



DRAFT **Baseline Property** **Condition Assessment**

240 Montreal Road, Ottawa,
Ontario

Prepared for:

250 Montreal Road Regional Inc. c/o
The Regional Group of Companies Inc.
1737 Woodward Drive, 2nd Floor
Ottawa, ON K2C 0P9

Attention: Ms. Nancy Parra
Property Manager

March 8, 2018

Pinchin File: 218394



Baseline Property Condition Assessment

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Issued to: 250 Montreal Road Regional Inc. c/o
The Regional Group of Companies Inc.

Contact: Ms. Nancy Parra
Property Manager

Issued on: March 8, 2018

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EXECUTIVE SUMMARY

Pinchin Ltd. (Pinchin) was retained by Ms. Nancy Parra of 250 Montreal Road Regional Inc. c/o The Regional Group of Companies Inc. (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, elevators, etc. The municipal address for the property is 240 Montreal Road, Ottawa, Ontario (the Site). Mr. Majid Milani-Nia of Pinchin, conducted a visual assessment of the Site on March 5, 2018, at which time Pinchin interviewed and was accompanied by Mr. Andrew Doble of Regional Group (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to due diligence of the Site.

The Site is a rectangular-shaped property approximately 0.1 acre in area. The Site is occupied by a two storey mixed, multi-tenant commercial/residential building which is currently vacant (the Site Building).

The construction date of the Site Building was unknown to the Site Representative. The Site Building has a footprint area of approximately 1,314 Square Feet (ft²) and total building area of approximately 2,242 ft². The Site Building possesses asphalt surfaced parking areas adjacent to the west elevation of the Site Building with parking provisions reportedly for approximately 3 vehicles.

The Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level) with concrete block masonry foundation walls on the west elevation and a basement level cast in place concrete slab with stone foundation walls on the east elevation with brick masonry piers supporting wood posts, beams, joists and first floor wood deck. The superstructure of the Site Building is comprised of a wood-framed support structure (i.e., beams, posts and joists) supporting wood roof decks. The exterior walls of the Site Building are clad with stucco on all elevations with areas of vinyl siding on the south and east elevations.

The Site Building appears to be in poor condition. It was reported to Pinchin that approximately three month ago (i.e., December 2017) there was a fire on the second floor apartment unit.

Based on our visual assessment the Site Building appears to have been constructed in general accordance with standard building practices in place at the times of construction.

The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement. However, slab heaving was noted in tenant space on the west elevation of the Site Building. Furthermore areas of vertically misaligned floor were noted within the kitchen area and the hall way in the second apartment.



No immediate repair requirements were noted. Repair requirements (under replacement reserves) over the term of analysis (i.e., 10 years) of \$456,780 have been identified. As noted during the Site visit, deficiencies relating to the roof systems, wall systems, structural elements, interior finishes, Site features and mechanical/electrical systems were noted. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:

- Replacement of the Built-Up asphalt Roof (BUR) system within the early portion of the term of analysis;
- Repairs to brick masonry load bearing walls and replacement of the stucco cladding;
- Replacement of the doors and windows;
- Complete a geotechnical investigation and remedial work to address the slab heaving in the commercial unit on the northwest portion of the Site Building;
- Repairs to floors with vertical misalignment;
- Replacement of vandalised drywalls in the residential units;
- Perform a mould survey of the Site Building due to possible water infiltration through the exterior walls, the moisture damaged interior finishes at the perimeter walls of the building as well as possible moisture infiltration issues with the wall systems;
- Replacement of one Domestic Hot Water (DHW) tank; and
- Allowances for asphalt repairs.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, interior finishes, Site features and the mechanical/electrical systems to ensure that the PUL of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

This Executive Summary is subject to the same standard limitations as contained in the report and must be read in conjunction with the entire report.



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1.0 INTRODUCTION

Pinchin Ltd. (Pinchin)) was retained by Ms. Nancy Parra of The Regional Group (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, elevators, etc. The municipal address for the property is 240 Montreal Road, Ottawa, Ontario (the Site). Mr. Majid Milani-Nia of Pinchin, conducted a visual assessment of the Site on March 5, 2018, at which time Pinchin interviewed and was accompanied by Mr. Andrew Doble of Regional Group (hereafter referred to as the Site Representative

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to due diligence of the Site.

The Client has advised Pinchin that no previous Baseline Property Condition Assessments or other building reports have been prepared for the Site.

The results of the BPCA are presented in the following report. This report is subject to the Limitations discussed in Section 6.0.

