



REAL ESTATE DEVELOPMENT ADVISORY

Inner-Urban Acquisition Candidate Screen

Twelve core-Ottawa intensification candidates, ranked by viability

Prepared by	Lumenalis Consulting Ltd.
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Prepared for	A private real estate investment firm (identity withheld)
Market	City of Ottawa, Ontario – Centretown, Chinatown, Hintonburg corridors
Zoning basis	Transitional regime: By-law 2008-250 (legacy) and 2026-50
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Lumenalis Consulting Ltd. publishes this report as a sample of its real estate development advisory work. The underlying engagement screened a set of inner-Ottawa acquisition candidates for a private investor seeking under-optimised low-rise assets with intensification potential. The commissioning party and its internal references have been removed. Property addresses, list prices, and listing particulars are retained because each property was publicly marketed and the listing data carries the instructive value of the sample.

The anonymisation follows the Personal Information Protection and Electronic Documents Act (PIPEDA), S.C. 2000, c. 5. This is a screening-stage assessment: it ranks candidates on qualitative viability and development headroom, not on a completed financial underwrite. Zoning codes and exception suffixes were drawn from listing sources and require parcel-level confirmation, as noted throughout. Nothing here is a solicitation, an appraisal, or a recommendation to transact.

Data-integrity note. Before publication Lumenalis repaired two mechanical defects in the source workbook: spreadsheet cells recording the possible unit count had been silently converted to calendar dates by the spreadsheet application, and the working text carried orphaned footnote markers. Both were corrected without altering analytical content. Two overlapping screening passes in the source were consolidated into a single de-duplicated set of twelve candidates. The method is set out in the Review and Supplementary Information section.

Executive summary

The screen evaluates twelve acquisition candidates concentrated in Ottawa's inner-urban mainstreet corridors — Centretown, Chinatown, and the Hintonburg edge. The brief sought a recurring pattern: an older, under-optimised low-rise building on a generous urban lot, often already near six units, with a credible path into the seven-to-eleven unit band through renovation, legalisation, and rear or vertical addition — without relying on a heroic rezoning. Each candidate is rated for project viability and assigned a development thesis.

Of the twelve, 4 screen as High viability, 7 as Medium, and 1 as Low. The strongest candidates are not the most expensive; they are the most under-built relative to their lot and zoning. The cheapest candidate in the set, an \$880,000 two-storey mixed-use building on a deep Somerset corridor lot, screens High precisely because its current massing sits far below its permitted envelope. The most expensive, a \$4,250,000 fully tenanted Bank Street mixed-use box, screens Low because its density is already realised and its redevelopment spread is thin.

Candidates	High viability	Price range	Corridors
12	4 of 12	\$880,000–\$4,250,000	3

What separates the tiers.

Three attributes drive a High rating: a current use materially below the permitted envelope, a vacancy or vacant-possession path that lets the buyer reposition without protracted tenant displacement, and a Traditional Mainstreet or low-rise residential zoning that supports the target unit band without a rezoning. Medium candidates typically have one of these in place but are constrained by priced-in income, a small or awkward lot, heritage process, or split zoning. The single Low candidate is already dense, fully tenanted, and priced as a stabilised hold.

The governing risk.

Every thesis in the screen is conditioned on the same uncertainty: Ottawa is in a transitional period in which the legacy Zoning By-law 2008-250 and the new Comprehensive Zoning By-law 2026-50 both bear on what a parcel may build. The zoning codes cited here come from listing sources and must be confirmed parcel by parcel before any offer. Several candidates also sit within or beside a Heritage Conservation District, which inserts process risk on exterior change. The screen is a triage instrument; it identifies where to spend underwriting effort, not a substitute for it.

Recommendation in brief.

Advance the four High-viability candidates to a full financial underwrite, beginning with the two cheapest — the \$880,000 Somerset mixed-use lot and the \$1,590,000 James Street walk-up — where the gap between current and permitted massing is widest and the basis is lowest. Review the Medium tier selectively, prioritising the vacant-repositioning files over the priced-in income holds. Deprioritise the Low candidate absent a material price concession.

Screening framework and zoning context

The target acquisition pattern.

The brief defined a specific profile: an older inner-urban low-rise, frequently already at or near six units, on a lot whose size or corridor zoning permits more massing than the current building uses. The preferred value-add is not cosmetic; it is a full-gut reconfiguration, the legalisation or replacement of a sub-standard basement unit, and a rear or partial upper-storey addition that lifts the asset into the seven-to-eleven unit band. A vacancy or vacant-possession path is favoured because it lets the buyer execute without a protracted tenant-displacement process.

Viability rating.

