 kilometers from our current location and near the old commercial center in the city. It was shown by Rhonda Drohan, part-owner of Dro-Mar Properties. The building is located in a region where according to the city strategic plan, has planning to convert it in the most important economic and financial district in the region. The building is located in an old warehouse and for this reason it has small offices with brick walls, high windows and high ceilings with wood beams across them which reflect the original format of the building. The floor still contains the same structure as when it was built with original wood floorboards that are polished to keep its texture and brightness. Then I asked her if we could cover the floor with carpet and she said that we could, but only placing small rugs on it. Asking her about the space, she said that we also could have two choices of offices

and she explains that we could take suite 306 which has 1186 square meters and add to it suite 304 with 410 square meters totalizing 1596 square meters or take suite 308 with 934 square meters totalizing 2120 which is a bit more space than we need. On the other hand it costs only \$8.75 per square meter totalizing the total monthly rent in \$18 500. Once the building is close to our present location, our staff members that use the bus system would keep their routine, nothing would change. The parking is free because at the moment there is sufficient street parking. In the extent that the population increases, there is a possibility to rent a parking one block away, at 36 Rory Street which will be available in two months for a price of \$40.00. In regarding the amenities she says that there are shops and restaurants on Main Street only 0.3 kilometers away, which we already know and completed the information saying that a chain of family restaurants, called “the Little Baker” would be putting in a cafeteria on the main floor. My final question was about the length of the contract and she said three years, then it would be renegotiated. She finalized saying that once we relocate our business to that potential building, we would be recognized as a supporter of Heritage Properties.

I was very excited about this visit so I wrote down the advantages about it in the following way: The rent, even taking 2120 square meters, is a bit more than those 2043 square meters we really will need within three years. It is the cheapest one and it is close to our realistic amount (\$18 550 against \$18 000) because the city wants to attract new buildings and residents to the area that can convert the area in a commercial hub. Also, as we already know, the area is closed to our present location which is closed to Main Street. Once it is closed to our present location, there will be a large hotel to be built in our present space that will also contribute to develop the region and is a stimulus to its growth. The location’s access is already known by our staff members, so they

could use the same bus system or car. At the moment, we can use the street parking which is free. There will be a paid parking one block away soon. So this will not be an issue. In regarding the amenities; we can assume that the restaurant, convenience store and drugstore are already familiar to our staff member. At the end, the leasing contract is valid for three years and is renegotiable which allow us to hire the 40 employees already planned within three years and 8 more if we need them.

## **CONCLUSION**

Of the three potential properties visited, property “C” achieves the highest rating and values for relocating the business, and it is preferable to properties “A” and “B”. Property “C” presents the closest proposal to our pre-established conditions including the cheapest rental price (\$18 550) and the space of 2120 square meters which works a bit over to 2043 calculated for 227 employees within three years.

It will be located in a potential economic and financial district, closed to our present location, which will benefit not only in the way that will keep our current customers, but it will attract potential customers to the business with the large hotel that will be built soon. The location’s accessibility by car or by bus keeps the same as is right now, it means frequent, 0.3 kilometers from the location, on Main Street. The amenities such as restaurant, convenience and drugstore also keep the same as is. The parking is initially free, but for those who desire to have their own spot; it will be possible in two months for an extra charge. The leasing contract is signed for three years and the NILC will be recognized to support the Heritage Properties, which is the city’s program to concentrate its efforts to develop the region.



**Appendix A**  
**Important Data for Decision Making**

	IDEAL	Property A 200 Broadway Ave	Property B 2850 Carterton Rd	Property C 45 Bullion St
Monthly rental cost	\$18 000	\$20 055	\$19 380	\$18 550
Total Space	2043	1910	2040	2120
Cost per square meter	\$8.81	\$10.50	\$9.50	\$8.75
Total staff members in three years	227	227	227	227
Square meters per staff member	9.00	8.41	8.99	9.34
Easy to access by bus	Yes	Yes	Yes	Yes
Years of Contract • Renegotiated?	Two/three Yes	Two Yes	Two Yes	Three Yes
Parking Available • Monthly cost?	Yes \$20.00 (present)	Yes \$55.00	Yes, free or \$30.00 (block heater plug)	Yes, free or \$40.00 (one block away)
Local Amenities: • Restaurant • Grocery store • Drugstore	Yes Yes Yes	Yes No No	Yes Yes Yes	Yes Yes Yes

**Appendix B**  
**Office Building Questionnaire - Tenant's Evaluation**

All information provided shall pertain to the space that is under consideration by tenant.