2.0 SCOPE AND METHODOLOGY

The scope of the BPCA included a visual examination (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- The building envelope, comprised of the exterior walls, windows, exterior doors and roof systems;
- The structural elements (i.e., slabs, beams, columns and walls);
- The interior finishes of the common areas and a selection of the individual premises;
- The Site features;
- The mechanical systems (i.e., HVAC, domestic hot water, plumbing, etc.); and
- The electrical systems.

The object of the BPCA included the following:

- A visual examination of the property in order to assess the condition of the major elements;
- Review of general documentation on the repair/maintenance history of the elements, if available;



- Cursory review of previous reports pertaining to the Site Building, if made available by the Site Representative;
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Site Building;
- Documentation of observed existing deficiencies observed within the various elements;
- Photographic documentation of various components and observed deficiencies; and
- Compilation of Pinchin's findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both short and long term.

The report provides:

- A basic description of each of the various major components of the Site Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary Class "D" and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a representative quantity from the visual observations made at the time of our Site visit and by applying current market value unit costs to such quantities and or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis.

All costs are identified in 2018 Canadian Dollars, and do not include consulting fees or applicable taxes. (For consulting fees, Pinchin typically recommends a budget allowance of 10% to 15% of the costs identified).

All cost estimates assume that regular annual maintenance and repairs will be performed to all building elements at the facility. No cost allowance is carried for this regular maintenance.

The cost estimates provided in this report are based on costs of past repairs at similar buildings, recent costing data such as "RS Means Repair and Remodelling Cost Data – Commercial/Residential" and "Hanscomb's Yardsticks for Costing", or Pinchin's professional judgment.

Unless otherwise stated, the replacement costs identified for an element reflects the cost to remove and replace the existing element with the same type of element.



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3.0 OBSERVATIONS AND COMMENTS

3.1 Site Information



Partial view of the north elevation of the Site Building.



View of the east elevation of the Site Building.



View of the south elevation of the Site Building.



View of the west elevation of the Site Building.

Table 3.1 - Site Information

Site Occupant/Name	Commercial/ Residential Building		
Site Address	240 Montreal Road, Ottawa, Ontario		
Existing Land Use Type	Commercial	Primary On-Site Activity	Retail/ Apartment Building
Multi-Tenant/Single Occupant	Multi-Tenant	Number of Units	Commercial -2 Residential - 2
Date First Developed	Unknown	Site Area	~ 0.1 acres
Number of Buildings	One	Building Footprint Area(s)	~ 1,314 ft ²
Number of Stories (Excluding Basement)	Single	Total Rentable Building Area(s)	~ 2,242 ft ²
Date Building(s) Constructed	~ 1963	Area of Tenant Spaces	Varies
Date Building(s) Renovated	Ongoing	Basement and/or U/G Parking	N/A
Type of Roof System(s)	Built-Up asphalt Roof (BUR)	Number of Levels U/G	N/A
Type of Wall Cladding	Stucco Vinyl siding	Area of Roof System(s)	~1,314 ft ²
Type of Doors	Single Glazed (SG) units within aluminum frames Solid wood doors within metal frames Hollow metal doors within wood frames	Types of Windows	Operable (i.e., vertical sliding) Insulated Glass (IG) units within aluminum frames

Table 3.1 - Site Information

Site Occupant/Name	Commercial/ Residential Building		
Site Address	240 Montreal Road, Ottawa, Ontario		
<i>Number of Above Grade Parking Spaces</i>	3	<i>Electrical Source</i>	Hydro Ottawa
<i>Surface Type</i>	Asphalt/Concrete/Grass	<i>Type of Heating/Cooling</i>	Natural gas-fired forced air furnace

3.2 Roof Systems

The roof systems of the Site Building consist the main roof system atop the two storey portion and the roof system atop the single storey portion of the Site Building. The roof systems consist of conventionally designed, "near-flat" Built-Up asphalt Roof (BUR) systems installed atop a layer of rigid insulation, atop wood roof decks. Neither the presence of a vapour barrier, nor the type or the thickness of the insulation could be verified, as the scope of the work did not include destructive testing.

Drainage of the roof systems is via perimeter eavestroughs which discharge at grade level. It is noted that due to lack of built-in access the roof system atop the two storey portion was not assessed at the time of the Site visit. The roof system atop the single storey portion of the Site Building was covered with a wood deck and railings to be used as a patio area by the residential tenant. The age of the roof systems was not known to the Site Representative. Based on the observation made on the limited visible areas of the roof systems are estimated to be over 20 years old.