Each candidate carries a qualitative viability rating — High, Medium, or Low — reflecting the balance of development headroom against execution risk and basis. The rating is judgement, not a modelled return; this is a pre-underwriting screen. For clarity, Lumenalis maps each rating to a disposition: High candidates are flagged Advance (proceed to a full underwrite), Medium candidates Review (worth a second look, often as income-plus-upside), and Low candidates Deprioritise (hold or pass absent a price change). The mapping is the firm's, applied consistently across the field.

Ottawa zoning context.

The candidates sit mainly in two zoning families. Traditional Mainstreet (TM) zoning, found along Somerset, Bank, Booth, and Parkdale, permits broad mixed-use and residential forms with no minimum lot area or width, tight street-wall setbacks, generous parking relief, and no maximum floor-space index, with height set by suffix (commonly 16 to 20 metres). Low-rise residential (R4) zoning, with site-specific exceptions, governs the house-form multiplexes such as James and Bay. Two candidates introduce a Minor Corridor (CM1) and a split General Mixed-use and residential (GM2 and RH4) designation. Across all of them, the operative uncertainty is the transitional dual-by-law regime: the legacy By-law 2008-250 and the new By-law 2026-50 both apply during the changeover, and the exact parcel code, exception standards, and setback tables must be confirmed on the City's official mapping before reliance. Mainstreet parking relief and Heritage Conservation District process are recurring swing factors in the corridor candidates.

The profiles that follow are grouped by viability tier and, within each tier, ordered from the lowest list price upward.

Candidate profiles

Twelve candidates, grouped High, Medium, then Low. Each profile pairs the qualitative read — structure, zoning, development headroom, strategy, risk, and investment thesis — with a key-facts panel. Ratings and theses are reproduced from the engagement.

HIGH VIABILITY

4 candidates · disposition: Advance

01 **638-640 Somerset Street W**
 Chinatown / west Centretown; immediate mainstreet transit and amenity depth; 26.21 x 110.01 ft lot.

VIABILITY
High

Current structure & strategy

Detached 2-storey building, currently 2 self-contained units plus a bonus accessory unit; former restaurant at grade; dry basement; recent component updates; appears functionally clean but plainly underbuilt for the corridor. *Vacant/near-vacant repositioning into 7-9 small apartments with retained retail or fully reworked mixed-use frontage.*

Zoning read

TM allows broad commercial/residential uses, no minimum lot area/width, max front setback 2 m, rear setback 7.5 m where abutting residential or 4.5 m to a laneway, no maximum FSI, and max 20 m / 6 storeys unless reduced by suffix/subzone; this parcel is capped at 16 m by suffix. Mainstreet parking relief is significant.

Development headroom

Existing: low 2-storey detached structure with surface parking on a 110 ft deep mainstreet lot. Near-as-of-right envelope: roughly 4 storeys at 16 m, subject to angular-plane transition and rear-yard conditions. Upside is strongly addition/rebuild oriented.

Key risks

Fire/life-safety for former restaurant reuse; exact exception 2185 review; servicing and garbage/loading layout; neighbouring-property interface; financing if vacancy persists during entitlement/construction.

Investment thesis

Cheap basis for the corridor, vacant flexibility, and clear mismatch between current 2-storey massing and allowable 16 m mainstreet form. This is one of the clearest small-lot intensification plays in the screen.

KEY FACTS

List price	\$880,000
Property type	Mixed-use / retail building
Zoning	TM(2185) H(16)
Current units	3 (fact from listing configuration).
Possible units to add	4-6
Units to renovate	3.0
Viability	High
Disposition	Advance

02 172-174 James Street

Centretown west of Kent, close to Somerset/Gladstone amenities; strong walkable urban setting.

VIABILITY
High

Current structure & strategy

Solid older 6-unit building on a 50 x 109 ft lot; seller states 4 x 2-bed, 2 x 1-bed, plus a 7th illegal basement unit; seller also indicates the building could potentially be vacant on closing. Exact storey count was not confirmed in retrieved sources.

Vacancy-assisted full gut; legalize or replace basement suite; resize oversize units; add rear mass and possibly a partial/full extra floor within low-rise envelope

Zoning read

Source type for exact code: current MLS mirror. City R4 rules permit low-rise apartments and other residential forms; official R4UD standards retrieved from City sources show 3 m front setback, 3 m corner side setback, 1.5 m interior side setbacks, 30% lot-depth rear yard, and 14.5 m max height. City exception 479 adds “dwelling unit” as an additional permitted land use. On lots over 450 m², 30% landscaped area applies for low-rise apartments.

