

BUILD OTTAWA

2024 ANNUAL REPORT





Message from the Chair

On behalf of Build Ottawa and its Board of Directors, we are pleased to share the Annual Report for 2024 to our members, the City of Ottawa.

This annual report details the performance of Build Ottawa for 2024. Part of the mandate is to divest of the City of Ottawa's surplus properties that are no longer needed for program requirements. As part of the divesting of these properties, Build Ottawa continued to improve communities by enhancing municipally owned land through the four pillars, which are financial, social, environmental and cultural sustainability. Thus, also eliminating carrying costs, increasing the tax base for the City of Ottawa, supporting affordable housing and enabling efficient infill development.

In 2024, Build Ottawa closed on the sale of a portion of land adjacent to 150 Kanata Avenue in 2024, which generated \$357,880. Staff also continued due diligence and field work in 2024 on several properties that are on its long-range work plan and earmarked for future sale.

Staff further worked closely with Strategic Housing Projects staff to identify lands for various housing and homelessness requests; liaised with Transportation Planning and OC Transpo staff on the rationalization of Park and Ride lots; and participated in discussions with Asset Management staff who are completing a service review of city facilities with a view to disengaging from underused assets for potential sale. All this work is setting the foundation for future potential strategic sales.

On a personal note, we would like to thank Peter Radke, who served as our Secretary and Chief Operating Officer from May 30, 2022 until April 16, 2024.

I look forward to another term as Chair and working on the new mandate of providing more opportunities for affordable housing and fulfilling Council's objective of creating a more inclusive City of Ottawa.

We continue to achieve the mandate of the corporation and to serve this Council and the City of Ottawa.

Sincerely,

Pamela Sweet, Chair



Report to the Members

This Annual Report provides context for the evaluation and review of the Corporation's activities and progress in 2024. The report also supports the requirements of the Corporations Act (Ontario) for holding the 2024 Annual Members' Meeting of Build Ottawa including receipt of Audited Financial Statements for 2024.

Corporate Background

On October 10, 2007, City Council approved the establishment of the Ottawa Community Lands Development Corporation (OCLDC) for implementation of the Longfields Subdivision and CentrepoinTE Town Centre projects (Report number ACS2007-BTS-RPM-0008). Staff undertook planning and engineering studies and held open house consultations with the community for the Longfields and CentrepoinTE Town Centre projects. An application for subdivision approval for the Longfields lands was initiated and draft subdivision approval was obtained for the establishment of a demonstration project.

In January 2009, City Council approved recommendations to proceed with the incorporation of the OCLDC to undertake City property development initiatives and transfer the control of the Longfields subdivision to the OCLDC (Report ACS2008-COS-RPM-0063).

In August 2009, the Letters of Patent were issued by the Ontario Ministry of Government Services establishing the Ottawa Community Lands Development Corporation/La Société d'Aménagement des Terrains Communautaires d'Ottawa for the purpose of promoting and undertaking community improvements in the City of Ottawa to improve, beautify and maintain municipally owned land, buildings and structures for the benefit of the community.

In December 2023, a rebranding of the corporation was registered changing the corporation's name from the Ottawa Community Lands Development Corporation to Build Ottawa. The corporation mandate was modified to prioritize the sale and/or redevelopment of surplus lands for affordable and attainable housing when all lands are evaluated for potential disposal. The level of affordable housing will be examined in determining optimal value, as pertaining to both financial and non-financial community value.

Mandate & Objectives

The Council approved mandate of the Corporation is to explore opportunities to prioritize, prepare and leverage City Real Property to be made available to advance the goals of affordable housing and to ensure the commercially oriented, orderly disposition of selected surplus City Real Property with Optimal Value to the City's taxpayers. In carrying out this mandate, "Optimal Value" is to be seen as pertaining to both financial and non-financial community value. The disposition of such Real Property will be sensitive to local neighbourhood and/or overall community objectives, as approved by Council in the City's Strategic Plan and local real estate market conditions.