The total area of the roof systems is similar to the footprint area of the Site Building at approximately 1,314 ft². No active leaking within the roof systems was reported during the assessment.

Table 3.2 outlines the findings of the inspection of the roof systems:

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The BUR system is estimated to be over 20 years old. 	<ul style="list-style-type: none"> Replacement the BUR system is anticipated within the early portion of the term of analysis.
<ul style="list-style-type: none"> Wood rot was noted on the perimeter fascia of the roof systems. 	<ul style="list-style-type: none"> Replace the wood fascia during the roof replacement.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> None observed/reported. 	<ul style="list-style-type: none"> None required.



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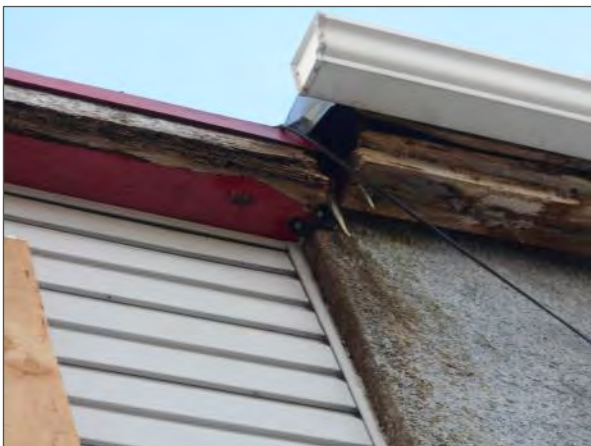
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View of the BUR system atop the single storey portion of the Site Building.



View of fascia wood rot on the two storey portion of the Site Building.



View deteriorated wood fascia on the east elevation of the Site Building.

It has been Pinchin's experience that the Projected Useful Life (PUL) of BUR system typically ranges between 20 to 25 years, depending on the quality of building materials used, the quality of workmanship during installation and the level to which the roof system has been maintained. The roof systems atop the Site Building are estimated to be over 20 years old. Pinchin anticipates the replacement of the roof system within the early portion of the term of analysis.

3.3 Wall Systems

The exterior walls of the Site Building are clad with stucco on all elevations of with areas of vinyl siding on the south and east elevations. The back-up system where visible was noted to consist of brick masonry.

The window systems serving the commercial units of the Site Building consist of fixed Insulated Glass (IG) units set within aluminum frames in a storefront configuration. Window systems within the residential apartments consist of operable (i.e., single hung) IG units set within PVC and wood frames.

Exterior doors serving the commercial units of Site Building are comprised of solid core wood doors with Single Glazed (SG) inserts set into wood frames located at the main entrance on the north elevation of the building. The entrance door to the first floor apartment is comprised of a solid core wood door set within a wood frame. Entrance to the second floor apartment was boarded. Doors within the commercial and the apartment units are comprised of hollow core wood doors within wood frames.

It should be noted that due to the fact that the scope of work did not include any intrusive/destructive testing the presence or condition of brick ties behind the masonry walls could not be visually inspected.

Table 3.3 outlines the findings of the inspection of the wall systems:

Table 3.3 – Wall Systems	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The stucco cladding and vinyl siding on the Site Building has deteriorated and cracked. 	<ul style="list-style-type: none"> Replace the stucco cladding.
<ul style="list-style-type: none"> The back-up brick masonry wall where visible was noted to be deteriorated. 	<ul style="list-style-type: none"> The brick masonry should be inspected and repaired once the stucco cladding is removed.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Damaged window systems were noted in the residential apartments. 	<ul style="list-style-type: none"> Replace the window units.
<ul style="list-style-type: none"> Cracked pre-cast-concrete steps noted on the northwest corner of the Site Building. 	<ul style="list-style-type: none"> Replace the damaged steps.



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General view of the wall cladding on the south elevation of the Site Building.



View of damaged and deteriorated stucco noted on the southeast corner of the Site Building.



View of cracked stucco on the north elevation wall.



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View of stucco bowing noted on the north elevation wall.



View of deteriorated window frame and sealant at perimeter of the window frame.



View of damaged pre-cast concrete steps located on the northeast corner of the Site Building.



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View of cracked delaminated stucco on the west elevation wall.



View of the stucco bowing noted on the west elevation wall.



View of damaged vinyl siding on the west elevation wall.



