

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**BETWEEN:**

**MARSHALLZEHR GROUP INC., AS ADMINISTRATOR**

Applicant

and

**12252856 CANADA INC.**

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED

**AFFIDAVIT OF MIR ALI  
(Sworn December 22, 2023)**

I, Mir Ali, of the City of Ottawa in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a shareholder of the Respondent, 12252856 Canada Inc. (the "**Respondent**" or "**122**"), and as such have knowledge of the matters hereinafter deposed to, except where matters are stated to be based on information and belief, in which case the source of my information and belief is stated, and I do verily believe the same to be true.
2. I make this affidavit to supplement my previous affidavit sworn December 11, 2023, and in opposition to the Receiver, RSM Canada Limited's (the "**Receiver**") motion to approve the sale of the assets of the Respondent to MarshallZehr Capital Partners Inc.

(“**MZ Capital**”), pursuant to the MZ APS, as defined in the Receiver’s motion record, dated November 21, 2023.

## **Background**

3. 122 is the registered owner of the properties that are the subject of the Applicant, MarshallZehr Group Inc (“**MZ**”)’s mortgage security (the “**Loan**”).

4. I first became involved with 122 as a lender. My company, Consortia Equity Capital Limited lent 122 funds secured by a mortgage on the Property. As further funding was required, another loan was advanced by my company 12279266 Canada Inc. (“**1227**”). As further funds were advanced, I was provided shares in 122.

5. The subject properties consist of residential development land located at 201, 227 and 235 King Road, in the City of Richmond Hill (collectively, the “**Property**”).

6. 122 purchased the Property in or about November, 2020. After that development work started. The Property is being redeveloped into a 178-unit stacked townhome development (the “**Project**”).

7. I am the director of Consortia N.A. Limited (“**Consortia**”), which has led the development work on the Project.

8. Consortia retained Evans Planning in relation to the Project. In addition, Consortia has secured joint venture partners for the refinancing and construction of the Project, effective upon approval by the Court of a new offer to purchase the Property, discussed further below.

### **Status of the Project**

9. The planning and approval stage for the Project is virtually completed.
10. When the Receiver was appointed, Evans Planning provided a letter to confirm the status of the development work completed prior to the receivership. Attached as **Exhibit "A"** is a letter from Evans Planning to Consortia regarding the development status, dated March 8, 2023.
11. As set out in Evans Planning's letter, there is only one last series of plan revisions required, mainly consisting of final clearances and responding to municipal requests to modify plans to clarify details. There are not any City or Region of York comments which require the alteration to the design, shape or number of dwelling units proposed. The comments from the City and Region are minor and technical in nature.
12. We have been unable to take further action to complete the final planning items since February 28, 2023 because of the Receivership Order.

### **Joint venture for the Project**

13. During the receivership, I have been in frequent discussions with MZ, the Receiver also well as Consortia's joint venture partners and the subordinate secured creditors.
14. One of the secured creditors, Bridlepath Finance Inc. ("**Bridlepath**"), also contemplated making a bid for the Property (as indicated in the Receiver's Third Report).

I have also engaged in discussions with Bridlepath regarding becoming a further partner in Consortia's development of the Project.

15. As indicated in the Receiver's Third Report, in October 2023, it was contemplated that Bridlepath and 1227 would submit a joint offer to purchase the Property.

16. Since then, in discussion with Consortia's partners and Bridlepath, it has been agreed in principle to bring Bridlepath on board as a partner in the Project.

17. Accordingly, 1227 has now submitted a fresh offer to the Receiver to purchase the Property. Attached hereto as **Exhibit "B"** is a copy of 1227's fresh offer to purchase (the "**1227 Offer**").

18. There is a short conditional period in the 1227 Offer, to January 25, 2023, to allow time - from approval - to finalize the addition of Bridlepath to the joint partnership.

19. The 1227 Offer contains a purchase price well in excess of the estimated purchase price being offered by MZ Capital. The 1227 Offer would close the later of 30 days of the Court granting an Approval and Vesting Order or after the Due Diligence Condition has been satisfied or waived. Salient terms include:

- a. A purchase price of \$41.5 Million;
- b. A first deposit of \$500,000;
- c. A second deposit of \$500,000 after conditions being satisfied or waived.



20. From my discussions with the subsequent secured creditors, I understand they are supportive of the 1227 Offer. The subsequent secured lenders would postpone their mortgages to a new first mortgage granted by 1227, which will avoid having their security deleted and the Property being sold off on a fire-sale under the credit bid.

21. If the MZ Capital credit bid were accepted, then all the subsequent secured creditors will suffer a total loss and lose their security.

### **Sales Process**

22. The MZ Capital credit bid would see the Property transferred to MZ Capital, a non-arm's length corporation from the Applicant, MZ, that endorsed a sales process that did not engage with the significant development value of the Project.

23. The real estate brokerage selected by the Receiver, as approved by MZ, does not appear to have made any concerted effort to attract buyers based on the mature development stage of the Project.

24. Rather, the Receiver's Third Report, imprecisely states that the Property "is currently undeveloped save for a vacant, detached residential dwelling on one of the lots"

and “no improvement have been made to the Property since the Debtor completed the purchase of the Property in October 2020.”

25. That statement is inaccurate. As set out in the letter from Evans Planning previously attached, the planning and approval work was on the cusp of completion before being halted by the receivership.

26. Colliers appraised the value of the Property during the course of the development work in February 2022. Attached as **Exhibit “C”** is a copy of Colliers’ appraisal.

27. As set out in the Colliers’ appraisal, the Property had an “as is” market value of \$34,710,000 in consideration of the planning and approvals development work.

28. More recently, Cushman & Wakefield completed a draft appraisal of the Property, a copy of which is attached as **Exhibit “D”**. The valuation date is October 31, 2023. Cushman’s assessment included reviewing the development work, including as described in the Evans Planning report previously attached.

29. As set out in Cushman’s appraisal, the Property has an “as is” market value as of October 31, 2023 is \$35,300,000 in consideration of the planning and approvals development work.

30. To date, I am unaware whether the Receiver obtained any appraisals, or whether any valuations it may have considered included consideration of the development status of the Property and used comparables that were development lands.

31. I am also familiar with another development project in Richmond Hill. The development land is located at 2-8 Bond Crescent and 8-18 Bostwick Crescent in Richmond Hill. That property sold for \$33,800,000 pursuant to a purchase and sale agreement made July 25, 2023.

32. Cushman found that the Bond/Bostwick property is a "Superior" grade for overall comparability for the subject Property.<sup>1</sup> The Bond/Bostwick property has slightly less acreage than the subject Property: 3.537 acres versus 3.875 acres.

33. As set out in the Receiver's Third Report, the sales process carried out by Avison Young only generated two bids from persons unconnected to the Property. The Receiver states the bids were low.

34. The fact that the Receiver, who is represented by the same counsel as MZ, conducted a sales process in which the Property was marketed "as is" rather than reflecting its development status. It is concerning and may explain why third-party offers were apparently too low for the Receiver to even consider.

35. I am advised by my counsel and do verily believe that they have submitted a list of questions to the Receiver, including that would provide evidence as to how Avison Young

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<sup>1</sup> See p. 37 of the Cushman appraisal.

actually carried out the sales process and facilitate assessment of whether the Receiver's sales process satisfies the *Soundair* principles, including whether the Receiver has made sufficient efforts to get the best price and not acted improvidently. Attached as **Exhibit "E"** is a copy of the list of questions submitted by my counsel to the Receiver in accordance with the Endorsement of Justice Steele dated December 12, 2023.

36. To date, the Receiver has not provided evidence to substantiate the efforts actually made in carrying out the sales process for the Property.

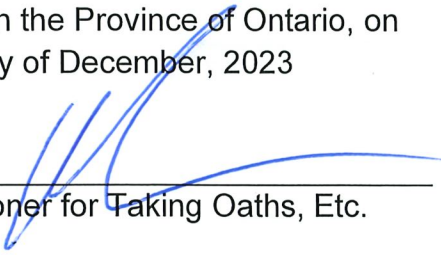
37. Should the Receiver sell the Property pursuant to the 1227 Offer, MZ would be paid in full within approximately 30 days and the subsequent encumbrancers will not be deprived of their security.

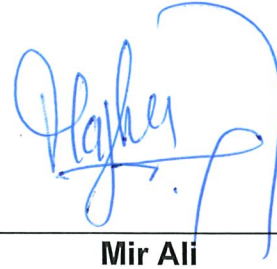
38. Conversely, the MZ credit bid would harm all creditors aside from MZ. Furthermore, the harm to 122 would be immense in losing the Property through a credit bid. Colliers has valued the "as complete" value of the Project at \$182,000,000. Attached as **Exhibit "F"** is a copy of Colliers draft appraisal for the as complete value.

39. For the reasons stated above, I respectfully request that this Honourable Court approve the 1227 Offer.

40. I make this affidavit in response to the Application with respect to the outstanding quantum of debt issues that require resolution, and for no other or improper purpose.

**SWORN BEFORE ME** at the City of Toronto, in the Province of Ontario, on this 22 day of December, 2023

  
\_\_\_\_\_  
Commissioner for Taking Oaths, Etc.

  
\_\_\_\_\_  
**Mir Ali**

This is Exhibit "A" referred to in  
the Affidavit of Mir Ali  
sworn this 22nd day of December, 2023

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

\_\_\_\_\_  
Commissioner for Taking Affidavits, etc.



March 8, 2023

Consortia Equity Capital Limited  
155 Commerce Valley Drive East  
Markham, ON  
L3T 7T2

Attn: Mr. Michael Mackie

Dear Mr. Mackie

RE: Project Status Update  
0, 227 and 235 King Road, City of Richmond Hill

The following is a status of the development applications which have been submitted for the two parcels of land having a gross area of 1.56 hectares of land located on the south side of King Road, within the City of Richmond Hill. In addition, the future work to finalize the municipal approvals needed to secure a building permit is identified herein.

The Local Planning Appeal Tribunal issued approvals for a Zoning By-law amendment and Draft Plan of Subdivision to allow this land to be developed with 178 stacked condominium townhouse dwellings, an associated underground parking garage and land to be conveyed to the City of Richmond Hill for park purposes. It was subsequently necessary to obtain site plan control approval for the building design and site servicing. Since the time of approval, several iterations of the array of development plans have been to the City of Richmond Hill for their final approval.

As of the writing of this letter, it is necessary to submit one last series of plan revisions. For the most part, the comments received from the latest circulation and review were final clearances, or requests to modify plans to clarify details. There are not any City or Region of York comments which require the alteration to the design, shape or number of dwelling units proposed. Comments received from the Region of York confirmed the access design onto King Road and requested that subsequent plans provide details related to the construction on the project namely, hoarding, crane swing, and traffic management plans.

It is our view that the comments received are minor and technical in nature and can be readily addressed by the consulting team. Upon receipt of direction to proceed with the plan revisions, it is expected that a re-submission can be made to the City and Region within a four to six week

timeframe. Typical to a final submission of this nature, it is likely that comments from the Region and City in response to this submission will be made available within four to six weeks of the re-submission. Upon receipt of the final sign off from all of the City's internal departments and the Region of York, City Staff will be in a position to commence the preparation of the implementing Site Plan Agreement. The preparation of the agreement by city Staff and the execution, and registration of the agreement typically will take an additional six to eight weeks. It is the City's typical practice to accept building permit applications following execution of the Site Plan Agreement and the posting of securities with the City and Region.

Upon direction to proceed, our office e will coordinate the revisions to the development plans by the consulting experts retained for this project, including but not limited to, the Project Architects, Civil Engineers, Traffic Analysts, Landscape Architects and Lighting Engineers. Our scope of work involves preparing a response matrix identifying how each comment has been addressed and coordinating the timely and accurate plan/report revisions by each member of the consulting team. Once the plans and reports have been filed with the City of Richmond Hill, we will liaise with each of the commenting departments and agencies to ensure their timely review.

I trust that this information is satisfactory for your use. Should you have any questions regarding this matter, please contact the undersigned.

Yours truly,



Murray Evans



This is Exhibit "B" referred to in  
the Affidavit of Mir Ali  
sworn this 22nd day of December, 2023

  
\_\_\_\_\_  
Commissioner for Taking Affidavits, etc.

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT dated the 21st day of December, 2023.

BETWEEN:

**RSM CANADA LIMITED,**  
solely in its capacity as Court-appointed receiver of  
12252856 Canada Inc.,  
and not in its personal or corporate capacity  
and without personal or corporate liability  
(the “Receiver”)

- and -

**12279266 CANADA INC.**  
(the “Purchaser”)

RECITALS:

- A. Pursuant to the Receivership Order, the Receiver (i) was appointed as receiver of all of the assets, undertakings and properties of 12252856 Canada Inc. (the “Debtor”) and (ii) is authorized to market and sell the Purchased Assets and negotiate such terms and conditions of sale as the Receiver may deem appropriate; and
- B. The Receiver wishes to sell, and the Purchaser wishes to purchase the Debtor’s right, title and interest, if any, in and to the Purchased Assets, subject to and in accordance with the terms and conditions contained herein.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confirmed, the Parties agree as follows:

### 1. DEFINITIONS

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) “**Acceptance Date**” means the date that this Agreement is executed by each of the Parties;
- (b) “**Agreement**” means this agreement together with the attached schedules;
- (c) “**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Government Authority;
- (d) “**Approval and Vesting Order**” means the order of the Court, substantially in the form of the template Model Approval and Vesting Order approved by the Commercial List Users’ Committee for use on the Court, approving the Transaction and ordering that the Debtor’s right, title and interest in the Purchased Assets be vested in the Purchaser free and clear of encumbrances except for Permitted Encumbrances upon satisfaction by the Purchaser of its obligations under this Agreement;

- (e) **“Assumed Contracts”** means all service or supply contracts, if any, relating to the Property as may be specifically assumed by the Purchaser by written notice provided to the Receiver prior to Closing;
- (f) **“Assumed Liabilities”** has the meaning ascribed to it in Section 10 hereof;
- (g) **“Assumed Mortgages”** means the charges/mortgages of land described in Section 5 (c ) hereof, securing any and all principal, interest, fees and other amounts thereon;
- (h) **“Back Up Bid”** means the offer to purchase the Property submitted by MarshallZehr Capital Partners Inc., in trust for a company to be incorporated, that was selected by the Receiver as the bid that will become the successful bid in the event the Transaction fails to close on or before the Closing Date;
- (i) **“Business Day”** means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario;
- (j) **“Closing”** has the meaning ascribed to it in Section 13 hereof;
- (k) **“Closing Date”** has the meaning ascribed to it in Section 13 hereof;
- (l) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (m) **“Deposit”** shall have the meaning ascribed to it in Section 5(a) hereof;
- (n) **“DRA”** has the meaning ascribed to it in Section 14(a)(ii) hereof;
- (o) **“Due Diligence Condition”** means the condition for the exclusive benefit of the Purchaser set out in Section 6.2 of this Agreement;
- (p) **“Due Diligence Expiry Date”** means 5:00 p.m. (Toronto time) January 25, 2024;
- (q) **“Environmental Law”** means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;
- (r) **“ETA”** means the *Excise Tax Act* (Canada);
- (s) **“Excluded Assets”** means any of the Purchased Assets that the Purchaser elects to exclude in writing prior to Closing pursuant to Section 7 hereof;
- (t) **“Final”** with respect to any order of the Court, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Receiver and Purchaser) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;
- (u) **“First Deposit”** shall have the meaning ascribed to it in Section 5(a) hereof;
- (v) **“Government Authority”** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal governments having or claiming to have jurisdiction over part or all of the Property, the Transaction contemplated in this Agreement and/or one or both of the Parties;

- (w) **“Hazardous Materials”** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any “Contaminants”, “Dangerous Substances”, “Hazardous Materials”, “Hazardous Substances”, “Hazardous Wastes”, “Industrial Wastes”, “Liquid Wastes”, “Pollutants” and “Toxic Substances”, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or poly-chlorinated biphenyl wastes;
- (x) **“HST”** shall have the meaning ascribed thereto in Section 30 hereof;
- (y) **“Indemnities”** has the meaning ascribed to it in Section 20(a) hereof;
- (z) **“Liabilities”** means any and all claims, actions, causes of action, suits, proceedings, applications, complaints, costs, expenses, charges, debts, liabilities, losses, damages, orders, judgments, demands, fines, penalties and obligations or any nature or kind whatsoever, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise;
- (aa) **“Parties”** means collectively the Receiver and the Purchaser, and **“Party”** means either one of them;
- (bb) **“Permits”** means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Government Authority in respect of the Property;
- (cc) **“Permitted Encumbrances”** means those encumbrances listed in Schedule “B” to this Agreement and the Assumed Mortgages;
- (dd) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Government Authority or other entity however designated or constituted;
- (ee) **“Plans”** means all plans, designations and specifications in connection with the Property which are in the possession or control of the Receiver (it being acknowledged that the Receiver is under no obligation to incur additional expense to obtain such plans, designs and specifications);
- (ff) **“Property”** means the lands and premises municipally known as 0, 227 and 235 King Road, Richmond Hill, Ontario as legally described in Schedule “A” to this Agreement;
- (gg) **“Purchase Price”** shall have the meaning ascribed thereto in Section 4 hereof;
- (hh) **“Purchased Assets”** means all of the Debtor’s right, title and interest in the following assets:
  - (i) the Property;
  - (ii) the Assumed Contracts;

- (iii) the Permits;
- (iv) the Plans;
- (v) all Rights under or pursuant to all warranties, representations and guarantees, express, implied, or otherwise of or made by suppliers of goods or services to the Debtor in connection with the Purchased Assets; and

in each case, other than the Excluded Assets;

- (ii) **“Purchaser’s Solicitors”** means the firm of Friedman Law Professional Corporation (Attention: William Friedman), Telephone No.: (416) 496-3340 ext. 199, E-mail: wf@friedmans.ca;
- (jj) **“Receiver’s Certificate”** means the certificate attached as a schedule to the Approval and Vesting Order confirming *inter alia* that the Receiver has received the Purchase Price and all conditions to Closing, if any, have been satisfied or waived by the Parties;
- (kk) **“Receiver’s Solicitors”** means the firm of Chaitons LLP (Attention: Harvey G. Chaiton), Telephone No. (416) 218-1129. E-mail: harvey@chaitons.com;
- (ll) **“Receivership Order”** means the order of the Court dated February 28, 2023, appointing the Receiver of all of the assets, undertakings and properties of the Debtor;
- (mm) **“Rights”** shall have the meaning ascribed thereto in Section 12 hereof;
- (nn) **“Second Deposit”** shall have the meaning ascribed to it in Section 5(a) hereof;
- (oo) **“Statement of Adjustments”** has the meaning ascribed to it in Section 26(c) hereof;
- (pp) **“TERS”** has the meaning ascribed to it in Section 14(a)(i) hereof; and
- (qq) **“Transaction”** means the transaction contemplated by this Agreement.

## 2. SCHEDULES

The following Schedules are appended to this Agreement:

Schedule “A”	Property
Schedule “B”	Permitted Encumbrances
Schedule “C”	Assumed Mortgages

## 3. AGREEMENT TO PURCHASE AND SELL

On the Closing Date, the Receiver shall sell the Purchased Assets and assign the Assumed Liabilities and the Purchaser shall purchase the Purchased Assets and assume the Assumed Liabilities, subject to and in accordance with the terms and conditions set out this Agreement.

## 4. PURCHASE PRICE

The purchase price payable by the Purchaser to the Receiver for the Purchased Assets shall be Forty One Million Five Hundred Thousand (\$41,500,000.00) (the **“Purchase Price”**).

## 5. METHOD OF PAYMENT

The Purchase Price shall be paid, accounted for and satisfied as follows:

- (a) a first deposit equal to Five Hundred Thousand (\$500,000) Dollars (the “**First Deposit**”) shall be paid to the Receiver’s Solicitors, in trust, by wire transfer, certified funds or bank draft within three (3) Business Days after the Acceptance Date. In addition a second deposit of Five Hundred Thousand (\$500,000) Dollars (the “**Second Deposit**”) shall be paid to the Receiver’s Solicitors, in trust, by wire transfer or bank draft within three (3) Business Days after the Acceptance Date. The First Deposit and the Second Deposit collectively herein referred to as the “**Deposit**”. The Deposit shall be held by the Receiver’s Solicitors, in trust, in a non-interest bearing account as a deposit pending Closing or termination of this Agreement. The Deposit is to be credited towards the Purchase Price upon completion of the Transaction. In the event that the Purchaser fails or refuses to deliver either the First Deposit or the Second Deposit in accordance with the provisions herein, this Agreement shall be deemed terminated as a result of the Purchaser’s default hereunder and the First Deposit shall be retained, if applicable, by the Receiver as liquidated damages without prejudice to any further rights it may have hereunder, at law or in equity. In the event that the Transaction is not completed for any reason other than the Purchaser’s default hereunder, the full amount of the Deposit, without any interest, set-off and/or deduction, shall be returned forthwith to the Purchaser. If this Agreement is terminated or if the Transaction is not completed as a result of default by the Purchaser, the Deposit shall be retained by the Receiver as liquidated damages without prejudice to any further rights it may have hereunder, at law or in equity;
- (b) the sum of Twenty-Three Million Five Hundred Thousand (\$23,500,000) Dollars to the Receiver by wire transfer, certified funds or bank draft on Closing; and
- (c) by the assumption of the following mortgages, more particularly described in Schedule “C” totalling a principal amount of \$16,000,000 registered on title to the Property:
  - (i) the second mortgage in the principal sum of \$1, 000,000
  - (ii) the third mortgage in the principal sum of \$500,000
  - (iii) the fourth mortgage in the principal sum of \$5,500,000; and
  - (iv) the fifth mortgage in the principal sum of \$9,000,000.

## 6. ALLOCATION OF PURCHASE PRICE and DUE DILIGENCE

6.1 The Parties acknowledge and agree that they shall each make their own allocations of the Purchase Price between the Purchased Assets for the purposes of the *Income Tax Act* (Canada) and any filings in accordance with the provisions thereof.

6.2 This Agreement and the Purchaser’s obligations to complete the transaction contemplated by this Agreement shall be conditional until the Due Diligence Condition Expiry Date upon the Purchaser executing a joint venture agreement with Bridlepath Finance Inc. in form ad content acceptable to The Purchaser and Bridlepath Finance Inc.

## 7. EXCLUDED ASSETS

Save and except as otherwise expressly set out herein, the Purchaser may, at its option and upon written

notice to the Receiver not less than ten (10) Business Days prior to the Closing Date, exclude any of the Purchased Assets from the Transaction, whereupon such assets shall be deemed to form part of the Excluded Assets, provided, however, that there shall be no reduction in the Purchase Price as a result of such exclusion.

## 8. APPROVAL AND VESTING ORDER

Following the Acceptance Date, the Receiver shall seek an appointment with the Court for a motion to be heard within thirty (30) days thereof, or otherwise as soon as reasonably possible, to seek the Approval and Vesting Order. The Purchaser shall, at its sole cost and expense, promptly provide to the Receiver all such information and assistance as the Receiver may reasonably require to obtain the Approval and Vesting Order.

## 9. CLOSING ADJUSTMENTS

Adjustments shall be made as of 12:01 A.M. (Eastern Daylight Time) on the Closing Date, for all realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale. The day of Closing shall be for the account of the Purchaser. Other than as provided for in this Section 9, there shall be no adjustments to the Purchase Price.

## 10. ASSUMED LIABILITIES

- (a) On Closing, the Purchaser shall assume and be liable for payment and performance of the following Liabilities from and after Closing (collectively, the “**Assumed Liabilities**”):
  - (i) the Permitted Encumbrances; and
  - (ii) all Liabilities under the Assumed Contracts.
- (b) The Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Debtor, including without limitation any Liabilities arising or accruing from the ownership or use of the Purchased Assets prior to the Closing, other than the Assumed Liabilities and the mortgages described in Section 5 (c ) hereof.

## 11. ASSUMED CONTRACTS

The Purchaser shall give notice to the Receiver in writing at least ten (10) Business Days prior to Closing Date of the Assumed Contracts that it elects to assume on Closing. This Agreement and any document delivered under this Agreement will not constitute an assignment or an attempted assignment of any such Assumed Contracts contemplated to be assigned to the Purchaser under this Agreement which are not assignable without the consent of a third Person if such consent or order of the Court has not been obtained and such assignment or attempted assignment would constitute a breach of such Contract. The Receiver, in cooperation with the Purchaser, shall use commercially reasonable efforts to obtain the consent of the counterparties for the assignment of the Assumed Contracts. The Purchaser shall be responsible for any cure payment required to be made to the counterparties to the Assumed Contracts which are to be assigned to it, which payments shall not reduce and/or abate the Purchase Price.

## 12. ASSIGNMENT OF PURCHASED ASSETS

To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing and/or any claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the “**Rights**”)

are not capable of being transferred without the approval, consent or waiver of any third Person, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent, waiver or order of the Court has been obtained. For greater certainty, unless expressly provided for herein (a) no such approval, consent, waiver or order shall be a condition to Closing and (b) there shall be no reduction and/or abatement to the Purchaser Price in respect to the absence of any such approval, consent, waiver or order on Closing.

### 13. CLOSING DATE

The Transaction shall be completed thirty (30) days immediately following the date on which the Approval and Vesting Order is granted (the “**Closing Date**” or “**Closing**”) or such other date as the Purchaser and the Receiver may agree in writing. If, prior to the Closing Date, the Approval and Vesting Order (or any orders dismissing appeals thereof) shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then the Closing Date shall mean the day that is eleven (11) days immediately following the date on which any such appeals and/or proceedings are dismissed. Provided that if the Court at any time declines to grant the Approval and Vesting Order, this Agreement shall be terminated and of no further force and effect, subject to and in accordance with the provisions set forth in Section 21 hereof.

### 14. ELECTRONIC REGISTRATION

The Parties hereby acknowledge and agree that:

- (a) the Purchaser shall:
  - (i) be obliged to retain a solicitor who is both an authorized user of the electronic registration system (“**TERS**”) and is in good standing with the Law Society of Ontario to represent the Purchaser in connection with the completion of the Transaction; and
  - (ii) shall authorize such solicitor to enter into a document registration agreement with the Receiver’s Solicitors in the form as agreed by the Purchaser’s Solicitors and the Receiver’s Solicitors (the “**DRA**”), establishing the procedures and timing for completing the Transaction;
- (b) the delivery and exchange of the closing documents:
  - (i) shall not occur contemporaneously with the registration of the Application for Vesting Order and other registerable documentation; and
  - (ii) shall be governed by the DRA, pursuant to which the Receiver’s Solicitors and Purchaser’s Solicitors shall hold all closing documents in escrow, and will not be entitled to release them except in strict accordance with the provisions of the DRA;
- (c) the Receiver will not release the Receiver’s Certificate confirming the effectiveness of the Approval and Vesting Order until the balance of funds due on Closing, in accordance with the Statement of Adjustments, are remitted by wire transfer to the Receiver’s Solicitors (or in such other manner as the Receiver or Receiver’s Solicitors may in writing direct);
- (d) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been made by the Receiver upon the Purchaser when the Receiver’s Solicitors have:
  - (i) delivered all documents required to be delivered by the Receiver to the Purchaser pursuant to Section 26 hereof;



- (ii) advised the Purchaser's Solicitors in writing that the Receiver is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
- (iii) completed all steps required by TERS to complete the Transaction that can be performed or undertaken by the Receiver's Solicitors without the cooperation or participation of the Purchaser's Solicitors, and specifically when the "completeness signatory" for the Application for Vesting Order has been electronically "signed" by the Receiver's Solicitors,

without the necessity of personally attending upon the Purchaser or the Purchaser's Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing;

- (e) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been made by the Purchaser upon the Receiver, when the Purchaser's Solicitors have:
  - (i) delivered the balance due at Closing and all the documents required to be delivered by the Purchaser to the Receiver's Solicitors pursuant to Section 27 hereof;
  - (ii) advised the Receiver's Solicitors in writing that the Purchaser is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and
  - (iii) completed all steps required by TERS to complete the Transaction that can be performed or undertaken by the Purchaser's Solicitors without the cooperation or participation of the Receiver's Solicitors, and specifically when the "completeness signatory" for the Application for Vesting Order has been electronically "signed" by the Purchaser's Solicitors,

without the necessity of personally attending upon the Receiver or the Receiver's Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing; and

- (f) if through no fault of the Purchaser's Solicitors or the Receiver's Solicitors TERS is unavailable on the Closing Date, such that the Purchaser's Solicitors are unable to register the Application for Vesting Order, then the Transaction shall be completed in escrow in accordance with the terms of the DRA which shall apply until such time as TERS becomes available. Upon TERS becoming available, the Receiver's Solicitors shall advise the Purchaser's Solicitors forthwith and the Parties shall arrange to complete the registration of the Approval and Vesting Order as expeditiously as possible, whereupon the escrow shall be released.

In the event of any conflict or inconsistency between the terms of this Section 14 and the terms of the DRA, the terms of this Section 14 shall prevail.

## 15. PRE-CLOSING RISK

The Purchased Assets are and shall remain at the Receiver's risk until Closing and the Receiver shall hold all insurance policies and the proceeds thereunder, in trust, for the Parties as their respective interests may appear pending Closing.

## 16. PURCHASER'S REPRESENTATIONS AND WARRANTIES

As a material inducement to the Receiver entering into this Agreement and completing the Transaction, acknowledging that the Receiver is entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 16, the Purchaser represents and warrants to the Receiver as follows:

- (a) it is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of Ontario and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement; neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the Transaction will violate:
  - (i) the Purchaser's articles of incorporation and/or by-laws;
  - (ii) any agreement to which the Purchaser is bound;
  - (iii) any judgement or order of a court of competent authority or any Government Authority; or
  - (iv) any Applicable Law;

and it has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;
- (b) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (c) there are no orders or proceedings pending before any Government Authority, or threatened to be brought by or before any Government Authority by or against the Purchaser, affecting the legality, validity or enforceability of this Agreement or the consummation of the Transaction contemplated hereby by the Purchaser;
- (d) it has made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the cash portion of the Purchase Price to the Receiver on Closing;
- (e) it will be responsible for and will remit to or reimburse, as applicable, all taxes, including without limitation land transfer tax, levies or the like that arise from the sale of the Purchased Assets unless otherwise specified in this Agreement. All taxes does not include any income or capital gains taxes payable as a result of the sale of the Purchased Assets;
- (f) it is a registrant under Part IX of the ETA;
- (g) it is (i) not a non-resident, as defined in section 116 of the *Income Tax Act* (Canada) and (ii) not a non-Canadian, as defined in the *Investment Canada Act* (Canada) and the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada);
- (h) it acknowledges that it is responsible for conducting its own searches and investigations of the current and past uses of the Property;
- (i) it is satisfied with the Purchased Assets and all matters and things connected therewith or in any way related thereto; and
- (j) it relies entirely on its own judgment, inspection and investigation of the Property, and any

documentation relating to the Purchased Assets obtained from the Receiver has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Agreement.

## **17. RECEIVER'S REPRESENTATIONS AND WARRANTIES**

As a material inducement to the Purchaser entering into this Agreement and completing the Transaction, acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Receiver set out in this Section 17, the Receiver represents and warrants to the Purchaser as follows:

- (a) subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Receiver, enforceable against the Receiver, in accordance with its terms;
- (b) it is a registrant under Part IX of the ETA;
- (c) it is not a non-resident within the meaning of the *Income Tax Act* (Canada); and
- (d) the Receivership Order is in full force and effect.

## **18. "AS IS, WHERE IS" ACKNOWLEDGEMENT**

The Purchaser acknowledges that the Receiver is selling the Purchased Assets on an "as is, where is" and "without recourse" basis. Other than as specifically indicated herein, neither the Receiver nor any of its directors, officers, employees, professional consultants or advisors, agents or representatives make or grant any representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, including, without limitation, under the *Sale of Goods Act* (Ontario) and/or all Applicable Law, all of which are expressly waived by the Purchaser, with respect to title, encumbrances, outstanding liens, assignability, merchantability, condition, description, present or future uses, fitness for purpose or use, quality, quantity, marketability, zoning, the existence of any work orders or open permits, location and/or size, cost, or as to any other matter whatsoever regarding the Purchased Assets and/or the Debtor, either stated or implied. Without limiting the generality of the foregoing, the Purchaser acknowledges having conducted its own due diligence and investigations in respect of the Purchased Assets, including without limitation the environmental state thereof, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Purchased Assets, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under any Environmental Law, and the existence, nature, kind, state or identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the Purchased Assets or elsewhere. The Purchaser has relied entirely on its own judgment, inspection and investigation of the Purchased Assets, and further acknowledges that, at its own expense, it has inspected the Purchased Assets and in entering into this Agreement and proceeding with and completing its purchase of the Purchased Assets pursuant hereto, it is satisfied with and has relied entirely on its own inspection, investigations and judgment. Notwithstanding anything contained herein to the contrary, the Purchaser further hereby covenants and agrees to release the Receiver of and from all claims and Liabilities which the Purchaser may have against the Receiver in regard to any matter relating to the Purchased Assets. The provisions of this Section 18 shall not merge on Closing but shall remain in effect thereafter without limitation.

## **19. ENCROACHMENTS**

The Purchaser acknowledges agrees that the Receiver shall not be responsible for any matters relating to encroachments on or to the Property and/or the adjoining lands, or to remove same or for any matters relating to any Applicable Law in existence now or in the future affecting any of the Purchased Assets.

## 20. INDEMNIFICATION AND RELEASE BY PURCHASER

The Purchaser hereby acknowledges and agrees that:

- (a) it shall indemnify and save harmless the Receiver and its directors, officers, employees, shareholders, agents and representatives and their respective heirs, successors and assigns (collectively, the “**Indemnitees**”) from and against any and all Liabilities incurred by or asserted against them arising out of or in connection with the Purchased Assets from and after the Closing Date;
- (b) it shall release and discharge the Indemnitees from any Liabilities that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Materials relating to the Property. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Receiver to clean up or remove or pay for the cleanup or removal of any Hazardous Materials, remediate any condition or matter in, on, under or in the vicinity of the Property, or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials; and
- (c) the foregoing provisions shall not merge on Closing and shall remain in effect thereafter without limitation.

## 21. TERMINATION

- (a) The Parties hereby acknowledge and agree that in the event that the Court does not grant the Approval and Vesting Order for any reason whatsoever, this Agreement shall be terminated and of no further force and effect and:
  - (i) the Receiver shall return the Deposit (without interest, deduction and/or set-off) to the Purchaser forthwith; and
  - (ii) the Purchaser shall have no further rights or remedies against the Receiver arising out of the termination of this Agreement.
- (b) If either the Receiver or the Purchaser terminates this Agreement pursuant to the terms hereof, or the Court does not grant the Approval and Vesting Order after submission by the Receiver to the Court for the Approval and Vesting Order of this Agreement but approves the Back Up Bid, the Receiver shall be entitled, in its sole and unfettered discretion, to consummate the transaction contemplated under the Back Up Bid without any further action by the Receiver or notice or obligation to the Purchaser.

## 22. NON-REGISTRATION

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document, instrument or court order or judgement providing evidence of this Agreement against title to Property. Should the Purchaser be in default of its obligations under this Section 22, the Receiver may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Receiver as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property. The Purchaser acknowledges and agrees that the Receiver may rely on the terms of this Section 22 as a full estoppel to any proceeding, suit, claim, motion or other action brought by the Purchaser in order to obtain and attempt to register against the title to the Property any of the items set out in this Section 22.

**23. MUTUAL CONDITIONS**

- (a) This Agreement is conditional upon:
  - (i) the Court granting the Approval and Vesting Order; and
  - (ii) the Approval and Vesting Order being Final.
- (b) The foregoing conditions contained in this Section 23 are inserted for the mutual benefit of Parties and cannot be waived by either one of them. If any of the conditions contained in this Section 23 are not fulfilled or complied with at or prior to the Closing Date, either Party may terminate this Agreement by notice in writing to the other.

**24. RECEIVER'S CLOSING CONDITIONS**

The Receiver shall not be obliged to complete the Transaction unless, on or before the Closing Date, the following conditions shall have been satisfied, it being understood that the conditions are included for the exclusive benefit of the Receiver and may be waived in writing in whole or in part by the Receiver at any time:

- (a) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Purchaser, dated as of the Closing Date, to that effect shall have been delivered to the Receiver, such certificate to be in a form and substance satisfactory to the Receiver, acting reasonably;
- (b) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed by the Purchaser;
- (c) no court order restraining or prohibiting Closing shall have been made;
- (d) the Purchased Assets shall not have been removed from the Receiver's control; and
- (e) the Purchaser delivers the documents referenced in Section 27 to the Receiver.

**25. PURCHASER'S CLOSING CONDITIONS**

The Purchaser shall not be obliged to complete the Transaction unless, on or before the Closing Date, the following conditions shall have been satisfied, it being understood that the conditions are included for the exclusive benefit of the Purchaser and may be waived in writing in whole or in part by the Purchaser at any time:

- (a) all the representations and warranties of the Receiver contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Receiver, dated as of the Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in a form and substance satisfactory to the Purchaser, acting reasonably;
- (b) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Receiver on or before the Closing Date shall have been complied with or performed by the Receiver;
- (c) no court order restraining or prohibiting Closing shall have been made and no legal

proceeding shall be pending which enjoins, restricts or prohibits the purchase and sale of the Purchased Assets contemplated hereby; and

- (d) the Receiver delivers the documents referenced in Section 26 to the Purchaser.

## 26. RECEIVER'S CLOSING DELIVERIES

The Receiver covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

- (a) the Approval and Vesting Order;
- (b) the Receiver's Certificate;
- (c) a direction of funds;
- (d) a statement of adjustments prepared in accordance with Section 9 ("**Statement of Adjustments**") not less than three (3) Business Days prior to the Closing Date;
- (e) a general conveyance and assumption of liabilities with respect to Purchased Assets and the Assumed Liabilities, to the extent applicable;
- (f) an assignment and assumption agreement with respect to the Debtor's right, title and interest in any Assigned Contracts, to the extent applicable;
- (g) the Receiver's certificate setting out that the Receiver is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada);
- (h) an application for vesting order in Teraview, prepared by the Receiver's Solicitors, in accordance with the Purchaser's direction re title; and
- (i) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Receiver contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date.

## 27. PURCHASER'S CLOSING DELIVERIES

The Purchaser covenants to execute, where applicable, and deliver the following to the Receiver's Solicitors at or prior to Closing:

- (a) the balance of the Purchase Price described in Section 5 hereof;
- (b) the Purchaser's indemnity provided for under Section 20(a) hereof;
- (c) the Purchaser's certificate and indemnity described in Section 30 hereof;
- (d) a general conveyance and assumption of liabilities with respect to Purchased Assets and the Assumed Liabilities, to the extent applicable;
- (e) an assignment and assumption agreement with respect to the Debtor's right, title and interest in any Assumed Contracts, to the extent applicable;
- (f) an undertaking with respect to refunds and/or reassessments of all realty taxes attributable to the period prior to the Closing Date;

- (g) a direction re title to confirm the name in which title to the Purchased Assets will be taken, provided that such direction must be provided to the Receiver's Solicitors no less than ten (10) Business Days prior to the hearing date written notice for which has been provided to the Purchaser by the Receiver for the motion to obtain the Approval and Vesting Order;
- (h) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date; and
- (i) any other documentation relative to the completion of this Agreement as may reasonably be required by the Receiver or the Receiver's Solicitors.

## **28. DOCUMENTATION PREPARATION AND REGISTRATION**

The Receiver shall prepare or cause to be prepared all documentation described in Sections 26 and 27 hereof and shall deliver draft documentation to the Purchaser not less than five (5) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and substance satisfactory to the Parties, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the Transaction. Except as otherwise expressly provided in this Agreement, each of the Parties shall be responsible for and pay all legal and other professional/consultant fees and disbursements incurred by it, directly or indirectly, in connection with this Agreement.

## **29. LAND TRANSFER TAXES**

The Purchaser shall pay all land transfer taxes as required pursuant to the *Land Transfer Tax Act* (Ontario) in connection with the transfer of the Purchased Assets pursuant to this Agreement.

## **30. HARMONIZED SALES TAX**

The Purchaser acknowledges and agrees that:

- (a) the Transaction shall be subject to the goods and services tax and harmonized sales tax ("HST") levied pursuant to the ETA and that HST shall be in addition to and not included in the Purchase Price and shall be collected and remitted in accordance with the ETA.
- (b) if (i) the Receiver is a non-resident of Canada or the Receiver would be a non-resident of Canada but for Subsection 132(2) of the ETA; and/or (ii) the Purchaser is a "prescribed recipient" under the ETA and/or is registered under the ETA, then, in each case, the Purchaser shall deliver, prior to Closing, its certificate in form prescribed by the ETA or, if no such form is prescribed, then in form satisfactory to the Receiver and the Receiver's Solicitors, certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect of the Transaction. If Subsection (b) hereof shall be applicable, then the Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration, as the case may be, and the Purchaser's HST registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Receiver, at Closing, in addition to the balance otherwise due at Closing, an amount equal to the HST that the Receiver shall be obligated to collect and remit in connection with the Transaction; and
- (c) the Purchaser shall indemnify and save harmless the Receiver, its directors, officers, employees, shareholders, agents and representatives from all Liabilities incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the

Transaction.

### 31. **PLANNING ACT (ONTARIO)**

This Agreement shall be effective to create an interest in the Property for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing.

### 32. **NOTICE**

Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally (ii) sent by prepaid courier service or (iii) sent by electronic transmission, in each case to the applicable address set out below:

(a) in the case of the Purchaser at:

c/o Friedman Law Professional Corporation  
150 Ferrand Drive, Unit 800  
Toronto, Ontario M3C 3E5

Attn: William Friedman  
Email: wf@friedmans.ca

with a copy to the Purchaser's Solicitors:

Friedman Law Professional Corporation  
150 Ferrand Drive, Unit 800  
Toronto, Ontario M3C 3E5

Attn: William Friedman  
Email: wf@friedmans.ca

(b) in the case of the Receiver at:

RSM Canada Limited  
11 King Street West, Suite 700, Box 27  
Toronto, Ontario M5H 4C7

Attention: Bryan Tannenbaum  
Email: bryan.tannenbaum@rsmcanada.com.

with a copy to the Receiver's Solicitors:

Chaitons LLP  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto Ontario M2N 7E9

Attention: Harvey G. Chaiton  
Email: harvey@chaitons.com

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic transmission, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 4:30 P.M. (Eastern Daylight Time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next



following Business Day. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt. Either Party may from time to time change its address under this Section 32 by notice to the other Party given in the manner provided by this Section.

### **33. WAIVER OF CONDITIONS**

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Receiver or the Purchaser, as indicated, and are conditions of the obligations of such Party to complete the Transaction at Closing. Subject to and in accordance with the terms and conditions contained in this Agreement, any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting Party without prejudice to the benefiting Party's right of termination in the event of the non-fulfilment of any other condition, and, if so waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the Closing of the Transaction by a Party shall be deemed to be a waiver by such Party of compliance with any condition inserted for its benefit and not satisfied at Closing. For greater certainty, the conditions under Section 23 cannot be waived by either Party.

### **34. SEVERABILITY**

If any provision contained in this Agreement or the application thereof to any Person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to Persons or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

### **35. DIVISION/HEADINGS**

The division of this Agreement into Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

### **36. ENTIRE AGREEMENT**

This Agreement and the schedules attached hereto, together with the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties relating to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. This Agreement is intended to create binding obligations on the part of the Receiver as set forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

### **37. CUMULATIVE REMEDIES**

No remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

### **38. DAMAGES**

Under no circumstance shall any of the Parties or their respective representatives be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to

result, in connection with, arising out of, or relating to this Agreement or the Transaction.

### **39. INTERPRETATION**

This Agreement shall be read with all changes of gender and number as required by the context.

### **40. STATUTE AND SECTION REFERENCES**

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph or paragraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

### **41. AMENDMENTS**

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

### **42. PARAMOUNTCY**

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with the Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

### **43. TIME OF ESSENCE**

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Parties or their respective solicitors who are hereby expressly appointed for that purpose.

### **44. CURRENCY AND PAYMENT OBLIGATIONS**

Except as otherwise provided in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian Dollars and any payment contemplated by this Agreement shall be made by certified cheque, bank draft or wire transfer.

### **45. TENDER**

Any tender of notices, documents and/or monies hereunder may be made upon the Receiver or the Purchaser and/or their respective solicitors.

### **46. FURTHER ASSURANCES**

Except as otherwise expressed herein to the contrary, each Party shall, without receiving additional consideration therefor, co-operate with and take such additional actions as may be requested by the other party, acting reasonably, in order to carry out the purpose and intent of this Agreement.

### **47. CONFIDENTIALITY**

The Purchaser agrees that all information and documents supplied by the Receiver or anyone on its behalf to the Purchaser or anyone on the Purchaser's behalf (including but not limited to information in the schedules hereto) shall, unless and until Closing occurs, be received and kept by the Purchaser and anyone

acting on the Purchaser's behalf on a confidential basis and, without the Receiver's prior written consent shall not be disclosed to any third-party other than any Person with whom the Purchaser will join as a co-owner or may be providing financial assistance. If for any reason Closing does not occur, all such documents shall forthwith be returned intact to the Receiver. The Purchaser and Receiver further agree that unless and until the terms of this Agreement become public knowledge in connection with an application to the Court, the Purchaser shall keep such terms confidential and shall not disclose them to anyone except the Purchaser's Solicitors, agents or lenders acting in connection herewith and then only on the basis that such Persons also keep such terms confidential as aforesaid.

#### **48. NON-BUSINESS DAYS**

In the event that any date specified, or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

#### **49. GOVERNING LAWS**

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario. The Parties consent to the jurisdiction and venue of the Court for the resolution of any disputes under this Agreement.

#### **50. ASSIGNMENT**

No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, the Purchaser shall have the right, upon written notice to the Receiver's Solicitors delivered not less than ten (10) Business Days prior to the motion to be heard in respect of the Approval and Vesting Order, to assign, in whole or part, its rights to acquire the Purchased Assets hereunder to any company or companies affiliated (as that term is defined in the *Business Corporations Act* (Ontario)) with the Purchaser. Provided that notwithstanding the foregoing, in no event shall any assignment relieve the Purchaser of any of its obligations under this Agreement to and including Closing and the Purchaser shall remain jointly and severally liable with any such assignee for the performance of all of the terms and conditions on the part of the Purchaser to be performed pursuant to the terms and conditions of this Agreement including the execution of all closing documents up to and including the Closing Date.

#### **51. RECEIVER'S CAPACITY**

It is acknowledged by the Purchaser that the Receiver is entering into this Agreement solely in its capacity as Court-Appointed Receiver of the Debtor and that the Receiver shall have no personal or corporate liability under or as a result of this Agreement. Any Liabilities against the Receiver shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as Receiver of the Debtor and shall not apply to its personal property and other assets held by it in any other capacity. The term "Receiver" as used in this Agreement shall have no inference or reference to the present registered owner of the Property.

#### **52. SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

#### **53. THIRD PARTY BENEFICIARIES**

Unless where provided to the contrary by the specific terms hereof, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

**54. NO INTERMEDIARIES**

The Parties acknowledge and agree that the Purchaser shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Receiver. The Parties further acknowledge and agree that the Receiver shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Purchaser.

**55. COUNTERPARTS AND ELECTRONIC TRANSMISSION**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the Parties adopt any signatures received by electronic transmission as original signatures of the Parties.

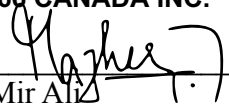
**56. IRREVOCABLE**

This Agreement shall be irrevocable by the Purchaser until no earlier than 5:00 P.M. (Eastern Daylight Time) on December, 22, 2023.

*[remainder of this page intentionally left blank, signature page follows]*

DATED as of the date first written above.

**12279266 CANADA INC.**

Per:   
Name: Mir Ali  
Title: ASO

I have authority to bind the Corporation.

The Receiver hereby accepts this offer to purchase and agrees with the Purchaser to duly complete the Transaction, subject to the conditions stated above.

DATED this \_\_\_\_ day of December, 2023.

**RSM CANADA LIMITED, solely in its capacity as court-appointed receiver of 12252856 Canada Inc., and not in its personal or corporate capacity and without personal or corporate liability**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the Receiver.

**SCHEDULE "A"**

**THE PROPERTY**

PIN	03196 - 0037 (LT)
Description	LT 16 PL 136 KING EXCEPT PT 11 EXPROP PL B87881B; RICHMOND HILL
Address	235 KING RD RICHMOND HILL, ONTARIO
PIN	03196 - 0038 (LT)
Description	LT 15 PL 136 KING EXCEPT PT 10 EXPROP PL B87881B; RICHMOND HILL
Address	227 KING RD RICHMOND HILL, ONTARIO
PIN	03196 - 0039 (LT)
Description	PT LT 13 PL 136 KING; PT LT 14 PL 136 KING AS IN R533264; TOWN OF RICHMOND HILL
Address	0 KING ROAD RICHMOND HILL, ONTARIO

## SCHEDULE "B"

### THE PERMITTED ENCUMBRANCES

1. any registered reservations, restrictions, rights of way, easements or covenants that run with the Lands;
2. any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service;
3. all Applicable Laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Lands;
4. any minor easements for the supply of utility service to the Lands or adjacent properties;
5. encroachments disclosed by any errors or omissions in existing surveys of the Lands or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-laws or any other Applicable Law, by-laws or regulations which might be disclosed by a more up-to-date survey of the land and survey matters generally;
6. the exceptions and qualifications set forth in the *Land Titles Act* (Ontario);
7. the reservations contained in the original grant from the Crown;
8. liens for taxes if such taxes are not due and payable;
9. Instrument No. IF351, registered on February 19, 1951, being a by-law in favour of the Corporation of the Township of King ("**King**");
10. Instrument No. IF367, registered on April 28, 1952, being a by-law in favour of King;
11. Instrument No. B87881B, registered on December 8, 1970, being an expropriate plan; and
12. Instrument No. 65R420, registered on January 14, 1971, being a reference plan.

**SCHEDULE "C"**  
**ASSUMED MORTGAGES**

(i) Instrument No. YR3340352 registered on November 12, 2020, is a Charge/Mortgage of Land in the principal amount of \$1, 000,000 in favour of BRIDLEPATH FINANCE INC:

(ii) Instrument No. YR3451700, registered on July 13, 2022, is a Charge/Mortgage of Land in the principal amount of \$500,000 in favour of Marilyn Goldberg:

(iii) Instrument No. YR3169142, registered on November 13, 2020, is a Charge/Mortgage of Land in the principal amount of \$5,500,000 in favour of Consortia Equity Capital Limited: and

(iv) Instrument No. YR3470244, registered on August 26, 2022, is a Charge/Mortgage of Land in the principal amount of \$9,000,000 in favour of 12279266 Canada Inc.



**AMENDING ASSET PURCHASE AGREEMENT**

**THIS AMENDING AGREEMENT** dated the 22<sup>nd</sup> day of December, 2023.

**BETWEEN:**

**RSM CANADA LIMITED,**  
solely in its capacity as Court-appointed receiver of  
12252856 Canada Inc.,  
and not in its personal or corporate capacity  
and without personal or corporate liability  
(the "**Receiver**")

- and -

**12279266 CANADA INC.**  
(the "**Purchaser**")

**RECITALS:**

- A. The Purchaser executed an Agreement of Purchase and Sale dated December 21, 2023 (the "Agreement") and is hereby amending the Agreement as herein provided.
- B. NOW THEREFORE the amendments to the Agreement of Purchase and Sale are as follows:

- 1. Section 2 (a) of the Agreement is deleted and replaced with the following provision::

a first deposit equal to Five Hundred Thousand (\$500,000) Dollars (the "First Deposit") shall be paid to the Receiver's Solicitors, in trust, by wire transfer, certified funds or bank draft within three (3) Business Days after the Acceptance Date. In addition a second deposit of Five Hundred Thousand (\$500,000) Dollars (the "Second Deposit") shall be paid to the Receiver's Solicitors, in trust, by wire transfer or bank draft within three (3) Business Days after the Due Diligence Condition has been satisfied or waived. The First Deposit and the Second Deposit collectively herein referred to as the "Deposit". The Deposit shall be held by the Receiver's Solicitors, in trust, in a non-interest bearing account as a deposit pending Closing or termination of the Agreement. The Deposit is to be credited towards the Purchase Price upon completion of the Transaction. In the event that the Purchaser fails or refuses to deliver either the First Deposit or the Second Deposit in accordance with the provisions herein, the Agreement shall be deemed terminated as a result of the Purchaser's default hereunder and the First Deposit shall be retained, if applicable, by the Receiver as liquidated damages without prejudice to any further rights it may have hereunder, at law or in equity. In the event that the Transaction is not completed for any reason other than the Purchaser's default hereunder, the full amount of the Deposit, without any interest, set-off and/or deduction, shall be returned forthwith to the Purchaser. If the Agreement is terminated or if the Transaction is not completed as a result of default by the

Purchaser, the Deposit shall be retained by the Receiver as liquidated damages without prejudice to any further rights it may have hereunder, at law or in equity;

2. Section 13 of the Agreement is hereby deleted and replaced with the following provision:

The Transaction shall be completed (the “**Closing Date**” or “**Closing**”) on the later of (i) thirty (30) days immediately following the date on which the Approval and Vesting Order is granted or (ii) 30 days after the Due Diligence Condition has been satisfied or waived, or such other date as the Purchaser and the Receiver may agree in writing. Provided that if the Court at any time declines to grant the Approval and Vesting Order, the Agreement shall be terminated and of no further force and effect, subject to and in accordance with the provisions set forth in Section 21 hereof.

3. Section 56 of the Agreement is hereby deleted and replaced with the following provision:

This Agreement shall be irrevocable by the Purchaser until 5:00 P.M. (ET) January 6, 2024.

All other terms and conditions of the Agreement of Purchase and Sale shall remain in effect and the same and time shall remain of the essence.

*[remainder of this page intentionally left blank, signature page follows]*

DATED as of the date first written above.

12279266 CANADA INC.

Per: \_\_\_\_\_  
Name: MIR ALI  
Title: ASO

I have authority to bind the Corporation.

The Receiver hereby accepts this offer to purchase and agrees with the Purchaser to duly complete the Transaction, subject to the conditions stated above.

DATED this \_\_\_\_ day of \_\_\_\_\_ 202 .

**RSM CANADA LIMITED, solely in its capacity as court-appointed receiver of 12252856 Canada Inc., and not in its personal or corporate capacity and without personal or corporate liability**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the Receiver.

This is Exhibit "C" referred to in  
the Affidavit of Mir Ali  
sworn this 22nd day of December, 2023



---

Commissioner for Taking Affidavits, etc.



# Narrative Appraisal

Development Site

201, 227, 235 King Road

Richmond Hill, Ontario

Effective Date: February 13, 2022

Report Date: February 14, 2022

**Prepared For**

Mir M Ali  
Director  
12252856 Canada Inc.

**Prepared By**

Vicente Gamboa, MBA, AACI, P. App  
Executive Vice President, Toronto  
Valuation & Advisory Services





Our File: TOR220154

February 14, 2022

12252856 Canada Inc.  
MAG Centre, 155 Commerce Valley Dr E,  
Markham, ON L3T 7T2

**Attention: Mir M Ali**  
**Director**

Dear Mr. Ali;

**Re: Appraisal of Development Site**  
**201, 227, 235 King Road, Richmond Hill, Ontario**

In accordance with your request, we have inspected the above property and have carried out an Appraisal in order to estimate its current market value as is as at February 13, 2022. The intended use of the Appraisal is for first mortgage financing only. Based on our analysis, the current market value as is of the Fee Simple estate of the Subject Property, as of February 13, 2022 is estimated to be:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As-Is	Fee Simple	February 13, 2022	\$34,710,000

**The proposed development of 178 stacked townhome units with a GFA of 165,434 SF, has been approved in part at LPAT. It has been assumed all further approvals will be received including Zoning and Site Plan approval.**

*Due to the rapidly changing profile of the COVID-19 Pandemic, coupled with the recent nature of its declaration as a Global Pandemic there may be immediate, short and long-term effects on the commercial real estate market and broader economy. Notwithstanding the foregoing, it is understood that overall global and domestic economic activity has slowed in recent days/weeks, but this has not translated to tangible real estate data as of the effective date. This appraisal was completed on the assumption that Ontario will continue to progress through Phase 1 to Phase 3 of the reopening of the economy and this report does not consider further significant setbacks related to COVID-19 such as a further wave that could impact the real estate market.*

The above value estimate is based on an exposure period of three to six months, assuming the basis of a transaction involving cash to the vendor, and is subject to the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions as detailed in the Terms of Reference of this report beginning on page 10; in addition to the Ordinary Assumptions and Limiting Conditions contained in the Appendix. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained.

This report describes the methods and approaches to value in support of the final conclusions and contains the pertinent data gathered in our investigation of the market.

Should you have any questions, we would be pleased to discuss the valuation further.

181 Bay Street  
Suite 1400  
Toronto, ON M5J 2V1  
[www.colliers.com](http://www.colliers.com)

MAIN 416 777 2200  
FAX 416 643 3470



Yours very truly,

**COLLIERS INTERNATIONAL REALTY ADVISORS INC.**

A handwritten signature in blue ink, appearing to read "Vicente Gamboa".

Vicente Gamboa, MBA, AACI, P. App  
Executive Vice President, Toronto

A handwritten signature in blue ink, appearing to read "Timour Petrov".

Timour Petrov, AIC Candidate Member  
Associate, Toronto



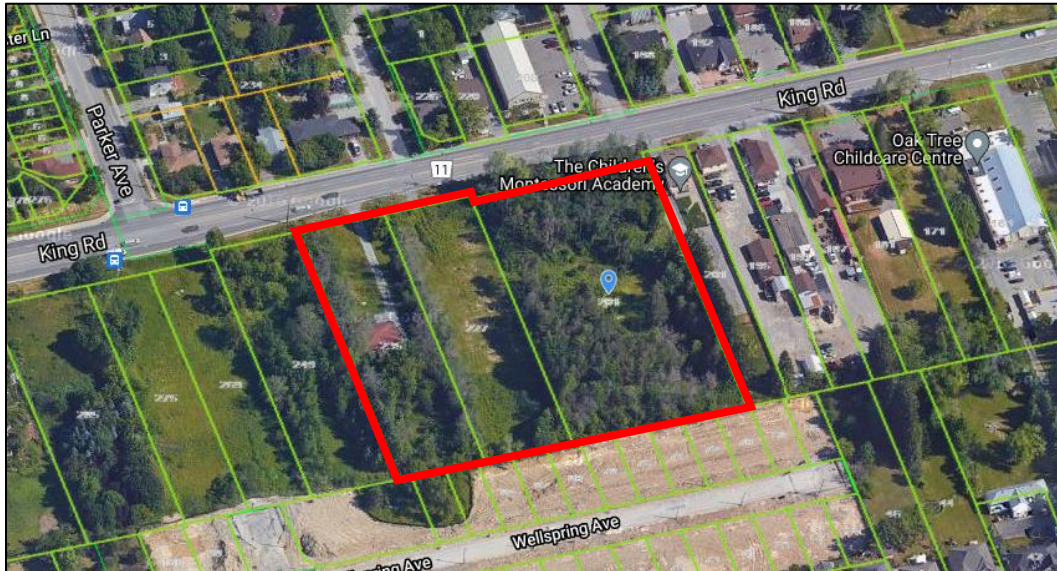
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# Executive Summary



## PROPERTY INFORMATION

Property Name	Development Site
Address	201, 227, 235 King Road
Nearest Major Intersection	Yonge St & King Rd
Purpose	Current Market Value As Is
Intended Use	First Mortgage Financing
Property Type	Land
Rights Appraised	Fee Simple
Effective Date	February 13, 2022
Site Area	Approximately 3.875 Acres (168,810 SF)
Access	The Subject has points of ingress/egress from King Road.
Services	Full municipal services are available within the area surrounding the Subject property. For the purposes of this report it has been assumed that there is adequate capacity for full services to be provided to a development of the Subject.

### Land Use Controls

Official Plan	Oak Ridges Local Centre
Zoning	RM1, P (Residential Medium Density, Park)
<b>Highest And Best Use</b>	As further detailed herein, the Highest and Best Use of the Subject Property is Medium density residential development.

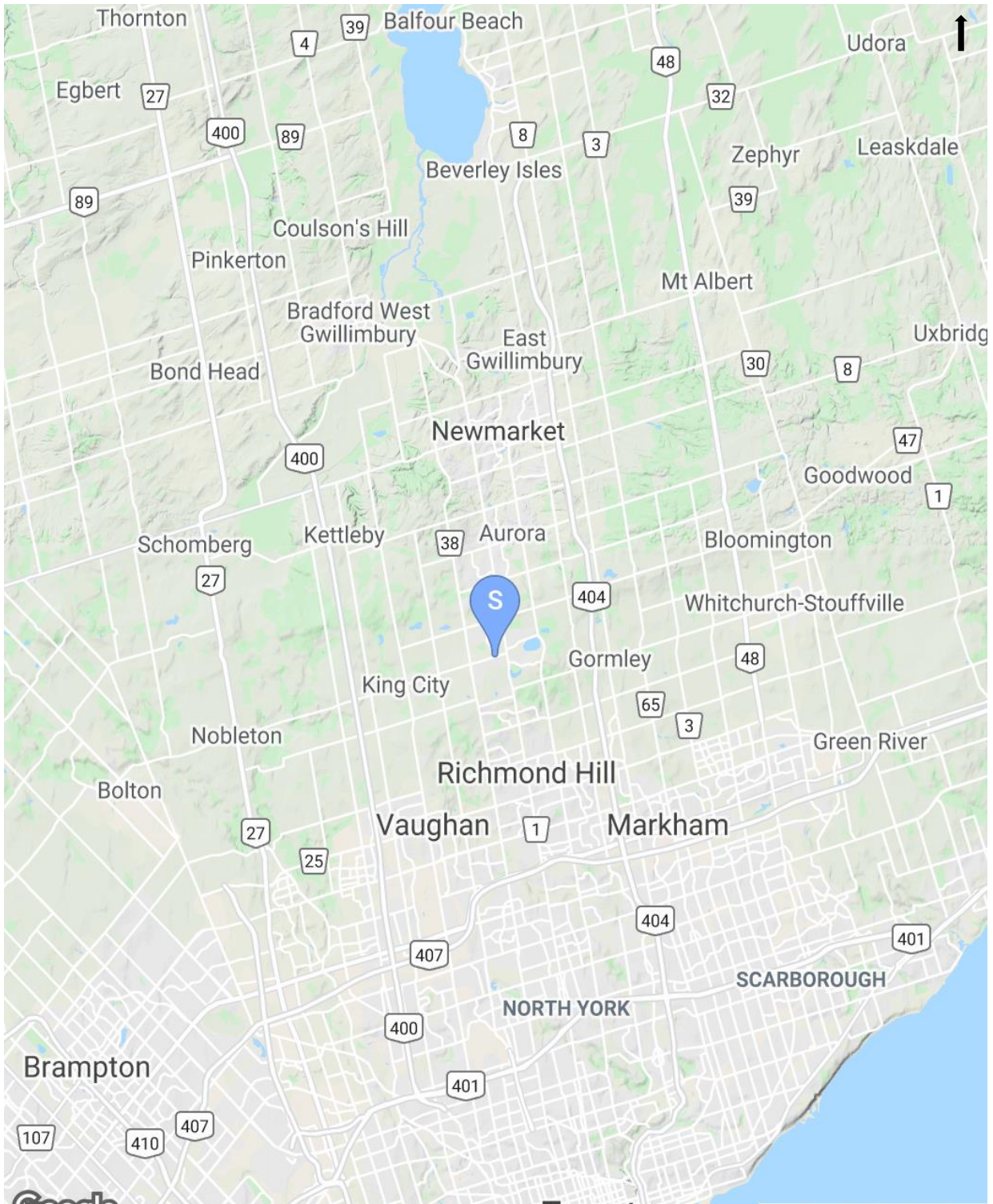
## VALUATION CONCLUSIONS

Direct Comparison Approach	
Rate Per Buildable Unit	\$195,000
Buildable Units	178
Value Estimate (Rounded)	\$34,710,000
Adjustment to Value	\$0
<b>Adjusted Value (Rounded)</b>	<b>\$34,710,000</b>

The above value estimate is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions outlined within the Terms of Reference section.

