

Narrative Appraisal Report



One Step Appraisals
Focus on local, eyes on global

Freestanding Industrial Building
415 Monument Place SE
Calgary, AB, T2A 1X4
Effective Date: Oct 21, 2024



Prepared by: De Dai, AACI, P.App. William Jing, CM
One Step Appraisal Solutions Inc.

Prepared for: Jeff Lindemulder
BMP Supplies Inc.

LETTER OF TRANSMITTAL

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File No. Pr2495

Report Date: October 28, 2024

Att: Jeff Lindemulder
Operations Manager, BMP Supplies
102- 19181 34A Ave
Surrey, BC V3Z 0Z7
Tel: 778-980-5333

Dear Mr. Jeff Lindemulder,

Re: Valuation Analysis of a freehold industrial building property, located at 415 Monument PI SE, Meridian Industrial Park, Calgary AB T2A 1X4, legal description Plan 4708JK, Blk 11, Lot 6B

In accordance with your authorization, we have completed a Commercial Appraisal Report for the above referenced property and are pleased to submit this report summarizing our findings and conclusions.

The subject property is a 2-storey industrial building. The subject is located in the industrial community of Meridian, which is in the east of downtown Calgary. The community of Meridian is bounded by 16 street on the north, Memorial Drive on the south, 28 street NE and 28 street SE on the east, and Barlow Trail NE and Barlow Trail SE on the west. Transit to this community is primarily through the 16 street, Deerfoot Trail, and Memorial Drive. With these three major roads, it is convinced to travel from and to this community. This community is an industrial community with none of the buildings being residential dwellings. The majority of facilities in the area are used for manufactory, construction, and industrial-oriented businesses, with scattered auto related businesses. Apart from businesses, the industrial area around the subject also contains food services such as subway, bakery, and various other restaurants.

The subject building was built in 1966 and is a concrete foundation, concrete block constructed freestanding building two floors (main with a 3-bay workshop, and upper floor). Main floor has a reception area, boardroom, office, two half bathrooms, kitchen (lunch area) with laminate countertops and pantry, lounge, mechanical room, storage area and operation areas. The floor is Ceramic, laminate, and linoleum. Main floor also has a workshop attached which includes 3 bays with concrete flooring, and has 13' ceiling height and overhead doors. It has a mechanical room, a parts room, a tool room, two half bathrooms and production areas. Upper floor has two half bathrooms, kitchen (lunch area) with laminate countertops and pantry, lounge, mechanical room, storage area and operation areas. The main floor is 8,656 Sq Ft and upper floor is 4,436 Sq Ft. The entire property is occupied by owner / BMP Supplies. The property is heated by forced air HVAC systems and has roof top cooling systems. The roof is with tar and gravel. It is currently zoned IG - Industrial General.

The purpose of this appraisal is to estimate the Current Market Value of the subject property on October 21, 2024. The intended use of this appraisal is to provide the client Jeff Lindemulder of BMP Supplies Inc. with the Current Market Value to assist with the decision-making and information purposes. Unauthorized use of the data, analyses, and conclusions presented in this report is strictly prohibited.

The property interest appraised is the Fee Simple Interest under the assessment act.

Based on an inspection of the property on October 11, 2024, and the research and analyses undertaken on October 21, 2024, we have formed the opinion that as of October 21, 2024, subject property has a Market Value of Fee Simple Interest, under exposure time from 6 to 12 months as:

**THREE MILLION EIGHT HUNDRED THOUSAND CANADIAN DOLLARS *
(\$3,800,000) ***

*** THE ABOVE VALUE IS BASED ON CERTAIN EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS THAT THE REPORT SETS.**

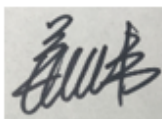
This appraisal complies with the reporting requirements set forth in the Canadian Standards of The Appraisal Institute of Canada. The information contained within the report is specific to the needs of the client and for the stated intended use. One Step Appraisal Solutions Inc. is not responsible for unauthorized use of this report.

The report contains 82 pages in 6 sections, and 49 pages of addendums in 4 schedules.

Respectfully submitted,
ONE STEP APPRAISAL SOLUTIONS INC.



De Dai, AACI. P. App. MBA
Real Estate Appraiser
Inspection: Oct 11, 2024
Effective Date: Oct 21, 2024
AIC ID: 906960
RECA Licensed
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William Jing, AIC Candidate
Real Estate Appraiser
Inspection: Oct 11, 2024
Effective Date: Oct 21, 2024
AIC ID: 913114
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1.0 EXECUTIVE SUMMARY



Value Conclusions

PROPERTY INFORMATION

Property Type	Industrial Building	Sub-Market	Meridian
Improvement Size (SF)	13,092	Site Size (SM)	95396
Occupied (%)	100%	Land Use	IG – General Industrial
Number of Buildings	1	FAR	0.14
Number of Stories	2	Owner	LINDEMULDER PROPERTIES INC.
Year Built	1966		

