



# Short Narrative Appraisal Report

## Property Address

Proposed Roxborough  
Redevelopment Project

Collectively  
11-17 Reid Avenue South  
22-116 Lang Street  
41 Reid Avenue South  
Hamilton, Ontario

## Prepared For

Ms. Danielle Sbeiti  
Appraiser Coordinator  
City of Hamilton

## Prepared By

Steve Pocrnic, AACI, P.App.  
President & CEO

Jim Betteto, AACI, P.App.  
Managing Director  
Valuation, Tax & Advisory

Jason Stipancic, AACI, P.App.  
Senior Appraiser  
Valuation, Tax & Advisory

August 16, 2018





August 16, 2018

Strictly Private and Confidential

By Email

**Ms. Danielle Sbeiti**  
**Appraiser Coordinator**

Real Estate Section, Economic Development Division  
City of Hamilton  
71 Main Street West  
Hamilton, Ontario L8P 4Y5

Dear Ms. Sbeiti:

**Reference: Short Narrative Appraisal Report**  
**PRA File No. 17187JS-18**  
**Roxborough Redevelopment Project**  
**Collectively Property Identification Nos. 17284-0165, 17285-0105 and 17284-0068**

Pursuant to the terms of engagement governing this assignment, please find enclosed the appraisal of the above captioned property (the “subject property”) in a short narrative format (the “report”). This appraisal has been prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (the “CUSPAP”) of the Appraisal Institute of Canada (the “AIC”).

Roxborough Park Inc. proposes to redevelop the subject property together with the adjacent property at 20 Reid Avenue North (i.e. the former Roxborough Park School) with a residential land use and a mix of traditional townhomes, stacked townhomes, back-to-back townhomes and apartments (the “Roxborough project”).

The purpose of this appraisal is to:

Perspective 1 Estimate the market value of the subject property as vacant and unimproved based upon the completion of the Direct Comparison Approach. In this perspective, the subject property consists of the following legal parcels collectively with total site area of 8.25 acres:

Property 1	11-17 Reid Avenue South, Hamilton
	PIN 17285-0105
	Block A, Plan 1168; Hamilton
	3.16 Acres

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**Narrative Appraisal Report, Roxborough Redevelopment Project**

- Property 2      22-116 Land Street, Hamilton  
                    PIN 17284-0165  
                    Part Block B 1168, Except VM173028; Save and Except Parts 1 and 2  
                    on 62R16786; City of Hamilton  
                    3.74 Acres
- Property 3      41 Reid Avenue South, Hamilton  
                    PIN 17284-0068  
                    Part Block C, Plan 876, as in HL29480; Hamilton  
                    1.35 Acres

Roxborough Park Inc. proposes to develop Properties 1-3 collectively with 570 residential units.

Perspective 2    Estimate the market value of Building A on Property 3 assuming it is fully constructed and operating at market levels on a for-profit basis and based upon the completion of the Income Approach. Building A will have a gross floor area of 96,000SF over 8 levels and a total of 95 units with the following unit mix:

1-Bedroom	24
2-Bedroom	31
3-Bedroom	16
4-Bedroom	24

The Reader is directed to Schedule 2 and the extra-ordinary assumptions and limiting conditions invoked in these perspectives.

The property rights appraised for both perspectives are those of the fee simple estate, subject to encumbrances that are specifically noted herein.

This appraisal has been prepared for the exclusive use of the City of Hamilton, City Housing Hamilton and Roxborough Park Inc. The intended use of this appraisal is to assist the City of Hamilton and Roxborough Park Inc. with negotiations relating to a proposed transfer of the subject property to Roxborough Park Inc., which will pursue the redevelopment.

Ms. Danielle Sbeiti  
Appraiser Coordinator  
City of Hamilton  
Page 3 of 3

**Narrative Appraisal Report, Roxborough Redevelopment Project**

The estimated market value of the subject property based parcels upon the herein analysis, effective March 13, 2018, is:

**Perspective 1      Seven Million Six Hundred Seventy Five Thousand (\$7,675,000) Dollars  
To  
Eight Million Four Hundred Thirty Five Thousand (\$8,435,000) Dollars**

**Perspective 2      Thirty One Million Two Hundred Sixty Thousand (\$31,260,000) Dollars  
To  
Thirty Three Million One Hundred Thousand (\$33,100,000) Dollars**

**The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.**

Given current real estate market conditions, a reasonable exposure period for the sale of the subject property is estimated to be six months.

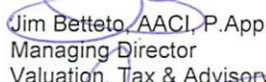
As of the date of this report, the undersigned have completed the requirements of the Continuing Education Program of the AIC and have abided by the CUSPAP and the Code of Professional Ethics and Standards of Professional Practice of the AIC in the preparation of this report.

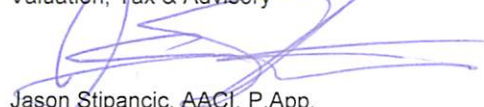
This letter is invalid as an opinion of market value if detached from the report, which contains the text, exhibits and addenda.

Respectfully submitted,

**Pocrnic Realty Advisors Inc.**

  
Steve Pocrnic, AACI, P.App., CCIM, A.I.M.A.  
President & CEO

  
Jim Betteto, AACI, P.App.  
Managing Director  
Valuation, Tax & Advisory

  
Jason Stipancic, AACI, P.App.  
Sr. Appraiser  
Valuation, Tax & Advisory



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## 1.0 Appraisal Overview

### Authorization

The City of Hamilton (the “Authorizer”) has authorized Pocrnic Realty Advisors Inc. (“PRA”) to complete an appraisal estimating the market value of the herein described property according to two prescribed perspectives pursuant to (a) the Engagement Agreement between PRA and the Authorizer dated March 1, 2018 and (b) the meeting involving the Authorizer, Roxborough Park Inc. and PRA held on June 1, 2018.

### Assumptions and Limiting Conditions

Assumptions and limiting conditions serve to notify the Authorizer and Readers of this report that this analysis and appraisal may have been performed under a set of defined conditions that would make it inappropriate to rely upon it for other than the explicitly stated purpose and use. Extra-ordinary and ordinary assumptions and limiting conditions provide the context and basis for the herein contained analysis and estimate(s) of value. The Reader is directed to pay particular attention to the assumptions and limiting conditions invoked in this analysis and report, which are found in Schedule 2 of the Addenda.

### Identification of Subject Property

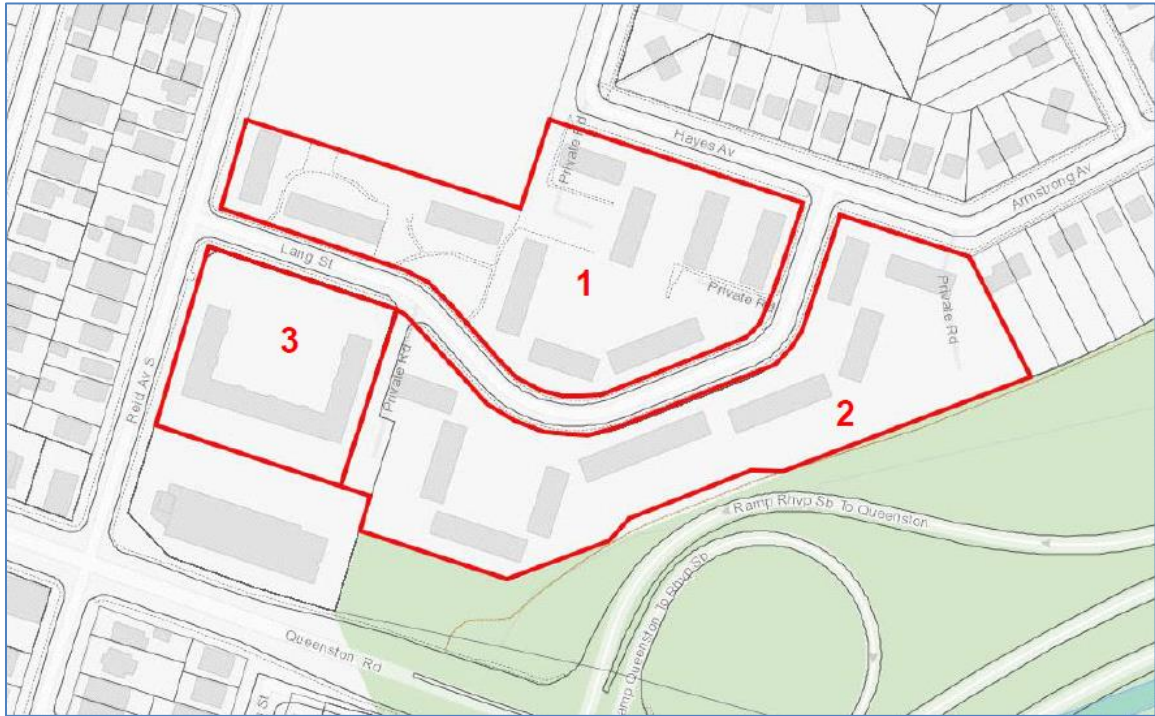
The subject of this appraisal is municipally described and legally identified as follows:

- |            |  |
|------------|--|
| Property 1 | 11-17 Reid Avenue South, Hamilton<br>PIN 17285-0105<br>Block A, Plan 1168; Hamilton  |
| Property 2 | 22-116 Lang Street, Hamilton<br>PIN 17284-0165<br>Part Block B 1168, Except VM173028; Save and Except Parts 1 and 2 on<br>62R16786; City of Hamilton |
| Property 3 | 41 Reid Avenue South, Hamilton<br>PIN 17284-0068<br>Part Block C, Plan 876, as in HL29480; Hamilton  |

### Proposed Redevelopment

Roxborough Park Inc. proposes to redevelop the subject property together with the adjacent property at 20 Reid Avenue North (i.e. the former Roxborough Park School) with a residential land use taking the form of a mix of traditional townhomes, stacked townhomes, back-to-back townhomes and apartments (the “Roxborough project” and the “redevelopment”). The Roxborough project will include the demolition of the affordable housing units existing on the subject property as of the effective date of appraisal.

### Definition of the Subject Property



### Purpose of Appraisal

The purpose of this appraisal is to:

**Perspective 1** Estimate the market value of the subject property as vacant and unimproved based upon the completion of the Direct Comparison Approach. In this perspective, the subject property consists of Property 1, 2 and 3 collectively with total site area of 8.25 acres. Roxborough Park Inc. proposes to develop Property 1, 2 and 3 collectively with 570 residential units taking the form of a mixture of residential types.

**Perspective 2** Estimate the market value of Building A on Property 3 assuming it is fully constructed and operational at market levels on a for-profit basis and based upon the completion of the Income Approach. Building A will have a gross floor area of 96,000SF overall 8 levels and a total of 95 units with the following unit mix:

1-Bedroom	24
2-Bedroom	31
3-Bedroom	16
4-Bedroom	24

Herein after referred to as the “Building A”.

The Reader is directed to Schedule 2 and the extra-ordinary assumptions and limiting conditions invoked in these perspectives.

### **Intended and Exclusive Use of Appraisal**

The intended use of this appraisal is to assist the City of Hamilton and Roxborough Park Inc. with negotiations relating to a proposed transfer of the subject property to Roxborough Park Inc., which will pursue the redevelopment. This appraisal has been prepared for the exclusive use of the City of Hamilton, City Housing Hamilton and Roxborough Park Inc.

Neither the name of PRA and the signatories nor this report and any of its content may be included in any prospectus, press release, offering or representation with the sale of the subject property without the prior written consent from PRA and the signatories. This report may not be disassembled or rearranged in any manner that would allow for presentation of only parts of it.

### **Date of Inspection**

PRA inspected the subject property and surrounding area on March 13, 2018.

### **Effective Date of Appraisal**

The effective date of appraisal is March 13, 2018.

### **Property Rights Appraised**

The subject property has been appraised based upon the fee simple estate subject to encumbrances that are specifically noted herein.

### **Scope of Work**

This appraisal is presented in a narrative report format. It is intended to comply with the requirements outlined in the Canadian Uniform Standards of Professional Appraisal Practice (the "CUSPAP") and the consolidated regulations of the Appraisal Institute of Canada (the "AIC"). The depth of discussion contained in this report is specific to the requirements of the Authorizer and the stated intended use.

The scope of work completed includes but is not limited to the following investigations and reviews:

- Inspection of the subject property and surrounding area
- Meeting with representatives from the City of Hamilton and Roxborough Park Inc. on March 6, 2018
- Information obtained from governmental and professional sources



- Information obtained from the Authorizer including but not limited to the Planning Justification Report prepared by MacNaughton Hermsen Britton Clarkson Planning Limited (the “MHBC Report”) dated December 21, 2017
- Exterior inspection of the comparable properties selected for this analysis and surrounding areas
- Primary and secondary data relevant to this appraisal
- Information obtained from the local real estate board
- Information obtained from a number of electronic systems tracking the sale of real estate throughout Ontario
- Discussions with a number of real estate industry participants and publications and research data furnished by the Government of Canada, the Bank of Canada, the Provincial Government and real estate firms
- Experience of PRA with facilities of the vintage and complexity of the subject property and the proposed development

## 1.1 Summary of Salient Facts and Important Conclusions

### Significant Dates

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Date of Report	:	August 16, 2018
Date of Inspection	:	March 13, 2018
Effective Date of Appraisal	:	March 13, 2018

### PERSPECTIVE 1

#### Property Identification

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Municipal Address	:	22-116 Lang Street 11-17 Reid Avenue South 41 Reid Avenue South
Property Location	:	North of Queenston Road between Reid Avenue South and the Red Hill Valley Parkway and along Lang Street and Hayes Avenue
Property Neighbourhood	:	McQuesten West
Property Identification Numbers (PINs)	:	17284-0165 17285-0105 17284-0068

#### Land Use Policies

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Municipal Official Plan	:	Neighbourhoods
Zoning	:	D Districts (Urban Protected Residential - One and Two Family Dwellings, Etc.)
Proposed Zoning	:	Downtown Multiple Residential (D6) Zone
Present Use	:	City Housing Hamilton Residential Townhomes and Apartments
Estimate of Highest and Best Use	:	Redevelopment to a residential land use

#### Site Particulars

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Site Area	:	8.25 Acres; (5.34 acres Medium Density, 2.91 acres High Density)
Site Configuration	:	Irregular

### **Estimate of Market Value (Perspective 1)**

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Property Rights Appraised	:	Fee Simple Estate
Direct Comparison Approach	:	\$7,675,000 to \$8,435,000
<b>Final Estimate of Market Value</b>	:	<b>\$7,675,000 to \$8,435,000</b>

**The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.**

### **Estimate of Liquidity and Exposure Time**

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Liquidity	:	Very Good
Exposure Time	:	6 Months

## **PERSPECTIVE 2**

### **Property Identification**

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Municipal Address	:	11-17 Reid Avenue South
Property Location	:	Southeast corner of Reid Avenue South and Lang Street
Property Neighbourhood	:	McQuesten West
Legal Address	:	Block A, PL 1168; Hamilton
Property Identification Number (PIN)	:	17285-0105
Present Ownership	:	Coronation Park Housing Company

### **Land Use Policies**

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Municipal Official Plan	:	Neighbourhoods
Zoning	:	D Districts (Urban Protected Residential - One and Two Family Dwellings, Etc.)
Proposed Zoning	:	Downtown Multiple Residential (D6) Zone
Present Use	:	City Housing Hamilton Residential Townhomes
Estimate of Highest and Best Use	:	Multi-Level, Multi-Residential Land Use

**Site Particulars**

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Site Area : 1.353 Acres  
Site Configuration : Rectangular

**Estimate of Market Value (Perspective 2)**

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Property Rights Appraised : Fee Simple Estate  
Income Approach : \$31,260,000 - \$33,100,000  
**Final Estimate of Market Value** : \$31,260,000 - \$33,100,000

**The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.**

**Estimate of Liquidity and Exposure Time**

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Liquidity : Very Good  
Exposure Time : 6 Months

## 2.0 Title Search

### Property Ownership and Parcel Registers

As of the effective date of appraisal, the subject property consists of three legal parcels, namely:

#### Property Ownership Summary

Property No.	PIN	Municipal Address	Transfer Document No.	Date of Registration	Property Ownership
1	17285-0105	11-17 Reid Avenue South, Hamilton	WE297291	18-Mar-05	Hamilton Housing Corporation
2	17284-0165	22-116 Lang Street, Hamilton	WE297291	19-Mar-05	Hamilton Housing Corporation
3	17284-0068	41 Reid Avenue South, Hamilton	HL29480	12-Nov-57	Coronation Park Housing Company Limited

A copy of the Parcel Register for each property is provided in Schedule 3 of the Addenda while registered documents have been retained in the PRA working file.

#### Notable Encumbrances

With respect to Property 1, Document HL146231 registered on November 17, 1960 reflects a Claim for Lien in which Arend Braam claims a lien upon the estate of Central Mortgage and Housing Corporation and Economy Home Builders of London Limited in respect of certain work, service and materials.

With respect to Properties 1 and 2, Document HL167546 registered on June 29, 1961 reflects a by-law (By-law No. 9375) designating areas of subdivision control. Further, Document PL1168 registered on November 5, 1959 reflects a plan of subdivision.

With respect to Property 3, Document HL29168 registered on November 6, 1957 reflects a Charge/Mortgage Agreement between Coronation Park Housing Company Limited (Mortgagor) and Central Mortgage and Housing Corporation (Mortgagee). Further, Document HL291167 registered on November 6, 1957 reflects an agreement between Central Mortgage and Housing Corporation and Coronation Park Housing Company Ltd. (Borrower) authorizing a loan to the latter, a limited-dividend housing company, for the purpose of assisting in the construction of a low-rental housing project.

#### Unregistered Property History

A review of the Multiple Listing Service (the "MLS") of the Realtors Association of Hamilton-Burlington (the "RAHB") indicates the subject property has not been recently marketed for sale on the open market by a RABH member brokerage.

### **3.0 Location Analysis**

#### **Regional/Municipal Analysis**

##### **Physical/Political**

The City of Hamilton (“Hamilton”) is a large metropolitan area within the Province of Ontario (“Ontario”). More specifically, Hamilton is located at the center of Ontario’s Golden Horseshoe Area along the western perimeter of Lake Ontario between Toronto and the Town of Fort Erie/Western New York State. Geographically, Hamilton encompasses a total area of 1,112.98 square kilometres. The land area is a mixture of rolling lands and tableland. The Niagara Escarpment traverses the area in a general east-west direction presenting an abrupt and major change in landscape.

On January 1, 2001, the Regional Municipality of Hamilton-Wentworth and its six local municipalities of Flamborough, Ancaster, Dundas, Glanbrook, Hamilton and Stoney Creek amalgamated and became the new City of Hamilton. Hamilton municipal government consists of fifteen elected Councillors.

##### **Demographics and Population Trends**

Most of Hamilton’s existing population is located within a continuous central urban area that consists of the communities of Hamilton and Stoney Creek, as well as part of the communities of Dundas and Ancaster. According to Statistics Canada, the 2016 population of Hamilton was 536,917, which is an increase of 16,968 or 3.3% from the 2011 population of 519,949. According to the Environmental Systems Research Institute (“ESRI”), Hamilton’s 2017 population is 566,276, which is an increase of 29,359 or 5.5% from the previous year. The population has increased substantially more in the last year than it did between the last two census updates. The largest segment of Hamilton’s population is comprised of persons aged from 25 to 35 years. The population within age groups of 45 to 54 and 55 to 64 are similar. Each of these groups form approximately 14% of Hamilton’s total population.

Statistics Canada identified four major urban regions exhibiting a cluster pattern of concentrated population growth. These regions are among the Extended Golden Horseshoe Region, which includes Hamilton, the Greater Toronto Area, Niagara, Guelph, Kitchener-Waterloo and Barrie. Combined, the Extended Golden Horseshoe Region (“EGHR”) has a population of 9,245,000 as of 2016. Canada’s 2016 census population was 33,476,688, meaning the EGHR contains approximately 26.5% of Canada’s total population.

##### **Economic Base**

Location and the presence of Canada’s two largest integrated steel mills, US Steel and Accelor Mittal, have served as the foundation for attracting and expanding the area’s manufacturing sector. Situated at the western end of Ontario’s Golden Horseshoe region, Hamilton is centrally located in Ontario’s manufacturing heartland. With access to a marketplace of over 130 million people within a day’s drive, businesses benefit from direct connections to major highways and rail

networks both in Ontario and the United States. Manufacturing is currently Hamilton's largest sector and represents 12.74% of employment.

During the past decade, the institutional sector has become an important and increasing component to Hamilton's economic base. Significant employers within this sector include Hamilton Health Sciences, McMaster University, Mohawk College and the City of Hamilton. This sector is now Hamilton's second largest and represents 12.65% of employment. This is a recent phenomenon and a significant milestone in Hamilton's continuing effort to diversify its economic base. Economic base diversity with a significant institutional sector is particularly important given conditions in global financial markets. The third largest sector in Hamilton is currently retail trade, which represents 11.17% of employment.

### **Transportation**

Hamilton offers an integrated network of transportation corridors, which are serviced by roadways, water, air and rail. Hamilton's road network is comprised of a system of interconnected local, arterial and highways that are owned and operated by the City of Hamilton and the Province of Ontario. Notably, the road network within Hamilton connects seamlessly with the Provincially-owned 400 series of high speed highways and expressways (Highway 403, Lincoln Alexander Expressway, Red Hill Valley Expressway), one of which is the Queen Elizabeth Way (the "QEW").

Additional Hamilton transportation links include two national railways, an international airport and the Hamilton Harbour:

- (a) Canadian National (CN) Rail and Canadian Pacific (CP) Rail with their continental links provide another avenue for the large-scale transportation of goods. Municipal bus service is augmented by a Provincially-funded commuter bus/rail transportation service provided by GO Transit, which ferries thousands of Toronto-bound commuters daily.
- (b) John C. Munro Hamilton International Airport (the "Airport") is designed for use by large-scale airplanes on overseas flights and serves as an alternate and reliever for the Toronto Pearson International Airport. The facility adds to Hamilton's strength as a multi-modal gateway for goods movement and set a strong footing for future development of the Airport Employment Growth District, a city initiative to develop designated lands surrounding the Airport for light industrial and commercial activities.
- (c) Given its location along the western shores of Lake Ontario, Hamilton offers excellent water passage and extensive docking facilities meeting virtually all seaway requirements. Although industrial use is predominant, recreational water uses and hobby docking are also available.

### **Light Rail Transit (LRT)**

The City of Hamilton and Metrolinx are progressing toward a 14-kilometer Light Rapid Transit System (the “LRT”), which will provide rapid and reliable transit in dedicated rail lanes between McMaster University and Eastgate Mall. There will be 17 proposed stops with connections to other Hamilton Street Railway (HSR) bus routes, the Hamilton GO Centre and multiple GO bus routes. The LRT is a transportation system based on electrically powered trains in a segregated right-of-way. This higher capacity transit system will carry passengers in reserved transit lanes separated from regular traffic. The low floor, multiple entrance vehicles will be accessible to individuals of all levels of mobility.

### **Neighbourhood Analysis**

The subject property is located within the McQuesten West neighbourhood (the “subject neighbourhood”). The boundaries of the subject neighbourhood are established by Queenston Road to the south and the Canadian National Railway tracks to the north, Parkdale Avenue North to the west and the Red Hill Valley Parkway/Woodward Avenue.

Generally, the interior of the neighbourhood is fully developed with residential land uses. Properties along Queenston Road are predominantly residential and multi-residential while land uses along its northern perimeter include commercial, industrial and residential. The subject neighbourhood offers a number of amenities, which include schools, places of worship, arena, Red Hill Valley Trail, parks and shopping centres.

The subject neighbourhood offers good accessibility to major transportation routes. King Street East extends in the east-west direction across the City of Hamilton. Accessibility to the Queen Elizabeth Way (the “QEW”) is readily available via the Red Hill Parkway. Further, the HSR (Transit) Bus Service is available along King Street East at the subject property.

Construction of the King Street B-Line Light Rapid Transit System (the “LRT”) is scheduled to take place from 2019-2024. The line will be situated to the north of the subject property along Queenston Road. A station stop will be located at the intersection of Queenston Road and Parkdale Avenue.

### **Immediate Neighbourhood**

The following land uses surround the subject property:

North	:	Residential and Future Residential (Former Roxborough School Site)
East	:	Red Hill Valley Parkway
South	:	Residential
West	:	Residential



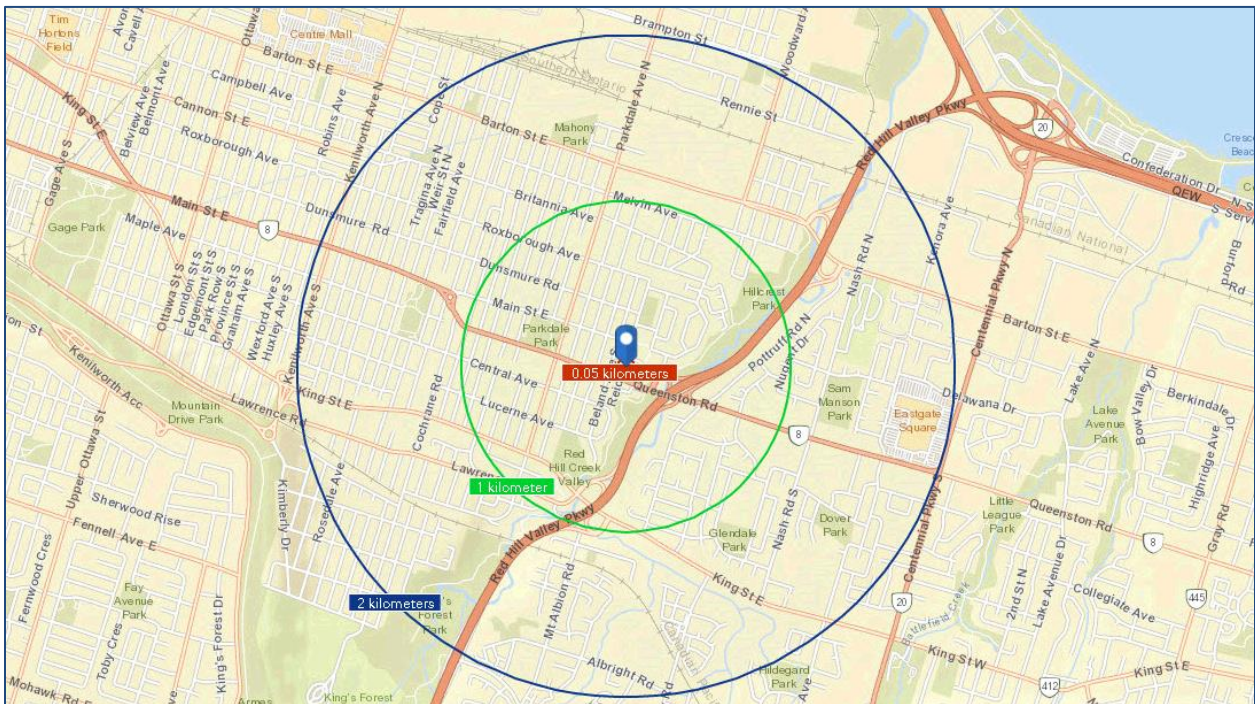
**Neighbourhood Stage**

The subject neighbourhood is considered to be in the stable stage of its life cycle with intermittent redevelopment opportunities.