Index No.	Property Address City, Province	Site Area (Buildable Unit) Official Plan Zoning	Sale Date Analysis Price Analysis Price / Buildable Unit
1	9642 Ninth Line Markham, ON	147 Residential Low Rise R2*630	12-Oct-21 \$47,000,000 \$319,728
2	22, 26 Centre Street Aurora, ON	9 Stable Neighbourhoods R8	9-Sep-21 \$3,200,000 \$355,556
3	243 Sixteenth Avenue Richmond Hill, ON	11 Neighbourhood Area RM-1 - Multiple Family One	17-May-21 \$4,050,000 \$368,182
4	75 Curlew Drive North York, ON	222 Neighbourhoods RM4 - Residential	12-Mar-21 \$22,600,000 \$101,802
5	9113 - 9125 Bathurst Street Richmond Hill, ON	21 Neighbourhood RM1 - Residential	29-Jan-21 \$6,800,000 \$323,810

# Regional Map

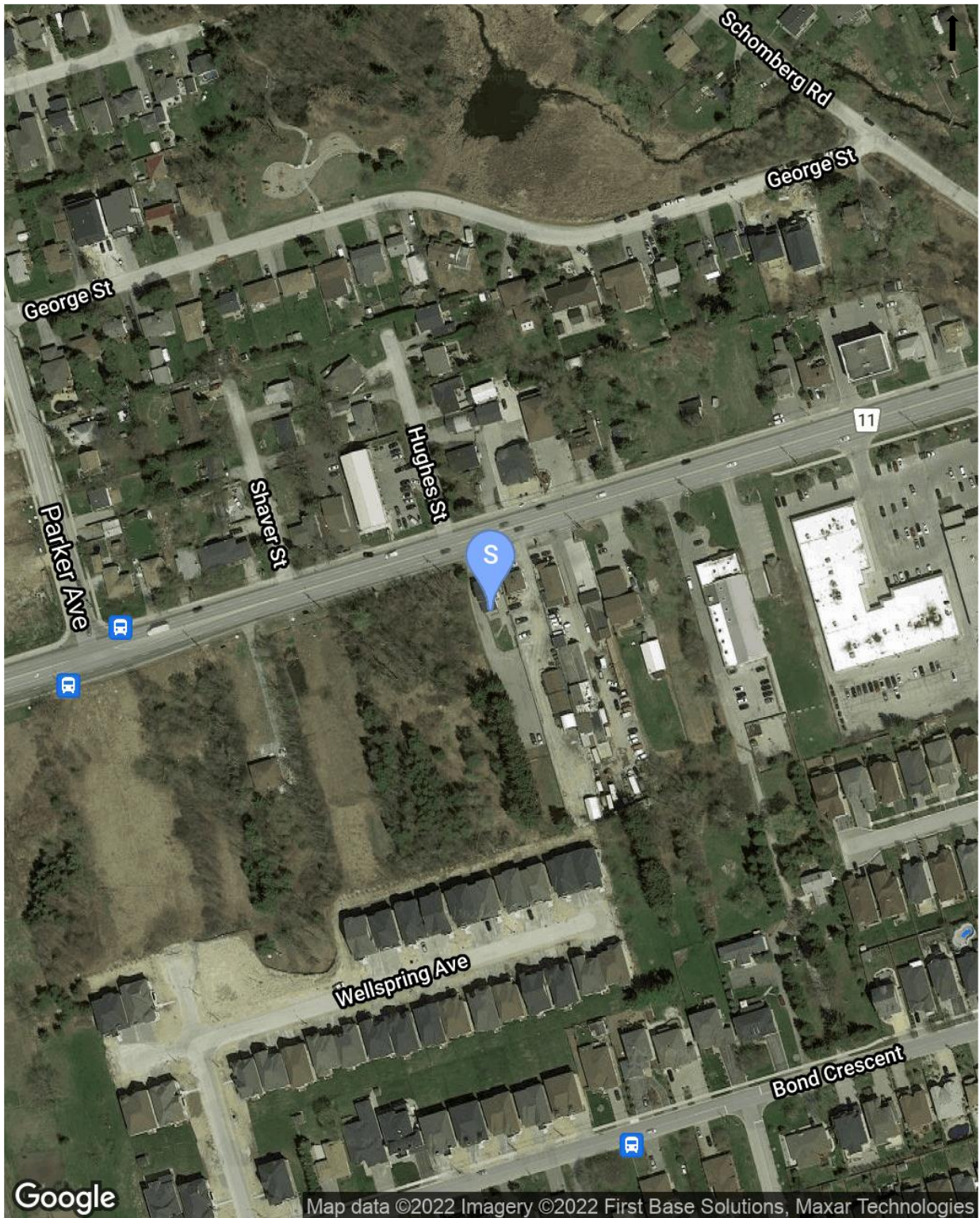




# Location Map



# Aerial Map





# Photographs of Subject Property



SUBJECT FRONTAGE



SUBJECT FRONTAGE



VIEW ALONG KIND RD, LOOKING EAST



VIEW ALONG KIND RD, LOOKING WEST

# Terms of Reference

## Client and Intended User

The Client of this appraisal is 12252856 Canada Inc. , and the Intended User is 12252856 Canada Inc. .

## Purpose and Intended Use of Report

The purpose of this valuation is to estimate the current market value as is of the Subject Property described.

This appraisal is provided on a confidential basis and for the sole and exclusive use by 12252856 Canada Inc. and any other Intended User specifically identified for first mortgage financing only and any third party use of or reliance on this Appraisal Report or any materials prepared by Colliers International Realty Advisors Inc. (Colliers), is strictly prohibited, except to the extent that Colliers has provided prior permission in writing, such permission to be provided or withheld in Colliers's sole and exclusive discretion. In the event that Colliers has not provided said permission 12252856 Canada Inc. shall ensure and be responsible for notifying the third party in writing that it should not rely on the Appraisal Report and any use by such third party of the Appraisal Report or any materials prepared by Colliers shall be at its own risk and that Colliers makes no representations or warranties of any kind. Notwithstanding anything to the contrary, Colliers shall not owe any duty to any third party with respect to the Appraisal Report.

Land value is subjective and includes many influencing factors including service availability, land entitlements, restricted development areas and other planning, heritage and built form restrictions. The value conclusion contained is predicated upon information sourced from municipal agents, brokers and developers in the market and is subject to Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions as detailed within the Terms of Reference section of this report. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained.

The appraisal report must be used in its entirety and any reliance on any portion of the appraisal report independent of others may lead to erroneous conclusions.

## Indemnification and Limitation of Liability

12252856 Canada Inc. shall indemnify, defend and hold Colliers fully harmless from and against any and all claims, liabilities, damages, costs and expenses (including court costs and reasonable legal fees) resulting from or arising out of the Client's breach of the professional service agreement relating to the Appraisal Report, wrongful acts or omissions (including any failure to perform any duty imposed by law), misrepresentation, distortion or failure to provide complete and accurate information, or any unauthorized use or reliance by third parties on the Appraisal Report or any materials prepared by Colliers. Except for 12252856 Canada Inc. 's indemnification obligations, neither party shall be liable to the other party for any special, consequential, punitive or incidental damages of any kind whatsoever. Moreover, to the maximum extent permitted by law, Colliers' total liability for any losses, claims or damages arising out of or connecting or relating to this agreement (under any applicable theory of law) shall be limited in the aggregate to the total sum of fees and costs received by Colliers from 12252856 Canada Inc. for the applicable subject report(s).

## Property Rights

The property rights appraised are those of the Fee Simple Interest. The Fee Simple Interest refers to absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.

## Effective Date

The effective date of this valuation is February 13, 2022.

This Appraisal Report is prepared in the context of the market conditions and other factors (including assumptions and/or materials provided by parties and sources outside of the control of Colliers) prevailing as of the effective date. Real estate markets and assets are subject to significant volatility and change; and can be affected by numerous economic and political conditions as well as other conditions. The value contained (if any) in this Appraisal Report is made as of the effective date only and should not be relied on as of any other date without receiving prior written authorization from Colliers.

## Property Inspection

The following table illustrates the Colliers professionals involved with this appraisal report, and their status with respect to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Vicente Gamboa, MBA, AACI, P. App	No	-	-
Timour Petrov, AIC Candidate Member	Yes	Site Only	February 13, 2022

## Market Value Definition

For the purposes of this valuation, market value is defined as:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, assuming that neither is under duress."

(The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2010), p. 2.8)

## Exposure Time

An estimate of market value is related to the concept of reasonable exposure time. Exposure time is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking."

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2022 ed., p. 6)

Exposure Time is a retrospective function of asking price, property type, and past market conditions and encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale.



In practice, the exposure time assumes the following:

- The property was extensively marketed. Potential purchasers could inspect the property at will.
- The owner provided interested agents with any and all relevant property information.
- Negotiations of any offers to purchase were performed in a timely manner.
- The property was maintained at a physical status equivalent to its present condition.
- Market level financing was readily available.
- The seller was not under duress.

Ongoing discussions with agents familiar with the market have indicated that properties like the Subject Property typically require a marketing period of three to six months depending on a variety of factors including its location, vacancy levels, tenant quality, size, market conditions, and motivation of the vendor/purchaser. In consideration of these factors, it is concluded that for the Subject Property to sell at the market value estimated as of the effective date of this report, an exposure period of approximately three to six months would be required.

### Scope of the Valuation

This report has been written in a Narrative format, and complies with the reporting requirements set forth under the Canadian Uniform Standards of Professional Appraisal Practice. As such, all relevant material is provided in this report including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated.

During the course of preparing this valuation, the following was completed:

- An inspection of the Subject Property and the surrounding area.
- **Titles.Search.Comment.** Mortgages registered on title, if any, have not been examined. Investigation with respect to Subject title, encumbrances, and rights-of-way, which may or may not be registered on title have not been investigated, unless expressly noted herein. It is assumed that the Subject Property is not subject to unusual encumbrances or rights-of-way that would materially or adversely impact the market value of the property.
- Existing mortgage financing was not reviewed. The valuation herein assumed the Subject Property is free and clear of mortgage financing.
- A review of available data regarding local market conditions, local development trends, and prevailing land use development patterns.
- Verification of current land use and zoning regulations has been undertaken with reference to publicly available land use documents.
- Municipal and neighbourhood information, including tax information, were sourced as noted below and verified where appropriate and possible.
- Site area and dimensions are from information obtained from the Geowarehouse. Should further confirmation of site size and dimensions be required, a legal survey should be commissioned.
- A review of sales and listing data on comparable properties has been undertaken. Comparable market information was obtained from our information database and local real estate professionals knowledgeable in the Richmond Hill real estate market. It was confirmed, when appropriate, with public information at the Geowarehouse or the parties involved when there was reason to doubt its accuracy.
- Discussions have been held with market participants where applicable.

## SOURCES OF INFORMATION

ITEM	SOURCE
Assessment / Tax Information	MPAC
Zoning Information	City of Richmond Hill
Official Plan Information	City of Richmond Hill
Site Size Information	Geowarehouse
Building Size Information	Client Plans
Demographics	Environics Analytics
Comparable Information	RealNet, Colliers
Legal Description	Geowarehouse

### Ordinary Assumptions and Limiting Conditions

This report is subject to the Ordinary Assumptions and Limiting Conditions set forth within the Appendix to this appraisal in addition to any specific assumptions that may be stated in the body of the report. These conditions are critical to the value stated and should be thoroughly read and understood before any reliance on this report should be considered.

### Extraordinary Limiting Conditions

An Extraordinary Limiting Condition refers to a necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report. The following Extraordinary Limiting Conditions were invoked within this report:

Due to the Coronavirus pandemic, local health authorities are strongly advising (or mandating) limited exposure to or contact with other people. Entering properties for inspection purposes is contrary to local health authority advice and is not possible at this time. This appraisal assignment was completed without physical access to the interior/exterior of this property. Property details have been identified and collected through other means as noted in this report.

As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.

### Hypothetical Conditions

Hypothetical Conditions are a specific type of an Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal or economic characteristics of the Subject Property or external conditions, and are imposed for purposes of reasonable analysis. No Hypothetical Conditions were invoked within this report.

### Extraordinary Assumptions

An Extraordinary Assumption is an assumption, directly related to a specific assignment, which, if were not assumed to be true, could materially alter the opinions or conclusions. Extraordinary Assumptions presume uncertain information about or anticipated changes in: the physical, legal or economic characteristics of the subject property; or about: conditions external to the subject property such as market conditions or trends, or the integrity of data used in an analysis to be fact.

The following Extraordinary Assumptions were invoked within this report:

Because of the inability to access and view the interior/exterior of this property, information and details concerning the interior/exterior finishing, quality and condition are taken from sources deemed reliable. If any of these details are subsequently determined to be inaccurate, the appraiser reserves the right to amend the appraisal and the value herein.

- The Subject site is unimproved. It is assumed, for the purpose of this report, that the Subject Property is vacant and unimproved.
- It is assumed, for the purposes of this report, that there is adequate capacity for full services to be provided to a development of the Subject Property.
- It is assumed, for the purposes of this report that the Subject Property is not subject to any encumbrances or rights of way that would materially affect the impact of the market value of the Subject Property.
- We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site.
- **The proposed development of 178 stacked townhome units with a GFA of 165,434 SF, has been approved in part at LPAT. It has been assumed all further approvals will be received including Zoning and Site Plan approval.**

### Assemblage

When relevant to the assignment, CUSPAP requires that assemblage must be considered and analyzed as to the effect on value. In the instance of the Subject Property, assemblage is not considered to be a relevant factor, and therefore no analysis is deemed necessary.

### Anticipated Public or Private Improvements

When relevant to the assignment, CUSPAP requires that anticipated public or private improvements must be considered and analyzed as to the effect on value. In the instance of the Subject Property, public or private improvements are not considered to be a relevant factor, and therefore no analysis is deemed necessary.

### Personal Property

When relevant to the assignment, CUSPAP requires that personal property must be considered and analyzed as to the effect on value. In the instance of the Subject Property, personal property is not considered to be a relevant factor, and therefore no analysis is deemed necessary.

# Property Data

## Municipal Address

The Subject Property is municipally described as 201, 227, 235 King Road, Richmond Hill, Ontario.

## Legal Description

The Subject Property’s legal description is as follows:

Address	P.I.N.	Legal Description
201 KING RD	031960039	PT LT 13 PL 136 KING; PT LT 14 PL 136 KING AS IN R533264 ; CITY OF RICHMOND HILL
227 KING RD	031960038	LT 15 PL 136 KING EXCEPT PT 10 EXPROP PL B87881B ; RICHMOND HILL
235 KING RD	031960037	LT 16 PL 136 KING EXCEPT PT 11 EXPROP PL B87881B ; RICHMOND HILL

## Current Ownership

Available data indicates the following ownership information:

PARCEL	REGISTERED OWNER	SOURCE OF TITLE INFORMATION
201 KING RD	12252856 CANADA INC.	Geow arehouse
227 KING RD	12252856 CANADA INC.	Geow arehouse
235 KING RD	12252856 CANADA INC.	Geow arehouse

## Ownership History

Ownership of the property last transferred on October 20, 2020. According to the information available, the current owner, 12252856 Canada Inc. , acquired the Subject Property from Ontario Superior Court of Justice for the reported consideration of \$20,250,000. This transaction is understood to have resulted from foreclosure proceedings.

There have been no other transfers of the Subject Property within the past three years.

## Current Contracts

The Subject is not currently listed for sale.

## Recent Activity

There has been no listing or other activity during the past year.

## Title Encumbrances

The property encumbrances are summarized below:

For the purposes of this analysis, the instruments registered against the title(s) to the property are assumed not to have a significant effect on the property’s marketability or its market value. For greater certainty a legal opinion should be solicited for a full explanation of the effects of these encumbrances. The Subject Property has been valued as if free and clear of any financing.

## Realty Taxes / Assessment

The Subject Property assessment details are summarized as follows according to data provided by MPAC.

## ASSESSMENT & TAXES

ROLL NO	TOTAL 2022 ASSESSMENT	TOTAL ASSESSMENT PER ACRE	TOTAL 2021 TAX LEVY*	TOTAL TAX LEVY PER ACRE
1938080012450000000	\$3,697,000	-	\$5,963	-
1938080012452000000	\$2,291,000	-	\$3,683	-
1938080012454000000	\$2,290,000	-	\$2,641	-
Total	<b>\$8,278,000</b>	\$2,136,065	<b>\$12,287</b>	\$3,171

\*Based on Tax Bill provided by client.

It is assumed that the site will be reassessed upon redevelopment.

# Project Summary and Planning Background

## Overview

The subject is a development site for 178 stacked townhome units with a total gross floor area of 165,434 SF. As of the effective date, the proposed use had been approved by LPAT and had been incorporated into the municipal zoning bylaw. There are currently various technical items outstanding.

## Planning Status

A Zoning Bylaw Amendment Application was submitted to the City of Richmond Hill (No. D06-16001 and D02-15011). On March 18, 2020, an LPAT decision (Case No. PL171285 and PL171286) was issued to allow in part the proposed Zoning Bylaw Amendments. The detailed zoning bylaw amendment can be found in Appendix C.

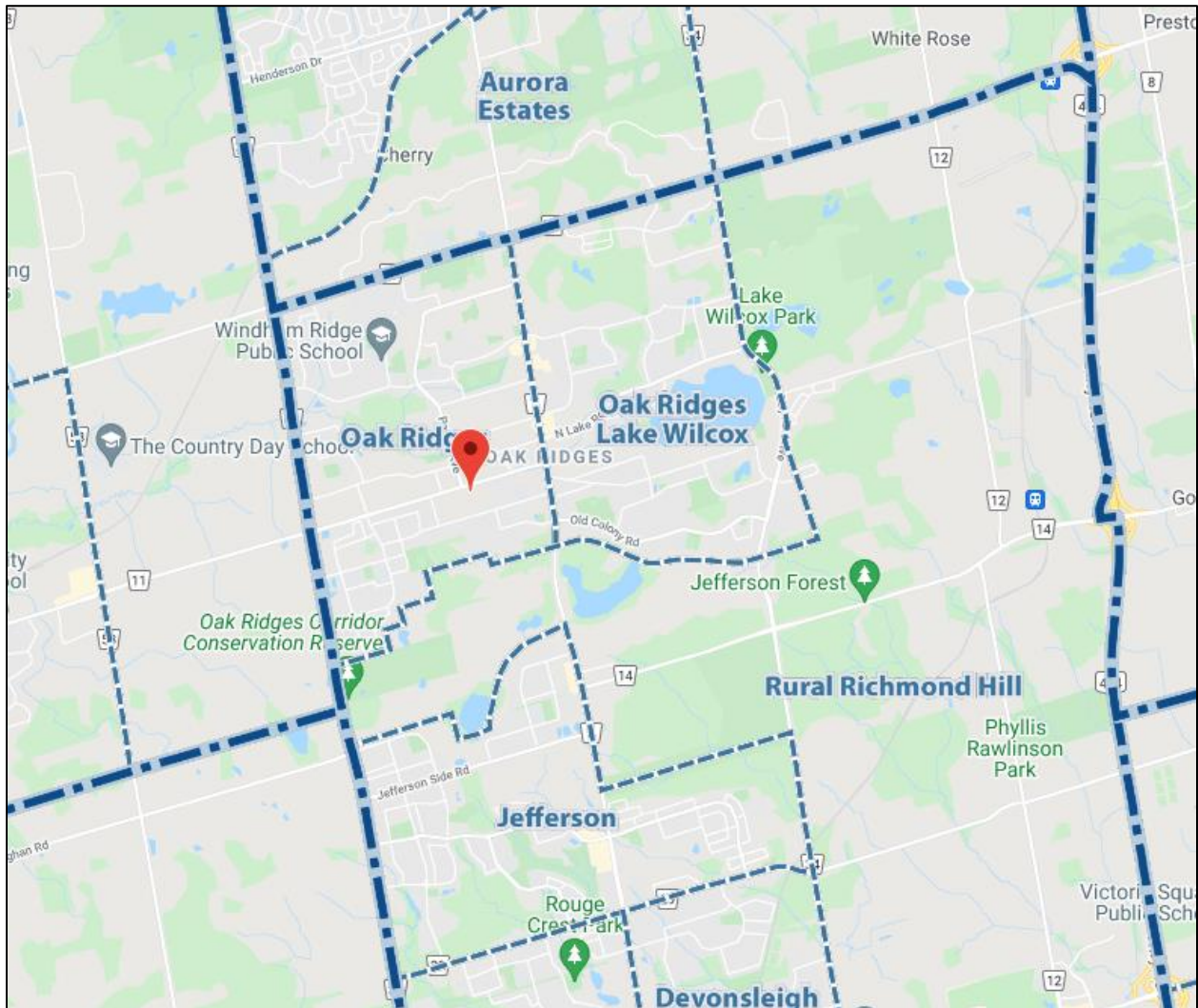
## Current Status

As of the effective date, application no. D06-16001 and D02-16002 were in “Circulation comments due back”. The client’s planner has indicated the purpose of this resubmission is to address a technical matter identified by City staff. Items include the Traffic Management Plan, Lighting Plan, and R-Plan for Park Conveyance.

## Development Statistics

			Totals	Stacked TH	Stacked TH	Stacked TH	Stacked TH
		Acres	Sq. Ft.				
Net Land Area (Acres & Sq. Ft.)		3.88	169,013				
Buildable Square Feet of Gross Floor Area(GFA)			165,434	36,398	36,398	46,319	46,319
Net Saleable Area (NSA)			165,434	36,398	36,398	46,319	46,319
No. of Condo Units. (Average Unit Size SF: 776.80 )			178	48	40	42	48
Parking Units			321	87	72	76	87

## Location Overview



The property is situated in the good quality mixed residential/commercial district known as Oak Ridges. Oak Ridges is located approximately 8 kilometres north of Richmond Hill's central business district.

### District Boundaries

- North • Bloomington Road
- South • Oak Ridges Corridor
- East • Bayview Avenue
- West • Bathurst Street

### Adjacent Districts

- North • Aurora Estate Residential
- South • Rural Richmond Hill Agricultural
- East • Rural Richmond Hill Agricultural
- West • King City Residential



### Major Arterials & Access

- Access • General access to the neighbourhood is considered to be good.
- Arterials • Yonge Street, Bathurst Street
- King Road, Bloomington Road West
- Coon's Road, Humberland Drive, Kingshill Road

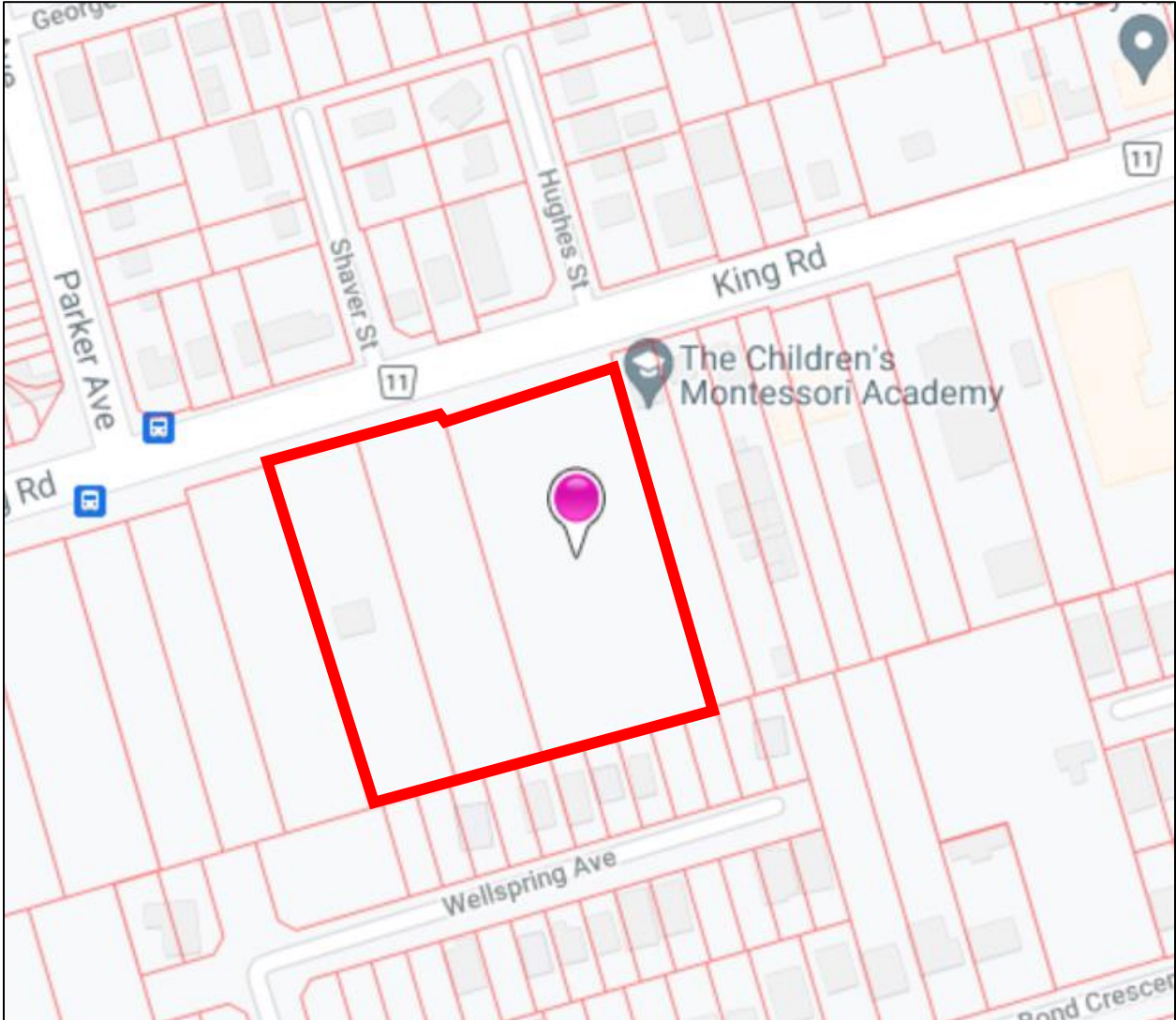
### Summary

Oak Ridges is an unincorporated community within Ontario, and has been a part of Richmond Hill's administrative area since its annexation in 1971. Although physically separate and distinct from Richmond Hill, Oak Ridge's forms the northern portion of the municipality's boundary. Situated approximately 45 kilometres north of Toronto, it has an estimated population of 36,000 residents as of 2015.

Much of the commercial and mixed-use real estate development within Oak Ridges has been centralized along Yonge Street, with secondary streets being primarily developed with low-density residential neighbourhoods. On-going residential development within Oak Ridges has largely taken place along the south side of Bloomington Road, east of Yonge Street, and has been the Subject of on-going debate due to its location upon the ecologically sensitive Oak Ridges Moraine.



# Site Description



Site Area	Approximately 3.875 Acres (168,810 SF)
Improvements	The Subject site is unimproved.
Frontage	Approximately 412 feet of frontage along King Rd.
Configuration	The site is rectangular in its configuration, as shown on the site plan above.
Topography	The site is generally level with street frontage and adjoining properties.
Services	Full municipal services are available within the area surrounding the Subject property. For the purposes of this report it has been assumed that there is adequate capacity for full services to be provided to a development of the Subject.

Access

The Subject has points of ingress/egress from King Road.

Soil Conditions

We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental assessment would be required for certainty and any cost of remedy could potentially impact the reported value herein. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.

Demographics

**DEMOGRAPHICS AND STATISTICS**

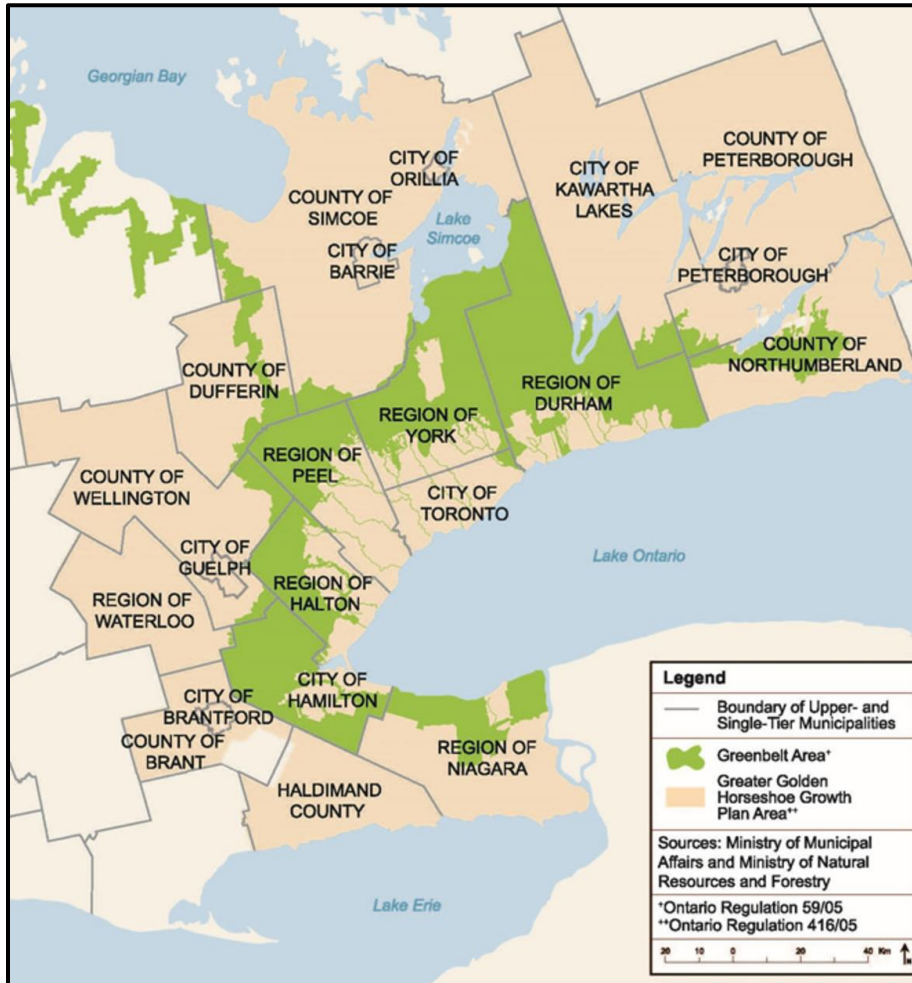
Population	1 km radius	7,260
	3 km radius	43,124
	5 km radius	84,449
Median Household Income	1 km radius	\$126,910
	3 km radius	\$130,119
	5 km radius	\$129,142

Conclusion

The site is located in the City of Richmond Hill in close proximity to arterial routes with good access characteristics. The Subject has a topography, shape and configuration which will likely permit development.

# Land Use

## Places to Grow



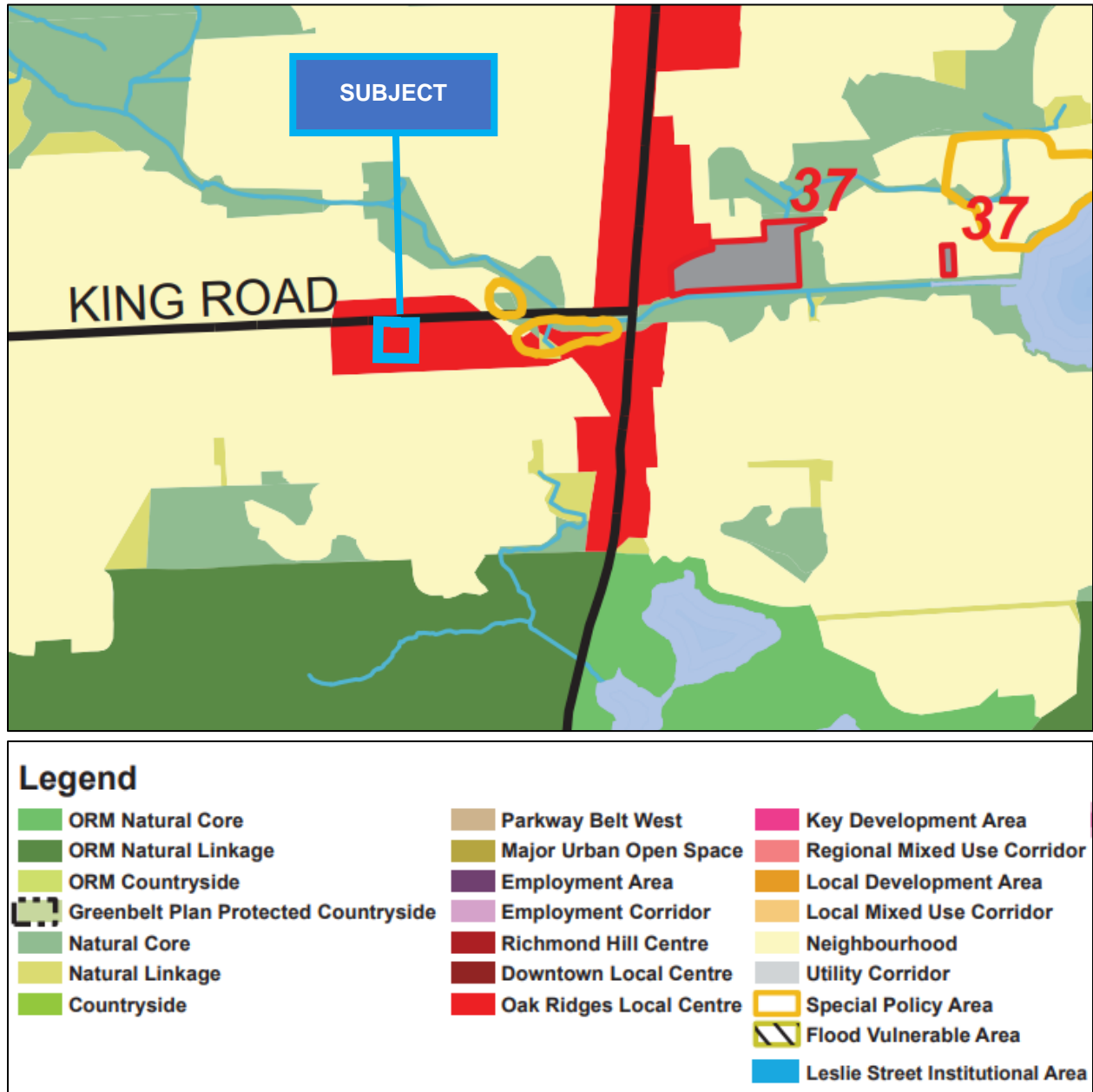
Places to Grow is an Ontario Government Plan for directing growth and development in a way that supports economic prosperity, protects the environment and helps communities achieve a high quality of life. The plan, which is applicable until 2041, provides guidance in terms of expansion of urban areas, outlining of environmental areas, and growth phasing. The plan is intended to be implemented more specifically by the individual regions and municipalities within the Greater Golden Horseshoe Area. The Subject falls within an area designated by the Plan as the Greater Golden Horseshoe Growth Plan Area.

## Official Plan

The Municipal Official Plan is a policy document that provides direction for planning and development activities. It is intended to co-ordinate the effects of change and future development in the best long-term interests of the Municipality and the Region. The intentions of the Official Plan are implemented through creation of Zoning By-laws and other local regulations.

The City of Richmond Hill Official Plan designates the Subject Property as: **Oak Ridges Local Centre**.

### Land Use Map



Source: Land Use Schedule A2

## Permitted Uses

Permitted land uses under the **Oak Ridges Local Centre** designation are listed as follows. Please see Appendix C for the full Official Plan excerpt.

1. *The Town shall prepare a Secondary Plan for the Oak Ridges Local Centre in accordance with the policies of Section 5.1 of this Plan.*
2. *The predominant use of land in the Oak Ridges Local Centre designation shown on Schedule A2 (Land Use) shall be for mixed-use development.*
3. *The following land uses shall be permitted in the Oak Ridges Local Centre:*
  - a. *Medium density residential;*
  - b. *Office; c.*
  - c. *Commercial;*
  - d. *Retail;*
  - e. *Automotive service commercial in accordance with policy 3.4.1.47 of this Plan;*
  - f. *Community uses in accordance with Section 4.1 of this Plan; g. Parks and urban open spaces in accordance with Section 3.4.4 of this Plan; and*
  - g. *Live-work units in accordance with policies 3.3.3.2.9 and 3.3.3.2.10 of this Plan.*
4. *To promote a pedestrian-oriented character, the following policies shall apply to retail in the Oak Ridges Local Centre:*
  - a. *Retail development shall be limited to a maximum gross floor area of 5,000 square metres; and*
  - b. *Retail development with a gross floor area greater than 5,000 square metres shall only be permitted subject to a Zoning By-law Amendment where it can be demonstrated that:*
    - i. *There is a need for the proposed use as demonstrated through a Commercial Needs Study conducted by a qualified professional;*
    - ii. *The proposed development enhances the character of the area; and*
    - iii. *The proposed development is not in an enclosed mall.*
5. *The maximum density of a development block within the Oak Ridges Local Centre shall be 1.0 FSI. The boundaries of a development block shall be identified in a Secondary Plan for the Oak Ridges Local Centre.*
6. *Development shall be encouraged to provide commercial, retail, office or community uses at grade in a mixed-use building form.*
7. *Until such time as Council approves a Secondary Plan for the Oak Ridges Local Centre, applications for development shall be required to submit a concept plan, in accordance with Section 5.2 of this Plan, which demonstrates how the development meets the land use and design policies of this Plan for areas identified as a development block by the Town.*
8. *Development shall have a maximum building height of 4 storeys, with the tallest massing of buildings oriented to the Yonge Street or King Road frontage.*

## Conclusion

The proposed use as a stacked townhouse development appears to conform to the City of Richmond Hill Official Plan. Written confirmation with the municipality and consultation with a professional planner is recommended for certainty.



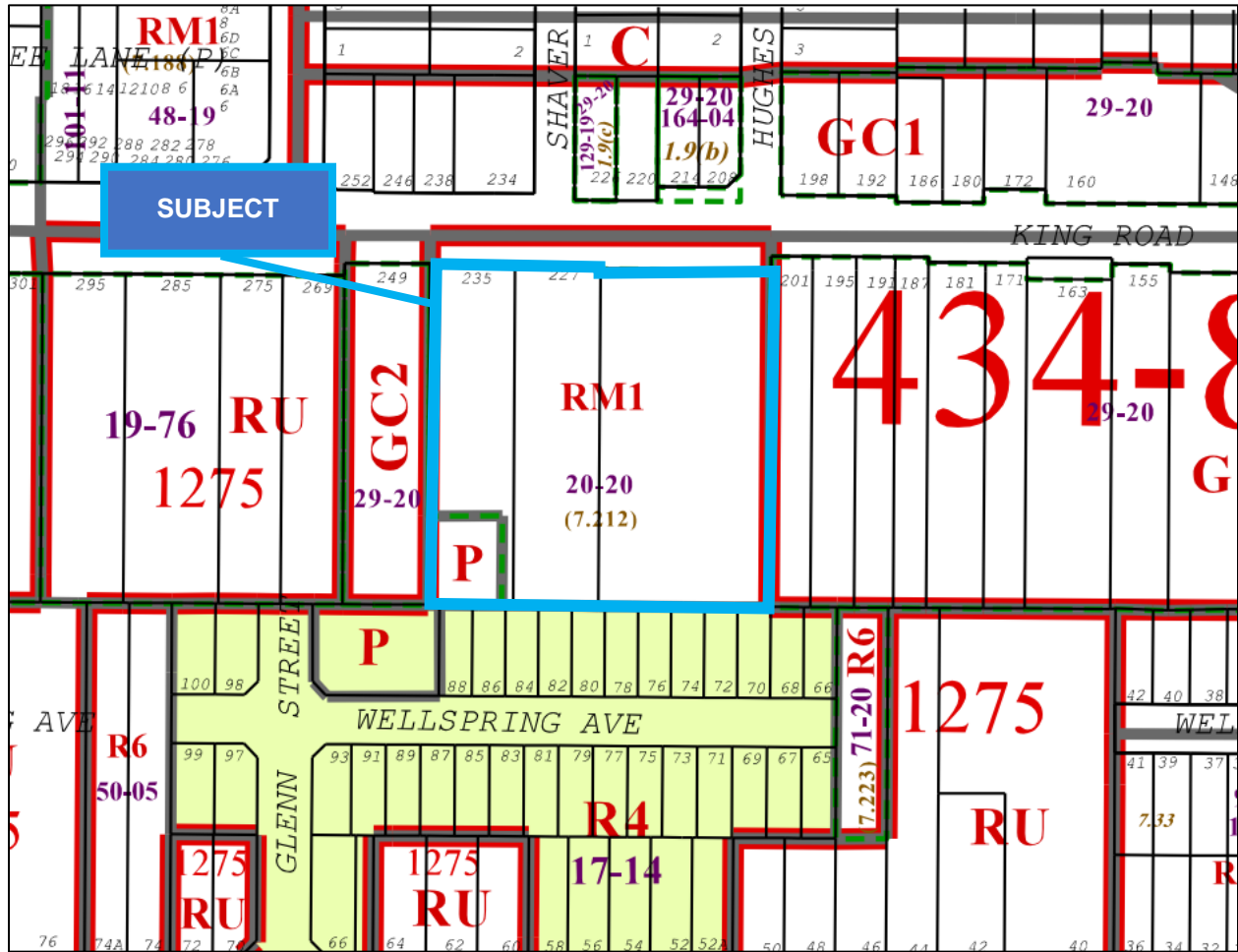
# Zoning

## Introduction

Zoning bylaws typically establish ranges of permitted and discretionary uses, in addition to development restrictions including such factors as maximum building heights, allowable densities, setback requirements, parking and loading limitations, signage restrictions and other items.

According to the City of Richmond Hill zoning bylaw 20-20, the property is currently classified **RM1, P (Residential Medium Density, Park)**. An excerpt from the zoning bylaw is included in the appendices to this report.

## Zoning Map



A zoning summary and a listing of pertinent zoning requirements are presented below:

## ZONING SUMMARY

<b>Municipality Governing Zoning</b>	City of Richmond Hill
<b>Zoning Bylaw Number</b>	20-20
<b>Current Zoning</b>	Residential Medium Density, Park (RM1, P) <b>RM1:</b> <ul style="list-style-type: none"><li>- Block Townhouse Dwellings</li><li>- Up to 3 storeys</li><li>- Please see Appendix C for full detail of setback, parking and other requirements.</li></ul>
<b>Permitted Uses</b>	<b>P:</b> <ul style="list-style-type: none"><li>- Public Park</li></ul>
<b>Current Use</b>	The Subject site is unimproved.
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Anticipated

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### Zoning Conclusions

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of analysis presented correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

**On March 18, 2020, a LPAT decision permitted the proposed development in part. The zoning bylaw has been amended to permit the proposed stacked townhouse development. There are some technical issues outstanding which are being addressed through a zoning amendment application resubmission. It has been assumed all required approvals will be achieved. However, the authors are not technically qualified to confirm zoning compliance, and for greater certainty in this regard, written confirmation from the municipality and/or a qualified legal opinion should be obtained.**



# Market Overviews

## Economic Overview – Canada

Canada has the world's 38<sup>th</sup> largest population and the world's second largest land mass. The country's population is dispersed among 10 provinces and 3 territories with nearly 90% of its people living within 160 kilometers of the United States border. Canada consistently receives a top fifteen Human Development Index ranking and a top twenty ranking for GDP (nominal) per capita.



Canada's economy consistently receives a top twelve world ranking. International trade makes up a large part of Canada's economy, with the United States as its largest trading partner followed by the European Union and China. Key Canadian exports include petroleum, automobiles and auto parts, precious metals, machinery including computers, wood, electrical machinery, aircraft and spacecraft, pharmaceuticals and aluminum. More recently, Canada's high knowledge industries of manufacturing, business services, engineering and computer and management services have received a top ten global knowledge economy ranking from the World Bank Institute.

Canada						
Economic Indicators	2019	2020	2021	2022	2023	2024
Real GDP (2012 \$ millions)	2,102,304	1,989,948	2,095,555	2,169,530	2,198,452	2,235,581
<i>percentage change</i>	1.9	-5.3	5.3	3.5	1.3	1.7
Total employment (000s)	19,050	18,066	18,867	19,366	19,552	19,721
<i>percentage change</i>	2.1	-5.2	4.4	2.6	1.0	0.9
Unemployment rate (%)	5.7	9.5	7.8	6.2	6.2	6.1
Household Income per Capita (\$)	49,548	51,863	51,834	52,911	54,183	55,512
Population (000s)	37,534	37,987	38,321	38,724	39,112	39,469
<i>percentage change</i>	1.4	1.2	0.9	1.1	1.0	0.9
Single-family housing starts (000s)	55.9	58.7	58.2	55.8	52.8	49.5
Multi-family housing starts (000s)	152.8	157.5	152.4	154.3	154.2	152.6
Retail Sales (\$ millions)	613,980	602,693	638,419	647,968	663,152	680,182
<i>percentage change</i>	1.2	-1.8	5.9	1.5	2.3	2.6
CPI (base year: 2002=1.0)	1.36	1.37	1.394	1.423	1.452	1.482
<i>percentage change</i>	1.9	0.7	1.8	2.1	2.0	2.1

Source: Conference Board of Canada. Major City Insights National Overview. March 2021.

# Economic Overview – Ontario

The Province of Ontario is Canada’s most populous province and home to the nation’s capital, Ottawa, as well as the nation’s largest city, Toronto. Besides having 40% of Canada’s population, Ontario has the most culturally diverse population in Canada. The great majority of Ontario’s population and arable land is located in the south. In contrast, the larger, northern part of Ontario is sparsely populated.



Ontario generates 39% of Canada’s GDP and forms Canada’s largest economy. The province’s economy is led by its service sector, manufacturing, agriculture, mining and forestry industries. Nearly 50% of Canada’s high tech, financial services and other knowledge intensive industries are employed in Ontario. Meanwhile, Ontario is Canada’s manufacturing powerhouse, shipping more than \$258 billion of automobiles, information and communications technologies, biotech, pharmaceuticals and medical devices. In addition, the province’s mining industry is among the top 10 producers in the world for nickel and platinum and a significant producer of gold, copper, zinc, cobalt and silver.

Province of Ontario						
Economic Indicators	2019	2020	2021	2022	2023	2024
Real GDP (2012 \$ millions)	744,510	701,564	738,569	775,708	789,268	800,351
<i>percentage change</i>	1.9	-5.8	5.3	5.0	1.7	1.4
Total employment (000s)	7,451	7,070	7,465	7,658	7,756	7,861
<i>percentage change</i>	2.9	-5.1	5.6	2.6	1.3	1.4
Unemployment rate (%)	5.6	9.5	7.2	6.1	6.0	5.7
Household Income per Capita (\$)	50,040	52,122	51,301	52,971	54,316	55,612
Population (000s)	14,520	14,726	14,832	14,977	15,158	15,345
<i>percentage change</i>	1.7	1.4	0.7	1.0	1.2	1.2
Single-family housing starts (000s)	19.3	22.7	25.5	24.8	23.4	22.1
Multi-family housing starts (000s)	49.7	60.3	63.0	66.3	67.6	68.6
Retail Sales (\$ millions)	230,940	220,547	238,452	257,288	266,609	274,229
<i>percentage change</i>	2.1	-4.5	8.1	7.9	3.6	2.9
CPI (base year: 2002=1.0)	1.375	1.385	1.408	1.441	1.470	1.502
<i>percentage change</i>	1.9	0.7	1.7	2.3	2.0	2.2

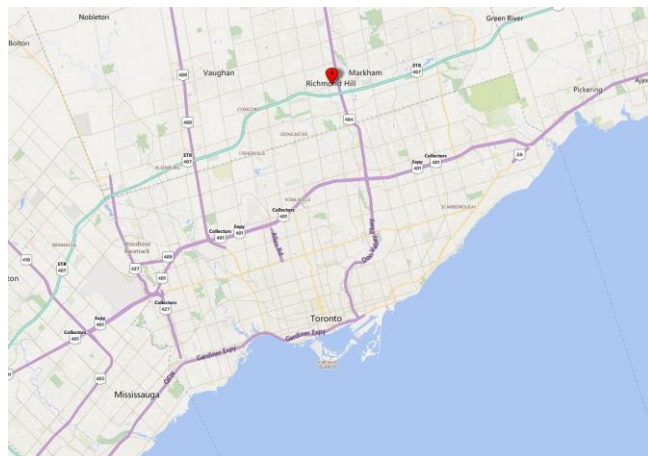
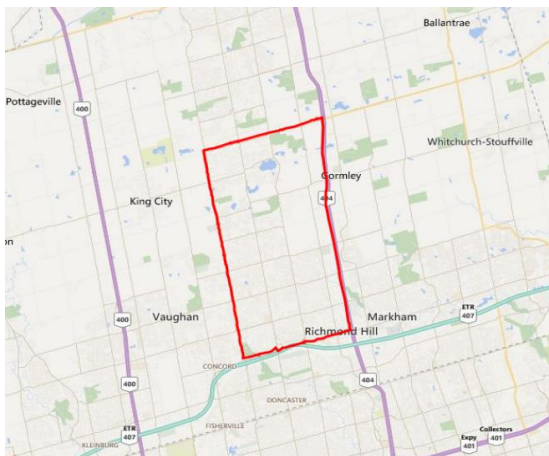
Source: Conference Board of Canada. Major City Insights National Overview. March 2021.

# Richmond Hill Market Overview

Richmond Hill is a town located in the southern portion of York Region, Ontario. It is part of the Greater Toronto Area and is bounded by Bloomington Rd. to the north, York Regional Road 7 to the south, Bathurst St. to the west, and Ontario Highway 404 to the east.

Richmond Hill has a population of approximately 195,022. The city has extensive public transit through the GO train, York Region Transit and VIVA systems. Richmond Hill is home to 25 public elementary schools, 5 secondary schools. Post-secondary education services are provided by several post-secondary educational institutions in Toronto. Richmond Hill is a community that offers access to an extensive bike path system, the trails of the Oak Ridges Moraine, over 160 parks, almost 600 hectares of open space and five protected lakes. The Town has first class amenities such as athletic and soccer fields, arenas, community centres, pools, playgrounds and libraries, as well as golf courses, diverse restaurants and the new state-of-the-art Richmond Hill Centre for the Performing Arts.

## City Maps



## Economic Overview

Richmond Hill has a talented workforce with more than 50% of residents holding bachelor's degrees and over 77% having post-secondary education. Richmond Hill is home to 4,900 companies which have created 69,000 jobs. The key business sectors of Richmond Hill are: professional, scientific and technical services; retail trade, finance and insurance, and health care and social assistance. With some of these businesses being Acklands Grainger Inc., Compugen Inc., Compuware, DMC Mining Services, Lexmark, Rogers Communications, BMW Canada, Science & Medicine Canada, and Staples.

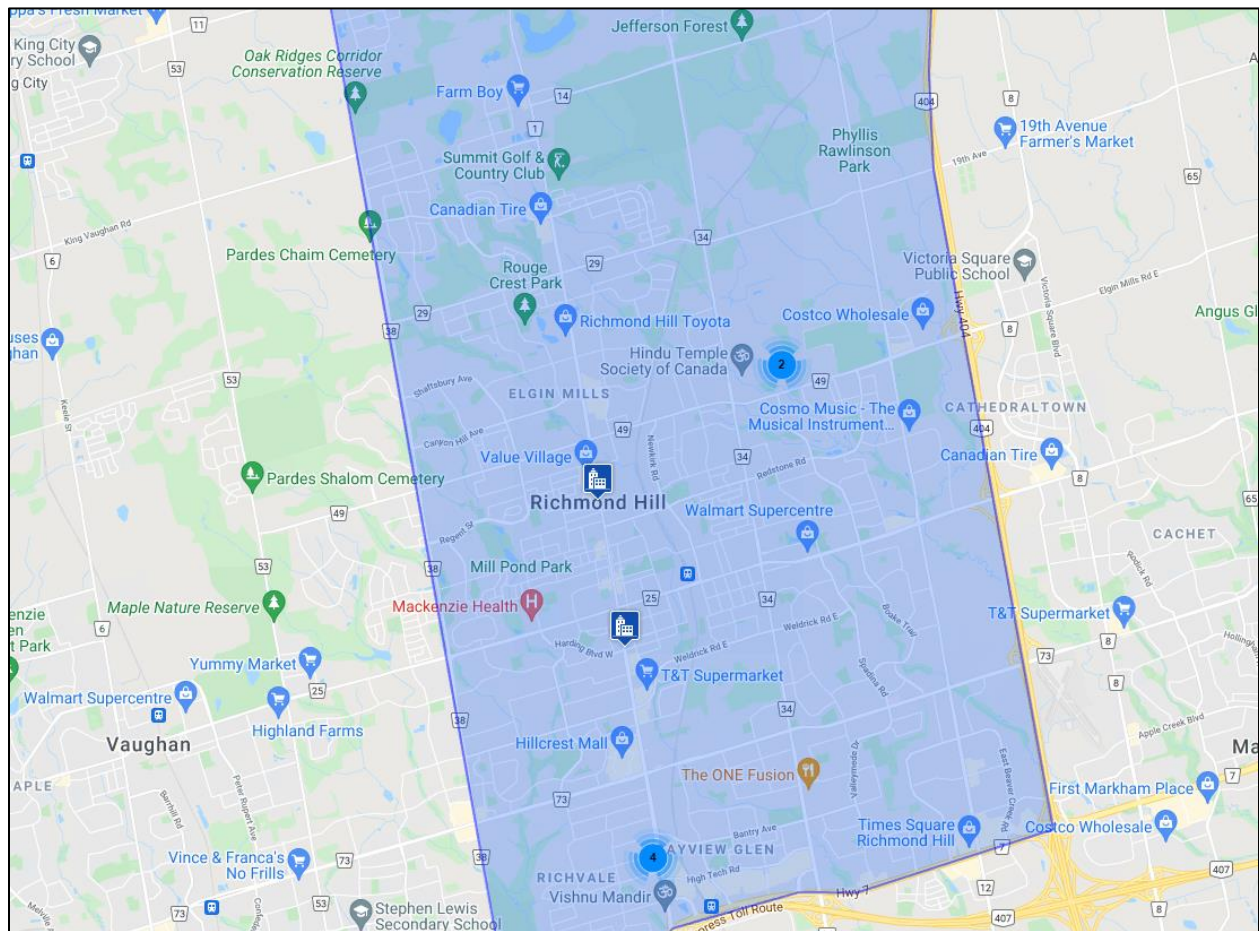
Currently there are 60 new home developments ongoing in Richmond Hill, a mix of single detached homes, townhouses, and condos.



# Residential Market Overview

## New Development Overview

In Q4 2021, new condominium projects in Richmond Hill, have achieved an average price per square foot of \$750 which represents an increase of 8% over last year. The average unsold price per square foot is \$1,025 which represents an annual increase of 31%. There are currently 8 condo/apartment developments, containing a total of 2,117 units of which 94% have sold.

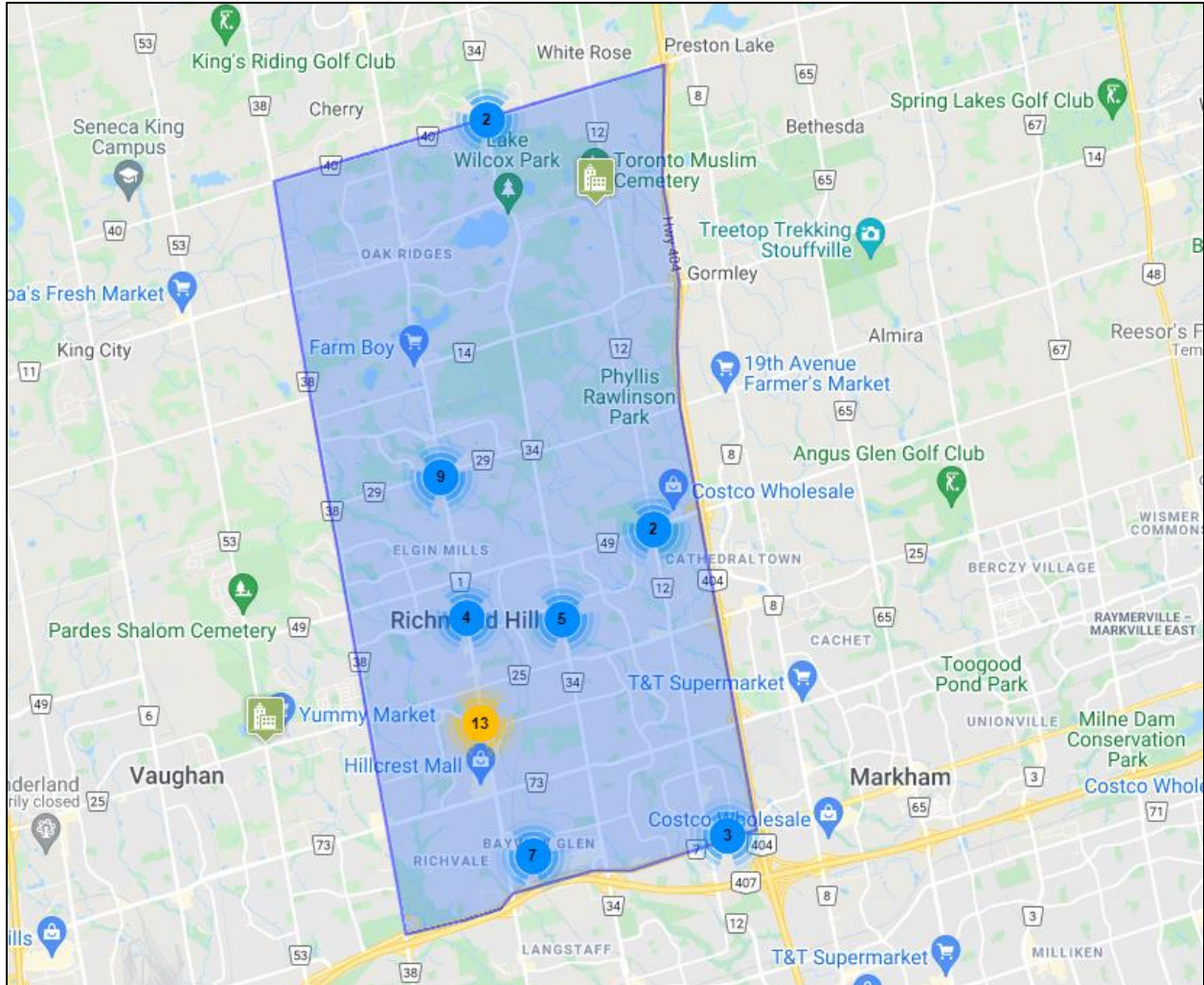


Project	Developer	Address	Opening Date	Construction Status	Storeys	Total Suites	% Sold	Sold Price (psf)	Unsold Price (psf)	Avg. Suite Size (sf)
8888 Yonge	Metroview Developments	8888 Yonge St	Oct 2019	U/C	15	204	100%	\$814		927
Elgin East at Bayview	Sequoia Grove Homes	1000 Elgin Mills Rd E	Jan 2018	U/C	8	162	98%	\$673	\$846	863
Elgin East at Bayview - Next Phase	Sequoia Grove Homes	1000 Elgin Mills Rd E	Mar 2019	U/C	10	122	100%	\$718		732
Era at Yonge	Pemberton Group	65 Oneida Cres	Jan 2018	U/C	25	263	100%	\$675		774
Era at Yonge 2	Pemberton Group	65 Oneida Cres	Feb 2018	U/C	0	312	100%	\$707		780
Westwood Gardens	Collecdev	8868 Yonge St	May 2017	U/C	18	370	100%	\$683		728
Y9825 Condos	Metroview Developments	9825 Yonge St	Sep 2021	Pre	0	452	74%	\$1,031	\$1,031	604
Yonge Parc 2	Pemberton Group	95 Oneida Crescent	Jun 2017	Occ	19	232	100%	\$613		746
<b>Richmond Hill</b>						<b>2,117</b>	<b>94%</b>	<b>\$750</b>	<b>\$1,025</b>	<b>747</b>

\*Source: Urbanation

## Surrounding Development Applications

As of Q4 2021, there are currently 21,576 residential condominium units throughout 47 projects proposed in Richmond Hill. These projects are in various stages of approval.



Project	Developer Name	Address	Proposed Opening	Total Units
9750 Yonge	JD Development	9750-9760 Yonge St (S of Harding Blvd)	2022	522
Baif Don Head	Baif Developments	0 Addison St & 0 Hopkins St		1981
Bayview / Cartier	2573163 Ontario Inc. & 2668860 Ontario Inc.	122-126 Cartier Cres		165
Bayview / Crosby	ElginBay Corp	10568 Bayview Ave (N of Crosby)		684
Bayview / Elgin Mills	1430518 Ontario Ltd	0 Elgin Mills Rd E (E of Bayview)		376
Bayview / Elgin Mills	Sanmike Construction Ltd	10665 Bayview Ave (S of Elgin Mills)		532
Bayview Palace	2747883 Ontario Inc. and 275302 Ontario Inc	13572 & 13586 Bayview Ave (N of Snively)		122
Church / Major Mackenzie	1338480 Ontario Ltd	45 & 53 Major Mackenzie Dr E		24
The Emerald	Yonge / Gamble	11488 Yonge St & 49 Gamble St		132
Four Seasons Garden Res - Ph 4 & 5	Catalia Dev Group	75 & 85 Norman Bethune Ave (north of Hwy 7)		600
Gates of Bayview Towers	Gates of Bayview Townhomes Inc. (Pemberton Group)	0 Oneida Cr		1518
Grand Genesis - Ph 3	Guizzetti Dev / Holborn	9076-9106 Yonge St & 8 Edgar Ave		130
Lennox / Major MacKenzie	Mehdri Rezaei Boroum	219-227 Major MacKenzie Dr (at Lennox)		66
Leslie / Bethesda	William H. Worden	1393 Bethesda Siderd		400
Leslie / Elgin Mills	Leslie Elgin Developments Inc.	10961 & 11121 Leslie St (N of Elgin Mills)		180
Leslie / Elgin Mills	Conservatory Group	10956 & 11060 Leslie St (N of Elgin Mills)		200
Major Mackenzie / Yonge	Yeda Major Mackenzie Inc.	58 Major Mackenzie Dr W		33
Nahid on Yonge	Two Z Incorporated	9861 Yonge St & 240 Church St		82
New Bayview Hill	CIM Development Inc	10747 Bayview Ave (S of Elgin Mills)		225
Royal Gardens - Remaining Phases	Liberty Development Corp	9-15 Rockwell Rd & 373-382 Hwy 7		700
The Rosetown	Maren Group / Arten Developments	64-72 Major Mackenzie E & 115-119 Church St S		87
West Beaver Creek / Leslie	2303042 Ontario / OGO Development	9140 Leslie St (N of West Beaver Creek)		818
Yonge / 16th	Taheri Development Inc.	9218 Yonge St (S of 16th Ave)		500
Yonge / 16th	Yonge Sixteen LP	9251 Yonge St		959
Yonge / 16th	Whitehorn Investments Ltd.	9301-9335 Yonge St		821
Yonge / Bernard	TSMJC Properties Inc	10909 Yonge St		315
Yonge / Bloomington	Baif Developments	13515-13715 Yonge St, 53 St. Laurent Dr		1527
Yonge / Brookside	J-G Cordone Investments Ltd	11130 Yonge St		140
Yonge / Brookside	Yonge MCD INC	11014-11076 Yonge St & 47-59 Brookside Rd, 12 & 24 Naughton Dr		991
Yonge / Brookside	Hazelview Developments Inc.	11160 Yonge St		731
Yonge / Canyon Hill	Dogliola Developments Ltd. & Campo Ridge Home Corp.	10898, 10922, 10944 & 10956 Yonge St		1160
Yonge / Carrville	2514099 Ontario Ltd	119 Carrville Rd		68
Yonge / Carrville	Goldenville Development Inc.	39-97 Carrville Rd		827
Yonge / Centre	Robert Salna Holdings Inc & Pennytech Inc	10217 & 10225 Yonge St (N of Centre)		81
Yonge / Church	Metroview Developments (Elmwood) Inc.	9929-9939 Yonge St, 186-188 Church St		249
Yonge / Devonsleigh	Yongehill Developments Inc	11305 Yonge St		47
Yonge / Enford - Block 4	Nahid Corp	10481 Yonge St		490
Yonge / Garden	Metroview Developments (Garden) Inc	8700 & 8710 Yonge St		336
Yonge / Harding	Metroview Developments (Harding) Inc	9852 Yonge St & 254, 258 & 264 Church St & 17 Harding Blvd		413
Yonge / Hunt	Zamani Homes (Richmond Hill) Ltd. (Zamani Homes)	10423-10429 Yonge St		546
Yonge / Jefferson	J.G. Cordone Investments Ltd	12030 Yonge St (S of Jefferson Sd Rd)		155
Yonge / Levensdale	Upper Yonge Properties Ltd.	10441-10459 Yonge St		236
Yonge / Major MacKenzie	1338480 Ontario Inc	45-53 Major Mackenzie Dr (E of Church St)		24
Yonge / May	2705785 Ontario Ltd. (Dilawri Group of Companies)	9675, 9697 & 9699 Yonge St (S of May Ave)		352
Yonge / Stouffville	Golden Heights Real Estate Inv. Corp.	12050 Yonge St (N of Harris)		206
Yonge / Weldrick	Intracorp	25-33 Yongehurst Rd & 18-30 Weldrick Rd W		627
Yonge / Worthington	Yorkdale Group	13532-13554 Yonge St (S of Coon's)		198
<b>Richmond Hill Total:</b>				<b>21,576</b>

\*Source: Urbanation



## Residential Demand in the GTA

A total of 8,361 new condo apartments were sold across the Greater Toronto Area in the fourth quarter of 2021 representing an increase of 15% year over year. The average sold price for the Greater Toronto Area was \$1,018. Additionally, resale index prices increased by 14% year over year to \$875 per square foot.