VALUE CONCLUSION

Final Value Estimate	\$3,800,000
Effective Date	Monday, October 21, 2024
Value per SqFt	\$290
Capitalization Rate	6.50%

VALUATION SUMMARY

Direct Comparison Approach	\$3,800,000
Income Approach	\$3,800,000
Income Approach (building)	\$2,400,000
Excess Land (1.1 acres)	\$1,400,000

DIRECT COMPARISON APPROACH

Concluded Unit Value Range	\$282 to \$378
Unit Value	\$290
Unit of Comparison	Price per SqFt
Number of Unit	13,092
Value by DCA	\$3,800,000

INCOME APPROACH

Market Rent	\$170,196	Land Value (per acre)	\$1,280,000
Vacancy/Collect Loss Rate (%)	6.50%	Excess Land (acres)	1.1
Net Operating Income	\$155,509	Excess Land Value	\$1,400,000
Overall Capitalization Rate (%)	6.50%		
Value by Income Approach	\$2,400,000		



1.0 EXECUTIVE SUMMARY

Salient Facts

Municipal Address	415 Monument Place SE Calgary, AB T2A 1X4
Legal Description	Plan:4708JK; Block:11; Lot:6B
Property Type As Improved	Freestanding Industrial Property as improved
Construction Type	Concrete Foundation, Concrete Block Built Up
No. of Buildings	1
No. of Stories	2
Property Linc	0017058348
Assessment & Taxes	2024 Assessment: \$2,600,000; 2024 Tax: \$57,179
Owner of Record	LINDEMULDER PROPERTIES INC.
Sale History	The subject sold on 14/10/2016 for \$2,700,000.

Appraisal Information

Date of the Report	October 28, 2024,
Effective Date	October 21, 2024,
Property Rights Appraised	Fee Simple
Estimated Exposure Time & Marketing Period	6 to 12 months.



1.0 EXECUTIVE SUMMARY

Site Data

Land Area (Acres)	2.19 acre (95,396 square feet)
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Site Discussion	The subject site is a leveled pie shape lot on a typical industrial street within a light industrial community. It is surrounded by similar scale industrial properties. The subject site is zoned IG – General Light Industrial Zone. The site is fully serviced to municipal standards, water, sewer, storm sewer, cable, internet.
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Improvement Data

Gross Leasable Area (SF)	Main floor	+/-8,656 Sq Ft
	Upper Floor	+/-4,436 Sq Ft
	Total	+/-13,092 Sq Ft

Parking Stall	Ample Parking Stalls inside the property
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Tenants/Building Occupancy	Owner Occupied
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Zoning Designation	IG – General Industrial
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Highest and Best Use

As Improved	Freestanding Industrial Building as Improved
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1.0 EXECUTIVE SUMMARY

Contents

1.0	EXECUTIVE SUMMARY	4
2.1	SUBJECT PROPERTY	8
2.2	INTENDED USE OF THE REPORT	8
2.3	PURPOSE OF THE ASSIGNMENT	8
2.4	PROPERTY RIGHTS APPRAISED	8
2.5	DEFINITION OF VALUE	9
2.6	EFFECTIVE DATE OF VALUE	10
2.7	SCOPE	10
2.8	ASSUMPTIONS AND LIMITING CONDITIONS	11
3.1	NATIONAL MARKET OVERVIEW	16
3.2	ALBERTA PROVINCIAL MARKET OVERVIEW	20
3.3	CALGARY MARKET OVERVIEW	24
3.4	NEIGHBORHOOD REVIEW	27
3.5	SITE DESCRIPTION	28
3.6	IMPROVEMENT DESCRIPTIO	30
3.7	REMAINING ECONOMIC LIFE	32
3.8	ASSESSMENT AND TAXES	33
3.9	LAND USE CLASSIFICATION	33
3.10	LEASE/OCCUPANCY	33
4.1	HIGHEST AND BEST USE - DEFINITION	34
4.2	HIGHEST AND BEST USE "AS VACANT"	34
4.3	HIGHEST AND BEST USE "AS IMPROVED"	36
4.4	VALUATION PROCESS	37
4.5	DIRECT COMPARISON APPROACH	38
4.6	INCOME APPROACH – OVERALL INCOME CAPITALIZATION	50
4.7	INCOME APPROACH – EXCESS LAND VALUE ANALYSIS	70
4.8	RECONCILIATION	70
5.0	CERTIFICATION	83
6.0	QUALIFICATION	85
7.1	CERTIFICATE OF TITLE	87
7.2	LAND USE BYLAW	89
7.3	SUBJECT PHOTOS AND FLOORPLANS	98
7.4	DCA COMPARABLE LISTINGS AND LOCATION MAP	124

2.0 TERMS OF REFERENCE

2.1 SUBJECT PROPERTY

The subject property is a 2-storey industrial building. The subject is located in the industrial community of Meridian, which is in the east of downtown Calgary. The community of Meridian is bounded by 16 street on the north, Memorial Drive on the south, 28 street NE and 28 street SE on the east, and Barlow Trail NE and Barlow Trail SE on the west. Transit to this community is primarily through the 16 street, Deerfoot Trail, and Memorial Drive. With these three major roads, it is convinced to travel from and to this community. This community is an industrial community with none of the buildings being residential dwellings. The majority of facilities in the area are used for manufactory, construction, and industrial-oriented businesses, with scattered auto related businesses. Apart from businesses, the industrial area around the subject also contains food services such as subway, bakery, and various other restaurants.