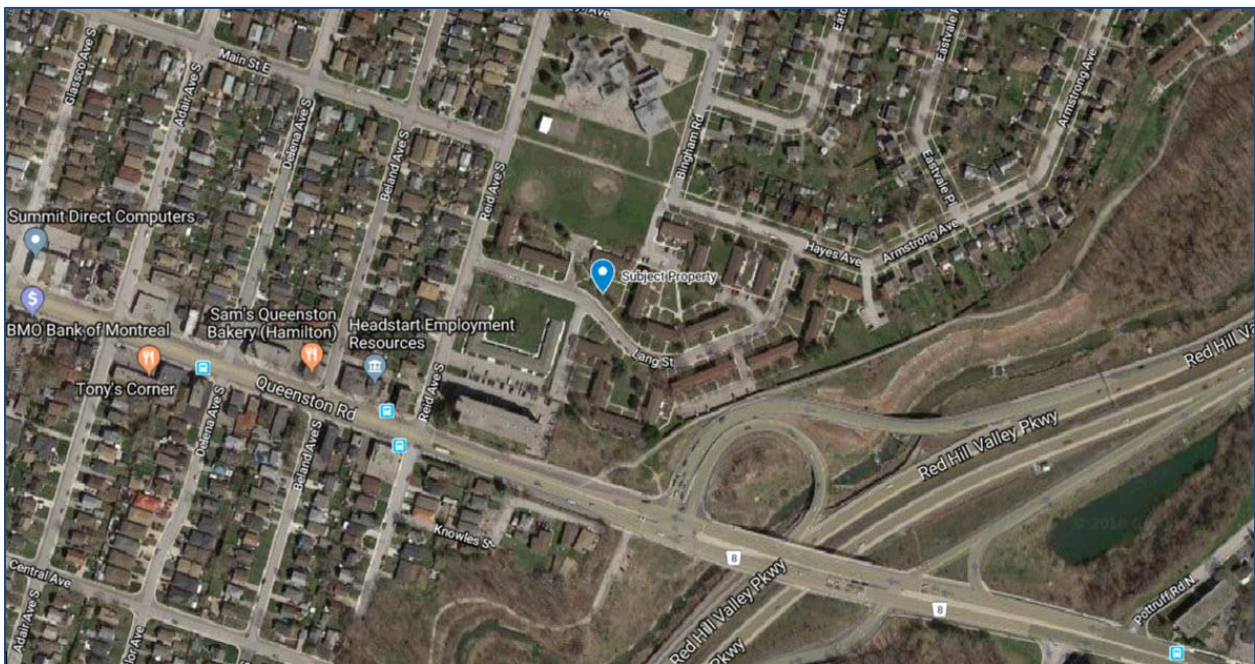
**Neighbourhood Market Profile**

The Reader is directed to Schedule 4 and the ESRI/CCIM market profiles within 0.5km, 1.0km and 2.0km radii from the subject property.

Location and ESRI/CCIM Market Profile Map



Neighbourhood Map (Aerial)



**View to the North Along Reid Avenue South**



**View to the South Along Reid Avenue South**



**View to the West from Subject Site Towards Main Street East**



**View from Main Street East Towards the Subject Property**



**View to the East Along Lang Street**



**View to the South from the Corner of Land/Reid Avenue South**



**View to the West Along Lang Street**



**View to the North East Along Lang Street**



**View to the West Along Hayes Avenue**



**View to the East Along Hayes Avenue**



**View to the East Along Hayes Avenue from Bingham Road**



**View to the North from Hayes Avenue Along Bingham Road**



## 4.0 Site Analysis

### Location

The subject property is located north of Queenston Road between Reid Avenue South and the Red Hill Valley Parkway and along Lang Street and Hayes Avenue.

Property 3 forms the southeast corner of Reid Avenue South.

### Size Area, Configuration and Dimensions

The subject property is irregular in configuration. It has a total site area of 8.25 acres.

Property 3 is rectangular in configuration. It has a site area of 1.353 acres.

### Registered Easements/Rights-of-Way

There are no registered easements/rights-of-way impacting the subject property and Property 3.

### Topography and Grading

The subject property and Property 3 is generally flat and consistent in grade with the adjoining properties and roadways.

### Street Frontage and Vehicular Accessibility

The subject property has a roadway frontage of 1,241.50 feet along Reid Avenue South/North and a roadway frontage of 544.65 feet along Hayes Avenue.

Property 3 has a roadway frontage of 222.46 feet along Reid Avenue South and a roadway frontage of 238.67 feet along Lang Street.

The subject site and Property 3 offer good access, exposure and visibility to a vehicular traffic.

### Municipal Infrastructure and Services

The subject property and Property 3 have access to a full array of urban municipal services and public utilities. The following municipal infrastructure surrounds the subject property and Property 3:

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Reid Avenue South	Water	200mm
	Combined Sewers	450mm
Lang Street	Water	150mm
	Combined Sewers	300mm/450mm/525mm
Hayes Avenue	Water	200mm
	Combined Sewers	375mm/450mm

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With respect to the Roxborough project and municipal infrastructure and services, the MHBC report states:

*“Amec Foster Wheeler Environmental and Infrastructure prepared a Preliminary Functional Servicing Report (Phase 2) in support of the rezoning application and proposed development. The findings of the study indicate that the subject lands can be serviced. In fact, there are substantial benefits to the redevelopment, primarily related to the disconnection of the development area from the area’s combined sewer system and the generation of a new separated sewer system (sanitary and storm), including a new proposed outfall to Red Hill Creek. By separating the sewer systems, flows to downstream combined sewers will be substantially reduced, which should reduce the risk of basement flooding to downstream residences. In addition, flows to the combined sewer system would be decreased, which would also decrease the flows received by the Woodward Wastewater Treatment Plant.”*

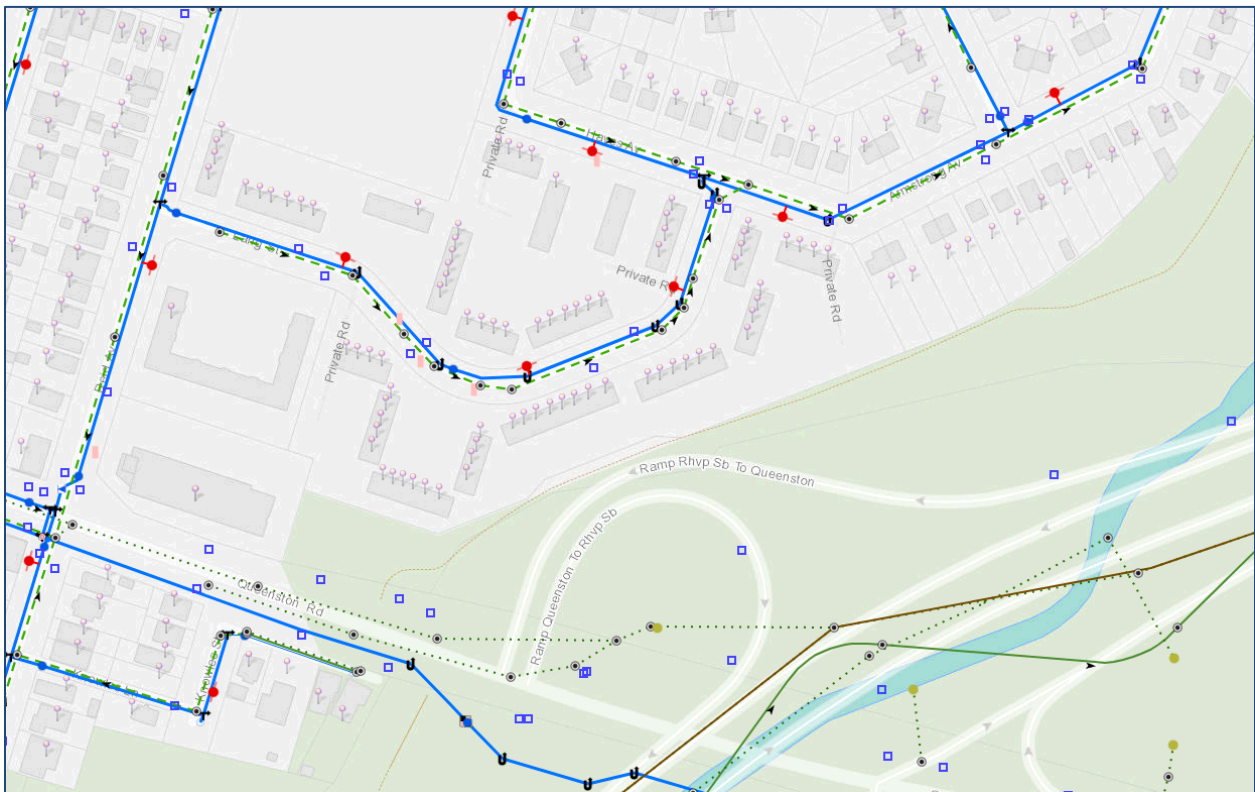
In order to accommodate the Roxborough project, costs relating to certain municipal infrastructure and site elements are estimated to range from \$330,000 to \$420,000 per acre:

Perspective 1: Estimate of Extra-Ordinary Site Costs		Cost Estimate		Minimum	Maximum
1	Demolition of Existing Improvements	\$1,000,000		10,000/Unit	\$15,000/Unit
2	Removal of Existing Road Allowance, Existing Infrastructure & Remediation/RSC	\$650,000		\$75,000/Acre	\$100,000/Acre
3	Noise Attenuation Wall (220m)	\$247,500	\$330,000	\$30,000/Acre	\$40,000/Acre
4	New Infrastructure Servicing	\$825,000	\$1,485,000	\$100,000/Acre	\$180,000/Acre
Total		\$2,722,500	\$3,465,000		
		8.25	\$330,000	\$420,000	

**Aerial Photograph (Subject Property and Property 3)**



**Existing Municipal Infrastructure Map**



**Subject Property 1**

**View of Subject Site to the South**



**View of Subject Site to the East Towards Hayes Avenue**



**View of Subject Site to the East Corner of Lang Street/Reid Avenue South**



**View of Subject Site Towards the North**



**View of Subject Property at Corner of Lang St. & Hayes Ave.**





**Subject Property 2**

**View of the Subject to the South East from  
Lang Street**



**View of the Subject to the East from  
Lang Street**



**View of Subject at Corner of Lang Street &  
Hayes Avenue**



**Subject Property 3**

**View of Subject to the East Towards Property 2**



**View of Subject to the South West from Reid Avenue South**



**View of Subject to the East Towards Property 3**



**View of Subject towards the South West from Lang Street**



## 5.0 Description of Improvements

### Perspective 1

With respect to Perspective 1 and pursuant to the terms of reference governing this analysis and appraisal, no consideration is given to the improvements existing on the subject property and Property 3. This perspective assumes the subject property is vacant and unimproved as at the effective date of appraisal.

### Perspective 2 and Proposed Development to Property 3

With respect to Perspective 2 and pursuant to the terms of reference governing this analysis and appraisal, Building A refers to the redevelopment of Property 3, and specifically, 1.35 acres, with the construction of a multi-residential building with a gross floor area ("GFA") of 96,000SF over 8 levels containing a total of 95 units and a unit mix of (a) 24, 1-bedroom units, (b) 31, 2-bedroom units, (c) 16, 3-bedroom units, and (d) 24, 4-bedroom units. The Reader is directed to:

- (a) Page 28 and the statistics for the proposed building;
- (b) Schedule 3 of the Addenda and a presentation of the proposed building.

No meaningful physical depreciation and functional obsolescence would impact Building A given its assumed newly constructed state. However, varying degrees of external obsolescence is determined for Building A in terms of the following:

- (a) The proposed unit sizes, which range from 450SF to 1,250SF and render a median unit size 850SF. A review of the unit sizes among 50 rental comparables in Hamilton renders a median unit size of 688SF. Comparably, the median unit size in Building A is 23.55% larger than the median unit size among the rental comparables.
- (b) The proposed 4-bedroom units. As proposed, Building A contains 24, 4-bedroom units. There is a prevailing reluctance in the market to construct this unit type in favour of smaller units with 1-2-3 bedrooms.

### General Assessment of Improvements

Overall, Building A will have a considerable economic life in terms of continuing functional and economic utility with adherence to a regular maintenance program.

Building A | Statistics

Level	1		2	
Unit No.	Type	Size	Type	Size
1			2 Bed	850
2	2 Bed	850	2 Bed	850
3	4 Bed	1,175	4 Bed	1,175
4	4 Bed	1,100	4 Bed	1,100
5	2 Bed	850	2 Bed	850
6	2 Bed	850	2 Bed	850
7	1 Bed	560	1 Bed	560
8	1 Bed	560	1 Bed	560
9	3 Bed	865	3 Bed	865
10	1Bed	450	1 Bed	450
11	3 Bed	925	3 Bed	925
12	4 Bed	1,250	4 Bed	1,250
Storage		200		200
Amenity		685		

Leaseable Space
5,950
6,800
9,400
8,800
6,800
6,800
4,480
4,480
6,920
3,600
7,400
10,000
1,600
685

Unit Count			
1 Bed	2 Bed	3 Bed	4 Bed
0	7	0	0
0	8	0	0
0	0	0	8
0	0	0	8
0	8	0	0
0	8	0	0
8	0	0	0
8	0	0	0
0	0	8	0
8	0	0	0
0	0	8	0
0	0	0	8

1 Bed	2 Bed	3 Bed	4 Bed	
24	31	16	24	95

Total Leaseable Area (TLA)  
Gross Floor Area (GFA)  
Efficiency

83,715
96,000
87.20%

Average Suit Size 874

\*Note: Although included in the Total Leaseable Area, Amenity and Storage space may not accrue rents/ revenue

\*\* All 2 bedrooms are able to accommodate den for study/baby's room (no window)

## 6.0 Property Assessment and Taxation

Current value assessment (“CVA”) is not to be construed as indicative of market value. While the *Assessment Act* attempts to determine current value, the implementation of value is predominantly based upon mass appraisal techniques. While the technique is effective as a broad-base measure, it lacks the fundamentals of true market value.

The following information relating to the CVA and property taxation for the subject property has been obtained from the MPAC, the Assessment Review Board (the “ARB”) and/or the municipality:

### Summary of Property Assessment and Tax

Property No.	Municipal Address	Roll No.	2016 Base Year CVA			
1	11-17 Reid Ave S	25-18-050-411-07990	\$3,551,000			
	Property Code	352	2017	2018	2019	2020
	Property Class	E (Exempt)	\$3,300,794	\$3,384,196	\$3,467,598	\$3,551,000
2	22-116 Lang St	25-18-050-411-08700	17284-0165	\$3,818,000		
	Property Code	352	2017	2018	2019	2020
	Property Class	E (Exempt)	\$3,548,981	\$3,638,654	\$3,728,327	\$3,818,000
3	41 Reid Ave S	25-18-050-411-07960	17284-0068	\$987,000		
	Property Code	352	2017	2018	2019	2020
	Property Class	MT (Multi-Residential)	\$987,000	\$987,000	\$987,000	\$987,000
			3.228695%	N/A	N/A	N/A
		P.Tax Levy	\$31,867	N/A	N/A	N/A

### Municipal Tax Rate and Trend

The following table summarizes the City of Hamilton property tax rates for the New Multi-Residential (NT) tax class. The median tax rate from the past five years is 1.3833610% and the median change in the tax rate is -1.20%.

### Summary of Multi-Residential (NT) Property Tax Rates City of Hamilton

Tax Year	MT Tax Rate	% Change from Previous Year
2017	1.3121680%	-4.00%
2016	1.3668170%	-1.20%
2015	1.3833610%	-0.28%
2014	1.3872111%	-1.62%
2013	1.4100433%	-1.07%
Median	1.3833610%	-1.20%

#### **Property Assessment Appeal Status**

According to the Assessment Review Board (the "ARB"), there are no active appeals involving Property 1, 2 and 3.

## 7.0 Land Use Policies

The Reader is directed to the Planning Justification Report prepared by MacNaughton Hermsen Britton Clarkson Planning Limited (the “MHBC Report”) dated December 21, 2017

### Urban Hamilton Official Plan

The City of Hamilton Urban Official Plan (the “UHOP”) designates the subject property:

### Neighbourhoods

For the purposes of this analysis and report, the following development densities are proposed in Perspective 1:

#### Development Density Calculation (Perspective 1)

Property No.	Site Area (Acres)	Development Density/Hectare	Development Density/Acre	Proposed No. of Units
1	2.91	300	121	353
2	2.18	100	40	88
3	3.16	100	40	128
Overall	8.25		69	570

Development can be delivered within a relatively wide range of physical scales. Notably, absorption periods and associated costs are considered a significant risk element in any residential development and particularly as development density and the number of residential units increase. Notably, land use policies and the level of market support do not necessarily measure the profit-maximizing quantity of construction and diminishing returns attributable to an increase in development scale. The consequences of increasing and decreasing returns relative to development scale and density are embedded in the following premises:

- (a) The maximization of developers’ profit is consistent with the highest value of the land;
- (b) Economic value fluctuates with regard to variations in the physical scale of improvements;
- (c) The total costs of development fluctuate with changes in the scale of development.

Present-day practicalities indicate increases in development scale inherently cause increases in total costs, which may or may not necessarily be absorbed by the market. The issue of general market acceptance and absorption costs must be considered in addition to the impact on overall development costs.

**Municipal Zoning**

The City of Hamilton Zoning By-law 6593 zones the subject property:

**D Districts (Urban Protected Residential – One and Two Family Dwellings, Etc.**

For the purposes of this analysis and report, the following zoning is assumed in Perspective 1 and 2:

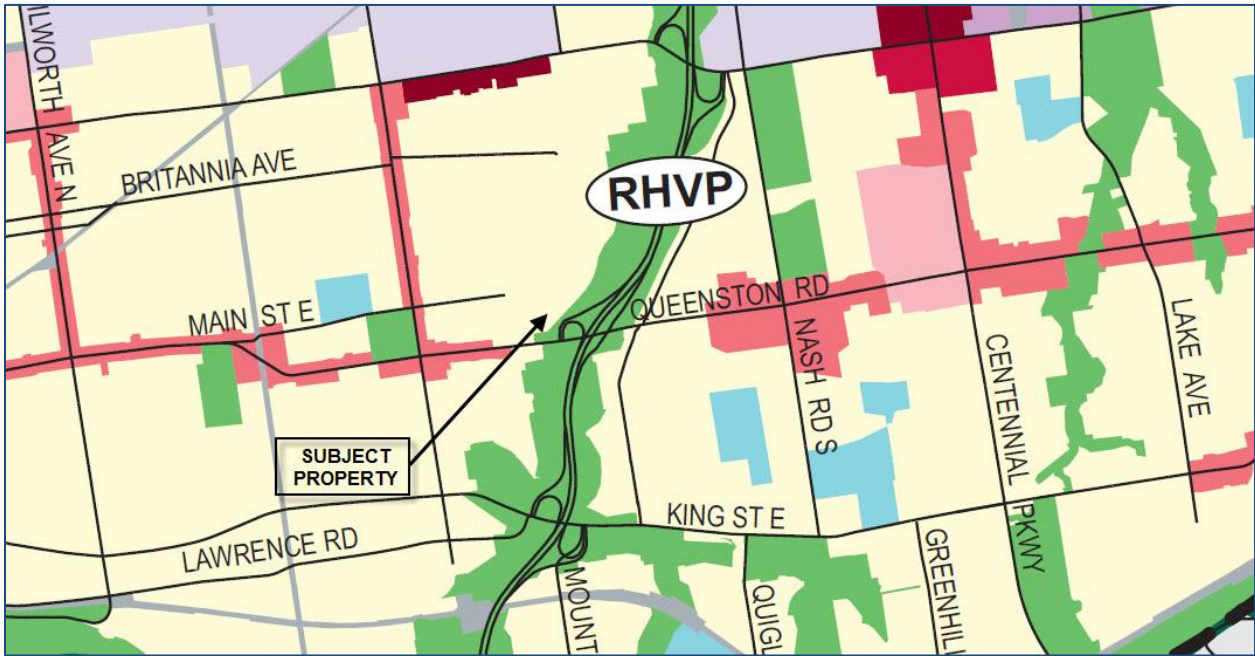
**Downtown Multiple Residential (D6) Zone**

**Policies and Regulations**

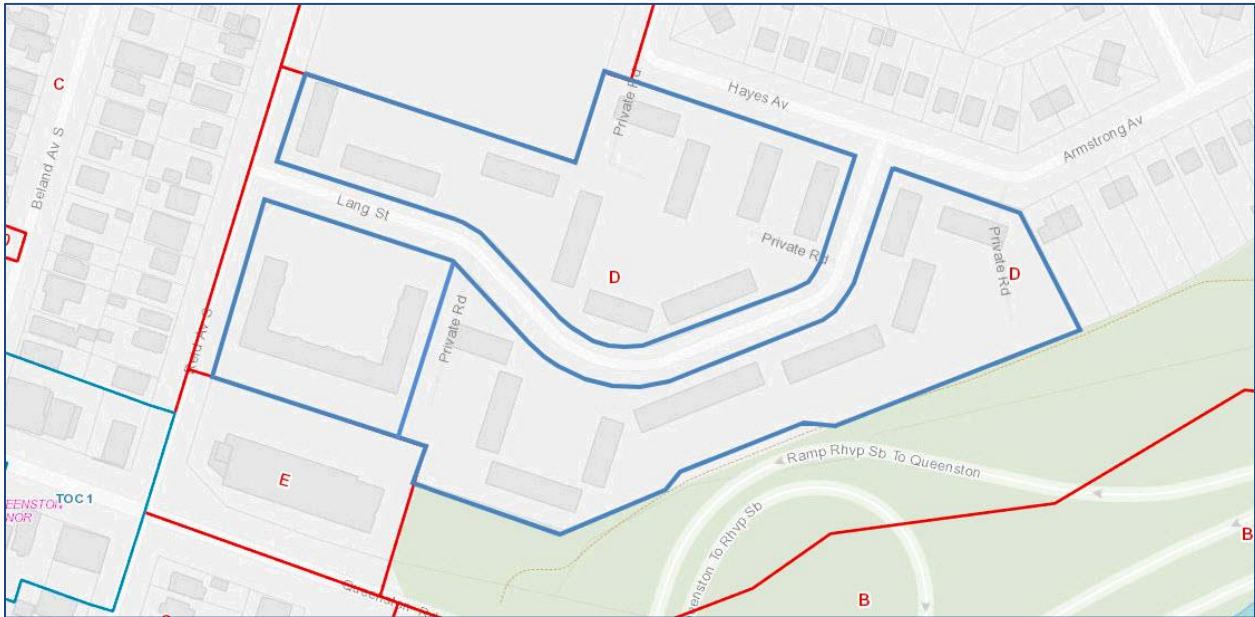
A copy of the land use policies and regulations applicable to the subject property has been retained in the PRA working file.



Official Plan Map Excerpt



Zoning Map Excerpt



## **8.0 Market Analysis and Estimate of Highest and Best Use**

### **Market Analysis**

#### **National and International Economies**

On April 18, 2018, the Bank of Canada (the “BOC”) maintained its target for the overnight rate at 1.25%. The BOC anticipates the Canadian economy will operate slightly above its potential over the next three years with real gross domestic product (the “GDP”) of approximately 2% in 2018-2019 and 1.8% in 2020. However, Canada experienced slower economic growth in Q1-2018 largely on account of (a) the response of the housing markets to new mortgage guidelines and other policy measures and (b) certain transportation bottlenecks, which decreased exports. Generally, consumption remains robust supported by stronger labour income growth.

Internationally, the economy appears to be on a modestly stronger track than anticipated in January 2018. The U.S. economy was bolstered by new government spending plans. However, geopolitical and trade conflicts undermine the global economy and expansion.

#### **Canadian Commercial Mortgage Market**

According to the February 2018 edition of the Commercial Mortgage Commentary published by CMLS Financial, contextual factors include stricter mortgage qualifications, the overall debt level of Canadians in a rising interest rate environment and uncertainty surrounding the NAFTA negotiations. The Canadian commercial mortgage market still remains very competitive with lenders seeking to deploy capital into the market, which caused spreads to compress 25-30 basis points year-over-year. High quality assets are priced in the 150-170 basis points range for 5-year terms and 160-185 basis points for 10-year terms.

#### **Commercial and Investment Real Estate Market**

The commercial real estate market in Hamilton remains active. In 2017, the value of sales transactions was \$146.3 million, an increase of approximately 20% over the 2016 total of \$121.8 million. The 2017 figure was based on 190 transactions relative to the 2016 figure of 165 transactions. Further, the average sale price increased to \$769,058 from \$740,652, which reflects a 3.84% increase over 2016 levels. The 2017 median sale price also increased from \$494,346 to \$559,063, which reflects an increase of 13.09%. However, the average number of days to sell in the market increased from 85 days to 108 days. This increase in time did not detract from the positive results and increase in sales volume and prices. The preceding statistics were obtained from the RAHB.

General marketability and the (effective) demand of commercial-investment properties in Southern Ontario as end-user products and/or an investment products remains comparably high as at the effective date of appraisal with a limited supply of well-priced, quality properties in fundamentally sound locations. The market continues to look for investments that offer functionality, stability and yield.

**Residential Real Estate Market**

The RAHB reports 15,565 sales were processed through its MLS in 2017, which reflects a decrease of 5.9% from the 2016 record breaking year. Although total sales were down from the previous year, the total volume of sales reached a new high of \$8.972 billion, which reflects a 14.4% increase across all properties. Notably, the number of formal listings increased from 2016 to 2017 or 16.4%. Meanwhile, median and average sale prices reached \$690,000 and \$757,045, an increase of 13.3% and 15.2% respectively. The following table provides year-end Hamilton market figures for 2016 and 2017:

<b>Residential Real Estate Market- Hamilton*</b>			
<b>Year End 2017</b>			
	<b>2017</b>	<b>2016</b>	<b>% Change</b>
<b>Residential Only</b>			
Listings	12,407	10,721	15.7%
Sales	8,308	\$8,925	-6.9%
Average Sale Price	\$496,560	\$427,098	16.3%
Median Sale Price	\$455,000	\$392,900	15.8%
Average Days on Market	23	25	-8.0%
Median Days on Market	14	14	0.0%
End of Month Listing Inventory	1,068	664	60.8%
<b>Residential Freehold</b>			
Listings	10,611	9,186	15.5%
Sales	6,925	7,621	-9.1%
Average Sale Price	\$524,959	\$449,634	16.8%
Median Sale Price	\$480,000	\$410,000	17.1%
Average Day on Market	23	24	-4.2%
Median Days on Market	13	13	0.0%
End of Month Listing Inventory	926	551	68.1%
<b>Condominium</b>			
Listings	1,796	1,535	17.0%
Sales	1,383	1,304	6.1%
Average Sale Price	\$354,363	\$295,390	20.0%
Median Sale Price	\$341,000	\$280,000	21.8%
Average Days on Market	24	27	-11.1%
Median Days on Market	16	18	-11.1%
End of Month Listing Inventory	142	113	25.7%

\* Includes Hamilton West, Hamilton East, Hamilton Centre, Hamilton Mountain, Ancaster, Dundas, Flamborough, Waterdown, Stoney

Hamilton's residential market experienced an extended period of rapid growth in terms of price trends with significant market competition. The Hamilton area continues to be one of the most affordable areas for potential homeowners, which is drawing first time home owners from the greater area. Overall, effective demand for Hamilton residential properties from within the region and from the GTA remains relatively stable as at the effective date of appraisal.

#### **Hamilton Rental Market Report (CMHC)**

The Hamilton rental market indicated stronger growth from October 2016 to October 2017 according to the latest data published by the CMHC. Some of the key findings include:

- (1) Fewer renters transitioning into home ownership due to stricter mortgage rules and associated increased carrying costs while household income remained relatively stable.
- (2) The overall vacancy rate was 2.4% down from 3.8% in 2016 as demand outpaced supply.
- (3) Due to few alternatives to choose from, rent growth was strong in the Hamilton CMA.
- (4) A greater number of student renters were evident this year in the McMaster University area as the average number of non-permanent residents in Hamilton with study permits increased this year. International students placed greater demand on the rental market in the Hamilton West zone.
- (5) Supply increased less than demand with 563 new units added to the rental market, an increase of 1.3% compared to the 3% increase in demand.
- (6) Average rent growth for apartments surveyed in 2016 and 2017 saw an increase of approximately 5.1% due to the previously listed factors along with stronger home prices, which allowed landlords to increase rents above the 1.5% Ontario Guidelines when turnovers occurred.

#### **Building Activity and Construction Trends**

Construction activity in 2017 reached the one billion dollar mark for the sixth consecutive time and seventh time in eight years. Construction valued at \$1.36 billion was produced from 8,621 issued permits. Notably, construction activity in 2017 was dominated by the residential sector with over \$803 million or 58.92% of the annual total. The commercial sector produced over \$116 million, while institutional and government activity produced over \$250 million. Finally, the industrial sector produced just over \$172 million in construction value.