**1. BUILDING NAME & LOCATION**

- a. Name \_\_\_\_\_  
Street Address, Suite No. \_\_\_\_\_  
City, State, Area Code \_\_\_\_\_
- b. Contact \_\_\_\_\_

**2. BUILDING INFORMATION**

- a. Completion Date \_\_\_\_\_
- b. Number of floors in building \_\_\_\_\_
- c. Total building rentable Square Meters (SM) \_\_\_\_\_
- d. Total building usable SM \_\_\_\_\_
- e. Total rentable SM per floor \_\_\_\_\_
- f. Usable SM per floor \_\_\_\_\_
- g. Common area factor \_\_\_\_\_
- h. Ceiling height (finished) \_\_\_\_\_
- i. Parking ration (spaces/RSM) \_\_\_\_\_
- j. Exterior signing \_\_\_\_\_

**3. ELECTRICAL SPECIFICATIONS**

- a. Lighting \_\_\_\_\_
- b. Additional electrical power  
Service capacity \_\_\_\_\_
- c. Type of electrical distribution  
(under floor duct, cellular deck) \_\_\_\_\_
- d. Emergency lighting  
Generator \_\_\_\_\_ with Automatic Start \_\_\_\_\_ Battery Pack \_\_\_\_\_

**4. VOICE & DATA**

- a. No. of future trunklines available \_\_\_\_\_
- b. Service to building \_\_\_\_\_
- c. Risers \_\_\_\_\_
- d. Fibre Optics Available?                      YES                      NO

5. **HVAC**

- a. Describe HVAC System

Type \_\_\_\_\_

Capacity \_\_\_\_\_

- b. Heating

Capable of maintaining a minimum  
of \_\_\_\_\_ Celsius degrees?

- c. Cooling

Capable of maintaining a maximum  
of \_\_\_\_\_ Celsius degrees?

6. **PLUMBING**

- a. Nominal pressure of domestic hot and cold water at lavatories (PSIG \_\_\_\_\_)

- b. Per code, the rest rooms can accommodate on each floor

Women \_\_\_\_\_

Men \_\_\_\_\_

7. **ELEVATORS & DOCKS**

**Passenger Elevators**

- a. Floors served per bank \_\_\_\_\_

Cabs per bank \_\_\_\_\_

- b. Capacity per cab (pounds) \_\_\_\_\_

Freight cab capacity \_\_\_\_\_

8. **STRUCTURAL**

Total live load capacity \_\_\_\_\_

9. **LIFE SAFETY**

- a. Fire Towers/Stairs

Number of rated enclosures: Smoke proof \_\_\_\_\_ Pressurized \_\_\_\_\_

Number of towers that lead directly to the exterior or through rated areas directly to  
the exterior: No. of Towers \_\_\_\_\_

- b. Sprinklers

Building sprinklered? Full \_\_\_\_\_ Part \_\_\_\_\_

Are Fire Department connections provided? YES NO

- c. Standpipe and Hose system

Standpipe and hose connections installed in the building? \_\_\_\_\_

- d. Alarms

1. Automatic Fire/Smoke detection provided?

2. Are mutual pull stations provided at all exit routs? YES NO

3. Manual pull stations alarmed? Local \_\_\_\_\_ Remote \_\_\_\_\_

**10. SECURITY PROTECTION**

**Attach description of the type of security system**

**11. DISABLED ACCESS**

Does the building completely comply with the Accessibility Guidelines?

YES NO If not, attach explanation of exceptions.

**12. ASBESTOS**

Building is asbestos free? YES NO If no, attach explanation of exceptions.

**13. PCB**

Electrical equipment free YES NO If so, attach explanation