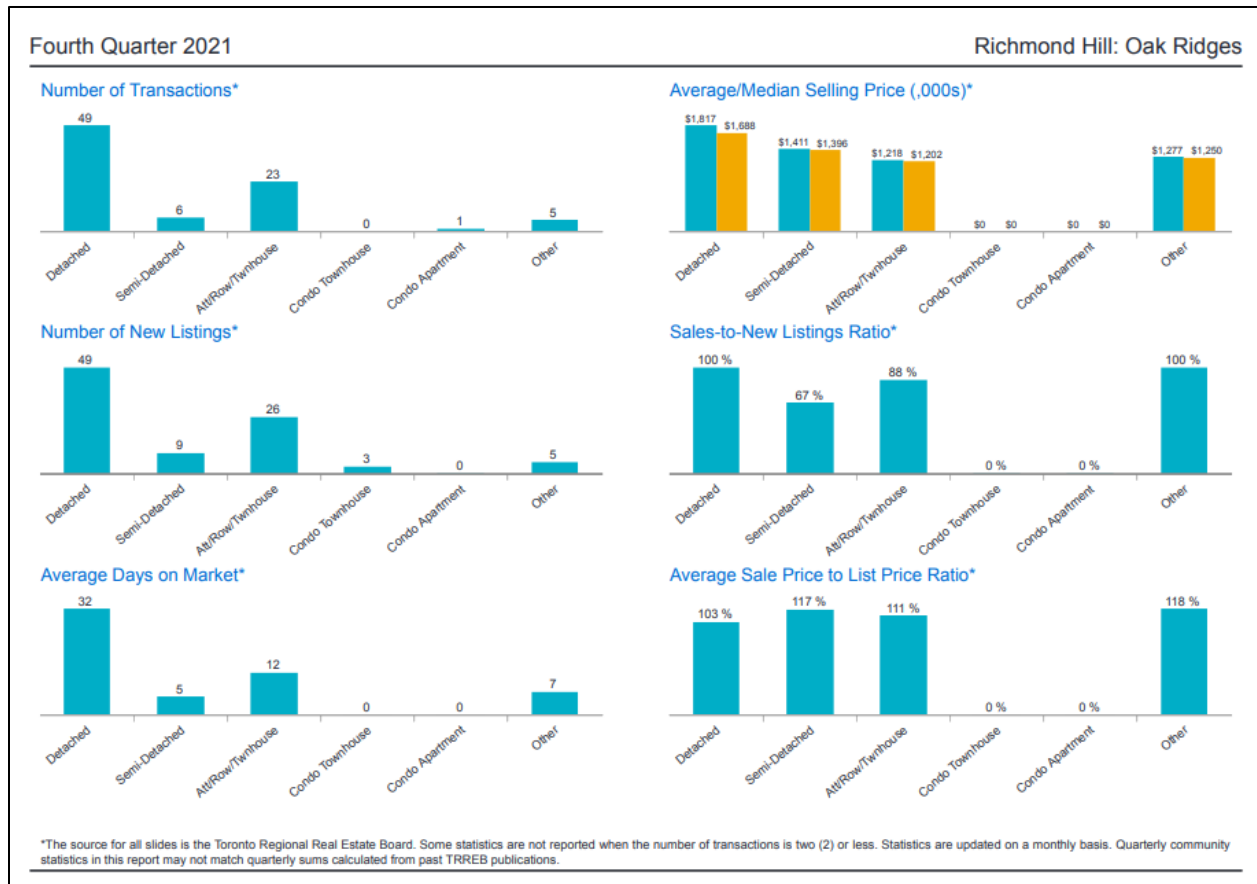
Table 1.1 Condominium Market Overview by Quarter Greater Toronto Area					
Quarter	Q4-2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021
<b>New Condominium Market</b>					
Projects (incl. sold-out)	443	441	455	465	477
Total Units	125,005	125,953	128,576	134,285	137,596
Quarter Sales	4,728	5,334	8,943	8,206	8,361
Unsold Inventory	14,022	12,479	12,162	12,758	10,422
Avg. Sold PSF (active projects)	\$885	\$913	\$941	\$965	\$1,018
Avg. Unsold PSF	\$1,123	\$1,184	\$1,201	\$1,234	\$1,322
Total Absorption Level	89%	90%	91%	90%	92%
<b>New Project Openings</b>					
Projects	27	12	32	25	21
Total Units	5,503	3,350	8,490	8,672	6,025
<b>New Project Construction</b>					
Construction Starts	7,409	6,405	6,412	5,906	1,758
Completions	4,877	3,948	4,317	2,222	3,398
Projects U/C	278	285	290	295	293
Total Units U/C	79,988	82,285	85,372	88,647	88,811
<b>Resale Market</b>					
Projects	2,009	2,029	2,046	2,064	2,072
Total Units	379,749	383,589	389,254	393,140	394,764
Quarter Sales	5,671	8,361	7,791	6,896	6,832
Avg. Price	\$634,000	\$662,000	\$707,000	\$709,000	\$733,000
Avg. Price PSF	\$762	\$825	\$860	\$861	\$875
Total Listings	10,008	11,118	10,735	10,070	8,097
Sales to Listings Ratio	57%	75%	73%	68%	84%
<b>New Resale Additions</b>					
Projects	20	17	18	18	8
Total Units	3,840	5,665	3,886	3,886	1,627

\*Source: Urbanation

## Resale Market

According to the Toronto Real Estate Board, during the fourth quarter of 2021 in the community of Richmond Hill: Oak Ridges, there were a total of 84 residential resales on market with a total dollar volume of \$133,506,833. The average price per dwelling was \$1,589,367 with the median price per dwelling at \$1,465,000. The average number of days on market was 23 days.

For townhouse dwellings, the median price was \$1,202,000 with an average sale to new listing ratio of 88%. This indicates there were fewer sales than new listings during this quarter.



\*Source: Toronto Real Estate Board

### Conclusion

Given the strong absorption of new projects and the activity in the resale market, market factors appear to be supportive of the proposed development.



# Valuation

## Highest and Best Use

The principle of highest and best use is fundamental to the concept of value in real estate. Highest and best use, in general, may be defined as follows:

“The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.”

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2022 ed., p. 7)

The aforementioned characteristics are considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests. See the **Appendix** for a more detailed definition of each of the four characteristics. The following analysis contributes to our conclusions of highest and best use.

### As Vacant Analysis

#### Legal Permissibility

The legal factors that can influence the highest and best use of the Subject site include land use/zoning regulations, private restrictions, building codes, historic designations/district controls, environmental regulations and others, if applicable to the Subject site. In the Subject instance, general ranges of permitted uses under its Residential Medium Density, Park zoning were summarized in the Land Use / Zoning section. The subject has received a site specific approval for a stacked townhouse development. Overall, legal factors appear supportive of a medium density residential development.

#### Physical Possibility

Regarding physical characteristics, the Subject site is rectangular in shape and has generally level topography with good access and good exposure. Physical and locational features appear supportive of medium density residential development for the site's highest and best use as-vacant.

#### Financial Feasibility

Our observations of current market conditions for development at the Subject property's location suggest that development of the site with a medium density residential development would be feasible.

#### Maximum Productivity

Of the various legally permissible, physically possible, and financially feasible uses available, the maximum productivity of the property would be achieved with a medium density residential development.

#### Highest and Best Use as if Vacant

Upon examination of the factors mentioned above and careful consideration of the relevant factors including the Subject Property location, site characteristics, land use controls and the condition of the real estate market, the highest and best use of the Subject Property, as if vacant, is considered to be Medium density residential development.

### Highest and Best Use as Improved

As the property being appraised represents vacant land, an analysis of its Highest and Best Use as Improved is not relevant and has therefore not been completed.

# Valuation Methodology

Traditionally, there are three accepted methods of valuing real property:

- Cost Approach;
- Direct Comparison Approach; and
- Income Approach.

The selection of a relevant methodology depends upon the nature and characteristics of the real estate under consideration. The Subject Property is a vacant land parcel as such we have outlined the applicable land valuation techniques below:

The **Direct Comparison Approach** is based upon the premise that a prudent purchaser would not pay more for a property than what it would cost to acquire a suitable alternative property and that the market value of a property can be estimated by comparing sales, offers, and listings of properties which have similar characteristics to the property being appraised.

The **Abstraction Method** of valuing land is premised upon the Principal of Contribution. This method is premised on the assumption that within each category and type of real estate, there exists a typical ratio of land value to total property value. By knowing what this ratio is from data compiled from areas where land and building values are available and applying it to the sales information regarding improved properties in a built up area, an estimate of land value can be abstracted. The reliability of this method is diminished because it does not take into explicit consideration such relevant criteria as building age or quality of construction.

A method of land valuation similar to the Abstraction Method but which implicitly recognizes differences in building age and quality of construction is the **Extraction Method**. This method deducts the estimated depreciated reproduction or replacement cost of the improvements of an improved property for which the total property value is known to arrive at an estimate of land value as if vacant.

When valuing larger parcels for which the highest and best use is the parcel's subdivision into smaller sites, and for which sales information regarding similar larger sites is insufficient to undertake a Direct Comparison Approach, the **Subdivision Development Method** may be employed. In applying this method, the first step is to establish market values for the smaller sites as though subdivided, the length of the development period, and an appropriate absorption period. The second step is to determine the costs required to create and market the subdivided parcels which includes engineering and construction costs associated with the site preparation, roadways, sidewalks and servicing; carrying costs such as insurance and taxes; and marketing costs. These costs are then deducted from the projected gross revenue of the lots to arrive at an estimate of the net proceeds which, once discounted at an applicable rate to account for the risk associated with the time required to complete such a development, are indicative of the present market value of the larger, un-subdivided site.

Another method that may be employed in the absence of adequate comparable information is the **Land Residual Technique**. In this method the net income generated from the property is established. From this is deducted a reasonable return on and recapture of capital invested in the improvements. The residual income is considered to be ascribed from the land. This income is then capitalized at an appropriate rate to arrive at an estimate of land value. An important assumption required in the application of this method is

that the site is developed to its highest and best use such that the income from land and improvements are of the same type and sources.

A similar method as the Land Residual Technique is **Ground Rent Capitalization**. Undertaking this method of site valuation requires the analysis of ground rents prevalent in the market and in consideration of the characteristics of the site being appraised. From the analysis, a gross income is established from which any requisite expenses or anticipated losses are deducted to arrive at a net operating income. This net operating income is then capitalized at an applicable rate to arrive at an estimate of the vacant site.

All of the above noted methods are derived from the three traditional approaches to value noted above.

## Selection of Relevant Methodology

The primary valuation methodology for development lands such as the Subject Property is the Direct Comparison Approach thus it will be completed and relied upon in our report. The Direct Comparison Approach involves the analysis of sales of similar land parcels. The other land valuation techniques are not appropriate in this case. Only the Direct Comparison Approach will be completed and relied upon in our report. The Cost Approach is not considered applicable in the valuation of lands such as the Subject Property site. The Income Approach is also not considered appropriate in the valuation of development lands where no lease is in place.

## Direct Comparison Approach

The Direct Comparison Approach is based on the Principle of Substitution, which maintains that a prudent purchaser would not pay more for a property than the cost to purchase a suitable alternative property, which exhibits similar physical characteristics, tenancy, location, etc. Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the Subject Property. Typically, a unit of comparison (i.e. sale price per square foot, sale price per acre) is used to facilitate the analysis. In the case of properties similar to the Subject Property, the sale price per unit buildable is used in our analysis.

The transactions summarized and analyzed in the table on the following pages are considered to be suitably comparable to the Subject Property with respect to the characteristics below and therefore provide a reasonable and reliable indication of value.

As one sale is not necessarily indicative of market value, an appraiser examines a number of market transactions. When properly reconciled, trends emerge, leading to the estimate of market value of the property being appraised.

In valuing the Subject Property, comparison was made to each of the indexed sales. The basis for comparison included the consideration of the following:

### Property Rights Conveyed

- When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights. In the sales comparison analysis, it is pertinent that the property rights of the comparable sale be similar to the property rights of the Subject Property.

### Financing Terms

- The transaction price of one property may differ from that of a similar property due to different financing arrangements. Financing arrangements may include existing mortgages at favourable interest rates or paying cash to a lender so that a mortgage with a below-market interest rate could be offered.

### Conditions of Sale

- Adjustments for conditions of sale usually reflect the motivations of the purchaser and vendor. In some cases the conditions of sale significantly affect transaction prices. Sales that reflect unusual situations, require an appropriate adjustment for motivation or sale condition. For example, power-of-sale conditions involve a certain degree of urgency on part of the lender - leading to a somewhat lower sale price than what would otherwise be expected.

### Market Conditions (Time)

- When market conditions are changing, it may be necessary to adjust prices to reflect the time difference between the date of sale of a comparable property and the effective date of valuation.

### Location

- An adjustment for location within a market area may be required when the locational characteristics of a comparable property differ from those of the Subject Property. Excessive locational differences

may disqualify a property from use as a comparable. Although no location is inherently desirable or undesirable, the market recognizes that one location maybe better than, similar to, or worse than another.

#### Development Timing

- An adjustment for the anticipated time to development may be required when the site requires demolition, official plan amendments, zoning amendments, and site plan approval. The time required to prepare the site for development may affect the sale price. For example a development with a 10-15 year development time horizon would sell at a lower unit rate than a development with a 3-5 year development time horizon, all else being equal.

#### Physical Characteristics

- Adjustments may be required for characteristics such as size, frontage, shape and configuration.

#### Use

- Adjustments may be required for differences between the highest and best use of the comparable sales and the Subject Property. These differences are typically identified by differences in official plan designations and zoning and the probability of an amendment.

#### Density

- An adjustment may be required to consider the differences in the permitted and/or likely achievable density.

The Appraisal Institute of Canada recommends the use of "paired sales analysis" in the derivation of adjustments. This involves locating two very similar sales that sell in a similar time period. If the two sales differ in only one key feature, then the difference in sale price can be used as the "market indicator" for the adjustment for that feature. In practice, this concept usually only applies to newer homes in a subdivision. Commercial and industrial properties tend to be more unique and therefore, it is not always possible to find paired sales to derive adjustments. In the absence of paired sales, it is the appraisers' experience and judgment (based on observation), which is used for adjustments.

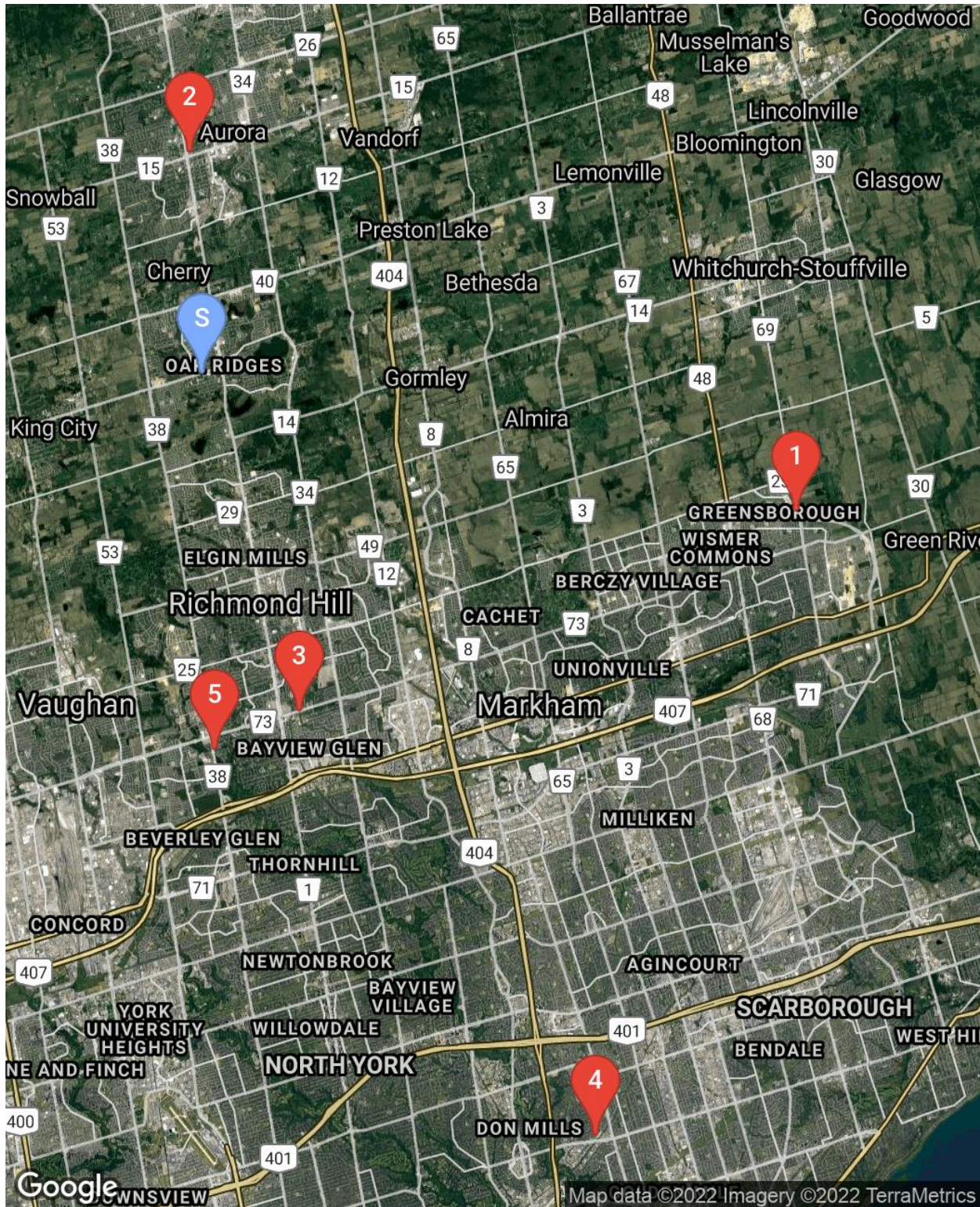
In order to establish reasonably achievable rates for the Subject Property, we have conducted a search of the Subject Property's area as well as other comparable markets areas for transactions of development sites featuring comparable sizes, land use controls, locations and development risk. Our search yielded five sales, which are considered to provide a reasonable indication of rates for development sites similar to the Subject Property. The map and comparable sale sheets included on the following pages detail the five comparable property sales we have identified and considered for analysis, followed by an overview of each comparable sale property.

The table following summarizes the unadjusted unit rates for the comparable sale properties.

<b>Land Transactions &amp; Analysis</b>						
<b>Development Site</b>						
	<b>Subject</b>	<b>Transaction One</b>	<b>Transaction Two</b>	<b>Transaction Three</b>	<b>Transaction Four</b>	<b>Transaction Five</b>
Address	201, 227, 235 King Road	9642 Ninth Line	22, 26 Centre Street	243 Sixteenth Avenue	75 Curlew Drive	9113 - 9125 Bathurst Street
City, Province	Richmond Hill, ON	Markham, ON	Aurora, ON	Richmond Hill, ON	North York, ON	Richmond Hill, ON
PIN	031960039, 031960038, 031960037	030614269	036380031, 036380030	031101527	101080015	032151223, 032151459
Transaction Price		\$47,000,000	\$3,200,000	\$4,050,000	\$22,600,000	\$6,800,000
Transaction Price per Buildable Unit		\$319,728	\$355,556	\$368,182	\$101,802	\$323,810
<b>Transactional Characteristics</b>						
Transaction Status		Recorded	Recorded	Recorded	Recorded	Recorded
Transaction Date		10/12/2021	9/9/2021	5/17/2021	3/12/2021	1/29/2021
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		Loan from Bank	Undisclosed	Undisclosed	Undisclosed	Undisclosed
Conditions of Sales		Arms-Length	Arms-Length	Arms-Length	Arms-Length	Arms-Length
<b>Site Characteristics</b>						
Site Size (Acre)	3.875	7.780	0.600	0.660	3.170	1.170
Site Size (Buildable SF)	165,434	-	-	22,636	210,698	47,624
FSI	0.98	-	-	0.79	1.53	0.93
Site Size (Units Buildable)	178	147	9	11	222	21
Topography	Generally Level	Generally Level	Generally Level	Level	Level	Generally Level
Site Configuration	Rectangular	Generally Rectangular	Generally Rectangular	Rectangular	Rectangular	L-shaped
Corner Parcel	No	No	No	No	No	No
Official Plan	Oak Ridges Local Centre RM1, P - Residential Medium Density, Park	Residential Low Rise	Stable Neighbourhoods	Neighbourhood Area	Neighbourhoods	Neighbourhood
Zoning		R2*630	R8	RM-1 - Multiple Family One	RM4 - Residential	RM1 - Residential
Application Status	Approved at LPAT.	Zoning permits 26 tow nhomes and 121 stacked tow nhomes.	No application. Zoning permits up to stacked tow nhomes.	LPAT approved for 11 stacked tow nhomes.	SPA for 222 stacked tow nhomes.	SPA for 21 tow nhomes.
Per Acre		\$6,041,131	\$5,333,333	\$6,136,364	\$7,129,338	\$5,811,966
Per Buildable SF		-	-	\$178.92	\$107.26	\$142.79
Per Buildable Unit		<b>\$319,728</b>	<b>\$355,556</b>	<b>\$368,182</b>	<b>\$101,802</b>	<b>\$323,810</b>
<b>Overall Adjustment</b>		<b>Downward</b>	<b>Downward</b>	<b>Downward</b>	<b>Upward</b>	<b>Downward</b>
<b>Overall Comparability</b>		Superior	Superior	Superior	Inferior	Superior
<b>Conclusion (per Buildable Unit)</b>		<b>Lower Than</b>	<b>Lower Than</b>	<b>Lower Than</b>	<b>Higher Than</b>	<b>Lower Than</b>
		<b>\$319,728</b>	<b>\$355,556</b>	<b>\$368,182</b>	<b>\$101,802</b>	<b>\$323,810</b>

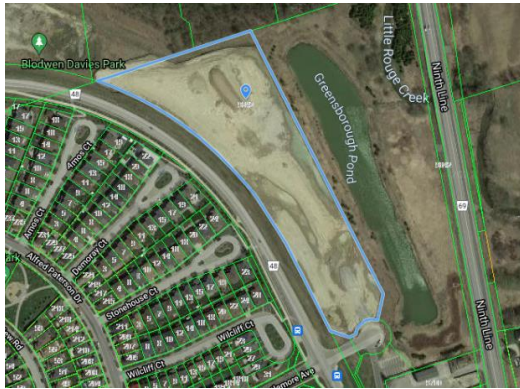


# Comparable Sales Map





## COMPARABLE 1: 9642 Ninth Line, Markham, ON



### TRANSACTION SUMMARY

Vendor	Forest Hill Homes (Humboldt Greensborough Valley Holdings Limited)
Purchaser	StateView Homes (Stateview Homes (Minu Towns) Inc.)
Registered Date	10/12/2021
Status	Recorded
PIN	030614269
Sale Price	\$47,000,000
Site Area (Buildable Unit)	147
Site Area (Acre)	7.780
Site Area (Buildable SF)	-
Site Area (Buildable Unit)	147
Sale Price per Unit Buildable	\$319,728

### SITE DESCRIPTION

Address	9642 Ninth Line
Configuration	Generally Rectangular
Topography	Generally Level

### LAND USE PLANNING

Official Plan Designation	Residential Low Rise
Underlying Zoning	R2*630

### GENERAL COMMENTS

The City of Markham Official Plan designates the property Residential Low Rise.

An Official Plan Amendment (No.18 129244), a Rezoning Application (No.10 132122), and a Site Plan Application (No.10 132123) were submitted on December, 2010 pertaining to the land in this transaction. The Applications proposed the development of 147 townhouse units. The zoning bylaw amendment was approved in August 2019. A non-material portion of the site was designated for open space use. The zoning permits Multiple Dwellings, Townhouse Dwellings, and Accessory Dwelling Units. The maximum height is 12 metres. The site permits up to 26 townhouse dwellings and 121 multiple dwellings.

## COMPARABLE 2: 22, 26 Centre Street, Aurora, ON



### TRANSACTION SUMMARY

Vendor	1428420 Ontario Limited
Purchaser	Wealthous Capital Corporation Inc.
Registered Date	9/9/2021
Status	Recorded
PIN	036380031 , 036380030
Sale Price	\$3,200,000
Site Area (Buildable Unit)	9
Site Area (Acre)	0.600
Site Area (Buildable SF)	-
Site Area (Buildable Unit)	9
Sale Price per Unit Buildable	\$355,556

### SITE DESCRIPTION

Address	22, 26 Centre Street
Configuration	Generally Rectangular
Topography	Generally Level

### LAND USE PLANNING

Official Plan Designation	Stable Neighbourhoods
Underlying Zoning	R8

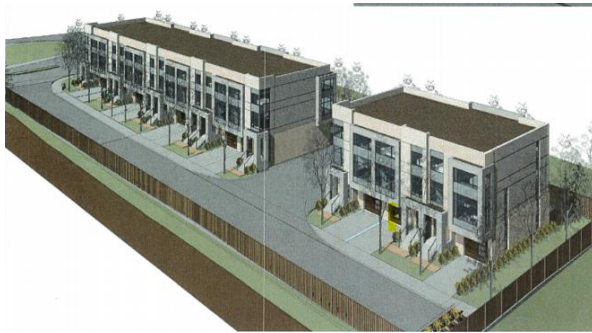
### GENERAL COMMENTS

The Town of Aurora Official Plan designates the property Stable Neighbourhoods. At the time of sale, the property was improved with two single family detached residential dwellings. There are no active development applications for this site.

The R8 Zoning permits: townhomes, back to back townhomes and stacked townhomes. The maximum permitted coverage is 50% and the maximum height is 11m.

It was reported the purchaser intends to construct 9 stacked townhomes at the site.

## COMPARABLE 3: 243 Sixteenth Avenue, Richmond Hill, ON



### TRANSACTION SUMMARY

Vendor	2522772 Ontario Inc.
Purchaser	243 Sixteenth Ave. Gp Inc.
Registered Date	5/17/2021
Status	Recorded
PIN	031101527
Sale Price	\$4,050,000
Site Area (Buildable Unit)	11
Site Area (Acre)	0.660
Site Area (Buildable SF)	22,636
Site Area (Buildable Unit)	11
Sale Price per Unit Buildable	\$368,182

### SITE DESCRIPTION

Address	243 Sixteenth Avenue
Configuration	Rectangular
Topography	Level

### LAND USE PLANNING

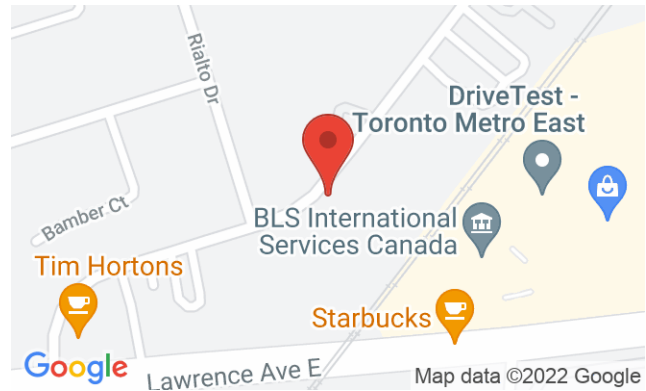
Official Plan Designation	Neighbourhood Area
Underlying Zoning	RM-1 - Multiple Family One

### GENERAL COMMENTS

The Town of Richmond Hill Official Plan designates the property Neighbourhood Area. At the time of sale, the property was improved with a single family detached residential dwelling. An Official Plan/Rezoning Application (No. D02-14013), a Site Plan Application (No. D06-14038) and Draft Plan of Subdivision Application (No. 19T(R)-14002) were submitted in February, 2015 pertaining to the land in this transaction. The Applications proposed the development of 11 stacked townhouse units.

In February 2020, an LPAT hearing was conducted and it was ordered that the Official Plan/Zoning Amendment and Draft Plan of Subdivision would be approved. The zoning classification was amended to RM1 Multiple Family One Zone.

## COMPARABLE 4: 75 Curlew Drive, North York, ON



### TRANSACTION SUMMARY

Vendor	Curlw Properties Inc.
Purchaser	2811752 ONTARIO INC.
Registered Date	3/12/2021
Status	Recorded
PIN	101080015
Sale Price	\$22,600,000
Site Area (Buildable Unit)	222
Site Area (Acre)	3.170
Site Area (Buildable SF)	210,698
Site Area (Buildable Unit)	222
Sale Price per Unit Buildable	\$101,802

### SITE DESCRIPTION

Address	75 Curlew Drive
Configuration	Rectangular
Topography	Level

### LAND USE PLANNING

Official Plan Designation	Neighbourhoods
Underlying Zoning	RM4 - Residential

### GENERAL COMMENTS

The site is located north of Lawrence Avenue East, west of Victoria Park Avenue. The neighborhood includes a mix of commercial, institutional, as well as low-, medium-, and high-density residential uses. The City of Toronto Official Plan designates the property Neighborhoods. The Zoning By-law classifies the property RM4, a residential zone classification. At the time of sale, the property was undergoing preliminary grading. A Rezoning Application (No. 17 145887 NNY 34 OZ) and a Site Plan Application (No. 17 145896) were submitted on April 19, 2017 pertaining to the land in this transaction. The Applications proposed the development of 222 stacked townhouse units. The development would have a total gross floor area of approximately 210,698 square feet and would have 233 parking spaces. As of April 24, 2019, the Rezoning Application had been approved. As of September 20, 2020, a Notice of Approval Conditions (NOAC) had been issued regarding the Site Plan Application.

## COMPARABLE 5: 9113 - 9125 Bathurst Street, Richmond Hill, ON



### TRANSACTION SUMMARY

Vendor	Ontario Superior Court of Justice Commercial List
Purchaser	Altona (Bathurst) Developments Inc.
Registered Date	1/29/2021
Status	Recorded
PIN	032151223, 032151459
Sale Price	\$6,800,000
Site Area (Buildable Unit)	21
Site Area (Acre)	1.170
Site Area (Buildable SF)	47,624
Site Area (Buildable Unit)	21
Sale Price per Unit Buildable	\$323,810

### SITE DESCRIPTION

Address	9113 - 9125 Bathurst Street
Configuration	L-shaped
Topography	Generally Level

### LAND USE PLANNING

Official Plan Designation	Neighbourhood
Underlying Zoning	RM1 - Residential

### GENERAL COMMENTS

This transaction involved a vesting order marketed by Cushman & Wakefield. The site has received zoning and site plan approval to 21 common element condominium townhouses in three blocks and 12 visitor parking spaces.

Rezoning (No. D03-16012) and Draft Plan of Subdivision Applications (No. D02-16016) were originally submitted in June, 2017.

At the time of sale, the property was improved with a single family detached residential dwelling.

Official Plan: Neighbourhood.



## Direct Comparison Sales Analysis

The sales have been reduced to a similar unit of comparison, namely price per unit buildable. The comparable sales provide unadjusted unit rates from \$101,802 to \$368,182 per unit buildable and range in size from 9 to 222 buildable units. The properties sold between January 2021 and October 2021. The following is an analysis of the adjustments we have considered for each of the comparable sale properties.

Adjustment Table					
Characteristic	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Address	9642 Ninth Line	22, 26 Centre Street	243 Sixteenth Avenue	75 Curlew Drive	9113 - 9125 Bathurst Street
Rate per Buildable Unit	\$319,728	\$355,556	\$368,182	\$101,802	\$323,810
Rate per Buildable SF	-	-	\$179	\$107	\$143
Property Rights Conveyed	↔	↔	↔	↔	↔
Financing Terms	↔	↔	↔	↔	↔
Conditions of Sale	↔	↔	↔	↔	↔
Market Conditions (Time)	↔	↔	↑	↑	↑
Location	↔	↔	↔	↑	↔
Development Timing	↔	↑	↔	↔	↓
Physical Characteristics	↔	↔	↔	↔	↔
Use	↓	↔	↓	↔	↓
Density	↔	↔	↔	↔	↔
Scale	↔	↓↓	↓	↔	↔
<b>Overall Adjustment to Rate per Buildable Unit</b>	↓	↓	↓	↑	↓

Index No.1 is the sale of a 147 buildable unit site located at 9642 Ninth Line. It sold for \$47,000,000 (\$319,728 per unit buildable) on October 12, 2021. The following adjustments were applied:

- Downward for use because this Index includes detached townhome units, which are larger than the subject's units.

**Overall, this Index is felt to be superior to the subject. For this reason, we feel that the subject should achieve a unit rate per unit buildable less than the \$319,728 represented by this index.**

Index No.2 is the sale of a 9 buildable unit site located at 22, 26 Centre Street. It sold for \$3,200,000 (\$355,556 per unit buildable) on September 9, 2021. The following adjustments were applied:

- Upward for development timeline as this Index did not have an application at the time of sale.
- Downward for scale since this Index is a much smaller site, reflecting the inverse relationship between size and value.

**Overall, this Index is felt to be superior to the subject. For this reason, we feel that the subject should achieve a unit rate per unit buildable lower than the \$355,556 represented by this index.**

Index No.3 is the sale of a 11 buildable unit site located at 243 Sixteenth Avenue. It sold for \$4,050,000 (\$368,182 per unit buildable) on May 17, 2021. The following adjustments were applied:

- Upward adjustment for improving market conditions for residential land.
- Downward for use because this Index has much larger unit sizes than the subject.
- Downward for scale since this Index is a much smaller site, reflecting the inverse relationship between size and value.
- The subject should achieve a higher rate per buildable SF than \$178 since it has smaller unit sizes.

**Overall, this Index is felt to be superior to the subject. For this reason, we feel that the subject should achieve a unit rate per unit buildable lower than the \$368,182 represented by this index.**

Index No.4 is the sale of a 222 buildable unit site located at 75 Curlew Drive. It sold for \$22,600,000 (\$101,802 per unit buildable) on March 12, 2021. The following adjustments were applied:

- Upward adjustment for improving market conditions for residential land.
- Upward for location because this Index is found in a less desirable residential market.

**Overall, this Index is felt to be inferior to the subject. For this reason, we feel that the subject should achieve a unit rate per unit buildable higher than the \$101,802 represented by this index.**

Index No.5 is the sale of a 21 buildable unit site located at 9113 - 9125 Bathurst Street. It sold for \$6,800,000 (\$323,810 per unit buildable) on January 29, 2021. The following adjustments were applied:

- Upward adjustment for improving market conditions for residential land.
- Downward for development timeline since this Index had site plan approval at the time of sale.
- Downward for use because this Index has much larger unit sizes than the subject.
- The subject should achieve a higher rate per buildable SF than \$142 since it has smaller unit sizes.

**Overall, this Index is felt to be superior to the subject. For this reason, we feel that the subject should achieve a unit rate per unit buildable lower than the \$323,810 represented by this index.**

### Summary

Based on the analysis, and in consideration of the characteristics of the Subject Property including its location, size, land use status, physical characteristics and use/planning status, it is our opinion that an appropriate unit value for the Subject would be higher than Index No. 4, and lower than Index No. 1, 2, 3, and 5.

## Direct Comparison Approach Conclusion

The Direct Comparison Approach, which is the most common technique used to value land, is the preferred method when sales of comparable properties are available. Before adjustments, the five comparable sale properties range from \$101,802 per unit buildable to \$368,182 per unit buildable.

Based on our preceding analysis, it is our opinion that an appropriate unit value for the Subject Property would lie within the range between **\$180,000** and **\$210,000** per unit buildable. Applying these unit values yields a range in value estimates as noted below.

VALUE MATRIX - LAND VALUATION		
SIZE (BUILDABLE UNIT)	VALUE PER UNIT BUILDABLE	VALUE <sup>(1)</sup>
178	\$180,000	\$32,040,000
178	\$195,000	\$34,710,000
178	\$210,000	\$37,380,000

(1) Rounded to nearest \$10,000

## Summary

Based upon all of the foregoing analysis, and selecting the mid-point of the above range, the current market value as is of the Subject Property, as at February 13, 2022 is concluded to be **\$34,710,000**.

The above value estimate is based on an exposure period of three to six months, assuming the basis of a transaction involving cash to the vendor, and is subject to the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions as detailed within the Terms of Reference section of this report, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Appendix. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained.



## Certification

### RE: Development Site, 201, 227, 235 King Road, Richmond Hill, Ontario

I, the undersigned appraiser, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported Assumptions and Limiting conditions, and are my impartial and unbiased professional analyses, opinions and conclusions;
- I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, a conclusion favouring the client, or the occurrence of a subsequent event;
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
- Except as disclosed herein, no one has provided significant professional assistance to the person(s) signing this report;
- As of the date of this report the undersigned has fulfilled the requirements of The Appraisal Institute of Canada's Continuing Professional Development Program;
- I am a member in good standing of the Appraisal Institute of Canada;

I, the co-signing AIC Appraiser, certify that:

- I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's Certification and am taking full responsibility for the appraisal and the appraisal report;
- I am a member in good standing of the Appraisal Institute of Canada;

Information pertaining to inspection of the subject property is as follows:

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Vicente Gamboa, MBA, AACI, P. App	No	-	-
Timour Petrov, AIC Candidate Member	Yes	Site Only	February 13, 2022

## Final Estimate of Value

Based upon the data, analyses and conclusions contained herein, the current market value of the Fee Simple interest in the property described herein, as at February 13, 2022, is estimated to be as follows:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As-Is	Fee Simple	February 13, 2022	\$34,710,000

**The proposed development of 178 stacked townhome units with a GFA of 165,434 SF, has been approved in part at LPAT. It has been assumed all further approvals will be received including Zoning and Site Plan approval.**

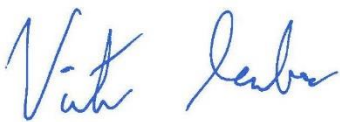
*Due to the rapidly changing profile of the COVID-19 Pandemic, coupled with its declaration as a Global Pandemic there may be immediate, short and long-term effects on the commercial real estate market and broader economy. Notwithstanding the foregoing, it is understood that overall global and domestic economic activity has slowed in recent months, but this has not translated to tangible real estate data as of the effective date. This appraisal was completed on the assumption that Ontario will continue to progress through Phase 1 to Phase 3 of the reopening of the economy and this report does not consider further significant setbacks related to COVID-19 such as a further wave that could impact the real estate market.*

The above value estimate is based on an exposure period of three to six months, assuming the basis of a transaction involving cash to the vendor, and is subject to the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions as detailed in the Terms of Reference of this report beginning on page 10; in addition to the Ordinary Assumptions and Limiting Conditions contained in the Appendix. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained.

Should you have any questions, we would be pleased to discuss the valuation further.

Yours very truly,

Co-Signing AIC Appraiser



Vicente Gamboa, MBA, AACI, P. App  
Executive Vice President, Toronto  
Date: February 14, 2022  
AIC Membership No. 905029

Candidate AIC Appraiser



Timour Petrov, AIC Candidate Member  
Associate, Toronto  
Date: February 14, 2022  
AIC Membership No. 914027

# Appendices

Appendix A	Ordinary Assumptions and Limiting Conditions
Appendix B	Definitions
Appendix C	Land Use / Zoning
Appendix D	Title Documents

## Appendix A

### Ordinary Assumptions and Limiting Conditions

## Ordinary Assumptions and Limiting Conditions

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronic Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”), and the following conditions:

- 1) This report has been prepared at the request of **Mir M Ali** of 12252856 Canada Inc. (the client) for the purpose of providing an estimate of the market value of **201, 227, 235 King Road, Richmond Hill, Ontario** (the Subject Property) and for the specific use referred to. It is not reasonable for any party other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other party will rely on it for any other purpose. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
- 2) This report has been prepared at the request of **Mir M Ali** of 12252856 Canada Inc. and for the exclusive (and confidential) use of the recipient as named and for the specific purpose and function as stated. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
- 3) All copyright is reserved to the author and this report is considered confidential by the author and **Mir M Ali** of 12252856 Canada Inc. . Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
- 4) The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
- 5) This appraisal report, its content and all attachments/addendums and their content are the property of the appraiser. The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

- 6) The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
- 7) This report is completed on the basis that testimony or appearance in court or at any administrative proceeding concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and for preparation and for any appearances that may be required, and the provision of appropriate additional compensation.
- 8) The estimated market value of the real estate that is the Subject of this appraisal pertains to the value of the **fee simple interest** in the real property. The property rights appraised exclude mineral rights, if any.
- 9) The concept of market value presumes reasonable exposure. The exposure period is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of valuation. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The reasonable exposure period is a function not only of time and effort but will depend on the type of asset being valued, the state of the market at the date of valuation and the level at which the asset is priced. (The estimated length of the exposure period needed to achieve the estimated market value is set forth in the Letter of Transmittal, prefacing this report).
- 10) The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. However, these data are not guaranteed for accuracy. Unless otherwise stated, we did not verify client-supplied information, which we believed to be correct. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate.
- 11) The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No title search has been performed, and the appraiser assumes that the title is good and marketable and free and clear of all value influencing encumbrances, encroachments, restrictions or covenants, including leases, unless otherwise noted in this report, and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described. The property is appraised on the basis of it being under responsible ownership. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
- 12) The property has been valued on the basis that there are no outstanding liabilities except as expressly noted, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the Subject Property or any portion thereof.
- 13) The property has been valued on the basis that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in

equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate appraised.

- 14) The legal description of the property and the area of the site were obtained from the Geowarehouse. No survey of the property has been made. Any plans and sketches contained in this report show approximate dimensions only and are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
- 15) The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all Government regulations and requirements of law, including all zoning, land use classification, building codes, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto, and that if it doesn't comply, any such non-compliance may affect market value. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).
- 16) The term "inspection" refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.
- 17) The opinions of value and other conclusions contained assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
- 18) The author of this report is not qualified to comment on environmental issues (including, without limitation any chemical or biological issues) that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government, or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.
- 19) Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications

of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

- 20) Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency with respect to the Subject property's compliance with all applicable regulations, unless such investigations are expressly represented to have been made in this report. Assumptions have been made that the Subject property is in compliance with all such regulations. The Subject Property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
- 21) The interpretation of any leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed, is solely the opinion of the author and should not be construed as a legal interpretation. Further, any summaries of such contractual agreements are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
- 22) The estimated market value of the property does not necessarily represent the value of the underlying shares of the entity owning the property, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.
- 23) Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership. For the purposes of our valuation, we have not made any adjustment for the value of a fractional interest.
- 24) In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
- 25) Unless otherwise noted, the estimated market value of the property referred to is predicated upon the condition that it would be sold on a cash basis to the vendor subject to any contractual agreements and encumbrances as noted in this report as-is and where-is, without any contingent agreements or caveats. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.
- 26) Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed, as of the effective date of this appraisal, cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
- 27) The value expressed is in Canadian dollars.
- 28) This report is only valid if it bears the original or password secured digital signature(s) of the author(s). If transmitted electronically, this report will have been digitally signed and secured with personal



passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.

- 29) These Ordinary Assumptions and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.
- 30) Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

## Appendix B

### Definitions

## Definitions

### Property Interests

- Fee Simple** • Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.
- Leased Fee Interest** • The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.
- Leasehold Interest** • The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

### General Definitions

**Adjusted or Stabilized Overall Capitalization Rate** is usually derived from transactions with excessive vacancy levels or contract rents over/under market levels. In such cases, net operating income is “normalized” to market levels and the price adjusted to reflect expected costs required to achieve the projected net operating income.

**The Cost Approach** to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can obtain, by purchase of a site and construction of a building without undue delay, a property of equal desirability and utility.

**Direct or Overall Capitalization** refers to the process of converting a single year’s income with a rate or factor into an indication of value.

**The Direct Comparison Approach** examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the Subject Property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

**Discount Rate** is a yield rate used to convert future payments or receipts into a present value.

**Discounted Cash Flow Technique** offers an opportunity to account for the anticipated growth or decline in income over the term of a prescribed holding period. More particularly, the value of the property is equivalent to the discounted value of future benefits. These benefits represent the annual cash flows (positive or negative) over a given period of time, plus the net proceeds from the hypothetical sale at the end of the investment horizon.

Two rates must be selected for an application of the DCF process:

- the internal rate of return or discount rate used to discount the projected receivables;
- an overall capitalization rate used in estimating reversionary value of the asset.

The selection of the discount rate or the internal rate of return is based on comparing the Subject Property to other real estate opportunities as well as other forms of investments. Some of the more common benchmarks in the selection of the discount rate are the current yields on long term bonds and mortgage interest rates.

**Exposure Time** - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada define “Exposure Time” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2022 ed. Page 6) as:

***“The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking.”***

**Fair Value (International Financial Reporting Standards)** – IFRS 13 defines “Fair Value” as:

***“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”***

**Highest and Best Use** - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada define “Highest and Best Use” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2022 ed. Page 7) as:

***“The reasonably probable use of Real Property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.”***

**The Income Approach** to value is utilized to estimate real estate value of income-producing or investment properties.

**Internal Rate of Return** is the yield rate that is earned or expected over the period of ownership. It applies to all expected benefits including the proceeds of sale at the end of the holding period. The IRR is the Rate of Discount that makes the net present value of an investment equal zero.

**Market Value** - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada define “Market Value” (The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2010), p. 2.8) as:

***“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, assuming that neither is under duress.”***

**Net Operating Income** is the actual or anticipated net income remaining after all operating expenses are deducted from effective gross income before debt service and depreciation. Net Operating Income is usually calculated for the current fiscal year or the forthcoming year.

**Overall Capitalization Rate** is an income rate that reflects the relationship between a single year's net operating income expectancy and the total property price. The Overall Capitalization Rate converts net operating income into an indication of a property's overall value.

A **Yield Rate** is applied to a series of individual incomes to obtain a present value of each.

## Appendix C

### Land Use / Zoning

## Zoning Bylaw

### Local Planning Appeal Tribunal Tribunal d'appel de l'aménagement local



**ISSUE DATE:** March 18, 2020

**CASE NOS.:**

PL171285  
PL171286

The Ontario Municipal Board (the "OMB") is continued under the name Local Planning Appeal Tribunal (the "Tribunal"), and any reference to the Ontario Municipal Board or Board in any publication of the Tribunal is deemed to be a reference to the Tribunal.

**PROCEEDING COMMENCED UNDER** subsection 34(11) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended

Applicant and Appellant:	9265988 Canada Corp.
Subject:	Application to amend Zoning By-law No. 313-96, as amended, of the City of Richmond Hill, and Zoning By-law No. 434-88, as amended, of the Township of King - Neglect of the City of Richmond Hill to make a decision
Existing Zoning:	"General Commercial Two (GC2)" under By-law No. 434-88, as amended, of the Township of King
Proposed Zoning:	To remove the subject lands from By-law No. 434-88, as amended, of the Township of King and include said lands within the limit of By-law No. 313-96, as amended, of the City of Richmond Hill and to then rezone the said lands to "Multiple Residential One (RM1-XXX) Zone" and "Park (P) Zone" with site-specific development standards
Purpose:	To permit the construction of a medium density residential development comprised of 90 condominium stacked townhouse units in heights of 3 and 4 storeys to be accessed by a single private lane connecting to King Road
Property Address/Description:	227 & 235 King Road/ Part of Lots 15 & 16, Plan 136
Municipality:	City of Richmond Hill
Municipality File No.:	D02-16002
LPAT Case No.:	PL171285
LPAT File No.:	PL171285
LPAT Case Name:	9265988 Canada Corp. v. Richmond Hill (City)



**PROCEEDING COMMENCED UNDER** subsection 34(11) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended

Applicant and Appellant: Subject:	9183183 Canada Corp. Application to amend Zoning By-law No. 313-96, as amended, of the City of Richmond Hill, and Zoning By-law No. 434-88, as amended, of the Township of King - Neglect of the City of Richmond Hill to make a decision
Existing Zoning:	"General Commercial Two (GC2)" under By-law No. 434-88, as amended, of the Township of King
Proposed Zoning:	To remove the subject lands from By-law No. 434-88, as amended, of the Township of King and include said lands within the limit of By-law No. 313-96, as amended, of the City of Richmond Hill and to then rezone the said lands to "Multiple Residential One (RM1-XXX) Zone" and "Park (P) Zone" with site-specific development standards
Purpose:	To permit the construction of 88 stacked townhouse units, mostly 4-storeys in height with some of the units transitioning to 3-storeys in height adjacent to the single family housing units to the south of the site
Property Address/Description:	0 King Road/ Part of Lots 13 and 14, Plan 136
Municipality:	City of Richmond Hill
Municipality File No.:	D02-15011
LPAT Case No.:	PL171286
LPAT File No.:	PL171286
LPAT Case Name:	9183183 Canada Corp. v. Richmond Hill (City)

BEFORE:

SHARYN VINCENT VICE-CHAIR	) ) )	Wednesday, the 18th day of  March, 2020
------------------------------	-------------	---

**THIS MATTER** having come on for a public hearing, and the Tribunal having withheld its Final Order to await receipt of a final Zoning By-law Amendment, consistent with the Draft Zoning By-law Amendment attached as Attachment 1 to the Decision issued on October 28, 2019, satisfactory to the City of Richmond Hill's Commissioner of Planning and Regulatory Services;

**THE TRIBUNAL ORDERS** that the appeals are allowed in part, and By-law No. 313-96, as amended, of the City of Richmond Hill, and By-law No. 1275, as amended, of the former Township of King, are hereby amended in the manner set out in "Attachment 1" to this Order. The Tribunal authorizes the municipal clerk to assign a number to this By-law for record keeping purposes.

*"Evelyn Dawes"*

DEPUTY REGISTRAR

If there is an attachment referred to in this document,  
please visit [www.elto.gov.on.ca](http://www.elto.gov.on.ca) to view the attachment in PDF format.

**Local Planning Appeal Tribunal**

A constituent tribunal of Tribunals Ontario – Environment and Land Division  
Website: [www.elto.gov.on.ca](http://www.elto.gov.on.ca) Telephone: 416-212-6349 Toll Free: 1-866-448-2248

## ATTACHMENT 1

**The Corporation of the City of Richmond Hill****By-law 20-20**

A By-law to Amend By-law 313-96, as amended, of

The Corporation of the City of Richmond Hill and

By-law 1275, as amended, of the former Township of King

Whereas a Local Planning Appeal Tribunal Hearing was held on July 22, 2019 to consider the proposed Zoning By-law Amendment described therein;

Now Therefore the Local Planning Appeal Tribunal hereby approves as follows:

1. That By-law 1275, as amended, of the former Township of King ("By-law 1275"), as amended, be and hereby is further amended by:
  - a) removing those lands shown on Schedule "A" to this By-law 20-20 (the "Lands"), and any provisions of By-law 1275, as amended, that previously applied to the Lands shall no longer apply to the Lands.
2. That By-law 313-96, as amended, of The Corporation of the City of Richmond Hill ("By-law 313-96") be and hereby is further amended as follows:
  - a) by expanding the area of By-law 313-96 to include the Lands;
  - b) by rezoning the Lands to "Multiple Residential One (RM1) Zone" and "Park (P) Zone" under By-law 313-96 as shown on Schedule "A" of this By-law 20-20; and,
  - c) by adding the following to Section 7 - Exceptions

"7.212

Notwithstanding any inconsistent or conflicting provisions of By-law 313-96 of the Corporation, as amended, the following special provisions shall apply to the Lands zoned "Multiple Residential One (RM1) Zone" and more particularly shown as "RM1" on Schedule "A" to By-law 20-20 and denoted by a bracketed number (7.212):

- i) For the purposes of this by-law, a **block townhouse dwelling** means a **townhouse dwelling** that is not a **street townhouse dwelling** and may include a stacked townhouse dwelling, which means a building containing at least three (3) **dwelling units**, each **dwelling unit** being separated from the other vertically and horizontally and having an independent external access.
- ii) The following provisions shall apply:
- |  |  |
|--|--|
| (a) Permitted use:   | <b>block townhouse dwelling</b>                    |
| (b) Minimum <b>lot frontage</b> :                                    | 123.0 metres (403.5 feet)                          |
| (c) Minimum <b>lot area</b> (1):                                     | 1.4 hectares (3.46 acres)                          |
| (d) Maximum <b>lot coverage</b> :                                    | 30%  |
| (e) Maximum <b>floor area ratio</b> :                                | 1.0  |
| (f) Minimum <b>front yard</b> (2)(5):                                | 4.5 metres (14.76 feet)                            |
| (g) Minimum <b>side yard</b> (2):                                    | 4.0 metres (13.1 feet)                             |
| (h) Minimum <b>rear yard</b> (2):                                    | 14.0 metres (45.9 feet)                            |
| (i) Minimum setback from the east side of the Park (P) Zone (2)(3):  | 3.0 metres (9.8) feet                              |
| (j) Minimum setback from the north side of the Park (P) Zone (2)(3): | 11.0 metres (36.1 feet)                            |
| (k) Maximum <b>building height</b> (4):                              | 3 storeys or 11.0 metres (whichever is the lesser) |

## Notes:

1. For the purpose of the By-law, **lot area** shall be the "Lands" shown on Schedule "A" to this By-law prior to the dedication of any land for road widening and/or parkland purposes.
2. All underground parking access stairwells, elevators, ventilation shafts and related structures that project aboveground shall comply with the following provisions:
  - a. Minimum **front yard**: 4.5 metres (14.76 feet)
  - b. Minimum **side yard**: 4.0 metres (13.1 feet)
  - c. Minimum **rear yard**: 10.0 metres (45.9 feet)
  - d. Minimum setback from the east side of the Park (P) Zone: 3.0 metres (9.8) feet
  - e. Minimum setback from the north side of the

Park (P) Zone: 2.0 metres (6.6 feet)

3. Porches and stairs are permitted to encroach a maximum of 2.0 metres (6.6 feet) into the required setback from the east side of the Park (P) Zone and 4.0 metres (13.1 feet) into the required setback from the north side of the Park (P) Zone.
4. The maximum **main building height** shall be reduced to 2 storeys or 8.0 metres (26.3 feet) (whichever is the lesser) within 40.0 metres (131.2 feet) of the rear **lot line**, not including the Park (P) Zone.
5. Notwithstanding any other requirements of this by-law to the contrary, the minimum setback from the hypotenuse of a daylight triangle taken by the Region of York to the main building or structural projections extending therefrom, including porches, steps, roof overhangs, entrance canopies, etc., shall be nil.

(l) Minimum number of **parking spaces** to be provided:

- |                               |                                      |
|-------------------------------|--------------------------------------|
| i) 1 bedroom dwelling unit:   | 1.25 spaces per <b>dwelling unit</b> |
| ii) 2 bedroom dwelling unit:  | 1.5 spaces per <b>dwelling unit</b>  |
| iii) 3 bedroom dwelling unit: | 1.75 spaces per <b>dwelling unit</b> |
| iv) Visitor:                  | 0.25 spaces per <b>dwelling unit</b> |

(m) Minimum number of bicycle parking spaces to be provided:

- i) 0.65 bicycle parking spaces per dwelling unit of which 5% shall be for visitor bicycle spaces.
- ii) A bicycle parking space shall measure a minimum of 1.8 metres (5.9 feet) in length by 0.6 metres (1.97 feet) in width.

(n) Section 5.7 a) of By-law 313-96 shall not apply."

3. All other provisions of By-law 313-96, as amended, not inconsistent with the foregoing, shall continue to apply to the lands shown on Schedule "A" attached hereto.
4. The imperial measurements found in this by-law in brackets are provided for information purposes only and are intended to be an approximate conversion of the metric measurements. The metric or SI measurements shall be deemed to be the standards established by this by-law and, wherever there is a variance



between the metric or SI measurements and the imperial measurements, the metric or SI measurement shall apply.

File: D02-15011 (FT)

### SCHEDULE A





## **The Corporation of the City of Richmond Hill**

### **Explanatory Note to By-law 20-20**

By-law 20-20 affects the lands described as Part of Lots 13, 14, 15 and 16 on Plan 136, municipally known as 0, 225 and 237 King Road.

The lands are currently zoned "General Commercial Two (GC2) Zone" under Zoning By-law 1275, as amended by By-law 434-88, as amended. The main permitted uses under the "GC2 Zone" category include a variety of commercial uses, including, but not limited to retail, office, restaurant, service, personal service, hotels and indoor recreational uses. A block townhouse development would not be permitted.

By-law 20-20 will have the effect of rezoning the subject lands to "Multiple Residential One (RM1) Zone" and "Park (P) Zone" under By-law 313-96, as amended, with site specific provisions to permit the construction of a residential block townhouse development comprised of 178 stacked, back-to-back townhouse dwellings, in addition to lands for a municipal park.



## 4.3.2 OAK RIDGES LOCAL CENTRE

The Oak Ridges Local Centre is focused around the existing commercial corridor in Oak Ridges generally located on Yonge Street between Blackforest Drive and Old Colony Road and on King Road east of Parker Avenue. Within the larger Region, the area continues to function as a centre for environmental, recreational and tourism activities on the Oak Ridges Moraine (ORM). Oak Ridges is envisioned as a *low-rise*, pedestrian-oriented, human-scaled, mixed-use centre servicing the Oak Ridges community. It is the intent of this Plan that the identity of Oak Ridges be enhanced, taking an environment-first approach through innovative landscape, built form, and environmental design.

### 4.3.2.1 LAND USE

It is the policy of Council that:

1. The Town shall prepare a Secondary Plan for the Oak Ridges Local Centre in accordance with the policies of Section 5.1 of this Plan.
2. The predominant use of land in the Oak Ridges Local Centre designation shown on **Schedule A2** (Land Use) shall be for mixed-use development.
3. The following land uses shall be permitted in the Oak Ridges Local Centre:
  - a. *Medium density residential*;
  - b. *Office*;
  - c. *Commercial*;
  - d. *Retail*;
  - e. *Automotive service commercial* in accordance with policy 3.4.1.47 of this Plan;

- f. Community uses in accordance with Section 4.1 of this Plan;
  - g. Parks and urban open spaces in accordance with Section 3.4.4 of this Plan; and
  - h. *Live-work units* in accordance with policies 3.3.3.2.9 and 3.3.3.2.10 of this Plan.
4. To promote a pedestrian-oriented character, the following policies shall apply to *retail* in the Oak Ridges Local Centre:
- a. *Retail development* shall be limited to a maximum gross floor area of 5,000 square metres; and
  - b. *Retail development* with a gross floor area greater than 5,000 square metres shall only be permitted subject to a Zoning By-law Amendment where it can be demonstrated that:
    - i. There is a need for the proposed use as demonstrated through a Commercial Needs Study conducted by a qualified professional;
    - ii. The proposed *development* enhances the character of the area; and
    - iii. The proposed *development* is not in an enclosed mall.
5. The maximum density of a development block within the Oak Ridges Local Centre shall be 1.0 FSI. The boundaries of a development block shall be identified in a Secondary Plan for the Oak Ridges Local Centre.
6. *Development* shall be encouraged to provide *commercial, retail, office* or community uses at grade in a mixed-use building form.
7. Until such time as Council approves a Secondary Plan for the Oak Ridges Local Centre, applications for *development* shall be required to submit a concept plan, in accordance with Section 5.2 of this Plan, which demonstrates how the *development* meets the land use and design policies of this Plan for areas identified as a development block by the Town.
8. *Development* shall have a maximum building height of 4 storeys, with the tallest massing of buildings oriented to the Yonge Street or King Road frontage.

#### 4.3.2.2 DESIGN

It is the policy of Council that:

##### **Building a Strong, Vibrant Identity and Character**

1. *Development* shall enhance the character and identity of the Oak Ridges Local Centre through landscaping, site, and built form design that should be inspired by the natural features of the Oak Ridges area through such measures as maintaining views to the skyline to the south, views and connections to natural features and *low impact development* technologies.

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2. Applications for *development* shall be in keeping with the design guidelines prepared as part of the Secondary Plan for the Oak Ridges Local Centre. Until such time as Council approves the Secondary Plan, applications for *development* in the interim shall be assessed on the basis of conformity with the policies of this Plan and the urban design guidelines which have been approved by Council as set out in the North Yonge Street Urban Design Study, 2001.

**Walkable Streets and People Places**

3. Built form shall provide limited setbacks to Yonge Street to enhance the sense of enclosure along Yonge Street and to create a pedestrian-oriented main street character.
4. Vehicular access to Yonge Street shall be limited and generally provided from side to rear streets.
5. Surface parking areas should be designed to include native, non-invasive landscaping and *low impact development* techniques that enhance the ecological character of the Oak Ridges Moraine.

**Transition to Neighbourhoods**

6. *Development* shall transition to a compatible built form adjacent to *low-rise* residential areas.

## Appendix D

### Geowarehouse Reports

**201 KING RD  
RICHMOND HILL**

PIN 031960039

## GeoWarehouse Report



This report was prepared by:  
**Tim Loch**  
Director, Valuations & Advisory Services

tim.loch@colliers.com

**Colliers International**  
181 Bay Street, Suite 1400  
Toronto, Ontario, Canada, M5J 2V1  
Office: 4166433496

## Property Details

### GeoWarehouse Address:

201 KING RD  
RICHMOND HILL  
L4E2W2

PIN: 031960039

Land Registry Office: YORK REGION (65)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold





## Ownership

Owner Name:  
12252856 CANADA INC.

Party To:  
9183183 CANADA CORP.

## Legal Description

PT LT 13 PL 136 KING; PT LT 14 PL 136 KING AS IN R533264 ; CITY OF RICHMOND HILL

## Lot Size

Area: 83904.6 sq.ft

---

Perimeter: 1223.75 ft.

---

Measurements: 407.0ft. x 206.17ft. x 407.04ft. x 206.17ft.

**Lot Measurement Accuracy : LOW**  
These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



## Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Mar 26, 2015	\$4,130,000	Transfer	9183183 CANADA CORP.;	
Sep 16, 2013	\$1,800,000	Transfer	KING SOUTH-EAST DEVELOPMENTS 201 INC.;	
Jan 29, 1990	\$660,000	Transfer	FIFTH SEASON DEVELOPMENTS LIMITED; FIRST SEASON DEVELOPMENTS LIMITED;	
Feb 18, 1976	\$2	Transfer	FIFTH SEASON DEVELOPMENTS LIMITED; FIRST SEASON DEVELOPMENTS LIMITED;	



**227 KING RD  
RICHMOND HILL**

PIN 031960038

## GeoWarehouse Report



This report was prepared by:

**Tim Loch**  
Director, Valuations & Advisory Services

tim.loch@colliers.com

**Colliers International**  
181 Bay Street, Suite 1400  
Toronto, Ontario, Canada, M5J 2V1  
Office: 4166433498

## Property Details

GeoWarehouse Address:

227 KING RD  
RICHMOND HILL  
L4E2W2

PIN: 031960038

Land Registry Office: YORK REGION (65)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold



## Ownership

Owner Name:

12252856 CANADA INC.

Party To:

9265988 CANADA CORP.

## Legal Description

LT 15 PL 136 KING EXCEPT PT 10 EXPROP PL B87881B ; RICHMOND HILL

## Lot Size

Area: 42463.59 sq.ft

Perimeter: 1026.9 ft.

Measurements: 5.0ft. x 103.08ft. x 411.87ft. x 103.09ft. x 407.04ft.

**Lot Measurement Accuracy : LOW**

These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



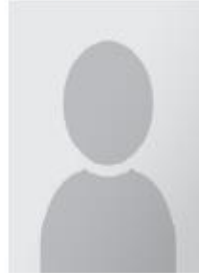
## Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Sep 18, 2015	\$3,000,000	Transfer	9265988 CANADA CORP.;	
Oct 18, 1995	\$58,000	Transfer	CURTIS, BETTY; CURTIS, ALFREDO;	
Jun 02, 1986	\$85,000	Transfer	JACOBSON, CAROLE; CURTIS, BETTY; CURTIS, ALFREDO;	

**235 KING RD  
RICHMOND HILL**

PIN 031960037

## GeoWarehouse Report



This report was prepared by:

**Tim Loch**  
Director, Valuations & Advisory Services

tim.loch@colliers.com

**Colliers International**

181 Bay Street, Suite 1400  
Toronto, Ontario, Canada, M5J 2V1  
Office: 4166433496

## Property Details

GeoWarehouse Address:

235 KING RD  
RICHMOND HILL  
L4E2W2

PIN: 031960037

Land Registry Office: YORK REGION (65)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold



## Ownership

Owner Name:  
12252856 CANADA INC.

Party To:  
9265988 CANADA CORP.

## Legal Description

LT 16 PL 136 KING EXCEPT PT 11 EXPROP PL B87881B ; RICHMOND HILL

## Lot Size

Area: 42442.06 sq.ft  
 Perimeter: 1026.9 ft.  
 Measurements: 411.87ft. x 103.09ft. x 411.67ft. x 103.09ft.

**Lot Measurement Accuracy : LOW**  
 These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



## Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Sep 17, 2015	\$3,000,000	Transfer	9265988 CANADA CORP.;	
Sep 08, 2015	\$2	Transfer	BURLEW, HEATHER SHARRON; BURLEW, EDWARD LLOYD;	
Nov 18, 1986	\$2	Transfer	BURLEW, EDWARD LLOYD;	



This is Exhibit "D" referred to in  
the Affidavit of Mir Ali  
sworn this 22nd day of December, 2023



---

Commissioner for Taking Affidavits, etc.



# NARRATIVE APPRAISAL REPORT

201, 227 & 235 King Road, Richmond Hill

Effective Date: October 31, 2023

## Prepared for:

Mir Ali  
Consortia N.A. Limited  
155 Commerce Valley Drive East  
Markham , Ontario  
L3T 7T2

## Prepared by:

Cushman & Wakefield ULC  
Valuation & Advisory  
161 Bay Street, Suite 1500  
P.O. Box 602  
Toronto, ON M5J 2S1  
C&W File ID: 23-445-901084



**Narrative Appraisal Report**  
201, 227 & 235 King Road, Richmond Hill





Cushman & Wakefield ULC  
161 Bay Street, Suite 1500  
P.O. Box 602  
Toronto, ON M5J 2S1  
(416) 862 0611 Tel  
(416) 359 2613 Fax  
[www.cushmanwakefield.com](http://www.cushmanwakefield.com)

November 1, 2023

Mir Ali  
Director

**Consortia N.A. Limited**  
155 Commerce Valley Drive East  
Markham , Ontario L3T 7T2

**RE: NARRATIVE APPRAISAL REPORT OF REAL PROPERTY LOCATED AT 201, 227 & 235 KING ROAD, RICHMOND HILL (“SUBJECT PROPERTY”)**

C&W File ID: 23-445-901084

Dear Mr. Ali:

Cushman & Wakefield ULC is pleased to transmit this narrative appraisal report, estimating the current market value "As-Is" of a real property located at 201, 227 & 235 King Road, Richmond Hill (PINS: 03196-0037, 03196-0038, 03196-0039 - herein referred to as the “subject property”). The subject property is currently improved with two vacant lots and one lot with a vacant single detached dwelling. The combined site area across the three lots is 3.875 acres. The client is proposing a residential stacked townhouse development including 178 units with a total gross floor area of 177,713 square feet, 142,784 square feet of underground parking and land to be conveyed to the City of Richmond Hill for parkland purposes. LPAT approved a Zoning Bylaw Amendment and a Draft Plan of Subdivision. As of March 8, 2023, based on a status letter by the planners, a number of minor revisions were outstanding to receive site plan control approval for building design and site servicing.

By agreement, this is an Appraisal Report, which contains all of the data, reasoning and analysis upon which our value conclusion is based. This document has been prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (The Standards) as adopted by the Appraisal Institute of Canada.

The purpose of this appraisal is to estimate the current market value of the subject property to assist with obtaining a first mortgage. This appraisal is prepared at the request and for the exclusive use of Consortia N.A. Limited. This appraisal may not be distributed to or relied upon by other persons or entities without written permission of the Appraiser. It is not to be referred to or quoted in any prospectus for the sale or exchange of securities, and may not be reproduced, in whole or in part, without our prior written agreement. It is subject to the Assumptions and Limiting Conditions shown below, in addition to any in the report.



## Current Market Value "As-Is"

The current market value "As-Is" of the fee simple interest of the subject property, subject to the assumptions, limiting conditions, certifications and definitions contained herein, as at October 31, 2023 is estimated to be:

**FINAL VALUE CONCLUSION ("AS-IS")**

**THIRTY FIVE MILLION THREE HUNDRED THOUSAND DOLLARS**

**\$35,300,000**

In this appraisal, the estimated value is predicated on a reasonable exposure time of 6 to 12 months.

### Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal report is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

Should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true, C&W reserves the right to amend the value conclusion(s) accordingly.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

**CUSHMAN & WAKEFIELD ULC**

### DRAFT

---

Peter Chan, AACI, P.App.  
Executive Vice President  
Valuation & Advisory  
Peter.Chan@cushwake.com  
Phone Office Direct 416.359.2432  
Fax 416.359.2613  
AIC Membership #: 904057

## EXECUTIVE SUMMARY

### BASIC INFORMATION

<b>Common Property Name:</b>	None	<b>Report Type:</b>	Narrative Appraisal Report
<b>Property Address:</b>	201, 227 & 235 King Road, Richmond Hill (PINS: 03196-0037, 03196-0038, 03196-0039)	<b>Effective Date of Valuation:</b>	October 31, 2023
<b>Type of Property:</b>	Residential Development Land	<b>Date of Inspection:</b>	October 31, 2023
<b>CW File Reference:</b>	23-445-901084	<b>Purpose:</b>	Estimate the current market value "As-Is"
<b>Client:</b>	Consortia N.A. Limited	<b>Intended Use:</b>	To assist with obtaining a first mortgage.
<b>Intended User:</b>	Consortia N.A. Limited	<b>Property Rights Appraised:</b>	Fee Simple Interest

### SITE/BUILDING INFORMATION

<b>Total Site Area (ac):</b>	3.875 acres	<b>Improvements:</b>	The current improvements have been concluded to not represent its Highest & Best Use.
<b>Total Site Area (sf):</b>	168,810 square feet	<b>Number of Buildings:</b>	One (1)
<b>Excess/Surplus Lands:</b>	None noted	<b>Number of Storey(s):</b>	Two (2)

### LAND USE PLANNING

<b>Official Plan Designation:</b>	Oak Ridge Local Centre	<b>Zoning By-Law Designation:</b>	RM1 - Residential Medium, P - Park
<b>Current Use Conformance:</b>	The current use is considered a legal and conforming use.		
<b>Proposed Development:</b>	A residential stacked townhouse development including 178 units with a total GFA of 177,713 square feet, 142,784 square feet of underground parking and land to be conveyed to the City of Richmond Hill for parkland purposes. LPAT approved a Zoning Bylaw Amendment and a Draft Plan of Subdivision. As of March 8, 2023, based on a status letter by the planners, a number of minor revisions were outstanding to receive site plan control approval for building design and site servicing.		

## HIGHEST & BEST USE CONCLUSION

**“As-Vacant”:** Based on the four criteria, the Highest and Best Use "As-Vacant" of the subject property would be for development to a residential use that is within the permitted use of the Official Plan and Zoning By-Law.

**“As Improved”:** The Highest and Best Use "As-Improved" of the subject property would be development to a residential use as proposed by the client. This appraisal report will therefore be based on the proposed use.

## FINAL VALUE CONCLUSIONS

VALUATION INDICES	Market Value Conclusions
<b>LAND RESIDUAL METHODOLOGY</b>	
Market Value "As-If Complete":	\$193,463,750
Total Project Expenses:	\$155,440,279
<b>Value Estimate:</b>	<b>\$38,000,000</b>
Adjustment (Time):	\$2,660,000
<b>Value Estimate:</b>	<b>\$35,300,000</b>
Per Acre:	\$4,783,198
Per Building Square Foot:	\$199
Per Unit:	\$198,315
<b>DIRECT COMPARISON APPROACH</b>	
Number of Proposed Units:	178
Unit Rate (\$/Unit):	\$200,000
Adjustment:	\$0
<b>Value Estimate:</b>	<b>\$35,600,000</b>
Per Unit:	\$200,000
<b>FINAL VALUE CONCLUSION "AS-IS"</b>	
Concluded Value:	\$35,300,000
Per Unit:	\$198,315
<b>EXPOSURE TIME</b>	
<b>Exposure Time:</b>	6 - 12 months
<b>Marketing Time:</b>	12 months

*The reader should note that we are not qualified to appraise the existing machines, chattels, equipment and similar items on the property. These items have been specifically excluded from our valuation. The client should retain the relevant experts in these fields if information is needed about these items.*

## Extraordinary Assumptions, Limiting Conditions and Hypothetical Conditions

### Extraordinary Limiting Condition

An extraordinary limiting condition is defined by The Standards as: “A necessary modification to, or exclusion, of a Standard Rule which may diminish the reliability of the report”. The following is the Extraordinary Limiting Condition invoked within the report.

- For the purpose of this assignment, we have reviewed the Direct Comparison Approach, Income Approach, and Cost Approach in order to estimate the current market value of the subject property. The Cost Approach was not completed, as this approach is rarely, if ever, used by prudent purchasers in the market. It is not generally considered to be a relevant test of market value and has not been completed.

### Hypothetical Conditions

A Hypothetical Condition assumes conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

### Extraordinary Assumptions

An extraordinary assumption is defined by The Standards as: “An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions.” Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

### Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.
- We have relied on information provided to us by our Client, their authorized agents, and/or representatives with respect to the status of the subject property, including but not limited to information pertaining to the physical attributes of the subject property, site plan, land use control applications, and any proposed development data and other information on the subject property.

Should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true, C&W reserves the right to amend the value conclusion(s) accordingly.

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## PROPERTY INTRODUCTION

### IDENTIFICATION OF SUBJECT PROPERTY

Municipal Address	Property Identification Number (PIN)	Legal Description
0 King Rd, Richmond Hill	03196-0039	Pt Lt 13 Pl 136 King; Pt Lt 14 Pl 136 King As In R533264 ; City Of Richmond Hill
227 King Rd, Richmond Hill	03196-0038	Lt 15 Pl 136 King Except Pt 10 Exprop Pl B87881B ; Richmond Hill
235 King Rd, Richmond Hill	03196-0037	Lt 16 Pl 136 King Except Pt 11 Exprop Pl B87881B ; Richmond Hill

### PROPERTY OWNERSHIP & RECENT HISTORY

**Current Ownership:** 12252856 Canada Inc.

**Current Disposition:**

To our understanding, the subject property is currently under an Agreement of Purchase and Sale dated October 6, 2023, between RSM Canada Limited, in its capacity as court-appointed receiver of 12252856 Canada Inc. and 12279266 Canada Inc. (the Purchaser) for a price of \$25,000,000 and the assumption of the Assumed Liabilities (including three assumed mortgages valued at \$500,000 in favour of Marilyn Goldberg, \$5,500,000 in favour of Consortia Equity Capital Limited and \$9,000,000 in favour of 12279266 Canada Inc) with a closing date within 30 days following the date on which the Approval and Vesting Order is granted by the Court.

**Sale History:** We are unaware of any ownership transfers in the past three years from the effective date of this appraisal report

## Intended Use and Users of the Appraisal

**Intended Use:** To assist with obtaining a first mortgage.

**Intended User:** Consortia N.A. Limited

## Dates of Inspection and Valuation

**Date of Inspection:** October 31, 2023

**Inspected By:** Peter Chan (exterior only)

**Effective Date:** October 31, 2023

## Scope of the Appraisal

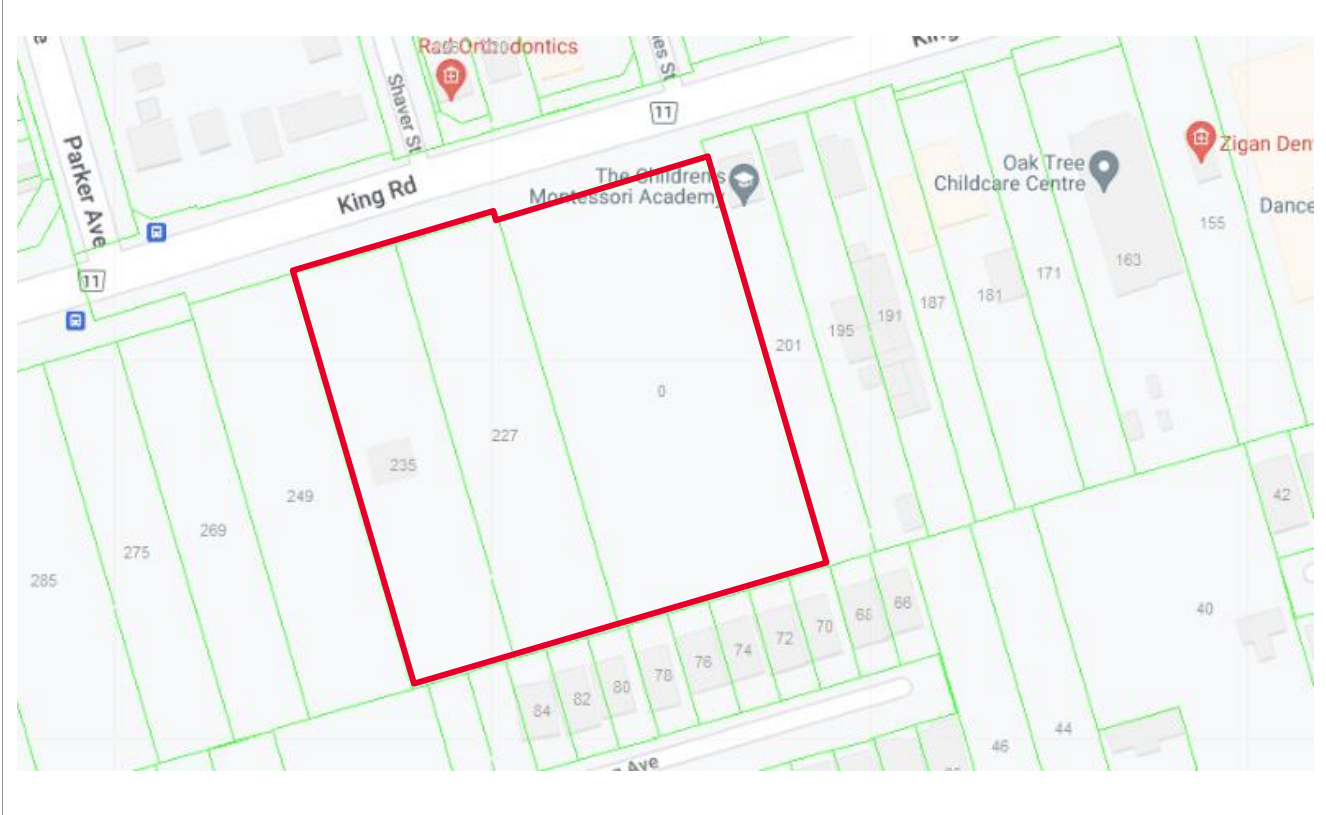
In forming our opinion as to the value of the subject as of the valuation date, we have relied on information which is detailed in this report, to the extent deemed appropriate, and carried out the following specific functions:

- Made an exterior inspection of the subject property on October 31, 2023;
- Examined market conditions and analyzed their potential effect on the property;

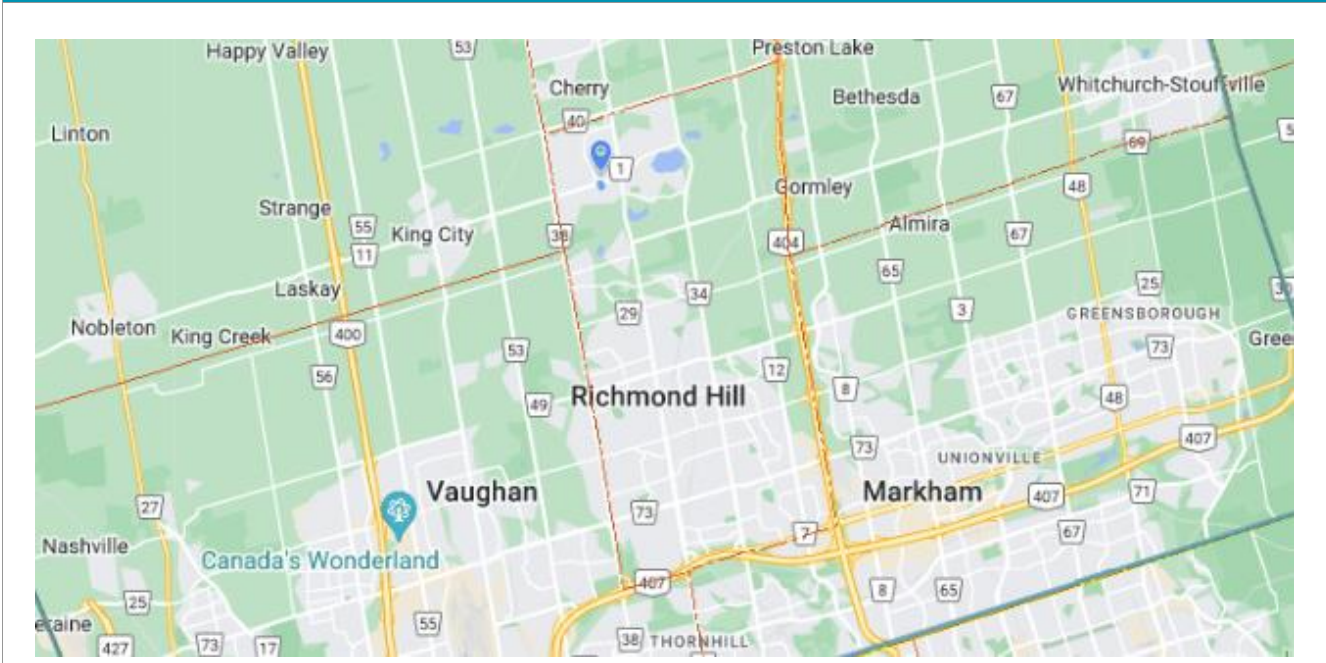


- Reviewed land use regulations, in particular the Official Plan, as amended, and the Zoning By-Law, as amended, applicable to the subject property;
- Ascertained the Highest and Best Use of the subject property;
- Considered information with respect to sales, listings and leases, at or about the valuation date, of properties considered similar to the subject, where we have significant knowledge of such sales, listings and leases to assess them as being relevant to our opinion, as set out herein. While we believe our review to be reasonably complete, we cannot warrant that we have:
  - Uncovered and assessed real property transactions at or about the valuation date that might be said to bear on the determination of the current market value of the subject; and
  - Fully discerned the motives behind the sales, listings and lease information considered in our analysis, such that our weighting of said information is without subjectivity.
- After analyzing the data, we have estimated the property's current market value using the appropriate approaches to value.

### REGIONAL MAP



### NEIGHBOURHOOD MAP



## NEIGHBOURHOOD OVERVIEW

The subject property is located on the south side of King Road, one block west of Yonge Street in the central area of Oak Ridges in the northern part of Richmond Hill. The area is characterized as a mix of light commercial uses along the main arteries of Yonge Street, King Road and Bathurst Street and low-rise residential uses comprised mainly of single detached and townhouse dwellings. The area is generally bounded by King Road (to the north), Oak Ridges Conservation Area (to the south), Bathurst Street (to the west), and Yonge Street (to the east).

## TRANSPORTATION SYSTEMS

The area is generally serviced by the York Region Transit (YRT). Bus service is available along King Road, with bus stops just west of the subject site at Parker Avenue. Highway 404 on/off ramps are located approximately 8 km to the southeast of the subject at the Stouffville Road interchange.

## PLANNED CHANGES IN ROAD NETWORK

There are no planned changes to the road network as at the effective date that would negatively affect the subject property.

## NEARBY AND ADJACENT USES

The following are adjacent uses to the subject:

West of the subject: Vacant

East of the subject: Commercial

North of the subject: Commercial

South of the subject: Residential

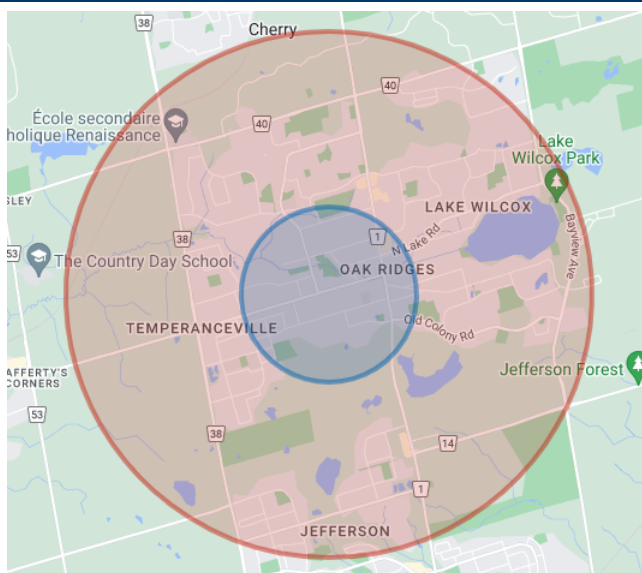
## SPECIAL HAZARDS OR ADVERSE INFLUENCES

We are unaware of any special hazardous/adverse influences pertaining to the subject site and its surrounding uses.

## LAND USE CHANGES

There were no known land use changes as at the effective date.

## MARKET TRADE AREA



We have identified and detailed statistical data from the subject's Primary Trade Area (based on a 1 km radius) in addition to the Secondary Trade Area (based on a 3 km radius). Data with these two radiuses from the subject area are summarized on the following page.

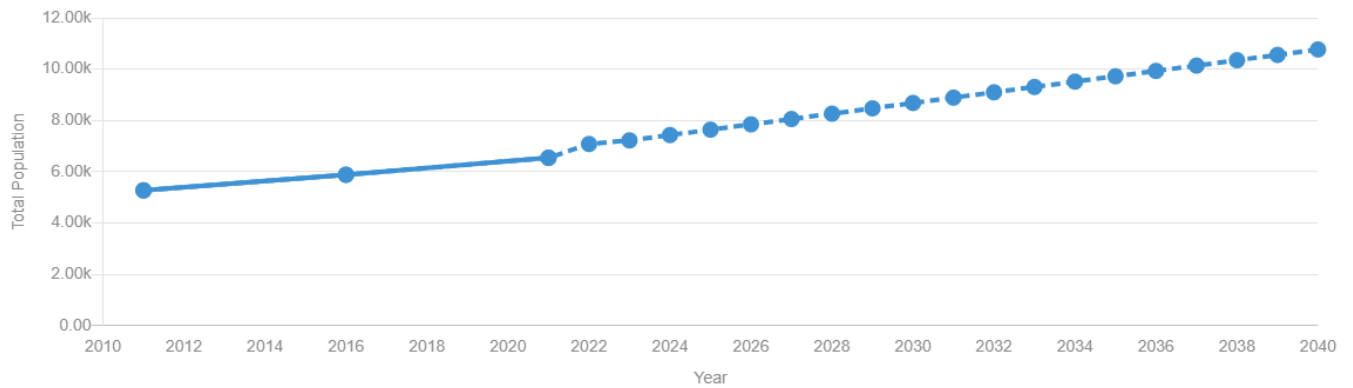
### DEMOGRAPHICS OVERVIEW

	Population	Daytime Population	Median Income	Median Age
Primary Trade Area:	<b>6,540</b>	Primary Trade Area (Daytime): <b>1,549</b>	Primary Trade Area: <b>\$125,075</b>	Primary Trade Area: <b>40</b>
Secondary Trade Area:	<b>43,218</b>	Secondary Trade Area (Daytime): <b>15,490</b>	Secondary Trade Area: <b>\$129,502</b>	Secondary Trade Area: <b>41</b>
Richmond Hill (Census Division):	<b>202,022</b>	Richmond Hill (Census Division): <b>163,081</b>	Richmond Hill (Census Division): <b>\$106,727</b>	Richmond Hill (Census Division): <b>43</b>
Ontario:	<b>14.22M</b>		Ontario: <b>\$82,387</b>	Ontario: <b>41</b>
Canada:	<b>36.99M</b>		Canada: <b>\$78,206</b>	Canada: <b>41</b>

\* Indices shown are the percent average values of the given region relative to the average national value.

### DEMOGRAPHICS POPULATION ANALYSIS

Population	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Household	7,078	7,219	7,428	7,637	7,844	8,053	8,261	8,470	8,679	8,887	9,096



# PROPERTY DESCRIPTION

## Description of Site

Details pertaining to the subject site are based on third party information which includes MPAC, GeoWarehouse and documents provided by the Client of this appraisal report.

### GENERAL DESCRIPTION

<b>Site Area (acres):</b>	3.875 acres
<b>Site Area (sq.ft.):</b>	168,810 square feet
<b>Current Improvements:</b>	The current improvements have been concluded to not represent its Highest & Best Use and therefore considered to not have any economic value. This appraisal is based on the subject's higher order use (Highest & Best Use) and therefore have excluded its current improvements.
<b>Site Configuration:</b>	Rectangular
<b>Topography:</b>	Generally level and at grade with adjacent properties.
<b>Frontage:</b>	Not Available
<b>Depth:</b>	Not Available
<b>Site Access:</b>	Pedestrian and vehicular access is available along south side of King Road.
<b>Floodplain:</b>	We are unaware of the subject site being located within a floodplain zone.
<b>Landscaping:</b>	General landscaping along the perimeter of the site.

### SITE SERVICES

<b>Street Surface:</b>	Paved	<b>Street Width:</b>	4-Lane
<b>Sidewalks:</b>	On north side of King Road	<b>Curbs/Gutters:</b>	Yes
<b>Street Lights:</b>	Yes	<b>Hydro:</b>	Yes
<b>Municipal Water:</b>	Yes	<b>Well:</b>	No
<b>Sanitary Sewage:</b>	Yes	<b>Septic:</b>	No

### ENVIRONMENTAL MATTERS

We are not qualified to ascertain any toxic wastes or contaminated materials, soil / sub-soil conditions and environmental issues. Determination of such information was not part of our mandate and no funds were provided for such undertaking. No responsibility is assumed for the existence of any such substances or any costs associated with their removal, correction or treatment in the event they are found to exist on the subject property or on adjacent lands, or in close proximity to the subject property to materially affect value. We have assumed that the subject site is free and clear of any contaminations. Should they not be true, the appraiser(s) reserves the right to amend the value conclusion(s) accordingly.



## EASEMENTS/RIGHT-OF-WAYS

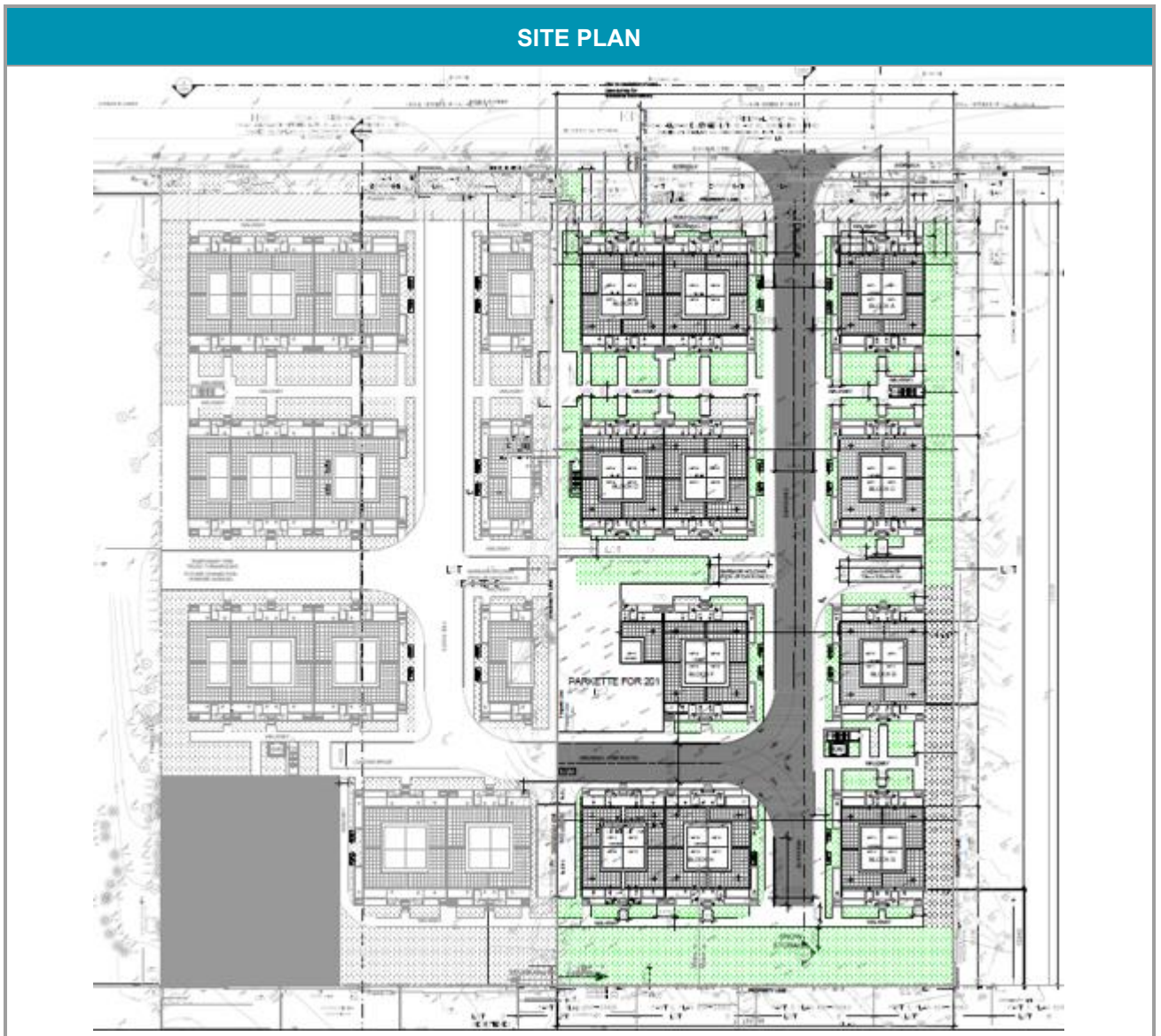
The property may be subject to easements and rights-of-way relating to the usual provision of servicing by public utilities and / or access for persons and vehicles. We are not aware of any easements or rights-of-way that would have an adverse impact on the subject property.

## CONCLUSION

The subject site consists of 3.875 acres with frontage along King Road is considered functional for its existing and future use.

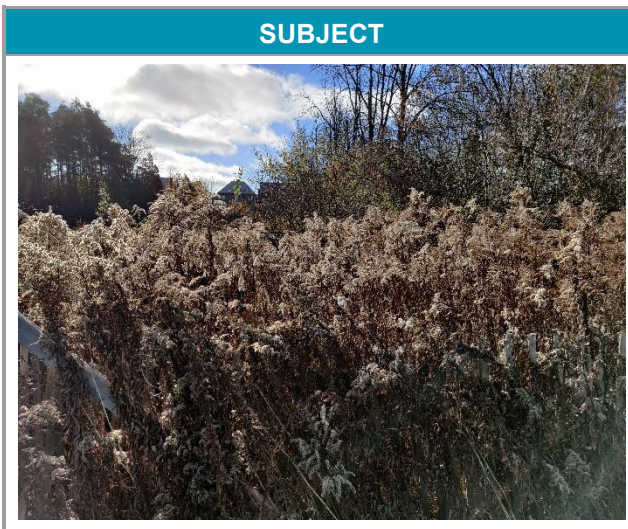
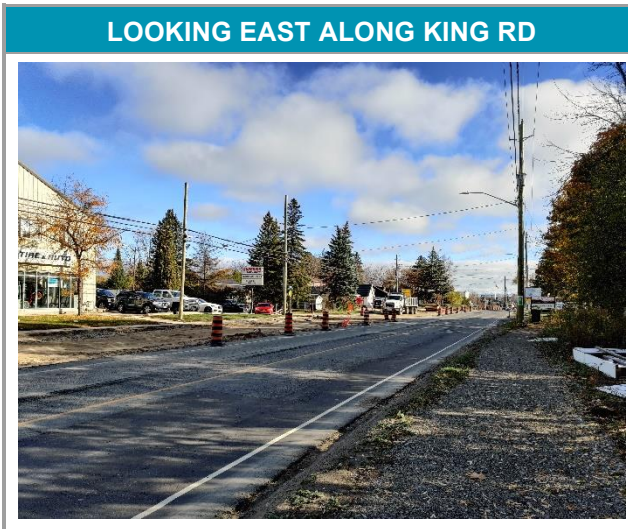
## AERIAL MAP







# PROPERTY PHOTOGRAPHS



## MUNICIPAL INFORMATION

According to the Municipal Property Assessment Corporation (MPAC), the subject property has the following assessment information:

### MUNICIPAL PROPERTY ASSESSMENT DATA

<b>Municipal Address:</b>	0 King Road, Richmond Hill - PIN 03196-0039
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<b>Assessment Roll Number:</b>	19-38-080-012-45000
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<b>Property Description:</b>	Residential development land
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<b>Current Value Assessment:</b>	\$3,697,000
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<b>Property Tax:</b>	Not Available
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<b>Municipal Address:</b>	227 King Road, Richmond Hill - PIN 03196-0038
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<b>Assessment Roll Number:</b>	19-38-080-012-45200
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<b>Property Description:</b>	Residential development land
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<b>Current Value Assessment:</b>	\$2,291,000
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<b>Property Tax:</b>	Not Available
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<b>Municipal Address:</b>	235 King Road, Richmond Hill - PIN 03196-0037
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<b>Assessment Roll Number:</b>	19-38-080-012-45400
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<b>Property Description:</b>	Residential development land
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<b>Current Value Assessment:</b>	\$2,290,000
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<b>Property Tax:</b>	Not Available
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## LAND USE PLANNING

### OFFICIAL PLAN

The Official Plan is a policy document that provides direction for planning activities. It is intended to co-ordinate the effects of change and future development in the best long-term interest of the municipality. It provides a framework for zoning and other local regulations.

The City of Richmond Hill designates the subject property as “Oak Ridges Local Centre”.

Permitted Uses within this designation includes:

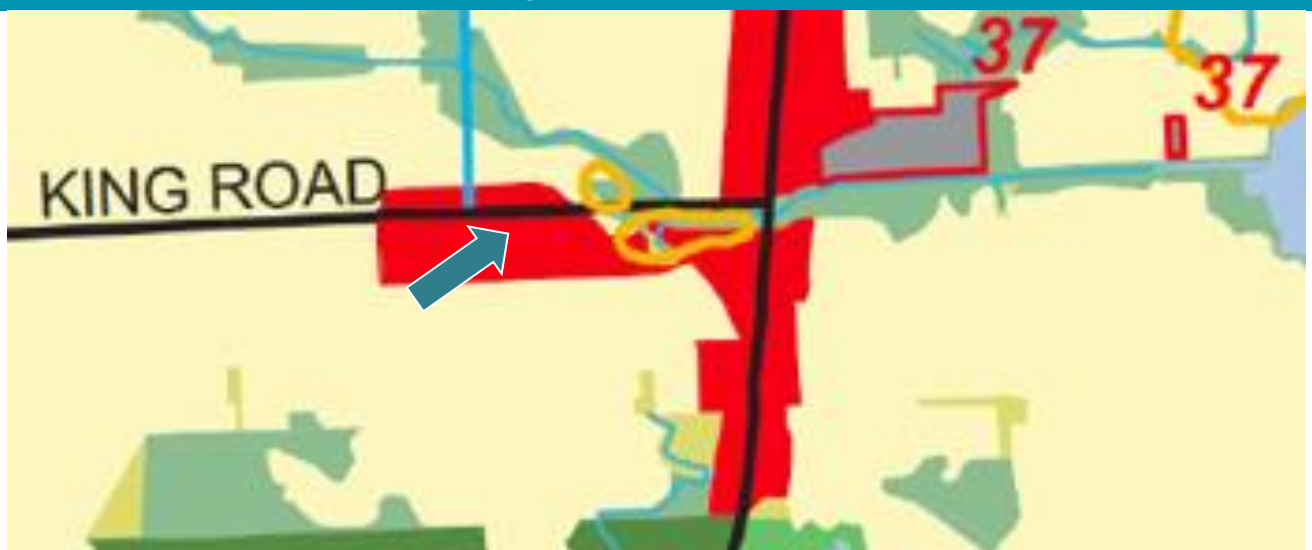
#### CURRENT OFFICIAL PLAN PERMITTED USES

- Medium density residential;
- Office;
- Commercial;
- Retail;
- Automotive service commercial in accordance with policy 3.4.1.47;
- Community uses in accordance with Section 4.1;
- Parks and urban open spaces in accordance with Section 3.4.4; and
- Live-work units in accordance with policies 3.3.3.2.9 and 3.3.3.2.10

#### PROPOSED PERMITTED USE AS PER OPA 18.8 (DRAFT MAY 11,2023)

- Medium density residential;
- High density residential;
- Office;
- Commercial;
- Retail;
- Automotive service commercial in accordance with policy 3.4.1.47;
- Community uses in accordance with Section 4.1;
- Parks and urban open spaces in accordance with Section 3.4.4; and
- Live-work units in accordance with policies 3.3.3.2.9 and 3.3.3.2.10

### OFFICIAL PLAN MAP



### ZONING BY-LAW

The Zoning By-Law implements the Official Plan. It is a site-specific document that governs and controls the type and density of development on any given site.

The subject property is zoned RM1 – Residential Medium Density, P - Park.

### ZONING MAP



We are not expert in the interpretation of zoning regulations, but it appears that the existing use of the subject property is legal and conforming to the current regulations. Confirmation from the municipal zoning office will be required for such compliance and specific details.

## PROPOSED DEVELOPMENT

The client is proposing a residential stacked townhouse development including 178 units with a total GFA of 177,713 square feet, 142,784 square feet of underground parking and land to be conveyed to the City of Richmond Hill for parkland purposes. LPAT approved a Zoning Bylaw Amendment and a Draft Plan of Subdivision. As of March 8, 2023, based on a status letter by the planners, a number of minor revisions were outstanding to receive site plan control approval for building design and site servicing.

## PROPOSED DEVELOPMENT RENDERINGS ADDITIONAL IF NECESSARY



# HIGHEST AND BEST USE

## Definition of Highest and Best Use

Fundamental to the concept of value is the principle of highest and best use, which is defined by Appraisal Institute of Canada as:

*“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.”*

## Highest and Best Use Criteria

We have evaluated the site's highest and best use both as currently improved and as if vacant. In both cases, the property's highest and best use must meet four criteria. That use must be (1) legally permissible, (2) physically possible, (3) financially feasible, and (4) maximally productive.

### Legally Permissible

In determining the Highest and Best Use of a property, it is important for the appraiser to ascertain the range of uses that are legally permissible. In cases where modifications to the Official Plan or Zoning By-Law designations are likely, these uses must also be considered. Consideration should also be given to public planning initiatives and economic and political conditions that affect planning decisions. These considerations will assist the appraiser in determining whether amendments to the Official Plan and / or Zoning By-Law is likely. Considerations were given to the following:

Official Plan Designation: Oak Ridges Local Center

Zoning By-Law: RM1 - Residential Medium, P-Park

Proposed Development: A residential stacked townhouse development including 178 units with a total GFA of 177,713 square feet, 142,784 square feet of underground parking and land to be conveyed to the City of Richmond Hill for parkland purposes. LPAT approved a Zoning Bylaw Amendment and a Draft Plan of Subdivision. As of March 8, 2023, based on a status letter by the planners, a number of minor revisions were outstanding to receive site plan control approval for building design and site servicing.

The subject's current use is considered legally permissible. The proposed development is legally permissible once the final site plan control approvals have been obtained.

### Physically Possible

Any development for a site cannot be considered the Highest and Best Use unless that use is physically and functionally possible and adaptable to the characteristics of the site. The size, shape, area, topography and soil conditions may affect the potential uses that can be developed. The physical possibility of development for the subject property also reasonably expects that development can occur without additional costs above those of a typical vacant site. In cases where there are unusual costs associated with a development (i.e. soil clean, demolition, external costs, etc.) these costs should be deducted from the market value estimate

Based on its current size / configuration / topography, development to a similar use as proposed is physically possible.

## Financially Feasible

The estimate of Highest and Best Use is based on the market demand for the intended use, reasonably expecting that purchasers have rationalized a positive financial benefit. Further, in order to be financially feasible, there must be demand or a market for the intended use.

Our review of the market indicates that the residential market is stable. Therefore, development to this use is considered financially feasible.

## Maximally Productive

A use cannot be considered a site's Highest and Best Use unless its anticipated earnings ability is sufficient to generate a reasonable return on costs of acquisition and development. This aspect of Highest and Best Use inherently involves a cost benefit analysis whereby the use that generates the highest profit or greatest return logically represents the Highest and Best Use.

We concluded that development to a residential use is maximally productive.

## Highest and Best Use "As-Vacant"

Based on the four criteria, the Highest and Best Use "As-Vacant" of the subject property would be for development to a residential use that is within the permitted use of the Official Plan and Zoning By-Law.

## Highest and Best Use of Property "As-Improved"

According to the Dictionary of Real Estate Appraisal, highest and best use of the property as improved is defined as:

*"The use that should be made of a property as it exists. An existing improvement should be renovated or retained "as is" so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one."*

The Highest and Best Use "As-Improved" of the subject property would be development to the proposed use, which will be the basis for this appraisal report .



# VALUATION METHODOLOGY

## Methodology

There are three generally accepted approaches available in developing an opinion of value: Direct Comparison, Income and Cost Approaches. We have considered each in this appraisal to develop an opinion of the current market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued, the quality of information available, as well as the motivation and thinking of purchasers in the market for the subject property. Each approach and its applicability to the subject property are discussed below.

### Direct Comparison Approach

The Direct Comparison Approach considers the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, configuration, planning and size. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

### Income Approach

This approach first determines the income-producing capacity of a property by utilizing contract rents on leases in place and by estimating market rent from rental activity at competing properties for the vacant space. Deductions then are made for vacancy and collection loss and operating expenses.

In the Overall Capitalization Method or Income Capitalization Method, the resulting net operating income is divided by a capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value.

Another income method is the Discounted Cash Flow Method. In this method, periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

### Cost Approach

The Cost Approach is based upon the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land; or when relatively unique or specialized improvements are located on the site, for which there exist few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added resulting in a value estimate for the subject property.

### Subdivision Development / Land Residual Method (Land Value)

The Subdivision Development / Land Residual Method (also referred to as the Cost of Development Approach or Land Development approach) is based on a proposed development of the land, where the costs (hard & soft) of construction and development profit are deducted from the expected market value or revenue of the completed project (i.e. serviced, ready to develop building lots). The residual value is that price which the developer would

pay for the “raw” land. Typically, the approach will involve estimating the gross revenue for the planned residential lots (as if serviced and ready to build) and deducting the relevant hard and soft costs that a developer would typically incur to construct the roads, services, etc., including a developer profit. Further, development charges and a cash-in-lieu payment must be deducted since these are additional costs required to be paid by the landowner prior to sale. The motivation is comprised of achieving a development profit for undertaking the risk of planning and servicing together with the profit to be realized from the sale of the serviced lots to home builders.

## Summary

In this appraisal, we have used the Direct Comparison Approach and the Land Residual Method to estimate the current market value of the subject property. The Cost Approach was not completed, as this approach is rarely, if ever, used by prudent purchasers in the market. It is not generally considered to be a relevant test of market value and has not been completed. The valuation process is concluded by judging each valuation approach used in this appraisal, based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the valuation approaches, or is a correlation of all the approaches used.

# LAND RESIDUAL METHODOLOGY

## Introduction

For the Land Residual methodology, we analyzed the potential revenue generated from the development project. Once we have estimated the total revenue generated, we are able to deduct the estimated cost to construct the improvements - including, but not limited to, hard and soft construction costs, site servicing costs, development charge payments, consulting and planning fees, sales & marketing, development profit, contingency, etc. The remaining value, if necessary, is adjusted for a development timeline in order to determine the market value of the underlying lands.

We have developed a Land Residual methodology within the report based on the following development statistics:

### Proposed Development

Development Type: Residential Stacked Townhouses

#### Net Developable Site Area:

Acres 7.380  
 Square feet 321,473

Residential Unit Totals:	units	Market Units	units
Townhouse	178	Townhouse	178
Total	178	Total	178

Total GFA	sf	Efficiency Ratio	%	Net Sellable GI	sf
Residential	177,713	Residential	93%	Residential	164,650
Total	177,713	Total		Total	164,650

#### Parking:

Number of Sellable Parking Stalls: 178  
 Underground GCA: 142,784

#### Lockers

Number of Sellable Locker Stalls: 178



## Revenue Analysis

### Pre-Construction Comparables – Primary Residential Units

Based on the proposed development as indicated above, we have conducted a survey to ascertain the fair market value of the property based on its “As-If Complete” basis which assumes that all construction has been fully completed and has received full occupancy status. To estimate an appropriate achievable “As-If Complete” value for the units, we have searched pre-construction sales and/or existing sales of similar type developments. Below is a summary of the survey.

CURRENT COMPARABLE SALES/LISTINGS											
Index No	Project	Photo	Type	Unit Breakdown			Sale/Listing Price (\$/sq.ft)			General Description	
				# of Units	Minimum	Maximum	Average	Minimum	Maximum		Average
1	The Hill on Bayview  930 Egin Mills Road East, Richmond Hill		2-bedroom	1,268	1,345	1,307	\$1,115	\$1,128	\$1,122	The Hill on Bayview is a new townhouse development by Armour Heights Developments currently in preconstruction.  The Hill on Bayview has a total of 230 units. Sizes range from 1,268 to 1,345 square feet.  Estimated to be completed in Fall/Winter 2024	
2	Twelve Oaks  115 Bond Crescent, Richmond Hill		3-bdrm	20	1,306	2,132	1,719	\$773	\$842	\$808	Twelve Oaks Towns is a new townhouse and single family home development by Green City Development currently under construction.  Twelve Oaks Towns has a total of 111 units. Sizes range from 1,306 to 2,263 square feet.  Mix of traditional and back to back townhouse units
3	Ivylea  1521 19th Avenue, Richmond Hill		3-bdrm	20	1,895	2,248	2,072	\$734	\$875	\$805	Ivylea is a new townhouse development by Marlin Spring and Greybrook Realty Partners currently under construction.  Available units range in price from \$1,596,990 to \$1,689,990. Ivylea has a total of 422 units. Sizes range from 1,895 to 2,248 square feet.
4	Diamond on Main  281 Main Street North, New market		3-bdrm	20	1,674	1,730	1,702	\$747	\$817	\$782	Diamond on Main is a new townhouse development by White House Corp currently in preconstruction.  The development is scheduled for completion in 2024. Available units range in price from \$1,250,000 to \$1,370,000. Diamond on Main has a total of 16 units. Sizes range from 1,674 to 1,730 square feet.
				Minimum:	1,268	1,345	1,307	\$734	\$817	\$782	
				Maximum:	1,895	2,248	2,072	\$1,115	\$1,128	\$1,122	
				Average:	1,536	1,864	1,700	\$842	\$916	\$879	

The table above indicates pre-construction sales for townhouses within reasonable proximity to the subject property.

## Existing Stacked Townhouse Comparables

COMPARABLE SALE TRANSACTIONS - EXISTING STACKED TOWNHOMES						
Index No	Property Address	Sale Date	Sale Price	Gross Floor Area (sq.ft)	\$/SF	Current Use / Description
1	3 Rosewater St Th119, Richmond Hill	Jul. 10, 2023	\$1,145,000	1,500	\$763	Stacked townhouse / Newly constructed with 3 bedrooms
2	1 Bond Cres Unit 9, Richmond Hill	Aug. 30, 2023	\$920,000	1,300	\$708	Stacked townhouse / Newly constructed with 3 bedrooms
3	1000 Elgin Mills Rd Unit 1422, Richmond Hill	May. 12, 2023	\$830,000	1,300	\$638	Stacked townhouse / Newly constructed with 2 bedrooms
4	75 Weldrick Rd E112, Richmond Hill	Apr. 28, 2023	\$762,500	1,100	\$693	Stacked townhouse / Newly constructed with 2 bedrooms
	<b>Minimum:</b>	<b>Apr. 28, 2023</b>	<b>\$762,500</b>	<b>1,100</b>	<b>\$638</b>	
	<b>Maximum:</b>	<b>Aug. 30, 2023</b>	<b>\$1,145,000</b>	<b>1,500</b>	<b>\$763</b>	
	<b>Average:</b>	<b>Jun. 19, 2023</b>	<b>\$914,375</b>	<b>1,300</b>	<b>\$701</b>	

The table above indicates sales for existing stacked townhouses within the City of Richmond Hill. The sales ranged from \$762,500 per unit to \$1,145,000 per unit – with an average of \$914,375 per unit. The price per square feet ranges from \$638 to \$763 per square feet with an average of \$701 per square feet.

Based on the above survey(s), we conclude a fair market value “As-If Complete” to be the following:

### Projected Revenue / Sell-Out Value “As-if Complete”

Projected Revenue / Sell-Out Value "As-if Complete"				
Residential Units	units	\$ per unit /sf	avg sf	Revenue
Market Units - Unsold	178	\$1,175	925	\$193,463,750
Parking Revenue:	178	\$50,000	-	\$8,900,000
Locker Revenue:	178	\$15,000	-	\$2,670,000
Purchaser Upgrades:	178	\$25,000	925	\$4,450,000
HST Rebate	-	-	-	\$4,272,000
<b>Current Market Value "As-if complete"</b>				<b>\$193,463,750</b>

## Expense Analysis

From the above revenue/market values “As-If Complete”, we have deducted the estimated cost to construct the improvements - including, but not limited to, hard and soft construction costs, site servicing costs, development charge payments, consulting and planning fees, sales & marketing, development profit, contingency, etc. Below is a summary of the estimated costs to construct the proposed development.

### Hard Construction Costs

For the purpose of this analysis, we have considered the client construction budget and the current Altus Canadian Cost Guide as shown below.

CONSTRUCTION COSTING GUIDES			
Source	Type	P.S.F	Comments
Altus Canadian Cost Guide 2023	Underground Parking Garages	\$195 psf - \$270. psf	The unit rates are an average range for that particular type of garage only and cover construction costs only. Soft Cost are excluded from the estimate. Premium Factor: up to \$220 psf if above average
Altus Canadian Cost Guide 2023	Wood Framed Residential - 3-Storey Stacked Townhouse	\$235 psf - \$270 psf	The unit rates are an average range for that particular type of garage only and cover construction costs only. Soft Cost are excluded from the estimate.

Based on our review of the provided documents and the above costing guide, we have concluded the following hard construction costs which includes contingency costs.

Construction Expense			
Hard Costs	Rate (\$ / %)	sf	Costs
Above Grade			
Residential + Site Servicing	\$240	177,713	\$42,651,120
Below Grade	\$235	142,784	\$33,554,240
Contingency	2.50%		\$1,066,278
<b>Total Hard Costs</b>			<b>\$77,271,638</b>
		\$/sft	\$435

### Soft Construction Costs

Soft costs include Municipal Development Charges, Sales Commissions, Financing Charges, Legal & Consulting Charges, Marketing & Advertising expenses and various other expenses to bring the lands to a ready to build state as well as the land's proportionate share of pre- and post-construction costs.

SOFT CONSTRUCTION COSTS	
<b>Residential Development Charges &amp; Municipal Costs</b>	<ul style="list-style-type: none"> <li>Residential development charges are imposed on land development and redevelopment projects to help pay for the capital costs of infrastructure that is needed to service new development.</li> </ul>



<b>Cash-in-lieu of Parkland</b>	<ul style="list-style-type: none"> <li>For applications where the City elects that the parkland dedication shall be satisfied through cash-in-lieu of land, also known as a parks levy, the value of the required payment is determined by the number of units. The current rate for multiple dwellings is \$11,500 per unit.</li> </ul>
<b>Education Development Charges</b>	<ul style="list-style-type: none"> <li>Education Development Charges imposed under the Education Act fund the acquisition of school sites and related costs and to accommodate growth-related pupil needs.</li> </ul>
<b>Sales Commissions</b>	<ul style="list-style-type: none"> <li>Sales commissions for internal and external sales representatives' range between 2.50% and 5.00%.</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>We have applied financing charges range between 7.0% and 10.0% of total revenues.</li> </ul>
<b>Legal &amp; Consulting</b>	<ul style="list-style-type: none"> <li>Outside consultants are typically required as part of the planning process. These include legal, architects, planning consultants, environmental site assessments, etc. The costs typically range between 2% to 10% of total revenues.</li> </ul>
<b>Marketing &amp; Advertising</b>	<ul style="list-style-type: none"> <li>Market &amp; Advertising is typically budgeted between 1% to 5% of total revenues.</li> </ul>
<b>Other Soft Costs</b>	<ul style="list-style-type: none"> <li>Additional charges associated with the development of the subject property will likely be incurred and include such items as realty taxes, building permits, underground building permits, inspections, zoning costs, non-residential charges, meter costs, etc.</li> </ul>
<b>Contingency (Soft Costs)</b>	<ul style="list-style-type: none"> <li>Contingency costs range between 2.50% and 5.00% of the total Soft Costs.</li> </ul>
<b>Developer's Profit</b>	<ul style="list-style-type: none"> <li>Development land transactions take into account profits developers will realize throughout the development process. These profits typically ranges between 10% and 20% based on the size and risk of the development.</li> </ul>
<b>HST Charge</b>	<ul style="list-style-type: none"> <li>Developers are required to pay a proportion of the total HST on all residential unit sales.</li> </ul>
<b>Recoveries</b>	<ul style="list-style-type: none"> <li>It is common for developers to recover costs associated with interim occupancy, interest earned on deposits, and the Tarion Enrollment Fee.</li> </ul>
<b>Development Timeline Adjustment</b>	<ul style="list-style-type: none"> <li>The Land Residual methodology concludes a value of the subject lands assuming that development would be able to commence immediately. Given that the proposed development has not received full approvals, we have therefore applied a discount rate to the overall value based on the estimated development timeline.</li> </ul>

## Land Residual Summary

Below is a summary outlining the residual model for the subject property.

### LAND RESIDUAL METHODOLOGY

#### Proposed Development

Development Type: Residential Stacked Townhouses

#### Net Developable Site Area:

Acres 7.380  
 Square feet 321,473

Residential Unit Totals:		Market Units	
	units		units
Townhouse	178	Townhouse	178
<b>Total</b>	<b>178</b>	<b>Total</b>	<b>178</b>

Total GFA		Efficiency Ratio		Net Sellable GI	
	sf		%		sf
Residential	177,713	Residential	93%	Residential	164,650
<b>Total</b>	<b>177,713</b>			<b>Total</b>	<b>164,650</b>

#### Parking:

Number of Sellable Parking Stalls: 178

Underground GCA: 142,784

#### Lockers

Number of Sellable Locker Stalls: 178



<b>Projected Revenue / Sell-Out Value "As-if Complete"</b>				
<b>Residential Units</b>	<b>units</b>	<b>\$ per unit /sf</b>	<b>avg sf</b>	<b>Revenue</b>
Market Units - Unsold	178	\$1,175	925	\$193,463,750
Parking Revenue:	178	\$50,000	-	\$8,900,000
Locker Revenue:	178	\$15,000	-	\$2,670,000
Purchaser Upgrades:	178	\$25,000	925	\$4,450,000
HST Rebate	-	-	-	\$4,272,000
<b>Current Market Value "As-if complete"</b>				<b>\$193,463,750</b>
<b>Construction Expense</b>				
<b>Hard Costs</b>		<b>Rate (\$ / %)</b>	<b>sf</b>	<b>Costs</b>
Above Grade				
Residential + Site Servicing		\$240	177,713	\$42,651,120
Below Grade		\$235	142,784	\$33,554,240
Contingency		2.50%		\$1,066,278
<b>Total Hard Costs</b>				<b>\$77,271,638</b>
			\$/sft	\$435
<b>Soft Costs (% of Revenue)</b>				
Region of York Residential Municipal Development Charges				\$8,396,438
City of Richmond Hill Residential Municipal Development Charges				\$3,534,012
Cash-in-lieu of Parkland				\$500,000
Boards of Education				\$1,500,006
Other Development Chargers				\$1,126,419
Sales Commissions		2.00%		\$3,869,275
Financing		7.50%		\$14,509,781
Legal & Consulting		2.00%		\$3,869,275
Marketing & Advertising		1.00%		\$1,934,638
Other Soft Costs		1.00%		\$1,934,638
Contingency (excl. Municipal Charges)		2.50%		\$652,940
<b>Total Soft Costs</b>				<b>\$41,827,421</b>
			\$/sf	\$235
<b>Remaining Costs</b>				
Developers' Profit (of Total Construction Expense)		15.00%		\$17,864,859
HST on Residential Unit Sales		9.55%		\$18,476,361
<b>Total Soft Costs</b>				<b>\$36,341,220</b>
			\$/sf	\$204
<b>Total Construction Expense</b>				<b>\$155,440,279</b>
			\$/sf	\$875

**Recoveries**

Interim Occupancy / Meter Recovery/ / Tarion Recovery / Misc.	\$0
Cost incurred to-date	\$0

<b>Total Recoveries</b>	<b>\$0</b>
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<b>Total Project Costs incl. Profit and Recoveries</b>	<b>\$155,440,279</b>
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<b>Current Market Value (rounded)</b>	<b>\$38,000,000</b>
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**Adjustments**

<b>Development Timeline Discount</b>	<b>Percentage 7%</b>	<b>\$2,660,000</b>
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<b>Current Market Value "As-Is" (rounded)</b>	<b>\$35,300,000</b>
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Per Acre:	\$4,783,198
Per Buildable Unit :	\$198,315
Per Square Foot Buildable:	\$199

## Land Residual Conclusion

Based on the above analysis, it is our opinion that the current market value "As-Is" derived by the Land Residual methodology at the effective date of this appraisal is estimated to be:

**LAND RESIDUAL VALUE CONCLUSION ("AS-IS")**

**THIRTY FIVE MILLION THREE HUNDRED THOUSAND DOLLARS**

**\$35,300,000**

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Exposure Time: 3 to 6 Months

### Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal report is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

Should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true, C&W reserves the right to amend the value conclusion(s) accordingly.

# DIRECT COMPARISON APPROACH

## Introduction

The Direct Comparison Approach considers the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, configuration, planning and size. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

The subject property consists of 3.88 acres of land located along King Road in the City of Richmond Hill. The client has proposed a residential stacked townhouse development including 178 units with a total GFA of 177,713 square feet, 142,784 square feet of underground parking and land to be conveyed to the City of Richmond Hill for parkland purposes. LPAT approved a Zoning Bylaw Amendment and a Draft Plan of Subdivision. As of March 8, 2023, based on a status letter by the planners, a number of minor revisions were outstanding to receive site plan control approval for building design and site servicing.

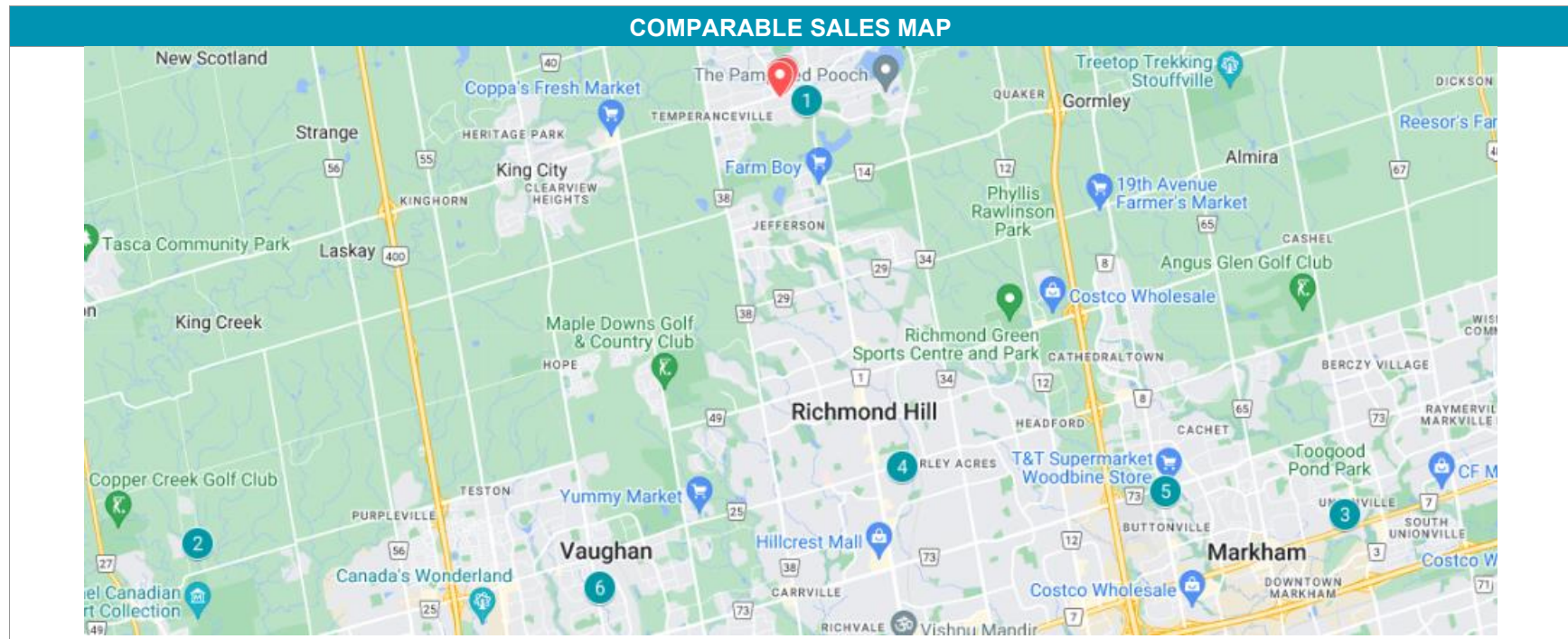
For this approach, we have analyzed the sales using the per unit as the unit of comparison.

## Selection of Comparable Transactions

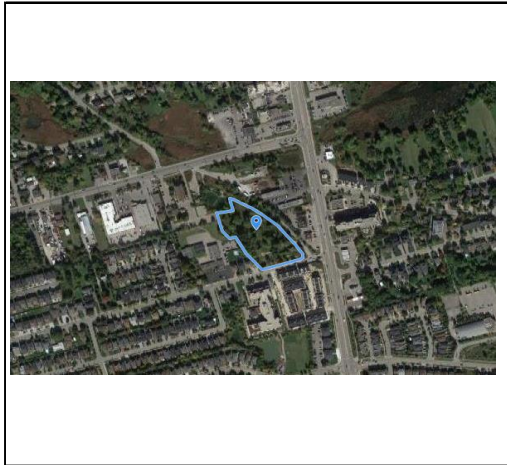
A search in the market for similar type properties indicated 6 comparable transactions sold between March 31, 2022 and October 30, 2023. The sale prices ranged from \$3,200,000 to \$33,800,000 - an average of \$11,574,950. In terms of the proposed buildable units, the sale comparables ranged from 11 units to 119 units - an average of 46 units. When converted into a unit rate, the sales range from \$114,286 per unit to \$444,737 per unit - an average of \$268,562 per unit. The following is a summary of the comparable transactions.



COMPARABLE SALE TRANSACTIONS - TOWNHOMES								
Index	Property Address	Sale Date	Sale Price	Site Area (ac)	\$/AC	Proposed Units	\$/Unit	Comments
S	201, 227, & 235 King Road, Richmond Hill	-	-	3.146	-	178	-	The property is designated as Oak Ridgers Local Centre under the Town of Richmond Hill Official Plan / "CG2" (Zoning By-Law) / 178 stacked townhouse units with a total gross floor area of 177,713 square feet / LPAT approved a Zoning Bylaw Amendment and a Draft Plan of Subdivision. As of March 8, 2023, based on a status letter by the planners, a number of minor revisions were outstanding to receive site plan control approval for building design and site servicing.
1	2-8 Bond Crescent & 8-18 Bostwick Crescent, Richmond Hill	October 30, 2023	\$33,800,000	3.537	\$9,556,121	76	\$444,737	Sale will close on October 31, 2023 / Proposed development of 76 townhomes / Zoning By-Law Amendment and Draft Plan of Subdivision under review
2	10 Pierre Berton Boulevard, Vaughan	January 30, 2023	\$3,200,000	1.200	\$2,666,667	28	\$114,286	"Natural Areas" (Secondary Plan) / "RM2 - Multiple Residential" (Zoning By-Law) / Proposed development of 16 stacked townhouse units and 12 street townhomes / 62 parking spaces / Site Plan Application in circulation
3	PIN: 02987-0418 & 02987-0427 / Anna Russell Way, Markham	June 19, 2023	\$15,220,000	7.610	\$501,253	119	\$127,899	"Rise Rise Residential & Mid Rise" (OP) / "Residential" & "Open Space" (Zoning By-Law) / Proposed development of 119 stacked townhouse units / Site Plan Application in circulation
4	185, 191, 197, 203, 209, & 215 Major Mackenzie Drive E, Richmond Hill	December 5, 2022	\$9,879,702	1.080	\$9,147,872	30	\$329,323	"Local Mixed-Use Corridor" (Official Plan) / "RM3 - Residential" (Zoning By-Law) / Proposed development of 30 stacked townhouse units / Zoning By-Law Amendment, Site Plan Application and Draft Plan of Subdivision is in circulation
5	3011 Sixteenth Avenue, Markham	July 18, 2022	\$3,750,000	0.510	\$7,352,941	14	\$267,857	"Residential Low Rise" (Official Plan) / "RMD2S - Residential Medium Density" (Zoning By-Law) / Proposed development of two, three-storey townhouse blocks containing 14 units / Pre-construction request for a Site Plan Application is approved
6	9773 Keele Street, Vaughan	March 31, 2022	\$3,600,000	0.810	\$4,444,444	11	\$327,273	"Low Rise Residential" (Official Plan) / "Residential Townhouse" (Zoning By-Law) / Proposed development of 11, three-storey townhouse units / Official Plan Amendment, Zoning By-Law Amendment, Site Plan Application, and Draft Plan of Subdivision under review
	<b>Low:</b>	<b>March 31, 2022</b>	<b>\$3,200,000</b>	<b>0.510</b>	<b>\$501,253</b>	<b>11</b>	<b>\$114,286</b>	
	<b>High:</b>	<b>October 30, 2023</b>	<b>\$33,800,000</b>	<b>7.610</b>	<b>\$9,556,121</b>	<b>119</b>	<b>\$444,737</b>	
	<b>Average:</b>	<b>-</b>	<b>\$11,574,950</b>	<b>2.458</b>	<b>\$5,611,550</b>	<b>46</b>	<b>\$268,562</b>	



**COMPARABLE TRANSACTION** **INDEX 1**



SALES DATE	
<b>Sale Status:</b>	Final
<b>Address:</b>	2-8 Bond Crescent & 8-18 Bostwick Crescent, Richmond Hill
<b>Sale Date:</b>	October 30, 2023
<b>Sale Price:</b>	\$33,800,000
<b>% Transferred:</b>	100.00%
<b>Sale Type:</b>	Market
<b>Vendor(s):</b>	1000162801 Ontario Corp.
<b>Purchaser(s):</b>	Consolidated Development Corporation In Trust for a Limited Partnership to be formed.

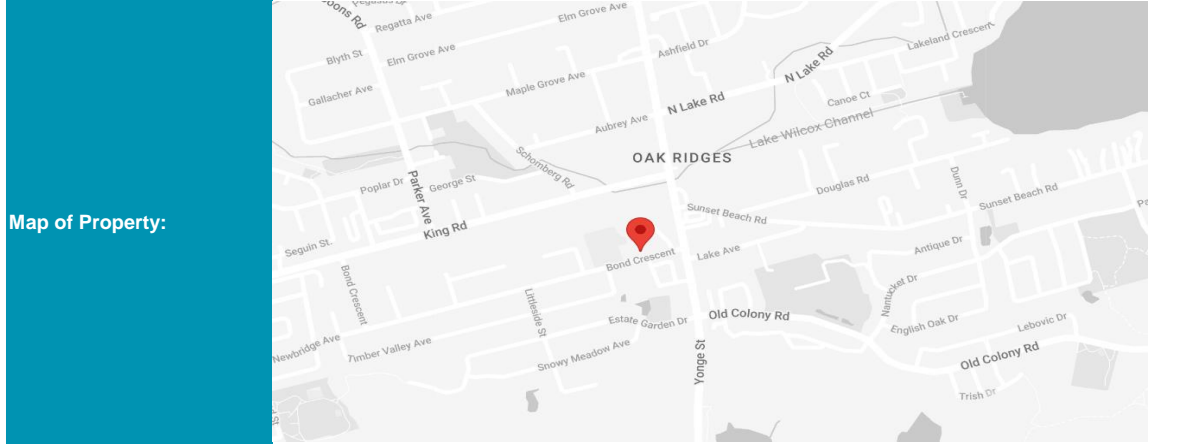
PRICE STRUCTURE		
<b>Cash Down:</b>	\$33,800,000	100.00%
<b>VTB/Assumed:</b>	\$0	0.00%
<b>Total Price:</b>	\$33,800,000	100.00%
<b>Price Notes:</b>	Cash	

PROPERTY CHARACTERISTICS	
<b>Site Area (ac)</b>	3.537
<b>\$/AC</b>	\$9,556,121
<b>Proposed Units</b>	76
<b>\$/Unit</b>	\$444,737

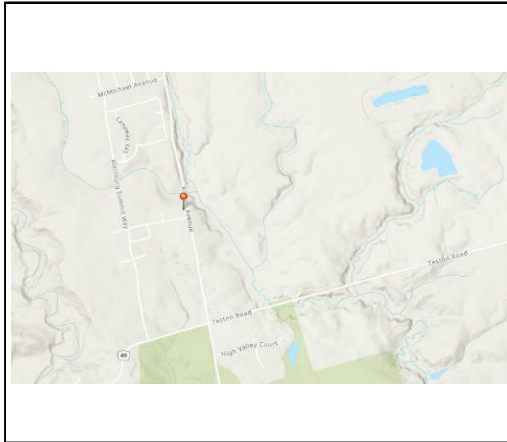
**Land Use Planning:** The property is located within the Town of Richmond Hill. The Official Plan designated the subject property as "Neighbourhoods". The predominant use of land within this designation is low-rise residential. The property is designated as "CG2" under Zoning By-Law 434-88

**Proposed Development:** At the time of sale, the property was vacant and unimproved. A Zoning By-Law Amendment and Draft Plan of Subdivision has been submitted development will consist of 76 townhouse dwelling units consisting of traditional and stacked townhouses. The applications are currently under review.