#### **City of Hamilton Staging of Development**

The City of Hamilton "Staging of Development" document is a comprehensive plan for the future growth of the City that co-ordinates the financing and construction of infrastructure and

community facilities with planning studies and development approvals. The Staging of Development Report provides anticipated growth forecast over 2017. It states:

- Fourteen plans of subdivision applications as submitted by applicants are identified for potential draft approval in 2017;
- Twenty-one existing draft approved plans of subdivision can proceed with servicing in 2017.

Generally, residential development firms and brokerages report a diminishing availability of quality residential development land in the Hamilton Region and a desire to increase land inventories, which in turn, are increasing pressure on values.

**Pre-Determined Estimates of Highest and Best (Perspectives 1 and 2)**

Based upon the terms of reference governing this analysis and report, the highest and best uses (the “HBUs”) of the subject property (i.e. Perspective 1) and Building A (i.e. Perspective 2) have been predetermined. For the purposes of this analysis and report, the HBUs in each perspective are assumed to reflect the proposed land uses. The timing of development for the Roxborough project is considered to be long-term in nature and up to 84 months from the effective date of appraisal.

## **9.0 Valuation Methodology**

Generally, there are three approaches to market value, namely, the (a) Income Approach, (b) Direct Comparison Approach (the “DCA”) and (c) Cost Approach. The appropriateness of any one application is determined by the type of property under appraisal and quality of market data available. The Reader is directed to Schedule 1 for additional information pertaining to each approach to value.

Given the nature of the subject property and the terms governing this assignment, the following approaches to value form part of this analysis:

### **Perspective 1**

- Direct Comparison Approach

### **Perspective 2**

- Income Approach

### **Perspective 1**

Estimate the market value of the subject property as vacant and unimproved based upon the completion of the Direct Comparison Approach. In this perspective, the subject property consists of Property 1, 2 and 3 collectively with total site area of 8.25 acres. Roxborough Park Inc. proposes to develop Property 1, 2 and 3 collectively with 570 residential units taking the form of a mixture of residential types. The Reader is directed to Schedule 2 and the extra-ordinary assumptions and limiting conditions invoked in this perspective and analysis.

## 9.1 Direct Comparison Approach

### Comparable Transactions Used in the Analysis

After investigating a number of recently completed transactions involving similar properties as the subject property, a total of thirteen were selected for the analysis. The comparable properties are displayed based upon their overall development density, namely:

- (a) Eight comparables for the analysis of the subject property's medium density portion of the site consisting of 5.34 acres;
- (b) Seven comparables for the analysis of the subject property's higher density portion consisting of 2.91 acres.

The Reader is directed to pages 48 - 49 and a summary of the comparable properties and the adjustment process. Detailed descriptions of the comparables are provided in Schedule 5.

### Unit of Analysis

Comparison requires that a common denominator be found. Comparable sale prices may be expressed in a number of manners. In this instance, sale price per acre is identified as being the best unit of analysis (the "unit price"). Price per unit is considered in a supporting capacity.

### Adjustment Process

Adjustments are made to the unit sale price of each of the comparable properties to account for differences between the comparables and the subject property. In other words, adjustments are applied so the comparables best reflect the characteristics of the subject property. Said characteristics and adjustments are recognized by the market to have an impact on value. The most common factors of adjustment include:

#### Property Rights Conveyed

A transaction price is always predicated on the real property interest conveyed.

#### Financing Terms

The transaction price of one property may differ from that of an identical property due to different financing arrangements. Investigations of the comparable property transactions reveal that all comparable properties were purchased conditions largely commensurate with prevailing market/financial conditions.

#### Motivation of Vendor (Duress) and Purchaser

Motivation of the parties to a transaction may impact price. The motivation of the vendor, particularly when properties are sold under duress, may result in a lower selling price than if the property had been exposed to the market for a longer period of time.



Market Conditions (Time)

Adjustments are required to reflect changes in market conditions between the sale date and the effective date of appraisal.

Location

The degree of proximity required of any specific sale property will vary with the type of property being appraised and sales activity in the area. The test of whether properties are comparable in terms of location is not the physical distance between them, rather whether the properties are within economic proximity (i.e. economic use area).

Site Size

The size of the subject site has a direct impact on value. Generally, all factors being the same, and tendencies toward smaller site areas will result in a larger unit value. The opposite holds true for larger sites. This is consistent with the Principle of Diminishing Marginal Returns.

Site Configuration

Typically, traditional site configurations (i.e. rectangular or square) enhance development efficiency and design. In addition, the configuration of a site relative to existing roadways and municipal servicing may have an impact on development efficiency and design.

Site Visibility/Exposure

Visibility/exposure may be important in the analysis properties. Proximity and accessibility to major, high profile transportation routes may also considered important features.

Land Use Policies

Land use policies play an important role in the determination of a property's highest and best use and market value. Value is created by utility, scarcity, demand and purchasing power, all of which are influenced by zoning and other land use regulations. Essentially, market value is measured utility and the utility of property is directly affected by a variety of land use policies.

Development Density

Development density is one of the most significant variables impacting the sale price of development land. Often, there is a direct relationship between development density and overall market value. Generally, there is an indirect relationship between unit price and development density.

Development Scale

The scale of a development has a direct relationship with the required capital requirements and associated risk.

Development Timing

The development times/horizons of development land may be referred to as the time to process said property to immediate developable land. Further, the absorption of the development unit inventory may be referred to as the rate at which units are sold to purchasers over a specified time period such as a month or year. Prolonged development times/horizons and absorption periods have an impact on value as each factor tends to increase holding costs.

Extra-Ordinary Site/Servicing Costs

The level, extent and availability of municipal services have a direct impact on market value and must be taken into account accordingly.

Demolition Costs

Costs associated with the demolition and removal of obsolete improvements on a site may be significant and require appropriate consideration.

Other Considerations

Other prevailing considerations not previously mentioned that may impact market value must be taken into account. These considerations may include assemblage/plottage potential, legal encumbrances, environmental stigma, archeological potential, etc.

Qualitative adjustments provide general direction as to the impact of any significant difference between the comparables and the subject property. The total of all adjustments as a percentage is estimated as a net adjustment to the unit sale price of each comparable. For the purpose of this analysis and report, a qualitative study was completed for the most part. The unit sale prices of the comparables were adjusted accordingly for pertinent factors either upwardly or downwardly. At times, no adjustment is necessary. A market value estimate was deliberated based upon the overall range of adjusted unit sale prices. Quantitative adjustments are most often referred to when an abundance of empirical data is available. They are most often looked to when the impact of various differences can be accurately measured from market data.

**Deliberation – Medium Density Residential Component (5.34 Acres)**

The following is a summary of certain particulars of the adjustment process and the deliberation to a value conclusion for the subject property's medium density component consisting of 5.34 acres:

- (1) Unadjusted unit sale prices among comparables 1 to 8 range from \$749,861 to \$1,854,762 per acre with the following variances and central tendencies:

	Sale Price/Acre	Sale Price/Unit
Maximum	\$1,854,762	\$85,500
Minimum	\$749,861	\$37,692
Average	\$1,173,145	\$57,872
Median	\$1,109,060	\$56,509

The comparables form the following ranges:

Date of Registration:	January 2015 – March 2018
Sale Price:	\$2,200,000 – \$7,860,000
Unadjusted Sale Price/Acre:	\$749,861 – \$1,854,762
Unadjusted Sale Price/Unit:	\$37,692 – \$85,500
Site Area (Acres):	1.63 – 7.64
Est. Development Timing (Months):	12 – 60

- (2) A review of the comparable properties reveals that the transactions occurred 0.07 to 37.84 months from the effective date of appraisal.
- (3) Comparables 5, 7 and 8 establish the upper end of the unit price range at \$1,325,879, \$1,854,762 and \$1,395,706 respectively.

Comparable 7 is located in the Glanbrook community of Hamilton. This area is a growing and developing area in the southern part of Hamilton. Existing developments surrounding this site include townhouses, single family dwellings and rural/farm properties. Land use policies were reportedly fully approved and in effective at the time of sale rendering its anticipated development timing as immediate. Overall, a downward adjustment is applied to its unit price.

Comparable 5 and 8 are located in Waterdown, which tends to command higher land values and end product values relative to the subject property and its neighbourhood. Although the development densities for these comparables are lower than that of the subject, overall a downward adjustment is applied to their unit prices.

- (4) Comparable 1 establishes the lower end of the unit price range at \$749,861 per acre. This comparable is located in the southwest quadrant of Upper James Street and Mohawk Road West in the Yeoville Neighbourhood of Hamilton. At the time of sale, this comparable was improved with the former Mountain Secondary School, a partial two storey school with a total GFA of 68,159SF of which 59,330SF was situated on the ground level and 8,829SF on second level. The building and property was vacant at the time of sale. Redevelopment of this property to a lower density residential land use involving townhomes, stacked townhomes and single detached dwellings was available. However, it was reported the City of Hamilton acquired the comparable for redevelopment to affordable housing. Overall, an upward adjustment is applied to its unit price.
- (5) The remaining comparables form a relative narrow range of unit prices from \$889,222 to \$1,189,189.

At the time of sale, Comparable 2 was improved with a number of industrial buildings with a GFA of 40,603SF. The property was reported to contain an environmental contamination and a number of underground tanks. The City of Hamilton's Brownfield programs may apply to the remediation of this comparable. The property was presented to the market as a redevelopment opportunity to 40 townhouse/stacked townhouses.

Comparable 3 occupies a superior location relative to the subject property. However, its proximity to the intersection of the QEW and Fruitland Road is anticipated to impact its development envelope. At the time of its sale, this comparable was vacant and draft plan approved at a lower development density relative to the subject property.

Comparable 4 forms the northwest corner of Fruitland Road and the QEW in Stoney Creek. This comparable offers good access to the QEW and is in close proximity to Bayview West Park. According to the City of Hamilton, a development application has been filed for the construction of 140 townhouse units.

Comparable 6 is located in a mature neighbourhood adjacent to the subject property. At the time of sale, this comparable was improved with the former Roxborough Park Elementary School, an obsolete two storey school with GFA of 34,006SF. Redevelopment of this property to a lower density residential land use involving townhouses and single detached dwellings was available. A lower development density was anticipated in order to satisfy general conformity with the surrounding neighbourhood.

- (7) The Reader is directed to page 45 and the graphs depicting the correlation between (a) sale price per acre and total site area and (b) sale price per acre and development density per acre.
- (8) No single comparable has been relied upon solely. A unit price of \$825,000 to \$900,000 is considered to be an appropriate indication of the current market value of the subject property.

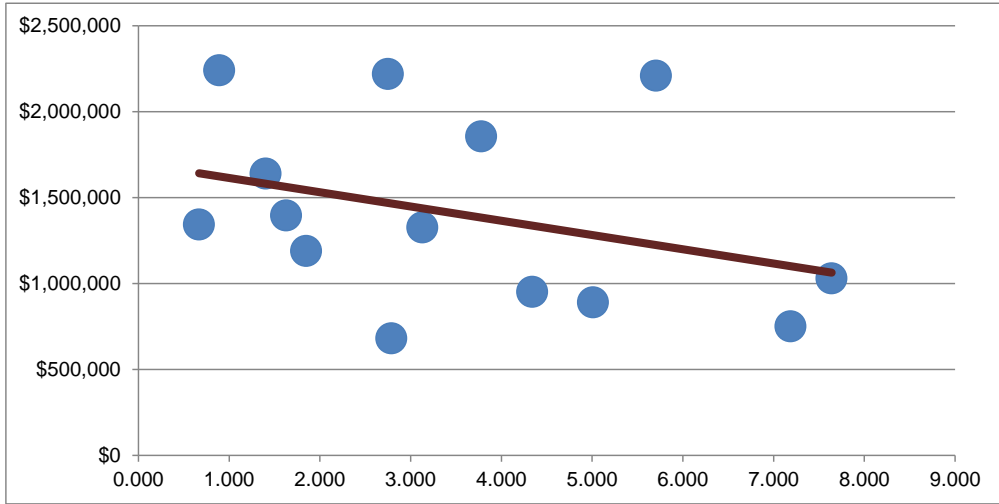
Based upon the completion of the DCA, the market value of the subject property's medium density land use portion, effective March 13, 2018, is estimated to be (rounded):

**Four Million Four Hundred Thousand (\$4,400,000) Dollars**  
**To**  
**Four Million Eight Hundred Thousand (\$4,800,000) Dollars**

**The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.**

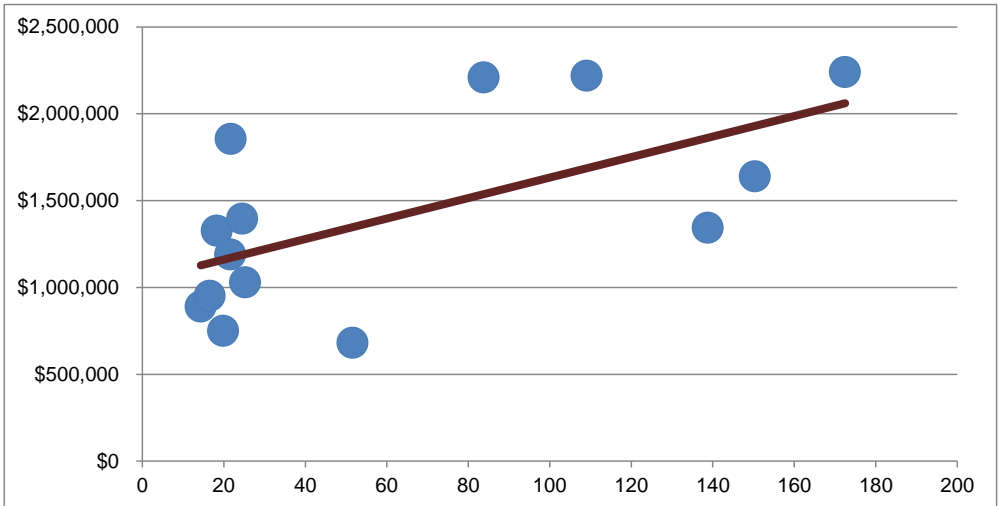
**Correlation: Sale Price Per Acre Vs. Total Site Area**

Comp No.	Site Area (Acres)	Sale Price Per Acre
13	0.670	\$1,343,284
10	0.893	\$2,239,642
9	1.403	\$1,639,344
8	1.630	\$1,395,706
2	1.850	\$1,189,189
11	2.750	\$2,218,182
14	2.790	\$681,004
5	3.130	\$1,325,879
7	3.780	\$1,854,762
6	4.340	\$951,613
3	5.010	\$889,222
12	5.706	\$2,208,955
1	7.188	\$749,861
4	7.639	\$1,028,930



**Correlation: Sale Price Per Acre Vs. Development Density Per Acre**

Comp No.	Dev Density	Sale Price Per Acre
3	14.37	\$889,222
6	16.59	\$951,613
4	18.33	\$1,325,879
1	19.89	\$749,861
2	21.62	\$1,189,189
7	21.69	\$1,854,762
8	24.54	\$1,395,706
5	25.24	\$1,028,930
14	51.61	\$681,004
12	83.77	\$2,208,955
11	109.09	\$2,218,182
13	138.81	\$1,343,284
9	150.39	\$1,639,344
10	172.45	\$2,239,642



**Deliberation – Higher Density Residential Component (2.91 Acres)**

The following is a summary of certain particulars of the adjustment process and the deliberation to a value conclusion for the subject property's high density component consisting of 2.91 acres:

- (1) Unadjusted unit prices among comparables 9 to 15 range from \$681,004 to \$2,239,642 per acre with the following variances and central tendencies:

	<b>Sale Price/Acre</b>	<b>Sale Price/Unit</b>
<b>Maximum</b>	\$2,239,642	\$26,369
<b>Minimum</b>	\$681,004	\$9,677
<b>Average</b>	\$1,580,696	\$14,899
<b>Median</b>	\$1,639,344	\$12,987

The comparables form the following ranges:

Date of Registration:	June 2017 – October 2015
Sale Price:	\$900,000 – \$12,604,300
Unadjusted Sale Price/Acre:	\$681,004 – \$2,239,642
Unadjusted Sale Price/Unit:	\$9,677 – \$26,369
Site Area (Acres):	0.670 – 5.706
Est. Development Timing (Months):	12 – 60

- (2) A review of the comparable properties reveals that the transactions occurred 8.38 to 28.17 months from the effective date of appraisal.
- (3) Comparables 10, 11 and 13 establish the upper end of the unit price range at \$2,239,642 per acre, \$2,218,182 per acre and \$2,208,955 per acre respectively. These comparables are considered superior to the subject property in terms of location and certain site features. Comparable 10 has a higher development density relative to the subject property while comparables 11 and 13 have a lower density. Overall, a downward adjustment is applied to their unit price.
- (4) Comparable 9 and 14 establish the lower end of the unit price of \$1,639,344 and \$1,343,284 respectively.

Comparable 9 transferred at a unit price of \$1,639,344. This property is located in an area of Stoney Creek affected by industrial/employment land uses. However, it is situated in relatively close proximity to the QEW. An application has been submitted to the City of Hamilton for the construction of 211 residential units over 13 storeys and 278 parking spaces.

Comparable 14 transferred at a unit price of \$1,343,284. This corner property is smaller in size at only 0.67 acres and is located next to a newer high-rise residential development. It has been approved for the development of 93 residential units.

- (5) The Reader is directed to page 45 and the graphs depicting the correlation between (a) sale price per acre and total site area and (b) sale price per acre and development density per acre.
- (6) No single comparable has been relied upon solely. A unit price of \$1,125,000 to \$1,250,000 is considered to be an appropriate indication of the current market value of the subject property.

Based upon the completion of the DCA, the market value of the subject property's high density land use portion, effective March 13, 2018, is estimated to be (rounded):

**Three Million Two Hundred Seventy Five Thousand (\$3,275,000) Dollars**  
**To**  
**Three Million Six Hundred Thirty Five Thousand (\$3,625,000) Dollars**

**The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.**

**Conclusion to Direct Comparison Approach (Collectively)**

Based upon the completion of the DCA, the market value of the overall subject property (i.e. 8.25 acres), effective March 13, 2018, is estimated to be (rounded):

**Seven Million Six Hundred Seventy Five Thousand (\$7,675,000) Dollars**  
**To**  
**Eight Million Four Hundred Thirty Five Thousand (\$8,435,000) Dollars**

**The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.**

**Direct Comparison Approach - Medium Density Residential | Summary of Comparable Properties and Adjustment Process**

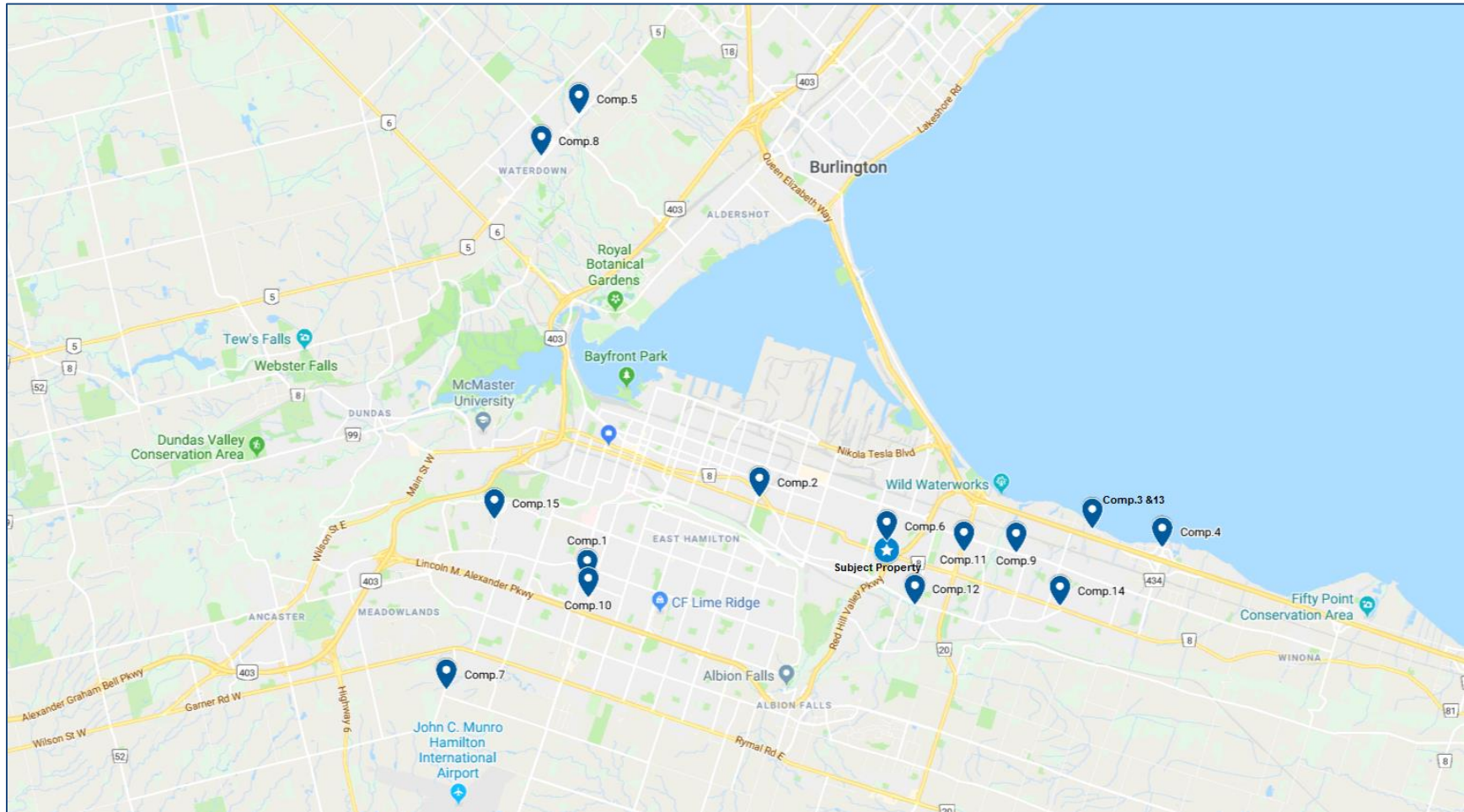
	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8	Subject Property
<b>Property Identification</b>									
Municipal Address	60 Caledon Avenue	276 Dunsmore Road	98 Shoreview Pl	96 Lakeview Dr	4 First St/383 Dundas St E	20 Reid Ave N	365 Glanccaster Rd	219 Dundas St E	Property 1, 2 and 3
City	Hamilton	Hamilton	Stoney Creek	Stoney Creek	Waterdown	Hamilton	Hamilton	Waterdown	Hamilton
PIN	16968-0367	17227-0002	17330-0397	17347-0840	17505-0385/86	17285-0103	16901-0870	17509-0148	17285-0105, 17284-0165, -0068
Former Use	School	Industrial	Land	Land	Canon Nurseries/Residence	Roxborough Pk Sch	Land	Land	Affordable City Housing
<b>Sale Particulars</b>									
Date of Registration	15-Mar-18	27-Jul-17	30-Nov-16	19-Sep-16	15-Aug-16	31-May-16	8-Oct-15	2-Jan-15	
No. of Months from Effective Date	0.07	-7.43	-15.22	-17.55	-18.67	-21.10	-28.76	-37.84	
Sale Price	\$5,390,000	\$2,200,000	\$4,455,000	\$7,860,000	\$4,150,000	\$4,130,000	\$7,011,000	\$2,275,000	
Vendor	Board of Education Hamilton	2410753 Ontario Limited	King-Tis Investments	2322338 Ontario Ltd.	CB Vander Kruk Holdings	Board of Education	Residences of Koppercreek	Doss Homes	
Purchaser	City of Hamilton	Dunsmore Developments	Cara Custom Homes	Desantis Rose JB	Mikmada (Gemstone) Inc.	Roxborough Park Inc.	365 Glanccaster Road Inc.	Dawn Victoria Homes	
Mortgage Financing	Cash/Market	Cash/Market	Cash	Cash	VTB	Cash	VTB	Cash	
<b>Physical Site Characteristics</b>									
Zoning	I2	DE	RM3	HC-(H)	HC2	I1	ER	UC	I1
Site Area (Acres)	7.188	1.850	5.010	7.639	3.130	4.340	3.780	1.630	5.340
General Site Configuration	Irregular	Irregular	Irregular	Irregular	Rectangular	Rectangular	Rectangular	L-Shape	Irregular
Improvements (at Time of Sale)	Yes	Yes	Nil	Nil	Yes	Yes	Nil	Nil	Yes
Draft Plan Approval at Time of Sale	No	No	Yes	No	No	No	Yes	No	No
Proposed No. of Units	143	40	72	140	79	72	82	40	216
Proposed Development Density/Acre	19.89	21.62	14.37	18.33	25.24	16.59	21.69	24.54	40.45
Proposed Development Type	Towns/Stacked/Singles	Towns	Towns	Towns	Towns	Towns/Singles	Towns	Towns	Towns, Back-to-Back, Stacked
Municipal Service	Urban	Urban	Urban	Urban	Urban	Urban	Urban	Urban	Urban
Est. Development Timing (Months)	36-60	36-48	12.00	12-36	24-36	36-60	12.00	12-36	84
<b>Sale Price Per Acre</b>	<b>\$749,861</b>	<b>\$1,189,189</b>	<b>\$889,222</b>	<b>\$1,028,930</b>	<b>\$1,325,879</b>	<b>\$951,613</b>	<b>\$1,854,762</b>	<b>\$1,395,706</b>	
<b>Sale Price Per Unit</b>	<b>\$37,692</b>	<b>\$55,000</b>	<b>\$61,875</b>	<b>\$56,143</b>	<b>\$52,532</b>	<b>\$57,361</b>	<b>\$85,500</b>	<b>\$56,875</b>	
<b>Adjustments</b>									
Rights Conveyed	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Financing	Nil	Nil	Nil	Nil	Downward	Nil	Downward	Nil	
Motivation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Market Conditions (Time)	Nil	Upward	Upward	Upward	Upward	Upward	Upward	Upward	
Location	Nil	Upward	Downward	Downward	Downward	Nil	Downward	Downward	
Site Size	Downward	Downward	Downward	Downward	Downward	Downward	Downward	Downward	
Site Configuration	Nil	Nil	Nil	Nil	Downward	Downward	Downward	Nil	
Land Use Policies	Nil	Nil	Downward	Nil	Nil	Nil	Downward	Nil	
Development Density	Upward	Upward	Upward	Upward	Upward	Upward	Upward	Upward	
Development Timing	Downward	Downward	Downward	Downward	Downward	Downward	Downward	Downward	
Extra-Ordinary Site/Service Costs	Upward	Downward	Downward	Downward	Downward	Downward	Downward	Downward	
Demolition Costs	Upward	Upward	Downward	Downward	Nil	Nil	Downward	Downward	
Other Considerations	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>Overall Adjustment</b>	<b>Upward</b>	<b>Downward</b>	<b>Downward</b>	<b>Downward</b>	<b>Downward</b>	<b>Downward</b>	<b>Downward</b>	<b>Downward</b>	<b>Market Value Estimate</b> <b>\$825,000-\$900,000/Acre</b>



**Direct Comparison Approach: Medium to High Density Residential | Summary of Comparable Properties and Adjustment Process**

	Comparable 9	Comparable 10	Comparable 11	Comparable 12	Comparable 13	Comparable 14	Comparable 15	Subject Property
<b>Property Identification</b>								
Municipal Address	2782 Barton St. E.	1020 Upper James St	140 Centennial Pkwy N	2734 King St E	101 Shoreview Pl	325 Highway 8	1 Redfern Ave	Property 1, 2 and 3
City	Hamilton	Hamilton	Hamilton	Hamilton	Stoney Creek	Stoney Creek	Hamilton	Hamilton
PIN	17312-0139	16968-0219	17308-0045/0045	17099-0746	17330-0395	17333-0722	17036-0679	17285-0105, 17284-0165, -0068
Former Use	Land	Commercial + Land	Commercial + Land	Land	Land	Land	Land	Affordable City Housing
<b>Sale Particulars</b>								
Date of Registration	28-Jun-17	1-Jun-17	21-Apr-17	10-Feb-17	13-Oct-16	14-Sep-16	26-Oct-15	
No. of Months from Effective Date	-8.38	-9.27	-10.59	-12.92	-16.77	-17.72	-28.17	
Sale Price	\$2,300,000	\$2,000,000	\$6,100,000	\$1,300,000	\$12,604,300	\$900,000	\$1,900,000	
Vendor	2362302 Ontario Inc.	Swackhamer, Truscott, Brown & Dwyer	140 Centennial Parkway Limited	Roger Jackson	LPF Realty Residential Inc.	Named Individual	Starward Homes Inc.	
Purchaser	LJM Developments	2564830 Ontario Limited	140 CPN Holdings Ltd.	A.DeSantis Development Ltd.	New Horizon Development Group	LJM Developments	Scenic Trails Ltd	
Mortgage Financing	VTB	Cash/Market	Cash/Market	Cash/Market	Cash/Market	Cash/Market	Cash/Market, VTB	
<b>Physical Site Characteristics</b>								
Zoning	E	HH & G3	HH	AA; Open Space	RM3-55	RM-4	DE-2	I1
Site Area (Acres)	1.403	0.893	2.750	1.770	5.706	0.670	2.790	2.910
General Site Configuration	Rectangular	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
Improvements (at Time of Sale)	Nil	8,515	32,796	Nil	Nil	Nil	Nil	Yes
Draft Plan Approval at Time of Sale	No	No	No	Yes	Yes	Yes	Yes	No
Proposed No. of Units	211	154	300	120	478	93	144	353
Proposed Development Density/Acre	150.39	172.45	109.09	67.80	83.77	138.81	51.61	121.41
Proposed Development Type	Gr. Fl Comm & Res Condo	Res Rental	Res Rental + Commercial (23,664SF)	Res Condominium	Res Condominium	Res Condominium	Res Condominium	Towns & High Rise
Municipal Service	Urban	Urban	Urban	Urban	Urban	Urban	Urban	Urban
Est. Development Timing (Months)	24-36	36-60	24-36	12-24	12-24	12-24	12-24	84
<b>Sale Price Per Acre</b>	<b>\$1,639,344</b>	<b>\$2,239,642</b>	<b>\$2,218,182</b>	<b>\$734,463</b>	<b>\$2,208,955</b>	<b>\$1,343,284</b>	<b>\$681,004</b>	
<b>Sale Price Per Unit</b>	<b>\$10,900</b>	<b>\$12,987</b>	<b>\$20,333</b>	<b>\$10,833</b>	<b>\$26,369</b>	<b>\$9,677</b>	<b>\$13,194</b>	
<b>Adjustments</b>								
Rights Conveyed	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Financing	Nil	Nil	Nil	Nil	Nil	Nil	Downward	
Motivation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Market Conditions (Time)	Upward	Upward	Upward	Upward	Upward	Upward	Upward	
Location	Downward	Downward	Downward	Nil	Downward	Downward	Downward	
Site Size	Downward	Downward	Downward	Downward	Upward	Downward	Downward	
Site Configuration	Downward	Nil	Nil	Nil	Nil	Nil	Nil	
Land Use Policies	Nil	Nil	Nil	Downward	Downward	Downward	Downward	
Development Density	Downward	Downward	Upward	Upward	Upward	Upward	Upward	
Development Timing	Downward	Downward	Downward	Downward	Downward	Downward	Downward	
Extra-Ordinary Site/Service Costs	Downward	Downward	Downward	Downward	Downward	Downward	Downward	
Demolition Costs	Nil	Upward	Upward	Nil	Nil	Nil	Nil	
Other Considerations	Nil	Downward	Nil	Nil	Nil	Nil	Nil	
<b>Overall Adjustment</b>	<b>Downward</b>	<b>Downward</b>	<b>Downward</b>	<b>Upward</b>	<b>Downward</b>	<b>Downward</b>	<b>Upward</b>	<b>Market Value Estimate</b>
								<b>\$1,125,000-\$1,250,000/Acre</b>

Map Depicting Location of Comparable Sales and Subject Property



**Perspective 2**

Estimate the market value of Building A on Property 3 assuming it is fully constructed and operational at market levels on a for-profit basis and based upon the completion of the Income Approach. Building A will have a gross floor area of 96,000SF overall 8 levels and a total of 95 units with the following unit mix:

1-Bedroom	24
2-Bedroom	31
3-Bedroom	16
4-Bedroom	24

The Reader is directed to Schedule 2 and the extra-ordinary assumptions and limiting conditions invoked in this perspective and analysis.