The objectives of the Corporation are:

1. To advance the development of affordable housing in the City and to promote and undertake community improvements in the City generally, including but not limited to:
 - planning, subdividing and developing or redeveloping Real Property owned or held by the Corporation for residential, industrial, commercial, institutional, public, recreational, or other uses;
 - owning, constructing, operating, maintaining, and/or providing facilities or entering into agreements for the construction, operation, maintenance and/or provision of facilities;
 - acquiring, holding, selling, leasing or disposing of Real Property;
 - entering into agreements, including but not limited to development agreements and subdivision agreements;
 - undertaking or conducting studies, research and design work;
 - conducting public marketing and advertising Real Property for Sale; and
2. To undertake other activities consistent with these objectives.

Strategic Directions

Goals of the development corporation is to achieve the following objectives:

- Obtain "optimal value" pertaining to financial and non-financial community investment;
- Maximize financial, social, environmental and cultural sustainability;
- Initiate a single point of accountability;
- Balance municipal objectives and guiding principles;
- Segregate duties between the approval bodies and the project;

- Address business issues related to the development;
- Enter into subdivision agreements;
- Engage in community consultation;
- Maintain a focused delivery; and
- Build on community objectives.

In addition to the above directions, Ottawa City Council also identifies how the services of the Housing Solutions and Investment Services (HSIS) will be utilized in achieving the above noted goals and objectives.

Build Ottawa continues to achieve its mandate, which is to enhance communities by improving and enhancing municipally owned land through the four pillars, which are financial, social, environmental and cultural sustainability. As well, HSIS is continually working to improve processes to ensure that Build Ottawa is efficient and effective in working to achieve its mandate.

Transfer of Assets from City to Build Ottawa

The core business of the Build Ottawa is unlocking value in the City of Ottawa's real estate portfolio through strategic development. The focus of Build Ottawa activities is to determine the development potential of these assets and to work with HSIS on the due diligence and transfer processes to optimize that development potential. Build Ottawa and HSIS work collaboratively to identify opportunities within the City's real estate portfolio for development and added value. To this end, Build Ottawa has identified assets that have been earmarked for disposal or development and to market these assets to achieve the Corporations four pillars.

Build Ottawa and the City use a collaborative approach for the transfer of lands currently held by the City. This approach allows Build Ottawa to pre-plan and implement development strategies for lands and proceed with actual transfers at a future date once the City's disposal process is complete with respect to each parcel. This process entails circulation to relevant City Departments including the Housing Branch to determine if the parcels have corporate and or operational needs, before being declared surplus by City Council and transferred to Build Ottawa. Properties that are no longer required for City programming or operating purposes are transferred to Build Ottawa with development objectives approved by Council to achieve optimal value. Build Ottawa also generates substantial community and financial value for the City of Ottawa through the sale of properties.

Sale Process for Build Ottawa Properties

The sale of properties under Build Ottawa complies with Build Ottawa's Disposals Policy. Properties are advertised for sale on the City's web site, through signage on the properties and notices that are distributed through mailing lists that include the home builders' associations, developers, and other interested parties. Successful purchasers are selected through a Request for Offer (RFO) process. Evaluation criteria are developed for each with specific requirements and are based on overall City of Ottawa Official Plan objectives and community input. Eligible proposals must meet the minimum requirements as established through the evaluation criteria. Successful proposals are based on achieving the highest score, i.e., achieving "optimal value" under Build Ottawa's Disposal Policy.

In accordance with the mandate for the Corporation, the activities of Build Ottawa resulted in several benefits to the City of Ottawa. These benefits are documented below.

Community Benefits

Over the past 16 years Build Ottawa projects have enhanced and provided significant benefits to the City of Ottawa and its communities as demonstrated below:

- Supporting the development of Institutional and community uses, such as providing sites for places of worship;
- South Nepean Muslim Community Association (SNMC) Longfields; and
- Qualicum Community Building – 48 Nanaimo Drive
- Development of a range of residential housing types catering to changing demographic, including the development of over 2,800 new residential units across the City;
- Providing lands for and supporting the development of affordable housing units;
- Nepean Housing Corporation: Longfields
- Multi-Faith Housing Initiative: Longfields
- Protecting over 17 hectares of Natural Environmental Area and parkland;
- Provision of parks and contribution to recreational facilities by reserving lands for these purposes prior to sale or requiring purchasers to contribute over and above the minimum statutory parkland dedication requirements;
- Environmental benefits through progressive sustainable development measures; like the Sustainability Checklist for new buildings;
- Job creation through spinoff opportunities in construction on these surplus sites and the businesses that occupy them;

- Increasing municipal tax base with the creation of additional residential and commercial units;
- Elimination of carrying costs for aging and surplus City assets;
- Promoting transit-oriented development;
- Promoting innovative transportation solutions like BRT stations, traffic roundabouts and traffic-calming; and,
- Supporting the construction of City infrastructure.