**Transaction Comments:** The property is located north of Teston Road, on the west side of Kipling Avenue in the City of Richmond Hill.



**COMPARABLE TRANSACTION** **INDEX 2**



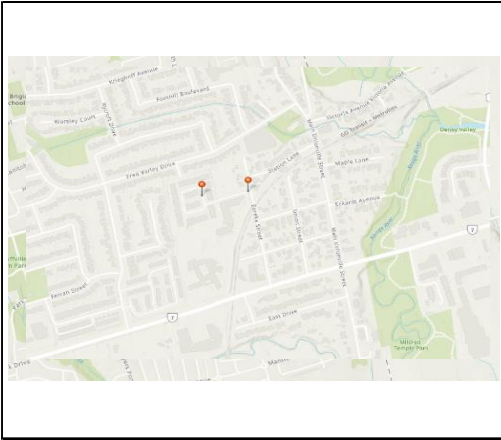
SALES DATE	
<b>Sale Status:</b>	Final
<b>Address:</b>	10 Pierre Berton Boulevard, Vaughan
<b>Sale Date:</b>	January 30, 2023
<b>Sale Price:</b>	\$3,200,000
<b>% Transferred:</b>	100.00%
<b>Sale Type:</b>	Market
<b>Vendor(s):</b>	Rom-Grand Kipling Two Ltd.
<b>Purchaser(s):</b>	TH (Kleinburg) Developments (BT) Corp.

PRICE STRUCTURE		
<b>Cash Down:</b>	\$3,200,000	100.00%
<b>VTB/Assumed:</b>	\$0	0.00%
<b>Total Price:</b>	\$3,200,000	100.00%
<b>Price Notes:</b>	Cash	

PROPERTY CHARACTERISTICS	
<b>Site Area (ac)</b>	1.2
<b>\$/AC</b>	\$2,666,667
<b>Proposed Units</b>	28
<b>\$/Unit</b>	\$114,286

<b>Land Use Planning:</b>	The City of Vaughan Official Plan designates the property Natural Areas within the North Kleinburg-Nashville Secondary Plan The Zoning By-law classifies the property RM2(H), a Multiple Residential Zone classification.
<b>Proposed Development:</b>	At the time of sale, the property was vacant and unimproved. A Site Plan Application (No. DA.22.051) was submitted in January, 2023 pertaining to the land in this transaction. The Application proposed the development of 16 stacked townhouse units and 12 street townhouses. The development would have 62 parking spaces. As of January, 2023, the Application was still in circulation subject to conditions.
<b>Transaction Comments:</b>	The property is located north of Teston Road, on the west side of Kipling Avenue in the City of Vaughan.
<b>Map of Property:</b>	

**COMPARABLE TRANSACTION** **INDEX 3**



SALES DATE	
<b>Sale Status:</b>	Final
<b>Address:</b>	PIN: 02987-0418 & 02987-0427 / Anna Russell Way, Markham
<b>Sale Date:</b>	June 19, 2023
<b>Sale Price:</b>	\$15,220,000
<b>% Transferred:</b>	100.00%
<b>Sale Type:</b>	Market
<b>Vendor(s):</b>	Unionville Home Society
<b>Purchaser(s):</b>	Minto Communities Inc.

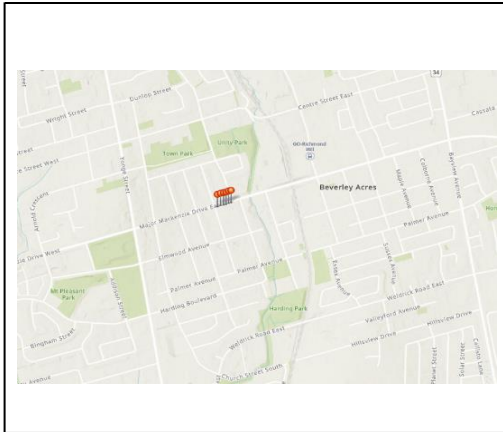
PRICE STRUCTURE		
<b>Cash Down:</b>	\$15,220,000	100.00%
<b>VTB/Assumed:</b>	\$0	0.00%
<b>Total Price:</b>	\$15,220,000	100.00%
<b>Price Notes:</b>	Cash	

PROPERTY CHARACTERISTICS	
<b>Site Area (ac)</b>	7.61
<b>\$/AC</b>	\$501,253
<b>Proposed Units</b>	119
<b>\$/Unit</b>	\$127,899

<b>Land Use Planning:</b>	The City of Markham Official Plan designates the property Residential Low Rise and Residential Mid Rise. The Zoning By-law classifies the property R3*594 and OS1, a Residential Zone and an Open Space Zone classification.
<b>Proposed Development:</b>	At the time of sale, the property was improved with low rise apartment units and a heritage centre. A Site Plan Application (No. SPC 22 116603) was submitted in 2022 pertaining to the land in this transaction. The Application proposed the development of 119 stacked townhouse units. As of June, 2023, the Application was still in circulation subject to conditions.
<b>Transaction Comments:</b>	The property is located north of Highway No. 7, west of Main Street Unionville in the City of Markham.
<b>Map of Property:</b>	



**COMPARABLE TRANSACTION** **INDEX 4**



SALES DATE	
<b>Sale Status:</b>	Final
<b>Address:</b>	185, 191, 197, 203, 209, & 215 Major Mackenzie Drive E, Richmond Hill
<b>Sale Date:</b>	December 5, 2022
<b>Sale Price:</b>	\$9,879,702
<b>% Transferred:</b>	100.00%
<b>Sale Type:</b>	Market
<b>Vendor(s):</b>	Ontario Superior Court of Justice (Commercial List)
<b>Purchaser(s):</b>	2357616 Ontario Inc.

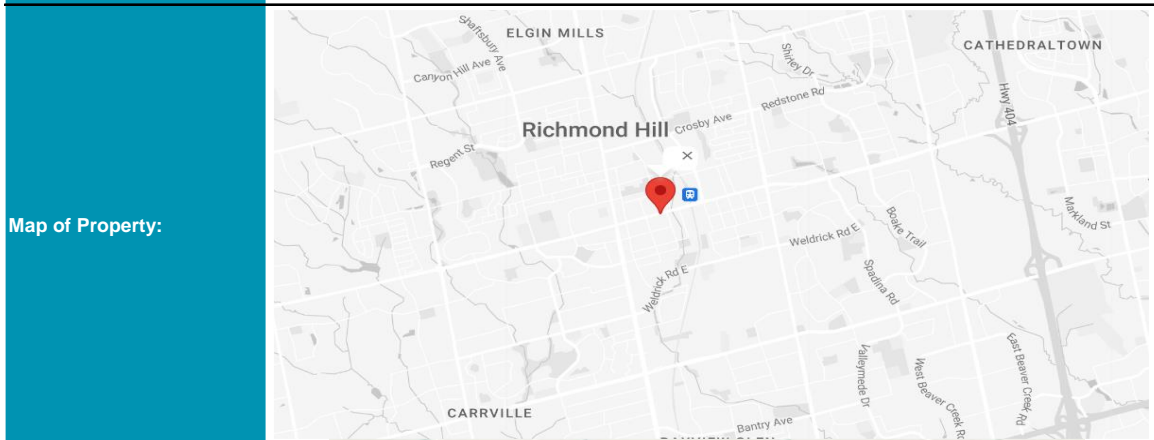
PRICE STRUCTURE		
<b>Cash Down:</b>	\$9,879,702	100.00%
<b>VTB/Assumed:</b>	\$0	0.00%
<b>Total Price:</b>	\$9,879,702	100.00%
<b>Price Notes:</b>	Cash	

PROPERTY CHARACTERISTICS	
<b>Site Area (ac)</b>	1.08
<b>\$/AC</b>	\$9,147,872
<b>Proposed Units</b>	30
<b>\$/Unit</b>	\$329,323

**Land Use Planning:** The City of Richmond Hill Official Plan designates the property Local Mixed Use Corridor. The Zoning By-law classifies the property RM3, a Residential Zone classification.

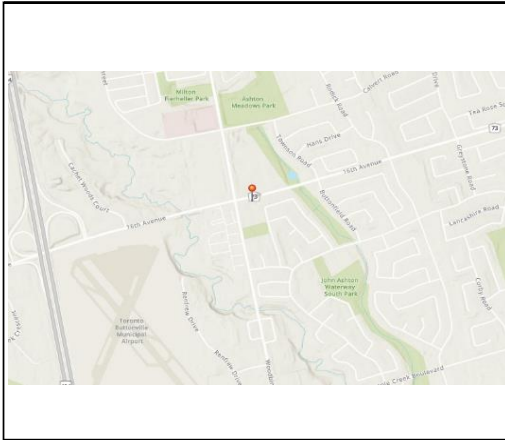
**Proposed Development:** At the time of sale, the properties were improved with single family detached residential dwellings. A Rezoning Application (No. D02-17033), a Site Plan Application (No. D06-17078), and a Draft Plan of Subdivision Application (No. D03-17009) were submitted in 2017, pertaining to the land in this transaction, then resubmitted in 2020 and 2021. The Applications proposed the development of 30 stacked townhouse units. The development would have a total of 64 parking spaces. As of December, 2022, the Applications were still in circulation subject to conditions.

**Transaction Comments:** The property is located on the south side of Major Mackenzie Drive East, east of Yonge Street in the City of Richmond Hill.





**COMPARABLE TRANSACTION** **INDEX 5**

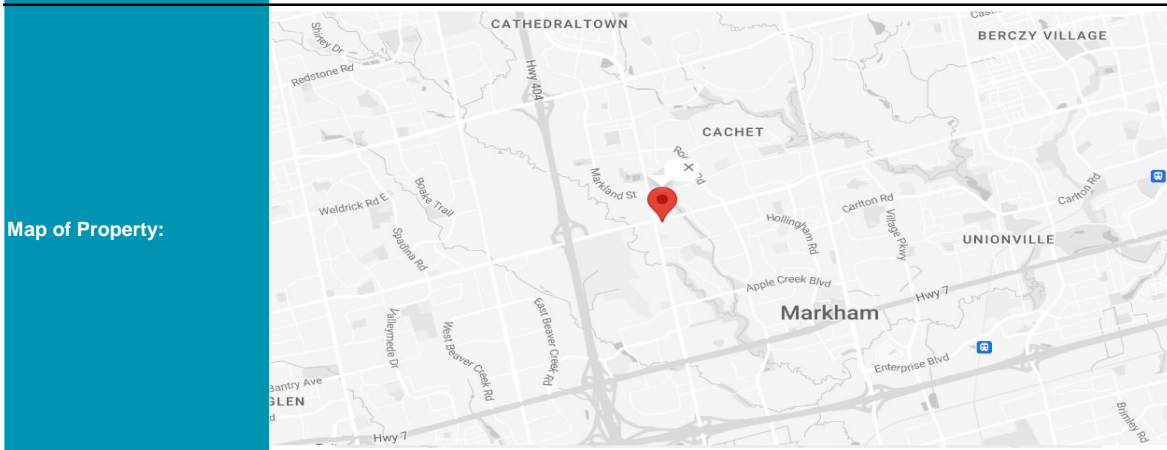


SALES DATE	
<b>Sale Status:</b>	Final
<b>Address:</b>	3011 Sixteenth Avenue, Markham
<b>Sale Date:</b>	July 18, 2022
<b>Sale Price:</b>	\$3,750,000
<b>% Transferred:</b>	100.00%
<b>Sale Type:</b>	Market
<b>Vendor(s):</b>	2785402 Ontario Ltd.
<b>Purchaser(s):</b>	Yiyacheng International Inc.

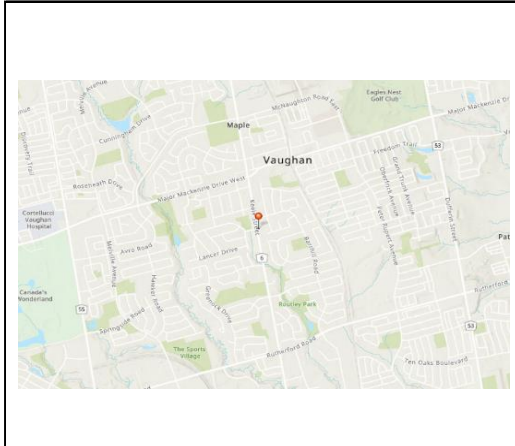
PRICE STRUCTURE		
<b>Cash Down:</b>	\$3,750,000	100.00%
<b>VTB/Assumed:</b>	\$0	0.00%
<b>Total Price:</b>	\$3,750,000	100.00%
<b>Price Notes:</b>	Cash	

PROPERTY CHARACTERISTICS	
<b>Site Area (ac)</b>	0.51
<b>\$/AC</b>	\$7,352,941
<b>Proposed Units</b>	14
<b>\$/Unit</b>	\$267,857

<b>Land Use Planning:</b>	The City of Markham Official Plan designates the property Residential Low Rise. The Zoning By-law classifies the property RMD2S, a Residential Medium Density Zone classification.
<b>Proposed Development:</b>	At the time of sale, the property was improved with a daycare. A pre-construction request for a Site Plan application (No. 22 115889 000 00 PRCN) was submitted on March 30 pertaining to the land in this transaction. The Application proposed the development of two, three storey townhouse blocks containing 14 units. As of July, 2022, the Application had been approved subject to conditions.
<b>Transaction Comments:</b>	The property is located on the south side of Sixteenth Avenue, east of Woodbine Avenue in the City of Markham.



**COMPARABLE TRANSACTION** **INDEX 6**



SALES DATE	
<b>Sale Status:</b>	Final
<b>Address:</b>	9773 Keele Street, Vaughan
<b>Sale Date:</b>	March 31, 2022
<b>Sale Price:</b>	\$3,600,000
<b>% Transferred:</b>	100.00%
<b>Sale Type:</b>	Market
<b>Vendor(s):</b>	9773 Keele Developments Inc.
<b>Purchaser(s):</b>	9773 Keele Street Inc.

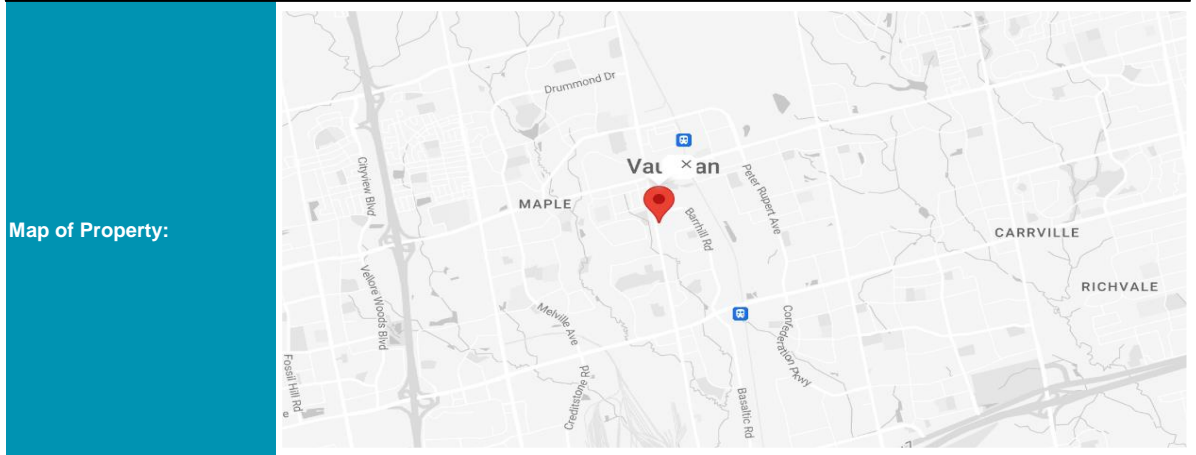
PRICE STRUCTURE		
<b>Cash Down:</b>	\$3,600,000	100.00%
<b>VTB/Assumed:</b>	\$0	0.00%
<b>Total Price:</b>	\$3,600,000	100.00%
<b>Price Notes:</b>	Cash	

PROPERTY CHARACTERISTICS	
<b>Site Area (ac)</b>	0.81
<b>\$/AC</b>	\$4,444,444
<b>Proposed Units</b>	11
<b>\$/Unit</b>	\$327,273

**Land Use Planning:** The City of Vaughan Official Plan designates the property Low-Rise Residential. The Zoning By-law classifies the property RT1, a Residential Townhouse Zone classification.

**Proposed Development:** At the time of sale, the property was improved with a single family detached residential dwelling. An Official Plan Amendment (No. OP.17.001), a Rezoning Application (No. Z.17.002), a Site Plan Application (No. DA.18.073) and a Draft Plan of Subdivision Application (No. 19T-17V001) were submitted in 2018 pertaining to the land in this transaction. The Applications proposed the development of 11, three storey townhouse units.

**Transaction Comments:** The property is located south of Major Mackenzie Drive, on the east side of Keele Street in the City of Vaughan.



## Analysis of Comparable Sales

Since no two properties are completely alike, adjustments must be made to compensate for differences between the comparable sales and the subject property. The major elements of comparison for an analysis of the Subject type of property include:

ADJUSTMENT FACTORS	
Sale Date	<ul style="list-style-type: none"> <li>Where the market is changing, it may be necessary to adjust prices to reflect the time difference between the date of sale of a comparable property and the date of valuation. However, during times of high interest rates and volatile capitalization rates, we have held the growth rate at 0% per annum.</li> </ul>
Property Rights Conveyed	<ul style="list-style-type: none"> <li>When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights. In the sales comparison analysis, it is pertinent that the property rights of the comparable sale be similar to the property rights of the Subject property. All the sales considered were fee simple transfers, therefore no adjustments were deemed necessary.</li> </ul>
Financing Terms	<ul style="list-style-type: none"> <li>The transaction price of one property may differ from that of a similar property due to different financing arrangements. For example, more favorable financing might include a VTB (Vendor Take Back) mortgage at a lower than market interest rate, which tends to have a positive influence on the price.</li> </ul>
Conditions of Sale	<ul style="list-style-type: none"> <li>Adjustments for conditions of sale usually reflect the motivations of the purchaser and vendor. In some cases the conditions of sale significantly affect transaction prices. Sales that reflect unusual situations require an appropriate adjustment for motivation or sale condition. For example, power-of-sale conditions involve a certain degree of urgency on part of the lender - leading to a somewhat lower sale price than what would otherwise be expected. On the other hand, transactions to create a land assembly may result in higher motivation by the buyer which often leads to a higher sale price than would be expected.</li> </ul>
Location	<ul style="list-style-type: none"> <li>An adjustment for location within a market area may be required when the locational characteristics of a comparable property are different from those of the Subject property. Excessive locational differences may disqualify a property from use as a comparable. Although no location is inherently desirable or undesirable, the market recognizes that one location is better than, similar to, or worse than another. Locational adjustments were based on both geographic and neighbourhood location.</li> </ul>
Site Area	<ul style="list-style-type: none"> <li>The price per acre of site area is expected to vary with the size of the site. Generally the price per acre decreases as size increases where all other features are similar. This is typically referred to as diminishing marginal utility.</li> </ul>
Land Use Planning	<ul style="list-style-type: none"> <li>Adjustments were required for the differences in the Land Use Planning. Factors such as the Official Plan designation, Secondary Plan designation, and Zoning By-Law were considered. Additionally, properties which have been approved for re-development and/or near the approval stage would typically be transacted at a premium rate compared to sites with limited to no planning for re-development.</li> </ul>
Site Characteristics	<ul style="list-style-type: none"> <li>Additional adjustments were considered for the site's overall characteristics including site utility, shape/configuration, accessibility and development potential and/or proposed development.</li> </ul>

Downward adjustments will be made to those comparables considered superior to the Subject. Conversely, upward adjustment will be made to those comparables considered to be inferior. Based on the previously discussed factors, we have summarized each of the comparable transaction and compared them to the subject property. Below is a summary of the adjustment.

## Adjustment Summary Table

ADJUSTMENT SUMMARY TABLE - TOWNHOMES												
ECONOMIC ADJUSTMENTS (CUMULATIVE)							PROPERTY CHARACTERISTICS ADJUSTMENTS					
Index	Price Per Unit & Sale Date	Property Rights Conveyed	Financing Terms	Conditions of Sale	Market Condition (Time) <sup>(1)</sup>	Subtotal	Location	Site Area	Land Use Planning	Proposed Development / Site Utility <sup>(2)</sup>	Adjusted Rate	Overall Comparability
1	<b>\$444,737</b> 30-Oct-23	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Similar 0.00%	<b>\$444,737</b>	Similar 0.00%	Similar 0.00%	Inferior 7.50%	Superior -10.00%	<b>\$430,283</b> -3.25%	Superior
2	<b>\$114,286</b> 30-Jan-23	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Similar 0.00%	<b>\$114,286</b>	Inferior 20.00%	Smaller -5.00%	Inferior 5.00%	Superior -15.00%	<b>\$116,280</b> 1.74%	Inferior
3	<b>\$127,899</b> 19-Jun-23	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Similar 0.00%	<b>\$127,899</b>	Inferior 5.00%	Larger 10.00%	Inferior 5.00%	Superior -15.00%	<b>\$131,843</b> 3.08%	Inferior
4	<b>\$329,323</b> 5-Dec-22	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Similar 0.00%	<b>\$329,323</b>	Superior -5.00%	Smaller -5.00%	Inferior 7.50%	Superior -15.00%	<b>\$271,580</b> -17.53%	Superior
5	<b>\$267,857</b> 18-Jul-22	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Similar 0.00%	<b>\$267,857</b>	Inferior 15.00%	Smaller -10.00%	Similar 0.00%	Superior -20.00%	<b>\$221,786</b> -17.20%	Superior
6	<b>\$327,273</b> 31-Mar-22	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Similar 0.00%	<b>\$327,273</b>	Superior -5.00%	Smaller -5.00%	Inferior 7.50%	Superior -20.00%	<b>\$254,013</b> -22.39%	Superior
TRANSACTION STATISTICS												
	<b>\$114,286</b>	- Lowest Transacted Rate							Lowest Adjusted Rate -		<b>\$116,280</b>	
	<b>\$444,737</b>	- Highest Transacted Rate							Highest Adjusted Rate -		<b>\$430,283</b>	
	<b>\$268,562</b>	- Average Transacted Rate							Average Adjusted Rate -		<b>\$237,631</b>	
<b>(1) Market Conditions Adjustment</b>						<b>(2) Site Utility</b>						
Compound Annual Growth Rate: 0.00%						Site utility includes shape, access, frontage and visibility						
Effective Date: January 0, 1900												

## Direct Comparison Approach Conclusion

We have uncovered and analyzed a number of comparable transactions which were considered to be similar based on a combination of location, site area, land use planning or proposed development. These sales were measured against the subject property and its characteristics. A search in the market for similar type properties indicated 6 comparable transactions sold between March 31, 2022 and October 30, 2023. The sale prices ranged from \$3,200,000 to \$33,800,000 - an average of \$11,574,950. In terms of the proposed buildable units, the sale comparables ranged from 11 units to 119 units - an average of 46 units. When converted into a unit rate, the sales range from \$114,286 per unit to \$444,737 per unit - an average of \$268,562 per unit.

Index 1 is located at 2-8 Bond Crescent & 8-18 Bostwick Crescent, Richmond Hill and was sold on October 30, 2023 for a sale price of \$33,800,000. The property rights conveyed were fee simple and no financing was reportedly provided by the vendor - the sale is considered arms-length. The property is located within the Town of Richmond Hill. The Official Plan designated the subject property as "Neighbourhoods". The predominant use of land within this designation is low-rise residential. The property is designated as "CG2" under Zoning By-Law 434-88. At the time of sale, the property was vacant and unimproved. A Zoning By-Law Amendment and Draft Plan of Subdivision has been submitted development will consist of 76 townhouse dwelling units consisting of traditional and stacked townhouses. The applications are currently under review. The property is located north of Teston Road, on the west side of Kipling Avenue in the City of Richmond Hill. Index 1 sold for a unit rate of \$444,737 per unit and based on the adjustments, we consider this sale to be superior to the subject property.

The second comparable transaction is located at 10 Pierre Berton Boulevard, Vaughan and sold for a price of \$3,200,000 on January 30, 2023. The property rights conveyed were fee simple and no financing was reportedly provided by the vendor - the sale is considered arms-length. The City of Vaughan Official Plan designates the property Natural Areas within the North Kleinburg-Nashville Secondary Plan The Zoning By-law classifies the property RM2(H), a Multiple Residential Zone classification. At the time of sale, the property was vacant and unimproved. A Site Plan Application (No. DA.22.051) was submitted in January, 2023 pertaining to the land in this transaction. The Application proposed the development of 16 stacked townhouse units and 12 street townhouses. The development would have 62 parking spaces. As of January, 2023, the Application was still in circulation subject to conditions. The property is located north of Teston Road, on the west side of Kipling Avenue in the City of Vaughan.. Index 2 was sold for a unit rate of \$114,286 per unit. Subsequent to the adjustment process, we have concluded that Index 2 is inferior to the subject property.

Index 3 was transacted on June 19, 2023 for a sale price of \$15,220,000. The property is located at Pin: 02987-0418 & 02987-0427 / Anna Russell Way, Markham and no financing was reportedly provided by the vendor - the sale is considered arms-length. The City of Markham Official Plan designates the property Residential Low Rise and Residential Mid Rise. The Zoning By-law classifies the property R3\*594 and OS1, a Residential Zone and an Open Space Zone classification. At the time of sale, the property was improved with low rise apartment units and a heritage centre. A Site Plan Application (No. SPC 22 116603) was submitted in 2022 pertaining to the land in this transaction. The Application proposed the development of 119 stacked townhouse units. As of June, 2023, the Application was still in circulation subject to conditions. The property is located north of Highway No. 7, west of Main Street Unionville in the City of Markham. The sale price represents a unit rate of \$127,899 per unit and based on the adjustments, we consider this sale to be inferior to the subject property.

The fourth comparable transaction is located at 185, 191, 197, 203, 209, & 215 Major Mackenzie Drive E, Richmond Hill and sold for a price of \$9,879,702 on December 5, 2022. The property rights conveyed were fee simple and no financing was reportedly provided by the vendor - the sale is considered arms-length. The City of Richmond Hill Official Plan designates the property Local Mixed Use Corridor. The Zoning By-law classifies the property RM3, a Residential Zone classification. At the time of sale, the properties were improved with single family detached residential dwellings. A Rezoning Application (No. D02-17033), a Site Plan Application (No. D06-17078), and a Draft Plan of Subdivision Application (No. D03-17009) were submitted in 2017, pertaining to the land in this

transaction, then resubmitted in 2020 and 2021. The Applications proposed the development of 30 stacked townhouse units. The development would have a total of 64 parking spaces. As of December, 2022, the Applications were still in circulation subject to conditions. The property is located on the south side of Major Mackenzie Drive East, east of Yonge Street in the City of Richmond Hill. Index 4 sold for a unit rate of \$329,323 per unit. Subsequent to the adjustment process, we have concluded that Index 4 is superior to the subject property.

Index 5 is located at 3011 Sixteenth Avenue, Markham and sold on July 18, 2022 for a sale price of \$3,750,000. The sale price represents a unit rate of \$267,857 per unit. The City of Markham Official Plan designates the property Residential Low Rise. The Zoning By-law classifies the property RMD2S, a Residential Medium Density Zone classification. At the time of sale, the property was improved with a daycare. A pre-construction request for a Site Plan application (No. 22 115889 000 00 PRCN) was submitted on March 30 pertaining to the land in this transaction. The Application proposed the development of two, three storey townhouse blocks containing 14 units. As of July, 2022, the Application had been approved subject to conditions. The property is located on the south side of Sixteenth Avenue, east of Woodbine Avenue in the City of Markham. Overall, we consider Index 5 to be superior to the subject property.

Index 6 transacted on March 31, 2022 for a sale price of \$3,600,000. The property is located at 9773 Keele Street, Vaughan and the property rights conveyed were fee simple and no financing was reportedly provided by the vendor - the sale is considered arms-length. The City of Vaughan Official Plan designates the property Low-Rise Residential. The Zoning By-law classifies the property RT1, a Residential Townhouse Zone classification. At the time of sale, the property was improved with a single family detached residential dwelling. An Official Plan Amendment (No. OP.17.001), a Rezoning Application (No. Z.17.002), a Site Plan Application (No. DA.18.073) and a Draft Plan of Subdivision Application (No. 19T-17V001) were submitted in 2018 pertaining to the land in this transaction. The Applications proposed the development of 11, three storey townhouse units. The property is located south of Major Mackenzie Drive, on the east side of Keele Street in the City of Vaughan. Index 6 sold for a unit rate of \$327,273 per unit and based on the adjustments, we consider this sale to be superior to the subject property.

The subject property is located at 201, 227, & 235 King Road in the City of Richmond Hill and consists of 3.88 acres of land located along King Road in the City of Richmond Hill. The client has proposed to develop a total of 178 stacked townhouse units with a total gross floor area of 177,713 square feet. At the effective date of this appraisal, the Zoning By-Law Amendment and Site Plan Application is approved. Based on the subject's characteristics, location and the analysis of comparable transactions, it is our opinion that the current market value "As-Is" derived by the Direct Comparison Approach at the effective date of this appraisal is estimated to be:

<b>DIRECT COMPARISON APPROACH</b>	
<b>Current Market Value</b>	<b>"As-Is"</b>
<b>Number of Proposed Units:</b>	178
<b>Indicated Value Rate:</b>	\$200,000
<b>Indicated Value:</b>	\$35,600,000
<b>Less CapEx:</b>	\$0
<b>Indicated Value:</b>	\$35,600,000
<b>Final Value Estimate (rounded):</b>	<b>\$35,600,000</b>
<b>THIRTY FIVE MILLION SIX HUNDRED THOUSAND DOLLARS</b>	
<b>\$35,600,000</b>	

Exposure Time: 3 to 6 Months



## Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal report is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

Should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true, C&W reserves the right to amend the value conclusion(s) accordingly.

## RECONCILIATION AND FINAL VALUE ESTIMATE

### Valuation Reconciliation

Using the selected approaches to value, the conclusions are summarized below:

VALUATION INDICES	Market Value Conclusions
<b>LAND RESIDUAL METHODOLOGY</b>	
Market Value "As-If Complete":	\$193,463,750
Total Project Expenses:	\$155,440,279
<b>Value Estimate:</b>	\$38,000,000
Adjustment (Time):	\$2,660,000
<b>Value Estimate:</b>	<b>\$35,300,000</b>
Per Acre:	\$4,783,198
Per Building Square Foot:	\$199
Per Unit:	\$198,315
<b>DIRECT COMPARISON APPROACH</b>	
Number of Proposed Units:	178
Unit Rate (\$/Unit):	\$200,000
Adjustment:	\$0
<b>Value Estimate:</b>	<b>\$35,600,000</b>
Per Unit:	\$200,000
<b>FINAL VALUE CONCLUSION "AS-IS"</b>	
Concluded Value:	\$35,300,000
Per Unit:	\$198,315
<b>EXPOSURE TIME</b>	
<b>Exposure Time:</b>	6 - 12 months
<b>Marketing Time:</b>	12 months

Based on the current land use planning and a review of the current market conditions and market trends, the final value estimate is based on the value derived by the Land Residual methodology.

### Final Estimate of Value "As-Is"

Having regard to all of the information contained in this report, it is our professional opinion that the current market value "As-Is" of the subject property located at 201, 227, & 235 King Road, Richmond Hill at the effective date of October 31, 2023, is estimated to be:

#### FINAL VALUE CONCLUSION ("AS-IS")

**THIRTY FIVE MILLION THREE HUNDRED THOUSAND DOLLARS**

**\$35,300,000**

In this appraisal, the estimated value is predicated on a reasonable exposure time of 3 to 6 months.

## Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal report is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

Should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true, C&W reserves the right to amend the value conclusion(s) accordingly.

## ADDENDA CONTENTS

- Addendum A: Assumptions and Limiting Conditions
- Addendum B: Definitions & Terms of Reference
- Addendum C: Market Overviews
- Addendum D: Certification

## ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield ULC or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following ordinary/general assumptions and limiting conditions:

- This report has been prepared at the request of Consortia N.A. Limited for the purpose of providing an estimate of the current market value "As-Is" located at 201, 227 & 235 King Road, Richmond Hill. The intended use is to assist with obtaining a first mortgage and the intended user is Consortia N.A. Limited. The Client and any Intended Users identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. It is not reasonable for any person other than the person or those to whom this report is addressed, to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.
- This report has been prepared at the request of Consortia N.A. Limited and for the exclusive (and confidential) use of the recipient as named herein and for the specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. More specifically, The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or for any other use.
- It is acknowledged that any opinions and conclusions expressed by the professionals of C&W or its affiliates during this assignment are representations made as employees and not as individuals. C&W's or its affiliate's responsibility is limited to the Client, and use of our product by third parties shall be solely at the risk of the Client and/or third parties.
- Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
- The estimated market value of the real property which is appraised in this report pertains to the value of the fee simple interest. The property rights appraised herein exclude mineral rights, if any.
- The estimate of market value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted

at face value; especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to all of the assumptions and limiting conditions.

- The property has been valued on the basis that title to the real property herein appraised is good and marketable.
- The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters, which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.
- The author of this report is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues, then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.
- The legal description and site area of the property were obtained from MPAC and GeoWarehouse. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.
- The property has been valued on the basis that the real property is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, lien or social assessments outstanding against the property other than as stated and described herein.
- The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or salability of the subject property or any portion thereof.
- The property has been valued on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the existing leases, agreements to lease or other contractual agreements. Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated or inflated to reflect extraordinary circumstances, and are fully enforceable notwithstanding that such documentation may not be fully executed by the parties thereto as at the effective date of valuation, unless such conditions have been identified and noted in this report.
- The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be



certain requirements of law preventing occupancy of the real estate as described in this report. However, such possible circumstances have not been accounted for in the appraisal process.)

- Investigations have been undertaken in respect of matters, which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.
- The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.
- The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
- The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishes and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
- The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
- The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.
- Should title to the real property presently be held (or changed to a holding) by a partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.
- In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the condominium interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
- This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
- Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made, including provisions for additional

compensation to permit adequate time for preparation and for any appearances, which may be required. However, neither this nor any other of these assumptions and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body that will decide the use of this report, which best serves, the administration of justice.

- Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as any other date without subsequent advice of the author of this report.
- The value(s) expressed herein is in Canadian dollars.
- Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
- This this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.

## DEFINITIONS AND TERMS OF REFERENCE

### Market Value

The Canadian Uniform Standards of Professional Appraisal Practice (The Standards or CUSPAP) adopted by the Appraisal Institute of Canada define Market Value as:

*“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”<sup>1</sup>*

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in their own best interests;
3. A reasonable time is allowed for exposure in the market;
4. Payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

### Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>2</sup>

### Leased Fee Interest

The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.<sup>3</sup>

### Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.<sup>4</sup>

### Value As-Is

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

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<sup>1</sup> The Appraisal of Real Estate, Third Canadian Edition, pg. 2.8

<sup>2</sup> The Appraisal of Real Estate, Third Canadian Edition, pg. 6.4

<sup>3</sup> The Appraisal of Real Estate, Third Canadian Edition, pg. 6.4

<sup>4</sup> The Appraisal of Real Estate, Third Canadian Edition, pg. 6.4

## Cash Equivalence

A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts. Calculating the cash-equivalent price requires an appraiser to compare transactions involving atypical financing to transactions involving comparable properties financed at typical market terms.

## Net Operating Income

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted.<sup>5</sup>

## Internal Rate of Return

The annualized yield rate or rate of return on capital that is generated or capable of being generated within an investment or portfolio over a period of ownership.<sup>6</sup>

## Assemblage

The combining of two or more parcels, usually but not necessarily contiguous, into one ownership or use; the process that creates plottage value.<sup>7</sup>

## Plottage

The increment of value created when two or more sites are combined to produce greater utility.<sup>8</sup>

## Use Value

The value a specific property has for a specific use. In estimating use value, the appraiser focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the highest and best use of the property or the monetary amount that might be realized from its sale. Real property has both a use value and a market value, which may be the same or different depending on the property and the market.

## Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.

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<sup>5</sup> The Appraisal of Real Estate, Third Canadian Edition, pg. 20.13

<sup>6</sup> The Appraisal of Real Estate, Third Canadian Edition, pg. 24.7

<sup>7</sup> The Appraisal of Real Estate, Third Canadian Edition, pg. 10.10

<sup>8</sup> The Appraisal of Real Estate, Third Canadian Edition, pg. 10.10

4. The rent payment is made in terms of cash in Canadian dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property lease unaffected by special fees or concessions granted by anyone associated with the transaction.

## Disposition Value (Liquidation Value)

The Dictionary of Real Estate Appraisal, Fourth Edition (2002) published by the Appraisal Institute define Disposition Value as:

*“The most probable price that a specified interest in real property is likely to bring under all the following conditions:*

1. *Consummation of a sale will occur within a severely limited future marketing period specified by the client.*
2. *The actual market conditions currently prevailing are those to which the appraised property interest is subject.*
3. *The buyer and seller is each acting prudently and knowledgeably.*
4. *The seller is under compulsion sell.*
5. *The buyer is typically motivated.*
6. *Both parties are acting in what they consider their best interests.*
7. *An adequate marketing effort will be made in the limited time allowed for the completion of a sale.*
8. *Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.*
9. *The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”*

## Exposure Time and Marketing Time

### Exposure Time

Under Paragraph 3 of the Definition of Market Value, the value opinion presumes that a reasonable time is allowed for exposure in the open market. Exposure time is defined as: *“The length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal.”* Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of property and under various market conditions. It is a retrospective opinion based on an analysis of past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

Based on our review of investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been 6 to 12 months. This assumes the current owner would have employed an active and professional marketing plan.

## Marketing Time

Marketing time is an opinion of the time that might be required to sell a real property interest at the concluded market value level. Marketing time is presumed to start during the period immediately after the effective date of an appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of developing a reasonable exposure time opinion as part of the appraisal process and it is not intended to be a prediction of a date of sale or a one-line statement.

We believe, based on the assumptions employed in our analysis and our selection of investment parameters for the subject, that our value conclusion represents a price achievable within 6 to 12 months.

## Terms of Reference

### Limitation of Liability

The Client shall indemnify, defend and hold Cushman & Wakefield fully harmless from and against any and all claims, liabilities, damages, costs and expenses (including court costs and reasonable legal fees) resulting from or arising out of the Client's breach of the professional service agreement relating to the Appraisal Report, wrongful acts or omissions (including any failure to perform any duty imposed by law), misrepresentation, distortion or failure to provide complete and accurate information, or any unauthorized use or reliance by unauthorized third parties on the appraisal report or any materials prepared by Cushman & Wakefield. Save and Except for any indemnification obligations as stated by the Client, neither party shall be liable to the other party for any special, consequential, punitive or incidental damages of any kind whatsoever. Moreover, to the maximum extent permitted by law, Cushman and Wakefield's total liability for any losses, claims or damages arising out of or connecting or relating to this agreement (under any applicable theory of law) shall be limited in the aggregate to the total sum of fees and costs received by Cushman & Wakefield from the Client for the applicable subject report(s).



# MARKET OVERVIEWS

## Canada Economic Overview

### Labour Market and Key Industries

- The labour market is likely to soften as the year progresses. Strong labour force growth has helped deliver better-than-expected employment gains, alleviating some of the supply-side strain on hiring, but that support is unlikely to endure. Firms are likely to focus on cost savings as demand turns flat, leading to small-scale layoffs and hiring pauses. Goods-producing industries and those connected to the real estate market and mortgage lending are expected to perform the worst.
- If the economy is not growing, then firms will not be hiring. As demand turns flat through mid-2023 and firms reassess how much capacity they need, hiring will likely come to a standstill.
- The expected significant slowdown in hiring, combined with Canada's strong demographics and labour force growth, will cause unemployment to drift higher over the course of 2023. By year's end, the jobless rate is expected to be about 1 percentage point above its position at the start of the year.
- Wage growth will cool from its hot pace as labour market slack increases. A boom in labour force participation has helped power recent job growth, but demand is unlikely to keep pace. After more than half of a year above 5%, annual wage growth will slow, as unemployment edges higher and inflation moderates, diminishing cost-of-living adjustments.
- Construction and real estate employment will be hit hardest in the coming slowdown. Residential real estate sales collapsed in the second half of 2022 as interest rates soared. The spring selling season has helped revive the market, but it remains weak. Permitting is collapsing, albeit from an all-time high, as a record number of units under construction are about to hit the market. As those properties struggle to sell, new projects will be put on hold.
- Manufacturers face tough short-term prospects as inventories have increased well ahead of sales. To clear warehouses, businesses will need to idle production and trim payrolls. Improving supply chains remove one headache, but consumers' reduced ability to spend creates a new one.
- Export-oriented industries face a challenging environment as the U.S. dollar is expected to weaken and U.S. import demand will soften as its consumers grapple with higher inflation and interest rates.

### Real Estate

- The housing market has not bottomed out yet. Prices have declined about 10% nationally from their mid-2022 peak, but likely have about 5% more to fall before bottoming out near the end of the year. Many potential buyers have been priced out of the market by high interest rates. Problematically, just as demand weakens, a record number of new units are coming onto the market.
- Nationally, house prices are expected to fall about 15% from their mid-2022 peak before bottoming out at year's end. Prices rose more than 40% from the start of the pandemic to their 2022 peak; thus, the expected decline would still maintain a majority of the recent appreciation.
- Interest rates and affordability dominate the outlook. Buyer sentiment has soured, as elevated prices and high interest rates have eroded affordability. The pool of potential new buyers will remain small as the labour market starts to falter in 2023 and income growth stumbles.

- Simultaneously, a record-high number of units under construction will need to be absorbed. More than 360,000 housing units were under construction in the first quarter, an all-time record. In per capita terms, that figure is 2½ times as high as the U.S. and seven times higher than its level two decades ago. Therefore, the pace of starts and permitting should plunge further in 2023 as builders reassess demand.
- The spring selling season has given sales and prices a small boost, but we would urge caution in assigning too much optimism to this development. The Bank of Canada's policy rate pause from late January through early June 2023 released some pent-up demand, but rising joblessness will tip the market back into contraction.
- Significant concern surrounds the large share of borrowers who took out mortgage loans in early 2022 with high-risk characteristics. In particular, about 20% of new mortgages in the first quarter had loan-to-income ratios of more than 450% and variable rates.

## Demographics

- Strong population growth powers Canada's long-run expansion. The influx of immigrants over the past decade has helped compensate for lackluster productivity growth. Immigration paused because of public health measures during the pandemic, but since the advent of the vaccines, immigration has soared back above its pre-pandemic record, likely reflecting pent-up demand. Canada will likely increase the allowance for new residents in the coming years, further boosting growth.
- Canada's centre of gravity has been shifting from east to west. Alberta's affordability provides a major draw. High commodity prices have boosted incomes, bolstering the recent influx of new residents. High birthrates also bolster population growth in the Prairie Provinces.
- British Columbia boasts the highest share of interprovincial migrants. The province's natural beauty and strong labour market have kept the east-to-west trend alive. Also, relocating retirees have favored the province more than all others combined since 2013.
- Toronto has powered Ontario's population boom and mitigated the east-to-west shift. Pre-pandemic, the metro area grew more than 2% year over year – eight times the average of the 10 largest U.S. metro areas. In contrast to Montreal, immigration is more than offsetting pandemic-related out-migration.
- Canada is the most educated country in the world, ranking highest among OECD countries for post-high school education. Among prime-age workers, 12% of Canadians hold a graduate degree, 21% have a bachelor's degree, and 34% have a college/trade degree. Only 10% did not finish high school.
- Canada boosted its immigration allowance to 465,000 for 2023 and plans to grow the number of new migrants to 500,000 by 2025 to help address labour-supply challenges. The nation has arguably the most pro-immigration policies of any advanced economy. Canada's robust immigration policy rests on a point-based system dependent on skills, education, language ability, and work experience that determines immigration eligibility.

## Outlook

- Canada's GDP is losing momentum and a small, brief contraction will likely unfold around the third quarter. Fears of a full-blown recession do not materialize, and growth returns in the final months of 2023.
- GDP came to a near standstill in the final quarter of 2022. An unusually large inventory contraction pulled down the top-line measure, but the substantial decline in imports helped avoid an overall contraction. The core elements of consumption, investment, and exports delivered uninspiring performances.

- The impending slowdown in production leads to small-scale layoffs and new labour force entrants struggle to find work, lifting the unemployment rate off its record low in the second half of 2023, but the labour market remains largely intact.
- Strong labour force growth since the start of the year has allowed robust employment gains to endure. Hourly wage growth remains elevated near 5% – well above its historical average. Problematically, without stronger productivity growth the increasing labour costs will put upward pressure on consumer prices.
- The economy faces tough headwinds on two fronts:
  - At 3.4% in May, CPI inflation remains elevated above the Bank of Canada’s target of 2%. Base effects and falling energy prices drove an initially rapid deceleration, but those supports are fading. Inflation is expected to only recede to 3% by the end of 2023 and back to 2% by the end of 2024. Consumers will struggle to increase their real spending as inflation eats away at incomes.
  - Second, elevated interest rates are dimming consumers’ appetite for more debt-financed spending. Retail and wholesale trade are struggling, recording a mix of mostly down months to start the year. The maintenance of high rates will also continue to pressure the balance sheets of lenders, though the worst of the recent banking crisis has likely passed.
- Manufacturing surveys show new orders and shipments eroding and inventories piling up. Merchandise trade exports have sunk to their lowest level since early 2022.
- While the economy has demonstrated a surprising degree of resilience, the signs of strain are becoming increasingly apparent. The Bank of Canada raised its key overnight lending rate to 5% in July. The Bank notes that global inflation is easing, with lower energy prices and a decline in goods price inflation. However, robust demand and tight labour markets are causing persistent inflationary pressures in services. The Bank remains resolute in its commitment to restoring price stability for Canadians.

## Near-Term Outlook - Annual

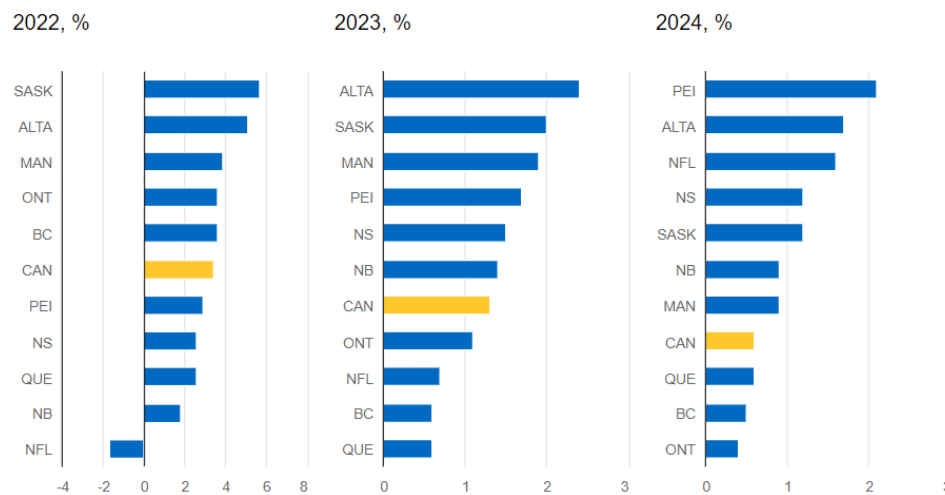
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Real GDP, chained bil, SAAR	2,110.0	2,002.9	2,103.3	2,174.7	2,191.7	2,225.5	2,274.4	2,319.5	2,365.4
% chg	1.9	-5.1	5.0	3.4	0.8	1.5	2.2	2.0	2.0
<b>Components, % chg</b>									
Private consumption	1.5	-6.1	5.0	4.8	1.0	0.3	1.4	1.6	1.5
Government consumption	1.0	1.3	6.4	2.0	1.9	1.3	0.8	1.2	1.6
Gross capital formation	0.1	-10.4	12.5	7.5	-9.5	4.2	3.1	1.4	1.2
Gross fixed capital formation	0.8	-2.4	7.4	-1.5	-6.4	4.8	3.5	2.8	3.0
Changes in inventories, bil	13.5	-23.5	-4.1	37.8	19.9	18.4	17.5	11.4	3.0
Net exports of goods and services, bil	11.2	13.5	-25.7	-57.1	-15.7	-7.6	-2.4	6.4	18.3
<b>Labor market</b>									
Total employment, mil	19.1	18.0	18.9	19.7	20.0	20.1	20.2	20.4	20.5
% chg	2.1	-5.6	5.0	4.0	1.8	0.2	0.7	0.6	0.7
Unemployment rate, %	5.7	9.7	7.5	5.3	5.4	5.8	5.7	5.7	5.7
Nominal wages and salaries, % chg	4.2	-1.2	9.4	9.5	3.7	3.0	3.2	3.3	3.7
<b>Prices</b>									
Consumer price index, % chg	2.0	0.7	3.4	6.8	3.8	2.6	1.9	2.0	2.2
Producer price index, % chg	-0.1	-0.4	13.9	12.8	-0.2	1.3	0.9	1.3	1.4
West Texas Intermediate, \$ per bbl	57.0	39.5	68.0	94.4	80.2	78.3	68.5	66.2	67.4
Brent crude oil prices, \$ per bbl	64.2	43.2	70.8	99.1	85.4	82.7	71.9	69.2	70.4
House price index	223.8	244.1	285.2	320.5	290.5	285.9	302.4	323.5	333.3
% chg	1.2	9.1	16.9	12.4	-9.4	-1.6	5.8	7.0	3.0
<b>Industry</b>									
Industrial production, % chg	0.1	-8.2	4.5	3.6	-1.4	-0.2	0.8	1.0	1.3
<b>Fiscal</b>									
Government budget, % of GDP	0.3	-10.6	-4.2	-0.1	-1.0	-1.6	-1.6	-1.6	-1.5
<b>International</b>									
Current account balance, bil	-45.2	-47.6	-6.7	-10.8	-25.6	-31.4	-30.5	-22.1	-4.8
Exports of goods and services, bil	748.5	655.9	775.8	939.1	905.8	911.6	927.3	958.5	998.5
Imports of goods and services, bil	782.4	705.4	776.9	934.2	935.7	947.7	963.1	986.7	1,009.9
<b>Financial</b>									
Policy rate, %	1.8	0.6	0.3	1.9	4.5	3.6	2.5	2.5	2.5
10-yr bond rate, %	1.6	0.8	1.4	2.8	3.5	4.1	3.9	3.9	3.8
Exchange rate, US\$	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Stock price index	16,314.7	16,016.6	19,819.0	20,184.3	20,508.4	20,858.6	21,313.3	22,259.0	23,447.2
% chg	3.6	-1.8	23.7	1.8	1.6	1.7	2.2	4.4	5.3

## Provincial Economic Overviews

### Provincial Outlook

Despite a relatively strong start to the year, RBC Economics expects cooler winds to moderate growth in all but one province (Newfoundland & Labrador). While slumped investment is likely to keep economic growth in B.C. (+0.6%) and Quebec (+0.6%) constrained this year, a lagging oil and gas sector in Newfoundland & Labrador (+0.7%) and soft consumer spending in Ontario (+1.1%) will keep these provinces growing – though behind the Canadian average (+1.3%). Though they've moderated from their 2022 highs, strong commodity markets are poised to keep Canada's Prairie provinces at the top of this year's growth ranking, with Alberta taking the lead (+2.4%), followed by Saskatchewan (+2.0%), and Manitoba (+1.9%). Above trend population growth out east will continue to support a vibrant labour market and strong spending – keeping real GDP growth in P.E.I. (+1.7%), Nova Scotia (+1.5%), and New Brunswick (+1.4%) in the middle of the pack.

#### Real GDP Growth



Source: Statistics Canada, RBC Economics

### British Columbia – Hitting a Soft Patch

It will take more than a rebound in the housing market to prevent B.C.'s economy from softening significantly this year. Large capital projects that fueled tremendous activity in recent years are now past their peak or winding down, cooling the construction sector. Higher interest rates still weigh on B.C. consumers – the most indebted in the country. In fact, increased financial pressures have already started to weigh on consumer spending since the fall. RBC Economics expects headwinds to be stronger in B.C. than in most parts of the country, sending the province to the back of its growth ranking this year. Real GDP in B.C. is anticipate to expand by just 0.6% in 2023 – down from the 3.6% rate of growth recorded last year.

Despite a softening economic environment, B.C.'s tight labour market continues to keep wages growing at the fastest pace in the country (+6.3%), and job vacancy rates are lingering well above pre-pandemic levels. The strong wage gains, however, haven't been enough to keep consumers from tightening their belts. No doubt, rising debt service costs and dire housing affordability struggles are the overriding factors holding back many British Columbians. Trailing behind all other provinces, RBC Economics projects retail sales to crawl this year (+0.4%).

Higher interest rates also reduce businesses' appetite to invest in new projects. The near completion of large existing projects (including Kitimat LNG, Highway 91/17) will cause capital investment spending to dip. According

to Statistics Canada's latest CAPEX survey, businesses intend to invest a total of \$50 billion in 2023 in the province, a drop of 3.3% from 2022. B.C. is one of only two provinces where a decline is expected. RBC Economics anticipates the cooling in construction to contribute to a general easing in the labour market, pushing B.C.'s unemployment rate up modestly from 4.6% in 2022 to 5.3% in 2023.

## Alberta – Taking the Lead

Alberta's economy is on a roll. Last year, it grew at the second-fastest pace (+5.1%) in the country, and the start of 2023 looks no different. The province's key energy sector is maintaining strong momentum (despite some disruptions caused by wildfires), job creation remains solid, the population is booming, and consumers have yet to let up. While RBC Economics expects growth to moderate over the remainder of this year, the weight of higher interest rates isn't likely to have the same impact on Alberta's economy as other provinces. Alberta is anticipated to lead the 2023 growth ranking with a rate of 2.4%. The spring's massive forest fires, however, pose a downside risk.

Fueled by roaring commodity markets, Alberta's economic upswing has drawn a record number of inbound migrants, pushing population growth to among the fastest in Canada last year (+3.7%). Aside from driving up consumer spending, (retail sales rose a solid 8.8% from a year ago in the first quarter of 2023), the inflow of migrants has helped address some labour shortages, rebalancing the province's job market. Alberta has recorded one of the stronger employment gains (+3.7%) in the country so far this year. Yet its unemployment rate has drifted slightly higher since the middle of 2022, which has contained wage increases (+3.1%) to some degree.

Despite sustained household consumption, Alberta's inflation rate has remained the lowest in Canada over the first quarter of this year. A sharp increase in April (+4.3% y/y), however, has brought it back to middle of the pack. The provincial government's Affordability Payment Program (providing up to \$600 to seniors, families with children under 18, and other Albertans in need) should help offset part of the increased cost of living. These transfers, however, shouldn't get in the way of Alberta's inflation returning to the 2% target by 2024.

## Saskatchewan – Stronger Investment Keeps Economic Wheels Turning

Saskatchewan's economy is back on its feet. It outgrew all other provinces in 2022 – after a two year-long slump – and it continues to show signs of vigour so far this year. Robust commodity markets – and promising longer-term prospects for them – are attracting large investments in mining, which fuels substantial spinoff activity in other sectors. But the province won't be immune to the broader cooling in the national and global economies.

After a sharp increase last year, the near-term outlook for mining production has dimmed. Commodity prices have come off cyclical highs, prompting provincial producers to trim output. Indeed, mineral production is down 10% from year-ago levels. RBC Economics believes this will be a temporary adjustment. As such, it forecasts growth to slow significantly to 2.0% this year from a near decade-high of 5.7% in 2022. This would still place Saskatchewan near the top of its 2023 growth ranking.

As Canada's potash-producing province, Saskatchewan strongly benefits from growing global demand for fertilizers. Russia's invasion of Ukraine last year further solidified the province as the world-leading supplier of the commodity, setting in motion another round of massive investments to expand capacity. RBC Economics thinks this will be a growth catalyst for years to come. Despite last year's bounce back, Saskatchewan's economy still hasn't fully recovered from the back-to-back contractions brought on by pandemic lockdowns in 2020 and drought in 2021. In fact, RBC Economics expects economic activity this year to finally rise above its 2018 level.



## Manitoba – Stiffer Headwinds on the Horizon

A strong upturn in the agricultural and manufacturing sectors is fueling a surge in Manitoba's exports. Key domestically-oriented sectors also continue to run hot thanks to pent-up consumer demand and solid non-residential construction activity. These have more than offset a slump in residential investment for now. But RBC Economics believes that offset will get slimmer as external and domestic demand cools. RBC Economics forecasts provincial economic growth to slow from 3.9% in 2022 to 1.9% this year – ahead of the national average of 1.3% for a second-straight year.

Manitobans have taken interest rate increases in stride. Their relatively low indebtedness softened the blow, such that they remained focused on making up for lost time when spending avenues were curtailed earlier in the pandemic. But RBC Economics expects this pent-up demand will soon wear thin. Consumers are likely to become more cautious as evidence of economic weakness emerge. Early signs include price declines for key farm crop products (such as canola and wheat) from last summer's highs and employment growth coming in on the softer side lately (up just 1.0% from a year ago in April). This is especially the case in the agricultural sector, where the number of workers is down a staggering one-third. The outlook for agriculture, however, is only dimmer when set against last year's staggering rebound (real GDP in the sector soared 22%). Ongoing geopolitical tensions are likely to keep demand for Manitoba's exports at a healthy level in the year ahead, contributing to ongoing modest growth in the province.

## Ontario – Economy Set to Lose Steam

Ontario's economy built quite a head of steam in the past couple of years, which continued to power growth in the early months of 2023. Higher interest rates did cool the housing market dramatically and dampen consumer spending, but their broader impact has yet to be felt. RBC Economics expect stiffer debt service costs to curb demand for Ontario goods and services both at home and abroad over the remainder of this year. Overall, growth is anticipated to moderate significantly to 1.1% in 2023 from 3.6% in 2022.

RBC Economics' forecast for this year represents an upgrade from the 0.2% growth outlook back in March. The revision partly reflects a stronger rebound for residential investment. Home resale activity bottomed in the spring as expected, but recent data suggests Ontario's housing market was on course for a stronger than anticipated revival. Though additional interest rate hikes this year are likely to curb a sharp take off, home resale activity is expected to continue expanding modestly in 2023.

Heavily indebted, Ontarians were among the first to react to the Bank of Canada's aggressive rate hikes. Consumer spending levelled off in the latter half of 2022, but household debt did not. In fact, mortgage liabilities have ballooned nearly 10% last year – bringing Ontario's household debt-to-disposable income ratio up another 8 percentage points to a staggering 203%. As interest rates reach a 22-year high, RBC Economics expects debt service payments to take up a growing share of households' budget. This will likely get many Ontarians to further tighten their belts. The fact that retail sales grew at one of the slowest rates in the country in the first quarter (up 1.7% from a year ago) is consistent with that view.

Medium-term, the construction of several large-scale capital projects will fuel brisk non-residential construction activity over the coming years. Many of these are related to electrical vehicle and battery production (including massive EV battery plants in St. Thomas and Windsor), as well as transportation infrastructure (across the Greater Toronto and Hamilton Area). Capital investment intentions are up a modest 4.6% this year.

## Quebec – Stagnation to Set In

The near-term outlook is neither cheerful nor grim in Quebec. Instead, RBC Economics thinks the provincial economy has entered a period of stagnation that may include a slight contraction later this year. Slumping



residential investment and moderating activity in the manufacturing and resource sectors have already slowed momentum since the middle of 2022. Services industries will be the next ones to get caught in the headwinds. Some of these services (e.g., professional and technical services, and healthcare) may have plateaued earlier this year. RBC Economics projects minimal growth of 0.6% overall in 2023, marking a sharp easing from the solid 6.0% and 2.6% advances recorded in the past two years, respectively.

The picture is mixed at this juncture to say the least. Despite the softening in some sectors, other parts of Quebec's economy continue to exhibit impressive strength. The labour market for example is still extremely tight (with the 4.1% unemployment rate effectively at historical lows), and households for now are keeping their purse strings wide open. All the while, earlier hard-hit industries like transportation services, arts and entertainment, and accommodation and food services are making further meaningful progress toward full recovery. But the slack in these industries is rapidly diminishing. The boost from the provincial government's one-off transfers to help vulnerable Quebecers cope with higher costs of living will also soon wear off. RBC Economics sees these factors pointing toward broader weakness over the second half of this year.

One sector that's likely to hold up well in the year ahead is non-residential construction. Businesses plan to boost capital spending by more than 10% in Quebec to a record-high of \$60 billion in 2023, with almost two-thirds of outlays allocated to the construction of non-residential structures. Public infrastructure (including transit, roads, and tunnels) will continue to take centre stage, but spending by manufacturers and utilities will also represent significant shares.

## New Brunswick— Facing Domestic and External Challenges

Economic growth decelerated markedly last year to 1.8% from 5.9% in 2021, dragged by declines in the manufacturing sector and key service industries. RBC Economics sees scope for further modest deceleration in 2023 as consumers at home and abroad come under increasing pressure. RBC Economics forecasts the provincial economy to grow by 1.4% this year.

Softer external demand and price volatility for key provincial export commodities are taking a toll on the province's (nominal) exports this year. Merchandise exports edged 0.1% lower in the first quarter compared to the same period last year. Those trade headwinds in turn continue to weigh on manufacturers, whose sales fell 3.2% in the first quarter. RBC Economics doesn't expect any material turnaround for the sector over the remainder of this year while the U.S. and Canadian economies head into a recession.

New Brunswick's labour market, however, remains strong. Job creation is still trending higher, and unemployment continues to creep down (a new all-time low of 5.8% in March). While a wave of migrants has helped grow and rejuvenate its labour pool, the province still struggles with a relatively old labour force (at 45.7 years, the median age is the second oldest Canada – after Newfoundland & Labrador).

## Nova Scotia – Wave of Newcomers to Buffer the Economy

Although Nova Scotia's economy last year grew at half its (frantic) pace in 2021, the performance could hardly be called weak. The 2.6% rate achieved still far exceeded the average 1.9% in the five years prior to the pandemic. Record levels of in-migration did wonders for consumer spending and residential investment – and got the province's labour market in better shape. But while favourable demographic trends will continue to boost the provincial economy this year, RBC Economics expects a cooling global economy and higher interest rates to prove more challenging. Growth is projected to moderate further to 1.5% amid weakening demand for exports and domestic goods and services.

There may be early signs the downshifting in the economy is loosening labour market conditions. Unemployment in Nova Scotia has jumped 26% since hitting a four-decade low in January, lifting the jobless rate to the third-highest level (6.3%) among the provinces in April. There are also fewer unfilled positions as job vacancies are down 15%

from a year ago. RBC Economics expects any sustained softening in the job market to set off a negative feedback loop, causing Nova Scotia's consumers to increasingly restrain their spending. Nonetheless, strong demographic trends are poised to keep the economic hit on the milder side. Among other benefits, the wave of newcomers has helped diversify the province's industrial make-up. It has fueled tremendous growth in services industries (led by professional, scientific, and technical services) and further reduced dependence on the resource sector, enhancing economic resiliency.

## Prince Edward Island – Population Boom Continues

For the first time since 2018, P.E.I.'s growth rate lagged the national average last year, at 2.9%. Downturns in the construction, fishing, and wholesale industries, as well as slower growth in the agricultural and healthcare sectors, held back the economy's pace. But it wasn't a weak outcome by any means. Following the 2021 surge, P.E.I. is finally seeing a return to the average rate seen in the five years prior to the pandemic. Record in-migration has helped support solid job creation and keep consumers in a spending mood. RBC Economics expects recessionary conditions in North America to further moderate real GDP growth on P.E.I. this year to 1.7%.

Construction activity continues to soften at this stage from historically elevated levels in 2021. Residential investment is correcting the most – housing starts were down 22% from a year ago in the first quarter. Non-residential development hasn't shown much resilience either, with year-to-date investment in industrial structures falling more than 40% from the same period last year. As high interest rates and persistent affordability pressures continue to weigh on construction, RBC Economics sees little in the way of turnaround through the remainder of this year.

The province has faced a number of challenges so far this year. The sighting of two endangered whales this spring has disrupted the lobster harvesting season, threatening to lower catches for many crews. And the federal worker strike in April heavily disrupted the public administration sector. With more than half of the island's public service employees offline over a two-week period, labour disruptions could leave a mark on P.E.I.'s growth this year. Nonetheless, RBC Economics expects the province's overall standing to be back above the Canadian average this year. A bright outlook for tourism and strong population growth – P.E.I.'s population is currently rising at the fastest rate (+4.3% in the first quarter of 2023) in the country – will largely make up for slack in other areas of the economy.

## Newfoundland & Labrador – More Setbacks in 2023

Newfoundland & Labrador was the only provincial economy that contracted in 2022, as the energy sector declined for a second consecutive year. Recent developments in the province's key industries suggest Newfoundland & Labrador may be in for a softer year in 2023 than was previously anticipated by RBC Economics. A dimmer outlook for oil production, in particular, now casts a shadow over the recovery from last year's decline in activity. As such, RBC Economics has downgraded its growth projection for this year to 0.7% from its prior forecast of 1.6%.

Newfoundland & Labrador's oil sector is off to a disappointing start; oil production fell to its lowest level in the first quarter of 2023 (19 million barrels) since mid-2017. Plans to resume production at the Terra Nova offshore oilfield in the second quarter of 2023 were nixed, with no future date for extraction in sight. And with the West White Rose projects still two years away, the production gap is unlikely to be filled before the year is up.

Setbacks in the oil industry shouldn't completely overshadow better prospects in other sectors. There was \$5.3 billion pledged to investment in capital projects in the province this year – a 7.1% increase from 2022. A sharp increase in mining industry expenditures (up 22%) will help stimulate the economy, supporting positive employment growth (+2.1%) despite the long-awaited completion of the Muskrat Falls hydroelectric project. With mineral prices still sitting well above their pre-pandemic levels, RBC Economics expects the mining sector to be a bright spot for the province in the year ahead.