## **9.2 INCOME APPROACH**

The Reader is directed to the following page for a summary of the normalized statement of income/expense (the “normalized statement”) and the direct capitalization. Notes to the income approach follow on pages 54 - 62.

### **Conclusion to Income Approach**

Based upon the completion of the Income Approach, the market value of Property 3, effective March 13, 2018, is estimated to be (rounded):

**Thirty One Million Two Hundred Sixty Thousand (\$31,260,000) Dollars**

**To**

**Thirty Three Million One Hundred Thousand (\$33,100,000) Dollars**

**The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.**

## Income Approach

### Proforma Statement of Income/Expense and Direct Capitalization

	1 Bedroom	24		
	2 Bedroom	31		
	3 Bedroom	16		
	4 Bedroom	24		
	<b>Total</b>	<b>95</b>		
<b>1 Estimate of Potential Gross Income (PGI)</b>				
1.1	Unit Rent			<b>\$1,893,486</b>
1.2	PLUS: Economic Rent Adjustment (4-BR Units)			<b>\$48,464</b>
1.3	Total Estimated PGI			<b>\$1,941,950</b>
<b>2 Vacancy and Bad Allowance</b>				
		2.00%		<b>\$37,870</b>
<b>3 Effective Gross Income (EGI)</b>				
			\$20,043	<b>\$1,904,080</b>
<b>4 Operating Expenses (OE)</b>				
		% of EGI	Per Unit/Year	Per Year
4.1	Property Taxes	12.44%	\$2,493	<b>\$236,846</b>
4.2	Property Insurance	0.75%	\$150	<b>\$14,250</b>
4.3	Common - Hydro Electricity	1.25%	\$250	<b>\$23,750</b>
4.3	Common - Water	0.90%	\$180	<b>\$17,100</b>
4.3	Common - Natural Gas	0.62%	\$125	<b>\$11,875</b>
4.4	Repair and Maintenance	2.49%	\$500	<b>\$47,500</b>
4.5	Elevator	0.38%	\$76	<b>\$7,200</b>
4.6	Landscaping, Snow & Rubbish Removal	0.67%	\$135	<b>\$12,825</b>
4.7	Management (3.5% of EGI)	3.50%	\$702	<b>\$66,643</b>
4.8	On-site Superintendant	2.00%	\$400	<b>\$38,000</b>
4.9	Professional Fees	0.25%	\$50	<b>\$4,750</b>
4.10	Marketing & Advertising	0.50%	\$100	<b>\$9,500</b>
4.11	Miscellaneous	0.50%	\$75	<b>\$7,125</b>
4.12	Total Operating Expenses	26.12%	\$5,235	<b>\$497,364</b>
<b>5 Net Operating Income (NOI)</b>				
		73.88%	\$14,808	<b>\$1,406,716</b>
<b>6 Overall Capitalization Rate (CR)</b>				
			4.50%	4.25%
<b>7 Estimate of Market Value By Income Approach</b>				
			\$31,260,355	\$33,099,200
	Per Unit		\$329,056	\$348,413
<b>Estimate of Market Value By Income Approach (Rounded)</b>				
			<b>\$31,260,000 to \$33,100,000</b>	

## Income Approach (Direct Capitalization)

### Normalized Statement of Income and Expense and Direct Capitalization

#### General Notes

#### Summary of Income Approach

The Reader is directed to page 53 and a summary of the income approach, which consists of:

- A normalized statement of income and expense (the “normalized statement”) for the operation of the subject property during the 12-month period following the effective date of appraisal. In this regard, this analysis contains certain forward-looking information.
- The direct capitalization of the estimated net operating income (the “NOI”) of the subject property for the period analyzed.
- The normalized statement is based upon the following:
  - (1) Information provided by Roxborough Park Inc.
  - (2) The financial performance of comparable properties and the working experience of PRA in the fields of appraisal, assessment appeal and property tax recovery, capital management, asset and property management and the development of real estate have been relied upon in this exercise.

#### (1) Potential Gross Income (PGI)

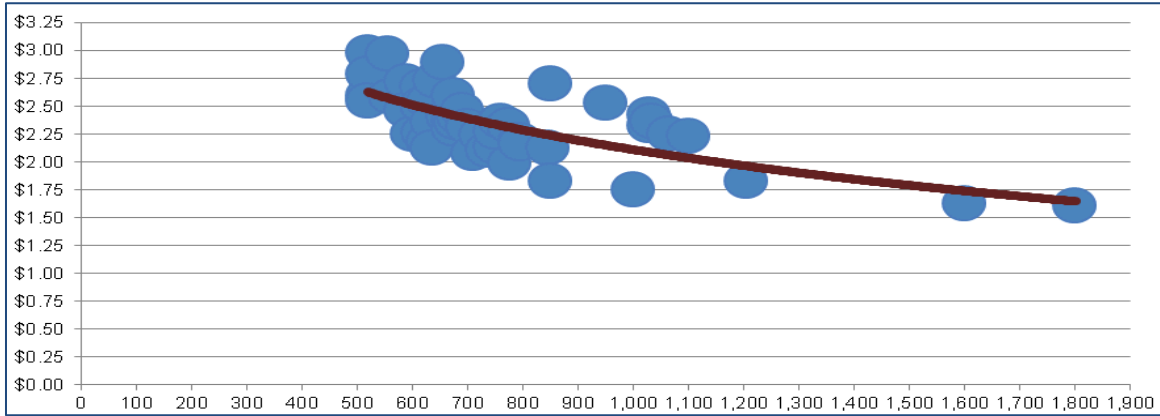
##### Tenancy

A review of recently completed rental transactions involving space in residential condominiums, which are considered comparable or superior to Building A, has been completed in an effort to determine appropriate market rent levels. The Reader is directed to page 58 and a summary of the survey. The following table summarizes the results:

	Unit Size (SF)	Rent/SF	Rent/Month
Hi	1,800	\$2.98	\$2,900
Low	520	\$1.61	\$1,325
Average	774	\$2.34	\$1,764
Median	688	\$2.36	\$1,625

The following graph depicts the correlation between rent per square foot and unit size among the rental comparables:

**Correlation: Market Rent Per SF Vs. Unit Size (SF)**



Based upon the market survey and the location and physical characteristics of the Building A, the following table summarizes the estimated market rental scheme in Building A as at the effective date of appraisal:

**Estimate of Potential Gross Income - Rentals**

Unit Type	Unit Count	Unit Size (SF)	Rent PSF/Month	Rent/Month	Rent Per Annum
1-Bedroom	8	450	\$2.20	\$990	<b>\$95,040</b>
	16	560	\$2.15	\$1,204	<b>\$231,168</b>
2-Bedroom	31	850	\$1.95	\$1,658	<b>\$616,590</b>
3-Bedroom	8	865	\$1.95	\$1,687	<b>\$161,928</b>
	8	925	\$1.90	\$1,758	<b>\$168,720</b>
4-Bedroom	8	1100	\$1.85	\$2,035	<b>\$195,360</b>
	8	1175	\$1.85	\$2,174	<b>\$208,680</b>
	8	1250	\$1.80	\$2,250	<b>\$216,000</b>
					<b>\$1,893,486</b>
Median		850	\$1.95		
Average		857	\$1.97		

Pursuant to Section 5.0 of this report, the prescribed unit mix is impacted by an external obsolescence. More specifically, this obsolescence reflects the prevailing reluctance of the market to construct 4-bedroom units in place of smaller 1-2-3 bedroom units, which command higher rents. In other words, Building A's specific design as proposed and in conformity with Hamilton City Housing requirements may not be guided by highest and best financial outcomes as regarded by the market. Consequently, the analysis considers the diminishing effect of the 4-bedroom unit type on economic rent as an adjustment, which takes the form of additional rent

(the “economic rent adjustment”). This adjustment reflects the incremental variance in the average monthly rent (per square foot) assigned to the 4-bedroom units and the average rent assigned to the 1-2-3 bedroom units collectively.

Economic Rent Adjustment for the Presence of 4-BR Units/External Obsolescence

	GFA (SF)	Income/Annum	Income/SF	Rent Differential
	81,430			
1-2-3 Bedrooms	53,230	\$1,273,446	\$1.99	
4-Bedrooms	28,200	\$620,040	\$1.83	
Differential/Economic Rent Adjustment	25,030		\$0.16	\$48,464

**(2) Vacancy, Rental and Collection Loss**

Vacancy, rental expenses and bad debt allowance is an allowance for the reduction in potential income attributable to vacancies, tenant turnover and inducements and non-payment of rent, all of which are non-recoverable. Annual rent collections are typically less than potential as a result of the aforementioned factors. Since normalized or potential income is forecasted in the income capitalization technique, an annual allowance or deduction must be made for a vacancy and bad debt allowance. The allowance is estimated for a typical year and is deducted from normalized annual income. It is not intended to reflect actual market vacancy rates per se, but rather, typical investor expectations over a specific holding period taking into consideration the following:

- Investor perception of the physical property and quality of tenancy
- Present and projected supply and demand relationships and general economic conditions

**(3) Effective Gross Income (EGI)**

Effective gross income (the “EGI”) is the anticipated income from all operations after an allowance for vacancy and collection losses. Essentially, this is a mathematical procedure whereby the monetary amount attributable to vacancy and collection loss is subtracted from the potential gross income estimate, resulting in the EGI.

**(4) Operating Expense Analysis**

There are three categories of expenses, which are to be considered in the operation of a typical income property, namely, fixed expenses, variable expenses and reserves for replacement. Fixed expenses are required for the operation of the subject property irrespective of any other factor, revenue or expense. In other words, these expenses do not fluctuate with occupancy real estate taxes and insurance charges are the fixed charges pertaining to the operation of the subject property.

**4.1 Property Taxes**

The purpose of property taxes is to allocate the municipal tax burden on the basis of market value.



#### **4.2 Property Insurance**

This expense category pertains to the cost of insuring the subject property and its contents against damage or destruction from fire, weather, general accidents, etc.

Variable expenses may be defined as all operating expenses that generally vary with the level of occupancy or the extent of services provided. These expenses are considered necessary for the preservation of the asset's income-producing potential. Variable expenses for a typical income-producing property include common utilities, general repair and maintenance, landscaping, snow and rubbish removal, professional fees and management/administrative fees.

#### **4.3 Utilities**

This expense category pertains to the cost of providing utility services to the common areas of the subject property (i.e. electricity, natural gas and water/sewer). Units are assumed to be sub-metered for all utilities.

#### **4.4 Repair and Maintenance**

This expense category forms part of a management program whereby funds are extracted from income to maintain and repair building components that deteriorate during the building's economic life.

#### **4.5 Replacement Allowance**

This expense category forms part of a management program whereby funds are extracted from income for the periodic replacement of building components that wear out more rapidly than the building itself and must be replaced during the building's economic life.

#### **4.6 Elevator**

This expense category pertains to the regular maintenance and service of two elevators.

#### **4.7 Landscaping, Snow and Rubbish Removal**

This expense category forms part of a management program whereby funds are extracted from income to service the property's landscaping and the removal of snow and rubbish.

#### **4.8 Property Management**

This expense category represents the fee paid to a professional management company that directs or conducts the management of the subject property based upon a program of defined goals and objectives.

#### **4.9 On-Site Superintendent**

This expense category represents the fee paid to on-site staff assisting in the daily affairs and administration of the property.

Recently Secured Rental Transactions (Apartment Type)

No.	Property Name	Municipal Address	Unit No.	No. of Bedrooms	Unit Size (SF)	Date	Rent Per SF	Rent Per Month
1	Royal Connaught	112 King St. E	808	2	1,034	31-Mar-18	\$2.37	\$2,450
2	Royal Connaught	112 King St. E	514	1	850	25-Jan-18	\$1.82	\$1,550
3	Royal Connaught	112 King St. E	1002	1	620	1-Jan-18	\$2.26	\$1,400
4	Royal Connaught	112 King St. E	910	1	629	20-Dec-17	\$2.54	\$1,595
5	Royal Connaught	112 King St. E	511	1	700	1-Oct-17	\$2.32	\$1,625
6	Royal Connaught	112 King St. E	1014	1	555	1-Sep-17	\$2.97	\$1,650
7	Royal Connaught	112 King St. E	1111	1	685	1-Sep-17	\$2.41	\$1,650
8	Royal Connaught	112 King St. E	708	2	1,100	1-Sep-17	\$2.23	\$2,450
9	Royal Connaught	112 King St. E	712	1	640	31-Aug-17	\$2.73	\$1,750
10	Royal Connaught	112 King St. E	1003	1	618	31-Aug-17	\$2.67	\$1,650
11	Royal Connaught	112 King St. E	1008	2	1,030	23-Aug-17	\$2.33	\$2,400
12	Royal Connaught	112 King St. E	804	1	675	23-Aug-17	\$2.59	\$1,750
13	Royal Connaught	112 King St. E	905	2	850	22-Aug-17	\$2.71	\$2,300
14	Royal Connaught	112 King St. E	613	1	588	15-Aug-17	\$2.72	\$1,600
15	Royal Connaught	112 King St. E	908	2	1,030	1-Aug-17	\$2.43	\$2,500
16	Royal Connaught	112 King St. E	803	1	618	28-Jul-17	\$2.51	\$1,550
17	Waterfront Trails	35 Southshore Cres.	322	1	520	1-Apr-18	\$2.98	\$1,550
18	Waterfront Trails	35 Southshore Cres.	410	1	520	8-Dec-17	\$2.60	\$1,350
19	Waterfront Trails	35 Southshore Cres.	324	1	655	1-Nov-17	\$2.89	\$1,895
20	Waterfront Trails	35 Southshore Cres.	302	1	679	1-Oct-17	\$2.36	\$1,600
21	Waterfront Trails	35 Southshore Cres.	109	2	750	18-Sep-17	\$2.13	\$1,600
22	Waterfront Trails	35 Southshore Cres.	225	2	750	13-Sep-17	\$2.27	\$1,700
23	Waterfront Trails	35 Southshore Cres.	307	1	679	1-Sep-18	\$2.36	\$1,600
24	Waterfront Trails	35 Southshore Cres.	211	1	600	10-Jul-17	\$2.25	\$1,350
25	Waterfront Trails	35 Southshore Cres.	222	1	520	1-Jun-17	\$2.79	\$1,450
26	Waterfront Trails	35 Southshore Cres.	322	1	520	1-Jun-17	\$2.55	\$1,325
27	N/A	220 Cannon St. E.	703	2	724	1-Oct-17	\$2.24	\$1,625
28	N/A	220 Cannon St. E.	901	2	710	1-Oct-17	\$2.08	\$1,475
29	N/A	220 Cannon St. E.	1206	1	629	1-Oct-17	\$2.19	\$1,375
30	Witton Lofts	50 Murray St. W.	106	1	1,000	16-Apr-18	\$1.75	\$1,750
31	Witton Lofts	50 Murray St. W.	506	2	1,065	15-Jun-17	\$2.25	\$2,400
32	Regency on Main	150 Main St. W.	914	1	665	1-May-18	\$2.41	\$1,600
33	Regency on Main	150 Main St. W.	302	1	588	10-Apr-18	\$2.47	\$1,450
34	N/A	366 Bay St. N	D	3	1,600	15-Jan-18	\$1.63	\$2,600
35	N/A	366 Bay St. N.	C	3	1,205	1-Nov-17	\$1.83	\$2,200
36	N/A	366 Bay St. N.	F	1	950	1-Sep-17	\$2.53	\$2,400
37	N/A	366 Bay St. N.	D	2	1,800	2-Apr-17	\$1.61	\$2,900
38	N/A	208 Bold St.	202	1	775	1-Apr-18	\$2.32	\$1,800
39	City Square	85 Robinson Street	605	1	675	1-Jan-18	\$2.37	\$1,600
40	City Square	85 Robinson Street	403	1	560	1-Jul-17	\$2.59	\$1,450
41	City Square	90 Charlton Ave. W.	507	1	675	1-Jul-17	\$2.30	\$1,550
42	City Square	90 Charlton Ave. W.	510	1	777	26-Jun-17	\$1.99	\$1,550
43	Urban West	427 Aberdeen Ave.	501	2	690	15-Oct-17	\$2.46	\$1,700
44	The Kensington	95 Wilson St. W.	205	1	636	4-Dec-17	\$2.36	\$1,500
45	The Kensington	95 Wilson St. W.	307	1	636	1-Oct-17	\$2.12	\$1,350
46	N/A	97 James St. N.	3B	1	760	1-Jul-17	\$2.37	\$1,800
47	N/A	14 Cross St.	1	2	846	1-Apr-18	\$2.12	\$1,795
48	N/A	14 Cross St.	5	2	737	1-Oct-17	\$2.10	\$1,550
49	N/A	14 Cross St.	4	1	795	1-Oct-17	\$2.19	\$1,745
50	N/A	14 Cross St.	2	2	795	20-Sep-17	\$2.16	\$1,720

	Unit Size (SF)	Rent/SF	Rent/Month
Hi	1,800	\$2.98	\$2,900
Low	520	\$1.61	\$1,325
Average	774	\$2.34	\$1,764
Median	688	\$2.36	\$1,625

**4.10 Professional Fees**

This expense category represents the fee paid for third-party professional services in the operation of the subject property.

**4.11 Marketing & Advertising**

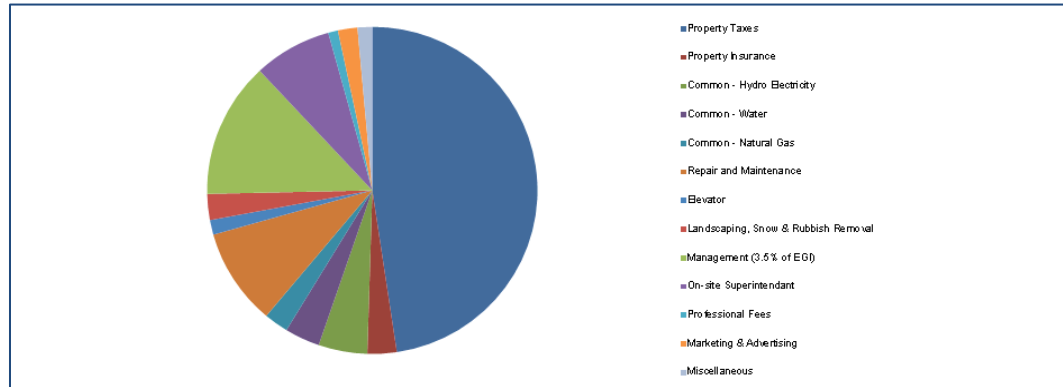
This expense category represents the fee paid for the general marketing and advertising of the property to the market as a brand.

**4.12 Miscellaneous**

This expense category represents a catch-all allowance for miscellaneous items.

**4.13 Total Operating Expenses**

The following pie-chart depicts each operating expense as a proportion of the total expenses:



**(5) Net Operating Income (NOI)**

NOI is defined as the actual or anticipated net income remaining after deducting all operating expenses from EGI, but before deducting mortgage debt service and depreciation.

**(6) Overall Capitalization Rate**

The following factors are considered in the selection of the appropriate capitalization rate:

- Quantity, quality and duration of rental income
- Design, condition and age of the building
- Site coverage ratio and parking availability
- Market Conditions
- Anticipated capital appreciation
- Comparable investment returns
- Capitalization rates from the sale of comparable properties

According to publications issued by Colliers International, CBRE Limited and Avison Young Canada Inc., the trend among capitalization rates in the multi-family residential sector (the “multi-family sector”) is anticipated remain at lower levels throughout 2018. The purchasing power of buyers is projected to be negatively impacted (by approximately 20%) due to challenges arising from more stringent mortgage-underwriting practices. As a result, a continued surge of demand in the rental market and a corresponding increase in rents are also expected, as many potential first-time home buyers are being priced out of the market.

The success of the condominium and housing markets across Southern Ontario continues to make the increasingly affordable multi-family sector an enticing option for renters. As new supply continues to lag consumer demand, multi-family capitalization rates are forecast to remain lower in 2018. However, the consensus among the major real estate brokerages is that tertiary markets may experience some softening in capitalization rates with an increase in interest rates.

The following table summarizes the capitalization rates experienced by the major real estate brokerage in the multi-family sector across the GTA:

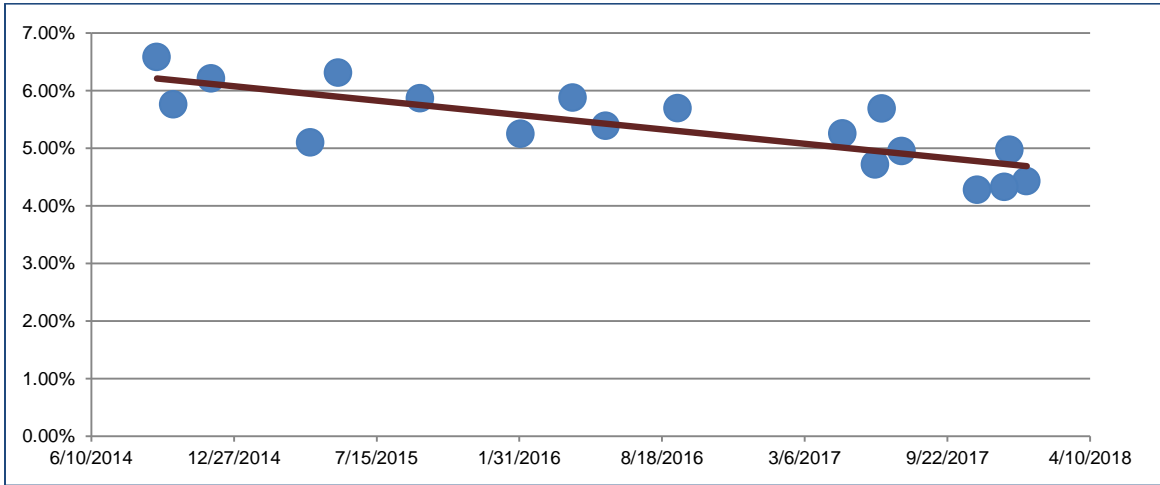
Capitalization Rate Summary | Major Real Estate Brokerages

Brokerage	Location	Market Sector	Time Period	High Rise	Low Rise
Colliers	Across GTA	Multi-Residential	Q1 - 2018	3.50% - 4.50%	3.25% - 4.25%
CBRE	Across GTA	Multi-Residential	Q4 - 2017	3.00% - 4.25%	3.00% - 4.50%
Avison Young	Across GTA	Multi-Residential	Q4 - 2017	3.80%	

A review of transactions involving 76 multi-residential properties within the GTA occurring in 2016-2018 render the following central tendency statistics:

	No. of Units	Sale Price/Unit	Cap Rate
Maximum	430	\$352,000	5.00%
Minimum	50	\$64,943	2.80%
Average	127	\$192,777	4.07%
Median	90	\$181,179	4.11%

Finally, capitalization rates from transactions involving established rental apartments in the Hamilton Region for the period 2014–2018 range from 4.28% to 6.58%. Notably, capitalization rates among transactions occurring in 2017–2018 have a median of 4.83%.



The preceding data suggests an overall capitalization rate ranging from 4.00% to 4.75%. An overall capitalization rate in the range of 4.25% and 4.50% is considered reasonable given the characteristics of Building A and prevailing market conditions as at the effective date of appraisal.

## 10.0 Final Estimate of Market Value

### Final Estimates of Market Value

The final estimated market value of the subject property based upon the herein contained analysis, the perspectives and the reported assumptions and limiting conditions, effective March 13, 2018, is:

<b>Perspective 1</b>	<b>Direct Comparison Approach</b>	<b>\$7,675,000 to \$8,435,000</b>
<b>Perspective 2</b>	<b>Income Approach</b>	<b>\$31,260,000 to \$33,100,000</b>

**The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.**

### Liquidity and Exposure Time

Overall, the liquidity of the subject property at the final estimate of market value is rated as *very good* given the characteristics of the subject property relative to market conditions prevailing as at the effective date of appraisal. In the estimation of an appropriate market exposure period for the disposition of the subject property, consideration is given to discussions with a number of real estate brokers and an analysis of market statistics. Due to the nature of the subject property and prevailing market conditions, a market exposure period of six months is estimated for the subject property.