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The legal description of the subject unit is Plan:4708JK; Block:11; Lot:6B. The subject is assessed for \$ 2,600,000 in 2024, and property tax is \$57,179. According to the latest land title, the current owner is LINDEMULDER PROPERTIES INC.

2.2 INTENDED USE OF THE REPORT

The intended use of this appraisal is to provide Jeff Lindemulder of BMP Supplies Inc. with the Current Market Value on October 21, 2024, to assist with decision making and information purposes. Unauthorized use of the data, analyses, and conclusions presented in this report is strictly prohibited.

2.3 PURPOSE OF THE ASSIGNMENT

The purpose of this appraisal is to estimate the Current Fee Simple Market Value of the subject property on October 21, 2024, under the extraordinary assumption and hypothetical conditions.

2.4 PROPERTY RIGHTS APPRAISED

The valuation of real property includes both physical real estate and rights that one or more individuals, partnerships, or corporations may have or contemplate having in the ownership or use of land and



2.0 TERMS OF REFERENCE

improvements. Special attention is given to any limitations of ownership rights, such as easements, encroachments, liens, or leases. The various rights and interests are defined as follows.

Fee Simple Interest

The ownership interest held by the lessor includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest

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

A **Fee Simple Estate** is defined as:

“As absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.”

Source: The Appraisal of Real Estate, Second Canadian Edition. P Glossary.10

The property rights appraised in this report are that of the Fee Simple Interest to line up with the assessment authority.

2.5 DEFINITION OF VALUE

The value of the property determined in this report is Market Value, which is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

Source: CUSPAP

2.0 TERMS OF REFERENCE

2.6 EFFECTIVE DATE OF VALUE

The Effective Date of valuation is October 21, 2024.

2.7 SCOPE

The scope of this appraisal refers to the extent of the process of collecting, confirming, and reporting data and summarized following:

Inspection and Identification of the property and comparable sales

The subject property was inspected on October 11, 2024 by De Dai, AACI, P.App and William Jing, AIC Candidate, both licensed through Appraisal Institute of Canada. De Dai and William Jing prepared the appraisal report.

The identification of the property also involved a review of mapping prepared by the City of Calgary and included review of the existing and historic certificates of title, and municipal assessment and tax information, as of July 1, 2023.

Type of Analysis

The approaches as applied within this report as of October 21, 2024, were investigated as to their relevance to this assignment, including a review of market data necessary to properly apply these approaches. In this, Direct Comparison Approach and Income Approach were employed.

Data Research

We received instructions from Jeff Lindemulder of BMP Supplies Inc. in the preparation of this report. Publications produced by the City of Calgary provided information on applicable land use controls. Sources of market evidence included, as appropriate, the MLS listing, RealNet, Commercial Edge, local real estate board, Land Titles Office transactions, real estate agent, vendors and purchasers active in the market.

Audits and Technical Investigation

We did not complete technical investigation such as:

- Detailed inspections or engineering review of the structure, roof or mechanical
- An environmental review of the property;
- A site or building survey;
- Investigations into the bearing qualities of the soils; or
- Audits of financial and legal arrangements reported by the client of leases

Verification of Third-Party Information: The analysis set out in this report relied on written and verbal information obtained from a variety of sources considered reliable. Unless otherwise stated herein, there was no verification of client-supplied information, which was believed to be correct.

2.0 TERMS OF REFERENCE

2.8 ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the Limiting Conditions and Assumptions. Acceptance and/or use of this report by the client constitutes acceptance of all Limiting Conditions and Assumptions set forth below and in other parts of this report where are deemed necessary and appropriate. The client and designated users of the appraisal report should inspect the property and confirm factual information before final decisions are made concerning the subject.

- 1.) Leasing and financial information for the property were provided by the client of this appraisal, or related parties, and accepted at face value by the appraiser. This information was not verified by any internal or external process aside from being proofread and approved by the client of this report. It is therefore a vital assumption of this report that this information is a correct representation of the leasing and operating performance of the center. Should it be incorrect due to fraud or negligence, then this report would be void. The appraiser does not certify, in any manner whatsoever, the veracity of the leasing or financial statements as supplied by the owner. Any party relying upon this report must therefore confirm to their satisfaction the accuracy of the supplied data as discussed herein.
- 2.) This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from One Step Appraisal Solutions Inc. Liability is expressly denied to any other person, and accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
- 3.) Market conditions, including economic, social, and political factors, may change rapidly and without warning. As such, this report cannot be relied upon as of any date other than the Effective Date specified in this report unless specifically authorized by the author(s).
- 4.) The author is not responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. The author assumes that the title is good and marketable and that it is free/clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Details within this appraisal regarding property ownership and title encumbrances are for information purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute confirmation of title data. Provision of this data does not negate the need to retain a real estate lawyer, surveyor, or other appropriate experts to verify matters of title ownership and encumbrances. Should the title ownership or encumbrances have any significant effect on value, such an effect has not been accounted for within this appraisal.