**Forecast details**

% change unless otherwise indicated

	Real GDP				Nominal GDP				Employment				Unemployment rate, %				Housing starts, (000s)				Retail sales				CPI			
	21	22F	23F	24F	21	22F	23F	24F	21	22	23F	24F	21	22	23F	24F	21	22	23F	24F	21	22	23F	24F	21	22	23F	24F
N.&L.	0.6	-1.7	0.7	1.6	17.7	8.1	-1.3	1.1	3.4	4.4	2.1	0.3	13.1	11.3	10.9	11.7	1.0	1.4	1.0	0.8	11.0	7.5	2.6	2.2	3.7	6.4	3.1	2.0
P.E.I.	7.9	2.9	1.7	2.1	14.3	9.4	3.5	4.1	4.0	5.4	3.5	1.0	9.8	7.6	7.9	8.7	1.3	1.3	1.1	1.3	19.0	7.9	4.7	3.0	5.1	8.9	3.2	2.0
N.S.	6.2	2.6	1.5	1.2	10.9	8.5	3.6	3.3	5.6	3.6	2.5	0.8	8.6	6.5	6.7	8.2	6.0	5.7	5.7	7.5	16.3	6.4	2.9	2.0	4.1	7.5	3.8	2.0
N.B.	5.9	1.8	1.4	0.9	13.8	8.4	3.3	3.0	3.1	2.8	2.3	0.7	9.2	7.2	7.1	8.6	3.8	4.7	3.9	4.8	12.6	7.6	3.1	2.1	3.8	7.3	3.5	2.0
QUE.	6.0	2.6	0.6	0.6	11.8	9.5	2.5	2.8	4.3	3.0	1.9	0.4	6.1	4.3	4.8	6.2	67.8	57.1	42.5	46.5	14.4	8.5	3.6	2.1	3.8	6.7	3.7	1.9
ONT.	5.2	3.6	1.1	0.4	10.3	9.8	3.0	2.6	5.2	4.6	1.9	0.3	8.1	5.6	5.5	6.9	99.6	96.1	91.4	100.0	9.3	10.8	1.4	1.8	3.5	6.8	3.5	1.8
MAN.	1.8	3.9	1.9	0.9	8.4	9.9	3.6	3.1	3.7	3.2	1.4	0.5	6.5	4.6	5.3	6.3	8.0	8.1	7.2	7.8	13.3	8.5	4.6	2.3	3.2	7.9	3.7	1.9
SASK.	-0.9	5.7	2.0	1.2	13.1	20.5	-0.8	2.4	2.6	3.5	1.2	0.9	6.6	4.7	5.0	5.6	4.2	4.2	3.2	4.1	14.6	7.5	3.4	2.7	2.6	6.6	3.8	2.3
ALTA.	4.8	5.1	2.4	1.7	26.2	22.4	0.7	1.9	5.4	5.2	2.7	1.0	8.6	5.8	6.0	5.5	31.9	36.5	33.1	43.8	11.5	6.7	5.6	3.0	3.2	6.5	2.3	1.6
B.C.	6.1	3.6	0.6	0.5	14.2	8.3	2.0	2.4	6.2	3.2	0.8	0.3	6.6	4.6	5.3	5.8	47.6	46.7	47.7	50.8	12.6	2.7	0.4	2.3	2.8	6.9	3.5	1.6
<b>CANADA</b>	<b>5.0</b>	<b>3.4</b>	<b>1.3</b>	<b>0.6</b>	<b>13.6</b>	<b>11.0</b>	<b>2.2</b>	<b>2.5</b>	<b>5.0</b>	<b>4.0</b>	<b>0.9</b>	<b>0.3</b>	<b>7.5</b>	<b>5.3</b>	<b>5.5</b>	<b>6.5</b>	<b>271</b>	<b>262</b>	<b>237</b>	<b>267</b>	<b>11.8</b>	<b>8.1</b>	<b>2.6</b>	<b>2.2</b>	<b>3.4</b>	<b>6.8</b>	<b>3.4</b>	<b>1.8</b>

**Key provincial comparisons**

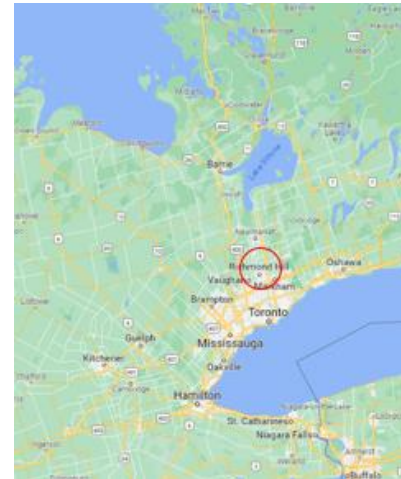
(2021 unless otherwise stated)

	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Population (000s, 2022)	38,930	526	171	1,020	812	8,696	15,109	1,409	1,195	4,543	5,319
Gross domestic product (\$ billions)	2,509.6	37.9	8.6	51.9	42.6	504.5	956.7	79.8	88.3	374.5	350.6
Real GDP (\$2012 billions)	2,103.3	33.0	7.0	42.9	34.9	411.0	805.8	66.9	82.5	335.6	282.1
Share of provincial GDP of Canadian GDP (%)	100.0	1.5	0.3	2.1	1.7	20.1	38.1	3.2	3.5	14.9	14.0
Real GDP growth (CAGR, 2016-21, %)	1.5	-0.3	3.4	1.9	1.6	1.9	1.7	0.7	-0.4	0.6	2.6
Real GDP per capita (\$ 2012)	55,340	63,308	43,179	43,728	44,549	47,921	54,720	48,495	70,001	75,973	54,720
Real GDP growth rate per capita (CAGR, 2016-21, %)	0.3	0.1	1.1	0.9	0.9	0.9	0.4	-0.4	-1.1	-0.5	1.2
Personal disposable income per capita (\$)	37,790	37,060	34,736	34,390	34,180	34,180	38,372	33,313	35,215	41,677	41,638
Employment growth (CAGR, 2017-22, %)	1.4	0.6	2.3	1.6	0.7	1.1	1.7	0.9	0.7	1.4	1.4
Employment rate (April 2023, %)	62.4	52.5	62.5	58.0	56.5	62.3	62.3	63.5	64.0	65.7	61.9
Discomfort index (inflation + unemp. rate, April 2023)	9.4	13.6	10.8	10.8	10.4	8.9	9.1	10.3	10.0	10.2	9.3
Manufacturing industry output (% of GDP)	9.5	3.5	11.3	7.3	10.7	13.0	10.5	10.1	7.1	7.7	6.1
Personal expenditures on goods & services (% of GDP)	52.9	48.3	62.6	65.8	61.6	53.8	53.4	55.9	46.0	43.7	59.3
International exports (% of GDP)	30.9	43.3	22.7	16.9	38.7	27.1	31.6	22.5	44.9	39.7	23.5

## City of Richmond Hill - Market Overview

### Location

The City of Richmond Hill is located in south-central York Region, Ontario. Part of the Greater Toronto Area, it is the York Region's third most populous municipality and the 27th most populous municipality in Canada. Richmond Hill is situated between the cities of Markham and Vaughan, north of Thornhill, and south of Aurora.



Travel Distance from North Bay	
Major Centre	Distance
Sudbury	363 km
Toronto	36 km
Ottawa	388 km
Montreal	545 km

### Top Employers

1. Mackenzie Health: A leading healthcare provider in Richmond Hill, operating Mackenzie Richmond Hill Hospital and other healthcare facilities.
2. York Region District School Board: One of the largest school boards in Ontario, providing education to students in Richmond Hill and the surrounding areas.
3. York Region: The regional government for the area, which employs a significant number of people in various roles, including administration, public works, and social services.
4. IBM Canada: A global technology company with a significant presence in Richmond Hill, offering a range of technology and consulting services.
5. Staples Canada: A retail company specializing in office supplies, furniture, and business services, with a major presence in Richmond Hill.

### Employment Rate

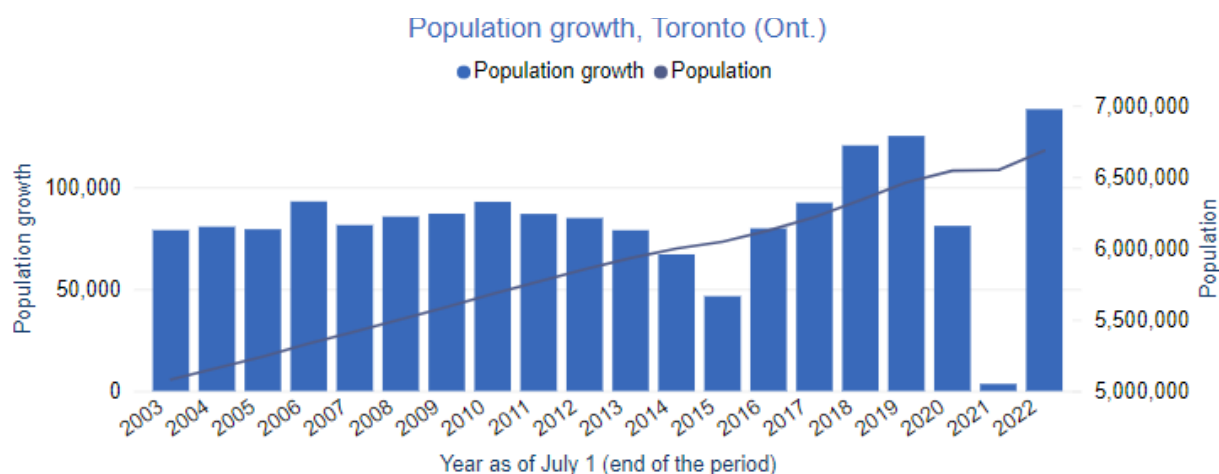
#### Unemployment Rate – Ontario



The unemployment rate in Toronto was 6.1% as of June 2023, up 0.2% from the previous month. The unemployment rate stood 9% below the peak from July 2020 and is below the long-run average.

Source: Statistics Canada, 3months moving average, seasonally adjusted

### Population Estimates



Source: Statistics Canada

## Key Statistics

Key Statistics	Richmond Hill, Town (T) [Census subdivision],			Ontario		
	Census 2016	Census 2021	% Change	Census 2016	Census 2021	% Change
<b>Population</b>						
Total Population	195,022	202,022	3.6%	13,448,494	14,223,942	5.8%
Median Age	42.4	43.6	2.8%	41.3	41.6	0.7%
Ages 0-14	16.7%	14.8%	-11.4%	16.4%	15.8%	-3.8%
Ages 15-64	68.7%	68.0%	-1.0%	66.8%	65.6%	-1.9%
Ages 65+	14.6%	17.2%	17.9%	16.7%	18.5%	10.5%
<b>Income</b>						
Median after tax household income	\$76,923	\$89,000	15.7%	\$65,285	\$79,500	21.8%
Local vs provincial average	117.8%	111.9%				
<b>Highest Level of Education (population aged 25-64)</b>						
No high school diploma	5.2%	4.0%	-22.6%	10.4%	8.8%	-15.5%
High School	17.8%	16.6%	-6.9%	24.5%	23.3%	-4.8%
Secondary certificate / diploma (non-ur	25.9%	23.5%	-9.3%	33.2%	31.1%	-6.3%
University Degree	51.1%	55.9%	9.4%	31.9%	36.8%	15.3%
<b>Dwellings</b>						
Total private dwellings	66,465	72,017	8.4%	5,598,391	5,929,250	5.9%
Detached	58.7%	56.7%	-3.4%	54.3%	53.6%	-1.3%
Semi-detached	4.0%	3.8%	-4.6%	5.6%	5.5%	-2.0%
Row house	15.1%	15.2%	0.8%	8.9%	9.2%	3.3%
Duplex	3.0%	3.1%	2.2%	3.4%	3.3%	-3.1%
Apartment in building with <5 storeys	2.6%	2.4%	-8.9%	10.1%	10.0%	-1.1%
Apartment in building with 5+ storeys	16.5%	18.7%	13.6%	17.2%	17.9%	4.4%
Owner	82.4%	78.2%	-5.1%	69.7%	68.4%	-1.8%
Rented	17.6%	21.8%	24.1%	30.2%	31.4%	4.1%

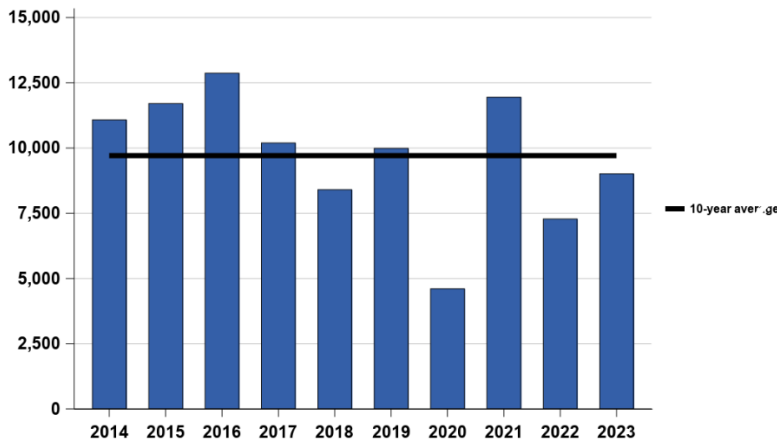
Source: Statistics Canada

Richmond Hill has an older population compared to the Province of Ontario and the share of over 65+ has grown faster in the last 5 years. Median after-tax household income is higher than the provincial average and has grown slower than for the province overall. The majority of the population has a secondary degree or certificate either at or below a university bachelor level. Private dwellings have grown faster than the provincial rate a similar split between renters and owners. Significantly more people live in detached homes than in apartment buildings with 5 or more storeys.

## Residential Housing Market Development

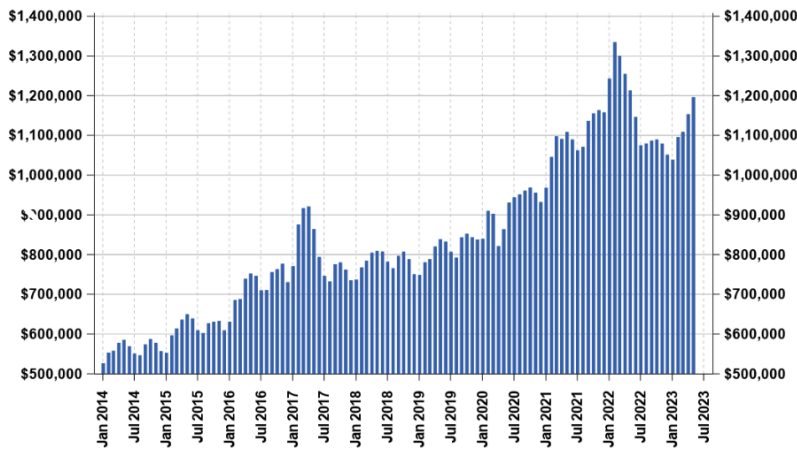
Greater Toronto Area (May 2023)

### Residential Sales Activity



The Greater Toronto Area (GTA) housing market continued to improve from a sales perspective in May 2023. Unfortunately, the supply of homes for sale did not keep up with the demand for ownership housing. Sales as a share of new listings were up dramatically compared to a year ago. This is a clear signal that competition between buyers increased substantially compared to last year, resulting in the average selling price reaching almost \$1.2 million last month.

### Residential Average Sales Price



The average selling price, at \$1,196,101, represented a small 1.2 per cent decline relative to May 2022. On a seasonally adjusted monthly basis, the average selling price was up by 3.5 per cent compared to April 2023.



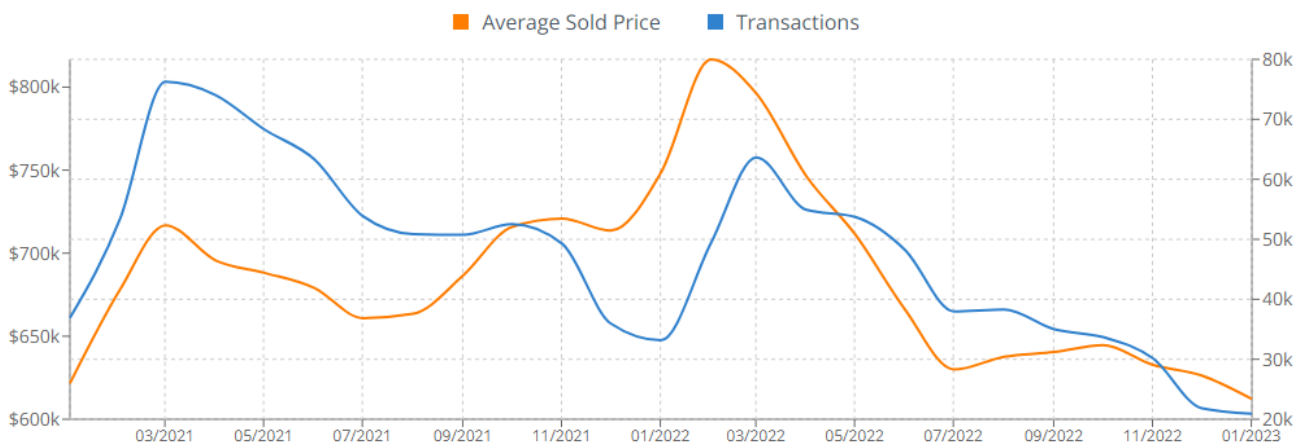
## Residential Land Overview

### Real Estate Prices Continue to Drop and Residential Projects Delayed amid Higher Borrowing and Construction Costs

Across the country, and especially in Ontario, there has been a recalibration in prices of real estate, as the Bank of Canada increased interest rates in March of 2022, in order to control inflation. National average home prices were at a 2-year low and sales at a 14-year low. For January 2023, Canada's average home price was \$612,204, an 18% decrease year-over-year and the lowest that it's been since November 2020. It's also a slight decrease of 2% from last month and shows that Canadian home prices are continuing to feel the impacts of higher interest rates and reduced demand.

The lower housing prices are particularly felt in British Columbia and Ontario. January activity was the weakest in 14 years in both provinces. Demand-supply conditions have been soft since summer, leading to material price declines. The MLS HPI is down 12% since the cyclical peak in BC and 18% in Ontario—both exceeding the 15% drop nationally. Prices in some local markets have slumped even more, including London (-26%), Cambridge (-25%), Kitchener-Waterloo (-25%), Brantford (-24%), Hamilton (-23%), the Niagara region (-20%) and Barrie (-20%). The slide continued largely unabated in January for the most part.

### Canada Real Estate Market Trends for All Property Types



Source: WOWA.ca.

Higher borrowing costs imposed by increased interests and reduced demand have caused developers to take pause in their acquisition of residential development land and launch of their residential projects. This is further exacerbated as municipalities across Ontario consider adopting inclusionary zoning requirements, which will impose mandatory minimum requirements on the number of affordability units for new proposed developments. Data from Urbanation, a real estate research company that tracks condominium, rental and land development markets, which found that of 30,000 condo units slated for construction in 2022 in the Greater Toronto Area, 10,000 were reportedly cancelled or suspended.

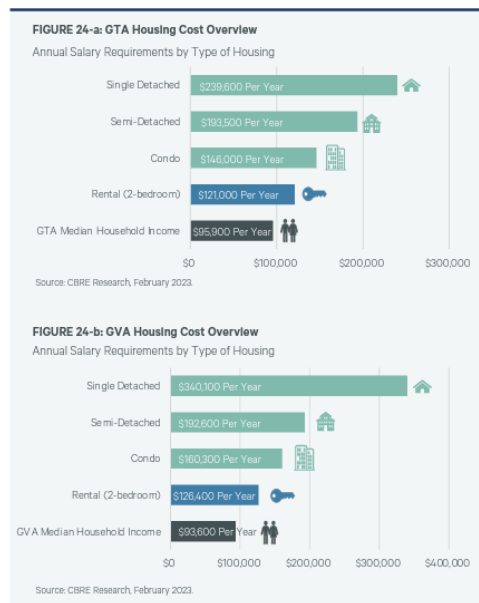


## Sharp Erosion in Homeownership Affordability Brings Strong Demand for Multi-Family Developments

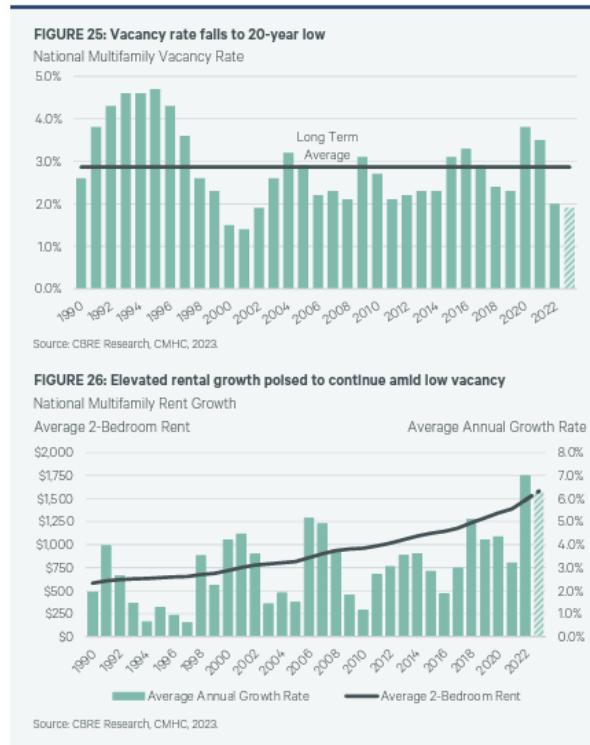
Home ownership has steadily declined over the years and as an unprecedented demand for housing brought on by the Global-19 pandemic, homeownership eroded drastically and became vastly out reach for many Canadians and is at its worst level in over 30 years. Despite an ongoing housing market correction, housing costs have actually increased overall. The eight consecutive interest rate hikes enacted by the Bank of Canada led to a surge in mortgage costs and the current high inflation environment has also raised the operational costs of housing such as utilities and maintenance. Household incomes have not kept up with surging homeownership costs over the last decade and this disparity remains going into 2023. The annual salaries required for the various types of housing to be considered affordable in major markets are currently far above what the median household earns. Renting, while still not necessarily affordable, remains the best housing option for many Canadians in these markets. The housing affordability issue is also unlikely to be resolved quickly given the level of undersupply in the Canadian housing stock. The CMHC estimates that in order to meet expected levels of demand by 2030, Canada would need to build an extra 3.5 million homes above what is currently expected to deliver over this period.



Source: CBRE



Growing demand for multifamily rental has compressed the overall vacancy rate in Canada from its pandemic highs down to a 20-year low of 2.0% in 2022. Elevated demand levels will continue to persist and drive vacancy down further in 2023, led by higher immigration targets.



Source: CBRE

## Projected Immigration and the Build Homes Faster Act Fueling Pressure on the Demand Residential Development Land as Developers Delay or Suspend Projects

While developers in Ontario and across other provinces pause or delay the launch of their residential projects, the Federal Government is setting up an objective to dramatically increase immigration in its latest immigration plan. In 2023, it is projected the Country will welcome 465,000 new immigrants, and by 2025, this will surge to 500,000 new immigrants. In 3 years, the total number of new immigrants is envisioned to be 1.2 million people.

### 2023-2025 Immigration Levels Plan

Immigrant Category	2023		2024 <sup>10</sup>		2025 <sup>10</sup>				
	Target	Low Range	High Range	Target	Low Range	High Range			
		<sup>11</sup>	<sup>11</sup>		<sup>11</sup>	<sup>11</sup>	<sup>11</sup>		
<b>Overall Planned Permanent Resident Admissions</b>	<b>465,000</b>	410,000	505,000	<b>485,000</b>	430,000	542,500	<b>500,000</b>	442,500	550,000

Source: Government of Canada

The high number of immigrants being attracted by Canada is due to the Country's low birth rate and the retirement of the baby boomer generation. By 2030, it is estimated 9 million people will reach the age of retirement at 65 years old. The COVID-19 pandemic has further worsened the Country's birth rate, at its lowest level of 1.47 children per woman in 2019.

At the same time, in an effort to tackle and address the issue of housing affordability, the Ontario government passed the More Homes Built Faster Act on October 25, 2022, which is envisioned to spur the construction of 1.5 million homes over the next 10 years. Three of the most significant amendments brought from the Act, were (1)

significant reduction of Development Charges, (2) simplifying the land use approval process, and (3) the mandatory inclusionary zoning requirements for residential developments, especially for residential development lands near subway stations or as known as protected major transit station areas.

This issues with the 3 major significant amendments has caused controversy as reduced development charges will render municipalities in the Ontario Province not having the necessary funds to provide and maintain infrastructure and sewage capacity needs to new residential developments, while inclusionary zoning requirements further disincentivize developers to construct new residential developments, as a mandatory percentage of the development is used for affordable housing, which drastically reduces their overall revenue.

It remains to be seen the effects of the passing of the More Homes Built Faster Act, however developers seem to be adopting a wait-and see approach, especially with the higher borrowing costs in the current climate, and yet, there is little doubt as to the demand for housing, and in essence, real estate development land, will be acute as overall number of new immigrants that are projected to arrive in Canada in the coming years.

## **Inflationary Pressures Increasing Chances of Bank of Canada to Continue Further Hiking Interest Rates**

To fight inflation and cool the red hot demand in housing caused by the global COVID-19 Pandemic and the geopolitical conflict in Ukraine, the Bank of Canada started to increase interest rates in March of 2022, and continued until finally signaling a pause at 4.5 percent on March 8, 2023. The pause on the interest hikes have been attributed from the growing evidence that the Bank of Canada is seeing that points to inflation starting to ease.

While the bank has announced its decision to remain the interest rates steady, it has also argued it will continue increasing interest rates if inflation does not further ease. The chances of the bank increasing its interest rate has been steadily tested as inflation remains high at 5.9%, and a still-strong jobs market where wages are outpacing productivity. The Bank has envisioned the impact of the hike in the interest rates would decrease inflation to three percent in 2023 and to two per cent by 2024.

Whether the bank continues to increase interest rates will also hinge on the United States own battle on inflation. Currently, the U.S. central bank rate is slightly higher than Canada's, at 4.75 per cent. But while the messaging out of Canada has been hinting that rates will hold steady for a while, the tone out of the U.S. has been that more hikes are coming.

Investors are expecting as many as two more rate hikes by June, moves that would bring the U.S. rate to 5.5 per cent — a full percentage point higher than Canada's. If a gap that wide comes to pass, it would strongly push down the value of Canada's dollar, which would make the Bank of Canada's inflation fight much harder.

## **Conclusion**

The past year has seen real estate prices drop and supply of new housing dropping as both home purchasers and developers are being hampered by increased interest rates. As chances of higher interest rates steadily increase with strong job growth, rising food prices, and interest rate hikes from the US, while Canada is projecting to attract 1.2 million immigrants by 2025, the outcome seems to indicate a housing shortage with developers scaling or holding back new residential developments, while demand for multi-family remains strong, and translating to residential development remaining very strong as an asset type.

## CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice 2020 and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- The use of this report is subject to the requirements of the Appraisal Institute of Canada relating to review by its duly authorized representatives.
- The Appraisal Institute of Canada reserves the right to review this report.
- Peter Chan conducted an inspection of the property that is the subject of this report on October 31, 2023.
- The effective date of this appraisal report is October 31, 2023.
- Terry Nopper (AIC Candidate) provided significant assistance to the production of this appraisal report.
- The Appraisal Institute of Canada has a mandatory Continuing Professional Development program for designated members. As of the date of this report, Peter Chan, AACI, P.App., has fulfilled the requirements of the program and remained as a member in good standing.
- I, Peter Chan, AACI, P.App, directly supervised the appraiser, Terry Nopper (AIC Candidate) who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report.

### Final Estimate of Value "As-Is"

Having regard to all of the information contained in this report, it is our professional opinion that the current market value "As-Is" of the subject property located at 201, 227 & 235 King Road, Richmond Hill, at the effective date of October 31, 2023, is estimated to be:

**FINAL VALUE CONCLUSION ("AS-IS")**

**THIRTY FIVE MILLION THREE HUNDRED THOUSAND DOLLARS**

**\$35,300,000**

In this appraisal, the estimated value is predicated on a reasonable exposure time of 6 to 12 months.

## Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

Should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true, C&W reserves the right to amend the value conclusion(s) accordingly.

### DRAFT

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Peter Chan, AACI, P.App.  
Executive Vice President  
Valuation & Advisory  
Peter.Chan@cushwake.com  
Phone Office Direct 416.359.2432  
Fax 416.359.2613  
AIC Membership #: 904057

This is Exhibit "E" referred to in  
the Affidavit of Mir Ali  
sworn this 22nd day of December, 2023

A handwritten signature in blue ink, consisting of stylized, cursive letters that appear to be 'M' and 'A'.

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Commissioner for Taking Affidavits, etc.



# FRIEDMANS

LAW FIRM

William Friedman  
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Barry M. Polisuk\*  
B.A., LL.B., LL.L.  
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Olohirere Musa  
B.A., J.D.  
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Stephen C. Nadler  
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Shida Azari  
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\* provides legal services through a professional corporation

December 21, 2023

Attention: Harvey Chaiton and Laura Culleton  
Chaitons LLP  
Barristers and Solicitors  
5000 Yonge Street  
10th Floor  
Toronto ON M2N 7E9

Dear Mr. Chaiton and Ms. Culleton:

**Re: 12252856 CANADA INC. ats MARSHALLZEHR GROUP INC., AS  
ADMINISTRATOR  
Court File No.: CV-22-00691528-00CL  
Our File No.: 220815**

Further to the Endorsement of Justice Steele dated December 12, 2023, please find below our client's questions for the Receiver.

1. Please provide copies of the Confidential Appendices 1 and 2 to the Third Report for review by counsel, subject to any reasonable undertaking as to confidentiality
2. Please advise as to the differences between MarshallZehr's offers dated August 30, 2023 and October 27, 2023.
3. Please provide the Receiver's calculation of the aggregate value of the purchase price under MarshallZehr's October 27, 2023 offer broken down by the categories described at paragraph 54(a) of the Third Report, being amounts for
  - a. Receiver's Borrowings
  - b. All amounts secured by the Receiver's Charge
  - c. Priority Payables;
  - d. Secured debt owed to Vector;
  - e. Assumption of the secured debt owed to MarshallZehr, including all principal, interest, fees and other amounts owing thereon.

4. Please provide a breakdown of the aggregate amount of purchase price attributed to the assumption of the secured debt owed to MarshallZehr, in particular, setting out the amounts for:
  - a. Principal;
  - b. Interest, including separately out any amount for wrap up interest if any;
  - c. Fees;
  - d. and any other charge by MarshallZehr
  
5. Please provide particulars of the other Offers discussed at paragraph 24 of the Third Report.
  
6. Please provide particulars of the Receiver's negotiations, if any, with the two offerors discussed at paragraph 24 of the Third Report and provide summary of all counteroffers and related correspondence, if any.
  
7. Please provide particulars as to any appraisals, valuation and/or opinion as to value, if any, that the Receiver received with respect to the Property
  
8. Please provide a copy of Avison Young's file for the sales process as well as any evidence related to:
  - a. marketing efforts;
  - b. negotiations with interested persons;
  - c. counteroffers;
  - d. the initial communication sent to the Mailing List (as such term is defined in the Third Report);
  - e. follow-up communications with persons on the Mailing List, if any.

Yours truly,  
**FRIEDMAN LAW**  
**PROFESSIONAL CORPORATION**

  
Per: Mark A. Russell

This is Exhibit "F" referred to in  
the Affidavit of Mir Ali  
sworn this 22nd day of December, 2023



---

Commissioner for Taking Affidavits, etc.





# Narrative Appraisal

Development Site

201, 227, 235 King Road

Richmond Hill, Ontario

Effective Date: November 15, 2022

Report Date: November 15, 2022

## Prepared For

Mir M Ali  
Director  
12252856 Canada Inc.

## Prepared By

Vicente Gamboa, MBA, AACI, P. App  
Executive Vice President, Toronto  
Valuation & Advisory Services



Our File: TOR221587

November 15, 2022

12252856 Canada Inc.  
MAG Centre, 155 Commerce Valley Dr E,  
Markham, ON L3T 7T2

**Attention: Mir M Ali**  
**Director**

Dear Mr. Ali;

**Re: Appraisal of Development Site**  
**201, 227, 235 King Road, Richmond Hill, Ontario**

In accordance with your request, we have inspected the above property and have carried out an Appraisal in order to estimate its current market value as complete as at November 15, 2022. The intended use of the Appraisal is for first mortgage financing only. Based on our analysis, the current market value as complete of the Fee Simple estate of the Subject Property, as of November 15, 2022 is estimated to be:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As If Complete	Fee Simple	November 15, 2022	\$182,000,000

**For the As-If-Complete Value, it has been assumed the subject site has been completed with a 178-unit stacked townhome development, as of the effective date. It has been assumed the development has been completed in a good workmanlike manner with superior construction and luxury finishes.**

*Due to the rapidly changing profile of the COVID-19 Pandemic, coupled with the recent nature of its declaration as a Global Pandemic there may be immediate, short and long-term effects on the commercial real estate market and broader economy. Notwithstanding the foregoing, it is understood that overall global and domestic economic activity has slowed in recent days/weeks, but this has not translated to tangible real estate data as of the effective date. This appraisal was completed on the assumption that Ontario will continue to progress through Phase 1 to Phase 3 of the reopening of the economy and this report does not consider further significant setbacks related to COVID-19 such as a further wave that could impact the real estate market.*

The above value estimate is based on an exposure period of three to six months, assuming the basis of a transaction involving cash to the vendor, and is subject to the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions as detailed in the Terms of Reference of this report beginning on page 10; in addition to the Ordinary Assumptions and Limiting Conditions contained in the Appendix. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained.

This report describes the methods and approaches to value in support of the final conclusions and contains the pertinent data gathered in our investigation of the market.

Should you have any questions, we would be pleased to discuss the valuation further.



Yours very truly,

**COLLIERS INTERNATIONAL REALTY ADVISORS INC.**

**DRAFT**

Vicente Gamboa, MBA, AACI, P. App  
Executive Vice President, Toronto

Timour Petrov, CFA, AACI, P. App  
Senior Associate

DRAFT



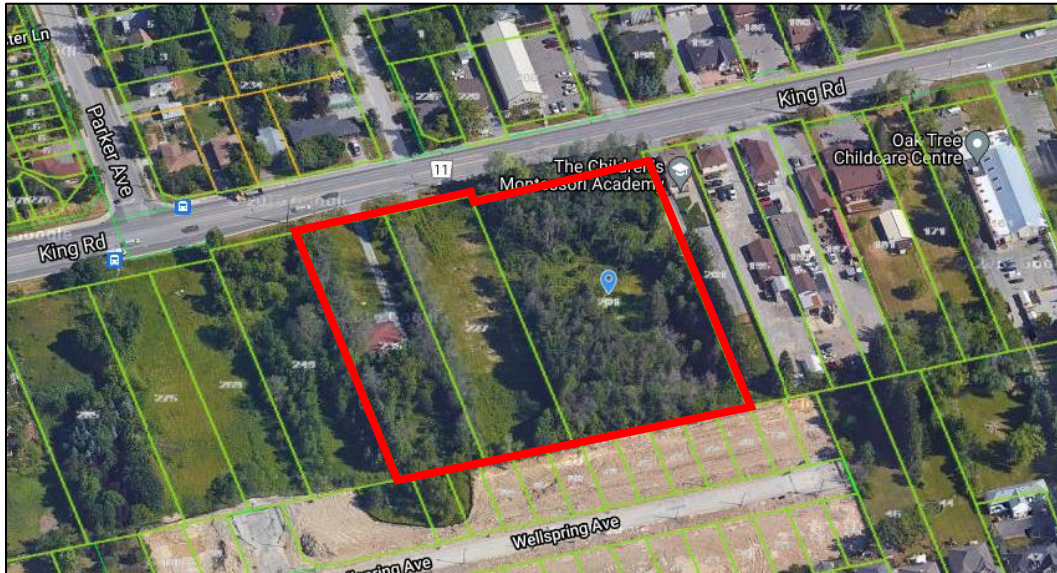
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# Executive Summary



## PROPERTY INFORMATION

Property Name	Development Site
Address	201, 227, 235 King Road
Nearest Major Intersection	Yonge St & King Rd
Purpose	Current Market Value As Complete
Intended Use	First Mortgage Financing
Property Type	Land
Rights Appraised	Fee Simple
Effective Date	November 15, 2022
Site Area	Approximately 3.875 Acres (168,810 SF)
Access	The Subject has points of ingress/egress from King Road.
Services	Full municipal services are available within the area surrounding the Subject property. For the purposes of this report it has been assumed that there is adequate capacity for full services to be provided to a development of the Subject.

### Land Use Controls

Official Plan	Oak Ridges Local Centre
Zoning	RM1, P (Residential Medium Density, Park)
<b>Highest And Best Use</b>	As further detailed herein, the Highest and Best Use of the Subject Property is Medium density residential development.

## VALUATION CONCLUSIONS

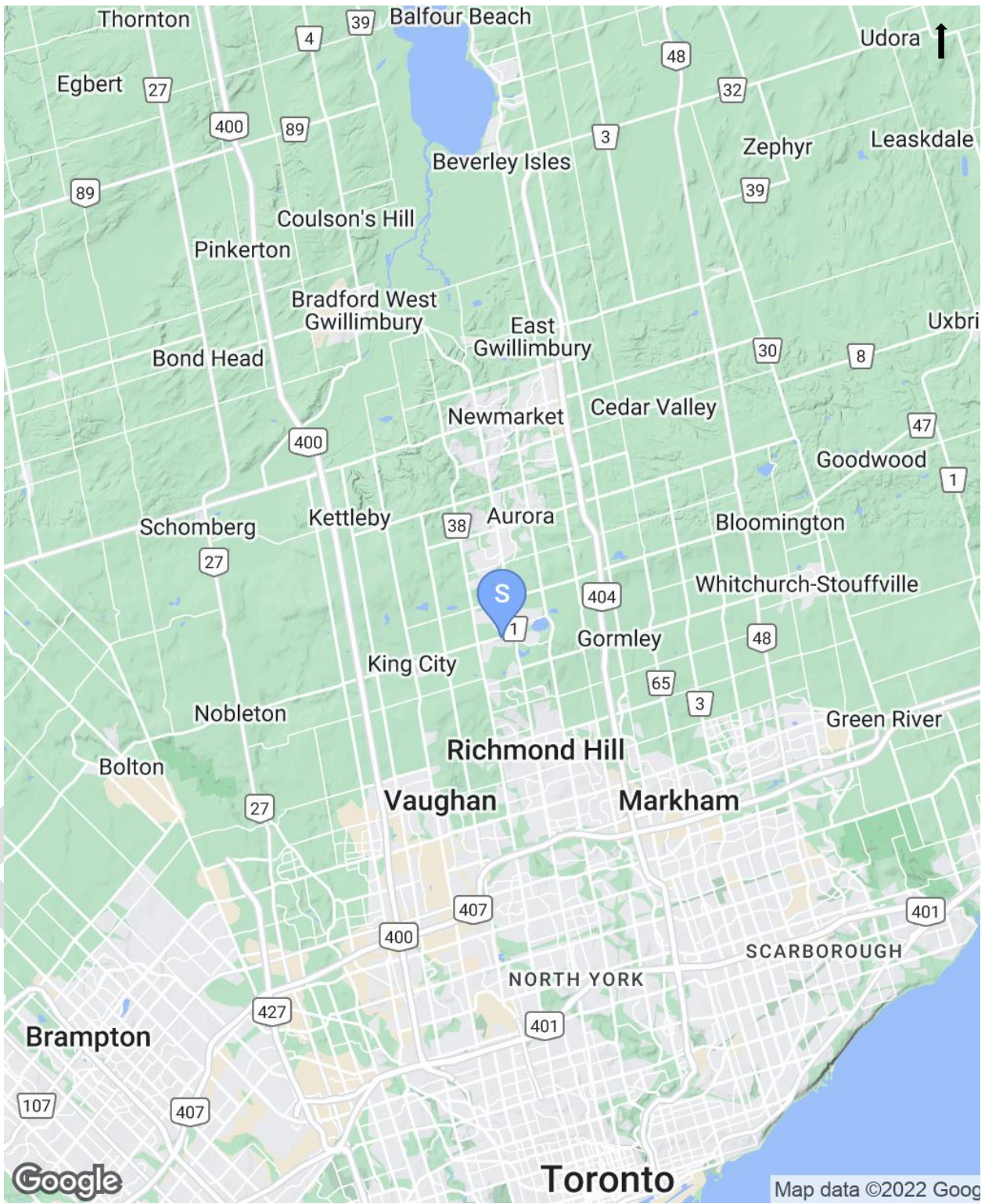
As-Complete Value: Direct Comparison Approach	
Rate per SF	\$1,100
Sellable Area (SF)	165,434
<b>Value Estimate (Rounded)</b>	<b>\$182,000,000</b>

The above value estimate is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions outlined within the Terms of Reference section.

## Comparable Sales

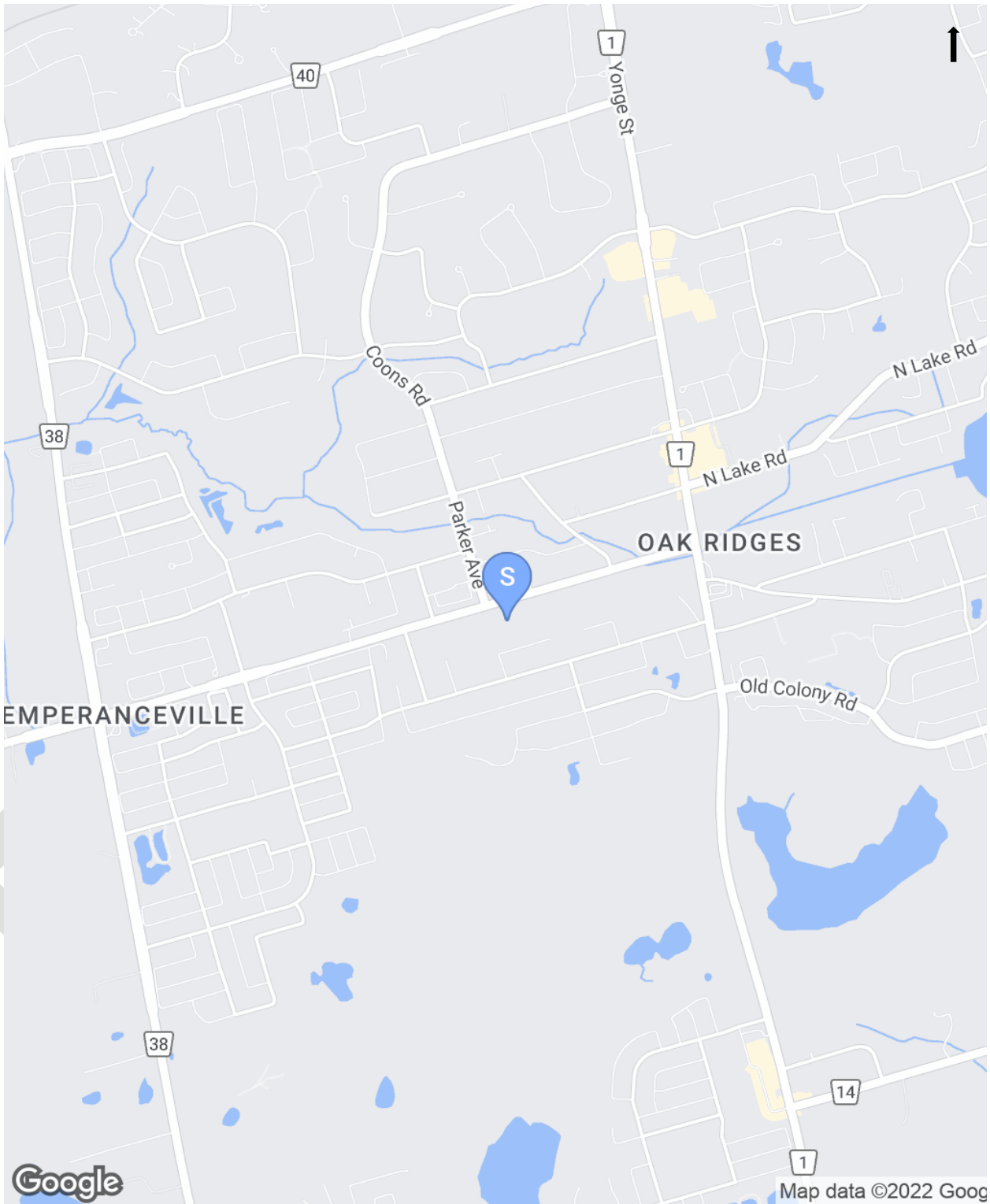
Index	Development	Address	Opening Date	Occupancy Date	Total Suites	Unit Size Range (SF)	Available Price (\$PSF)	% Sold	Parking	Status
1	High Park Urban Towns	15086 Yonge Street, Aurora	Nov 2021	Jan 2024	38	625 to 1,232	\$944	100%	Above ground parking included.	Pre-Construction
2	Hill on Bayview	930 Elgin Mills Road East, Richmond Hill	May 2021	Oct 2024	205	825 to 1,333	\$1,118	89%	Undground parking included.	Under Construction
3	Richmond Hill Grace	51 Jefferson Sideroad, Richmond Hill	May 2021	Apr 2023	60	855 to 1,385	\$1,045	88%	Undground parking included.	Under Construction
4	One Place Gardens	168 Old Kennedy Road, Markham	May 2021	Sep 2023	64	900 to 2,021	\$729	92%	Undground parking included.	Under Construction
5	High Point Place	44 Arnold Crescent, Richmond Hill	Sep 2020	Jul 2024	88	1,072 to 1,388	\$913	91%	Undground parking included.	Under Construction
<b>Subject</b>	-	<b>201, 227, 235 King Rd, Richmond Hill</b>	-	-	<b>178</b>	<b>930</b>	-	-	-	<b>Pre-Construction</b>

# Regional Map

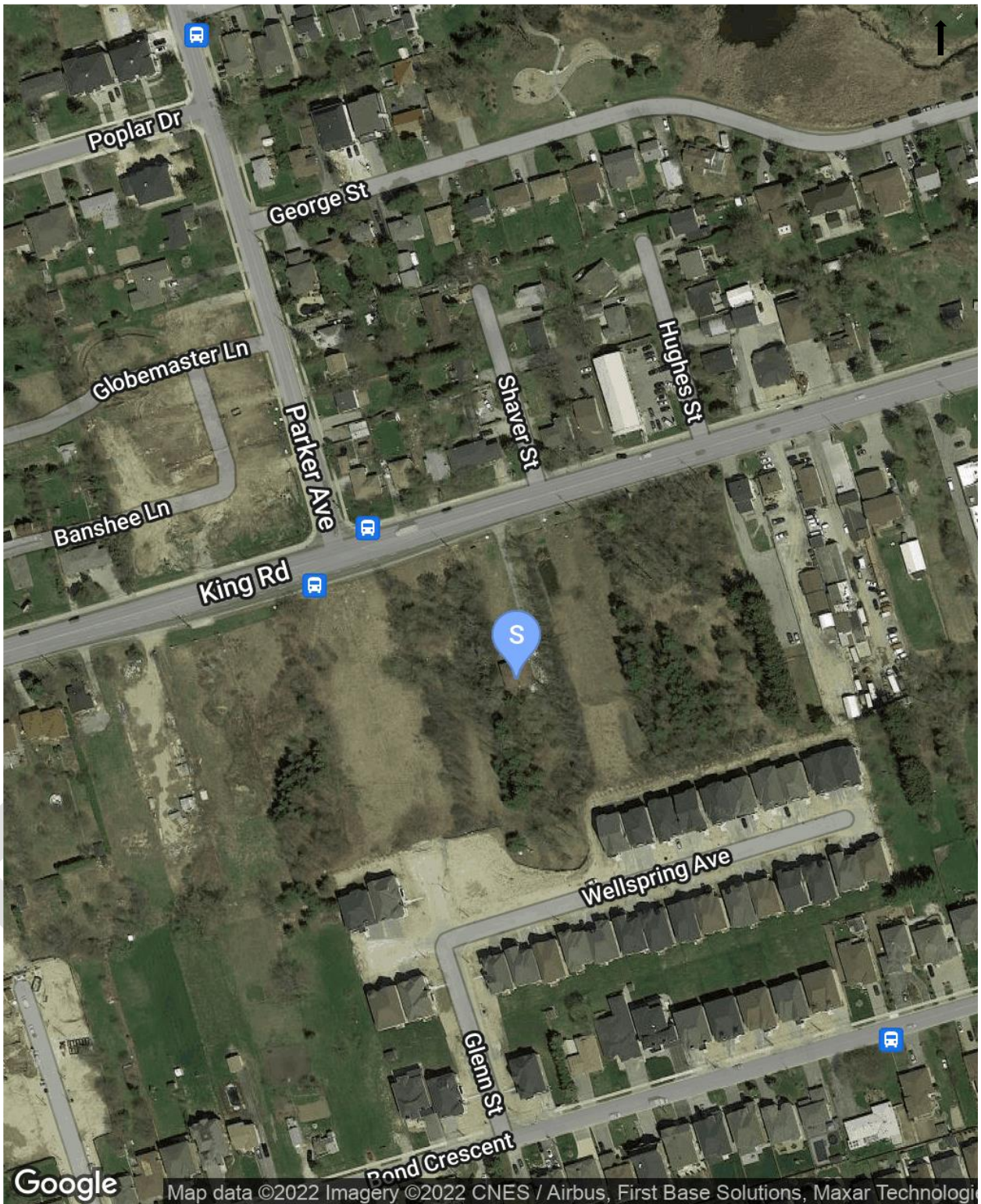




# Location Map



# Aerial Map





# Photographs of Subject Property



SUBJECT FRONTAGE



SUBJECT FRONTAGE



VIEW ALONG KIND RD, LOOKING EAST



VIEW ALONG KIND RD, LOOKING WEST



# Terms of Reference

## Client and Intended User

The Client of this appraisal is 12252856 Canada Inc. , and the Intended User is 12252856 Canada Inc. .

## Purpose and Intended Use of Report

The purpose of this valuation is to estimate the current market value as complete of the Subject Property described.

This appraisal is provided on a confidential basis and for the sole and exclusive use by 12252856 Canada Inc. and any other Intended User specifically identified for first mortgage financing only and any third party use of or reliance on this Appraisal Report or any materials prepared by Colliers International Realty Advisors Inc. (Colliers), is strictly prohibited, except to the extent that Colliers has provided prior permission in writing, such permission to be provided or withheld in Colliers's sole and exclusive discretion. In the event that Colliers has not provided said permission 12252856 Canada Inc. shall ensure and be responsible for notifying the third party in writing that it should not rely on the Appraisal Report and any use by such third party of the Appraisal Report or any materials prepared by Colliers shall be at its own risk and that Colliers makes no representations or warranties of any kind. Notwithstanding anything to the contrary, Colliers shall not owe any duty to any third party with respect to the Appraisal Report.

Land value is subjective and includes many influencing factors including service availability, land entitlements, restricted development areas and other planning, heritage and built form restrictions. The value conclusion contained is predicated upon information sourced from municipal agents, brokers and developers in the market and is subject to Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions as detailed within the Terms of Reference section of this report. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained.

The appraisal report must be used in its entirety and any reliance on any portion of the appraisal report independent of others may lead to erroneous conclusions.

## Indemnification and Limitation of Liability

12252856 Canada Inc. shall indemnify, defend and hold Colliers fully harmless from and against any and all claims, liabilities, damages, costs and expenses (including court costs and reasonable legal fees) resulting from or arising out of the Client's breach of the professional service agreement relating to the Appraisal Report, wrongful acts or omissions (including any failure to perform any duty imposed by law), misrepresentation, distortion or failure to provide complete and accurate information, or any unauthorized use or reliance by third parties on the Appraisal Report or any materials prepared by Colliers. Except for 12252856 Canada Inc. 's indemnification obligations, neither party shall be liable to the other party for any special, consequential, punitive or incidental damages of any kind whatsoever. Moreover, to the maximum extent permitted by law, Colliers' total liability for any losses, claims or damages arising out of or connecting or relating to this agreement (under any applicable theory of law) shall be limited in the aggregate to the total sum of fees and costs received by Colliers from 12252856 Canada Inc. for the applicable subject report(s).

## Property Rights

The property rights appraised are those of the Fee Simple Interest. The Fee Simple Interest refers to absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.

## Effective Date

The effective date of this valuation is November 15, 2022.

This Appraisal Report is prepared in the context of the market conditions and other factors (including assumptions and/or materials provided by parties and sources outside of the control of Colliers) prevailing as of the effective date. Real estate markets and assets are subject to significant volatility and change; and can be affected by numerous economic and political conditions as well as other conditions. The value contained (if any) in this Appraisal Report is made as of the effective date only and should not be relied on as of any other date without receiving prior written authorization from Colliers.

## Property Inspection

The following table illustrates the Colliers professionals involved with this appraisal report, and their status with respect to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Vicente Gamboa, MBA, AACI, P. App	No	-	-
Timour Petrov, CFA, AACI, P. App	Yes	Site Only	February 13, 2022

## Market Value Definition

For the purposes of this valuation, market value is defined as:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, assuming that neither is under duress."

(The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2010), p. 2.8)

## Exposure Time

An estimate of market value is related to the concept of reasonable exposure time. Exposure time is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking."

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2022 ed., p. 6)

Exposure Time is a retrospective function of asking price, property type, and past market conditions and encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale.

In practice, the exposure time assumes the following:

- The property was extensively marketed. Potential purchasers could inspect the property at will.
- The owner provided interested agents with any and all relevant property information.
- Negotiations of any offers to purchase were performed in a timely manner.
- The property was maintained at a physical status equivalent to its present condition.
- Market level financing was readily available.
- The seller was not under duress.

Ongoing discussions with agents familiar with the market have indicated that properties like the Subject Property typically require a marketing period of three to six months depending on a variety of factors including its location, vacancy levels, tenant quality, size, market conditions, and motivation of the vendor/purchaser. In consideration of these factors, it is concluded that for the Subject Property to sell at the market value estimated as of the effective date of this report, an exposure period of approximately three to six months would be required.

### Scope of the Valuation

This report has been written in a Narrative format, and complies with the reporting requirements set forth under the Canadian Uniform Standards of Professional Appraisal Practice. As such, all relevant material is provided in this report including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated.

During the course of preparing this valuation, the following was completed:

- An inspection of the Subject Property and the surrounding area.
- No title search has been performed. Mortgages registered on title, if any, have not been examined. Investigation with respect to Subject title, encumbrances, and rights-of-way, which may or may not be registered on title have not been investigated, unless expressly noted herein. It is assumed that the Subject Property is not subject to unusual encumbrances or rights-of-way that would materially or adversely impact the market value of the property.
- Existing mortgage financing was not reviewed. The valuation herein assumed the Subject Property is free and clear of mortgage financing.
- A review of available data regarding local market conditions, local development trends, and prevailing land use development patterns.
- Verification of current land use and zoning regulations has been undertaken with reference to publicly available land use documents.
- Municipal and neighbourhood information, including tax information, were sourced as noted below and verified where appropriate and possible.
- Site area and dimensions are from information obtained from the Geowarehouse. Should further confirmation of site size and dimensions be required, a legal survey should be commissioned.
- A review of sales and listing data on comparable properties has been undertaken. Comparable market information was obtained from our information database and local real estate professionals knowledgeable in the Richmond Hill real estate market. It was confirmed, when appropriate, with public information at the Geowarehouse or the parties involved when there was reason to doubt its accuracy.
- Discussions have been held with market participants where applicable.

## SOURCES OF INFORMATION

ITEM	SOURCE
Assessment / Tax Information	MPAC
Zoning Information	City of Richmond Hill
Official Plan Information	City of Richmond Hill
Site Size Information	Geowarehouse
Building Size Information	Client Plans
Demographics	EnviroNics Analytics
Comparable Information	RealNet, Colliers
Legal Description	Geowarehouse

### Ordinary Assumptions and Limiting Conditions

This report is subject to the Ordinary Assumptions and Limiting Conditions set forth within the Appendix to this appraisal in addition to any specific assumptions that may be stated in the body of the report. These conditions are critical to the value stated and should be thoroughly read and understood before any reliance on this report should be considered.

### Extraordinary Limiting Conditions

An Extraordinary Limiting Condition refers to a necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report. The following Extraordinary Limiting Conditions were invoked within this report:

Due to the Coronavirus pandemic, local health authorities are strongly advising (or mandating) limited exposure to or contact with other people. Entering properties for inspection purposes is contrary to local health authority advice and is not possible at this time. This appraisal assignment was completed without physical access to the interior/exterior of this property. Property details have been identified and collected through other means as noted in this report.

As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.

### Hypothetical Conditions

Hypothetical Conditions are a specific type of an Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal or economic characteristics of the Subject Property or external conditions, and are imposed for purposes of reasonable analysis. No Hypothetical Conditions were invoked within this report.

### Extraordinary Assumptions

An Extraordinary Assumption is an assumption, directly related to a specific assignment, which, if were not assumed to be true, could materially alter the opinions or conclusions. Extraordinary Assumptions presume uncertain information about or anticipated changes in: the physical, legal or economic characteristics of the subject property; or about: conditions external to the subject property such as market conditions or trends, or the integrity of data used in an analysis to be fact.

The following Extraordinary Assumptions were invoked within this report:

Because of the inability to access and view the interior/exterior of this property, information and details concerning the interior/exterior finishing, quality and condition are taken from sources deemed reliable. If any of these details are subsequently determined to be inaccurate, the appraiser reserves the right to amend the appraisal and the value herein.

- The Subject site is unimproved. It is assumed, for the purpose of this report, that the Subject Property is vacant and unimproved.
- It is assumed, for the purposes of this report, that there is adequate capacity for full services to be provided to a development of the Subject Property.
- It is assumed, for the purposes of this report that the Subject Property is not subject to any encumbrances or rights of way that would materially affect the impact of the market value of the Subject Property.
- We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site.
- **For the As-If-Complete Value, it has been assumed the subject site has been completed with a 178-unit stacked townhome development, as of the effective date. It has been assumed the development has been completed in a good workmanlike manner with superior construction and luxury finishes.**

### Assemblage

When relevant to the assignment, CUSPAP requires that assemblage must be considered and analyzed as to the effect on value. In the instance of the Subject Property, assemblage is not considered to be a relevant factor, and therefore no analysis is deemed necessary.

### Anticipated Public or Private Improvements

When relevant to the assignment, CUSPAP requires that anticipated public or private improvements must be considered and analyzed as to the effect on value. In the instance of the Subject Property, public or private improvements are not considered to be a relevant factor, and therefore no analysis is deemed necessary.

### Personal Property

When relevant to the assignment, CUSPAP requires that personal property must be considered and analyzed as to the effect on value. In the instance of the Subject Property, personal property is not considered to be a relevant factor, and therefore no analysis is deemed necessary.

# Property Data

## Municipal Address

The Subject Property is municipally described as 201, 227, 235 King Road, Richmond Hill, Ontario.

## Legal Description

The Subject Property's legal description is as follows:

Address	P.I.N.	Legal Description
201 KING RD	031960039	PT LT 13 PL 136 KING; PT LT 14 PL 136 KING AS IN R533264 ; CITY OF RICHMOND HILL
227 KING RD	031960038	LT 15 PL 136 KING EXCEPT PT 10 EXPROP PL B87881B ; RICHMOND HILL
235 KING RD	031960037	LT 16 PL 136 KING EXCEPT PT 11 EXPROP PL B87881B ; RICHMOND HILL

## Current Ownership

Available data indicates the following ownership information:

PARCEL	REGISTERED OWNER	SOURCE OF TITLE INFORMATION
201 KING RD	12252856 CANADA INC.	Geow arehouse
227 KING RD	12252856 CANADA INC.	Geow arehouse
235 KING RD	12252856 CANADA INC.	Geow arehouse

## Ownership History

Ownership of the property last transferred on October 20, 2020. According to the information available, the current owner, 12252856 Canada Inc. , acquired the Subject Property from Ontario Superior Court of Justice for the reported consideration of \$20,250,000. This transaction is understood to have resulted from foreclosure proceedings.

There have been no other transfers of the Subject Property within the past three years.

## Current Contracts

The Subject is not currently listed for sale.

## Recent Activity

There has been no listing or other activity during the past year.

## Title Encumbrances

The property encumbrances are summarized below:

For the purposes of this analysis, the instruments registered against the title(s) to the property are assumed not to have a significant effect on the property's marketability or its market value. For greater certainty a legal opinion should be solicited for a full explanation of the effects of these encumbrances. The Subject Property has been valued as if free and clear of any financing.

## Realty Taxes / Assessment

The Subject Property assessment details are summarized as follows according to data provided by MPAC.



**ASSESSMENT & TAXES**

ROLL NO	TOTAL 2022 ASSESSMENT	TOTAL ASSESSMENT PER ACRE	TOTAL 2022 TAX LEVY*	TOTAL TAX LEVY PER ACRE
1938080012450000000	\$3,697,000	-	\$24,794	-
1938080012452000000	\$2,291,000	-	\$15,365	-
1938080012454000000	\$2,290,000	-	\$15,358	-
<b>Total</b>	<b>\$8,278,000</b>	<b>\$2,136,065</b>	<b>\$55,516</b>	<b>\$14,326</b>

\*Estimated based on City of Richmond Hill property tax rate of 0.670650% (Residential).

It is assumed that the site will be reassessed upon redevelopment.

DRAFT

# Project Overview and Planning Status

## Overview

The subject is a development site for 178 stacked townhome units with a total gross floor area of 165,434 SF. As of the effective date, the proposed use had been approved by LPAT and had been incorporated into the municipal zoning bylaw. There are currently various technical items outstanding.

## Planning Background

A Zoning Bylaw Amendment Application was submitted to the City of Richmond Hill (No. D06-16001 and D02-15011). On March 18, 2020, an LPAT decision (Case No. PL171285 and PL171286) was issued to allow in part the proposed Zoning Bylaw Amendments. The detailed zoning bylaw amendment can be found in Appendix C.

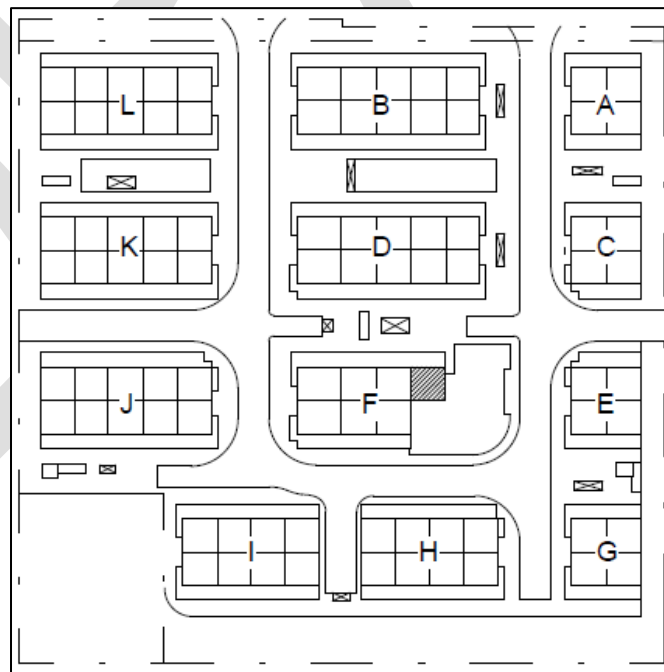
## Current Status

According to correspondence with municipal planning staff, the Site Plan application has reached the stage where a final submission is pending to address remaining outstanding technical comments. The condominium applications are still active but remain dormant pending final approval of the Site Plan. Related file numbers are: D02-16002 D02-16001 D05-16002.