Development headroom

Existing condition is already close to the the Client's brief: 6 legal units with a quasi-7th. On a quick-envelope inference using the City setbacks and lot dimensions, the parcel could support roughly 2,650-2,700 sf per floor and roughly 10,500+ sf gross at four storeys before circulation losses; that does not guarantee entitlement, but it does indicate materially more massing potential than a standard 6-unit house-form asset. Upside is most likely full-gut reconfiguration plus basement legalization and a rear and/or vertical addition, not a cosmetic hold.

Key risks

Legal status of basement suite; fire retrofit and egress; structural unknowns; exact dual-by-law compliance; tenant-vacancy delivery must be papered carefully. Transitional Ottawa zoning regime adds legal review risk.

Investment thesis

This is the closest live analogue to the Client's target pattern: older low-rise, large urban lot, already at 6+ units, visible underutilization via illegal basement, and potential vacant-possession route. It offers the cleanest path to the 7-10 unit band without requiring a heroic rezoning assumption.

KEY FACTS	
List price	\$1,590,000
Property type	Apartment / investment
Zoning	R4UD[479]
Current units	6 legal + 1 illegal basement
Possible units to add	1-3 conservative; 7-10 total units looks plausible
Units to renovate	6 existing legal units, plus basement if retained
Viability	High
Disposition	Advance

03 622-634 Somerset Street W

Multi-parcel Chinatown/Somerset Village package; 104 x 110 ft total lot area; stronger assembly logic than single-lot logic.

VIABILITY
High

Current structure & strategy

Three properties sold together: 622 Somerset is a 4-plex, 628 ongoing retail business, 634 ongoing restaurant; existing income but clearly under-intensive for the land area. *Land assembly, staged tenancy buyout, and full mixed-use redevelopment or heavy rear/upper addition.*

Zoning read

Base TM permissions are broad: mixed-use/residential, no max FSI, 20 m / 6 storeys base, tight streetwall setbacks, strong parking relief on mainstreets. Exact subzone/schedule not exposed in the accessible mirror and must be confirmed parcel by parcel.

Development headroom

Existing: underbuilt low-rise mixed-use spread across 11,440 sf. Likely as-of-right or near-as-of-right massing is materially denser than current use, potentially supporting a purpose-built mixed-use form with retail at grade and a larger residential stack above. Upside is assembly-led redevelopment.

Key risks

Multi-tenant and business-displacement risk; phasing difficulty; parcel-by-parcel zoning/exception confirmation required; construction complexity; potential heritage/facade constraints on a visible corridor.

Investment thesis

This is not the easiest execution, but on pure spread between existing use and land capacity it screens very well. At this basis per square foot of land, there is credible room for a 4-plex-plus-mainstreet-retail site to become a materially denser mid-block mixed-use asset.

KEY FACTS	
List price	\$1,925,000
Property type	Mixed-use package
Zoning	TM
Current units	4 residential units plus 2 commercial occupancies.
Possible units to add	4-7
Units to renovate	4.0
Viability	High
Disposition	Advance

04 455-457 Somerset Street West

Somerset corridor in Centretown / Chinatown edge; core urban rental node with direct adjacency to shops and transit.

VIABILITY
High

Current structure & strategy

3-storey, 6-unit multi-res on a 57.95 x 112.37 ft lot, about 5,500 sf; one unit is deliberately vacant for renovation; broker marketing also states there is potential to renovate 5 of 6 suites. Parking reported at 6-7 spaces depending source. *Renovate vacant and turnover units; tighten layouts; add rear infill and/or upper-level area within TM14 envelope*

Zoning read

Source type for exact code: brokerage/MLS mirrors. City TM rules allow broad mixed-use and residential permissions, with no minimum lot area or lot width; max front setback is 2 m; residential buildings generally require 1.2 m interior side setbacks; residential rear yard is generally 7.5 m; there is no max FSI in Table 197. City TM14 specifically allows additional residential forms including stacked dwelling and townhouse dwelling, allows residential or office on any part of the ground floor, and caps height at 14.5 m unless another suffix/exception/schedule overrides.

Development headroom

Existing built form is 6 units / ~5,500 sf on ~6,525 sf of land. Given TM14's no-minimum lot width/area and no maximum FSI, the site has real but not unlimited headroom. The likely play is not full teardown economics; it is modernization of existing large suites, selective reconfiguration, and a modest rear and/or vertical intensification program toward smaller units. A move from 6 units to 7-9 looks realistic; 10+ begins to depend on more aggressive design assumptions than I would underwrite at this stage.

Key risks

Price already reflects decent in-place NOI; construction while partly occupied; exact parking/loading treatment should be verified; traditional mainstreet urban design scrutiny will apply.

Investment thesis

Very strong locational quality and good lot dimensions, with a real but disciplined intensification story. It is less distressed than ideal, but it is one of the few live Ottawa core listings where 6-unit basis, lot size, zoning flexibility, and unit-upgrade leverage all overlap.