2.0 TERMS OF REFERENCE

- 5.) The property has been appraised with the assumption that it has been built, occupied, and operated in full compliance with the requirements of all Federal, Provincial, and Municipal laws. Verification of compliance with governmental regulations, bylaws, or statutes is outside the appraisal scope of work and the expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance on such data is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance. It is noted that non-compliance of Federal, Provincial, or Municipal laws can affect the value of the property in a significant manner and further investigation from a licensed expert in these matters is highly recommended.
- 6.) No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey and an accredited surveyor should be retained for such matters.
- 7.) This appraisal is completed on the basis that testimony or appearance in court (or administrative hearings) relating to this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not be limited to, adequate time to review the report, time to review related data, and the provision of appropriate compensation for such duties. The author(s) reserve the right to refuse such further participation.
- 8.) Unless otherwise stated in this report, the author(s) has/have no knowledge of any hidden or unapparent conditions of/on the subject property or of/on a neighboring property that could affect the value of the subject property. It has been assumed that there are no such conditions. This includes, but is not limited to, its soil, physical structure, mechanical or other operating systems, electrical systems, foundation, roofing structures, etc. Any such conditions that were visibly apparent at the time of the site visit or that became apparent during the normal research involved in completing the report have been noted in the report. This appraisal should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of the appraisal and the qualifications of the author. The author(s) make(s) no guarantee(s) or warranties, expressed 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.
- 9.) The author(s) is/are not qualified to comment on detrimental environmental, chemical, or biological conditions that may affect the market value of the property appraised. This includes but is not limited to pollution or contamination of land, buildings, water, groundwater, or air. This may also include but is not limited to molds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of the site visit or that became apparent during the normal research involved in completing this appraisal have been noted herein. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical, and biological matters. It is further assumed that the property is free of any detrimental environmental, chemical, and biological conditions that may affect the market value of the property appraised. If a party relying on this appraisal requires information about or an assessment of detrimental environmental, chemical, or



2.0 TERMS OF REFERENCE

biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. Any legal liability related to the effect of detrimental environmental, chemical, or biological matters on the market value of the subject property is expressly denied by the author(s). The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.

- 10.) The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify such information, including client-supplied information, which the author believed to be correct.
- 11.) The term "inspection" only refers to observations as defined by the Canadian Uniform Standards of Professional Appraisal Practice. It relates to the reporting of the general material finishing and conditions for the purposes of completing an appraisal. The inspection scope of work includes the identification of marketable characteristics and amenities offered for comparison and valuation purposes only. Readers should be aware that an inspection by a real estate appraiser is not the equivalent of an inspection by a licensed trade specialist like an architect, engineer, home inspector, etc. It is only a visual observation of general building materials and condition.
- 12.) The author(s) has/have not confirmed that all mandatory building inspections have been completed to date nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship, or materials. It should be clearly understood that the site visit completed for this appraisal does not imply compliance with any building code requirements as this is beyond the professional expertise of the author(s) and scope of this report.
- 13.) The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the privacy policy of One Step Appraisal Solutions Inc. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA).
- 14.) The author(s) has/have agreed to enter into the assignment as requested by the client named in this report for the use specified by the client which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
- 15.) This report, its contents, and all attachments/appendix items and their content are the property of One Step Appraisal Solutions Inc. The client, authorized users, and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to



2.0 TERMS OF REFERENCE

- be granted to modify, alter, merge, publish in whole or in part, screen scrape, database scrape, exploit, reproduce, decompile, reassemble, or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually, or by any other means whatsoever this appraisal report, appendix items, attachments, and the data contained herein for any commercial or any other use.
- 16.) If transmitted electronically, this report will have been digitally signed and secured with a personal password to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
 - 17.) This appraisal excludes all personal property, tenant chattels, and inventory that are located within the subject property. Unless otherwise noted within this report, anticipated public or private improvements, and assemblage are not considered to be relevant factors.
 - 18.) The market value determined herein assumes an exposure Time as indicated in the Terms of Reference. The Exposure Time is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the Effective Date of valuation. The overall concept of an Exposure Time encompasses both an adequate, sufficient, and reasonable time frame as well as an adequate, sufficient, and reasonable effort. The Exposure Time depends on the type of asset being valued, market conditions, and property pricing.
 - 19.) The market value of the property does not necessarily represent the value of the underlying shares. Furthermore, the value of the property may or may not be proportional to divisional ownership or syndication. Such ownership arrangements can be influenced by a wide variety of
 - 20.) accounting and tax factors that are independent of real estate considerations and therefore outside the scope of this appraisal.
 - 21.) The estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations, accounting issues, or any other atypical benefits that may influence the value of the property.
 - 22.) The market value estimated herein is predicated on a cash sale or sale with conventional financing. The applicable currency of the sale is assumed to be Canadian Dollars.
 - 23.) This appraisal is only valid if it bears the signature(s) of the author(s).