Build Ottawa Added Value

Some of the advantages of selling City lands through Build Ottawa include:

- Separating the City's land ownership/real estate development role from its planning authority role under Municipal and Planning Acts;
- Entering into Agreements with third party developers and imposing additional development control to ensure City objectives are met;
- Imposing positive covenants i.e. steps a future owner must take (e.g. installing services that benefit someone else – park or road);
- Requiring additional community benefit without having to pay the purchase or discount the price (i.e. satisfy special condition imposed in agreement);
- Acting like a private developer and entering into development agreements under Sections 41 and 51 of the Planning Act;
- Attracting targeted development/industries;
- Stimulating desirable employment;
- Promoting regeneration of neighbourhoods by steering development in a different direction;
- Advancing development opportunities;
- Generating a higher rate of return from sales; and,
- Rezoning lands to target a specific density or housing form.

Build Ottawa Sales Since Incorporation

Build Ottawa has generated over \$109M in gross land sales since its incorporation in 2009. Minimal expenses are realized through the Corporation. Disbursement expenses include legal fees, administrative costs, and general costs for a development corporation such as engineering services, appraisals, insurance, licenses and permits, sale signs and audit fees. These do not include land acquisition costs.

Examples of Build Ottawa land sales over the last 16 years, and the resulting planned developments on those lands are highlighted in the [Build Ottawa Development Projects](#) section of this report.

2024 Annual Highlights

Sales

Over the past two to three years, the land development market has declined due to rising interest rates and inflation in construction costs, both labor and materials, which have cooled land development and property sales, particularly in the residential and multi-residential sectors. This slowdown has directly impacted Build Ottawa’s ability to meet its financial objectives.

In 2024, Build Ottawa sold a portion of land adjacent to 150 Kanata Avenue (shown in the illustration below). The sale \$357,880 in gross sales of which \$89,470 was directed to Affordable Housing (The Affordable Housing Land and Funding Policy) initiatives by the City of Ottawa. This sale will allow Theberge Homes to elevate the pedestrian experience in this area including the access to Bill Teron Park.



Affordable Housing Initiatives

In 2024, Build Ottawa also worked closely with Affordable Housing staff to identify lands for various affordable housing requests. The team:

- Collaborated with Transportation Planning and OC Transpo staff to assess the potential for repurposing seven Park and Ride sites. The goal was to identify opportunities for diverse and affordable housing developments that support a more livable city, aligned with the principles of 15-minute neighbourhoods and the “missing middle” housing model. The evaluation focused on city-owned Park and Ride lots situated in Hubs, Town Centres, or areas designated as Official Plan corridors across various neighbourhoods.
- Engaged in discussions with Asset Management staff who are completing a service review of city facilities with a view to disengage from underused assets for potential Build Ottawa sale. Fourteen (14) properties were evaluated in 2024, and six (6) were identified for potential disposal. Two (2) of the properties were marketed through the City’s regular disposal process, one (1) closed with another scheduled to close by before the end of 2025. Others are being evaluated to determine if additional value can be added through a Build Ottawa sale such as the creation of affordable housing units, protection of cultural and heritage resources, superior and innovative building design and exploring innovative construction methodologies.

Marketing and Field Work

In 2024, Build Ottawa staff continued due diligence and field work on many properties that are on its long-range work plan and earmarked for future sale, including the following:

2060 Lanthier Drive:

- Continued efforts from 2023 where staff explored potential for residential development with Planning staff, identified an opportunity for Affordable Housing development on site; and assembled agreements in preparation for marketing.
- Advertised the 4 acre parcel of land for sale on February 14, 2024 on the City’s web site and a sale sign posted on the property. Advertisement was also electronically circulated to approximately 360 individual potential purchasers and 125 builders and developers. Seven requests for the sales package but no offers received.

