





Respect Excellence
Integrity Leadership



The Federal Government's Real Estate Requirements in the National Capital Region (NCA): What Lies Ahead?

Ottawa Real Estate Forum
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 Public Works and
Government Services
Canada  Travaux publics et
Services gouvernementaux
Canada






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Presentation Overview

1. PWGSC's Real Property Mandate
2. Key Facts - PWGSC's Real Property Portfolio in the NCA
3. Highlights of PWGSC's Leasing Activities
4. 5-Year Federal Government Office Space Demand
5. Strategic Objectives and Approaches
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7. Conclusion
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PWGSC's Real Property Mandate

**PWGSC is the mandatory service provider
of office accommodation
for federal departments, boards and agencies (our clients)**

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Key Facts - PWGSC Real Property Portfolio in the NCA

- Number of leases: 461
- Population (FTEs) accommodated in PWGSC space: 136,500
- Annual Rental Payments for leased offices: \$481M
- PWGSC inventory (leased and owned) accounts for approximately half of all office space in the City of Ottawa

	Total Area	Number of Locations
Leased & Leased-Purchase	2.0M m ² r (21.5M ft ² r)	241
Crown-owned	1.7M m ² r (18.3M ft ² r)	102
Total	3.7M m²r (39.8M ft²r)	343

Sources: PWGSC's Real Property Key Facts Q1 – June 30, 2009
City of Ottawa's Annual Development Report 2008 (Tables 43 & 45) – PWGSC's share of office inventory

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Highlights of PWGSC's Leasing Activities

Since January 2008, PWGSC has proceeded with the following space acquisitions through competitive processes:

- over 100,000 m²r (1.08M ft²r) of leased space

Dealing directly with landlords on lease renewals when:

- there is a financial advantage to the Crown (e.g. tenant fit-ups have a remaining value, advantageous rental rate etc.)
- base building meets all required accommodation and tenant requirements at no extra costs to the Crown
- landlords have met all obligations under existing leases

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5-Year Federal Government Office Space Demand

Type of Demand	Requirements (2009-2013)
Replacement of crown-owned	142,000 m ² r (1.5M ft ² r)
Replacement of leases	160,000 m ² r (1.8M ft ² r)
Programs and priorities	76,000 m ² r (0.8M ft ² r)
Total estimated demand	378,000 (4.1M ft²r)

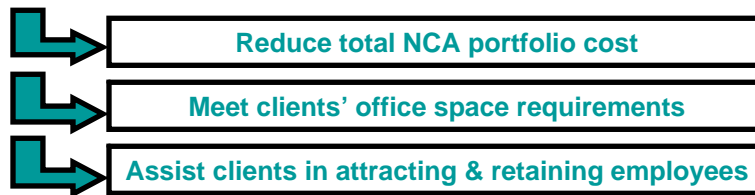
The demand for federal office space is driven by:

- aging crown-owned assets
- expiration of leases, space consolidation requirements and obsolescence of assets
- clients programs and priorities

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Strategic Objectives & Approaches

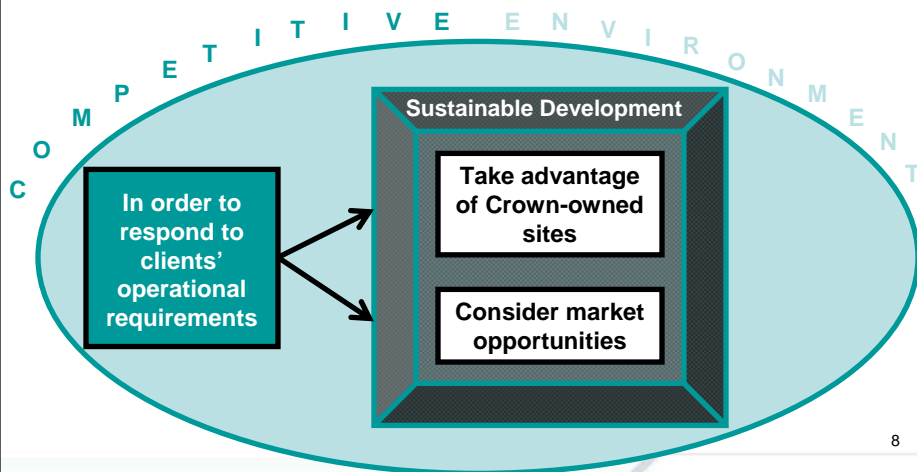
- Increase NCA's portfolio flexibility
- Reduce NCA's portfolio effective age
- Strive towards better location diversification in the NCA region
- Move towards a 75:25 Ontario/Quebec office accommodation distribution ratio
- Replace non-compliant leased office space



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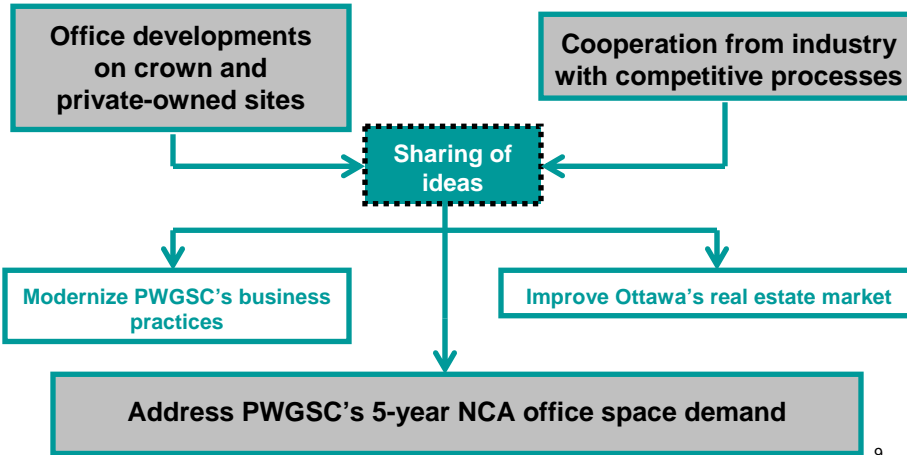
What Lies Ahead ?

NCA Supply Strategy



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Conclusion



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