2.0 TERMS OF REFERENCE

Hypothetical Conditions, Extraordinary Assumptions and Jurisdictional Exceptions

Hypothetical Conditions and Extraordinary Assumptions

- 1.) The buildings sizes for the subject property as indicated on the building drawings provided are cross checked by appraiser but not guaranteed. We assume it is accurately representing the complete building.
- 2.) For the purposes of this report, we have assumed that the subject property is fully occupied as of the effective date of this report. This holds the principle of the Income Approach. Tenants' allowance is not discussed in the report.
- 3.) The market value contained herein assumes a fully completed status based on market conditions as of Oct 21, 2024. Our value is also based on good quality materials and workmanship according to the details provided by a representative for the building. Furthermore, it is assumed that all building drawings comply with the Alberta Building Code, and all City of Calgary requirements.
- 4.) At time of inspection, the subject is under renovation, the renovation is to dry wall and frame the internal ceiling and wall where necessary, so that the property will conform the industrial building code. Therefore, the value provided in this report is AS IF 100% COMPLETE of all construction to plan specifications. In the event of discrepancy, the appraiser reserves the right to amend the report and alter the estimate at a later date.

Should any of these Extraordinary Assumptions not be correct in any way, the value conclusion provided herein would be considered unreliable.

Jurisdictional Exceptions

None

4.0 ANALYSIS AND CONCLUSIONS

3.1 NATIONAL MARKET OVERVIEW

Canada has the world's 37th largest population and the world's second largest landmass. The country's population is dispersed among ten provinces and three territories, with nearly 90% of its people living within 160 kilometers of the United States Border. Canada consistently receives a top fifteen Human Development Index ranking and a top twenty ranking for GDP (nominal) per capita.



In the face of elevated inflation and rising rates, the Canadian economy exhibited remarkable resilience this past year, evidenced by its ability to generate new jobs and attract investments. However, as time went on, the effects of these higher interest rates gradually made themselves felt, leading to a slowdown in both business and consumer activity. To face the slowdown in economy, in an effort to prevent inflationary pressures, the federal government is closely evaluating its spending practices and has recently revealed its intention to implement budgetary constraints until 2024. However, it is worth noting that key sectors, including health care, public infrastructure, technology, and clean energy, will receive substantial investments to address the growing demands resulting from population growth and to achieve climate targets. Despite the overall tightening of budgets, these sectors will be prioritized and infused with additional resources.

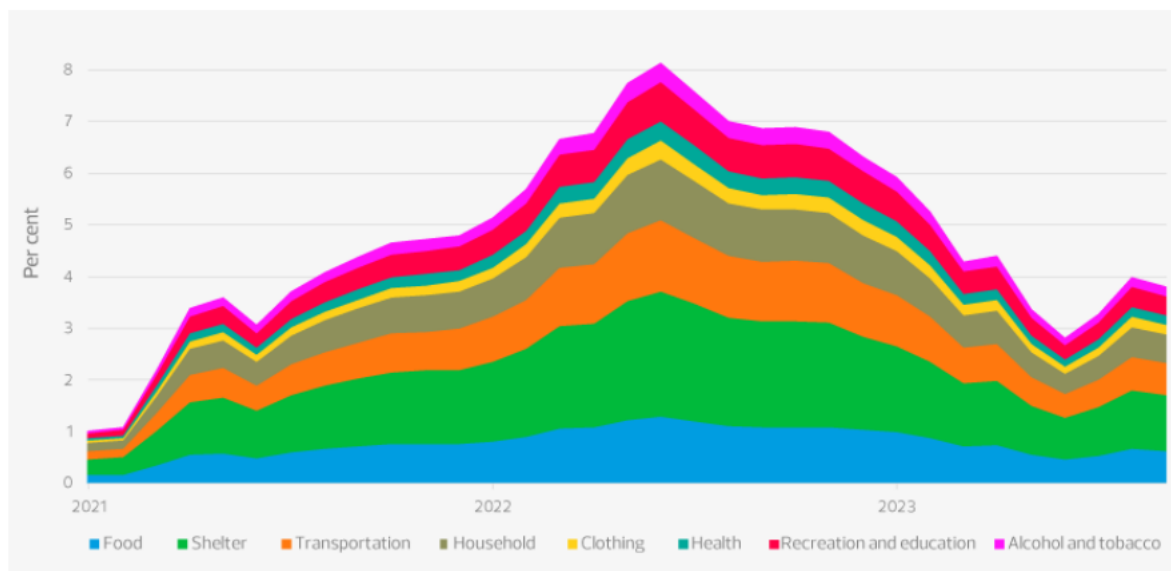
Although expectations called to bolster the economy, in the upcoming year, weaker growth is expected due to an excess supply impeding expansion. Based on the analysis, it is indicated that the economic outlook for the year ahead will unfold in two distinct phases: an initial, relatively mild slowdown in the first half, which will be brief in duration, followed by a revival in the second half. Looking further ahead to 2025, the economy shows promising signs of being ready for a more substantial expansion.