KEY FACTS	
List price	\$2,240,000
Property type	Multi-family / multiplex
Zoning	TM14
Current units	6.0
Possible units to add	1-3 conservative
Units to renovate	5 immediate/near-term suites appear to have renovation leverage
Viability	High
Disposition	Advance

MEDIUM VIABILITY

7 candidates · disposition: Review

05 257 Parkdale Avenue

Hintonburg/Mechanicsville corridor; Parkdale mainstreet exposure; strong access to LRT and Tunney's.

VIABILITY
Medium

Current structure & strategy

Originally a triplex; reconfigured into one ground-floor/basement commercial unit and one upper residential unit. Upper unit is a large 3-bed/2-bath apartment that listing says could be further divided. *Re-split to 3 units immediately, then evaluate upper-storey / rear expansion or eventual corridor redevelopment.*

Zoning read

TM base rules apply; TM13 adds detached/duplex/semi/three-unit/townhouse permissions. TM base permits mixed-use, no max FSI, 20 m / 6 storeys base, subject to mainstreet setbacks and transition. Parking relief is favourable on mainstreet lots.

Development headroom

Existing: underbuilt 2-storey corridor property on a 33 x 100 ft lot. Allowable envelope is materially larger than current massing. Near-term can revert to 3 units; medium-term could support a heavier mixed-use redevelopment or upper-storey addition.

Key risks

Existing commercial tenancy; likely need planning/design work to push beyond 3-5 units; construction around an operating salon; corridor noise and servicing layout.

Investment thesis

Attractive basis, excellent corridor, and flexible near-term value-add. The main weakness is that a true 7-11 unit outcome on this lot probably requires more planning and construction risk than the list price alone suggests.

KEY FACTS	
List price	\$985,000
Property type	Mixed-use residential-commercial
Zoning	TM13
Current units	2 current occupancies; originally 3 units.
Possible units to add	1-4
Units to renovate	2.0
Viability	Medium
Disposition	Review

06 470 Somerset Street West

Somerset/Kent in Centretown; excellent core location and similar urban character to the Client's existing Somerset pattern.

VIABILITY
Medium

Current structure & strategy

Fully renovated standalone 3-storey heritage office building; approx. 3,050 sf office over 3 storeys, 4,241 sf per listing record, 5-7 parking spaces. Current office tenant lease expires September 30, 2026. *Lease-end conversion to residential or mixed-use residential; possible upper-level intensification*

Zoning read

Source type for exact code: current listing page. Under Ottawa's new 2026-50 by-law, CM1 is the Minor Corridor Zone 1, which permits dwelling units and a broad range of non-residential uses intended to support compact 15-minute neighbourhoods; the H(20) suffix implies a 20 m height cap. However, because Ottawa is currently in a dual-compliance regime where legacy 2008-250 and 2026-50 both matter, and I did not retrieve the legacy parcel code or the parcel-specific setback table, the dimensional/zoning summary here is incomplete and must be confirmed directly with staff or external planning counsel before underwriting.

Development headroom

Existing condition is a high-quality 3-storey office shell below the listed 20 m cap. In theory, that leaves upward and change-of-use headroom. In practice, the likely value-add is office-to-residential conversion plus a limited addition, not a straightforward missing-middle apartment play. I would treat 4-6 apartments as the conservative range and 7 as only conditionally plausible if the legacy code, heritage controls, and structural geometry all line up.

Key risks

Heritage building; live office lease to late 2026; dual-zoning regime; office-to-residential code and servicing complexity; legacy zoning still unconfirmed.

Investment thesis

This is a conversion play, not a clean apartment optimization play. It still deserves review because the basis is materially lower than the larger mixed-use assets and the location is excellent, but execution risk is higher and entitlement clarity is weaker.

KEY FACTS	
List price	\$1,200,000
Property type	Office / conversion candidate
Zoning	CM1 H(20)
Current units	0 residential; 1 office occupancy
Possible units to add	4-6 residential equivalent from current office use; 7 only with several favorable assumptions
Units to renovate	Full interior conversion
Viability	Medium
Disposition	Review

07 514 Bay Street

Bay/Gladstone pocket of Centretown; slightly less prime than Somerset/Bank, but still very walkable and deep rental territory.

VIABILITY
Medium

Current structure & strategy

3-storey "5+1-unit" building with four 2-bed units and two 1-bed units; one unit vacant; major interior updates in 2022 and roof replacement in 2023; shared driveway with 3 parking spaces. *Stabilize and re-tenant; raise rents through upgraded suites; modest common-area/basement rationalization only*

Zoning read

Source type for exact code: current REALTOR/MLS mirrors. City R4 zoning permits low-rise apartments and other residential forms; City exception 478 adds "dwelling unit" as an additional permitted use. However, official City R4 review material describes R4S as a "senior R4" that historically required 15 m lot width and 450 m² lot area for low-rise apartment permissions, while this parcel is only about 37 x 99 ft, or roughly 11.3 m x 30.2 m / ~340 m². Because I could not directly query geoOttawa from this environment, I am treating this as an existing-rights / legal-non-conforming-sensitive file rather than a clean as-of-right intensification site.

