



Leveraging Assets

**Managing the Real
Property Portfolio
for Leveraging
Advantage**

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Overview

- ❖ **Factors affecting leveraging potential**
- ❖ **Tools for leveraging assets**

Annexes:

- ❖ **Whole life costing framework**
- ❖ **Divergence Analysis**
- ❖ **Asset management roles and responsibilities**
- ❖ **Ottawa information**

Factors Impacting Leveraging Potential

- ❖ **Condition of the asset**
- ❖ **Remaining useful economic life of the asset**
- ❖ **Flexibility of use/refit (adaptability)**
- ❖ **Level of current engagement**
- ❖ **Corporate value of the asset**
- ❖ **Convergence with current program requirements or service needs**
- ❖ **Need for retention to meet future requirements**
- ❖ **Excess property rights**

Tools for Leveraging Assets

- ❖ **Creating Special Purpose Vehicles (Community Land Development Corporation), e.g. [CTC](#)**
- ❖ **Using RFIs for Corporate Realty Assets (CRAs), e.g. existing downtown [library](#)**
- ❖ **Exercising covenant in Industrial Parks to buy back properties**
- ❖ **Utilizing city land for development only where it makes sense, e.g. Iber Road**

Other tools, cont'd

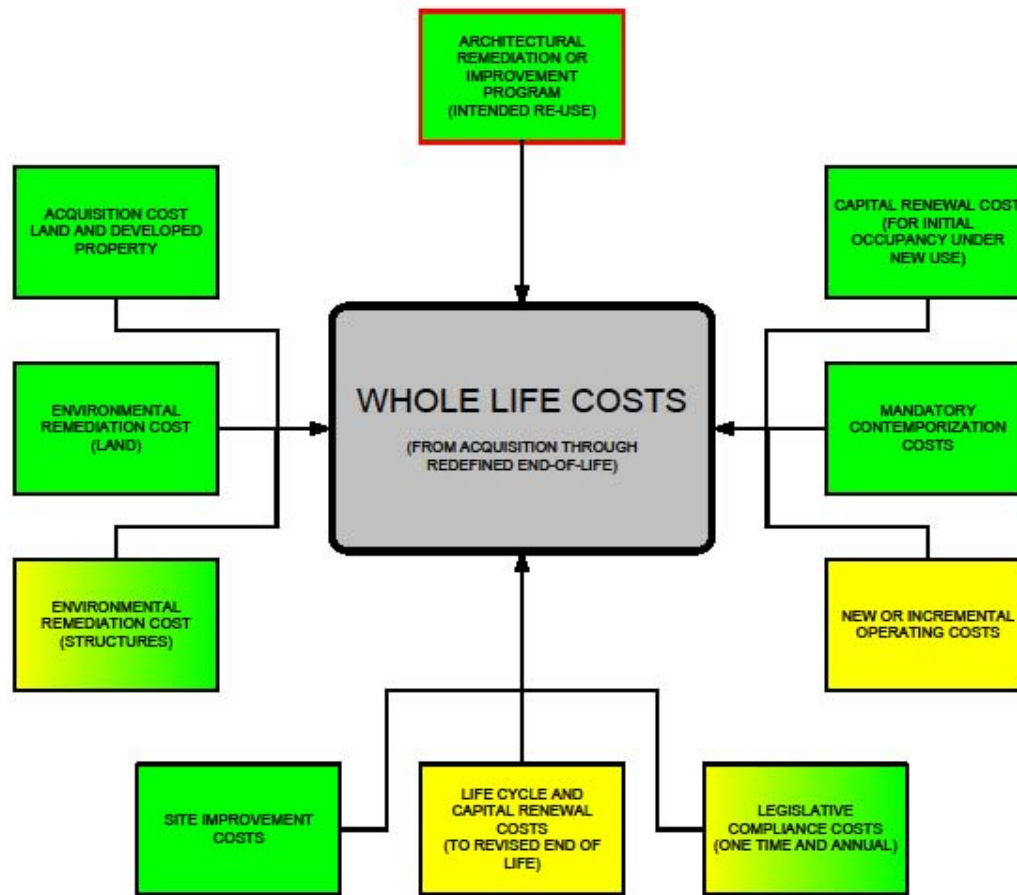
- ❖ **Whole Life Costing** – The whole life cost profile is essential to determining the true value of any leveraging opportunity and to *ensuring the proper balance of risk and opportunity* in structuring any leveraging arrangement.
- ❖ **Divergence Analysis (DA)** – is used for determining the effectiveness of a corporate realty asset portfolio to address current program or mission needs.
- ❖ **Leveraging environmental liabilities**
 - 25 Esquimault