It is forecasted a 45 percent probability of a recession primarily based on the ongoing lack of growth that is expected to continue into the first quarter. As inflation diminishes and nominal interest rates remain stable, real interest rates increase. This raise in real interest rates leads to higher borrowing costs, which in turn dampens the willingness for investments. We see the Bank of Canada starting to cut rates in the second quarter, pushing the policy rate down toward 4 per cent by the end of next year. It is predicted that businesses will likely defer investments until the second half of the year when financial conditions are anticipated to be more favorable. This is due to expectations of a decrease in borrowing costs and a decline in inflation, creating a more conducive environment for investment activities.

4.0 ANALYSIS AND CONCLUSIONS

However, the economic outlook faces several risks that have the potential to overshadow its positive trajectory. Restrictive monetary policies, combined with high business costs and elevated household debts may lead to a more severe and profound economic slowdown than initially anticipated; weak productivity also poses a persistent challenge to growth. Also, a delayed global economic recovery could reduce the demand for Canadian goods, particularly raw minerals and coal. Furthermore, another risk is geopolitical uncertainty; the ongoing conflicts in the Middle East escalate, energy prices could surge and remain elevated, leading the Bank of Canada to maintain higher interest rates for an extended period; together with the Russia-Ukraine conflict could strain global energy and food supplies, resulting in shortages and price hikes. Additionally, climate change, such as wildfires and floods, not only generate costly insurable events but also disrupt supply chains and food production. These disruptions have the potential to drive up prices and undermine economic growth. Together with the significant changes affecting Canada’s economy in recent years, including an aging population, fragmented supply chains, geopolitical uncertainty and climate change, an inflation rate of 2.5 per cent to 3 per cent will become the new normal.

Contributions to CPI inflation



Source: StatCan; RSM Canada

Due to the unbalance of housing supply and demand, Canada’s housing crisis keeps getting worse. The latest Housing Supply Report by the Canada Mortgage and Housing Corporation concluded that the level of new construction is too low to address the long-term housing supply gap. The economy will receive a continuous boost from immigration as it enhances both the labor supply and consumer demand. The current crunch has been years in the making. Demand for housing in Canada had been growing steadily over the past decade because of rising incomes and low interest rates, but it has shot up in the past couple of years as the population has increased. Housing affordability, commute times and decarbonization will prove harder to solve, requiring more attention from government, tenants, and investors. While the pace of change will not ease, real estate is a long game where performance is driven in large part by the broader economy. Across all key indicators – population, GDP and employment growth – Canada is set to lead the

4.0 ANALYSIS AND CONCLUSIONS

G7 over the coming five years. Although challenges may arise in areas such as housing, social services, and infrastructure, immigration serves as a solution to address the shortage of workers while also yielding long-term economic benefits. The Canadian workforce will continue to be energized by immigration. By the year 2024, Canada has set a goal of welcoming 485,000 new permanent residents, in addition to hundreds of thousands of international students and temporary workers. Canada's immigration policy is designed to be adaptable and flexible, allowing the country to attract immigrants who can fill crucial gaps in the labor force. This approach ensures that Canada can meet its economic needs while also providing opportunities for individuals to pursue a better future.

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

3.1.1 GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) measures economic output and is used to determine an economy's overall size. GDP growth is generated through technological advancements, a growing workforce, and increased capital investments. Negative growth in GDP sees high levels of unemployment and a decreased standard of living.

Gross Domestic Product (GDP) is also referred to as economic output and is generally considered a measure of the overall size of the economy. A growing labor force, increased technology, and increased capital investments usually precipitate GDP growth, whereas negative GDP growth is generally indicative of higher unemployment levels and a lower standard of living.