## 11.0 Certification

Reference: Short Narrative Appraisal Report  
PRA File No. 17187JS-18  
11-17 Reid Avenue South, Hamilton (Property Identification No. 17284-0165)  
22-116 Lang Street, Hamilton (Property Identification No. 17285-0105)  
41 Reid Avenue South, Hamilton (Property Identification No. 17284-0068)

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
3. I have no past, present or prospective interest in the subject matter, the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I am not in a conflict of interest to undertake this assignment.
5. I have no bias with respect to the subject matter, the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of value estimate, or a conclusion favouring the Authorizer.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.
8. I have the knowledge, skills and experience to complete the assignment competently.
9. Jim Betteto, AACI, P.App. and Jason Stipancic, AACI, P.App. provided professional assistance or third party professional assistance to the person signing this report.
10. As of the date of this report, the undersigned has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for Members.
11. The undersigned is a Member in good standing of the Appraisal Institute of Canada.
12. I personally inspected the subject property of the report on March 13, 2018.

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It is our opinion that the estimated market value of the subject property, effective March 13, 2018, is:

**Perspective 1**      Seven Million Six Hundred Seventy Five Thousand (\$7,675,000) Dollars TO  
Eight Million Four Hundred Thirty Five Thousand (\$8,435,000) Dollars

**Perspective 2**      Thirty One Million Two Hundred Sixty Thousand (\$31,260,000) Dollars TO  
Thirty Three Million One Hundred Thousand (\$33,100,000) Dollars

The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.



Steve M. Pocrnic, AACI, P.App.  
President & CEO  
Pocrnic Realty Advisors Inc.

August 16, 2018

## 11.1 Certification

**Reference:** Short Narrative Appraisal Report  
PRA File No. 17187JS-18  
11-17 Reid Avenue South, Hamilton (Property Identification No. 17284-0165)  
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8. I have the knowledge, skills and experience to complete the assignment competently.
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10. As of the date of this report, the undersigned has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for Members.
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**Thirty Three Million One Hundred Thousand (\$33,100,000) Dollars**

The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.



Jim Betteto, AACI, P.App.  
Managing Director  
Valuation, Tax & Advisory  
Pocrnic Realty Advisors Inc.

August 16, 2018



## 11.2 Certification

Reference: Short Narrative Appraisal Report  
PRA File No. 17187JS-18  
11-17 Reid Avenue South, Hamilton (Property Identification No. 17284-0165)  
22-116 Lang Street, Hamilton (Property Identification No. 17285-0105)  
41 Reid Avenue South, Hamilton (Property Identification No. 17284-0068)

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


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The value opinions in this report are qualified by certain terms, definitions, assumptions, limiting conditions and certifications.

  
Jason Stjepanic, AACI, P.App.  
Senior Appraiser  
Valuation, Tax & Advisory  
Pocrnic Realty Advisors Inc.

August 16, 2018

## **ADDENDA**

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Definitions.....	Schedule 1
Ordinary and Extra-Ordinary Assumptions and Limiting Conditions.....	Schedule 2
Abbreviated Parcel Register .....	Schedule 3
ESRI   CCIM Market Profile .....	Schedule 4
Comparable Data Sheets.....	Schedule 5
Appraiser Profile.....	Schedule 6

## Schedule 1

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### Definitions

#### Sources:

*The Dictionary of Real Estate Appraisal, Third Edition, Appraisal Institute, 1993*

*The Appraisal of Real Estate, Fourteenth Edition, 2013*

*The Appraisal of Real Estate, Third Canadian Edition, Appraisal Institute of Canada/Appraisal Institute, 2010*

**Actual Age**

The number of years that have elapsed since construction of an improvement was completed; also called *historical* or *chronological age*.

**Building Condition Assessment**

The following terms are used in this report to describe the observed condition of various elements:

Good Condition: Element is an original installation or has recently been installed/replaced with no visible reduction in anticipated performance and should remain serviceable for a number of years with regular and proper maintenance.

Fair Condition: Element is in a condition that is typical of its age or based on use or location has been exposed to duress that has accelerated its typical serviceable life expectancy. Full service life is anticipated with regular and proper maintenance.

Poor Condition: Element is approaching or at the end of its useful service life or has been poorly maintained and/or serviced and should be replaced and/or repaired in the immediate future.

**Building Envelope**

The walls, roof and floors that enclose a heated or cooled space.

**Capitalization Rate**

A capitalization rate is defined as an income rate for a total real property interest that reflects the relationship between a single year's NOI expectancy and the total price property price or value; used to convert NOI into an indication of overall property value. ( $R_o = I_o / V_o$ ). Capitalization rates are equivalent to perpetual rates of return.

**Chattels**

In law, any property other than a freehold or fee estate in land; treated as personal property, although divisible into chattels real and chattels personal.

**Cost Approach**

The Cost Approach involves the valuation of the subject property's land and building separately as follows:

- Estimate of land value as unimproved;
- Estimate of reproduction cost new of all improvements;
- Estimate of accrued depreciation suffered from all sources;
- Add land value estimate and depreciated value estimate of all improvements.

**Depreciation**

In appraising, a loss in property value from any cause; the difference between the reproduction or replacement cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. In regard to improvements, depreciation encompasses both deterioration and obsolescence.

**Depreciated Cost**

Cost new less accrued depreciation as of the date of the appraisal. Sometimes erroneously used in reference to cost new less deterioration, or physical wear and tear only.

**Depreciated Value**

Often uses to describe cost less a single form of depreciation, or used synonymously with sound value, or with replacement cost less depreciation. A very nebulous term and purely a cost concept, which is frequently related to book value (Marshall & Swift)

**Direct Comparison Approach (DCA)**

The DCA arrives at an estimate of market value by comparing the subject property to comparable properties that have recently sold or are currently listed for sale. In this process, the actual market conditions and the various social and economic factors that influence them are investigated and analyzed. The DCA is based on the "Principle of Substitution" which states, *"the buyer will not pay more for a property than it will cost to buy an equally desirable substitute property, provided there is no undue delay in making the acquisition"*.

**Effective Age**

The age indicated by the condition and utility of a structure.

**Exposure Time**

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to have preceded the effective date of appraisal. The overall concept of reasonable exposure time encompasses adequate, sufficient and reasonable time as well as effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

**External Obsolescence**

An element of accrued depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of the owner, landlord or tenant.

**Floor Area Ratio (FAR)**

The gross floor area ratio ("FAR") refers to the relationship between the above ground floor area of the building and the area of the plot on which it stands.

**Functional Obsolescence**

An element of accrued depreciation resulting from deficiencies or superadequacies in the structure.

**Gross Floor Area (GFA)**

The total area of all floors of a building, including intermediately floored tiers, mezzanine, basements, etc., as measured from exterior surfaces of the outside walls of the building.

**Gross Leasable Area (GLA) and Gross Leasable Area Ratio**

The total area designed for tenants' occupancy and exclusive use measured from the centerline of joint partitions and from outside wall faces. Because GLA lends itself readily to measurement, the shopping center industry has adopted it as the standard for statistical comparison. The GLA Ratio refers to the relationship between the GLA and the area of the plot on which it stands.

**Highest and Best Use (HBU)**

Fundamental to the concept of market value is the principle of HBU, which is defined as "that 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." Estimating the HBU of a property is a critical appraisal component that

provides the valuation context within which market participants and appraisers select comparable market information. General guidelines that are often used in establishing the properties HBU maintain:

- The use must be legal;
- The use must be probable and realistic;
- Effective demand must exist for the intended use;
- The use must provide adequate utility and be profitable;
- The use must provide the highest net return;
- The return derived must exist for the longest period of time.

Land resources are at their HBU when they are utilized in such a manner as to provide the optimum return to operators or to society. Depending upon the type of criteria used, this return may be measured in strictly monetary terms, in intangible or social values, or a combination thereof. More specifically, the HBU of a property is an economic concept that measures the interaction of four criteria, namely:

- **Legal Permissibility**  
A legally permissible use is determined primarily by current zoning regulations. However, other considerations such as long-term leases, deed restrictions, and environmental regulations may preclude some possible highest and best use.
- **Physically Possible**  
The size, shape and topography affect the uses to which land may be developed. The utility of a parcel is dependent on its frontage and depth. Sites with irregular shapes may be more expensive to develop, and topography or subsoil conditions may make utilization too costly or restrictive. Highest and best use as improved also depends on physical characteristics such as condition and utility.
- **Economic and Financially Feasible**  
The use of the property is analyzed to make a determination as to the likelihood that the property is capable of producing a return which is greater than the combined income needed to satisfy operation expenses, debt service, and capital amortization. Any use that is expected to produce a positive return is classified as financially feasible.
- **Maximum Profitability**  
The use that provides the highest rate of return among financially feasible uses is the highest and best use. The use of the land must yield a profitable net return, and the quantity of land devoted to any specific use must be limited to that quantity which will yield a maximum return to each owner.

### **Income Approach**

When valuing properties from an income-producing perspective, the most appropriate appraisal technique is to develop an estimate of value by applying the Income Approach. The Income Approach presumes that no prudent buyer will pay more for the right to receive the future income stream for the subject property than an amount for which it can obtain the rights to a substitute future income stream, assuming similar quality, quantity and durability of the income streams. The quality of the future benefits affects investment risk and the buyer's ability to receive a return on its initial investment, as well as, a return of its investment. The quantity of the future benefits reflects the amount of the future income stream plus potential appreciation or depreciation over the buyer's term of ownership. Durability relates to the amount of time that an investment will continue to provide positive benefits of ownership adequate to meet the investor's criteria. There are two generally accepted forms of the Income Approach, which can be employed for a project similar to the subject property, namely, (a) the direct capitalization and (b) the discounted cash flow analysis (the "DCF"). Direct capitalization is often used when a property is currently operating at or near a stabilized occupancy level or when a property is projected to have a relatively level income stream. Alternatively, a DCF analysis is used when multiple tenants are in-place and/or the income stream will vary throughout the holding period.

**Liquidity**

An assessment and measure of the market's general desire and ability to purchase a property.

**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:

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract;
- The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

**Market Value**

The most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self interest, and assuming that neither is under undue duress. The following assumptions and conditions are fundamental in this definition:

- Buyer and seller are motivated by self-interest;
- Buyer and seller are well informed and are acting prudently;
- The property is exposed for a reasonable time on the open market;
- Payment is made in cash, its equivalent, or in specified financing terms;
- Specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the valuation date;
- The effect, if any, on market value from atypical financing services or fees that shall otherwise be clearly revealed in the content of this report.

The market value estimate is subject to the herein contained assumptions and limiting conditions.

**Neighbourhood Stages**

The complementary land uses that comprise neighbourhoods typically evolve through four stages, namely, (a) Growth, representing a period during which the neighbourhood gains public favour and acceptance, (b) Stability, representing a period of equilibrium without market gains or losses, (c) Decline, representing a period of diminishing demand, and (d) Revitalization, representing a period of renewal, modernization and increasing demand.

**Physical Deterioration**

An element of accrued depreciation.

**Potential Gross Income (PGI)**

Potential gross income (the "PGI") is defined as the total income attributable to the subject property at full occupancy before the deduction of vacancy and operating expenses. The determination of PGI requires an investigation of the subject property's rental status and its ability to maintain existing or proposed rent over a normalized period from the effective date of appraisal.

**Property Rights Appraised – Fee Simple**

The subject property has been appraised in "Fee Simple", subject to normal encumbrances such as mortgages and/or existing leases. Fee Simple refers to an absolute fee, a fee without limitations to any particular class of heirs or restrictions, subject nevertheless to powers of Expropriation, Police, Taxation and Escheat all of which are government controlled, assuming normal financing and competent management. Fee Simple ownership pertains to "real property", which by definition does not include chattels. However, there are certain types of properties that typically trade with the value of chattels included in the selling price. Chattels form an integral part of the operation of some types of properties, such as apartment buildings, motels, golf courses, etc. In this instance, all chattels are excluded from the final value estimate.

**Site Coverage Ratio**

Site coverage ratio refers to the portion of the gross land area of the subject site that is occupied by a building or buildings (i.e. building footprint).

**Superstructure**

The portion of a building that is above grade. The part of a bridge above the beam seats or the spring line of arch.

**Substructure**

A building's entire foundational structure, which is below grade, or ground, and provides a support base or footings on which the superstructure rests.

**Trade Fixtures**

An item owned and attached to a rented space or building by a tenant and used in conducting a business.

**Vacancy and Collection Loss**

Vacancy, leasing expenses and bad debt allowance is an allowance for the reduction in potential income attributable to vacancies, tenant turnover and inducements and non-payment of rent, all of which are non-recoverable. Annual rent collections are typically less than potential as a result of the aforementioned factors. Since proforma/normalized or potential income is forecasted in the income capitalization technique, an annual allowance or deduction must be made for a vacancy and bad debt allowance. The allowance is estimated for a typical year and is deducted from proforma/normalized annual income. The allowance for vacancy and bad debt is not intended to reflect actual market vacancy rates per se, but rather, typical investor expectations over a specific holding period taking into consideration the following:

- Investor perception of the physical property
- Quality of tenancy
- Present and projected supply and demand relationships
- General economic conditions



## **Schedule 2**

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Ordinary and Extra-Ordinary Assumptions and Limiting Conditions

Assumptions and limiting conditions serve to notify the Authorizer and Readers of this report that this analysis and appraisal may have been performed under a set of defined conditions that would make it inappropriate to rely on it for other than the explicitly stated purpose and use. Extraordinary and ordinary assumptions and limiting conditions provide the context and basis for the herein contained analysis and estimate(s) of value. The Reader is directed to pay particular attention to the following:

**Extra-Ordinary Assumptions and Limiting Conditions**

1. The subject property consists of three legal parcels with Property Identification Nos. 17285-0105, 17284-0165 and 17284-0068. For the purposes of this analysis and appraisal, the total area of the subject property is assumed to be 8.25 acres. The analysis and appraisal considers the subject property on a collective basis.
2. The herein contained analysis and appraisal relies upon the contents of the Planning Justification Report prepared by MacNaughton Hermsen Britton Clarkson Planning Limited (“MHBC”).

For the purposes of this analysis and appraisal, planning approvals required for the Roxborough project are assumed to be outstanding as of the effective date of appraisal.

For the purposes of this analysis and appraisal, the following proposed development density scheme is considered in this analysis and appraisal:

**Development Density Calculation (Perspective 1)**

Property No.	Site Area (Acres)	Development Density/Hectare	Development Density/Acre	Proposed No. of Units
1	2.91	300	121	353
2	2.18	100	40	88
3	3.16	100	40	128
Overall	8.25		69	570

For the purposes of this analysis and appraisal, the timing of development for the Roxborough project is considered to be long-term in nature and up to 84 months from the effective date of appraisal.

3. For the purposes of this analysis and appraisal, the following cost estimates are assumed for certain municipal infrastructure and site elements in order to accommodate the Roxborough project:

Perspective 1: Estimate of Extra-Ordinary Site Costs		Cost Estimate	Cost Estimate	Minimum	Maximum
1	Demolition of Existing Improvements	\$1,000,000		10,000/Unit	\$15,000/Unit
2	Removal of Existing Road Allowance, Existing Infrastructure & Remediation/RSC	\$650,000		\$75,000/Acre	\$100,000/Acre
3	Noise Attenuation Wall (220m)	\$247,500	\$330,000	\$30,000/Acre	\$40,000/Acre
4	New Infrastructure Servicing	\$825,000	\$1,485,000	\$100,000/Acre	\$180,000/Acre
Total		\$2,722,500	\$3,465,000		
		8.25	\$330,000	\$420,000	

Other factors inherent in the deliberation of the market value estimate include:

- (a) The estimated timing of development for the project is seven years from the effective date of appraisal;
- (b) The market risk associated with the proposed development scale and density;
- (c) Adjustments for various characteristics of the subject property recognized by the market to have an impact on value.

4. **With respect to Perspective 2 and the proposed Building A, the herein contained analysis and appraisal assumes the building is (a) fully constructed meeting all building code requirements, (b) fully functional and operational, and (c) fully rented at market rents. Further, this analysis and appraisal considers (a) the proposed building's financial operational/performance figures provided to PRA by Roxborough Park Inc., (b) the financial operations/performance of comparable multi-residential properties and (c) the experience of PRA in providing appraisal, assessment appeal/tax recovery, management, development and brokerage services with comparable multi-residential properties and (d) PRA's investment and ownership interests.**
5. **With respect to Perspective 2 and the proposed Building A, the herein contained analysis and appraisal assumes (a) residential units are sub-metered for hydro-electricity, water and natural gas and (b) tenants are responsible for the payment of all utilities to their respective units. The payment of utility expenses associated with the common areas of Building A are assumed to be the responsibility of the property owner.**

#### Ordinary Assumptions and Limiting Conditions

1. **The enclosed report estimating market value is prepared at the request of Ms. Daniele Sbeiti, Appraiser Coordinator, City of Hamilton for exclusive use by (a) the City of Hamilton and (b) Roxborough Park Inc. for purposes relating to the properties legally identified by Property Identification Nos. 17285-0105, 17284-0165 and 17284-0068 collectively. It is not reasonable for any other person or corporation to rely upon this appraisal without first obtaining written authorization from Pocrnic Realty Advisors Inc.**
2. All copyright is reserved to Pocrnic Realty Advisors Inc. and this report is considered confidential by Pocrnic Realty Advisors Inc. and the Authorizer. 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 Pocrnic Realty Advisors Inc. 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 Authorizer, or in any documents filed with any governmental agency without the prior written consent and approval of Pocrnic Realty Advisors Inc. as to the purpose, form and content of such dissemination, disclosure, quotation or reference.

3. No responsibility is assumed for matters of complex legal nature. Pocrnic Realty Advisors Inc. stresses it is not a legal expert nor is it a bonded title searcher, and as such, renders no opinion as to the title being good and marketable. Instead title is assumed free of all encumbrances except those noted herein. The impact of existing encumbrances such as mortgages and tax arrears both secured and unsecured creditors was ignored in this appraisal. Further, the interpretation of any contractual agreements pertaining to the operation and ownership of the subject property as expressed herein is solely the opinion of Pocrnic Realty Advisors Inc. and should not be construed as a legal interpretation. Further, any summary of said contractual agreements is presented for the sole purpose of giving the Reader an overview of the salient facts thereof.
4. The report is prepared under the premise and no investigation, legal or otherwise, has been undertaken to verify the following assumptions except as expressly noted herein:
  - (a) the legal description as furnished in the report is correct;
  - (b) rights of way, easements or encroachments over other real property and leases or other covenants noted herein are legally enforceable;
  - (c) soil conditions are stable and without forms of contamination or hazardous waste and able to accommodate all improvements;
  - (d) all improvements are assumed to be structurally sound in no need of immediate repairs, no patent or latent defects and no objectionable materials and compliant with the Ontario Building Code and fully (100%) complete;
  - (e) it is assumed there are no structural or mechanical defects which are substantial in nature and would otherwise undermine market value;
  - (f) for certainty of the preceding, complete engineering and environmental investigations and study are required.
5. While expert in appraisal matters, Pocrnic Realty Advisors Inc. is not qualified and does not purport to give legal advice. It is assumed that:
  - (a) there are no encroachments, encumbrances, restrictions, leases or covenants that would in any way affect the valuation;
  - (b) the use is a legally conforming or non-conforming use, which may be continued by the current ownership and by any purchaser from the current ownership;
6. Pocrnic Realty Advisors Inc. is not a qualified surveyor. A legal survey depicting the subject property may not have been available and may not have been provided to Pocrnic Realty Advisors Inc. Maps,

sketches, drawings, diagrams, photographs, etc. are provided in the report for the limited purpose of illustration solely and are not to be relied upon in themselves. Further, the extent of research relating to property and market particulars relates to information provided by the current property ownership, the relevant municipalities, real estate professionals and boards, professional sources and services, etc. As such, Pocrnic Realty Advisors Inc. makes no warranty as to the accuracy of such information.

7. The subject property is has been appraised on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to (a) any agreement with a municipal or other government authority, (b) any contract or agreement pertaining to the ownership and operation of the real estate, and (c) any lease or agreement to lease, which may impact the estimate(s) of value noted herein or the salability of the subject property or any portion thereof.
8. Pocrnic Realty Advisors Inc. has undertaken certain investigations in respect of matters that regulate the use of land. Pocrnic Realty Advisors Inc. has not completed official investigations with the relevant public utilities and municipal/regional public utilities departments, land use/zoning departments, fire departments, building departments, or any other government regulatory agency, unless such investigations are expressly noted herein. Pocrnic Realty Advisors Inc. has obtained land use policies and regulations relevant to the subject property and this analysis from a variety of sources, however, no formal, written confirmation of such policies and regulations has been provided by relevant authorities. Non-compliance with relevant land use and government policies and regulations may impact the estimates of value noted herein. For certainty, further investigations may be required. For the purposes of this analysis and report, it is assumed that full municipal/regional services and public utilities are available to the subject property without local improvement charges.
9. Pocrnic Realty Advisors Inc. has relied upon information obtained from sources considered reliable. Certain information has been accepted at face value, particularly where there is no evidence or reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this analysis and report. Certain inquiries were external to the scope of the mandate as noted herein. In this respect and for the purposes of this analysis and report, Pocrnic Realty Advisors Inc. assumes all information relied upon to be accurate and the analysis, opinions and conclusions as noted herein are subject to all of the assumptions and limiting conditions.
10. With respect to the estimate of market value of the subject property as unimpaired perspective and unless otherwise stated in this report, Pocrnic Realty Advisors Inc. and 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. This 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.

11. With respect to the estimate of market value of the subject property as unimpaired perspective, Pocrnic Realty Advisors Inc. 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, ground water 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 pertaining to environmental issues, then that party is cautioned to retain an expert qualified in such issues. Pocrnic Realty Advisors Inc. expressly denies any legal liability relating to the effect of environmental issues on the market value of the property appraised. The herein contained estimates of market value are predicated on the assumption that no hazardous or toxic materials are affecting the subject property.
12. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without warning, the market value expressed as of the date of this appraisal cannot be relied upon to estimate the market value as of any other date except with further advice of Pocrnic Realty Advisors Inc. Further, reliance on the herein contained analysis and report by the Authorizer shall extend for a period of six (6) months from the effective date of appraisal as noted herein.
13. Should the herein contained analysis and report be used for financing purposes, Pocrnic Realty Advisors Inc. has not completed investigations into any prospective financing and/or loan and has not completed investigations into the satisfaction of applicable underwriting criteria. Therefore, Pocrnic Realty Advisors Inc. assumes no responsibility for any losses on financing and/or loans involving appraisal services rendered by Pocrnic Realty Advisors Inc. resulting from any lender's failure to complete satisfactory due diligence pertaining to the creditworthiness of any borrower or its ability to service and/or repay the financing and/or loan.
14. Pocrnic Realty Advisors Inc. has used best practice efforts in the completion of this analysis and report to comply with the requirements pursuant to the Personal Information Protection and Electronic Documents Act including but not limited to obtaining verbal consent from a representative of the subject property's ownership to take interior and exterior photographs.
15. All estimates of values noted herein are in Canadian currency.
16. The compensation for services rendered in this report does not include a fee for court preparation or court appearance, which must be negotiated separately. However, neither this nor any other of these 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, which will decide the use of the report, which best serves, the administration of justice.

**Schedule 3**

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Abbreviated Parcel Register

PROPERTY DESCRIPTION: PT BLK B 1168 EXCEPT VM173028; SAVE AND EXCEPT PARTS 1 AND 2 ON 62R16786; CITY OF HAMILTON.

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
DIVISION FROM 17284-0067

PIN CREATION DATE:  
2005/10/06

OWNERS' NAMES  
HAMILTON HOUSING CORPORATION

CAPACITY SHARE  
BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1995/12/18 **						
PL1168	1959/11/05	PLAN SUBDIVISION				C
HL167546	1961/06/29	BYLAW				C
62R16786	2004/05/12	PLAN REFERENCE				C
WE297291	2005/03/18	TRANSFER		ONTARIO HOUSING CORPORATION	HAMILTON HOUSING CORPORATION	C



LAND  
REGISTRY  
OFFICE #62

17285-0105 (LT)

PREPARED FOR spocrnic  
ON 2018/03/02 AT 12:27:52

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: BLK A, PL 1168 ; HAMILTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

1995/12/18

OWNERS' NAMES

HAMILTON HOUSING CORPORATION

CAPACITY SHARE

BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1995/12/18**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</b></p> <p><b>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</b></p> <p><b>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</b></p> <p><b>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</b></p> <p><b>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</b></p> <p><b>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</b></p> <p><b>** CONVENTION.</b></p> <p><b>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</b></p> <p><b>**DATE OF CONVERSION TO LAND TITLES: 1995/12/18 **</b></p>						
PL1168	1959/11/05	PLAN SUBDIVISION				C
HL146231	1960/11/17	LIEN				C
HL167546	1961/06/29	BYLAW				C
WE297291	2005/03/18	TRANSFER		ONTARIO HOUSING CORPORATION	HAMILTON HOUSING CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND  
REGISTRY  
OFFICE #62

17284-0068 (LT)

PAGE 1 OF 1  
PREPARED FOR spocrnic  
ON 2018/03/02 AT 12:37:17

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY DESCRIPTION: PT BLK C, PL 876 , AS IN HL29480 ; HAMILTON

PROPERTY REMARKS: CORRECTION: INSTRUMENT NUMBER HL29480 WAS OMITTED FROM THIS PROPERTY IN ERROR AND WAS ADDED AND CERTIFIED ON 1996/12/13 BY ERIC CANNON.

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:  
1995/12/18

OWNERS' NAMES  
CORONATION PARK HOUSING COMPANY LIMITED

CAPACITY SHARE  
BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1995/12/18**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</b></p> <p><b>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</b></p> <p><b>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</b></p> <p><b>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</b></p> <p><b>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</b></p> <p><b>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</b></p> <p><b>** CONVENTION.</b></p> <p><b>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</b></p> <p><b>**DATE OF CONVERSION TO LAND TITLES: 1995/12/18 **</b></p>						
HL29167	1957/11/06	AGREEMENT				C
HL29168	1957/11/06	CHARGE	\$87,840		CENTRAL MORTGAGE AND HOUSING CORPORATION	C
HL29480	1957/11/12	TRANSFER	\$1		CORONATION PARK HOUSING COMPANY LIMITED	C
REMARKS: PLAN ATTACHED						

## Schedule 4

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ESRI | CCIM Market Profile



# DEP Market Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
Rings: 0.05, 1, 2 kilometer radii

Prepared by Esri  
Latitude: 43.23390  
Longitude: -79.78764

	0.05 kilometers	1 kilometer	2 kilometers
<b>Summary</b>			
2012 Total Population	68	11,251	40,599
2017 Total Population	67	11,346	41,397
2022 Total Population	66	11,468	42,301
2017-2022 Annual Rate	-0.30%	0.21%	0.43%
<b>Households</b>			
2012 Households	17	4,822	17,669
2012 Average Household Size	3.18	2.30	2.29
2017 Households	17	4,909	18,125
2017 Average Household Size	3.12	2.27	2.28
2022 Households	17	4,998	18,636
2022 Average Household Size	3.06	2.24	2.26
2017-2022 Annual Rate	0.00%	0.36%	0.56%
<b>Families</b>			
2012 Families	15	3,069	11,258
2012 Average Family Size	3.47	2.86	2.81
2017 Families	15	3,038	11,279
2017 Average Family Size	3.40	2.81	2.78
2022 Families	15	2,990	11,364
2022 Average Family Size	3.40	2.79	2.76
2017-2022 Annual Rate	0.00%	-0.32%	0.15%
<b>2012 Dwellings</b>			
Owned Dwellings	2	2,774	10,932
Rented Dwellings	15	2,048	6,737
Band Housing	0	0	0
<b>2017 Dwellings</b>			
Owned Dwellings	3	2,872	11,169
Rented Dwellings	14	2,037	6,956
Band Housing	0	0	0
<b>2022 Dwellings</b>			
Owned Dwellings	4	2,974	11,496
Rented Dwellings	13	2,024	7,139
Band Housing	0	0	0
<b>Average Household Income</b>			
2012	\$34,586	\$54,598	\$58,477
2017	\$39,968	\$61,975	\$66,061
2022	\$45,307	\$70,266	\$74,936
<b>Per Capita Income</b>			
2012	\$8,647	\$23,400	\$25,450
2017	\$10,141	\$26,814	\$28,924
2022	\$11,670	\$30,623	\$33,013
<b>Median Age</b>			
2012	20.00	43.00	43.20
2017	21.70	43.50	43.70
2022	21.70	43.90	44.20

**Data Note:** 2017 Household Spending Potential shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Household spending does not equal business revenue.