Summary

- ❖ **Managing the Real Property Portfolio to create a 'Leveraging Advantage' can provide opportunities for public sector organizations.**

Annex

- ❖ **Whole life costing**
 - ❖ **The whole life cost profile is essential to determining the true value of any leveraging opportunity and to *ensuring the proper balance of risk and opportunity* in structuring any leveraging arrangement.**



WHOLE LIFE COST IMPLICATIONS ACQUISITION OF AGING FACILITIES

- ANNUAL COST ELEMENT
- ONE TIME CAPITAL COST ELEMENT
- COMBINED ONE-TIME AND ANNUAL COST ELEMENT

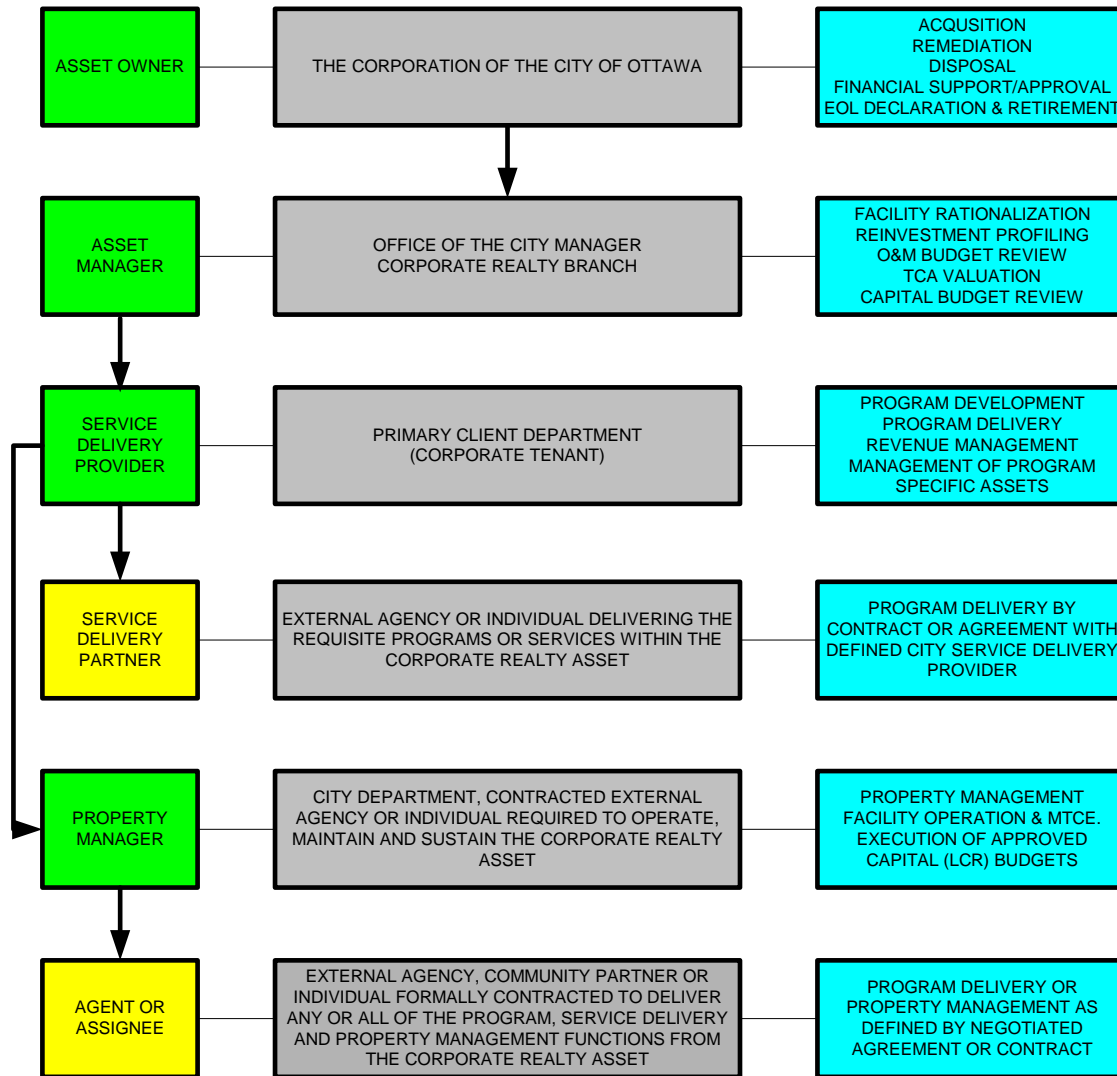
Divergence Analysis

- ❖ **Divergence analysis (DA)**
 - **is a tool for determining the effectiveness of a CRA portfolio to address current program or mission needs.**
 - **DA examines the current state of the CRA relative to contemporary design, affordability and utilization criteria.**