- Property advertised a second time on October 8, 2024 with amendment to the Vanguard Road Extension construction requirement with the City providing funding of \$2.5M towards the road construction.
- One offer, in the form of a Letter of Intent, was received January 31, 2025.



3169 Conroy Road:

- Explored potential with Planning staff to redesignate lands for residential development
- Resolved issues with respect to berm abutting existing residential development
- Explored opportunity for joint marketing and development with lands to the north
- Assembled material in preparation for remarketing in 2024
- Retained CBRE Brokers to market the parcel in 2024 for 90 days



1209 St. Laurent Boulevard

- Property sold in 2020
- Negotiated with purchaser of the property and new partners to ensure Build Ottawa profit-sharing and density participation obligations were protected
- Worked with legal counsel to prepare amendments to all agreements and secure future development concept



4160 Riverside Drive:

- Collaborated with Ottawa Airport Authority/Transport Canada.
- Commissioned servicing studies and resolve Official Plan and Zoning; and
- Negotiated with upstream landowners for access to servicing.



3071 Riverside Drive (Canoe Bay)

- Responded to purchasers request for modifications to Option to Repurchase Agreement due to restructuring plans approved by Courts
- Extensive consultations with legal counsel to ensure Build Ottawa interests are protected while Canoe Bay sought new partners to complete the development
- Liaise with Trustee overseeing restructuring and marketing plans to identify Build Ottawa requirements



To further its social, cultural, environmental, and financial goals for the City of Ottawa, Build Ottawa is continually examining strategic City properties that can be added to its portfolio. To this end the corporation is more engaged with other City of Ottawa client groups responsible for city properties.

The land development market has trended downward during the past two to three years relative to the strong market conditions witnessed between 2020 to the first half of 2022. For the term of Council from 2023-2026, despite the challenging economic climate, Build Ottawa will continue to market its surplus properties as a way to test the market and will also explore other methods of disposal arising out the recommendations from the Housing Innovation Task Force.

2024 Members of the Board of Directors

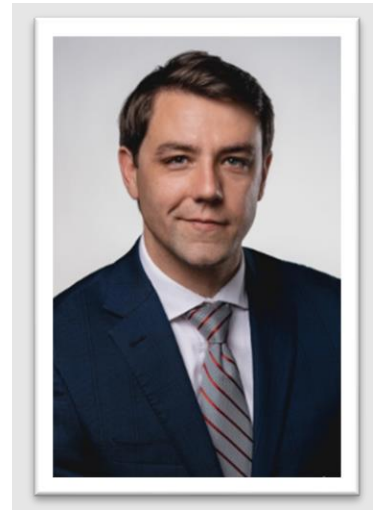
Build Ottawa consists of the following members:



Pamela Sweet -Chair



Kathleen Willis - Vice-
Chair



Clarke Kelly - Director



Laine Johnson -
Director



Jeff Leiper - Director



Mark Sutcliffe - Director

2024 Officers

Build Ottawa consisted of the following Officers:

- Wendy Stephanson, President and Chief Executive Officer
- Cyril Rogers, Treasurer and Chief Financial Officer
- Peter Radke, Secretary and Chief Operating Officer – January – April 2024
- Geraldine Wildman, Secretary and Chief Operating Officer May 2024

Build Ottawa Development Projects

Property	Sale Year	Sale Price	Residential Development	Affordable Housing Fund Contribution
150 Kanata Ave.	July 2022	\$9,075,000	236 Units	\$1,483,405



Build Ottawa negotiated the sale of lands to EMD Batimo, a recognized developer from St. Eustache, Quebec, in February 2021, with the transaction closing in July 2022. As their site plan evolved, Batimo identified the benefit of acquiring an additional strip of land adjacent to their parcel to mirror the open space across the laneway provided by Theberge Development Ltd. at 180 Kanata. The transfer of this additional land was finalized in September 2024. Batimo will cost-share the laneway construction with Theberge Development Ltd., contributing to a publicly accessible outdoor amenity space and enhancing the entrance to Bill Teron Park.