**Source:** Esri reports are based, in whole or in part, on: Selected Statistics Canada files. Environics Analytics acquires and distributes Statistics Canada files in accordance with the Government of Canada's Open Data Policy. No information on any individual or household was made available to Environics Analytics by Statistics Canada. PRIZM and selected PRIZM5 nicknames are registered trademarks of The Nielsen Company (U.S.) and are used with permission. Copyright ©2017 Environics Analytics.; Selected InfoCanada Business Listings Data Computer File(s). Selected Navteq 2016 Streetmap Premium Computer File(s), Copyright 2017 Esri.

March 02, 2018



# DEP Market Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
Rings: 0.05, 1, 2 kilometer radii

Prepared by Esri  
Latitude: 43.23390  
Longitude: -79.78764

	0.05 kilometers	1 kilometer	2 kilometers
<b>2012 Households by Income</b>			
Household Income Base	17	4,822	17,669
<\$10,000	2	233	706
\$10,000 - \$19,999	4	623	2,020
\$20,000 - \$29,999	3	604	2,001
\$30,000 - \$39,999	3	605	2,015
\$40,000 - \$49,999	3	574	1,962
\$50,000 - \$59,999	2	486	1,811
\$60,000 - \$69,999	1	399	1,609
\$70,000 - \$79,999	0	322	1,439
\$80,000 - \$89,999	0	257	1,159
\$90,000 - \$99,999	0	193	850
\$100,000 - \$124,999	0	221	810
\$125,000 - \$149,999	0	208	799
\$150,000 - \$174,999	0	62	295
\$175,000 - \$199,999	0	13	94
\$200,000 - \$249,999	0	6	36
\$250,000+	0	17	63
Average Household Income	\$34,586	\$54,598	\$58,477
<b>2017 Households by Income</b>			
Household Income Base	17	4,909	18,125
<\$10,000	1	163	475
\$10,000 - \$19,999	3	544	1,765
\$20,000 - \$29,999	3	519	1,669
\$30,000 - \$39,999	3	566	1,923
\$40,000 - \$49,999	3	643	2,219
\$50,000 - \$59,999	2	575	2,113
\$60,000 - \$69,999	1	405	1,591
\$70,000 - \$79,999	0	292	1,225
\$80,000 - \$89,999	0	237	1,058
\$90,000 - \$99,999	0	213	972
\$100,000 - \$124,999	0	322	1,334
\$125,000 - \$149,999	1	276	1,070
\$150,000 - \$174,999	0	84	355
\$175,000 - \$199,999	0	27	143
\$200,000 - \$249,999	0	8	74
\$250,000+	0	35	138
Average Household Income	\$39,968	\$61,975	\$66,061

**Data Note:** 2017 Household Spending Potential shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Household spending does not equal business revenue.

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# DEP Market Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
Rings: 0.05, 1, 2 kilometer radii

Prepared by Esri  
Latitude: 43.23390  
Longitude: -79.78764

	0.05 kilometers	1 kilometer	2 kilometers
<b>2022 Households by Income</b>			
Household Income Base	17	4,998	18,636
<\$10,000	1	74	185
\$10,000 - \$19,999	3	457	1,505
\$20,000 - \$29,999	3	525	1,778
\$30,000 - \$39,999	3	594	2,017
\$40,000 - \$49,999	2	466	1,524
\$50,000 - \$59,999	2	446	1,516
\$60,000 - \$69,999	1	528	1,980
\$70,000 - \$79,999	1	432	1,743
\$80,000 - \$89,999	0	228	981
\$90,000 - \$99,999	0	232	1,028
\$100,000 - \$124,999	0	447	2,071
\$125,000 - \$149,999	0	185	687
\$150,000 - \$174,999	0	231	909
\$175,000 - \$199,999	0	88	373
\$200,000 - \$249,999	0	27	167
\$250,000+	0	37	174
Average Household Income	\$45,307	\$70,266	\$74,936
<b>2012 Population by Age</b>			
0-4	8	576	2,060
5-9	9	572	1,889
10-14	9	679	2,051
15-19	7	814	2,575
20-24	2	659	2,615
25-34	7	1,265	5,136
35-44	9	1,343	4,907
45-54	6	1,725	6,522
55-64	4	1,416	5,285
65-74	3	1,099	3,726
75-84	1	798	2,705
85+	1	305	1,128
25-44	16	2,608	10,043
<b>2017 Population by Age</b>			
0-4	9	631	2,129
5-9	9	615	2,148
10-14	8	564	1,809
15-19	6	601	2,058
20-24	3	687	2,499
25-34	7	1,476	5,727
35-44	8	1,280	4,957
45-54	5	1,537	5,676
55-64	5	1,639	5,994
65-74	4	1,130	4,104
75-84	1	795	2,865
85+	1	391	1,432
25-44	15	2,756	10,684

**Data Note:** 2017 Household Spending Potential shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Household spending does not equal business revenue.

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March 02, 2018



# DEP Market Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
Rings: 0.05, 1, 2 kilometer radii

Prepared by Esri  
Latitude: 43.23390  
Longitude: -79.78764

	0.05 kilometers	1 kilometer	2 kilometers
<b>2022 Population by Age</b>	66	11,468	42,301
0-4	9	634	2,149
5-9	9	613	2,161
10-14	8	573	1,925
15-19	6	547	1,922
20-24	3	575	2,109
25-34	7	1,553	5,920
35-44	8	1,375	5,381
45-54	5	1,319	5,003
55-64	5	1,689	6,117
65-74	4	1,276	4,775
75-84	1	869	3,212
85+	1	445	1,627
25-44	15	2,928	11,301
<b>Population by Sex</b>			
<b>Males</b>			
2012	31	5,387	19,627
2017	31	5,454	20,098
2022	30	5,552	20,679
<b>Females</b>			
2012	37	5,864	20,972
2017	36	5,892	21,299
2022	36	5,915	21,622
<b>2012 Population 15+ by Mother Tongue</b>			
Total Single Response	67	11,046	39,711
English	45	8,078	29,340
French	3	255	781
Total Non-Official	20	2,714	9,590
Multiple Languages	1	180	662
French & Non-Official	0	19	43
English & Non-Official	1	141	530
English & French	0	20	86
English & French & Non-Official	0	0	4

**Data Note:** 2017 Household Spending Potential shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Household spending does not equal business revenue.

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# DEP Market Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
Rings: 0.05, 1, 2 kilometer radii

Prepared by Esri  
Latitude: 43.23390  
Longitude: -79.78764

	0.05 kilometers	1 kilometer	2 kilometers
<b>2012 Population 15+ by Ethnic Characteristics</b>			
<b>Immigration Status</b>			
Non-immigrant population	45	8,371	30,262
Total immigrants by selected places of birth	20	2,788	10,011
Non-permanent residents	3	67	101
<b>Visible Minority Status</b>			
Visible Minority Chinese	0	44	295
Visible Minority South Asian	2	237	1,077
Visible Minority Black	2	609	2,952
Visible Minority Filipino	0	60	219
Visible Minority Latin American	3	250	848
Visible Minority Southeast Asian	1	250	652
Visible Minority Arab	6	213	362
Visible Minority West Asian	0	24	130
Visible Minority Korean	0	27	86
Visible Minority Japanese	0	20	25
Visible Minority All Other Visible Minorities	0	20	274
Visible Minority Multiple Visible Minorities	1	39	209
<b>2017 Population 15+ by Mother Tongue</b>			
Total Single Response	66	11,135	40,458
English	44	8,146	29,868
French	3	261	805
Total Non-Official	19	2,727	9,786
Multiple Languages	1	179	669
French & Non-Official	0	22	49
English & Non-Official	1	137	528
English & French	0	21	88
English & French & Non-Official	0	0	4
<b>2017 Population 15+ by Ethnic Characteristics</b>			
<b>Immigration Status</b>			
Non-immigrant population	43	8,376	30,579
Total immigrants by selected places of birth	20	2,860	10,428
Non-permanent residents	4	79	120
<b>Visible Minority Status</b>			
Visible Minority Chinese	0	41	288
Visible Minority South Asian	3	254	1,182
Visible Minority Black	2	650	3,177
Visible Minority Filipino	0	75	280
Visible Minority Latin American	3	283	982
Visible Minority Southeast Asian	1	245	653
Visible Minority Arab	6	235	402
Visible Minority West Asian	0	25	143
Visible Minority Korean	0	30	99
Visible Minority Japanese	0	20	26
Visible Minority All Other Visible Minorities	0	23	315
Visible Minority Multiple Visible Minorities	1	41	228

**Data Note:** 2017 Household Spending Potential shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Household spending does not equal business revenue.

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# DEP Market Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
Rings: 0.05, 1, 2 kilometer radii

Prepared by Esri  
Latitude: 43.23390  
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	0.05 kilometers	1 kilometer	2 kilometers
<b>2022 Population 15+ by Mother Tongue</b>			
Total Single Response	65	11,254	41,333
English	43	8,177	30,278
French	3	262	815
Total Non-Official	20	2,815	10,240
Multiple Languages	1	179	678
French & Non-Official	1	25	59
English & Non-Official	1	133	526
English & French	0	21	88
English & French & Non-Official	0	0	5
<b>2022 Population 15+ by Ethnic Characteristics</b>			
<b>Immigration Status</b>			
Non-immigrant population	42	8,383	30,913
Total immigrants by selected places of birth	20	2,971	10,978
Non-permanent residents	4	79	120
<b>Visible Minority Status</b>			
Visible Minority Chinese	0	39	286
Visible Minority South Asian	3	260	1,240
Visible Minority Black	2	670	3,330
Visible Minority Filipino	0	85	315
Visible Minority Latin American	3	304	1,070
Visible Minority Southeast Asian	1	244	662
Visible Minority Arab	7	244	424
Visible Minority West Asian	0	25	153
Visible Minority Korean	0	31	103
Visible Minority Japanese	0	19	26
Visible Minority All Other Visible Minorities	0	22	334
Visible Minority Multiple Visible Minorities	1	46	243

**Data Note:** 2017 Household Spending Potential shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Household spending does not equal business revenue.

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# DEP Market Profile Canada

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Rings: 0.05, 1, 2 kilometer radii

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	0.05 kilometers	1 kilometer	2 kilometers
<b>Total expenditure: Total (\$)</b>	<b>\$700,834</b>	<b>\$325,925,917</b>	<b>\$1,288,959,999</b>
Average Spent	\$41,225.53	\$66,393.55	\$71,115.03
Spending Potential Index	38	60	65
<b>Total current consumption: Total (\$)</b>	<b>\$719,346</b>	<b>\$312,413,948</b>	<b>\$1,223,784,359</b>
Average Spent	\$42,314.47	\$63,641.06	\$67,519.14
Spending Potential Index	44	66	71
<b>Food: Total (\$)</b>	<b>\$115,010</b>	<b>\$43,472,291</b>	<b>\$169,577,927</b>
Average Spent	\$6,765.29	\$8,855.63	\$9,356.02
Spending Potential Index	60	79	83
<b>Shelter: Total (\$)</b>	<b>\$151,955</b>	<b>\$69,343,417</b>	<b>\$267,135,198</b>
Average Spent	\$8,938.53	\$14,125.77	\$14,738.49
Spending Potential Index	49	77	80
<b>Household Operation: Total (\$)</b>	<b>\$41,596</b>	<b>\$15,358,671</b>	<b>\$60,271,136</b>
Average Spent	\$2,446.82	\$3,128.68	\$3,325.30
Spending Potential Index	56	71	76
<b>Household furnishings and equipment: Total (\$)</b>	<b>\$19,023</b>	<b>\$9,476,700</b>	<b>\$38,292,851</b>
Average Spent	\$1,119.00	\$1,930.47	\$2,112.71
Spending Potential Index	34	58	63
<b>Clothing: Total (\$)</b>	<b>\$39,682</b>	<b>\$12,642,661</b>	<b>\$49,480,325</b>
Average Spent	\$2,334.24	\$2,575.40	\$2,729.95
Spending Potential Index	64	71	75
<b>Transportation: Total (\$)</b>	<b>\$107,493</b>	<b>\$44,397,716</b>	<b>\$173,603,820</b>
Average Spent	\$6,323.12	\$9,044.15	\$9,578.14
Spending Potential Index	50	72	76
<b>Health care: Total (\$)</b>	<b>\$31,288</b>	<b>\$13,076,908</b>	<b>\$49,998,765</b>
Average Spent	\$1,840.47	\$2,663.86	\$2,758.55
Spending Potential Index	48	69	72
<b>Personal care: Total (\$)</b>	<b>\$27,197</b>	<b>\$7,186,046</b>	<b>\$27,797,257</b>
Average Spent	\$1,599.82	\$1,463.85	\$1,533.64
Spending Potential Index	79	73	76
<b>Recreation: Total (\$)</b>	<b>\$35,354</b>	<b>\$13,888,520</b>	<b>\$54,955,172</b>
Average Spent	\$2,079.65	\$2,829.20	\$3,032.01
Spending Potential Index	40	55	59
<b>Reading materials and other printed matter: Total (\$)</b>	<b>\$1,912</b>	<b>\$1,084,497</b>	<b>\$4,372,496</b>
Average Spent	\$112.47	\$220.92	\$241.24
Spending Potential Index	31	62	67

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March 02, 2018



# DEP Market Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
Rings: 0.05, 1, 2 kilometer radii

Prepared by Esri  
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	0.05 kilometers	1 kilometer	2 kilometers
<b>Education: Total (\$)</b>	<b>\$22,312</b>	<b>\$3,912,554</b>	<b>\$14,901,084</b>
Average Spent	\$1,312.47	\$797.02	\$822.13
Spending Potential Index	100	60	62
<b>Tobacco products and alcoholic beverages: Total(\$)</b>	<b>\$22,550</b>	<b>\$11,050,608</b>	<b>\$43,851,787</b>
Average Spent	\$1,326.47	\$2,251.09	\$2,419.41
Spending Potential Index	39	66	71
<b>Games of chance (net): Total (\$)</b>	<b>\$11,105</b>	<b>\$5,779,606</b>	<b>\$21,878,444</b>
Average Spent	\$653.24	\$1,177.35	\$1,207.09
Spending Potential Index	56	102	104
<b>Miscellaneous expenditures: Total (\$)</b>	<b>\$9,499</b>	<b>\$4,884,411</b>	<b>\$19,303,061</b>
Average Spent	558.76	994.99	1,065.00
Spending Potential Index	32	58	62
<b>Personal Taxes: Total (\$)</b>	<b>\$45,431</b>	<b>\$34,783,809</b>	<b>\$139,829,374</b>
Average Spent	\$2,672.41	\$7,085.72	\$7,714.72
Spending Potential Index	17	44	48
<b>Personal insurance payments and pension contributions: Total (\$)</b>	<b>\$23,157</b>	<b>\$14,441,401</b>	<b>\$60,487,352</b>
Average Spent	\$1,362.18	\$2,941.82	\$3,337.23
Spending Potential Index	27	58	66
<b>Gifts of money and contributions: Total (\$)</b>	<b>\$14,782</b>	<b>\$7,634,130</b>	<b>\$28,048,292</b>
Average Spent	\$869.53	\$1,555.13	\$1,547.49
Spending Potential Index	41	74	73

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# Detailed Income Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
 Ring: 0.05 kilometer radius

Prepared by Esri  
 Latitude: 43.23390  
 Longitude: -79.78764

Summary	2012	2017	2022	2017 - 2022 Change	2017- 2022 Annual Rate
Population	68	67	66	-1	-0.30%
Households	17	17	17	0	0.00%
Average Household Size	3.18	3.12	3.06	-0.06	-0.39%
Families	15	15	15	0	0.00%
Average Family Size	3.47	3.40	3.40	0.00	0.00%

Households by Current Income	2012		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	17	100.00%	17	100.00%	17	100.00%
<\$10,000	2	11.76%	1	5.88%	1	5.88%
\$10,000 - \$19,999	4	23.53%	3	17.65%	3	17.65%
\$20,000 - \$29,999	3	17.65%	3	17.65%	3	17.65%
\$30,000 - \$39,999	3	17.65%	3	17.65%	3	17.65%
\$40,000 - \$49,999	3	17.65%	3	17.65%	2	11.76%
\$50,000 - \$59,999	2	11.76%	2	11.76%	2	11.76%
\$60,000 - \$69,999	1	5.88%	1	5.88%	1	5.88%
\$70,000 - \$79,999	0	0.00%	0	0.00%	1	5.88%
\$80,000 - \$89,999	0	0.00%	0	0.00%	0	0.00%
\$90,000 - \$99,999	0	0.00%	0	0.00%	0	0.00%
\$100,000 - \$124,999	0	0.00%	0	0.00%	0	0.00%
\$125,000 - \$149,999	0	0.00%	1	5.88%	0	0.00%
\$150,000 - \$174,999	0	0.00%	0	0.00%	0	0.00%
\$175,000 - \$199,999	0	0.00%	0	0.00%	0	0.00%
\$200,000 - \$249,999	0	0.00%	0	0.00%	0	0.00%
\$250,000+	0	0.00%	0	0.00%	0	0.00%
Median Household Income	\$30,000	-	\$35,000	-	\$33,333	-
Average Household Income	\$34,586	-	\$39,968	-	\$45,307	-
Per Capita Income	\$8,647	-	\$10,141	-	\$11,670	-

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# Detailed Income Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
 Ring: 0.05 kilometer radius

Prepared by Esri  
 Latitude: 43.23390  
 Longitude: -79.78764

Households by Constant Income (Base Year 2005)	2012		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	17	100.00%	17	100.00%	17	100.00%
<\$10,000	2	11.76%	2	11.76%	2	11.76%
\$10,000 - \$19,999	4	23.53%	4	23.53%	4	23.53%
\$20,000 - \$29,999	3	17.65%	4	23.53%	4	23.53%
\$30,000 - \$39,999	4	23.53%	3	17.65%	3	17.65%
\$40,000 - \$49,999	2	11.76%	2	11.76%	2	11.76%
\$50,000 - \$59,999	1	5.88%	1	5.88%	1	5.88%
\$60,000 - \$69,999	0	0.00%	0	0.00%	0	0.00%
\$70,000 - \$79,999	0	0.00%	0	0.00%	0	0.00%
\$80,000 - \$89,999	0	0.00%	0	0.00%	0	0.00%
\$90,000 - \$99,999	0	0.00%	0	0.00%	0	0.00%
\$100,000 - \$124,999	1	5.88%	1	5.88%	1	5.88%
\$125,000 - \$149,999	0	0.00%	0	0.00%	0	0.00%
\$150,000 - \$174,999	0	0.00%	0	0.00%	0	0.00%
\$175,000 - \$199,999	0	0.00%	0	0.00%	0	0.00%
\$200,000 - \$249,999	0	0.00%	0	0.00%	0	0.00%
\$250,000+	0	0.00%	0	0.00%	0	0.00%
Median Household Income	\$28,333	-	\$26,250	-	\$26,250	-
Average Household Income	\$31,497	-	\$33,740	-	\$33,742	-
Per Capita Income	\$7,874	-	\$8,561	-	\$8,691	-

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# Detailed Income Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
 Ring: 1 kilometer radius

Prepared by Esri  
 Latitude: 43.23390  
 Longitude: -79.78764

Summary	2012	2017	2022	2017 - 2022 Change	2017- 2022 Annual Rate
Population	11,251	11,346	11,468	122	0.21%
Households	4,822	4,909	4,998	89	0.36%
Average Household Size	2.30	2.27	2.24	-0.03	-0.27%
Families	3,069	3,038	2,990	-48	-0.32%
Average Family Size	2.86	2.81	2.79	-0.02	0.00%

Households by Current Income	2012		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	4,822	100.00%	4,909	100.00%	4,998	100.00%
<\$10,000	233	4.83%	163	3.32%	74	1.48%
\$10,000 - \$19,999	623	12.92%	544	11.08%	457	9.14%
\$20,000 - \$29,999	604	12.53%	519	10.57%	525	10.50%
\$30,000 - \$39,999	605	12.55%	566	11.53%	594	11.88%
\$40,000 - \$49,999	574	11.90%	643	13.10%	466	9.32%
\$50,000 - \$59,999	486	10.08%	575	11.71%	446	8.92%
\$60,000 - \$69,999	399	8.27%	405	8.25%	528	10.56%
\$70,000 - \$79,999	322	6.68%	292	5.95%	432	8.64%
\$80,000 - \$89,999	257	5.33%	237	4.83%	228	4.56%
\$90,000 - \$99,999	193	4.00%	213	4.34%	232	4.64%
\$100,000 - \$124,999	221	4.58%	322	6.56%	447	8.94%
\$125,000 - \$149,999	208	4.31%	276	5.62%	185	3.70%
\$150,000 - \$174,999	62	1.29%	84	1.71%	231	4.62%
\$175,000 - \$199,999	13	0.27%	27	0.55%	88	1.76%
\$200,000 - \$249,999	6	0.12%	8	0.16%	27	0.54%
\$250,000+	17	0.35%	35	0.71%	37	0.74%
Median Household Income	\$46,037	-	\$50,339	-	\$58,576	-
Average Household Income	\$54,598	-	\$61,975	-	\$70,266	-
Per Capita Income	\$23,400	-	\$26,814	-	\$30,623	-

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# Detailed Income Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
 Ring: 1 kilometer radius

Prepared by Esri  
 Latitude: 43.23390  
 Longitude: -79.78764

Households by Constant Income (Base Year 2005)	2012		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	4,822	100.00%	4,909	100.00%	4,998	100.00%
<\$10,000	339	7.03%	325	6.62%	321	6.42%
\$10,000 - \$19,999	691	14.33%	659	13.42%	654	13.09%
\$20,000 - \$29,999	697	14.45%	689	14.04%	697	13.95%
\$30,000 - \$39,999	709	14.70%	718	14.63%	737	14.75%
\$40,000 - \$49,999	589	12.21%	612	12.47%	642	12.85%
\$50,000 - \$59,999	460	9.54%	480	9.78%	507	10.14%
\$60,000 - \$69,999	346	7.18%	362	7.37%	382	7.64%
\$70,000 - \$79,999	263	5.45%	276	5.62%	280	5.60%
\$80,000 - \$89,999	200	4.15%	204	4.16%	201	4.02%
\$90,000 - \$99,999	132	2.74%	127	2.59%	117	2.34%
\$100,000 - \$124,999	278	5.77%	303	6.17%	298	5.96%
\$125,000 - \$149,999	82	1.70%	96	1.96%	104	2.08%
\$150,000 - \$174,999	14	0.29%	20	0.41%	20	0.40%
\$175,000 - \$199,999	1	0.02%	3	0.06%	3	0.06%
\$200,000 - \$249,999	9	0.19%	9	0.18%	8	0.16%
\$250,000+	13	0.27%	26	0.53%	26	0.52%
Median Household Income	\$39,654	-	\$41,038	-	\$41,394	-
Average Household Income	\$49,721	-	\$52,318	-	\$52,331	-
Per Capita Income	\$21,310	-	\$22,636	-	\$22,807	-

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# Detailed Income Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
 Ring: 2 kilometer radius

Prepared by Esri  
 Latitude: 43.23390  
 Longitude: -79.78764

Summary	2012	2017	2022	2017 - 2022 Change	2017- 2022 Annual Rate
Population	40,599	41,397	42,301	904	0.43%
Households	17,669	18,125	18,636	511	0.56%
Average Household Size	2.29	2.28	2.26	-0.02	-0.18%
Families	11,258	11,279	11,364	85	0.15%
Average Family Size	2.81	2.78	2.76	-0.02	0.00%

Households by Current Income	2012		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	17,669	100.00%	18,125	100.00%	18,636	100.00%
<\$10,000	706	4.00%	475	2.62%	185	0.99%
\$10,000 - \$19,999	2,020	11.43%	1,765	9.74%	1,505	8.08%
\$20,000 - \$29,999	2,001	11.32%	1,669	9.21%	1,778	9.54%
\$30,000 - \$39,999	2,015	11.40%	1,923	10.61%	2,017	10.82%
\$40,000 - \$49,999	1,962	11.10%	2,219	12.24%	1,524	8.18%
\$50,000 - \$59,999	1,811	10.25%	2,113	11.66%	1,516	8.13%
\$60,000 - \$69,999	1,609	9.11%	1,591	8.78%	1,980	10.62%
\$70,000 - \$79,999	1,439	8.14%	1,225	6.76%	1,743	9.35%
\$80,000 - \$89,999	1,159	6.56%	1,058	5.84%	981	5.26%
\$90,000 - \$99,999	850	4.81%	972	5.36%	1,028	5.52%
\$100,000 - \$124,999	810	4.58%	1,334	7.36%	2,071	11.11%
\$125,000 - \$149,999	799	4.52%	1,070	5.90%	687	3.69%
\$150,000 - \$174,999	295	1.67%	355	1.96%	909	4.88%
\$175,000 - \$199,999	94	0.53%	143	0.79%	373	2.00%
\$200,000 - \$249,999	36	0.20%	74	0.41%	167	0.90%
\$250,000+	63	0.36%	138	0.76%	174	0.93%
Median Household Income	\$50,721	-	\$54,785	-	\$64,010	-
Average Household Income	\$58,477	-	\$66,061	-	\$74,936	-
Per Capita Income	\$25,450	-	\$28,924	-	\$33,013	-

**Source:** Esri reports are based, in whole or in part, on: Selected Statistics Canada files. Environics Analytics acquires and distributes Statistics Canada files in accordance with the Government of Canada's Open Data Policy. No information on any individual or household was made available to Environics Analytics by Statistics Canada. PRIZM and selected PRIZM5 nicknames are registered trademarks of The Nielsen Company (U.S.) and are used with permission. Copyright ©2017 Environics Analytics.; Selected InfoCanada Business Listings Data Computer File(s). Selected Navteq 2016 Streetmap Premium Computer File(s), Copyright 2017 Esri.





