

Orleans retail plaza trades for \$8M

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Ottawa Business Journal A private investor has purchased a 35,000-square-foot medical/retail plaza across from Place d'Orleans for \$8 million, industry officials say.

Home to a chiropractor clinic, a driving school, family resource centre and roughly 22 other tenants, the property at 210 Centrum Blvd. sold with a cap rate in the mid-to-high seven-per-cent range, says Nick Pantieras, managing principal at Primecorp Commercial Realty.

“There is tremendous demand for this type of asset,” he says.

“There is currently an imbalance between the capital that is available and the opportunities for people to place that money.”

Mr. Pantieras says debt markets are reopening to investors, who are able to borrow money at attractive rates. That, combined with low bond yields and volatile equity markets, has an increasing number of investors seeking real estate assets, especially in a stable market such as Ottawa, says Mr. Pantieras.

“Real estate returns are right in the sweet spot, in terms of risk and rewards.”

Like many industry observers, Mr. Pantieras says Ottawa still suffers from a lack of supply. What assets do come on the market tend to sell quickly, he says.

Mr. Pantieras says approximately 40 per cent of the plaza's leasable area is occupied by medical space users while another quarter is filled by government-type service agencies.

He calls the tenants “service-oriented” and says they complement, rather than compete, with the nearby shopping centre.

The vendor in the transaction was a private family. Primecorp Broker Aaida Oakley represented both parties in the deal.