Property	Sale Year	Sale Price	Residential Development	Affordable Housing Fund Contribution
180 Kanata Ave	May 2022	\$1,924,900	304 Units	\$481,225



Build Ottawa negotiated the sale of the development parcel to Theberge Development Ltd. in March 2021 and entered into a Development Agreement to ensure alignment with the approved Final Concept Plan and Build Ottawa's Sustainable Design Criteria. In September 2021, Build Ottawa negotiated the sale of an additional strip of land to enhance the development's outdoor space as a Privately Operated Park with seating and planting, while securing public access through an easement and negotiating for the owner to construct the adjacent laneway, creating a welcoming entrance to Bill Teron Park. The sale closed in May 2022.

Property	Sale Year	Sale Price	Residential Development	Affordable Housing Fund Contribution
156-160 Lyon St	2018	\$5,250,000	567 Units	\$248,657



Build Ottawa negotiated the sale of a mixed-use development, generating revenue to help offset expenses associated with the LRT Project. As part of the agreement, seven affordable housing units were allocated, along with a financial contribution in alignment with the Affordable Housing Land and Funding Policy. The development also includes a generous provision of Privately Owned Public Space (P.O.P.S) designed to enhance public accessibility. Notably, the site offers strong visual and physical connectivity to the Lyon Street LRT Station, located just one block away. To further improve pedestrian circulation, the sidewalk within the P.O.P.S. area was widened.

Property	Sale Year	Sale Price	Residential Development	Affordable Housing Fund Contribution
3071 Riverside Dr	2017	\$16,500,000	Est. 621 Units	\$1,000,000



The proposed mixed-use development integrates residential, institutional, and neighborhood commercial components to create a vibrant, multi-functional community. It features a diverse range of housing options, including 26 one- and two-storey townhomes offering two-bedroom and two-bedroom plus den layouts. Above the retail spaces, 48 one- and two-storey loft apartments provide scenic views of Mooney's Bay, blending urban living with natural beauty. Additionally, three low-rise buildings will house 36 apartment flats, each floor containing four two-bedroom suites. A six-storey apartment building will contribute 244 one- and two-bedroom units, while a separate six-storey retirement residence will offer 268 studio and one-bedroom suites, catering to seniors seeking comfortable, community-oriented living.

Financial Statements of

BUILD OTTAWA

formerly

Ottawa Community Lands
Development Corporation

December 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Mayor and Members of Council of Build Ottawa

Opinion

We have audited the financial statements of Build Ottawa (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

October 27, 2025

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024, with comparative information for 2023

Assets		
Financial assets	2024	2023
Taxes recoverable	\$4,640	\$945
Due from the City of Ottawa <i>[note 5]</i>	3,786,985	3,910,952
Total financial assets	3,791,625	3,911,897
Liabilities	2024	2023
Accounts payable and accrued liabilities <i>[note 5]</i>	2,919,690	2,920,963
Performance securities <i>[note 6]</i>	1,125,000	1,175,000
Total liabilities	4,044,690	4,095,963
Net debt	(253,065)	(184,066)
Non-financial assets	2024	2023
Other assets <i>[note 7]</i>	253,065	184,066
Accumulated surplus	\$-	\$-

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

STATEMENT OF OPERATIONS

For the year ended December 31, 2024, with comparative information for 2023

Revenue [schedule 2]	2024	2023
Land sales	\$357,880	\$–
Contribution from the City of Ottawa [note 5 and schedule 2]	561,527	586,388
Total revenue	919,407	586,388

Expenses [schedule 1]	2024	2023
Land acquisition [note 4 and 5]	357,880	–
Development costs	46,505	54,985
Administrative	491,165	494,302
Legal and realty tax	23,857	37,101
Total expenses	919,407	586,388
Excess of revenue over expenses for the year	–	–
Accumulated surplus, beginning of year	–	–
Accumulated surplus, end of year	\$–	\$–

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN NET DEBT

For the year ended December 31, 2024, with comparative information for 2023

Statement of changes in net debt	2024	2023
Excess of revenue over expenses for the year	\$–	\$–
Decrease (increase) in other assets	(68,999)	(47,070)
Net debt at beginning of year	(184,066)	(136,996)
Net debt at end of year	\$(253,065)	\$(184,066)

See accompanying notes to the financial statements

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. NATURE OF BUSINESS

The Ottawa Community Lands Development Corporation [the “Corporation”] was incorporated on August 6, 2009 under the laws of the Province of Ontario as a corporation without share capital for the purpose of promoting and undertaking community improvements in the City of Ottawa by managing real property. The Corporation is controlled by the City of Ottawa.