# Detailed Income Profile Canada

41 Reid Ave S, Hamilton, Ontario, L8H  
 Ring: 2 kilometer radius

Prepared by Esri  
 Latitude: 43.23390  
 Longitude: -79.78764

Households by Constant Income (Base Year 2005)	2012		2017		2022	
	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	17,669	100.00%	18,125	100.00%	18,636	100.00%
<\$10,000	1,044	5.91%	1,057	5.83%	1,085	5.82%
\$10,000 - \$19,999	2,286	12.94%	2,168	11.96%	2,190	11.75%
\$20,000 - \$29,999	2,300	13.02%	2,288	12.62%	2,289	12.28%
\$30,000 - \$39,999	2,345	13.27%	2,411	13.30%	2,494	13.38%
\$40,000 - \$49,999	2,166	12.26%	2,220	12.25%	2,324	12.47%
\$50,000 - \$59,999	1,827	10.34%	1,904	10.50%	2,017	10.82%
\$60,000 - \$69,999	1,525	8.63%	1,583	8.73%	1,686	9.05%
\$70,000 - \$79,999	1,192	6.75%	1,251	6.90%	1,303	6.99%
\$80,000 - \$89,999	879	4.97%	900	4.97%	898	4.82%
\$90,000 - \$99,999	480	2.72%	485	2.68%	477	2.56%
\$100,000 - \$124,999	1,056	5.98%	1,146	6.32%	1,122	6.02%
\$125,000 - \$149,999	364	2.06%	416	2.30%	444	2.38%
\$150,000 - \$174,999	101	0.57%	122	0.67%	124	0.67%
\$175,000 - \$199,999	24	0.14%	35	0.19%	32	0.17%
\$200,000 - \$249,999	25	0.14%	40	0.22%	41	0.22%
\$250,000+	54	0.31%	99	0.55%	109	0.58%
Median Household Income	\$43,966	-	\$45,128	-	\$45,420	-
Average Household Income	\$53,253	-	\$55,767	-	\$55,809	-
Per Capita Income	\$23,176	-	\$24,417	-	\$24,587	-

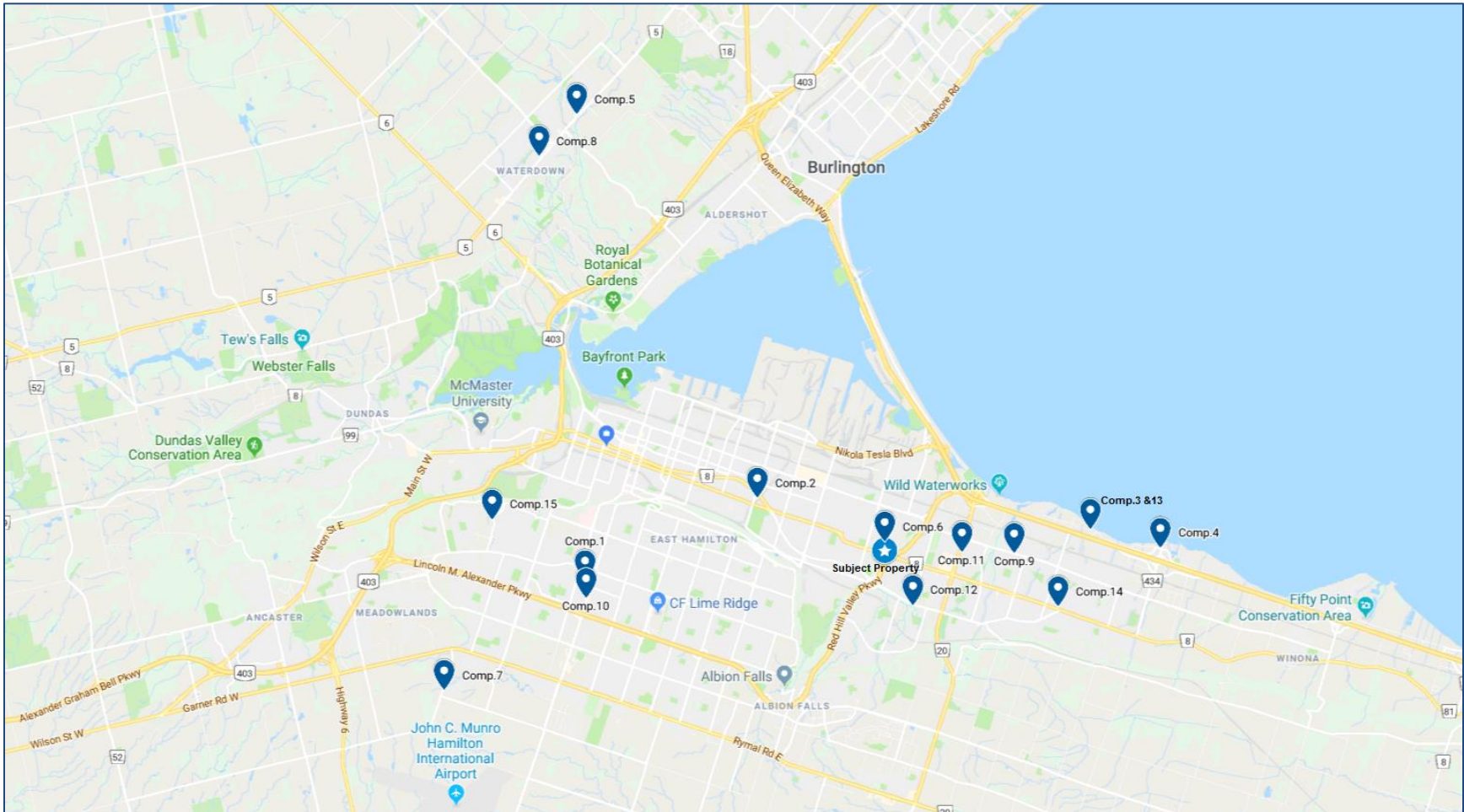
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## **Schedule 5**

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Comparable Data Sheets

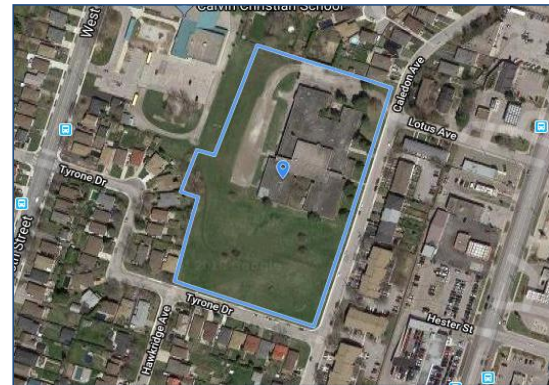
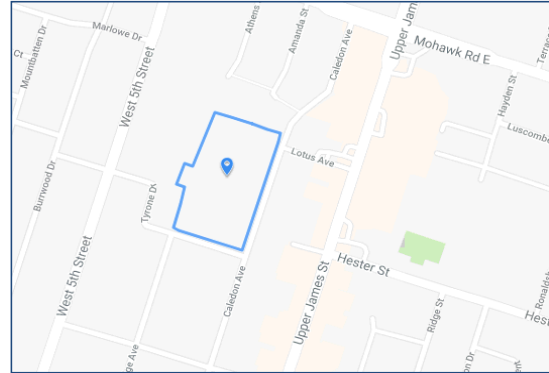
### Map Depicting Location of Comparable Sales and Subject Property



## Direct Comparison Approach

### Comparable 1

Property Identification	
Municipal Address	60 Caledon Avenue
City	Hamilton
Property Identification No.	16968-0367 (LT)
Sales Particulars	
Date of Registration	15-Mar-18
Months from Effective Date	0.07
Sale Price	\$5,390,000
Mortgage Financing	Cash/Market
Vendor	The Board of Education for the City of Hamilton
Purchaser	City of Hamilton
Physical Site Characteristics	
Zoning	I2 - Institutional
Site Area (Acres)	7.188
General Site Configuration	Irregular
Improvements (at Time of Sale)	Yes
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	143
Proposed Development Density/Acre	19.89
Proposed Development Type	Towns, Stacked, Singles
Municipal Service	Urban
Est. Development Timing (Months)	36-60
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	\$749,861
Unadjusted Sale Price/Residential Unit	\$37,692



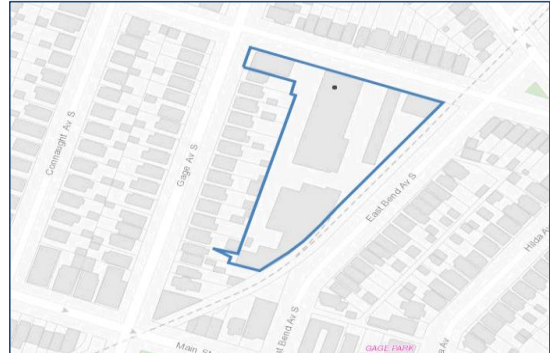
#### Remarks

The property is located just west of Upper James Street just south of Mohawk Road West and just east of West 5th Street. It forms the northwest corner of Caledon Avenue and Tyrone Drive in the Yeoville neighbourhood of the City of Hamilton. The property has a site area of 7.188 acres. Originally constructed in 1968, the subject property is improved with a partial two storey school with a total gross floor area of 68,159 square feet. The Trustees of the Hamilton-Wentworth District School Board (the "HWDSB") made the decision to close the school in 2013 and declared the subject property surplus to its needs pursuant to clause 194(3) of the Education Act, and to be disposed of in compliance with Ontario Regulation 44/98. Redevelopment of the property was available to 143 units with a combination of street towns, townhouses, stacked towns and single detached dwellings.

## Direct Comparison Approach

### Comparable 2

Property Identification	
Municipal Address	276 Dunsmure Rd
City	Hamilton
Property Identification No.	17227-0002
Sales Particulars	
Date of Registration	27-Jul-17
Months from Effective Date	-7.43
Sale Price	\$2,200,000
Mortgage Financing	Cash/Market
Vendor	2410753 Ontario Limited
Purchaser	Dunsmure Developments
Physical Site Characteristics	
Zoning	DE
Site Area (Acres)	1.850
General Site Configuration	Irregular
Improvements (at Time of Sale)	Yes
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	40
Proposed Development Density/Acre	21.62
Proposed Development Type	Towns
Municipal Service	Urban
Est. Development Timing (Months)	36-48
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	\$1,189,189
Unadjusted Sale Price/Residential Unit	\$55,000



#### Remarks

This comparable is located along the south side of Dunsmure Road between Gage Avenue South and East Bend Avenue South in the Crown Point neighbourhood of Hamilton. This property has significant roadway frontage. However, it is irregular in configuration (triangular). The property functioned as a lumber yard since 1935. At the time of sale, the property was improved with a number of industrial buildings with a GFA of 40,603SF. The property was reported to contain an environmental contamination and a number of underground tanks. Remediation is subject to the City of Hamilton Brownfield program. The property was presented to the market as a redevelopment opportunity to 40 townhouse/stacked townhouses. Notably, the property sold on November 25, 2014 for a consideration of \$1,000,000 or \$540,541/acre or \$12.41/SF of land. The resale reflects an increase of \$1,200,000 or 120.00% or 3.75% per month.

## Direct Comparison Approach

### Comparable 3

Property Identification	
Municipal Address	98 Shoreview Pl
City	Stoney Creek
PIN	17330-0397(LT)
Former Use	Land
Sale Particulars	
Date of Registration	30-Nov-16
No. of Months from Effective Date	-15.22
Sale Price	\$4,455,000
Vendor	King-Tis Investments
Purchaser	Cara Custom Homes
Mortgage Financing	Cash
Physical Site Characteristics	
Zoning	RM3
Site Area (Acres)	5.01
General Site Configuration	Irregular
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	Yes
Proposed No. of Units	72
Proposed Development Density/Acre	14.37
Proposed Development Type	Towns
Municipal Service	Urban
Est. Development Timing (Months)	12.00
Unadjusted Unit Analysis	
Sale Price Per Acre	\$889,222
Sale Price Per Unit	\$61,875



#### Remarks

This property forms the northwest quadrant of Millen Road and the QEW in the Lakeshore area of Stoney Creek. The site is situated adjacent to a natural area and in close proximity to the waterfront trail. The site offers very good access to the QEW.

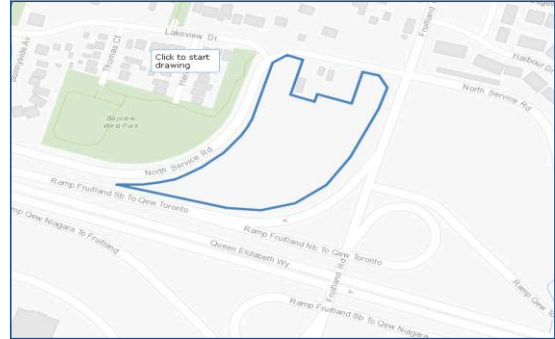
This property was acquired by a local home builder with a draft plan of subdivision approved for the development of 72 townhouse units. Nineteen of the units front Shoreline Place while the remaining units are arranged along an interior roadway.

Previous to this latest transfer, this property transferred as raw vacant land from the HWDSB to King-Tis Investments on July 27, 2011 for a consideration of \$2,070,000 or \$410,714 per acre. These transfers reflect an increase in price of +\$2,385,000 or +1.82% per month.

## Direct Comparison Approach

### Comparable 4

Property Identification	
Municipal Address	96 Lakeview Dr
City	Stoney Creek
PIN	17347-0840(LT)
Former Use	Land
Sale Particulars	
Date of Registration	19-Sep-16
No. of Months from Effective Date	-17.55
Sale Price	\$7,860,000
Vendor	2322338 Ontario Ltd.
Purchaser	Desantis Rose Joint Venture
Mortgage Financing	Cash
Physical Site Characteristics	
Zoning	HC-(H)
Site Area (Acres)	7.64
General Site Configuration	Irregular
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	140
Proposed Development Density/Acre	18.33
Proposed Development Type	Towns
Municipal Service	Urban
Est. Development Timing (Months)	12-36
Unadjusted Unit Analysis	
Sale Price Per Acre	\$1,028,930
Sale Price Per Unit	\$56,143



#### Remarks

This property forms the northwest corner of Fruitland Road and the QEW in Stoney Creek. It is in close proximity to Bayview West Park. The site offers very good access to the QEW.

According to the City of Hamilton and Avison Young Commercial Real Estate, a development application has been filed for 42 stacked townhouses and 98 back-to-back townhouses for a total of 140 townhouse units. Given its proximity to the QEW, portions of the site are within the Ministry of Transportation Control Access Highway Area. It has been reported that access to the site will not be available from the North Service Road given this roadway's horizontal curvature.

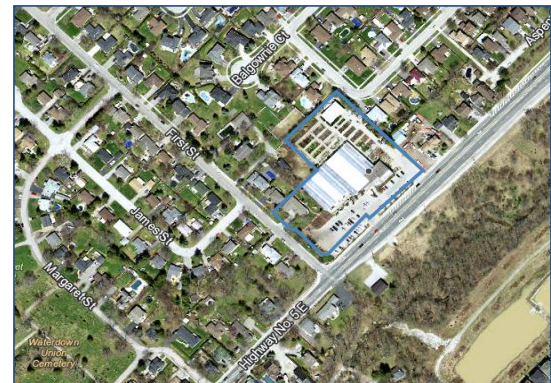
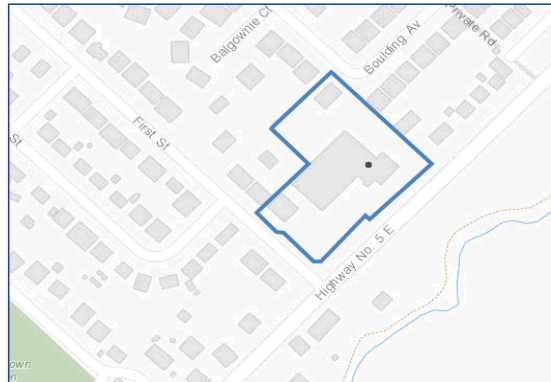
The stated sale price has been reported to PRA by Avison Young Commercial Real Estate.

Previous to this latest transfer, this property transferred as raw vacant land to 2322338 Ontario Limited for a consideration of \$2,005,000 or \$262,435 per acre. These transfers reflect an increase in price of +\$5,855,000 or +5.60% per month.

## Direct Comparison Approach

### Comparable 5

Property Identification	
Municipal Address	4 First St/383 Dundas St E
City	Waterdown
PIN	17505-0385/86(LT)
Former Use	Canon Nurseries/Residence
Sale Particulars	
Date of Registration	15-Aug-16
No. of Months from Effective Date	-18.67
Sale Price	\$4,150,000
Vendor	CB Vander Kruk Holdings
Purchaser	Mikmada (Gemstone) Inc.
Mortgage Financing	VTB
Physical Site Characteristics	
Zoning	HC2
Site Area (Acres)	3.13
General Site Configuration	Rectangular
Improvements (at Time of Sale)	Yes
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	79
Proposed Development Density/Acre	25.24
Proposed Development Type	Towns
Municipal Service	Urban
Est. Development Timing (Months)	12-36
Unadjusted Unit Analysis	
Sale Price Per Acre	\$1,325,879
Sale Price Per Unit	\$52,532



#### Remarks

This property forms the northeast corner of Highway No. 5 East (Dundas Street) in Waterdown. It is comprised of two legal properties.

At the time of sale, this property was improved with a residential dwelling and a retail garden centre. The site occupies a growth area of Waterdown and offers a very good profile to Highway No. 5 and accessibility. The site is largely surrounded by single detached residential development with the land situated to the south of Dundas Street East zoned Conservation/Hazard Land.

The proposed development consists of (a) 79 townhouse units and (b) the severance of existing single detached house known as 4 First Street. The legal severance of the existing house was conditionally approved on February 11, 2016 through a Consent for Severance Application (FL/B-15:129).

The total site area of the property inclusive of the existing single detached house is 3.13 acres. The existing house will occupy approximately 0.29 acres rendering the balance 2.84 acres to contain the proposed 79 townhouse units, which render a development density of 27.82 units per acre. Applying a site area of 2.84 acres renders a sale price per acre of \$1,461,268 and a sale price per unit of \$52,532. The transfer was facilitated by vendor-takeback mortgage financing of \$2,450,000



## Direct Comparison Approach

### Comparable 6

Property Identification	
Municipal Address	20 Reid Ave N
City	Hamilton
PIN	17285-0103(LT)
Former Use	Roxborough Park School
Sale Particulars	
Date of Registration	31-May-16
No. of Months from Effective Date	-21.10
Sale Price	\$4,130,000
Vendor	Board of Education
Purchaser	Roxborough Park Inc.
Mortgage Financing	Cash
Physical Site Characteristics	
Zoning	I1
Site Area (Acres)	4.34
General Site Configuration	Rectangular
Improvements (at Time of Sale)	Yes
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	58
Proposed Development Density/Acre	13.36
Proposed Development Type	Towns/Singles
Municipal Service	Urban
Est. Development Timing (Months)	36-60
Unadjusted Unit Analysis	
Sale Price Per Acre	\$951,613
Sale Price Per Unit	\$71,207



#### Remarks

This property is located within the east end of Hamilton, west of the Red Hill Valley Parkway and north of Queenston Road. Specifically, the property is located on the east side of Reid Avenue North, with frontage along Ayr Avenue and Bringham Road in Hamilton. The site offers good accessibility to the Red Hill Expressway.

The property has a roadway frontage of 506 feet along Reid Avenue North, 368 feet along Ayr Avenue and 393.86 feet along Bringham Road. At the time of sale, the property was improved with a two storey structure consisting of a total GFA of 34,006SF, which functioned as the Rosborough Park Elementary School.

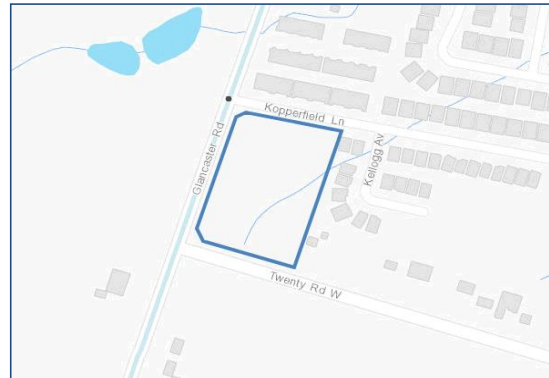
Adjacent land uses include Roxborough Park and a block of townhouses to the north, single detached and semi-detached dwellings to the east, single detached dwellings to the west and a mix of townhouses and multiple dwellings to the south.

The stated proposed development type and development density were obtained from a planning consultant working on behalf of the Vendor.

## Direct Comparison Approach

### Comparable 7

Property Identification	
Municipal Address	365 Glancaster Rd
City	Hamilton
PIN	16901-0870(LT)
Former Use	Land
Sale Particulars	
Date of Registration	8-Oct-15
No. of Months from Effective Date	-28.76
Sale Price	\$7,011,000
Vendor	Residences of Koppercreek
Purchaser	365 Glancaster Road Inc.
Mortgage Financing	VTB
Physical Site Characteristics	
Zoning	ER
Site Area (Acres)	3.78
General Site Configuration	Rectangular
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	Yes
Proposed No. of Units	82
Proposed Development Density/Acre	21.69
Proposed Development Type	Towns
Municipal Service	Urban
Est. Development Timing (Months)	12.00
Unadjusted Unit Analysis	
Sale Price Per Acre	\$1,854,762
Sale Price Per Unit	\$85,500



#### Remarks

This property is located along the east side of Glancaster Road between Kopperfield Lane and Twenty Road West in the Glanbrook community of Hamilton. This area is a growing and developing area in the southern part of Hamilton. Existing developments surrounding this site include townhouses, single family dwellings and rural/farm properties.

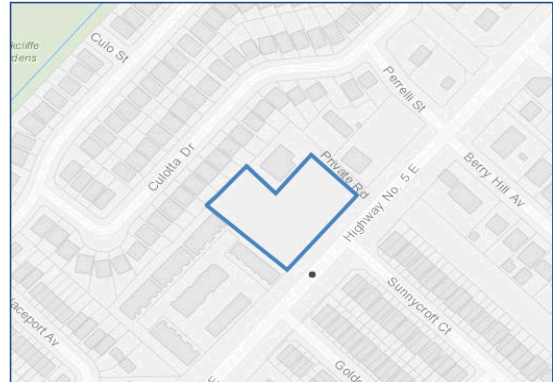
At the time of sale, the property was approved for the development of 82 residential units consisting of 10 street townhouses, 36 block townhouses and 36 back-to-back townhouses (maisonettes).

Previous to this latest transfer, this property transferred as raw vacant land to Urbancore Developments on November 12, 2010 for a consideration of \$1,400,000 or \$370,370 per acre. The transfers reflect an increase in price of +\$5,611,000 or +6.90% per month.

## Direct Comparison Approach

### Comparable 8

Property Identification	
Municipal Address	219 Dundas St E
City	Waterdown
PIN	17509-0148(LT)
Former Use	Land
Sale Particulars	
Date of Registration	2-Jan-15
No. of Months from Effective Date	-37.84
Sale Price	\$2,275,000
Vendor	Doss Homes
Purchaser	Dawn Victoria Homes
Mortgage Financing	Cash
Physical Site Characteristics	
Zoning	UC
Site Area (Acres)	1.63
General Site Configuration	L-Shape
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	40
Proposed Development Density/Acre	24.54
Proposed Development Type	Towns
Municipal Service	Urban
Est. Development Timing (Months)	12-36
Unadjusted Unit Analysis	
Sale Price Per Acre	\$1,395,706
Sale Price Per Unit	\$56,875



#### Remarks

This property is located along the north side of Dundas Street East (Highway No. 5) and west of Hamilton Street North in Waterdown. This area is a rapidly developing area. The adjacent property consisting of 2.90 acres was recently redeveloped into 66 townhouse units after its transfer on June 21, 2012 for a consideration of \$2,500,000 or \$862,069 per acre or \$37,879 per unit.

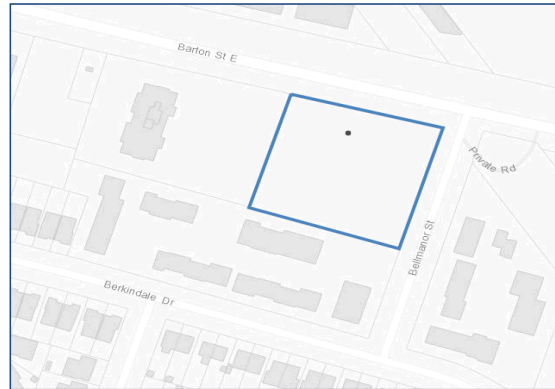
There is a development application filed to develop 40 townhouse units and 6 commercial units fronting Dundas Street East. The commercial units are to be local in nature. The units are to be contained in 5 buildings.

Previous to this latest transfer, this property transferred as a former motel to Doss Homes Construction and Development Corp. on November 30, 2012 for a consideration of \$1,650,000 or \$31,012,270 per acre. The transfers reflect an increase in price of +\$625,000 or +1.53% per month.

## Direct Comparison Approach

### Comparable 9

Property Identification	
Municipal Address	2782 Barton St. E.
City	Hamilton
Property Identification No.	17312-0139
Sale Particulars	
Date of Registration	28-Jun-17
No. of Months from Effective Date	3.75
Sale Price	\$2,300,000
Vendor	2362302 Ontario Inc.
Purchaser	LJM Developments (Hamilton) Inc.
Mortgage Financing	Cash/Market, VTB/Market
Physical Site Characteristics	
Zoning	E
Site Area (Acres)	1.403
General Site Configuration	Rectangular
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	211
Proposed Development Density/Acre	150.39
Proposed Development Type	Gr. FI Comm & Res Condo
Municipal Service	Urban
Est. Development Timing (Months)	24-36
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	\$1,639,344
Unadjusted Sale Price/Unit	\$10,900



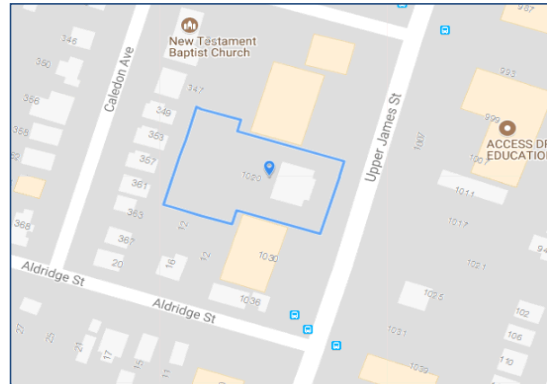
#### Remarks

This property is a 1.403 acre property zoned E and designated as Neighbourhoods. At the time of sale, the property was approved for the development of 82 residential units consisting of 10 street townhouses, 36 block townhouses and 36 back-to-back townhouses (maisonettes). The property has an application with the City of Hamilton to potentially permit 211 residential units over 13 floors and 278 parking spaces. It is located in a less desirable location of Stoney Creek that is affected by industrial / employment uses and heavy traffic / noise, however, its proximity to the QEW Highway more than adequately compensates for its adverse site influences.

## Direct Comparison Approach

### Comparable 10

Property Identification	
Municipal Address	1020 Upper James Street
City	Hamilton
Property Identification No.	16968-0219
Sale Particulars	
Date of Registration	1-Jun-17
No. of Months from Effective Date	-9.27
Sale Price	\$2,000,000
Vendor	Swackhammer, Truscott, Brown & Dwyer
Purchaser	2564830 Ontario Limited
Mortgage Financing	Cash/Market
Physical Site Characteristics	
Zoning	HH & G3
Site Area (Acres)	0.893
General Site Configuration	Irregular
Improvements (at Time of Sale)	8,515
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	154
Proposed Development Density/Acre	172.45
Proposed Development Type	Res Rental
Municipal Service	Urban
Est. Development Timing (Months)	36-60
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	2,239,642
Unadjusted Sale Price/Unit	12,987



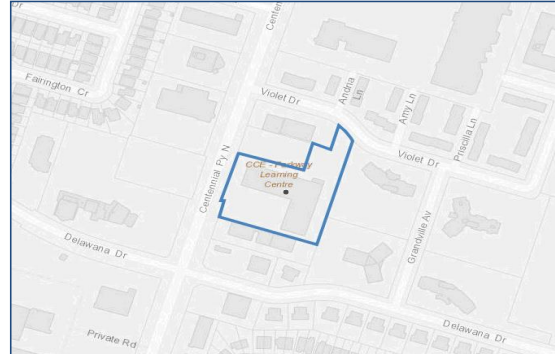
#### Remarks

This property is a 0.893 acre property located on the west side of Upper James Street between Mohawk Road West and the LINC. It is zoned HH & G3 permitting various commercial and office uses. At the time of sale the property was operating as a funeral home consisting of 8,515 Sf with adequate parking on site to the rear of the building. The location of this comparable is in close proximity to the Lincoln Alexander Parkway, Highway 403 as well as the Redhill Expressway leading to the QEW. Upper James Street is a well travelled mountain route consisting of various commercial, office and retail uses along the street. The purchaser of the property will continue to use the building for office purposes until development becomes a viable option. The owner is proposing to construct a multi -storey residential development consisting of 154 units.

## Direct Comparison Approach

### Comparable 11

Property Identification	
Municipal Address	140 Centennial Parkway
City	Hamilton
Property Identification No.	17308-0045/0045
Sale Particulars	
Date of Registration	21-Apr-17
No. of Months from Effective Date	-10.59
Sale Price	\$6,100,000
Vendor	140 Centennial Parkway Ltd.
Purchaser	140 CPN Holdings Ltd.
Mortgage Financing	Cash/Market
Physical Site Characteristics	
Zoning	HH
Site Area (Acres)	2.750
General Site Configuration	Irregular
Improvements (at Time of Sale)	32,796
Draft Plan Approval at Time of Sale	No
Proposed No. of Units	300
Proposed Development Density/Acre	109.09
Proposed Development Type	Res Rental + Commercial (23,664SF)
Municipal Service	Urban
Est. Development Timing (Months)	24-36
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	#VALUE!
Unadjusted Sale Price/Unit	#VALUE!