Development headroom

Existing built form is already 6 units on a parcel smaller than the lot metrics described in the City's R4S review material for a fresh low-rise apartment outcome. That means the core investment case is much more about rent resets, renovation, and operational optimization than about a large unit-count jump. In other words: downside protection looks decent; spread between current and clearly supportable future massing looks much thinner than at James or Somerset.

Key risks

Exact legal status of all 6 units must be checked; zoning precision under the transitional dual-by-law regime remains a real issue; limited visible headroom for 7-11 units.

Investment thesis

Good income and decent basis for a core residential hold with some value-add, but materially weaker than the best files on development spread. This is worth management review as a downside-protected income play, not as a top-tier intensification thesis.

KEY FACTS	
List price	\$1,579,000
Property type	Multiplex
Zoning	R4S[478]
Current units	6.0
Possible units to add	0-1 conservative
Units to renovate	1 vacant immediately; 5 on turnover
Viability	Medium
Disposition	Review

08 1240 Bank Street

Old Ottawa South Bank Street, south of the Glebe/Lansdowne; strong retail visibility and corridor demand.

VIABILITY
Medium

Current structure & strategy

Classic red-brick storefront with nearly 4,000 sf over 2 above-grade floors plus full-height basement; laneway/loading at rear; owner/retail-type layout, not residentialized. Phase I/II environmental reported clean in 2023. *Mixed-use conversion with retained grade retail, residential insertion above/behind, or eventual corridor redevelopment if new by-law regime is adopted.*

Zoning read

TM2 only permits dwelling units/rooming house as residential uses where they are in a building containing permitted non-residential uses; retail and retail food stores capped at 600 m²; building must be at least 2 storeys. Base TM standards still provide no max FSI and 20 m / 6 storeys unless otherwise limited.

Development headroom

Existing: 2-storey retail-heavy envelope already utilizing much of the site. Current zoning supports mixed-use, but residential intensification likely requires retaining some commercial use and meaningful reconfiguration/addition. The listing's "up to 9 storeys" comment relies on the new draft by-law, not the current governing code.

Key risks

Current zoning is less generous than the listing's draft-by-law marketing; commercial-to-residential conversion cost; rear access/loading conflicts; deep open-floorplate retrofit risk.

Investment thesis

Worth review because the corridor is strong and the shell is substantial, but this is not an easy as-of-right apartment play today. Mispricing depends on whether the market is over-crediting draft-zoning upside.

KEY FACTS	
List price	\$1,595,000
Property type	Commercial retail building
Zoning	TM2
Current units	1 commercial occupancy today.
Possible units to add	3-5
Units to renovate	0-1
Viability	Medium
Disposition	Review

09 391 Bank Street

Prime Bank Street frontage in Centretown; directly across from new condominium supply and in one of the city's most liquid urban leasing nodes.

VIABILITY
Medium

Current structure & strategy

Completely vacant ~6,147 sf building on 33 x 113.67 ft lot; ground floor ~2,000 sf retail; second floor has two individual units; basement has an additional unit with separate entrance; six tandem rear parking spaces; windows/doors/HVAC updated in 2016. *Full vacant repositioning; decide between retained retail + upper/lower residential versus mostly residential scheme; possible upward addition within H(19) envelope*

Zoning read

Source type for exact code: current listing page. City TM rules allow retail, service commercial, office, residential and institutional uses; no minimum lot area/width; max front setback 2 m; residential rear yard typically 7.5 m; no max FSI; H(19) sets height at 19 m. For buildings over 4 storeys or 15 m, additional setbacks apply. The property is also listed in the official Centretown and Minto Park Heritage Conservation District Plan as a non-contributing property, which is less restrictive than contributing status but still inserts heritage process risk for major exterior change or demolition.

Development headroom

Existing built form is roughly 3 levels plus basement and about 6,100 sf. TM H(19), no maximum FSI, and full vacancy together create a real repositioning angle, but the 33 ft frontage is narrow enough that corridor efficiency and egress will constrain aggressive unitization. I would underwrite this as a 7-9 unit mixed-use or residential-heavy repositioning thesis, not an 11+ unit certainty. Upside is primarily conversion and selective vertical addition, not a frictionless as-of-right redevelopment.