The Corporation was renamed on December 14, 2023 to Build Ottawa. The new purpose of the Corporation is to advance the development of affordable housing in the City of Ottawa (the “City”) and to promote and undertake community improvements in the City.

2. BASIS OF PRESENTATION

The financial statements of the Corporation are prepared by management in accordance with accounting policies prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Since a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates, which have been made using careful judgment. Budget figures are not presented on the statements of operations and changes in net debt as no budget is prepared at the Corporation level.

Basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

Financial instruments

The Corporation’s financial instruments consist of taxes recoverable, related party balances due from the City of Ottawa, accounts payable and accrued liabilities, performance securities and deposit agreements for future sale. Amounts recorded on the financial statements approximate the financial instruments’ fair value given the short-term nature of the balances.

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2. BASIS OF PRESENTATION (continued)

Cash flow

The Corporation funds its cash requirements through the support of the City of Ottawa. The only cash transactions in fiscal 2024 were deposits totalling \$358,825 [2023 - \$7,629] representing land sale proceeds of \$357,880 [2023 - \$nil], tax refund of \$945 [2023 - \$7,629], Accounts Receivable invoices of \$nil [2023 - \$ nil] and other miscellaneous items totalling \$nil [2023 - \$nil] that were subsequently transferred to the City of Ottawa. All other cash transactions from operating activities, including funds received for land sales, were processed through the City of Ottawa. The Corporation did not have cash flows from financing or investing activities during 2024 or 2023.

As such, a statement of cash flows is not presented as it would not provide additional useful information.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the amounts of revenue and expenses reported in the financial statements. Actual results could differ from those estimates by a material amount. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

3. DEPOSIT AGREEMENTS FOR FUTURE SALES

Deposit agreements for future sales represent deposits received pursuant to purchase and sale agreements. Sales revenue is recognized upon title of the property passing to the purchaser. The cash related to these deposits is held by the City of Ottawa and is reported on the statement of financial position as due from the City of Ottawa. For sales agreements terminated by the purchaser, non-refundable deposits are recorded as revenue and presented in other revenue.

At December 31, 2024 and 2023, there were \$Nil in deposit agreements for future sales.

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4. LAND

Land inventory held for resale represents land held for future development. Capitalized costs include the purchase of land and development costs incurred related to unsold parcels. Land is accounted for at the lower of actual cost and net realizable value. The purchase price of land is the fair market value as at the projected date of sale. Fair value is the amount of the consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Land inventory held for resale as at December 31, 2024 and 2023 was \$nil.

5. RELATED PARTY TRANSACTIONS

The City of Ottawa controls the Corporation and administers the cash disbursements on behalf of the Corporation. Any balance owing to the City of Ottawa is interest free and has no specified terms of repayment.

Related party transactions between the Corporation and the City of Ottawa include:

Related party transactions	2024	2023
Land acquisition costs	\$357,880	\$–
Legal and realty taxes disbursements	1,170	1,469
Administrative expenses	491,165	494,302
Contribution from the City of Ottawa	561,527	586,388

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

5. RELATED PARTY TRANSACTIONS (continued)

The contribution from the City of Ottawa represents funding revenue from the City of Ottawa to reimburse the Corporation for any excess expenses over land sale revenue.

Land acquisition costs relates to a small parcel of land at 6301 Campeau that was acquired from the City of Ottawa and sold to an external third party for \$357,880 (see schedule 2).

Legal and realty taxes disbursements consist of \$1,170 [2023 - \$670] included in legal and realty tax expenses on the statement of operations and \$Nil [2023 - \$799] included in other assets on the statement of financial position.