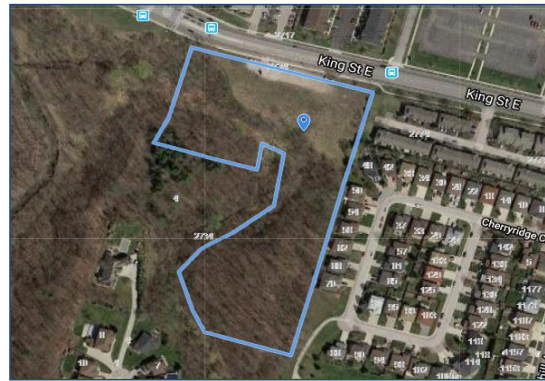
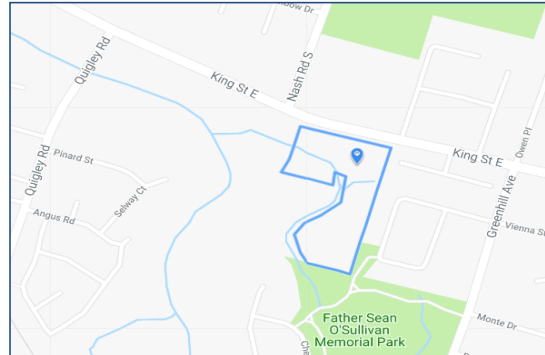
#### Remarks

This property is a 2.75 acre parcel located on the east side of Centennial Parkway North between Barton Street East and Queenston Road. At the time of sale this property was improved with a single storey multi-unit commercial plaza with approximately 32,796 SF of leasable area. The owners of this property are proposing the development of two mixed use 15 storey residential towers containing 150 residential units each with 12 commercial units totaling 23,664 SF. There will be approximately 124 surface parking spaces and 2 level of underground parking with approximately 380 spaces. This area consists of commercial, retail, and office uses along Centennial with low to high rise residential development off of Centennial Parkway North. It is in close proximity to Eastgate Square shopping centre and benefits from public transit bus service. It has convenient access to the QEW Highway to the north, and is in close proximity to The RedHill Expressway to the west. This property benefits from interim income from the commercial tenants currently in place until development becomes an option.

## Direct Comparison Approach

### Comparable 12

Property Identification	
Municipal Address	2734 King St. E.
City	Hamilton
Property Identification No.	17099-0746
Sale Particulars	
Date of Registration	10-Feb-17
No. of Months from Effective Date	-12.92
Sale Price	\$1,300,000
Vendor	Roger Jackson
Purchaser	A. DeSantist Development Ltd.
Mortgage Financing	Cash/Market
Physical Site Characteristics	
Zoning	AA; Open Space
Site Area (Acres)	1.770
General Site Configuration	Irregular
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	Yes
Proposed No. of Units	120
Proposed Development Density/Acre	67.80
Proposed Development Type	Res Condominium
Municipal Service	Urban
Est. Development Timing (Months)	12-24
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	#VALUE!
Unadjusted Sale Price/Unit	#VALUE!



#### Remarks

This property is a 7.405 acre property zoned AA and designated as Open Space. There is a proposed road widening, which may reduce the property's site area by 0.3 acres. Furthermore, the majority of the site is not developable. The north-east section of the property has been approved for the development of 120 residential units, which has an approximate site area of 1.77 acres. The remaining acreage is easement land, wooded area, and a ravine. It has convenient access to the Red Hill Valley Parkway, and is in an area that has seen many new residential and commercial developments.

## Direct Comparison Approach

### Comparable 13

Property Identification	
Municipal Address	101 Shoreview Place
City	Stoney Creek
Property Identification No.	17330-0395
Sale Particulars	
Date of Registration	13-Oct-16
No. of Months from Effective Date	-16.77
Sale Price	\$12,604,300
Vendor	LPF Realty Residential Inc.
Purchaser	New Horizon Development Group
Mortgage Financing	Cash/Market
Physical Site Characteristics	
Zoning	RM3-55
Site Area (Acres)	5.706
General Site Configuration	Irregular
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	Yes
Proposed No. of Units	478
Proposed Development Density/Acre	83.77
Proposed Development Type	Res Condominium
Municipal Service	Urban
Est. Development Timing (Months)	12-24
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	\$2,208,955
Unadjusted Sale Price/Unit	\$26,369



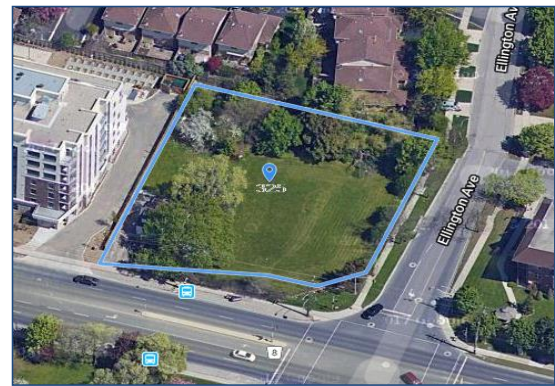
#### Remarks

This property is a 5.706 acre property zoned Multiple Residential RM3-55. The property has been approved for the development of two - six storey residential apartment buildings containing 468 units and ten block townhouses units. A total of 598 parking spaces will be provided on site, both in a surface parking lot and underground, with two driveway access points from Shoreview Place. Amenity space is proposed along the northeast and northwest periphery of the property. The comparable abuts natural heritage designated lands but will not interfere with the natural heritage system features or public view corridors as the lands containing natural heritage system features (to the north and west of the subject site) are appropriately zoned Open Space (P4) Zone and Conservation / Hazard Lands (P5) Zone to reflect the required protection. Also, the city of Hamilton was dealing with water capacity issues at this site with existing water mains in order to determine sufficient capacities for future development requirements. It has convenient access to the QEW Highway, and is in an area that is seeing many new residential and commercial developments. This property is considered to be in a desirable Stoney Creek location, which offers excellent exposure.



Comparable 14

Property Identification	
Municipal Address	325 Highway 8
City	Stoney Creek
Property Identification No.	17333-0722
Sale Particulars	
Date of Registration	14-Sep-16
No. of Months from Effective Date	-17.72
Sale Price	\$900,000
Vendor	Named Individual
Purchaser	LJM Developments
Mortgage Financing	Cash/Market
Physical Site Characteristics	
Zoning	RM-4
Site Area (Acres)	0.670
General Site Configuration	Irregular
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	Yes
Proposed No. of Units	93
Proposed Development Density/Acre	138.81
Proposed Development Type	Res Condominium
Municipal Service	Urban
Est. Development Timing (Months)	12-24
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	\$1,343,284
Unadjusted Sale Price/Unit	\$96,677



Remarks

This property is a 0.67 acre property zoned RM-4 and designated as Institutional. It is immediate to a recent high rise apartment development. The property has been approved for the development of 93 residential units. It has convenient access to the QEW Highway, and is in an area that has seen many new residential and commercial developments.

## Direct Comparison Approach

### Comparable 15

Property Identification	
Municipal Address	1 Redfern Ave.
City	Hamilton
Property Identification No.	17036-0679
Sale Particulars	
Date of Registration	26-Oct-15
No. of Months from Effective Date	23.84
Sale Price	\$1,900,000
Vendor	Starward Homes Inc.
Purchaser	Scenic Trails Ltd.
Mortgage Financing	Cash/Market, VTB
Physical Site Characteristics	
Zoning	DE-2
Site Area (Acres)	2.790
General Site Configuration	Irregular
Improvements (at Time of Sale)	Nil
Draft Plan Approval at Time of Sale	Yes
Proposed No. of Units	144
Proposed Development Density/Acre	51.61
Proposed Development Type	Res Condominium
Municipal Service	Urban
Est. Development Timing (Months)	12-24
Unadjusted Unit Analysis	
Unadjusted Sale Price/Acre	\$681,004
Unadjusted Sale Price/Unit	\$13,194



#### Remarks

This property is a 2.79 acre property zoned DE and designated as Neighbourhoods. The property can currently permit 144 residential units.

## **Schedule 6**

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Land Use Policies

**6.6 DOWNTOWN MULTIPLE RESIDENTIAL (D6) ZONE**

No person shall erect, or use any building in whole or in part, or use any land in whole or in part, within a Downtown D6 Zone for any purpose other than one or more of the following uses, or uses accessory thereto. Such erection or use shall also comply with the prescribed regulations:

**6.6.1 PERMITTED USES**

Community Garden  
 Educational Establishment  
 Emergency Shelter  
 Home Business  
 Lodging House  
 Multiple Dwelling  
 Place of Worship  
 Residential Care Facility  
 Retirement Home  
 Street Townhouse  
 Urban Farm  
 Urban Farmers Market  
 (By-law 06-324, October 25, 2006)  
 (By-law 14-273, September 24, 2014)  
 (By-law 15-107, April 22, 2015)

**6.6.2 REGULATIONS**

**6.6.2.1 EDUCATIONAL  
 ESTABLISHMENT,  
 EMERGENCY SHELTER,  
 LODGING HOUSE,  
 MULTIPLE DWELLING,  
 PLACE OF WORSHIP,  
 RESIDENTIAL CARE  
 FACILITY AND  
 RETIREMENT HOME  
 REGULATIONS**

(By-law 08-227, September 24,  
 2008)

- |                          |             |
|--------------------------|-------------|
| a) Minimum Lot Width     | 12.0 metres |
| b) Maximum Front Yard    | 3.0 metres  |
| c) Maximum Flankage Yard | 3.0 metres  |
| d) Maximum Side Yard     | 7.5 metres  |
| e) Minimum Rear Yard     | 3.0 metres  |

- |  |  |
|--|--|
| f) Building Height   | <ul style="list-style-type: none"> <li>i) Minimum 9.0 metres;</li> <li>ii) Maximum building height shall be in accordance with reference to the lot location and applicable building height maximum indicated on Figure 1 of Schedule "F" – Special Figures.</li> </ul>  |
| g) Parking Requirements  | <p>In accordance with the requirements of Section 5 of this By-law.<br/>(By-law 06-324, October 25, 2006)</p>  |
| h) Minimum Floor Area Ratio for New Multiple Dwellings         | 0.6  |
| i) Minimum Landscaped Area for Multiple Dwellings              | Not less than 10% of the lot area shall be landscaped area.  |
| j) Visual Barrier  | A visual barrier shall be required along any side or rear lot line abutting a Downtown D1, D2, D3 or D4 Zones in accordance with the requirements of Subsection 4.19 of this By-law.   |
| k) Location of Emergency Shelter and Residential Care Facility | <ul style="list-style-type: none"> <li>i) Except as provided for in Subsection ii), herein, every Emergency Shelter and Residential Care Facility shall be situated on a lot having a minimum radial separation distance of 300 metres from any lot line of such lot measured to the lot line of any other lot occupied by a Residential Care Facility, Emergency Shelter, Corrections Residence or Correctional Facility.</li> <li>ii) Where the radial separation distance from the lot line of an Emergency Shelter or Residential Care Facility existing as of the effective date of this By-law, is less than 300 metres to the lot line of any other lot occupied by an existing Residential Care Facility, Emergency Shelter, Corrections Residence or Correctional Facility, either of the existing Residential Care Facility or Emergency Shelter may be</li> </ul> |

expanded or redeveloped to accommodate not more than the permitted number of residents permitted by the Zone in which it is located.

- iii) Notwithstanding Subsection 6.6.1, within the lands bounded by Queen Street, Hunter Street, James Street and Main Street, no new Residential Care Facility or Emergency Shelter, shall be permitted.
- l) Maximum Capacity for Emergency Shelter and Residential Care Facility  
Shall not exceed 6 residents.
- m) Home Business  
In accordance with the requirements of Section 4.21 of this By-law.  
(By-law 14-238, September 10, 2014)
- n) Accessory Buildings  
In accordance with the requirements of Section 4.8.1 of this By-law.  
(By-law 14-238, September 10, 2014)

#### **6.6.2.2 STREET TOWNHOUSE REGULATIONS**

- a) Minimum Lot Area  
150.0 square metres for each dwelling unit
- b) Minimum Unit Width  
(By-law 06-324, October 25, 2006)  
5.5 metres for each dwelling unit
- c) Front Yard
  - i) Maximum 3.0 metres for the dwelling; and,
  - ii) Minimum 6.0 metres for a garage only.
- d) Minimum Side Yard
  - i) Minimum 1.2 metres except for the side yard related to the common wall of the dwelling unit, which shall have a minimum 0 metre side yard; and,
  - ii) 3.0 metres to a flankage yard.
- e) Minimum Rear Yard  
7.0 metres

- |  |   |
|--|---|
| f) Building Height   | i) Minimum 9.0 metres;<br><br>ii) Maximum building height shall be in accordance with reference to the lot location and applicable building height maximum indicated on Figure 1 of Schedule “F” – Special Figures. |
| g) Parking   | In accordance with the requirements of Section 5 of this By-law.<br>(By-law 06-324, October 25, 2006)   |
| h) Home Business Regulations   | In accordance with the requirements of Section 4.21 of this By-law.<br>(By-law 06-324, October 25, 2006)<br>(By-law 14-238, September 10, 2014)   |
| i) Accessory Building Regulations  | In accordance with the requirements of Section 4.8.1 of this By-law.<br>(By-law 06-324, October 25, 2006)<br>(By-law 14-238, September 10, 2014)  |
| <b>6.6.2.3 URBAN FARM REGULATIONS</b><br>(By-law 14-273, September 24, 2014)       | In accordance with the requirements of Section 4.26 of this By-law.   |
| <b>6.6.2.4 COMMUNITY GARDEN REGULATIONS</b><br>(By-law 14-273, September 24, 2014) | In accordance with the requirements of Section 4.27 of this By-law.   |
| <b>6.6.2.5 URBAN FARMERS MARKET REGULATIONS</b><br>(By-law 15-107, April 22, 2015) | In accordance with the requirements of Section 4.28 of this By-law.   |

## **Schedule 7**

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Appraiser Profile





# Steve M. Pocrnic

**B.Comm., AACI, P.App., CCIM, A.I.M.A, Broker of Record**

President & CEO  
Pocrnic Realty Advisors Inc.  
Hamilton, Ontario

E + [spocrnic@pracommercial.com](mailto:spocrnic@pracommercial.com)  
T + 905.522.7936 ext.224  
F + 905.522.8120

## Related Expertise

- Mortgages
- Property Management
- Appraisals
- Property Tax
- Brokerage
- Development

## Professional Membership

- Law Society of Upper Canada
- International Commercial Council of Shopping Centers
- Appraisal Institute of Canada and Hamilton Chapter
- Ontario Expropriation Association
- Canadian Property Tax Association
- Institute of Municipal Assessors
- Real Estate Council of Ontario (RECO), Canadian Real Estate Association
- Member & Keynote Speaker - Hamilton & District Apartment Association & RAHB

## Professional Standing

- President, Broker of Record, Pocrnic Realty Advisors Inc.
- Licensed Paralegal for the Province of Ontario

Steve Pocrnic founded Pocrnic Realty Advisors Inc. (PRA) in 1998. The company currently consists of 13 full time individuals active in the discipline of Appraisal, Assessment, Asset Management and Brokerage.

## Real Estate Proficiency

Has qualified and given expert evidence before the Ontario Court of Justice (General) Division, Assessment Review Board as well as various boards and levels of mediation. Noteworthy is the highly publicized case (reported June 27,2002) Waxman v. Waxman before the Ontario Superior Court of Justice (No. 2528) where Mr. Pocrnic was instrumental in the determination of values.

Since 1989 Mr. Pocrnic has prepared many expert reports for litigation purposes on behalf of various solicitors representing the Law Society of Upper Canada and its Insurance Indemnity Fund. Another significant case was reported 01/21/02 by the Superior Court of Justice between 1527 Upper James St. Hamilton Incorporated and Phillip D. Kennedy.

Improvident sale litigation is also becoming increasingly prevalent. The need for professional appraisals that are able to withstand the scrutiny of the courts is paramount. Mr. Pocrnic has appeared on many occasions before the courts on such matters. Of note is the case written up by the Ontario Real Estate Association: Canada Trustco Mortgage Co. v. Casuccio, 2005 CanLII 25887 (ON S.C.) where the mortgagee and the Power of Sale price was not only upheld but costs were awarded to the Mortgagee for defending the action.

Mr. Pocrnic has been called to assist in many environmental matters. He has quantified damages for both mediation and litigation relating to ground water contamination and the Landfill Property Protection Plan of West Lincoln. Mr. Pocrnic was also appointed to appraise and analyze disposition strategies for the City of Hamilton on the heavily publicized SWARU property.

Mr. Pocrnic has been prominent and active in real estate throughout the Greater Toronto Area (GTA) since 1986. During this time, Mr. Pocrnic has reviewed and prepared countless assignments involving issues of various complexities. He has also been active at as a Broker, frequently asked to negotiate for various interests in situations involving intricate financing, distressed sale, lease mediation, environmental contaminants and various estate interests.



On a regular basis, Mr. Pocrnic provides opinions concerning quantum, viability, and strategic positioning is provided to local management companies. Some of the largest property management firms in the region have also entrusted considerable portfolios for assessment review and other valuation services.

### Education And Professional Qualifications

Since –

2010	Financial Services Commission of Ontario   License Mortgage Broker & Administrator
2008	Real Estate Institute of Canada   CCIM
2008	Law Society of Upper Canada   Paralegal License No. P03324
1997	Institute of Municipal Assessors   A.I.M.A. Associate - Institute of Municipal Assessors
1994	Appraisal Institute of Canada   AACI, P. App., Fee Appraiser
1989	McMaster University; Hamilton, Ontario Program: Business (Major: Finance) B.Comm. (Bachelor of Commerce)
1997	Ontario Real Estate Association   Certified Instructor (Mortgage Financing, OREA) *Retired Status
1988	Ontario Real Estate Association License – Broker of Record

### Related Appraisal And Consulting Experience

1998 –Present	PRESIDENT / BROKER OF RECORD Pocrnic Realty Advisors Inc.
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### Professional Involvement

2005-2010	Vice President, Canadian-Croatian Chamber of Commerce
1998-2002	Director-Commercial Council, Realtor Association of Hamilton and Burlington (RAHB)
2001	Appointed member to the Arbitration Committee of the RAHB
1998-2000	Board of Directors, RAHB
1996-1999	Board of Directors, Croatian Credit Union (Toronto) Limited
1993-1994	Professional Development Committee RAHB
1993-1995	Advisory Board, Hamilton & District Y.M.C.A



# Jim Betteto

AACI, P.App

Managing Director  
Valuation, Tax & Advisory  
Pocrnic Realty Advisors Inc.  
Hamilton, Ontario

E + [jbetteto@pracommercial.com](mailto:jbetteto@pracommercial.com)  
T + 905.522.7936 Ext. 227  
F + 905.522.8120

## Related Expertise

- Mortgages
- Property Management
- Appraisals
- Assessment

## Professional Membership

- Appraisal Institute of Canada (AIC)
- CCIM Institute
- Law Society of Upper Canada
- Canada Property Tax Association (CPTA)
- Real Estate Council of Ontario (RECO)
- Canadian Real Estate Association (CREA)
- CREA Canadian Commercial Council
- Ontario Real Estate Association (OREA)
- Realtors Association of Hamilton- Burlington (RAHB)
- RAHB Regional Commercial Council

## Professional Standing

- Accredited Appraiser Canadian Institute, Appraisal Institute of Canada (Member No. 302304)
- P1 Paralegal License, Law Society of Upper Canada (License No. 04149)
- Registered Real Estate Broker, Real Estate Council of Ontario (License No. 4248407)

## Real Estate Proficiency

Participation in an extensive array of commercial-investment real estate services including valuation, brokerage and property assessment appeal/tax recovery services.

Active in diversified corporate and real estate-related activities since 1988. Ten (10) years of appraisal experience in a commercial real estate firm offering a multi-facet array of services. Appraisal assignments span a broad range of industrial, commercial and investment property types. Further, twelve (12) years experience as a commercial property assessment appeal/tax representative (Paralegal) and twenty (20) years experience (since 1996) as a licensed commercial real estate Broker.

Development of numerous types of reports providing opinions of value and analyses for a variety of:

- (a) Property types including multi-residential, commercial (office/retail), mixed-use residential/commercial, industrial, agricultural and vacant land, and
- (b) Functions including mortgage financing, acquisition / disposition, development/re-development, power of sale proceedings and litigation support.

Appraisal services are provided to private and public companies and all levels of government.

Appearance before the Assessment Review Board in property assessment appeal matters as a representative of property owners.



### Education And Professional Qualifications

Current	Certified Commercial Investment Member (CCIM) Designation Program CCIM Institute, National Association of Realtors, Chicago, Illinois
2013	Accredited Appraiser Canadian Institute (AACI) Designation Program Appraisal Institute of Canada Education Program University of British Columbia
2007	Paralegal Accreditation and Licensing Law Society of Upper Canada, Toronto, Ontario
1995	Real Estate Broker Program and Licensing Ontario Real Estate Association, Toronto, Ontario
1993	Real Estate Sales Representative Program and Licensing Ontario Real Estate Association, Toronto, Ontario
1990	Bachelor of Applied Arts (Urban and Regional Planning) Degree Ryerson Polytechnic Institute, Toronto, Ontario

### Related Appraisal And Consulting Experience

2003 - Current	Commercial Real Estate Appraiser Pocnic Realty Advisors Inc.
2001 – Current	Commercial Property Assessment Appeal / Tax Representative Pocnic Realty Advisors Professional Corp.
2001 - Current	Commercial Real Estate Broker Pocnic Realty Advisors Inc., Brokerage



# Jason Stipancic,

Hons B.Comm., AACI, P.App

Senior Appraiser  
Pocnic Realty Advisors Inc.  
Hamilton, Ontario

E + [jstipancic@pracommercial.com](mailto:jstipancic@pracommercial.com)  
T + 905.522.7936 ext.222  
F + 905.522.8120

## Related Expertise

- Appraisals

## Professional Membership

- Appraisal Institute of Canada & Hamilton Chapter
- Appraisal Institute of Canada Hamilton-Niagara Chapter
- Ontario Expropriation Association
- Ontario Real Estate Association
- Real Estate Council of Ontario
- Realtors Association of Hamilton Burlington

## Professional Standing

- Accredited Appraiser Canadian Institute, Appraisal Institute of Canada (Member No. 302304)
- P1 Paralegal License, Law Society of Upper Canada (License No. 04149)
- Registered Real Estate Broker, Real Estate Council of Ontario (License No. 4248407)

## Real Estate Proficiency

Prepared countless appraisal assignments for the purpose of mortgage financing, power of sale, insurance assessment, marital separation, litigation as well as estate planning. Specialty appraisal assignments have included site selection reports for major retailers, and fair market rent arbitrations for parking lots and gas stations.

Involved in brokerage negotiations between purchasers, vendors and cooperating brokers under the real estate portfolio. Also help provide clients with comparative market analysis information to help understand their properties. Involved in the marketing and advertising of client properties.

Amongst the list of appraisal clients are major financial institutions, namely, the Royal Bank of Canada, TD Canada Trust, Scotia Bank, CIBC, Bank of Montreal, HSBC and the National Bank.

Service a variety of Mortgage Brokers and Investment Firms and have completed appraisals for alternative lenders including First National Financial LP, Merix Financial, Firstline Mortgages, Desjardin Credit Union, MCAP, Xceed Mortgage Corporation, Accredited Home Lenders Canada, Citi Financial, The Effort Trust Company, Buduchnist Credit Union, Ukrainian Credit Union, Talka Credit Union and Teachers Credit Union.

Present commercial appraisal clients include Public Works Canada, Ontario Realty Corporation, The Corporation of the City of Hamilton, Ministry of Transportation and corporate entities such as Taylor Leibow LLP, Crawford Adjusters Canada Inc., McMaster University and Columbia International College.

Currently active in the field of Property Assessment and Taxation. Frequently negotiate matters with the Municipal Property Assessment Corporation (MPAC) and appear before the Assessment Review Board.

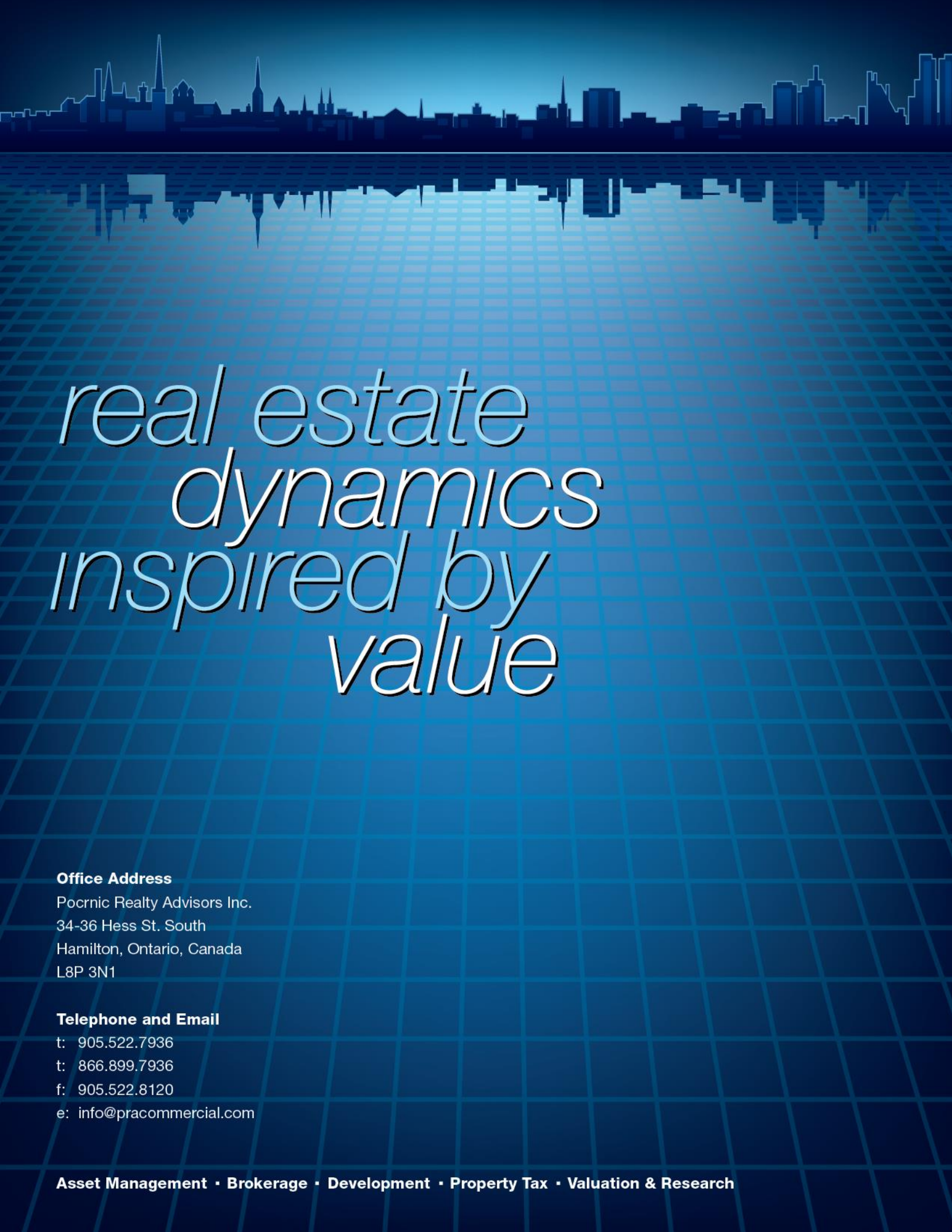


### **Education And Professional Qualifications**

- |      |  |
|------|--|
| 2008 | University of British Columbia – UBC<br>Course of Study: Appraisal Institute of Canada (AIC)<br>Education Program<br>Accreditation: Post Graduate Degree in Real Property<br>Valuation |
| 2001 | McMaster University<br>Course of Study: Major – Commerce<br>Minor – Economics<br>Accreditation: Honours Bachelor of Commerce (Hons<br>B.Comm.)   |

### **Related Appraisal And Consulting Experience**

- |                |  |
|----------------|--|
| 2005 - Current | Fee Appraiser / Real Estate Consultant<br>Pocrnic Realty Advisors Inc.   |
| 2004 – 2005    | Real Estate Sales Representative<br>Coldwell Banker Pinnacle Real Estate |



*real estate  
dynamics  
inspired by  
value*

**Office Address**

Pocrnic Realty Advisors Inc.  
34-36 Hess St. South  
Hamilton, Ontario, Canada  
L8P 3N1

**Telephone and Email**

t: 905.522.7936  
t: 866.899.7936  
f: 905.522.8120  
e: [info@pracommercial.com](mailto:info@pracommercial.com)