3.1.2 CANADA'S REAL GDP GROWTH RATE

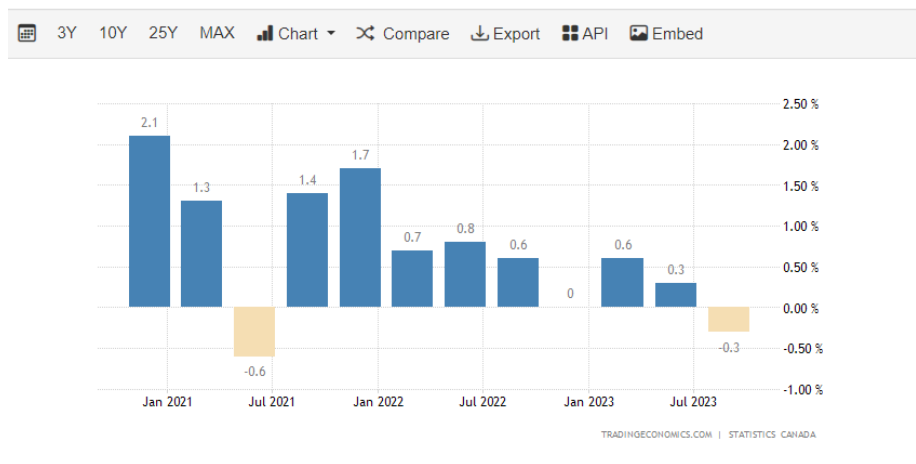
The Canadian GDP contracted by 0.3% in the third quarter of 2023, marking its first decline since the second quarter of 2021 and compared to a revised 0.3% expansion in the previous period. The result underscored that higher interest rates from the Bank of Canada are being transmitted to a greater extent to the Canadian economy, backtracking from robust growth earlier in the year. The Canadian GDP was pressured by a 1.3% decline in the exports of goods and services, largely due to a 25.4% slump in foreign sales of refined petroleum energy, while imports of goods and services eased by a slower 0.2%. Additionally, inventories accumulated at their slowest pace in two years amid the first inventory withdrawal for manufacturers in six quarters. In the meantime, household expenditures were broadly flat. On annualized terms, the Canadian GDP contracted by 1.1% in the period, a sharp contrast from market expectations of a 0.2% expansion.



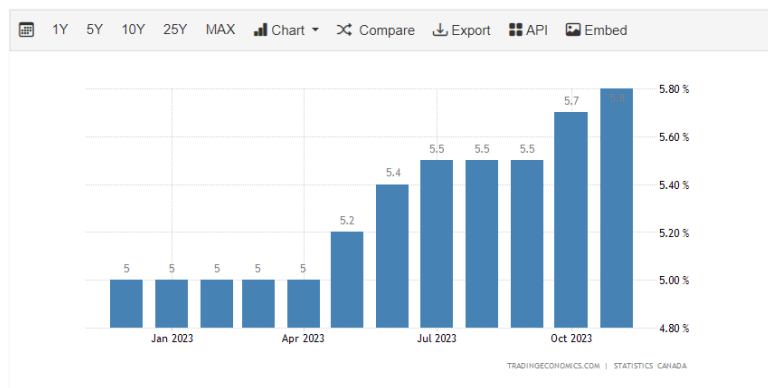
4.0 ANALYSIS AND CONCLUSIONS

Unemployment

The unemployment rate in Canada rose to 5.8% in November 2023, up from 5.7% in the previous month, in line with market expectations. It was the highest rate since January 2022, as the number of unemployed individuals increased by 11,000 to 1.24 million. At the same time, employment levels advanced by 24,900 to 20.31 million, surpassing the market consensus of a 15,000 gain, while the labor force grew at a faster 36,000 to 21.55 million. The recent uptick in the jobless rate has contributed to a cumulative increase of 0.8 percentage points since April 2023, notably impacting the younger demographic. Between April and November, youth aged 15 to 24 experienced a substantial 2.0 percentage point surge in the unemployment rate, reaching 11.6%. In contrast, individuals aged 25 to 54 saw a modest 0.6 percentage point increase (reaching 4.9%), while those aged 55 and older experienced a 0.7 percentage point rise (reaching 4.6%) over the same period.



Due to the slower economic activity, it will bring fewer hirings in early 2024, though widespread layoffs are not expected. Although job growth is expected in most months, the unemployment rate is expected to remain around 6 per cent until the second quarter, a figure that is high by historical standards but still low. The momentum on wage growth, which exceeds 5 per cent and is well above inflation, is likely to wane as labour demand cools.