Key risks

Heritage district process; very high taxes; narrow frontage; commercial-to-residential code issues; mainstreet design controls; need to verify parking exemption/map status under Schedule 1A.

Investment thesis

Strategically attractive because it is fully vacant in a premier Bank Street location with real zoning headroom. Execution is meaningfully harder than the residential files, but the vacancy profile makes this one of the few mixed-use assets that could justify serious concept work.

KEY FACTS	
List price	\$1,950,000
Property type	Commercial retail / mixed-use repositioning
Zoning	TM H(19)
Current units	4 configured spaces
Possible units to add	3-5 depending retail-retention choice
Units to renovate	All configured spaces require heavy repositioning
Viability	Medium
Disposition	Review

10 673-675 Somerset Street W

High-visibility corner at Somerset and Bronson in Chinatown; strong retail frontage and rental demand.

VIABILITY
Medium

Current structure & strategy

Fully tenanted 6-unit property: 2 ground-floor commercial units and 4 apartments above. Stable, not distressed; upside mainly from below-market apartment rents. *Lift residential rents, improve common areas/façade, and assess micro-suite or attic/upper add-on potential only if code/structure supports it.*

Zoning read

TM base permissions plus a 16 m cap. Mainstreet rules allow mixed-use with no max FSI; parking relief is favourable. Exception [112] needs site-specific review, but the base built-form regime is clear.

Development headroom

Existing: already a dense mixed-use corner with 6 occupancies on a 24 x 71 ft lot. 16 m massing may permit some further interior or upper-storey optimization, but this is closer to a rent-lift hold than a deep intensification story.

Key risks

Fully tenanted; active commercial leases; small lot and corner geometry; upside can easily get overpaid for; exception [112] could matter.

Investment thesis

Good asset, good block, but less aligned with the Client's pattern than the headline suggests because much of the density is already there. Attractive if priced as a hold-plus; weaker if underwritten as a major unit-creation play.

KEY FACTS	
List price	\$2,150,000
Property type	Mixed-use investment
Zoning	TM[112]H(16)
Current units	6.0
Possible units to add	0-2
Units to renovate	4.0
Viability	Medium
Disposition	Review

11 350 Booth Street

West Centretown / Chinatown edge near transit and LeBreton-side demand drivers; corner site.

VIABILITY
Medium

Current structure & strategy

Corner building with long-term restaurant tenant at grade and 3 apartments above; listing emphasizes cap rate and stability, not redevelopment. *Medium-term hold while studying split-zoning, then densify if assembly or partial redevelopment becomes feasible.*

Zoning read

GM2 permits low-/mid-rise residential and limited neighbourhood commercial on the ground floor/basement of a building containing dwelling units. GM base standards: no min lot area/width, 3 m front setback, 18 m height, FSI 2.0. The RH4 portion indicates a denser residential tail, but parcel split and exact high-rise standards were not recoverable in-browser and must be confirmed.

Development headroom

Existing: stable mixed-use low-rise. Allowable envelope is clearly greater on the GM2 side, and perhaps materially greater if the RH4 split is meaningful across a usable part of the site. Upside could be vertical/rear addition or future assembly-led redevelopment rather than quick internal reconfiguration.

Key risks

Split-zoning uncertainty; active restaurant tenancy; pricing already reflects income; exact RH4 parcel applicability unresolved; likely not a simple 7-11 unit retrofit.

Investment thesis

Interesting because of corner visibility and split zoning, but it is less clean than it first appears. Good call-option site, not a straightforward small-apartment intensification file.

KEY FACTS	
List price	\$2,198,000
Property type	Mixed-use building
Zoning	Split-zoned GM2 & RH4
Current units	4 occupancies (3 apartments + 1 restaurant).
Possible units to add	1-3
Units to renovate	3.0
Viability	Medium
Disposition	Review

LOW VIABILITY

1 candidate · disposition: Deprioritise

12 371–375 Bank Street

Prime Centretown Bank Street frontage; established retail node; very strong rental demand but already dense.

VIABILITY
Low

Current structure & strategy

Fully tenanted mixed-use asset: ~3,070 sf ground-floor grocer under long lease plus 6 residential units above; no parking. Building reads stabilized, not repositioning-oriented. *Hold-and-reposition only: rent lift, suite turnover, facade/common-area work.*

Zoning read

TM with 19 m cap. On Bank Street lots north of the Queensway, mixed-use dwelling units have no parking requirement. Heritage-process risk is likely elevated in this Bank/Centretown context.

Development headroom

Existing: already a dense mixed-use box on a 49.97 x 49.97 ft site. Allowable massing does not obviously create much incremental unit elbow room. Downside protection is good; redevelopment spread is not.

Key risks

Long commercial lease, no vacancy path, no parking, likely heritage/process friction, little obvious headroom relative to price.