 - **The more divergent the CRA, the more suitable it may be for disposition or for leveraging in support of enhanced corporate value.**

Asset Management Roles and Responsibilities for Corporate Realty Asset (CRA)

- ❖ **These roles include;**
 - **The Asset Owner**
 - **The Asset Manager**
 - **The Service Delivery Provider**
 - **The Service Delivery Partner**
 - **The Property Manager**
 - **The Property Management Assignee**

ASSET MANAGEMENT ROLES AND RESPONSIBILITIES CORPORATE REALTY ASSETS



OPTIONAL
 REQUIRED

Information on Ottawa

Canada's capital city

Canada's 4th Largest City

Ontario's 2nd Largest City

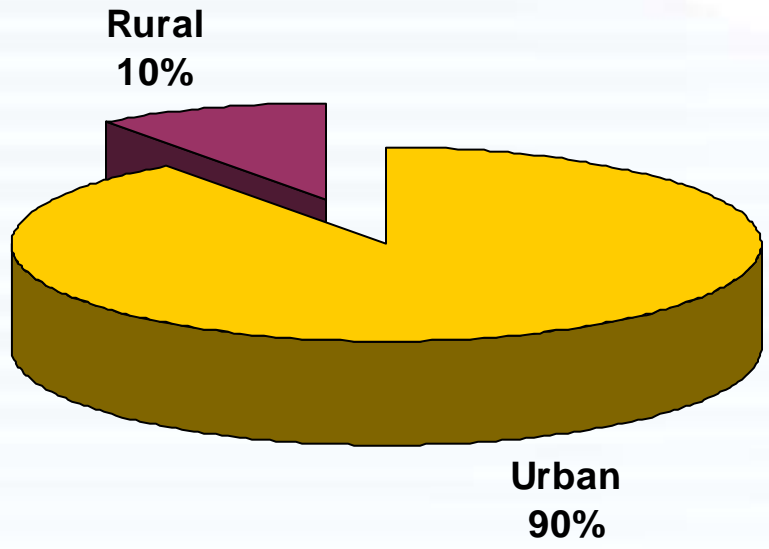
2006 population:
870,000

Area: 2,760 km²
1,066 mile²

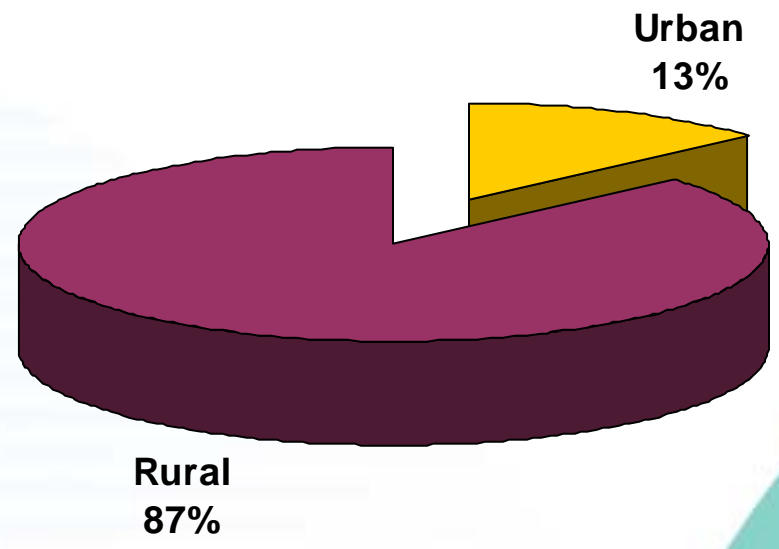


THE REGIONAL CONTEXT OF
THE CITY OF OTTAWA

Total Population: 870,000



Total Land Mass: 2,760 sq. km.



Total Land Mass: 87% Rural

Total Population: 10% Rural