The wall, window and door systems of the Site Building were generally noted to be in poor condition at the time of the Site visit with the above noted deficiencies. Pinchin has carried allowances for replacement of the stucco, repairs to the brick masonry and replacement of the doors and windows.

Due to the visual failure of sealants around windows and cracking of the stucco cladding the presence of mould within the wall assembly is possible. The presence of the mould cannot be determined since intrusive testing to determine the presence of mould within wall system was not part of the scope of work.

Typical buildings of this age may contain PCBs in mastics, caulking and window putties. Testing for the presence of PCBs in these materials is beyond the scope of this BPCA report. The potential presence of PCBs in these materials could give rise to additional costs in future if extensive renovation requiring removal of these materials or demolition activities are undertaken at the Site. The extent of such potential issues could not be assessed as part of this BPCA report.

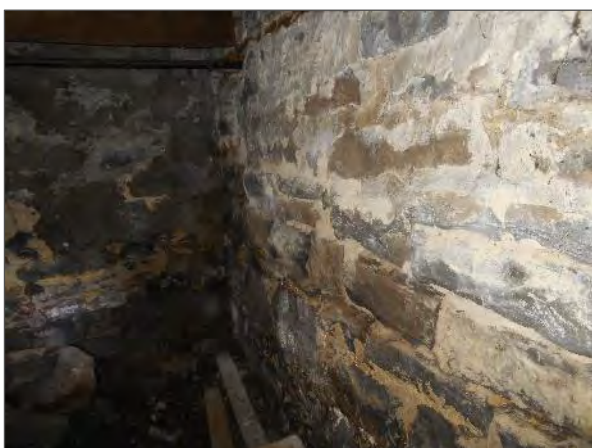
Provided the above mentioned deficiencies are addressed the wall systems should perform satisfactorily through the term of analysis.

3.4 Structural Elements

As outlined in the scope of work, a visual assessment of the condition of the structural elements was carried out on the elements which were visible at the time of the inspection. The Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level) with concrete block masonry foundation walls on the west elevation and a basement level cast in place concrete slab with stone foundation wall on the east elevation with brick masonry piers supporting wood posts, beams and first floor wood deck. The superstructure of the Site Building is comprised of a wood-framed support structure (i.e., beams, posts and floor joists) supporting wood roof decks. No structural drawings were available to Pinchin for review.

Table 3.4 outlines the findings of the inspection of the structural elements:

Table 3.4 – Structural Elements	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> Slab heaving was noted within the commercial unit on the northwest elevation of the Site Building. 	<ul style="list-style-type: none"> Pinchin has carried an allowance for structural/geotechnical review to determine the cause of the heaving and providing repair methods.
<ul style="list-style-type: none"> Vertical misalignment was noted in floors of first and second floor apartment units. 	<ul style="list-style-type: none"> Repair the floors under the supervision of a structural engineer.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Water infiltration noted within the basement area. 	<ul style="list-style-type: none"> Refer to section 3.6 for mould investigation.



View of stone foundation wall within the basement area of the east portion of the Site Building.

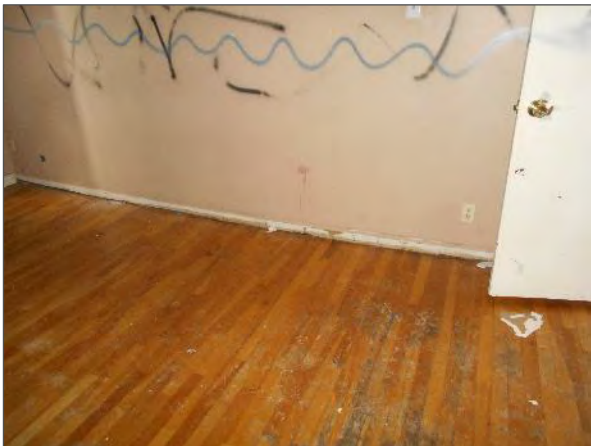


View of concrete block masonry foundation wall for the northwest portion of Site Building.



View of vertically misaligned floor.

Note: First floor apartment.



View of vertically misaligned floor.

Note: Second floor apartment.



View of slab heaving in commercial unit on the northwest elevation of the Site Building.



Due to leaking foundation walls in the basement and presence of suspected mould growth in the basement and potential mould growth due to failure of the windows perimeter sealants, Pinchin has carried allowances for mould investigation and remediation. Pinchin has attempted to identify and quantify the deficiencies associated with the potential mould growth; however, an investigation of the components should be completed prior to the repair work and to ensure the extent of deterioration is fully understood. It is noted that the cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. More precise cost estimates would require more detailed investigation to define the scope of work.