## Development Statistics

			Totals	Stacked TH	Stacked TH	Stacked TH	Stacked TH
			Sq. Ft.				
Net Land Area (Acres & Sq. Ft.)	Acres	3.88	169,013				
Buildable Square Feet of Gross Floor Area(GFA)			165,434	36,398	36,398	46,319	46,319
Net Saleable Area (NSA)			165,434	36,398	36,398	46,319	46,319
No. of Condo Units. (Average Unit Size SF: 776.80 )			178	48	40	42	48
Parking Units			321	87	72	76	87

## Site Plan



## Development Statistics

Site Description	Part of lots 13 and 14 Plan 136 Town of Richmond Hill	
	<i>sq.m.</i>	<i>sq.ft.</i>
Total Site Area	15,645.7	168,408
Site Area (Less Widening)	15,194.9	163,556
	<i>sq.m.</i>	<i>sq.ft.</i>
Building Area	3,967.2	42,703
Landscaped Area	4463.41	48,044
Paved Area	4961.75	53,408
Park Area	932.07	10033
<b><u>G.F.A</u></b>		
	<i>sq.m.</i>	<i>sq.ft.</i>
Gross Floor Area	15,185.0	163,450
<b><u>F.S.I - Floor Space Index</u></b>		
(Total GFA / Site Area)	1.00	
<b><u>Lot Coverage</u></b>		
Max Lot Coverage	26.13%	
<b><u>Lot Frontage</u></b>		
	m	
Proposed Lot Frontage	125.575	
<b><u>Max Building Height</u></b>		
	m	
2 Storey	7.20	
3 Storey	10.20	

## Unit Count

1 Bedroom	20
2 Bedroom	106
3 Bedroom	52
<b>Total</b>	<b>178</b>

## Parking

Typical Parking Stall Size: 2.75m x 5.8m

Barrier Free Stall Size: 3.7m x 5.8m w/ 1.5m access aisle

### Required

Bachelor (0x1.0/Unit)	0
1 BDRM (20x1.25/Unit)	25
2 BDRM (106 x 1.5/Unit)	159
3 BDRM (52 x 1.75/Unit)	91
Visitors (178 x .25/Unit)	45
<b>Total</b>	<b>320</b>

### Provided

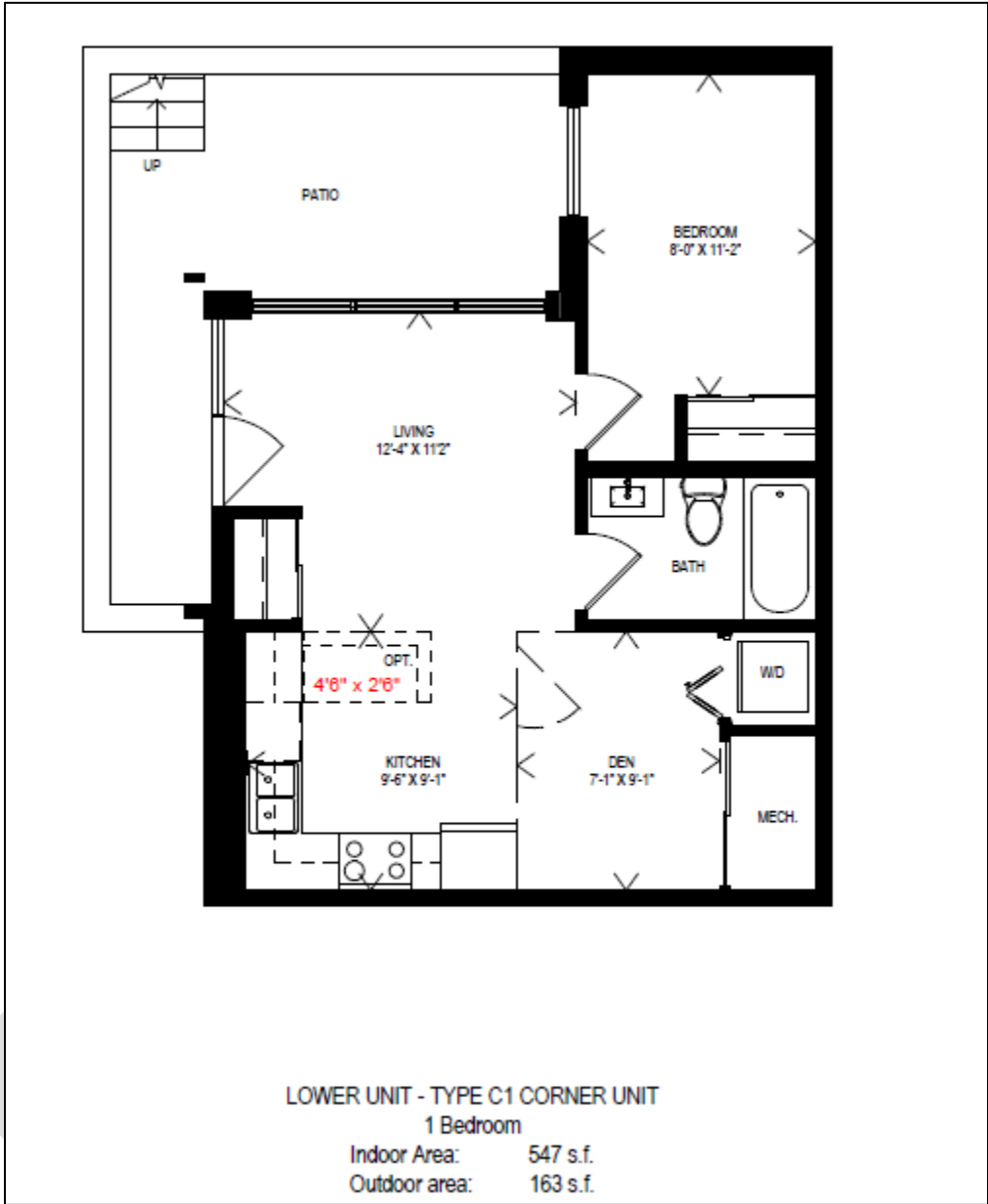
<u>Residential</u>	
P2 Level	46
P1 Level	253
<b>Total</b>	<b>299</b>

### Visitor

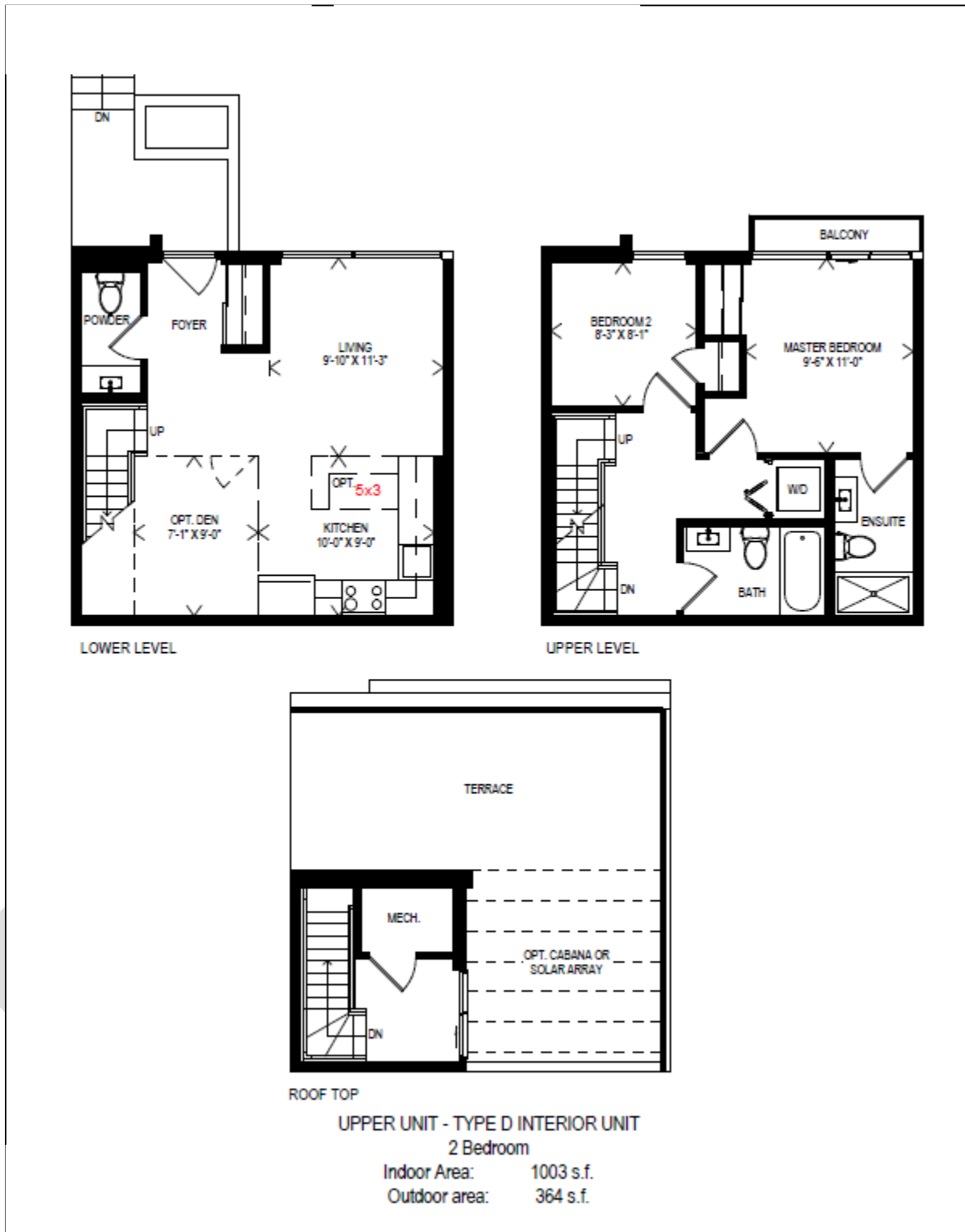
P2 Level	0
P1 Level	41
Barrier Free	4
<b>Total</b>	<b>45</b>

# Sample Floorplans

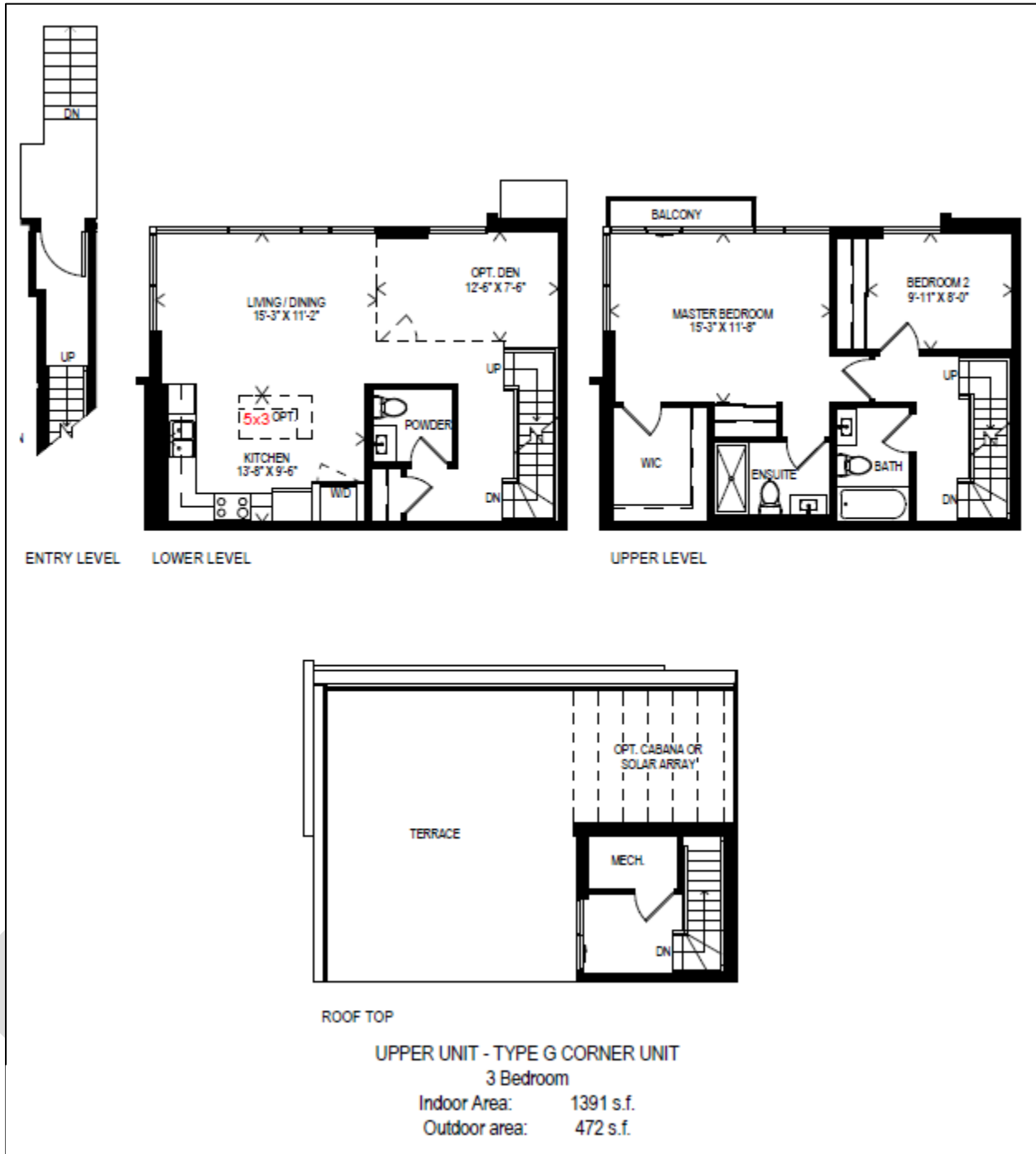
## 1-Bedroom



2-Bedroom

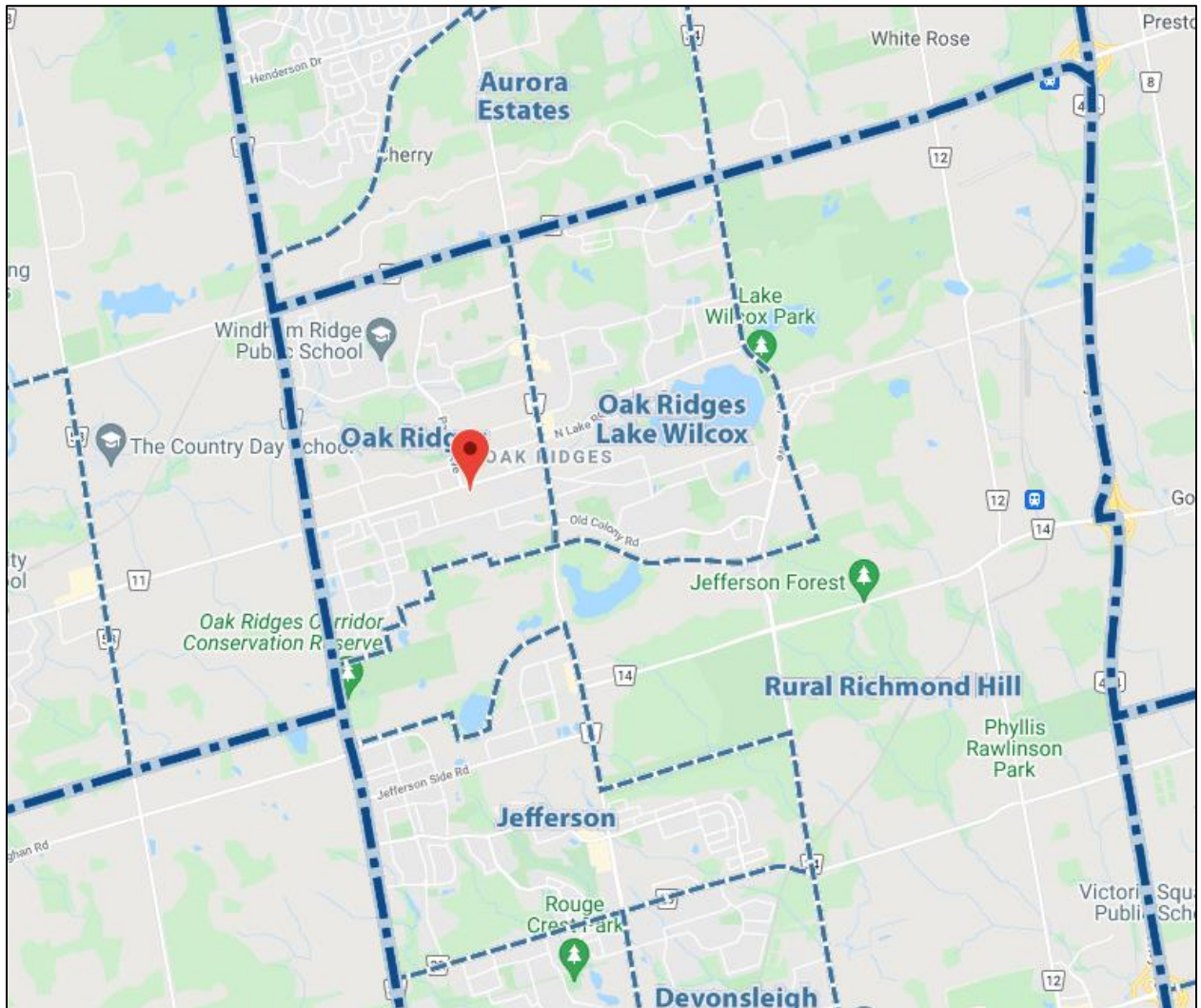


3-Bedroom





## Location Overview



The property is situated in the good quality mixed residential/commercial district known as Oak Ridges. Oak Ridges is located approximately 8 kilometres north of Richmond Hill's central business district.

### District Boundaries

- North • Bloomington Road
- South • Oak Ridges Corridor
- East • Bayview Avenue
- West • Bathurst Street

### Adjacent Districts

- North • Aurora Estate Residential
- South • Rural Richmond Hill Agricultural
- East • Rural Richmond Hill Agricultural
- West • King City Residential

### Major Arterials & Access

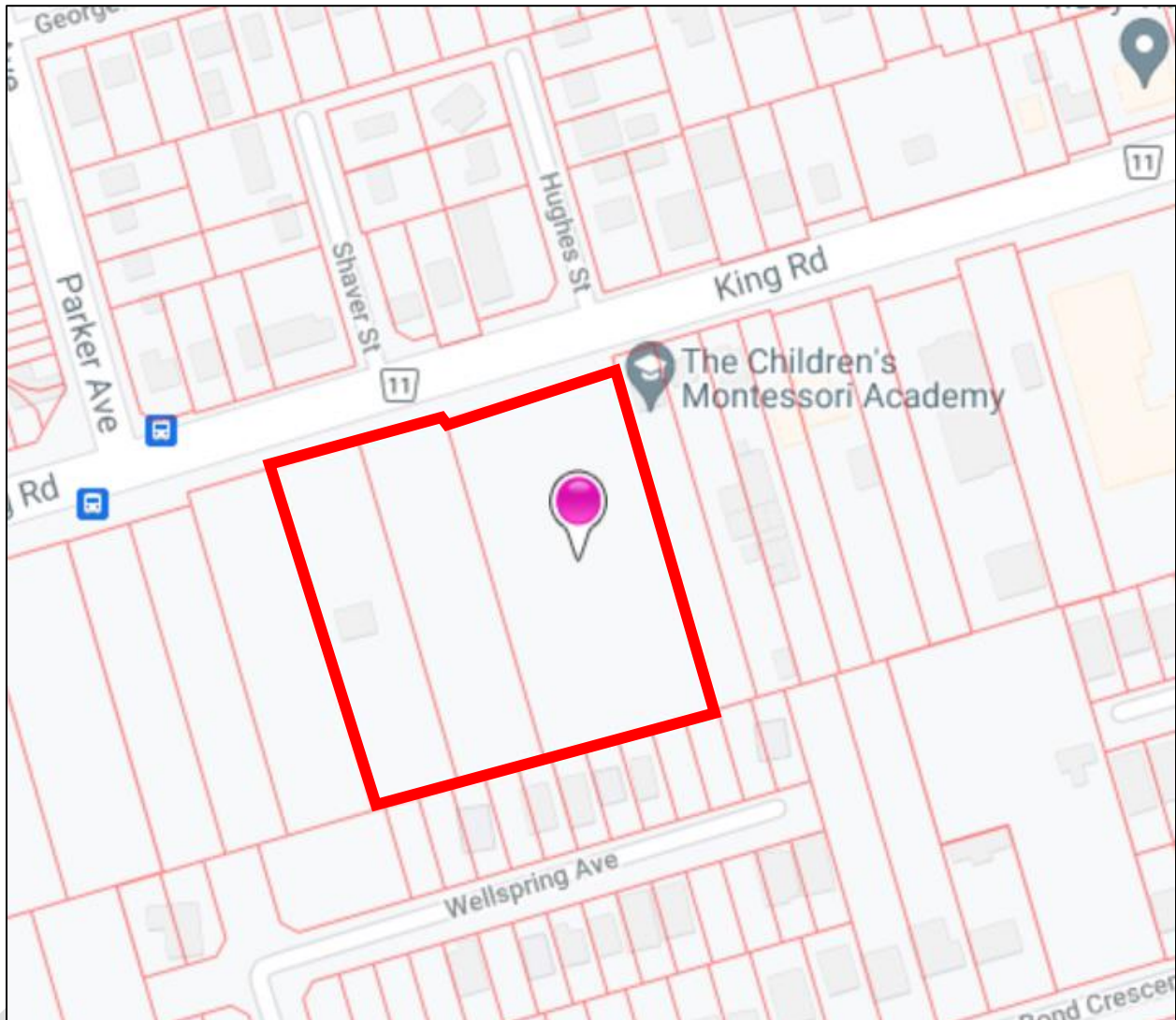
- Access • General access to the neighbourhood is considered to be good.
- Arterials • Yonge Street, Bathurst Street
- King Road, Bloomington Road West
- Coon's Road, Humberland Drive, Kingshill Road

### Summary

Oak Ridges is an unincorporated community within Ontario, and has been a part of Richmond Hill's administrative area since its annexation in 1971. Although physically separate and distinct from Richmond Hill, Oak Ridge's forms the northern portion of the municipality's boundary. Situated approximately 45 kilometres north of Toronto, it has an estimated population of 36,000 residents as of 2015.

Much of the commercial and mixed-use real estate development within Oak Ridges has been centralized along Yonge Street, with secondary streets being primarily developed with low-density residential neighbourhoods. On-going residential development within Oak Ridges has largely taken place along the south side of Bloomington Road, east of Yonge Street, and has been the Subject of on-going debate due to its location upon the ecologically sensitive Oak Ridges Moraine.

## Site Description



Site Area	Approximately 3.875 Acres (168,810 SF)
Improvements	The Subject site is unimproved.
Frontage	Approximately 412 feet of frontage along King Rd.
Configuration	The site is rectangular in its configuration, as shown on the site plan above.
Topography	The site is generally level with street frontage and adjoining properties.
Services	Full municipal services are available within the area surrounding the Subject property. For the purposes of this report it has been assumed that there is adequate capacity for full services to be provided to a development of the Subject.

Access

The Subject has points of ingress/egress from King Road.

Soil Conditions

We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental assessment would be required for certainty and any cost of remedy could potentially impact the reported value herein. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.

Demographics

**DEMOGRAPHICS AND STATISTICS**

Population	1 km radius	7,260
	3 km radius	43,124
	5 km radius	84,449
Median Household Income	1 km radius	\$126,910
	3 km radius	\$130,119
	5 km radius	\$129,142

Conclusion

The site is located in the City of Richmond Hill in close proximity to arterial routes with good access characteristics. The Subject has a topography, shape and configuration which will likely permit development.



# Land Use

## Places to Grow



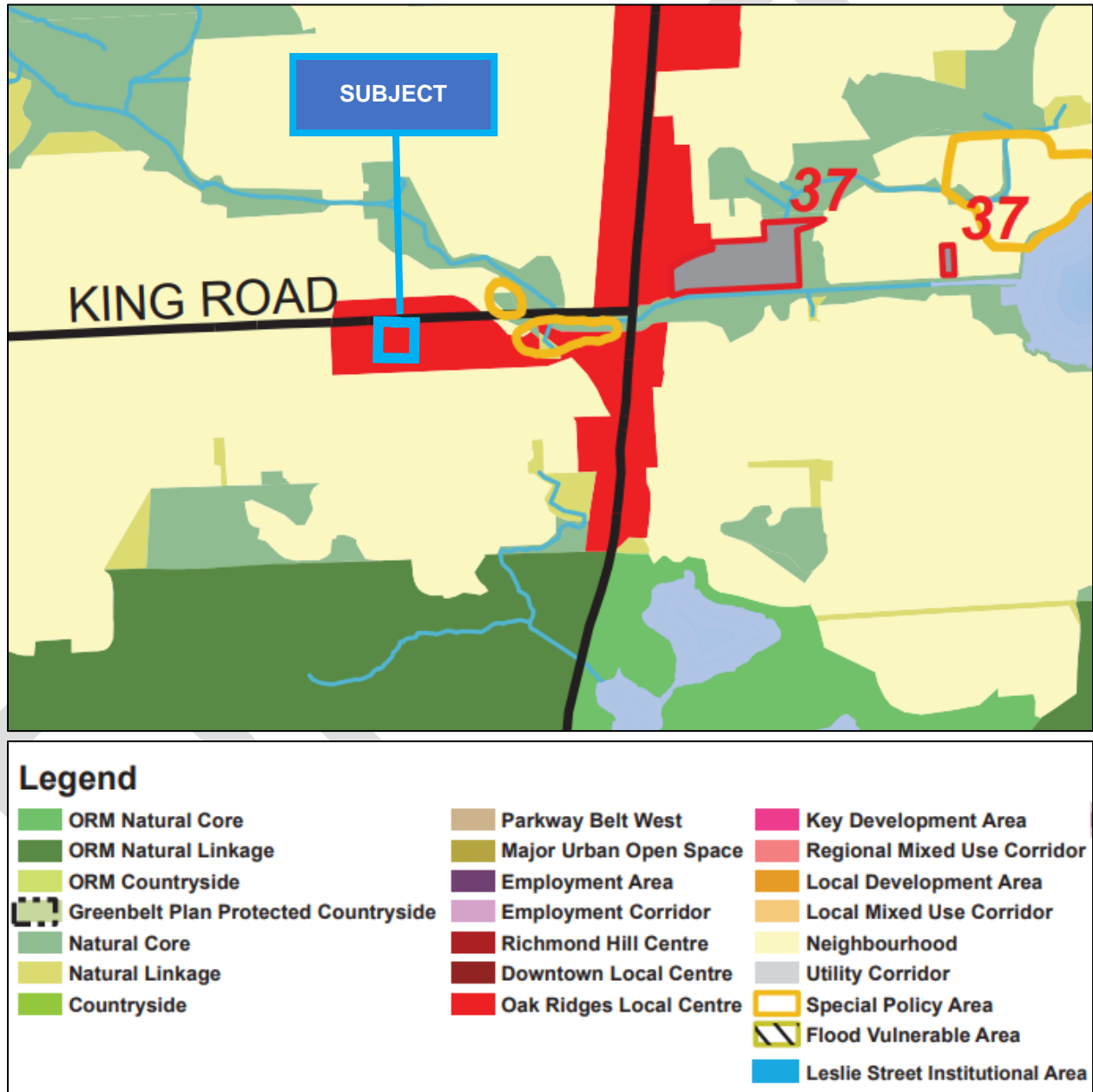
Places to Grow is an Ontario Government Plan for directing growth and development in a way that supports economic prosperity, protects the environment and helps communities achieve a high quality of life. The plan, which is applicable until 2041, provides guidance in terms of expansion of urban areas, outlining of environmental areas, and growth phasing. The plan is intended to be implemented more specifically by the individual regions and municipalities within the Greater Golden Horseshoe Area. The Subject falls within an area designated by the Plan as the Greater Golden Horseshoe Growth Plan Area.

## Official Plan

The Municipal Official Plan is a policy document that provides direction for planning and development activities. It is intended to co-ordinate the effects of change and future development in the best long-term interests of the Municipality and the Region. The intentions of the Official Plan are implemented through creation of Zoning By-laws and other local regulations.

The City of Richmond Hill Official Plan designates the Subject Property as: **Oak Ridges Local Centre**.

### Land Use Map



Source: Land Use Schedule A2



## Permitted Uses

Permitted land uses under the **Oak Ridges Local Centre** designation are listed as follows. Please see Appendix C for the full Official Plan excerpt.

1. *The Town shall prepare a Secondary Plan for the Oak Ridges Local Centre in accordance with the policies of Section 5.1 of this Plan.*
2. *The predominant use of land in the Oak Ridges Local Centre designation shown on Schedule A2 (Land Use) shall be for mixed-use development.*
3. *The following land uses shall be permitted in the Oak Ridges Local Centre:*
  - a. *Medium density residential;*
  - b. *Office; c.*
  - c. *Commercial;*
  - d. *Retail;*
  - e. *Automotive service commercial in accordance with policy 3.4.1.47 of this Plan;*
  - f. *Community uses in accordance with Section 4.1 of this Plan; g. Parks and urban open spaces in accordance with Section 3.4.4 of this Plan; and*
  - g. *Live-work units in accordance with policies 3.3.3.2.9 and 3.3.3.2.10 of this Plan.*
4. *To promote a pedestrian-oriented character, the following policies shall apply to retail in the Oak Ridges Local Centre:*
  - a. *Retail development shall be limited to a maximum gross floor area of 5,000 square metres; and*
  - b. *Retail development with a gross floor area greater than 5,000 square metres shall only be permitted subject to a Zoning By-law Amendment where it can be demonstrated that:*
    - i. *There is a need for the proposed use as demonstrated through a Commercial Needs Study conducted by a qualified professional;*
    - ii. *The proposed development enhances the character of the area; and*
    - iii. *The proposed development is not in an enclosed mall.*
5. *The maximum density of a development block within the Oak Ridges Local Centre shall be 1.0 FSI. The boundaries of a development block shall be identified in a Secondary Plan for the Oak Ridges Local Centre.*
6. *Development shall be encouraged to provide commercial, retail, office or community uses at grade in a mixed-use building form.*
7. *Until such time as Council approves a Secondary Plan for the Oak Ridges Local Centre, applications for development shall be required to submit a concept plan, in accordance with Section 5.2 of this Plan, which demonstrates how the development meets the land use and design policies of this Plan for areas identified as a development block by the Town.*
8. *Development shall have a maximum building height of 4 storeys, with the tallest massing of buildings oriented to the Yonge Street or King Road frontage.*

## Conclusion

The proposed use as a stacked townhouse development appears to conform to the City of Richmond Hill Official Plan. Written confirmation with the municipality and consultation with a professional planner is recommended for certainty.

DRAFT

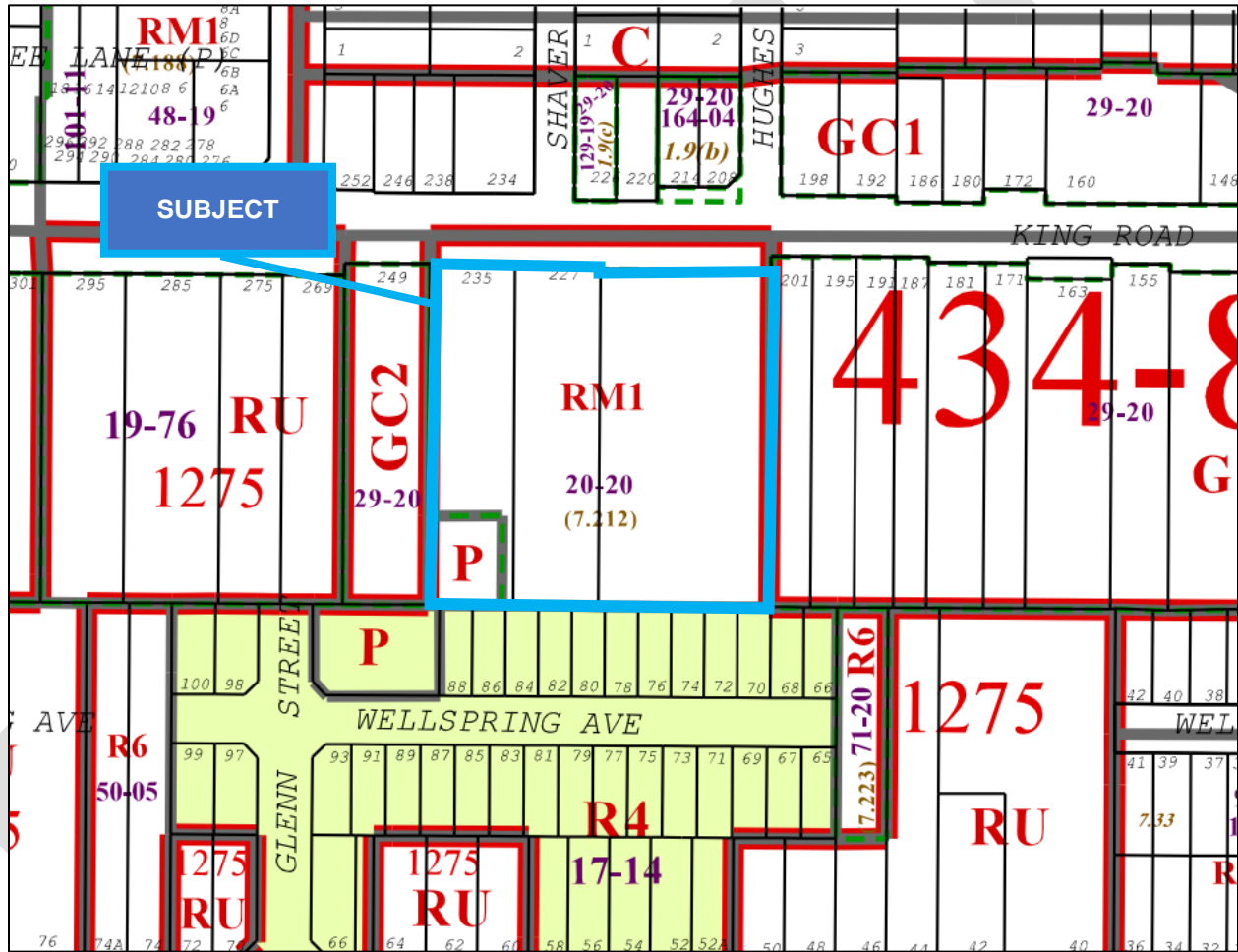
# Zoning

## Introduction

Zoning bylaws typically establish ranges of permitted and discretionary uses, in addition to development restrictions including such factors as maximum building heights, allowable densities, setback requirements, parking and loading limitations, signage restrictions and other items.

According to the City of Richmond Hill zoning bylaw 20-20, the property is currently classified **RM1, P (Residential Medium Density, Park)**. An excerpt from the zoning bylaw is included in the appendices to this report.

## Zoning Map



A zoning summary and a listing of pertinent zoning requirements are presented below:

## ZONING SUMMARY

<b>Municipality Governing Zoning</b>	City of Richmond Hill
<b>Zoning Bylaw Number</b>	20-20
<b>Current Zoning</b>	Residential Medium Density, Park (RM1, P) <b>RM1:</b> <ul style="list-style-type: none"><li>- Block Townhouse Dwellings</li><li>- Up to 3 storeys</li><li>- Please see Appendix C for full detail of setback, parking and other requirements.</li></ul>
<b>Permitted Uses</b>	<b>P:</b> <ul style="list-style-type: none"><li>- Public Park</li></ul>
<b>Current Use</b>	The Subject site is unimproved.
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Anticipated

---

### Zoning Conclusions

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of analysis presented correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

**On March 18, 2020, a LPAT decision permitted the proposed development in part. The zoning bylaw has been amended to permit the proposed stacked townhouse development. There are some technical issues outstanding which are being addressed through a zoning amendment application resubmission. It has been assumed all required approvals will be achieved. However, the authors are not technically qualified to confirm zoning compliance, and for greater certainty in this regard, written confirmation from the municipality and/or a qualified legal opinion should be obtained.**

# Market Overviews

## Economic Overview – Canada

Canada has the world's 39<sup>th</sup> largest population and the world's second largest land mass. The country's population is dispersed among 10 provinces and 3 territories with nearly 90% of its people living within 160 kilometers of the United States border. Canada consistently receives a top fifteen Human Development Index ranking and a top twenty ranking for GDP (nominal) per capita.

Canada's economy consistently receives a top twelve world ranking. International trade makes up a large part of Canada's economy, with the United States as its largest trading partner followed by the European Union and China. Key Canadian exports include petroleum, automobiles and auto parts, precious metals, machinery including computers, wood, electrical machinery, aircraft and spacecraft, pharmaceuticals and aluminum. More recently, Canada's high knowledge industries of manufacturing, business services, engineering and computer and management services have received a top ten global knowledge economy ranking from the World Bank Institute.

Following is a summary of featured insights prepared by the Conference Board of Canada regarding the Canadian economy.

### Imperiled by Inflation, COVID-19 and Conflict, the Economic Recovery Continues

- Canadian real GDP growth held steady in December, ending six consecutive months of growth.
- Overall, the economy expanded by 1.6 per cent in the final quarter of 2021 and 4.9 per cent in 2021. To put this in perspective, real GDP remains roughly 0.5 per cent below that recorded in 2019, a testament to the economic cost of the pandemic.
- In December, there was notable growth in agriculture, forestry, fishing and hunting (+4.6 per cent). However, this was more than offset by declines in retail trade (-2.7 per cent) and mining, quarrying, and oil and gas extraction (-2.2 per cent). In response to tightening public health measures, output declined in accommodation and food services (-1.5 per cent) as well as arts entertainment and recreation (-3.8 per cent).
- Falling government transfers to households pushed down fourth-quarter disposable income by 1.3 per cent. The household savings rate continued to decline, reaching 6.4 per cent as fewer restrictions offered Canadians greater freedom to spend. Spending on services increased, outweighing weaker spending on non-durable and semi-durable goods.

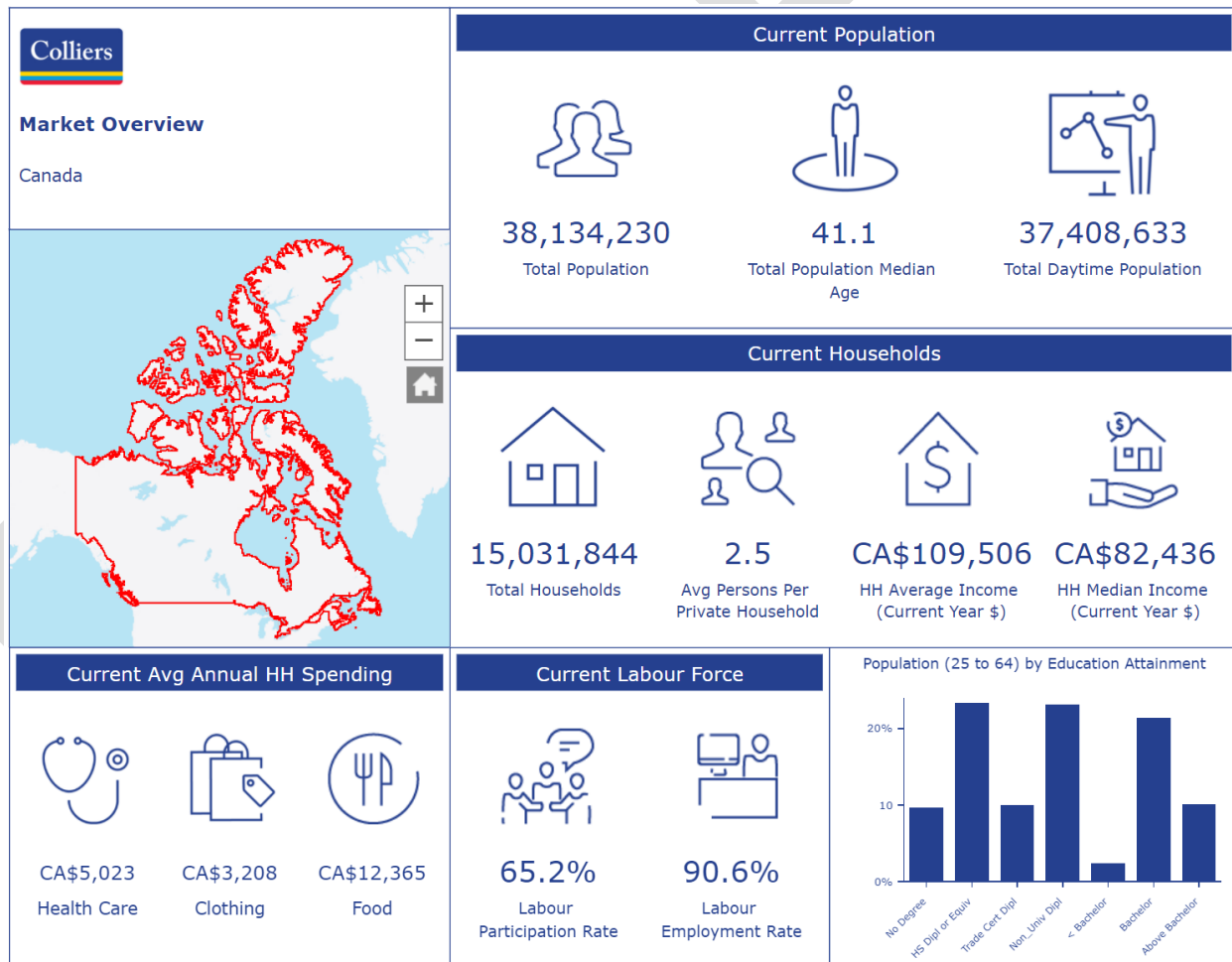
### Trade Balance Slowly Bouncing Back

- Canada's total exports edged down 0.2 per cent while imports fell by 7.4 per cent in January. As a result, after posting its first deficit in seven months in December, Canada's merchandise trade balance returned to a surplus position. It went from a \$1.6 billion deficit in December to a \$2.6 billion surplus in January 2022.
- Imports of motor vehicles and parts declined 13.9 per cent in January, more than offsetting the 6.8 per cent increase observed in December 2021. Imports of passenger cars and light trucks also plunged 12.4 per cent, in part because of reduced movement from the United States.
- Following three months of gains, exports of motor vehicles and parts fell 9.6 per cent in January. While exports usually bounce back in January after downtime during the December holidays, this bounce back did not take place in 2022, resulting in a sharp seasonally adjusted decline in exports of passenger cars and light trucks (-15.0 per cent).

- Total imports from the United States were down 4.7 per cent while exports rose by 1.2 per cent. As a result, Canada's trade surplus with the United States widened from \$7.1 billion in December 2021 to \$9.3 billion in January 2022, the largest trade surplus since July 2008.

**Bank of Canada Raises Rates Amidst Geopolitical Tensions**

- The Bank of Canada increased its target for the overnight rate to 0.5 per cent, with the Bank rate at 0.75 per cent and the deposit rate at 0.5 per cent.
- CPI inflation which sits at 5.1 per cent, remains above the target range while core measures have continued to rise. Poor harvests and increase in transportation costs have pushed up food prices. Meanwhile, geopolitical tensions have also put upward pressure on prices for both energy and food-related commodities. Therefore, the Bank expects inflation to be higher in the near term than projected in January.
- At 6.7 per cent, economic growth in the final quarter of 2021 was stronger than the Bank's projection, which confirms their view that slack in the economy has been absorbed.
- As the Canadian economic recovery continues and inflationary pressures remain elevated, the Governing Council expects interest rates to rise further. It is to be determined when the Governing Council would consider exiting the reinvestment phase and reducing its holdings of Government of Canada bonds.





## Economic Overview – Ontario

The Province of Ontario is Canada's most populous province and home to the nation's capital, Ottawa, as well as the nation's largest city, Toronto. Besides having 40% of Canada's population, Ontario has the most culturally diverse population in Canada. The great majority of Ontario's population and arable land is located in the south. In contrast, the larger, northern part of Ontario is sparsely populated.

Ontario generates 39% of Canada's GDP and forms Canada's largest economy. The province's economy is led by its service sector, manufacturing, agriculture, mining and forestry industries. Nearly 50% of Canada's high tech, financial services and other knowledge intensive industries are employed in Ontario. Meanwhile, Ontario is Canada's manufacturing powerhouse, shipping more than \$258 billion of automobiles, information and communications technologies, biotech, pharmaceuticals and medical devices. In addition, the province's mining industry is among the top 10 producers in the world for nickel and platinum and a significant producer of gold, copper, zinc, cobalt and silver.

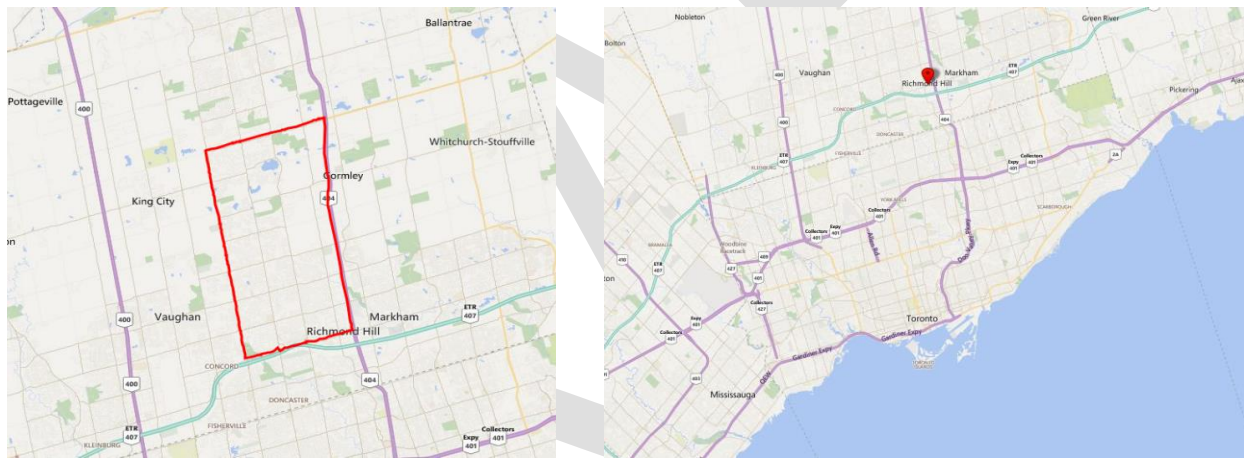


# Richmond Hill Market Overview

Richmond Hill is a town located in the southern portion of York Region, Ontario. It is part of the Greater Toronto Area and is bounded by Bloomington Rd. to the north, York Regional Road 7 to the south, Bathurst St. to the west, and Ontario Highway 404 to the east.

Richmond Hill has a population of approximately 195,022. The city has extensive public transit through the GO train, York Region Transit and VIVA systems. Richmond Hill is home to 25 public elementary schools, 5 secondary schools. Post-secondary education services are provided by several post-secondary educational institutions in Toronto. Richmond Hill is a community that offers access to an extensive bike path system, the trails of the Oak Ridges Moraine, over 160 parks, almost 600 hectares of open space and five protected lakes. The Town has first class amenities such as athletic and soccer fields, arenas, community centres, pools, playgrounds and libraries, as well as golf courses, diverse restaurants and the new state-of-the-art Richmond Hill Centre for the Performing Arts.

## City Maps



## Economic Overview

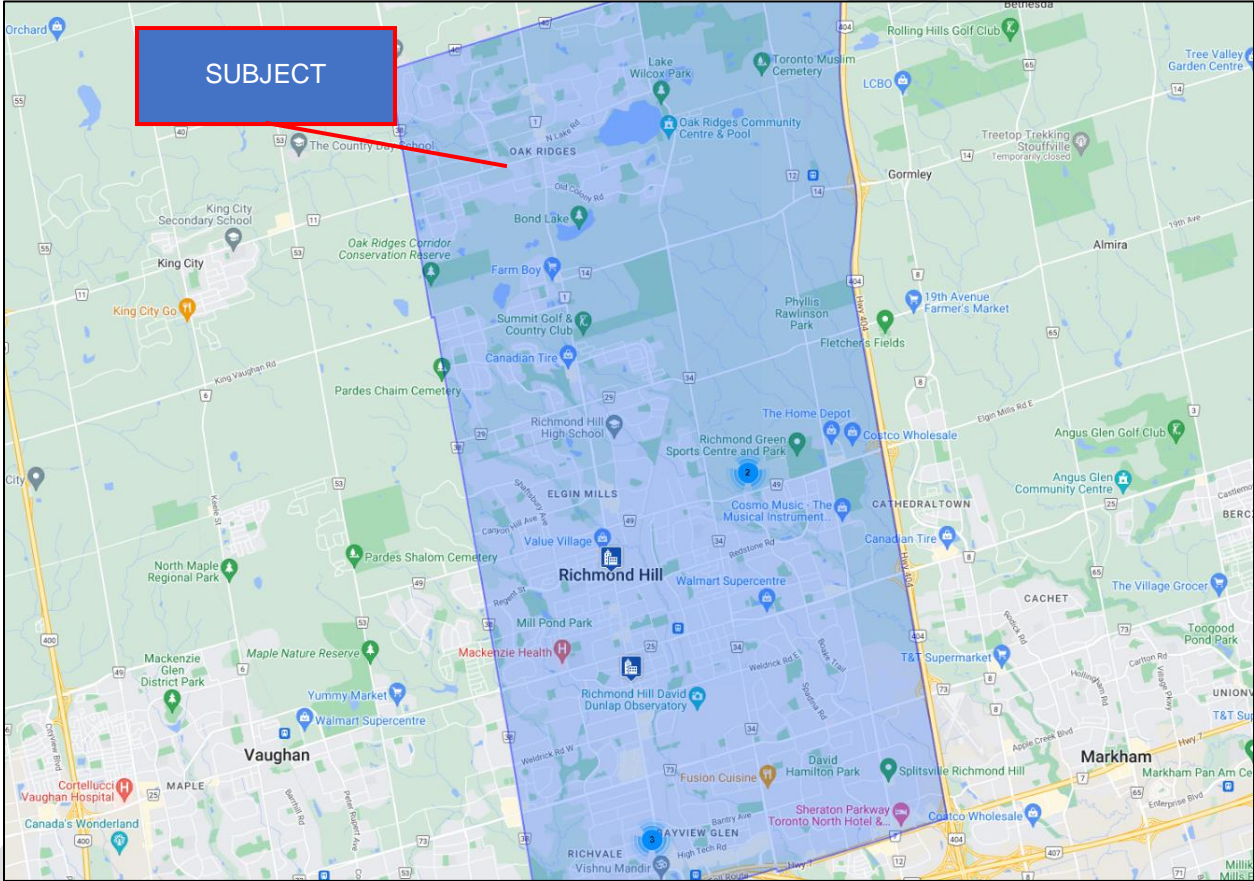
Richmond Hill has a talented workforce with more than 50% of residents holding bachelor's degrees and over 77% having post-secondary education. Richmond Hill is home to 4,900 companies which have created 69,000 jobs. The key business sectors of Richmond Hill are: professional, scientific and technical services; retail trade, finance and insurance, and health care and social assistance. With some of these businesses being Acklands Grainger Inc., Compugen Inc., Compuware, DMC Mining Services, Lexmark, Rogers Communications, BMW Canada, Science & Medicine Canada, and Staples.

Currently there are 60 new home developments ongoing in Richmond Hill, a mix of single detached homes, townhouses, and condos.

# Residential Market Overview

## New Development Overview

In Q3 2022, new condominium projects in Richmond Hill, have achieved an average price per square foot of \$769 which represents an increase of 3% over last year. The average unsold price per square foot is \$1,031 which represents an annual increase of 0%. There are currently 7 condo/apartment developments, containing a total of 1,885 units of which 94% have sold.



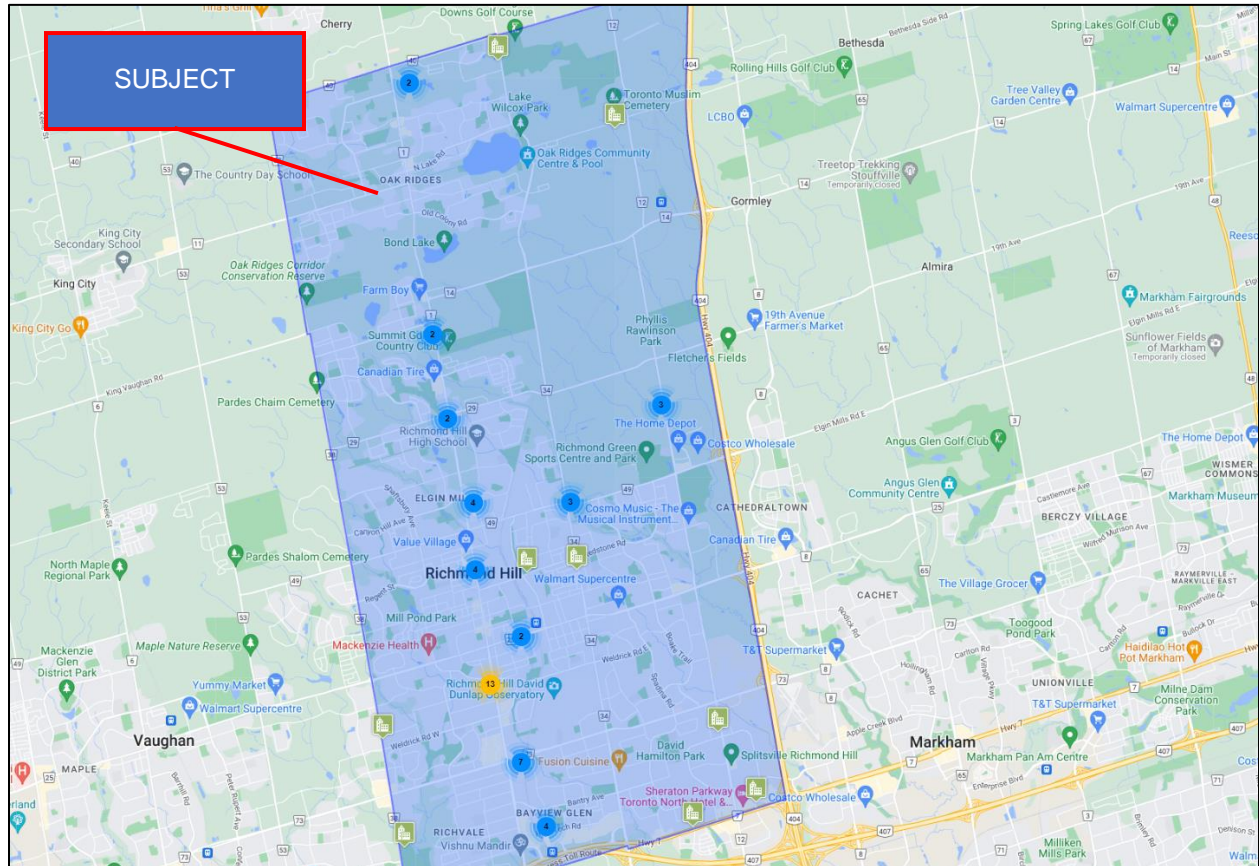
Project	Developer	Address	Opening Date	Construction Status	Storeys	Total Suites	% Sold	Months to 70% Sold	Sold Price (psf)	Unsold Price (psf)	Avg. Suite Size (sf)
8888 Yonge	Metroview Developments	8888 Yonge St	Oct 2019	U/C	15	204	100%	8	\$814		927
Elgin East at Bayview	Sequoia Grove Homes	1000 Elgin Mills Rd E	Jan 2018	U/C	8	162	100%	11	\$680		863
Elgin East at Bayview - Next Phase	Sequoia Grove Homes	1000 Elgin Mills Rd E	Mar 2019	U/C	10	122	100%	11	\$718		732
Era at Yonge	Pemberton Group	65 Oneida Cres	Jan 2018	U/C	25	263	100%	1	\$675		774
Era at Yonge 2	Pemberton Group	65 Oneida Cres	Feb 2018	U/C	0	312	100%	4	\$707		780
Westwood Gardens	Collecdev	8868 Yonge St	May 2017	Occ	18	370	100%	1	\$683		728
Y9825 Condos	Metroview Developments	9825 Yonge St	Sep 2021	Pre	0	452	74%	1	\$1,031	\$1,031	604
<b>Richmond Hill</b>						<b>1,885</b>	<b>94%</b>	<b>5</b>	<b>\$769</b>	<b>\$1,031</b>	<b>747</b>

\*Source: Urbanation



# Surrounding Development Applications

As of Q3 2022, there are currently 47,184 residential condominium units throughout 55 projects proposed in Richmond Hill. These projects are in various stages of approval.



Project	Developer Name	Address	Proposed Opening	Total Units
Arnold / Major Mackenzie	The Acorn Development Corp. / Acorn Development Corp.	129-147 Arnold Cres		790
Baif Don Head	Baif Developments	Addison St & Hopkins St		1981
Bathurst / Autumn Hill	607919 Ontario Ltd.	8905 Bathurst St		396
Bathurst / Hostel	2628908 Ontario Ltd.	9593 Bathurst St		13
Bayview / Cartier	2573163 Ontario Inc. & 2668860 Ontario Inc.	122-126 Cartier Cres		165
Bayview / Crosby	ElginBay Corp	10568 Bayview Ave		684
Bayview / Elgin Mills	1430518 Ontario Ltd	0 Elgin Mills Rd E	2023	400
Bayview / Elgin Mills	Sanmike Construction Ltd	10665 Bayview Ave		532
Bayview Palace	2747883 Ontario Inc. and 275302 Ontario Inc	13572-13586 Bayview Ave		103
Church / Major Mackenzie	1338480 Ontario Ltd	45-53 Major Mackenzie Dr E		24
The Emerald	2515756 Ontario Inc.	11488 Yonge St & 49 Gamble Rd	2023	185
Former The Rosetown	Richmond Hill Re-Dev Corp.	64-72 Major Mackenzie E & 115-119 Church St S		50
Four Seasons Garden Res - Ph 4 & 5	Catalia Dev Group	75-85 Norman Bethune Ave		600
Gates of Bayview Towers	Gates of Bayview Townhomes Inc. (Pemberton Group)	0 Oneida Cr		1518
Grand Genesis - Ph 3	Guizzetti Dev / Holborn	9076-9106 Yonge St, 8 Edgar Ave		130
High Tech Transit Oriented Community	Yonge Bayview Holdings Inc. / Saltwhistle Bay Properties Inc. / Carondelet Holdings Inc. / Condon York Holdings Inc.	Yonge St & High Tech Rd		21000

Lennox / Major MacKenzie	Mehdri Rezael Boroum	219-227 Major MacKenzie Dr		66
Leslie / 19th Ave	Amir-Hessam Ltd & 668152 Ontario Ltd.	11280 Leslie St	2023	190
Leslie / Bethesda	William H. Worden	1393 Bethesda Sideroad		400
Leslie / Elgin Mills	Leslie Elgin Developments Inc.	10961-11121 Leslie St, 0 John Birchall Rd		650
Leslie / Elgin Mills	Conservatory Group	10956-11060 Leslie St		200
Nahid on Yonge	9861 Yonge Development Inc. (Nahid Corp)	9861 Yonge St, 236-240 Church St S		149
New Bayview Hill	CIM Development Inc	10747 Bayview Ave	2023	306
Northern Heights / 16th	Parioli Peak Estates Inc. (Greenpark Group)	77-89 16th Ave		922
Observatory Lane	2721854 Ontario Inc. (Metropole - Nord Hub JV)	45 Observatory Ln		255
Royal Gardens - Remaining Phases	Liberty Development Corp	9-15 Rockwell Rd, 372-382 Hwy 7		700
South Hill - Phase 1	Whitehorn Investments Ltd.	9301-9335 Yonge St		821
West Beaver Creek / Leslie	2303042 Ontario / OGO Development	9140 Leslie St		818
Y8700 Condos	Metroview Developments (Garden) Inc.	8700-8710 Yonge St		710
Y9929 Condos	Metroview Developments (Elmwood) Inc.	9929-9939 Yonge St, 186-188 Church St	2023	263
Yonge / 16th	Taheri Development Inc.	9218 Yonge St		796
Yonge / 16th	Yonge Sixteen LP (Talisker Corp.)	9251 Yonge St		962
Yonge / Bernard	TSMJC Properties Inc	10909 Yonge St	2023	338
Yonge / Bloomington	Baif Developments	13515-13715 Yonge St, 53 St. Laurent Dr	2023	1897
Yonge / Brookside	J-G Cordone Investments Ltd	11130 Yonge St		156
Yonge / Brookside	Yonge MCD INC	11014-11076 Yonge St, 47-59 Brookside Rd, 12-24 Naughton Dr	2023	1035
Yonge / Canyon Hill	Dogliola Developments Ltd. (Greenpark Homes) & Campo Ridge Home Corp. (Treasure Hill)	10898, 10922, 10944 & 10956 Yonge St		1160
Yonge / Carrville	2514099 Ontario Ltd	119 Carrville Rd		68
Yonge / Carrville	Goldenville Development Inc.	39-97 Carrville Rd		827
Yonge / Centre	Robert Salna Holdings Inc & Pennytech Inc	10217-10225 Yonge St		81
Yonge / Clarissa	1246652 B.C. Ltd.	9651 Yonge St		610
Yonge / Coons	2101071 Ontario Inc.	13564-13580 Yonge St		214
Yonge / Devonsleigh	Yongehurst Developments Inc.	11305 Yonge St	2023	107
Yonge / Enford - Block 4	Nahid Corp	10481 Yonge St		490
Yonge / Harding	Metroview Developments (Harding) Inc.	9839 Yonge St, 254-264 Church St, 17 Harding Blvd	2023	435
Yonge / Hunt	Zamani Homes (Richmond Hill) Ltd. (Zamani Homes)	10423-10429 Yonge St		546
Yonge / Jefferson	J.G. Cordone Investments Ltd	12030 Yonge St		156
Yonge / Levendale	Upper Yonge Properties Ltd.	10441-10459 Yonge St		236
Yonge / Major Mackenzie	1338480 Ontario Inc	45-53 Major Mackenzie Dr		24
Yonge / May	2705785 Ontario Ltd. (Dilawri Group of Companies)	9675-9699 Yonge St		366
Yonge / Stouffville	Golden Heights Real Estate Inv. Corp.	12050 Yonge St		206
Yonge / Weldrick	Intracorp	25-33 Yongehurst Rd, 18-30 Weldrick Rd W		627
Yonge / Worthington	Yorkdale Group	13532-13554 Yonge St		198
Yonge / Yongehurst	Yongehurst Developments (8-10), (12) and (14) Inc.	8-14 Yongehurst Rd		88
<b>Richmond Hill Total:</b>				<b>47,184</b>

\*Source: Urbanation

## Residential Demand in the GTA

A total of 1,749 new condo apartments were sold across the Greater Toronto Area in the 3rd quarter of 2022 representing a decrease of 19% year over year. The average sold price for the Greater Toronto Area was \$1,380. Additionally, resale index prices increased by 3% year over year to \$891 per square foot.

Condominium Market Overview by Quarter					
Greater Toronto Area					
Quarter	Q3-2021	Q4-2021	Q1-2022	Q2-2022	Q3-2022
<b>New Condominium Market</b>					
Projects (incl. sold-out)	466	478	480	485	469
Total Units	134,059	137,145	136,871	138,976	136,353
Quarter Sales	8,320	8,340	8,389	7,122	1,748
Unsold Inventory	13,408	11,166	8,825	11,795	12,943
Avg. New Launch PSF	\$1,153	\$1,361	\$1,316	\$1,372	\$1,380
Avg. Unsold PSF	\$1,244	\$1,329	\$1,395	\$1,440	\$1,427
Total Absorption Level	90%	92%	94%	92%	91%
<b>New Project Openings</b>					
Projects	25	21	25	35	10
Total Units	8,672	6,057	6,070	10,157	2,857
<b>New Project Construction</b>					
Construction Starts	6,394	2,020	6,715	3,713	8,953
Completions	2,222	3,398	4,291	4,532	2,365
Projects U/C	295	295	300	297	314
Total Units U/C	88,238	89,073	90,678	90,494	96,510
<b>Resale Market</b>					
Projects	2,064	2,072	2,088	2,104	2,128
Total Units	393,161	394,787	398,276	403,038	407,702
Quarter Sales	6,877	6,832	6,925	5,076	3,815
Avg. Price	\$709,000	\$733,000	\$813,000	\$794,000	\$743,000
Avg. Price PSF	\$861	\$875	\$988	\$940	\$891
Total Listings	10,041	8,097	9,117	9,322	9,031
Sales to Listings Ratio	68%	84%	76%	54%	42%
<b>New Resale Additions</b>					
Projects	17	8	16	16	24
Total Units	3,863	1,626	3,489	4,762	4,664

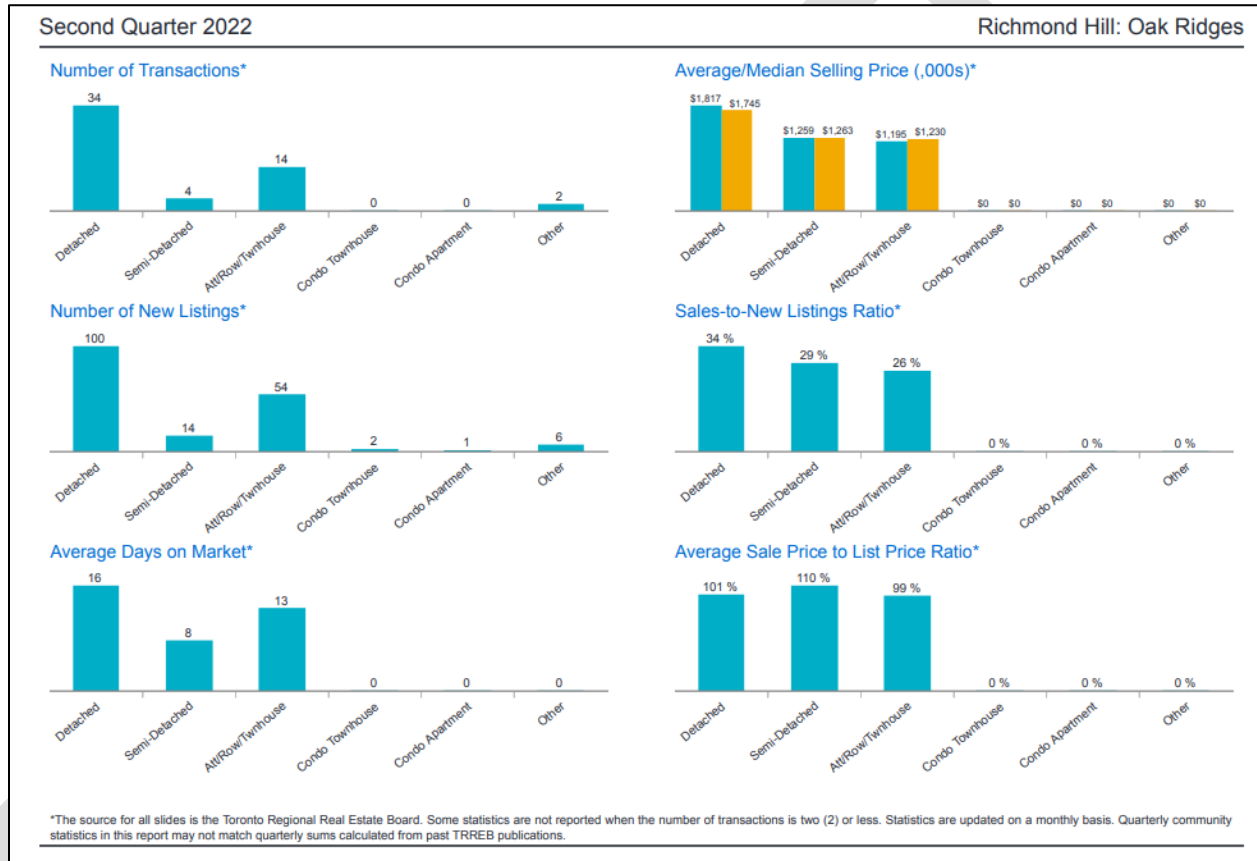
\*Source: Urbanation



## Resale Market

According to the Toronto Real Estate Board, during the 2nd quarter of 2022 in the community of Richmond Hill: Oak Ridges, there were a total of 40 residential resales on market with a total dollar volume of \$61,832,888. The average price per dwelling was \$1,545,822 with the median price per dwelling at \$1,485,000. The average number of days on market was 12 days.

For townhouse dwellings, the median price was \$1,230,000 with an average sale to new listing ratio of 26%. This indicates there were fewer sales than new listings during this quarter.



\*Source: Toronto Real Estate Board

### Conclusion

Given the strong absorption of new projects and the activity in the resale market, market factors appear to be supportive of the proposed development.

# Valuation

## Highest and Best Use

The principle of highest and best use is fundamental to the concept of value in real estate. Highest and best use, in general, may be defined as follows:

“The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.”