Change in due from the City of Ottawa comprises the following:

	2024	2023
Opening balance of due from the City of Ottawa	\$3,910,952	\$3,946,243
Increase in other assets	(68,999)	(47,070)
Decrease in accounts receivable	-	9,142
(Increase) decrease in taxes recoverable	(3,695)	5,633
Decrease in accounts payable and accrued liabilities	(1,273)	(2,996)
Decrease in performance securities	(50,000)	-
Net change	(123,967)	(35,291)
Closing balance of due from the City of Ottawa	\$3,786,985	\$3,910,952

Accrued liability:

Included in accounts payable and accrued liabilities is an accrual of \$2,900,000 (2023 - \$2,900,000) related to the construction of Canadian Shield Avenue that is required as a condition of a land sale in prior years. The Corporation has set aside \$2,900,000 of the above closing balance of due from the City of Ottawa to ultimately fund this capital expenditure in the period incurred.

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

6. PERFORMANCE SECURITIES

Performance securities are composed of refundable security deposits provided to the Corporation by purchasers of the properties. The amounts ensure development of the lands sold by the Corporation is in accordance with the Development Agreement. Reductions and releases are provided when directed by the Corporate Real Estate Office on behalf of the Corporation. As of December 31, 2024, the Corporation has \$1,125,000 [2023 - \$1,175,000] in performance and construction securities and \$3,132,000 [2023 - \$2,781,000] in letters of credit in the Corporation's favour for those properties sold in current and prior years.

7. OTHER ASSETS

Other non-financial assets consist of project development costs, other costs incurred to make a property ready to be listed for sale, and legal costs, which are stated at cost. Project development costs consist of direct costs relating to the commercial development of land by the Corporation as approved by City Council. These costs will be transferred to land inventory held-for-resale once the related property has been transferred to the Corporation. For projects that are abandoned, costs are immediately expensed.

8. CONTRACT OBLIGATION

In accordance with the Cost Sharing Agreement signed on December 17, 2020, the Corporation is liable for completed and future works incurred by the contracting party upon the disposal of two related properties. As of December 31, 2024, the Corporation has contractual obligations of \$300,733 [2023 – \$300,733] which will become payable upon the sale of the remaining property.

9. COMMITMENTS

As at December 31, 2024, the Corporation has outstanding commitments amounting to \$149,000 [2023 – \$188,487].

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

SCHEDULE 1

SCHEDULE OF EXPENSES

For the year ended December 31, 2024, with comparative information for 2023

Expenses (recoveries)	2024	2023
Land acquisition [note 5]	\$357,880	\$-
Development costs		
Servicing	-	-
Engineering services	397	7,261
Insurance, licenses and permits	38,476	36,772
Corporation tax return preparation and financial statement audit	7,632	10,634
For sale signs	-	318
Total development costs	46,505	54,985
Administrative expenses	491,165	494,302
Legal disbursements		
Legal fees, registration fees, execution certificates and land transfer tax	23,857	37,101
Total expenses	\$919,407	\$586,388

See accompanying notes to the financial statements

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

SCHEDULE 2

SCHEDULE OF OPERATIONS BY PROPERTY

For the year ended December 31, 2024

Property description	Land acquisition	Development costs and administrative expenses	Total expenses	Revenue	Contribution from the City	Total revenue
Other properties sold in prior years	\$	\$4,665	\$4,665	\$	\$5,385	\$5,385
6301 Campeau (note 5)	357,880	720	358,600	357,880	-	357,880
Sub-total land parcels sold	357,880	5,385	363,265	357,880	5,385	363,265
Common expenses to all properties	-	556,142	556,142		556,142	556,142
Total	\$357,880	\$561,527	\$919,407	\$357,880	\$561,527	\$919,407

See accompanying notes to the financial statements

BUILD OTTAWA (FORMERLY OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION)

SCHEDULE 2

SCHEDULE OF OPERATIONS BY PROPERTY

For the year ended December 31, 2023

Property description	Land acquisition	Development costs and administrative expenses	Total expenses	Revenue	Contribution from the City	Total revenue
Other properties sold in prior years	\$-	\$15,533	\$15,533	\$-	\$15,533	\$15,533
Sub-total land parcels sold	-	15,533	15,533	-	15,533	15,533
Common expenses to all properties	-	570,855	570,855	-	570,855	570,855
Total	\$-	\$586,388	\$586,388	\$-	\$586,388	\$586,388

See accompanying notes to the financial statements