Assessment of the original or existing building design, compliance with prior or current Building Code or Provided the above mentioned deficiencies are addressed the building should perform satisfactorily through the term of analysis.

3.5 Vertical Transportation Systems

The Site Building is not equipped with vertical transportation systems.

Table 3.5 outlines the findings of the inspection of the elevator systems:

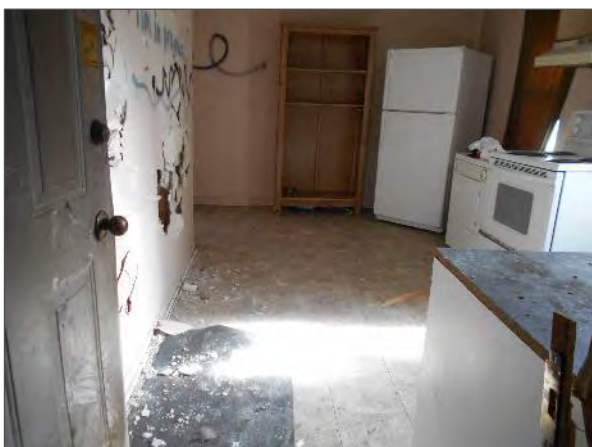
Table 3.5 – Vertical Transportation Systems	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">N/A	<ul style="list-style-type: none">N/A
Minor Deficiencies/Findings	
<ul style="list-style-type: none">N/A	<ul style="list-style-type: none">N/A

3.6 Interior Finishes

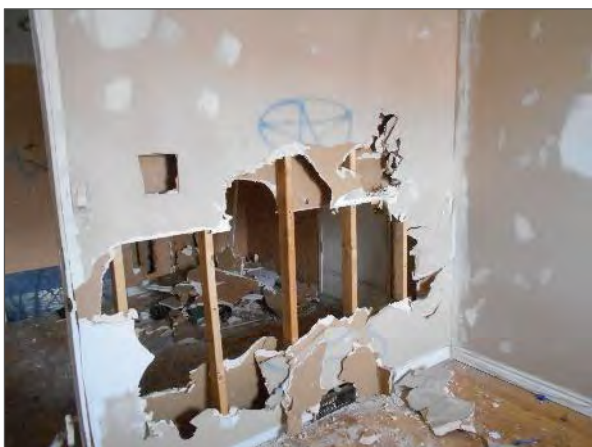
As outlined in the scope of work, the interior finishes of the Site Building were reviewed during the Site assessment. The floor finishes within the tenant units of the Site Building consist of a combination of finished concrete slabs, ceramic tiles, vinyl floor tiles, laminate, hardwood and carpeting. The floor finishes within the warehouse areas, mechanical and electrical rooms generally consist of exposed concrete floor slabs, carpeting and vinyl floor tiles. The wall finishes within the tenant units of the Site Building consist primarily of painted gypsum board. The wall finishes within the basement area consist of exposed stone masonry. The ceiling finishes within the Site Building primarily consist of painted gypsum board.

Table 3.6 outlines the findings of the inspection of the interior finishes:

Table 3.6 – Interior Finishes	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> Extensive damage noted to interior walls of the apartment units from vandalism. 	<ul style="list-style-type: none"> Replace and paint the damaged drywall boards.
<ul style="list-style-type: none"> Water damaged and suspected mould growth was noted within the basement area 	<ul style="list-style-type: none"> Pinchin has carried allowances for mould investigation and remediation.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Charred ceiling and wall wood panels noted within second floor apartment unit. 	<ul style="list-style-type: none"> Replace the fire damaged finishes.



View of damaged drywall in the second floor apartment unit.



View of damaged drywall in the second floor apartment unit.



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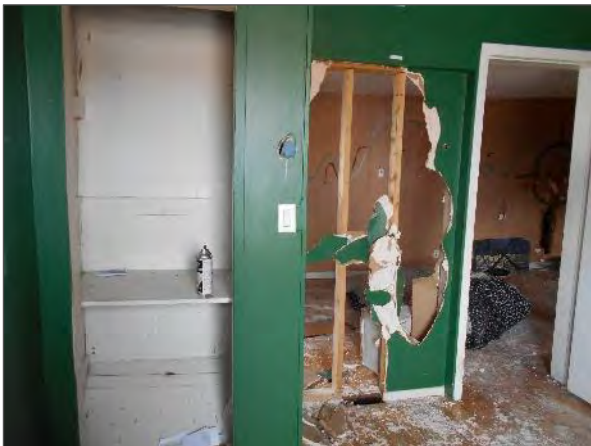
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View of graffiti on the second floor apartment unit wall.