Investment thesis

Strong asset quality, poor redevelopment delta. This is the kind of listing that attracts attention because it is on Bank, but it looks fully priced as a stabilized mixed-use building.

KEY FACTS

List price	\$4,250,000
Property type	Mixed-use building
Zoning	TMH(19)
Current units	7 occupancies (6 res + 1 commercial).
Possible units to add	0-2
Units to renovate	6.0
Viability	Low
Disposition	Deprioritise

Comparative shortlist

All twelve candidates, ordered by viability tier then list price. The disposition column maps the viability rating to a recommended next step.

#	Property	List price	Current	Add	Zoning	Viability	Disposition
1	638-640 Somerset Street W	\$880,000	3 (fact from lis	4-6	TM(2185) H(16)	High	Advance
2	172-174 James Street	\$1,590,000	6 legal + 1 ille	1-3 cons	R4UD[479]	High	Advance
3	622-634 Somerset Street W	\$1,925,000	4 residential un	4-7	TM	High	Advance
4	455-457 Somerset Street West	\$2,240,000	6.0	1-3 cons	TM14	High	Advance
5	257 Parkdale Avenue	\$985,000	2 current occupa	1-4	TM13	Medium	Review
6	470 Somerset Street West	\$1,200,000	0 residential; 1	4-6 resi	CM1 H(20)	Medium	Review
7	514 Bay Street	\$1,579,000	6.0	0-1 cons	R4S[478]	Medium	Review
8	1240 Bank Street	\$1,595,000	1 commercial occ	3-5	TM2	Medium	Review
9	391 Bank Street	\$1,950,000	4 configured spa	3-5 depe	TM H(19)	Medium	Review
10	673-675 Somerset Street W	\$2,150,000	6.0	0-2	TM[112]H(16)	Medium	Review
11	350 Booth Street	\$2,198,000	4 occupancies (3	1-3	Split-zoned GM	Medium	Review
12	371-375 Bank Street	\$4,250,000	7 occupancies (6	0-2	TMH(19)	Low	Deprioritise

Findings and recommendation

Value tracks under-build, not price. The High candidates are distinguished by the gap between current massing and permitted envelope, not by being cheap or expensive. The \$880,000 Somerset mixed-use lot and the \$1,590,000 James Street walk-up screen highest because each is markedly under-built for its zoning.

Vacancy is the execution unlock. The most actionable theses pair under-build with a vacancy or vacant-possession path, allowing repositioning without a protracted tenant process. Fully tenanted assets, however well located, screen lower because the unit-creation route is slower and dearer.

Priced-in income caps several Mediums. Candidates marketed on in-place net operating income (455-457 Somerset on the later pass, 673-675 Somerset, 350 Booth) offer downside protection but a thin development spread; they are income-plus-upside holds, not classic under-optimised acquisitions.

The most expensive asset is the weakest. The \$4,250,000 Bank Street mixed-use box is fully tenanted, parking-free, and already dense; its redevelopment delta is small and it screens Low despite asset quality.

Zoning confirmation is the gating diligence item. Because the codes are listing-sourced under a transitional dual-by-law regime, parcel-level zoning confirmation is the first diligence step on any candidate the client chooses to advance.

Recommendation.

Advance the four High-viability candidates to a full financial underwrite – the kind of uniform pro forma the firm applies elsewhere – starting with the two lowest-basis files. Treat the Medium tier as a second-priority queue, favouring vacant-repositioning files over priced-in income holds, and reconcile the one rating that diverged between screening passes before acting. Deprioritise the Low candidate. On every file advanced, confirm the parcel zoning and any heritage status before an offer is contemplated.

Review and supplementary information

This section is Lumenalis commentary added at publication. It is not part of the original engagement output. It records the data repairs and consolidation performed, the limits of a screening-stage product, and the diligence a follow-on underwrite should resolve. Sources are listed at the end.

Data repairs performed before publication.

The source workbook contained two mechanical defects, both corrected without changing analytical meaning. First, several cells recording the possible additional unit count had been silently coerced into calendar dates by the spreadsheet application — a range entered as “2-4” had become 4 February 2026, and so on. Each was restored to its intended numeric range. Second, the working text carried orphaned footnote-marker digits at the ends of cells; these were removed. No rating, price, or thesis was altered.

Two screening passes were consolidated.

The source held two overlapping screens — a broad five-candidate pass and a refined ten-candidate corridor pass — sharing three addresses. They were merged into a single de-duplicated set of twelve distinct candidates, retaining the fuller entry where an address appeared in both. The two-pass narrowing process itself is not shown, in the interest of a clean comparative read.

One rating diverged between the passes — flagged for reconciliation.