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2022 ed., p. 7)

The aforementioned characteristics are considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests. See the **Appendix** for a more detailed definition of each of the four characteristics. The following analysis contributes to our conclusions of highest and best use.

### As Vacant Analysis

#### Legal Permissibility

The legal factors that can influence the highest and best use of the Subject site include land use/zoning regulations, private restrictions, building codes, historic designations/district controls, environmental regulations and others, if applicable to the Subject site. In the Subject instance, general ranges of permitted uses under its Residential Medium Density, Park zoning were summarized in the Land Use / Zoning section. The subject has received a site specific approval for a stacked townhouse development. Overall, legal factors appear supportive of a medium density residential development.

#### Physical Possibility

Regarding physical characteristics, the Subject site is rectangular in shape and has generally level topography with good access and good exposure. Physical and locational features appear supportive of medium density residential development for the site's highest and best use as-vacant.

#### Financial Feasibility

Our observations of current market conditions for development at the Subject property's location suggest that development of the site with a medium density residential development would be feasible.

#### Maximum Productivity

Of the various legally permissible, physically possible, and financially feasible uses available, the maximum productivity of the property would be achieved with a medium density residential development.

#### Highest and Best Use as if Vacant

Upon examination of the factors mentioned above and careful consideration of the relevant factors including the Subject Property location, site characteristics, land use controls and the condition of the real estate market, the highest and best use of the Subject Property, as if vacant, is considered to be Medium density residential development.

### Highest and Best Use as Improved

As the property being appraised represents vacant land, an analysis of its Highest and Best Use as Improved is not relevant and has therefore not been completed.

DRAFT

# Valuation Methodology

Traditionally, there are three accepted methods of valuing real property:

- Cost Approach;
- Direct Comparison Approach; and
- Income Approach.

The selection of a relevant methodology depends upon the nature and characteristics of the real estate under consideration. The Subject Property is a vacant land parcel as such we have outlined the applicable land valuation techniques below:

The **Direct Comparison Approach** is based upon the premise that a prudent purchaser would not pay more for a property than what it would cost to acquire a suitable alternative property and that the market value of a property can be estimated by comparing sales, offers, and listings of properties which have similar characteristics to the property being appraised.

The **Abstraction Method** of valuing land is premised upon the Principal of Contribution. This method is premised on the assumption that within each category and type of real estate, there exists a typical ratio of land value to total property value. By knowing what this ratio is from data compiled from areas where land and building values are available and applying it to the sales information regarding improved properties in a built up area, an estimate of land value can be abstracted. The reliability of this method is diminished because it does not take into explicit consideration such relevant criteria as building age or quality of construction.

A method of land valuation similar to the Abstraction Method but which implicitly recognizes differences in building age and quality of construction is the **Extraction Method**. This method deducts the estimated depreciated reproduction or replacement cost of the improvements of an improved property for which the total property value is known to arrive at an estimate of land value as if vacant.

When valuing larger parcels for which the highest and best use is the parcel's subdivision into smaller sites, and for which sales information regarding similar larger sites is insufficient to undertake a Direct Comparison Approach, the **Subdivision Development Method** may be employed. In applying this method, the first step is to establish market values for the smaller sites as though subdivided, the length of the development period, and an appropriate absorption period. The second step is to determine the costs required to create and market the subdivided parcels which includes engineering and construction costs associated with the site preparation, roadways, sidewalks and servicing; carrying costs such as insurance and taxes; and marketing costs. These costs are then deducted from the projected gross revenue of the lots to arrive at an estimate of the net proceeds which, once discounted at an applicable rate to account for the risk associated with the time required to complete such a development, are indicative of the present market value of the larger, un-subdivided site.

Another method that may be employed in the absence of adequate comparable information is the **Land Residual Technique**. In this method the net income generated from the property is established. From this is deducted a reasonable return on and recapture of capital invested in the improvements. The residual income is considered to be ascribed from the land. This income is then capitalized at an appropriate rate to arrive at an estimate of land value. An important assumption required in the application of this method is

that the site is developed to its highest and best use such that the income from land and improvements are of the same type and sources.

A similar method as the Land Residual Technique is **Ground Rent Capitalization**. Undertaking this method of site valuation requires the analysis of ground rents prevalent in the market and in consideration of the characteristics of the site being appraised. From the analysis, a gross income is established from which any requisite expenses or anticipated losses are deducted to arrive at a net operating income. This net operating income is then capitalized at an applicable rate to arrive at an estimate of the vacant site.

All of the above noted methods are derived from the three traditional approaches to value noted above.

### Selection of Relevant Methodology

The primary valuation methodology for development lands such as the Subject Property is the Direct Comparison Approach thus it will be completed and relied upon in our report. The Direct Comparison Approach involves the analysis of sales of similar land parcels. The other land valuation techniques are not appropriate in this case. Only the Direct Comparison Approach will be completed and relied upon in our report. The Cost Approach is not considered applicable in the valuation of lands such as the Subject Property site. The Income Approach is also not considered appropriate in the valuation of development lands where no lease is in place.

# Direct Comparison Approach

The Direct Comparison Approach is based on the Principle of Substitution, which maintains that a prudent purchaser would not pay more for a property than the cost to purchase a suitable alternative property, which exhibits similar physical characteristics, tenancy, location, etc. Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the Subject Property. Typically, a unit of comparison (i.e. sale price per square foot, sale price per acre) is used to facilitate the analysis. In the case of properties similar to the Subject Property, the sale price per unit buildable is used in our analysis.

The transactions summarized and analyzed in the table on the following pages are considered to be suitably comparable to the Subject Property with respect to the characteristics below and therefore provide a reasonable and reliable indication of value.

As one sale is not necessarily indicative of market value, an appraiser examines a number of market transactions. When properly reconciled, trends emerge, leading to the estimate of market value of the property being appraised.

In valuing the Subject Property, comparison was made to each of the indexed sales. The basis for comparison included the consideration of the following:

## Property Rights Conveyed

- When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights. In the sales comparison analysis, it is pertinent that the property rights of the comparable sale be similar to the property rights of the Subject Property.

## Financing Terms

- The transaction price of one property may differ from that of a similar property due to different financing arrangements. Financing arrangements may include existing mortgages at favourable interest rates or paying cash to a lender so that a mortgage with a below-market interest rate could be offered.

## Conditions of Sale

- Adjustments for conditions of sale usually reflect the motivations of the purchaser and vendor. In some cases the conditions of sale significantly affect transaction prices. Sales that reflect unusual situations, require an appropriate adjustment for motivation or sale condition. For example, power-of-sale conditions involve a certain degree of urgency on part of the lender - leading to a somewhat lower sale price than what would otherwise be expected.

## Market Conditions (Time)

- When market conditions are changing, it may be necessary to adjust prices to reflect the time difference between the date of sale of a comparable property and the effective date of valuation.

## Location

- An adjustment for location within a market area may be required when the locational characteristics of a comparable property differ from those of the Subject Property. Excessive locational differences



may disqualify a property from use as a comparable. Although no location is inherently desirable or undesirable, the market recognizes that one location maybe better than, similar to, or worse than another.

#### Development Timing

- An adjustment for the anticipated time to development may be required when the site requires demolition, official plan amendments, zoning amendments, and site plan approval. The time required to prepare the site for development may affect the sale price. For example a development with a 10-15 year development time horizon would sell at a lower unit rate than a development with a 3-5 year development time horizon, all else being equal.

#### Physical Characteristics

- Adjustments may be required for characteristics such as size, frontage, shape and configuration.

#### Use

- Adjustments may be required for differences between the highest and best use of the comparable sales and the Subject Property. These differences are typically identified by differences in official plan designations and zoning and the probability of an amendment.

#### Density

- An adjustment may be required to consider the differences in the permitted and/or likely achievable density.

The Appraisal Institute of Canada recommends the use of "paired sales analysis" in the derivation of adjustments. This involves locating two very similar sales that sell in a similar time period. If the two sales differ in only one key feature, then the difference in sale price can be used as the "market indicator" for the adjustment for that feature. In practice, this concept usually only applies to newer homes in a subdivision. Commercial and industrial properties tend to be more unique and therefore, it is not always possible to find paired sales to derive adjustments. In the absence of paired sales, it is the appraisers' experience and judgment (based on observation), which is used for adjustments.

In order to establish reasonably achievable rates for the Subject Property, we have conducted a search of the Subject Property's area as well as other comparable markets areas for transactions of development sites featuring comparable sizes, land use controls, locations and development risk. Our search yielded five sales, which are considered to provide a reasonable indication of rates for development sites similar to the Subject Property. The map and comparable sale sheets included on the following pages detail the five comparable property sales we have identified and considered for analysis, followed by an overview of each comparable sale property.

## Cumulative Sell-Out Value

The subject development is a 178-unit stacked townhouse development. Plans provided by the client indicate the development will have a total area of 165,434 square feet of sellable space above grade.

In order to ascertain the current market value for the subject units, we have investigated selling prices of similar developments in the subject's competitive market.

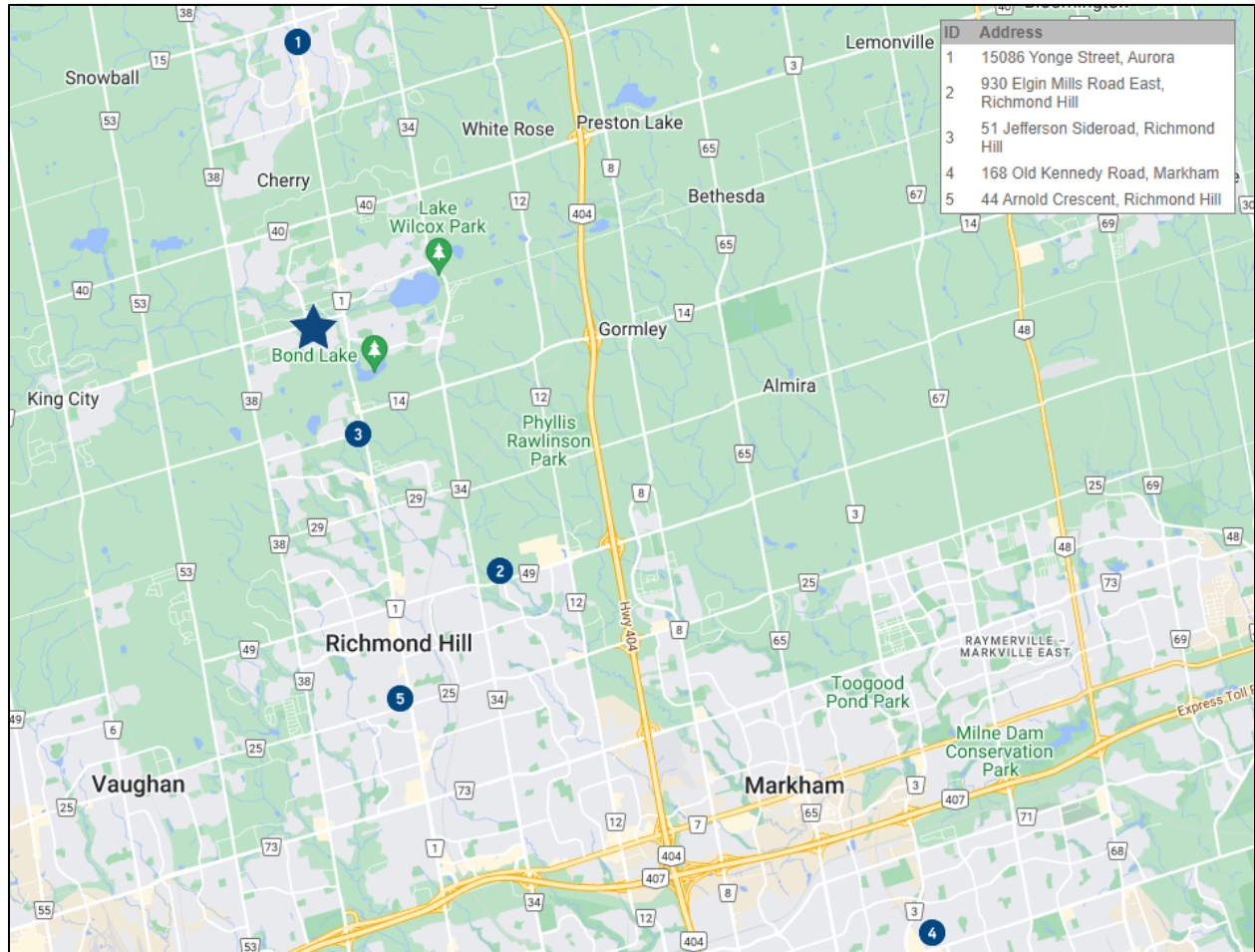
### Market Data

We have reviewed sales information on numerous residential developments in the surrounding market of the subject. We have selected developments considered most relevant for the purposes of comparison. These projects are summarized in the following chart and in further detail followed thereafter. It should be noted these figures below are inclusive of HST.

Index	Development	Address	Opening Date	Occupancy Date	Total Suites	Unit Size Range (SF)	Available Price (\$PSF)	% Sold	Parking	Status
1	High Park Urban Towns	15086 Yonge Street, Aurora	Nov 2021	Jan 2024	38	625 to 1,232	\$944	100%	Above ground parking included.	Pre-Construction
2	Hill on Bayview	930 Elgin Mills Road East, Richmond Hill	May 2021	Oct 2024	205	825 to 1,333	\$1,118	89%	Undground parking included.	Under Construction
3	Richmond Hill Grace	51 Jefferson Sideroad, Richmond Hill	May 2021	Apr 2023	60	855 to 1,385	\$1,045	88%	Undground parking included.	Under Construction
4	One Place Gardens	168 Old Kennedy Road, Markham	May 2021	Sep 2023	64	900 to 2,021	\$729	92%	Undground parking included.	Under Construction
5	High Point Place	44 Arnold Crescent, Richmond Hill	Sep 2020	Jul 2024	88	1,072 to 1,388	\$913	91%	Undground parking included.	Under Construction
<b>Subject</b>	-	<b>201, 227, 235 King Rd, Richmond Hill</b>	-	-	<b>178</b>	<b>930</b>	-	-	-	<b>Pre-Construction</b>

Source(s): Altus RealNet

## Map of Comparables



The above indices are located in varying locations within York Region. The unadjusted per square foot unit rates of the above market indices indicate a range of \$729 to \$1,118 per square foot for available inventory. The low end of this range is highlighted by Index 4, for which presales began in May 2021. The high end of the range pertains to Index 2, for which presales began in May 2021. It should be noted that all of the figures displayed above are inclusive of HST. Further description of each development can be found on the following pages.

## Index 1 – High Park Urban Towns

Development Name : High Park Urban Towns  
Address : 15086 Yonge Street, Aurora



### Project Summary

Unit Type	Total Suites	Suite Mix	Min. Area (sf)	Max. Area (sf)	Min. Price (000s)	Max. Price (000s)	Min. Price PSF	Max. Price PSF	% Sold
1 BEDROOM	3	8%	625	625	\$739,990	\$739,990	\$1,184	\$1,184	100%
2 BEDROOM	30	79%	720	1,232	\$749,990	\$1,054,990	\$1,042	\$856	100%
2 BEDROOM+ DEN	5	13%	955	955	\$889,990	\$889,990	\$932	\$932	100%
<b>Total</b>	<b>38</b>	<b>100%</b>	<b>625</b>	<b>1,232</b>	<b>\$739,990</b>	<b>\$1,054,990</b>	<b>\$932</b>	<b>\$1,184</b>	<b>100%</b>

<b>Developer :</b>	<b>Caliber Homes</b>
<b>Type :</b>	Stacked condo
<b>Units Type :</b>	1 - 2 bed + den
<b>Units :</b>	38
<b>Unit Sizes (s.f.) :</b>	625 to 1,232
<b>Sales Opening :</b>	Nov-2021
<b>Estimated Completion :</b>	Jan-2024
<b>Construction Status :</b>	Pre-Construction
<b>% Sold</b>	100%
<b>Unit Price Range</b>	\$739,990 to \$1,054,990
<b>Original \$ /SF</b>	\$944
<b>Available \$ / SF</b>	\$944
<b>Maintenance \$ / SF:</b>	\$0.30
<b>Parking :</b>	Above ground parking included in purchase price.
<b>Description :</b>	<p><b>Suite Features</b></p> <p><i>Appliances: stainless steel fridge, dishwasher, stove with exhaust hood fan; white washer/dryer.</i></p> <p><i>Kitchen: granite countertops.</i></p> <p><i>Bathroom: acrylic deep soaker tub, laminate countertops, ceramic wall tiles in tub/showers.</i></p> <p><i>Flooring: laminate flooring in great room, front foyer, kitchen and upper landing; ceramic tiles in bathroom and laundry/mechanical rooms.</i></p> <p><i>Other: terrace, balcony or sunken patio (as per plan).</i></p> <p><b>Amenities</b> n.a.</p>

## Index 2 – Hill on Bayview

Development Name : Hill on Bayview  
Address : 930 Elgin Mills Road East, Richmond Hill



### Project Summary

Unit Type	Total Suites	Suite Mix	Min. Area (sf)	Max. Area (sf)	Min. Price (000s)	Max. Price (000s)	Min. Price PSF	Max. Price PSF	% Sold
1 BEDROOM + DEN	23	11%	825	936	\$759,900	\$759,900	\$921	\$812	100%
2 BEDROOM	82	40%	1,234	1,234	\$1,279,900	\$1,281,900	\$1,037	\$1,039	100%
2 BEDROOM + DEN	68	33%	1,288	1,333	\$1,429,900	\$1,500,900	\$1,110	\$1,126	66%
3 BEDROOM & UP	32	16%	1,026	1,142	\$982,900	\$982,900	\$958	\$861	100%
<b>Total</b>	<b>205</b>	<b>100%</b>	<b>825</b>	<b>1,333</b>	<b>\$759,900</b>	<b>\$1,500,900</b>	<b>\$921</b>	<b>\$1,126</b>	<b>89%</b>

<b>Developer :</b>	<b>Armour Heights Developments</b>
<b>Type :</b>	Stacked condo
<b>Units Type :</b>	1 - 3 Bed
<b>Units :</b>	205
<b>Unit Sizes (s.f.) :</b>	825 to 1,333
<b>Sales Opening :</b>	May-2021
<b>Estimated Completion :</b>	Oct-2024
<b>Construction Status :</b>	Under Construction
<b>% Sold</b>	89%
<b>Unit Price Range</b>	\$759,900 to \$1,500,900
<b>Original \$ /SF</b>	\$691
<b>Available \$ / SF</b>	\$1,118
<b>Maintenance \$ / SF:</b>	\$0.15
<b>Parking :</b>	Underground parking included in purchase price. Additional parking available for purchase at \$65,000.
<b>Description :</b>	<p><b>Suite Features</b></p> <p><i>Appliances: refrigerator, electric ceramic glass cooktop, convection wall oven, dishwasher, washer and dryer.</i></p> <p><i>Kitchen: quartz countertops, designer selected backsplash tile, per builder's standard samples, kitchen island.</i></p> <p><i>Bathroom: quartz countertops, porcelain/ceramic wall tile and acrylic shower base, as per plan, framed glass shower panel, as per plan.</i></p> <p><i>Flooring: laminate hardwood flooring throughout, porcelain/ceramic tile in laundry rooms, bathrooms and mechanical rooms, as per builder's standard samples.</i></p> <p><b>Amenities</b></p> <p><i>Car wash station, pet wash station and children's playground.</i></p>

## Index 3 – Richmond Hill Grace

Development Name : Richmond Hill Grace  
Address : 51 Jefferson Sideroad, Richmond Hill



### Project Summary

Unit Type	Total Suites	Suite Mix	Min. Area (sf)	Max. Area (sf)	Min. Price (000s)	Max. Price (000s)	Min. Price PSF	Max. Price PSF	% Sold
2 BEDROOM	45	75%	855	1,160	\$888,990	\$1,198,990	\$1,040	\$1,034	87%
3 BEDROOM & UP	15	25%	1,385	1,385	\$1,498,990	\$1,498,990	\$1,082	\$1,082	93%
<b>Total</b>	<b>60</b>	<b>100%</b>	<b>855</b>	<b>1,385</b>	<b>\$888,990</b>	<b>\$1,498,990</b>	<b>\$1,040</b>	<b>\$1,082</b>	<b>88%</b>

<b>Developer :</b>	<b>Grand Grace Development</b>
<b>Type :</b>	Stacked condo
<b>Units Type :</b>	2 - 3 bed
<b>Units :</b>	60
<b>Unit Sizes (s.f.) :</b>	855 to 1,385
<b>Sales Opening :</b>	May-2021
<b>Estimated Completion :</b>	Apr-2023
<b>Construction Status :</b>	Under Construction
<b>% Sold</b>	88%
<b>Unit Price Range</b>	\$888,990 to \$1,498,990
<b>Original \$ /SF</b>	\$767
<b>Available \$ / SF</b>	\$1,045
<b>Maintenance \$ / SF:</b>	\$0.23
<b>Parking :</b>	Underground parking included in purchase price. Additional parking available for purchase.
<b>Description :</b>	<p><b>Suite Features</b></p> <p><i>Appliances: white stacked washer/dryer.</i></p> <p><i>Kitchen: ceasarstone countertop, ceramic backsplash.</i></p> <p><i>Bathroom: ceasarstone countertop, flat slab wood grain cabinetry, soaker tub/shower in main bathroom; glass shower enclosure in master ensuite, ceramic tile shower surround.</i></p> <p><i>Flooring: wide plank vinyl throughout; porcelain tile in bathrooms and laundry; oak on staircase.</i></p> <p><b>Amenities</b></p> <p><i>n.a.</i></p>



## Index 4 – One Place Gardens

Development Name : One Place Gardens  
Address : 9704 McCowan Ave, Markham



### Project Summary

Unit Type	Total Suites	Suite Mix	Min. Area (sf)	Max. Area (sf)	Min. Price (000s)	Max. Price (000s)	Min. Price PSF	Max. Price PSF	% Sold
1 BEDROOM	8	12%	1,453	1,527	\$1,205,900	\$1,225,900	\$830	\$803	75%
2 BEDROOM	48	75%	900	1,115	\$850,000	\$950,000	\$944	\$852	100%
3 BEDROOM & UP	8	12%	1,916	2,021	\$1,306,800	\$1,390,800	\$682	\$688	63%
<b>Total</b>	<b>64</b>	<b>100%</b>	<b>900</b>	<b>2,021</b>	<b>\$850,000</b>	<b>\$1,390,800</b>	<b>\$682</b>	<b>\$852</b>	<b>92%</b>

<b>Developer :</b>	<b>Berkin Development</b>
<b>Type :</b>	Stacked condo
<b>Units Type :</b>	1 bed - 3 bed
<b>Units :</b>	64
<b>Unit Sizes (s.f.) :</b>	900 to 2,021
<b>Sales Opening :</b>	May-2021
<b>Estimated Completion :</b>	Sep-2023
<b>Construction Status :</b>	Under Construction
<b>% Sold</b>	92%
<b>Unit Price Range</b>	\$850,000 to \$1,390,800
<b>Original \$ /SF</b>	\$836
<b>Available \$ / SF</b>	\$729
<b>Maintenance \$ / SF:</b>	\$0.31
<b>Parking :</b>	Under ground parking included in purchase price. Additional parking available for purchase at \$45,000.
<b>Description :</b>	<p><b>Suite Features</b></p> <p><i>Appliances: stainless steel range oven, dishwasher and over-the-range-microwave with built in fan; glass-on-steel fridge; stacked washer/dryer.</i></p> <p><i>Kitchen: quartz countertops, tile backsplash, islands as per plan.</i></p> <p><i>Bathroom: quartz countertop, frameless glass shower enclosure, tile shower surround, soaker bathtub.</i></p> <p><i>Flooring: wide plank laminate throughout; porcelain tile in bathrooms and laundry closet.</i></p> <p><i>Other: rooftop terrace or private balconies as per plan.</i></p> <p><b>Amenities</b></p> <p>n.a.</p>

## Index 5 – High Point Place

Development Name : High Point Place  
Address : 44 Arnold Crescent, Richmond Hill



### Project Summary

Unit Type	Total Suites	Suite Mix	Min. Area (sf)	Max. Area (sf)	Min. Price (000s)	Max. Price (000s)	Min. Price PSF	Max. Price PSF	% Sold
2 BEDROOM	43	49%	1,072	1,388	\$994,900	\$1,234,900	\$928	\$890	93%
2 BEDROOM+ DEN	30	34%	1,072	1,316	\$1,004,900	\$1,184,900	\$937	\$900	83%
3 BEDROOM& UP	15	17%	1,257	1,257	\$897,900	\$897,900	\$714	\$714	100%
<b>Total</b>	<b>88</b>	<b>100%</b>	<b>1,072</b>	<b>1,388</b>	<b>\$897,900</b>	<b>\$1,234,900</b>	<b>\$714</b>	<b>\$900</b>	<b>91%</b>

<b>Developer :</b>	<b>The Sher Corporation</b>
<b>Type :</b>	Stacked condo
<b>Units Type :</b>	1 - 3 Bed
<b>Units :</b>	88
<b>Unit Sizes (s.f.) :</b>	1,072 to 1,388
<b>Sales Opening :</b>	Sep-2020
<b>Estimated Completion :</b>	Jul-2024
<b>Construction Status :</b>	Under Construction
<b>% Sold</b>	91%
<b>Unit Price Range</b>	\$897,900 to \$1,234,900
<b>Original \$ /SF</b>	\$627
<b>Available \$ / SF</b>	\$913
<b>Maintenance \$ / SF:</b>	\$0.30
<b>Parking :</b>	Undground parking included.
<b>Description :</b>	<p><b>Suite Features</b></p> <p><i>Appliances: stainless steel finish refriderator, self-cleaning range, dishwasher, and over the range microwave; white stacked top-loading washer and front loading dryer as per plan.</i></p> <p><i>Kitchen: solid surface countertops and ceramic tile backsplash.</i></p> <p><i>Bathroom: solid surface countertops, wall and ceiling tile for shower enclosures.</i></p> <p><i>Flooring: ceramic tile flooring in entry, powder room, all bathrooms, roof terrace entry, laundry room; laminate throughout as per plan; carpet in bedrooms and staircases (excludes laminate areas) as per plan.</i></p> <p><i>Other: terrace.</i></p> <p><b>Amenities</b></p> <p><i>n.a.</i></p>

## Analysis

The Direct Comparison Approach, which is the most common technique used to value residential properties, and is the preferred method when sales of comparable properties are available. The highest and best use of the Subject property is as a development site for residential uses. The direct comparison approach is the only approach used in the valuation of the subject.

The preceding projects are all located within the York Region. They range in size from 38 to 205 units and are in varying stages of development, with presales commencing from September 2021 to November 2021. We have assumed that the proposed quality of suite finishes is commensurate with the prevailing market conditions. ***It should be noted that prices expressed are inclusive of HST and other taxes as the market does not report competed sales figures for these development projects net of taxes.***

### Index 1

High Park Urban Towns: This stacked condo development is located at 15086 Yonge Street, Aurora. Pre-sales for this development commenced in November 2021 with unit size ranging from 625 to 1,232 square feet. As of the effective date, this development, which totals 38 units, had achieved an average sold price per square foot of \$944.

When comparing this index to the Subject, this index is situated within an inferior location. Therefore, an upwards adjustment is required for location. Relative to the subject, this index is expected to have similar interior finishes, requiring no adjustment. The average unit size within Index 1 is smaller than the average size of the Subject units, thus requiring a slight downward adjustment as smaller units typically sell at a premium on a per square foot basis. Presales began in this index in November 2021, since which time the residential market has improved requiring a slight upward adjustment.

**Overall, the Subject should achieve an average rate per square foot greater than the \$944 per square foot, inclusive of tax, achieved by this index.**

### Index 2

Hill on Bayview: This stacked condo development is located at 930 Elgin Mills Road East, Richmond Hill. Pre-sales for this development commenced in May 2021 with unit size ranging from 825 to 1,333 square feet. As of the effective date, this development, which totals 205 units, had achieved an average sold price per square foot of \$1,118.

When comparing this index to the Subject, this index is situated within a superior location. Therefore, a downward adjustment is required for location. Relative to the subject, this index is expected to have similar interior finishes, requiring no adjustment. The average unit size within Index 2 is larger than the average size of the Subject units, thus requiring an upwards adjustment as smaller units typically sell at a premium on a per square foot basis. Presales began in this index in May 2021, since which time the residential market has improved requiring an upwards adjustment.

**Overall, the Subject should achieve an average rate per square foot similar to the \$1,118 per square foot, inclusive of tax, achieved by this index.**

### Index 3

Richmond Hill Grace: This stacked condo development is located at 51 Jefferson Sideroad, Richmond Hill. Pre-sales for this development commenced in 2021 with unit size ranging from 855 to 1,385 square feet.

As of the effective date, this development, which totals 60 units, had achieved an average sold price per square foot of \$1,045.

When comparing this index to the Subject, this index is situated within a similar location. Therefore, no adjustment is required for location. Relative to the subject, this index is expected to have similar interior finishes, requiring no adjustment. The average unit size within Index 3 is similar in size than the average size of the Subject units, thus requiring no adjustment as smaller units typically sell at a premium on a per square foot basis. Presales began in this index in May 2021, since which time the residential market has improved requiring an upwards adjustment.

**Overall, the Subject should achieve an average rate per square foot greater than the \$1,045 per square foot, inclusive of tax, achieved by this index.**

#### **Index 4**

One Place Gardens: This stacked condo development is located at 9704 McCowan Ave, Markham. Pre-sales for this development commenced in May 2021 with unit size ranging from 900 to 2,021 square feet. As of the effective date, this development, which totals 64 units, had achieved an average sold price per square foot of \$729.

When comparing this index to the Subject, this index is situated within an inferior location. Therefore, an upwards adjustment is required for location. Relative to the subject, this index is expected to have similar interior finishes, requiring no adjustment. The average unit size within Index 4 is larger than the average size of the Subject units, thus requiring an upwards adjustment as smaller units typically sell at a premium on a per square foot basis. Presales began in this index in May 2021, since which time the residential market has improved requiring an upwards adjustment.

**Overall, the Subject should achieve an average rate per square foot significantly greater than the \$729 per square foot, inclusive of tax, achieved by this index.**

#### **Index 5**


High Point Place: This stacked condo development is located at 44 Arnold Crescent, Richmond Hill. Pre-sales for this development commenced in September 2020 with unit size ranging from 1,072 to 1,388 square feet. As of the effective date, this development, which totals 88 units, had achieved an average sold price per square foot of \$913.

When comparing this index to the Subject, this index is situated within a superior location. Therefore, a slight downward adjustment is required for location. Relative to the subject, this index is expected to have similar interior finishes, requiring no adjustment. The average unit size within Index 5 is larger than the average size of the Subject units, thus requiring a slight upward adjustment as smaller units typically sell at a premium on a per square foot basis. Presales began in this index in September 2020, since which time the residential market has improved requiring an upwards adjustment.

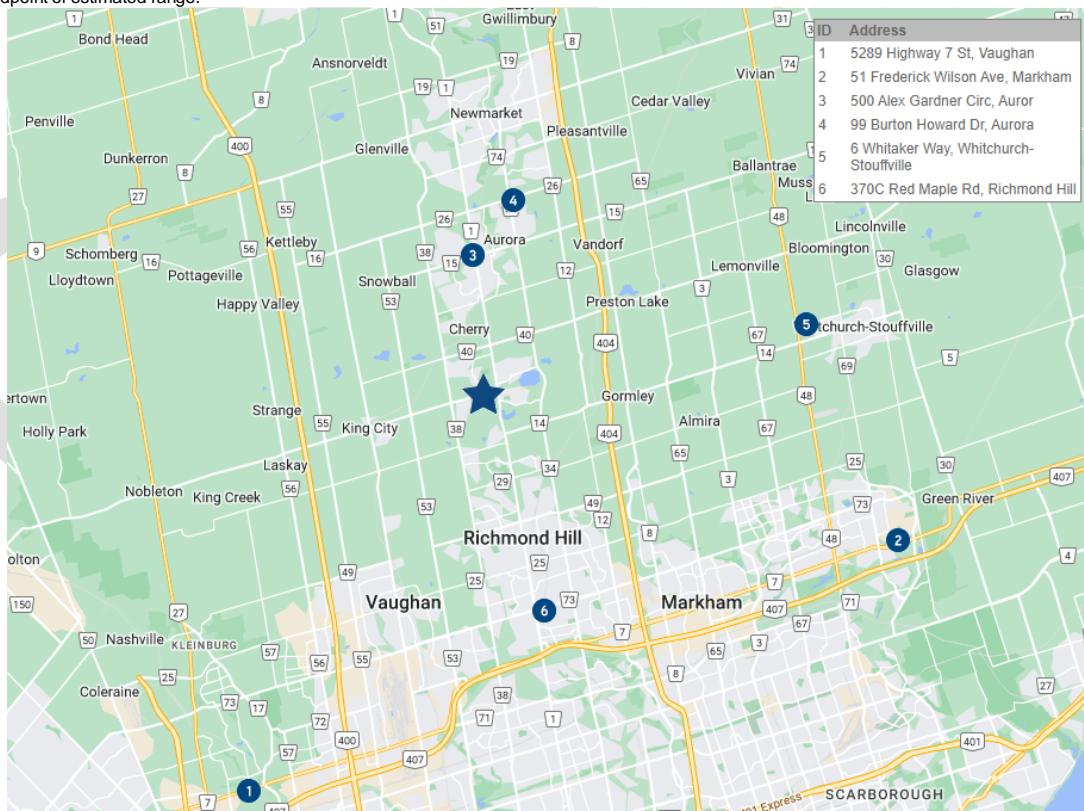
**Overall, the Subject should achieve an average rate per square foot greater than the \$913 per square foot, inclusive of tax, achieved by this index.**

## Townhome Resales

The following is a sample of recent sales of existing townhome condominiums and stacked townhomes in the subject's area. This information has been incorporated in the analysis on the following page.

Index	Image	Address	Unit #	Sale Date	Price	SF	\$/SF	Beds	Baths	Type
1		5289 Highway 7 St, Vaughan	Unit D803	Nov 2022	\$787,500	1,100*	\$716	2	3	Stacked Townhouse
2		51 Frederick Wilson Ave, Markham	n.a.	Nov 2022	\$835,000	1,399	\$597	2	3	Condo Townhouse
3		500 Alex Gardner Circ, Aurora	Unit 103	Oct 2022	\$620,000	950*	\$653	2	3	Condo Townhouse
4		99 Burton Howard Dr, Aurora	n.a.	Oct 2022	\$747,500	1,300*	\$575	2	3	Condo Townhouse
5		6 Whitaker Way, Whitchurch-Stouffville	Unit 459	Oct 2022	\$738,000	1,190	\$620	2	2	Stacked Townhouse
6		370C Red Maple Rd, Richmond Hill	Unit 82	Aug 2022	\$824,000	1,100*	\$749	2	2	Stacked Townhouse

\*Used midpoint of estimated range.





## Residential Condominium Sell-Out “As Complete” Conclusion

Overall, the indices of new condominium developments represent a price per square foot within the range of \$729 to \$1,118. Resales of condominium units ranged from \$575 to \$749 per square foot, with the low end of the range representing condo townhome units. The following is a summary of our analysis.

### Analysis of Presales

Presales have not begun at the subject.

### Analysis of Comparable Projects

The most relevant comparable project was Index 3 – Richmond Hill Grace. This Index was located closely to the subject and had similar unit types. Index 3 had a currently available price of \$1,045 per square foot. It was concluded the subject should achieve a similar or higher rate due to a steady residential market and cost inflation which puts upward pressure on new construction pricing. Indices 1 and 2 were also relevant projects. Index 1 required an upward adjustment since it had an inferior location. Index 2 required a slight downward adjustment as it had a superior location. Additionally, it was noted that all the comparable projects included parking in the purchase price.

The comparable sales of existing units (resales) showed a significantly lower range per square foot. The most relevant sales were Indices 1 and 6 as they were the newest developments in comparable locations. The range presented by the resales required a significant upward adjustment since the subject is located in an above average residential submarket and will have superior finishes. Furthermore, new construction typically achieves a premium to existing inventory in the current market.

Overall, it was concluded the subject should achieve a unit rate near the high end of the range.

### Conclusion

After careful consideration of all available data and information, it is our opinion that the price per square foot that the subject would be expected to achieve would be approximately **\$1,100 per square foot**, as of the effective date of this report. This would indicate roughly **\$1,020,000 per unit** (based on 178 units).

Value Matrix - Direct Comparison		
201, 227, 235 King Rd, Richmond Hill		
Residential SF	\$/SF	Value(1)
165,434	\$1,075	\$177,800,000
165,434	\$1,100	\$182,000,000
165,434	\$1,125	\$186,100,000

(1) Rounded to nearest \$ 100,000

Based upon all of the foregoing analysis, and selecting the mid-point of the above range, the prospective market value of the condominium sell-out value is considered to be **\$182,000,000**, as at November 15, 2022.

The above value estimate is based on an exposure period of three to six months, assuming the basis of a transaction involving cash to the vendor, and is subject to the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions as detailed within the Terms of Reference section of this report, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Appendix. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained.



# Certification

**RE: Development Site, 201, 227, 235 King Road, Richmond Hill, Ontario**

I, the undersigned appraiser, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported Assumptions and Limiting conditions, and are my impartial and unbiased professional analyses, opinions and conclusions;
- I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, a conclusion favouring the client, or the occurrence of a subsequent event;
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
- Except as disclosed herein, no one has provided significant professional assistance to the person(s) signing this report;
- As of the date of this report the undersigned has fulfilled the requirements of The Appraisal Institute of Canada's Continuing Professional Development Program;
- I am a member in good standing of the Appraisal Institute of Canada;

I, the co-signing AIC Appraiser, certify that:

- I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's Certification and am taking full responsibility for the appraisal and the appraisal report;
- I am a member in good standing of the Appraisal Institute of Canada;

Information pertaining to inspection of the subject property is as follows:

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Vicente Gamboa, MBA, AACI, P. App	No	-	-
Timour Petrov, CFA, AACI, P. App	Yes	Site Only	February 13, 2022

## Final Estimate of Value

Based upon the data, analyses and conclusions contained herein, the current market value of the Fee Simple interest in the property described herein, as at November 15, 2022, is estimated to be as follows:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As If Complete	Fee Simple	November 15, 2022	\$182,000,000

**For the As-If-Complete Value, it has been assumed the subject site has been completed with a 178-unit stacked townhome development, as of the effective date. It has been assumed the development has been completed in a good workmanlike manner with superior construction and luxury finishes.**

*Due to the rapidly changing profile of the COVID-19 Pandemic, coupled with its declaration as a Global Pandemic there may be immediate, short and long-term effects on the commercial real estate market and broader economy. Notwithstanding the foregoing, it is understood that overall global and domestic economic activity has slowed in recent months, but this has not translated to tangible real estate data as of the effective date. This appraisal was completed on the assumption that Ontario will continue to progress through Phase 1 to Phase 3 of the reopening of the economy and this report does not consider further significant setbacks related to COVID-19 such as a further wave that could impact the real estate market.*

The above value estimate is based on an exposure period of three to six months, assuming the basis of a transaction involving cash to the vendor, and is subject to the Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions as detailed in the Terms of Reference of this report beginning on page 10; in addition to the Ordinary Assumptions and Limiting Conditions contained in the Appendix. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained.

Should you have any questions, we would be pleased to discuss the valuation further.

Yours very truly,

Co-Signing AIC Appraiser

AIC Appraiser

**DRAFT**

Vicente Gamboa, MBA, AACI, P. App  
Executive Vice President, Toronto

Date: November 15, 2022  
AIC Membership No. 905029

Timour Petrov, CFA, AACI, P. App  
Senior Associate

Date: November 15, 2022  
AIC Membership No. 914027

# Appendices

Appendix A	Ordinary Assumptions and Limiting Conditions
Appendix B	Definitions
Appendix C	Land Use / Zoning
Appendix D	Title Documents

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## Appendix A

# Ordinary Assumptions and Limiting Conditions

## Ordinary Assumptions and Limiting Conditions

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronic Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”), and the following conditions:

- 1) This report has been prepared at the request of **Mir M Ali** of 12252856 Canada Inc. (the client) for the purpose of providing an estimate of the market value of **201, 227, 235 King Road, Richmond Hill, Ontario** (the Subject Property) and for the specific use referred to. It is not reasonable for any party other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other party will rely on it for any other purpose. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
- 2) This report has been prepared at the request of **Mir M Ali** of 12252856 Canada Inc. and for the exclusive (and confidential) use of the recipient as named and for the specific purpose and function as stated. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
- 3) All copyright is reserved to the author and this report is considered confidential by the author and **Mir M Ali** of 12252856 Canada Inc. . Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
- 4) The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
- 5) This appraisal report, its content and all attachments/addendums and their content are the property of the appraiser. The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

- 6) The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
- 7) This report is completed on the basis that testimony or appearance in court or at any administrative proceeding concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and for preparation and for any appearances that may be required, and the provision of appropriate additional compensation.
- 8) The estimated market value of the real estate that is the Subject of this appraisal pertains to the value of the **fee simple interest** in the real property. The property rights appraised exclude mineral rights, if any.
- 9) The concept of market value presumes reasonable exposure. The exposure period is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of valuation. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The reasonable exposure period is a function not only of time and effort but will depend on the type of asset being valued, the state of the market at the date of valuation and the level at which the asset is priced. (The estimated length of the exposure period needed to achieve the estimated market value is set forth in the Letter of Transmittal, prefacing this report).
- 10) The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. However, these data are not guaranteed for accuracy. Unless otherwise stated, we did not verify client-supplied information, which we believed to be correct. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate.
- 11) The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No title search has been performed, and the appraiser assumes that the title is good and marketable and free and clear of all value influencing encumbrances, encroachments, restrictions or covenants, including leases, unless otherwise noted in this report, and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described. The property is appraised on the basis of it being under responsible ownership. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
- 12) The property has been valued on the basis that there are no outstanding liabilities except as expressly noted, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the Subject Property or any portion thereof.
- 13) The property has been valued on the basis that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in



equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate appraised.

- 14) The legal description of the property and the area of the site were obtained from the Geowarehouse. No survey of the property has been made. Any plans and sketches contained in this report show approximate dimensions only and are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
- 15) The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all Government regulations and requirements of law, including all zoning, land use classification, building codes, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto, and that if it doesn't comply, any such non-compliance may affect market value. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).
- 16) The term "inspection" refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.
- 17) The opinions of value and other conclusions contained assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
- 18) The author of this report is not qualified to comment on environmental issues (including, without limitation any chemical or biological issues) that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government, or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.
- 19) Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications

of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

- 20) Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency with respect to the Subject property's compliance with all applicable regulations, unless such investigations are expressly represented to have been made in this report. Assumptions have been made that the Subject property is in compliance with all such regulations. The Subject Property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
- 21) The interpretation of any leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed, is solely the opinion of the author and should not be construed as a legal interpretation. Further, any summaries of such contractual agreements are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
- 22) The estimated market value of the property does not necessarily represent the value of the underlying shares of the entity owning the property, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.
- 23) Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership. For the purposes of our valuation, we have not made any adjustment for the value of a fractional interest.
- 24) In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
- 25) Unless otherwise noted, the estimated market value of the property referred to is predicated upon the condition that it would be sold on a cash basis to the vendor subject to any contractual agreements and encumbrances as noted in this report as-is and where-is, without any contingent agreements or caveats. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.
- 26) Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed, as of the effective date of this appraisal, cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
- 27) The value expressed is in Canadian dollars.
- 28) This report is only valid if it bears the original or password secured digital signature(s) of the author(s). If transmitted electronically, this report will have been digitally signed and secured with personal

passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.

- 29) These Ordinary Assumptions and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.
- 30) Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

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Appendix B

Definitions



## Definitions

### Property Interests

- Fee Simple*** • Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.
- Leased Fee Interest*** • The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.
- Leasehold Interest*** • The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

### General Definitions

***Adjusted or Stabilized Overall Capitalization Rate*** is usually derived from transactions with excessive vacancy levels or contract rents over/under market levels. In such cases, net operating income is “normalized” to market levels and the price adjusted to reflect expected costs required to achieve the projected net operating income.

***The Cost Approach*** to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can obtain, by purchase of a site and construction of a building without undue delay, a property of equal desirability and utility.

***Direct or Overall Capitalization*** refers to the process of converting a single year’s income with a rate or factor into an indication of value.

***The Direct Comparison Approach*** examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the Subject Property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

***Discount Rate*** is a yield rate used to convert future payments or receipts into a present value.

***Discounted Cash Flow Technique*** offers an opportunity to account for the anticipated growth or decline in income over the term of a prescribed holding period. More particularly, the value of the property is equivalent to the discounted value of future benefits. These benefits represent the annual cash flows (positive or negative) over a given period of time, plus the net proceeds from the hypothetical sale at the end of the investment horizon.

Two rates must be selected for an application of the DCF process:

- the internal rate of return or discount rate used to discount the projected receivables;
- an overall capitalization rate used in estimating reversionary value of the asset.

The selection of the discount rate or the internal rate of return is based on comparing the Subject Property to other real estate opportunities as well as other forms of investments. Some of the more common benchmarks in the selection of the discount rate are the current yields on long term bonds and mortgage interest rates.

**Exposure Time** - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada define “Exposure Time” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2022 ed. Page 6) as:

***“The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking.”***

**Fair Value (International Financial Reporting Standards)** – IFRS 13 defines “Fair Value” as:

***“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”***

**Highest and Best Use** - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada define “Highest and Best Use” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2022 ed. Page 7) as:

***“The reasonably probable use of Real Property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.”***

**The Income Approach** to value is utilized to estimate real estate value of income-producing or investment properties.

**Internal Rate of Return** is the yield rate that is earned or expected over the period of ownership. It applies to all expected benefits including the proceeds of sale at the end of the holding period. The IRR is the Rate of Discount that makes the net present value of an investment equal zero.

**Market Value** - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada define “Market Value” (The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2010), p. 2.8) as:

***“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, assuming that neither is under duress.”***

**Net Operating Income** is the actual or anticipated net income remaining after all operating expenses are deducted from effective gross income before debt service and depreciation. Net Operating Income is usually calculated for the current fiscal year or the forthcoming year.



**Overall Capitalization Rate** is an income rate that reflects the relationship between a single year's net operating income expectancy and the total property price. The Overall Capitalization Rate converts net operating income into an indication of a property's overall value.

A **Yield Rate** is applied to a series of individual incomes to obtain a present value of each.

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Appendix C

Land Use / Zoning

## Zoning Bylaw

### Local Planning Appeal Tribunal Tribunal d'appel de l'aménagement local



**ISSUE DATE:** March 18, 2020

**CASE NOS.:**

PL171285  
PL171286

The Ontario Municipal Board (the "OMB") is continued under the name Local Planning Appeal Tribunal (the "Tribunal"), and any reference to the Ontario Municipal Board or Board in any publication of the Tribunal is deemed to be a reference to the Tribunal.

**PROCEEDING COMMENCED UNDER** subsection 34(11) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended

Applicant and Appellant:	9265988 Canada Corp.
Subject:	Application to amend Zoning By-law No. 313-96, as amended, of the City of Richmond Hill, and Zoning By-law No. 434-88, as amended, of the Township of King - Neglect of the City of Richmond Hill to make a decision
Existing Zoning:	"General Commercial Two (GC2)" under By-law No. 434-88, as amended, of the Township of King
Proposed Zoning:	To remove the subject lands from By-law No. 434-88, as amended, of the Township of King and include said lands within the limit of By-law No. 313-96, as amended, of the City of Richmond Hill and to then rezone the said lands to "Multiple Residential One (RM1-XXX) Zone" and "Park (P) Zone" with site-specific development standards
Purpose:	To permit the construction of a medium density residential development comprised of 90 condominium stacked townhouse units in heights of 3 and 4 storeys to be accessed by a single private lane connecting to King Road
Property Address/Description:	227 & 235 King Road/ Part of Lots 15 & 16, Plan 136
Municipality:	City of Richmond Hill
Municipality File No.:	D02-16002
LPAT Case No.:	PL171285
LPAT File No.:	PL171285
LPAT Case Name:	9265988 Canada Corp. v. Richmond Hill (City)

**PROCEEDING COMMENCED UNDER** subsection 34(11) of the *Planning Act*, R.S.O. 1990, c. P.13, as amended

Applicant and Appellant: Subject:	9183183 Canada Corp. Application to amend Zoning By-law No. 313-96, as amended, of the City of Richmond Hill, and Zoning By-law No. 434-88, as amended, of the Township of King - Neglect of the City of Richmond Hill to make a decision
Existing Zoning:	"General Commercial Two (GC2)" under By-law No. 434-88, as amended, of the Township of King
Proposed Zoning:	To remove the subject lands from By-law No. 434-88, as amended, of the Township of King and include said lands within the limit of By-law No. 313-96, as amended, of the City of Richmond Hill and to then rezone the said lands to "Multiple Residential One (RM1-XXX) Zone" and "Park (P) Zone" with site-specific development standards
Purpose:	To permit the construction of 88 stacked townhouse units, mostly 4-storeys in height with some of the units transitioning to 3-storeys in height adjacent to the single family housing units to the south of the site
Property Address/Description:	0 King Road/ Part of Lots 13 and 14, Plan 136
Municipality:	City of Richmond Hill
Municipality File No.:	D02-15011
LPAT Case No.:	PL171286
LPAT File No.:	PL171286
LPAT Case Name:	9183183 Canada Corp. v. Richmond Hill (City)

BEFORE:

SHARYN VINCENT VICE-CHAIR	) ) )	Wednesday, the 18th day of  March, 2020
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**THIS MATTER** having come on for a public hearing, and the Tribunal having withheld its Final Order to await receipt of a final Zoning By-law Amendment, consistent with the Draft Zoning By-law Amendment attached as Attachment 1 to the Decision issued on October 28, 2019, satisfactory to the City of Richmond Hill's Commissioner of Planning and Regulatory Services;

**THE TRIBUNAL ORDERS** that the appeals are allowed in part, and By-law No. 313-96, as amended, of the City of Richmond Hill, and By-law No. 1275, as amended, of the former Township of King, are hereby amended in the manner set out in "Attachment 1" to this Order. The Tribunal authorizes the municipal clerk to assign a number to this By-law for record keeping purposes.

*"Evelyn Dawes"*

DEPUTY REGISTRAR

If there is an attachment referred to in this document,  
please visit [www.elto.gov.on.ca](http://www.elto.gov.on.ca) to view the attachment in PDF format.

**Local Planning Appeal Tribunal**

A constituent tribunal of Tribunals Ontario – Environment and Land Division  
Website: [www.elto.gov.on.ca](http://www.elto.gov.on.ca) Telephone: 416-212-6349 Toll Free: 1-866-448-2248

## ATTACHMENT 1

**The Corporation of the City of Richmond Hill****By-law 20-20**

A By-law to Amend By-law 313-96, as amended, of

The Corporation of the City of Richmond Hill and

By-law 1275, as amended, of the former Township of King

Whereas a Local Planning Appeal Tribunal Hearing was held on July 22, 2019 to consider the proposed Zoning By-law Amendment described therein;

Now Therefore the Local Planning Appeal Tribunal hereby approves as follows:

1. That By-law 1275, as amended, of the former Township of King ("By-law 1275"), as amended, be and hereby is further amended by:
  - a) removing those lands shown on Schedule "A" to this By-law 20-20 (the "Lands"), and any provisions of By-law 1275, as amended, that previously applied to the Lands shall no longer apply to the Lands.
2. That By-law 313-96, as amended, of The Corporation of the City of Richmond Hill ("By-law 313-96") be and hereby is further amended as follows:
  - a) by expanding the area of By-law 313-96 to include the Lands;
  - b) by rezoning the Lands to "Multiple Residential One (RM1) Zone" and "Park (P) Zone" under By-law 313-96 as shown on Schedule "A" of this By-law 20-20; and,
  - c) by adding the following to Section 7 - Exceptions

"7.212

Notwithstanding any inconsistent or conflicting provisions of By-law 313-96 of the Corporation, as amended, the following special provisions shall apply to the Lands zoned "Multiple Residential One (RM1) Zone" and more particularly shown as "RM1" on Schedule "A" to By-law 20-20 and denoted by a bracketed number (7.212):



- i) For the purposes of this by-law, a **block townhouse dwelling** means a **townhouse dwelling** that is not a **street townhouse dwelling** and may include a stacked townhouse dwelling, which means a building containing at least three (3) **dwelling units**, each **dwelling unit** being separated from the other vertically and horizontally and having an independent external access.
- ii) The following provisions shall apply:
- |  |  |
|--|--|
| (a) Permitted use:   | <b>block townhouse dwelling</b>                    |
| (b) Minimum <b>lot frontage</b> :                                    | 123.0 metres (403.5 feet)                          |
| (c) Minimum <b>lot area</b> (1):                                     | 1.4 hectares (3.46 acres)                          |
| (d) Maximum <b>lot coverage</b> :                                    | 30%  |
| (e) Maximum <b>floor area ratio</b> :                                | 1.0  |
| (f) Minimum <b>front yard</b> (2)(5):                                | 4.5 metres (14.76 feet)                            |
| (g) Minimum <b>side yard</b> (2):                                    | 4.0 metres (13.1 feet)                             |
| (h) Minimum <b>rear yard</b> (2):                                    | 14.0 metres (45.9 feet)                            |
| (i) Minimum setback from the east side of the Park (P) Zone (2)(3):  | 3.0 metres (9.8) feet                              |
| (j) Minimum setback from the north side of the Park (P) Zone (2)(3): | 11.0 metres (36.1 feet)                            |
| (k) Maximum <b>building height</b> (4):                              | 3 storeys or 11.0 metres (whichever is the lesser) |

## Notes:

1. For the purpose of the By-law, **lot area** shall be the "Lands" shown on Schedule "A" to this By-law prior to the dedication of any land for road widening and/or parkland purposes.
2. All underground parking access stairwells, elevators, ventilation shafts and related structures that project aboveground shall comply with the following provisions:
  - a. Minimum **front yard**: 4.5 metres (14.76 feet)
  - b. Minimum **side yard**: 4.0 metres (13.1 feet)
  - c. Minimum **rear yard**: 10.0 metres (45.9 feet)
  - d. Minimum setback from the east side of the Park (P) Zone: 3.0 metres (9.8) feet
  - e. Minimum setback from the north side of the

Park (P) Zone: 2.0 metres (6.6 feet)

3. Porches and stairs are permitted to encroach a maximum of 2.0 metres (6.6 feet) into the required setback from the east side of the Park (P) Zone and 4.0 metres (13.1 feet) into the required setback from the north side of the Park (P) Zone.
4. The maximum **main building height** shall be reduced to 2 storeys or 8.0 metres (26.3 feet) (whichever is the lesser) within 40.0 metres (131.2 feet) of the rear **lot line**, not including the Park (P) Zone.
5. Notwithstanding any other requirements of this by-law to the contrary, the minimum setback from the hypotenuse of a daylight triangle taken by the Region of York to the main building or structural projections extending therefrom, including porches, steps, roof overhangs, entrance canopies, etc., shall be nil.

(l) Minimum number of **parking spaces** to be provided:

- i) 1 bedroom dwelling unit: 1.25 spaces per **dwelling unit**
- ii) 2 bedroom dwelling unit: 1.5 spaces per **dwelling unit**
- iii) 3 bedroom dwelling unit: 1.75 spaces per **dwelling unit**
- iv) Visitor: 0.25 spaces per **dwelling unit**

(m) Minimum number of bicycle parking spaces to be provided:

- i) 0.65 bicycle parking spaces per dwelling unit of which 5% shall be for visitor bicycle spaces.
- ii) A bicycle parking space shall measure a minimum of 1.8 metres (5.9 feet) in length by 0.6 metres (1.97 feet) in width.

(n) Section 5.7 a) of By-law 313-96 shall not apply."

3. All other provisions of By-law 313-96, as amended, not inconsistent with the foregoing, shall continue to apply to the lands shown on Schedule "A" attached hereto.
4. The imperial measurements found in this by-law in brackets are provided for information purposes only and are intended to be an approximate conversion of the metric measurements. The metric or SI measurements shall be deemed to be the standards established by this by-law and, wherever there is a variance

between the metric or SI measurements and the imperial measurements, the metric or SI measurement shall apply.

File: D02-15011 (FT)



### SCHEDULE A



## **The Corporation of the City of Richmond Hill**

### **Explanatory Note to By-law 20-20**

By-law 20-20 affects the lands described as Part of Lots 13, 14, 15 and 16 on Plan 136, municipally known as 0, 225 and 237 King Road.

The lands are currently zoned "General Commercial Two (GC2) Zone" under Zoning By-law 1275, as amended by By-law 434-88, as amended. The main permitted uses under the "GC2 Zone" category include a variety of commercial uses, including, but not limited to retail, office, restaurant, service, personal service, hotels and indoor recreational uses. A block townhouse development would not be permitted.

By-law 20-20 will have the effect of rezoning the subject lands to "Multiple Residential One (RM1) Zone" and "Park (P) Zone" under By-law 313-96, as amended, with site specific provisions to permit the construction of a residential block townhouse development comprised of 178 stacked, back-to-back townhouse dwellings, in addition to lands for a municipal park.



## 4.3.2 OAK RIDGES LOCAL CENTRE

The Oak Ridges Local Centre is focused around the existing commercial corridor in Oak Ridges generally located on Yonge Street between Blackforest Drive and Old Colony Road and on King Road east of Parker Avenue. Within the larger Region, the area continues to function as a centre for environmental, recreational and tourism activities on the Oak Ridges Moraine (ORM). Oak Ridges is envisioned as a *low-rise*, pedestrian-oriented, human-scaled, mixed-use centre servicing the Oak Ridges community. It is the intent of this Plan that the identity of Oak Ridges be enhanced, taking an environment-first approach through innovative landscape, built form, and environmental design.

### 4.3.2.1 LAND USE

It is the policy of Council that:

1. The Town shall prepare a Secondary Plan for the Oak Ridges Local Centre in accordance with the policies of Section 5.1 of this Plan.
2. The predominant use of land in the Oak Ridges Local Centre designation shown on **Schedule A2** (Land Use) shall be for mixed-use development.
3. The following land uses shall be permitted in the Oak Ridges Local Centre:
  - a. *Medium density residential*;
  - b. *Office*;
  - c. *Commercial*;
  - d. *Retail*;
  - e. *Automotive service commercial* in accordance with policy 3.4.1.47 of this Plan;



- f. Community uses in accordance with Section 4.1 of this Plan;
  - g. Parks and urban open spaces in accordance with Section 3.4.4 of this Plan; and
  - h. *Live-work units* in accordance with policies 3.3.3.2.9 and 3.3.3.2.10 of this Plan.
4. To promote a pedestrian-oriented character, the following policies shall apply to *retail* in the Oak Ridges Local Centre:
- a. *Retail development* shall be limited to a maximum gross floor area of 5,000 square metres; and
  - b. *Retail development* with a gross floor area greater than 5,000 square metres shall only be permitted subject to a Zoning By-law Amendment where it can be demonstrated that:
    - i. There is a need for the proposed use as demonstrated through a Commercial Needs Study conducted by a qualified professional;
    - ii. The proposed *development* enhances the character of the area; and
    - iii. The proposed *development* is not in an enclosed mall.
5. The maximum density of a development block within the Oak Ridges Local Centre shall be 1.0 FSI. The boundaries of a development block shall be identified in a Secondary Plan for the Oak Ridges Local Centre.
6. *Development* shall be encouraged to provide *commercial, retail, office* or community uses at grade in a mixed-use building form.
7. Until such time as Council approves a Secondary Plan for the Oak Ridges Local Centre, applications for *development* shall be required to submit a concept plan, in accordance with Section 5.2 of this Plan, which demonstrates how the *development* meets the land use and design policies of this Plan for areas identified as a development block by the Town.
8. *Development* shall have a maximum building height of 4 storeys, with the tallest massing of buildings oriented to the Yonge Street or King Road frontage.

#### 4.3.2.2 DESIGN

It is the policy of Council that:

##### **Building a Strong, Vibrant Identity and Character**

1. *Development* shall enhance the character and identity of the Oak Ridges Local Centre through landscaping, site, and built form design that should be inspired by the natural features of the Oak Ridges area through such measures as maintaining views to the skyline to the south, views and connections to natural features and *low impact development* technologies.

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2. Applications for *development* shall be in keeping with the design guidelines prepared as part of the Secondary Plan for the Oak Ridges Local Centre. Until such time as Council approves the Secondary Plan, applications for *development* in the interim shall be assessed on the basis of conformity with the policies of this Plan and the urban design guidelines which have been approved by Council as set out in the North Yonge Street Urban Design Study, 2001.

**Walkable Streets and People Places**

3. Built form shall provide limited setbacks to Yonge Street to enhance the sense of enclosure along Yonge Street and to create a pedestrian-oriented main street character.
4. Vehicular access to Yonge Street shall be limited and generally provided from side to rear streets.
5. Surface parking areas should be designed to include native, non-invasive landscaping and *low impact development* techniques that enhance the ecological character of the Oak Ridges Moraine.

**Transition to Neighbourhoods**

6. *Development* shall transition to a compatible built form adjacent to *low-rise* residential areas.

DRAFT

DRAFT

Appendix D

Geowarehouse Reports



**201 KING RD  
RICHMOND HILL**

PIN 031960039

## GeoWarehouse Report



This report was prepared by:  
**Tim Loch**  
Director, Valuations & Advisory Services

tim.loch@colliers.com

**Colliers International**  
181 Bay Street, Suite 1400  
Toronto, Ontario, Canada, M5J 2V1  
Office: 4166433496

## Property Details

### GeoWarehouse Address:

201 KING RD  
RICHMOND HILL  
L4E2W2

PIN: 031960039

Land Registry Office: YORK REGION (65)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold



## Ownership

Owner Name:  
12252856 CANADA INC.

Party To:  
9183183 CANADA CORP.

## Legal Description

PT LT 13 PL 136 KING; PT LT 14 PL 136 KING AS IN R533264 ; CITY OF RICHMOND HILL

## Lot Size

Area: 83904.6 sq.ft

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Perimeter: 1223.75 ft.

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Measurements: 407.0ft. x 206.17ft. x 407.04ft. x 206.17ft.

**Lot Measurement Accuracy : LOW**  
These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



## Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Mar 26, 2015	\$4,130,000	Transfer	9183183 CANADA CORP.;	
Sep 16, 2013	\$1,800,000	Transfer	KING SOUTH-EAST DEVELOPMENTS 201 INC.;	
Jan 29, 1990	\$660,000	Transfer	FIFTH SEASON DEVELOPMENTS LIMITED; FIRST SEASON DEVELOPMENTS LIMITED;	
Feb 18, 1976	\$2	Transfer	FIFTH SEASON DEVELOPMENTS LIMITED; FIRST SEASON DEVELOPMENTS LIMITED;	



**227 KING RD  
RICHMOND HILL**

PIN 031960038

## GeoWarehouse Report



This report was prepared by:

**Tim Loch**  
Director, Valuations & Advisory Services

tim.loch@colliers.com

**Colliers International**  
181 Bay Street, Suite 1400  
Toronto, Ontario, Canada, M5J 2V1  
Office: 4166433498

## Property Details

GeoWarehouse Address:

227 KING RD  
RICHMOND HILL  
L4E2W2

PIN: 031960038

Land Registry Office: YORK REGION (65)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold





## Ownership

Owner Name:

12252856 CANADA INC.

Party To:

9265988 CANADA CORP.

## Legal Description

LT 15 PL 136 KING EXCEPT PT 10 EXPROP PL B87881B ; RICHMOND HILL

## Lot Size

Area: 42463.59 sq.ft

Perimeter: 1026.9 ft.

Measurements: 5.0ft. x 103.08ft. x 411.87ft. x 103.09ft. x 407.04ft.

**Lot Measurement Accuracy : LOW**

These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



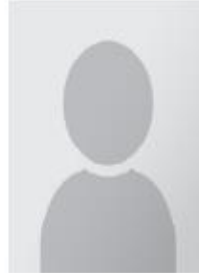
## Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Sep 18, 2015	\$3,000,000	Transfer	9265988 CANADA CORP.;	
Oct 18, 1995	\$58,000	Transfer	CURTIS, BETTY; CURTIS, ALFREDO;	
Jun 02, 1986	\$85,000	Transfer	JACOBSON, CAROLE; CURTIS, BETTY; CURTIS, ALFREDO;	

**235 KING RD  
RICHMOND HILL**

PIN 031960037

## GeoWarehouse Report



This report was prepared by:

**Tim Loch**  
Director, Valuations & Advisory Services

tim.loch@colliers.com

**Colliers International**

181 Bay Street, Suite 1400  
Toronto, Ontario, Canada, M5J 2V1  
Office: 4166433496

## Property Details

GeoWarehouse Address:

235 KING RD  
RICHMOND HILL  
L4E2W2

PIN: 031960037

Land Registry Office: YORK REGION (65)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold



## Ownership

Owner Name:  
12252856 CANADA INC.

Party To:  
9265988 CANADA CORP.

## Legal Description

LT 16 PL 136 KING EXCEPT PT 11 EXPROP PL B87881B ; RICHMOND HILL

## Lot Size

Area: 42442.06 sq.ft

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Perimeter: 1026.9 ft.

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Measurements: 411.87ft. x 103.09ft. x 411.87ft. x 103.09ft.

**Lot Measurement Accuracy : LOW**  
These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



## Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Sep 17, 2015	\$3,000,000	Transfer	9265988 CANADA CORP.;	
Sep 08, 2015	\$2	Transfer	BURLEW, HEATHER SHARRON; BURLEW, EDWARD LLOYD;	
Nov 18, 1986	\$2	Transfer	BURLEW, EDWARD LLOYD;	

**MARSHALLZEHR GROUP INC., AS ADMINISTRATOR**  
Applicant

-and-

**12252856 CANADA INC.**  
Respondent

Court File No. CV-22-00691528-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT OF MIR ALI  
(Sworn December 22, 2023)**

**FRIEDMAN LAW  
PROFESSIONAL CORPORATION**  
Barristers and Solicitors  
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