View of damaged drywall in the second floor apartment unit.



View of charred finishes in second floor apartment unit.



General view of the interior finishes within the commercial unit on the northwest elevation of the Site Building.



General view of the interior finishes within the commercial unit on the northeast elevation of the Site Building.

The interior finishes within the Site Building were generally observed to be in poor condition with many areas of damaged finishes and graffiti. Pinchin has included allowances for replacement and re-finishing of the damaged components. Water infiltration and mould growth was noted within the basement area.

Pinchin recommends and has included allowances to perform a mould survey of the perimeter walls of the building due to the presence of the moisture damaged materials and to assess where the moisture is infiltrating. The extent or possible cost of mould remediation cannot be estimated without performing this intrusive mould survey. Depending on the extent of the mould detected the cost of remediation may be significant. Pinchin has attempted to identify and quantify the deficiencies associated with the wall, window and door systems however an investigation of the components should be completed prior to the repair work and to ensure the extent of deterioration is fully understood. It is noted that the cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. More precise cost estimates would require more detailed investigation to define the scope of work. Superficial or visual signs of concrete or structural deterioration may indicate the need for extensive repairs which can only be estimated by performing a detailed investigation of the structure and the structural design.



Typical buildings of this age may contain PCBs in mastics, caulking and window putties. Testing for the presence of PCBs in these materials is beyond the scope of this BPCA report. The potential presence of PCBs in these materials could give rise to additional costs in future if extensive renovation requiring removal of these materials or demolition activities are undertaken at the Site. The extent of such potential issues could not be assessed as part of this BPCA report.

Provided that the above referenced deficiencies are addressed and that regular annual maintenance of the interior finishes are performed the interior finishes will perform satisfactorily through the term of the analysis.

3.7 Site Features

The Site Building occupies approximately 30% of the 0.1 acre Site. The remainder of the Site is surfaced with soft landscaping (i.e., grassed areas with trees) and parking areas surfaced with asphalt pavement. The asphalt paved parking areas are located on the south and west portions of the Site with parking provisions for approximately 3 vehicles.

No issues were reported with the Site's drainage ability.

Soft landscaping was noted on north elevation of the Site. Cast-in-place concrete walkways were noted adjacent to the west and north elevations of the Site Building. A wood wheel chair ramp was noted on northwest corner of the Site Building. A metal stair case was noted on the west elevation of the Site Building which provides access to the second floor apartment. Chain link fencing was noted to border the south perimeter of the property while wood framed fencing was noted adjacent to the west elevation of the Site Building. Access to the Site is provided by an entrance from Montreal Road located on the north portion of the Site.

It should be noted that due to partial snow and ice covered conditions a thorough assessment of the Site features was not possible at the time of the Site visit

Table 3.7 outlines the findings of the inspection of the Site features:

Table 3.7 – Site Features	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">Corroded metal treads noted on the metal stair case.	<ul style="list-style-type: none">Replace the metal stair case.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">A leaning railing noted on the wheel chair access ramp on the northwest corner of the Site Building.	<ul style="list-style-type: none">Repair/replace the affected railing.



General view of the Site features on the north portion of the Site.



View of the wheel chair access ramp on the northwest corner of the Site Building.

Note: The leaning railing.



View of the metal stair case located on the west elevation of the Site Building.

Note: Corrosion on the stringer.



View of corroded metal tread.

The Site features appear to be in satisfactory condition with the exception of the above referenced deficiencies. Pinchin also recommends that regular annual maintenance of the Site features be performed throughout the term of the analysis. Assessment of or comment upon concealed deficiencies and any buried/concealed utilities or components are outside the scope of work.

3.8 Mechanical Systems

Major Service Providers

The following providers serve the subject property:

Water	-	Municipality of Ottawa
Electric	-	Hydro Ottawa
Sewer	-	Municipality of Ottawa
Natural Gas	-	Enbridge
Police	-	City of Ottawa Police Services
Fire	-	City of Ottawa Fire Department

3.8.1 Heating, Ventilation and Air Conditioning (HVAC)

Heating, in Site Building is provided by a natural gas-fired forced air furnace manufactured by “BRYNAT” in 2013 (i.e., ~5 years old) with a heating capacity of 88,000 BTUs. Cooling within the commercial units is provided by an Air Conditioning with a condenser unit located on the west elevation of the Site Building. Neither the manufacturer’s name nor the cooling capacity of the A/C unit could be determined.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical, etc, was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representative was unaware of the presence of insulation within the duct work within the Site Building. It is Pinchin Ltd.’s experience that



interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin Ltd. recommends that the duct work insulation be inspected for the presence of mould.