455-457 Somerset Street West was rated High viability in the broad pass and Low in the refined pass. The fuller (High) entry is reproduced here per the consolidation rule, but the divergence is real and material. The High view rests on lot size and TM14 zoning flexibility; the Low view rests on priced-in net operating income and a thin development spread. Pending a financial underwrite, the prudent treatment is to regard the asset as Medium — an income-plus-upside hold rather than a top-tier intensification play.

This is a screen, not an underwrite.

The product ranks candidates on qualitative viability and development headroom. It carries no acquisition cost build, no construction estimate, no stabilised net operating income, and therefore no return on cost. Its value is triage: it narrows a live pipeline to the few files that justify the cost of a full underwrite. The logical next step is to run the four High-viability candidates through a uniform pro forma — acquisition and renovation cost, financing carry, stabilised income, capitalised value, and return on cost — to convert qualitative viability into a ranked, numeric decision.

Zoning rests on listing-sourced codes under a transitional regime.

Ottawa is in a dual-compliance period in which the legacy Zoning By-law 2008-250 and the new Comprehensive Zoning By-law 2026-50 both bear on entitlement. The zoning codes and exception suffixes recorded here (for example R4UD[479], R4S[478], TM14, TM(2185), CM1 H(20), and the split GM2/RH4 designation) were taken from MLS and brokerage mirrors and could not be confirmed against the City's official mapping in the engagement environment. Per-parcel confirmation of the governing code, exception standards, and setback tables is mandatory before any offer, and several theses assume a unit count at the upper end of what the as-of-right envelope may support.

Heritage process is a priced risk on the Bank and Centretown files.

Several candidates sit within or adjacent to the Centretown and Minto Park Heritage Conservation District, and the Bank Street corridor is within a Heritage Conservation District study area. One Bank Street property is a listed non-contributing building. Designation does not preclude redevelopment, but it adds

review time and constrains exterior change; the cost and schedule effect should be carried in any underwrite.

Vacancy delivery and unit-legalisation carry timing and code risk.

Several theses depend on vacant possession or on legalising existing non-conforming or basement units. Vacant-possession delivery must be papered carefully under the Residential Tenancies Act, 2006, and legalisation triggers fire-separation, egress, and life-safety compliance. These are surmountable but should be diligenced rather than assumed.

Listing particulars are seller-stated.

Prices, storey counts, parking, and unit configurations are drawn from active listings and brokerage descriptions. Some particulars are seller-stated and unverified; lot dimensions and existing-unit legality should be confirmed by survey and municipal records during diligence.

Limitations and analyst's self-assessment

This report reproduces, repairs, and reviews a screening-stage assessment; it is not an independent underwrite or appraisal. Its reliability is bounded in four ways. First, the viability ratings are the engagement's qualitative judgements, not modelled returns, so two reasonable analysts could tier the Medium band differently — as the source's own two passes did on one asset. Second, the zoning regime post-dates standard references and the codes are listing-sourced, so the development headroom claims are indicative until parcel-confirmed. Third, the consolidation of two passes involved a documented judgement call on the divergent rating, which a reader may wish to revisit. Fourth, at the client's instruction the public listing data, including addresses, is retained, so the anonymisation protects the client's identity but not the identity of the candidate properties; the confidential layer is the ranking and thesis, not the parcels.

Sources and method

Reproduction method.

The source workbook was parsed with openpyxl; a separate property-disposition tab was excluded by instruction. The date-corrupted unit cells were restored, footnote markers stripped, two screening passes de-duplicated, and the client identity removed. Listing data was preserved. The report was typeset in the Lumenalis v2.0 brand system and rendered to PDF.

Regulatory and reference sources.

- Personal Information Protection and Electronic Documents Act (PIPEDA), S.C. 2000, c. 5.
- Planning Act, R.S.O. 1990, c. P.13 (zoning, consent/severance, minor variance, site plan control).
- City of Ottawa Zoning By-law 2008-250 (legacy) and Comprehensive Zoning By-law 2026-50 (Traditional Mainstreet, low-rise residential, minor corridor, and general mixed-use frameworks) — per-parcel permissions to be confirmed on the City's official mapping.
- City of Ottawa Official Plan (intensification policy; 15-minute neighbourhoods).
- Ontario Heritage Act, R.S.O. 1990, c. O.18 (Heritage Conservation Districts).
- Residential Tenancies Act, 2006, S.O. 2006, c. 17 (vacant possession; tenancy terminations).
- Geltner, Miller, Clayton, and Eichholtz, Commercial Real Estate Analysis and Investments, 3rd ed. (2014) — development-screening framework.
- Brueggeman and Fisher, Real Estate Finance and Investments (income capitalisation; value-add underwriting).

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This document illustrates analytical method and is not investment, legal, or tax advice.