3.8.2 Domestic Hot Water

Domestic Hot Water (DHW) within the Site Building is provided by two natural gas-fired self-contained units which are located within the basement area. The units consists of a "Flame Guard" (manufactured in 2013) and "Series 6" (manufactured in 2001) by "GSW" with an input heating capacity of approximately 22,000 BTUH and an approximate storage capacity of 19 US gallons each. There was no reported shortage of hot water within the Site Building.

3.8.3 Plumbing

Drainage piping within the Site Building consists of copper as observed in the basement. Due to the concealed nature of the plumbing system the condition of the risers could not be verified.

3.8.4 Fire Protection

The building does not have a sprinkler system or chemical fire extinguishers.

Table 3.8 outlines the findings of the inspection of the mechanical systems:

Table 3.8 – Mechanical Systems (including HVAC, DHW, Plumbing, and Fire Protection)	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">Fire extinguishers were not observed in the commercial units.	<ul style="list-style-type: none">Fire extinguishers should be installed prior to re-occupancy of the commercial units.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">The "Series 6" DHW unit is approaching its PUL.	<ul style="list-style-type: none">Replace the hot water tank within the early portion of the term of analysis.



View of the forced-air furnace.



View of the hot water tanks within the basement of the Site Building.

In summary, the mechanical systems within the Site Building are currently in satisfactory condition with no major deficiencies noted. Due to the current age of the heating and cooling equipment serving the building, Pinchin has included allowances for the replacement of select units as noted above. Assuming that regular annual maintenance is performed, no other major expenditures are anticipated relating to the mechanical systems throughout the term of the analysis.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations will be conducted on any of the major components of the building. Similarly the inspection of the interior of ductwork or associated mechanical components is not included in the scope of work. Accordingly, the findings are limited to the extent that the assessment will be made visually from the exterior of the systems.



3.9 Electrical Systems

3.9.1 Electrical Power

The electrical power for the Site Building is supplied from an offsite transformer and feeds the main disconnect switch in the basement via underground wires. The main electrical service for the Site Building consists of a 200 Ampere, 120/240 Volt, single Phase service, complete with a “Nova Line” main disconnect switch. Based on Pinchin’s on the age the Site Building may contain aluminum wiring and/or knob and tube wiring.

There is reportedly no emergency backup power for the Site Building.

No problems were observed or reported relating the electrical systems of the Site Building.

3.9.2 Fire Alarm System and Life Safety

The Site Building does not possess a fire alarm system.

Emergency lighting and illuminated exit signs are located within the commercial units of the Site Building which are powered by internal battery packs.

Table 3.9 outlines the findings of the inspection of the electrical systems:

Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">None observed/reported.	<ul style="list-style-type: none">None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">None observed/reported.	<ul style="list-style-type: none">None required.



View of the electrical main disconnect switch in the basement.



View of illuminated exit sign and emergency lights in the commercial unit on the northeast portion of the Site Building.

Upon inspection the electrical and life safety systems were noted to be in satisfactory condition with no major deficiencies.

Due to the age of the Site Building, there may be aluminum wiring and/or knob and tube wiring present throughout the Site Building, as a result the Owner should retain the services of a licensed electrician to review the wiring and connections throughout to ensure there are no loose connections throughout the Site Building.

No major expenditures should be incurred relating to the electrical and life safety systems assuming regular annual maintenance is provided.

4.0 KNOWN VIOLATIONS OF CODE

It was reported to Pinchin by the Site Representative that no outstanding violations from the Building Department existed pertaining to the property. Compliance with the National Building Code (NBC) and National Fire Code (NFC) was not reviewed as it was beyond the scope of this survey.



5.0 CONCLUSIONS AND RECOMMENDATIONS

The Site Building appears to be in poor condition.

Based on our visual assessment the Site Building appears to have been constructed in general accordance with standard building practices in place at the times of construction.

The assessment did not reveal any evidence of major structural failures, soil erosion or differential settlement. However, slab heaving was noted within the commercial unit on the northwest portion of the Site Building. Also floor misalignment was noted in the both first and second floor residential units.

As noted during the Site visit, deficiencies relating to the roof systems, wall systems, structural elements, interior finishes, Site features and mechanical/electrical systems were noted. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:

- Replacement of the Built-Up asphalt Roof (BUR) system within the early portion of the term of analysis;
- Repairs to brick masonry load bearing walls and replacement of the stucco cladding;
- Replacement of the doors and windows;
- Complete a geotechnical investigation and remedial work to address the slab heaving in the commercial unit on the northwest portion of the Site Building;
- Repairs to floors with vertical misalignment;
- Replacement of vandalised drywalls in the residential units;
- Perform a mould survey of the Site Building due to possible water infiltration through the exterior walls , the moisture damaged interior finishes at the perimeter walls of the building as well as possible moisture infiltration issues with the wall systems;
- Replacement of one Domestic Hot Water (DHW) tank; and
- Allowances to repair the deteriorated areas of asphalt.

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features and the mechanical/electrical systems to ensure that the PUL of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the



report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

6.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the building. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. The Report has been completed in general conformance with the ASTM Designation: *E 2018 – 15 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*.

It should be noted that Pinchin has attempted to identify all the deficiencies required by this Standard associated with this project. Pinchin does not accept any liability for deficiencies that were not within the scope of the investigation.

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the mechanical and electrical (including fire alarm and life safety) systems, Site features, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of Pinchin's comments on these systems are for the sole purpose of identifying areas where Pinchin has observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where Pinchin would recommend that the Client consider a further, more detailed investigation. The budget costs for remedial work for each specific item has been provided to the best of our ability and will provide an order of magnitude cost for the individual item and the overall possible remedial work. Our experience has shown that the costs that Pinchin have provided are appropriate and of reasonable accuracy for the purpose intended. It should be



noted that the budget cost or reserve costs for any specific item may vary significantly based on the fact that the schedule or phasing of the future remedial work is unknown at this time, the impact on building operations of this remedial work is unknown at this time and that no intrusive inspection or detailed design work is included in the BPCA. If a more accurate, detailed or documented reserve cost is required at this time the Client should request Pinchin to provide the additional proposal to provide a more accurate cost estimate.

It should be noted that recommendations and estimates outlined in this report do not include allowances for future upgrading of components pertaining to Client or tenant fit-up that may be necessary or required by Authorities Having Jurisdiction (AHJ).

The assessment is based, in part, on information provided by others. Unless specifically noted, Pinchin has assumed that this information was correct and has relied on it in developing the conclusions.

It is possible that unexpected conditions may be encountered at the Site that have not been explored within the scope of this report. Should such an event occur, Pinchin should be notified in order to determine if we would recommend that modifications to the conclusions are necessary and to provide a cost estimate to update the report.

It should be noted that due to partial snow and ice covered conditions a thorough assessment of the roof systems and Site features was not possible at the time of the Site visit.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical, etc., was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representative was unaware of the presence of insulation within the duct work within the Site Building. It is Pinchin's experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

Due to the concealed nature of the plumbing system the condition of the risers could not be verified.

Environmental Audits or the identification of designated substances, hazardous materials, PCBs, insect/rodent infestation, concealed mould and indoor air quality are excluded from this BPCA report.

Further to the aforementioned, determination of the presence of asbestos containing material within the building such as drywall joint compound or the lead content within the older paint finishes was beyond the scope of work.



Baseline Property Condition Assessment

240 Montreal Road, Ottawa, Ontario

250 Montreal Road Regional Inc. c/o The Regional Group of Companies Inc.

March 8, 2018
Pinchin File: 218394
DRAFT

This report presents an overview on issues of the building condition, reflecting Pinchin's best judgment using information reasonably available at the time of Pinchin's review and Site assessment. Pinchin has prepared this report using information understood to be factual and correct and Pinchin is not be responsible for conditions arising from information or facts that were concealed or not fully disclosed to Pinchin at the time of the Site assessment.

218394 BPCA 240 Montreal Rd Ottawa ON Regional Group

Template: Master Report for Single Retail Baseline Condition Assessment Report, PCA. December 6, 2017

APPENDIX I

Table 1 – Summary of Anticipated Expenditures

Term of Analysis	10
Total number of units within the Building	2,242

Average Cost per unit per Year (Uninflated)	\$20.37
Average Cost per unit per Year (Inflated)	\$20.41

Pinchin Job # 218394