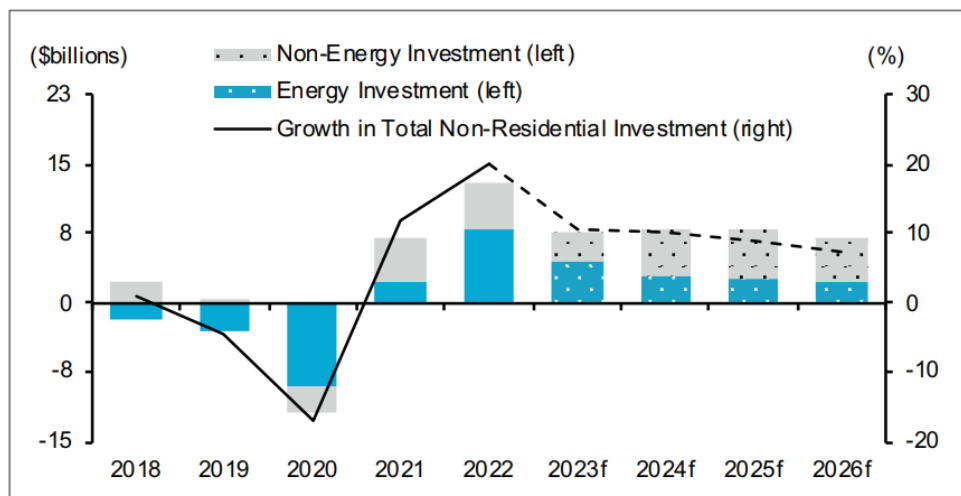
4.0 ANALYSIS AND CONCLUSIONS

3.2 ALBERTA PROVINCIAL MARKET OVERVIEW

The population of the province increased by more than four per cent, for the 12 months ending in July, which translates to 184,000 people. This is the highest growth rate recorded since the early 1980s, although the pace of growth is expected to decelerate in the year 2024. Alberta households remain heavily indebted compared to most other provinces, and there are signs consumers are responding to higher borrowing costs.

ATB forecasts the provincial economy will grow by 2.1 per cent next year, down from 2.7 per cent expected in 2023. After leading the country in economic growth in 2023, Alberta's gross domestic product (GDP) will expand by 1.7 per cent next year, according to RBC Economics. And Alberta Central is projecting the province's economic growth will slow to 1.8 per cent in 2024.

Chart 4: Oil and gas leads growth in investment this year
Change in Alberta non-residential investment by component



Sources: Statistics Canada and Alberta Treasury Board and Finance; f-forecast

The growth of Alberta's economy is predominantly being fueled by the oil and gas sector, benefiting from stable energy prices and an anticipated expansion in the province's takeaway capacity in the coming year. This has led to increased spending and production. Business investment intentions are strong, and there are optimistic employment prospects in the region. Notably, the third quarter witnessed significant activity in new home construction, indicating potential relief in Alberta's tight housing market. However, the economy is being impacted by higher interest rates and rising prices.

Consumer confidence has notably declined, resulting in households cutting back on spending. Furthermore, both consumers and businesses are facing challenges arising from escalating costs. The slowdown in global demand is leading to reduced non-energy exports and contributing to the volatility in oil.



4.0 ANALYSIS AND CONCLUSIONS

Table 1. Energy price and currency assumptions

Fiscal year	2022-23 Actual	2023-24 Budget	2023-24 Mid-year Forecast	2024-25 Forecast	2025-26 Forecast
WTI oil price (US\$/barrel)	89.69	79.00	79.00	76.00	73.50
Light heavy differential (US\$/barrel)	20.77	19.50	17.00	15.30	14.70
Exchange rate (US cents/Cdn\$)	75.60	76.20	74.10	76.40	78.60

Source: Treasury Board and Finance

Real GDP growth in Alberta

The Alberta economy continues to be resilient, but interest rate increases, high prices and slower global economic growth are creating headwinds. Alberta's real gross domestic product (GDP) is forecast to grow 2.8% this year, a moderation from last year's exceptionally strong pace of 5.0%. This is in line with budget expectations but slightly lower than the first quarter.

According to Statistics Canada, Alberta's real gross domestic product (GDP) is forecast to grow 2.8% this year, a moderation from last year's exceptionally strong pace of 5.0%. This is in line with budget expectations but slightly lower than the first quarter.

Table 2. Economic assumptions

Calendar year	2022 Actual	2023 Mid-year Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Economic growth (% change in real GDP)	5.0	2.8	2.6	3.0	2.8
Employment (% change)	5.2	3.3	2.5	2.5	2.2
Unemployment rate (%)	5.8	5.9	6.2	6.1	5.9

Source: Treasury Board and Finance

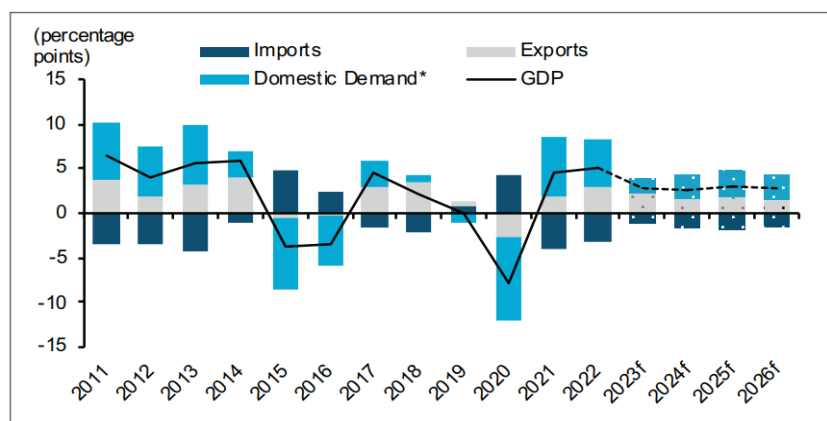


4.0 ANALYSIS AND CONCLUSIONS

Real GDP growth is set to slow further next year to 2.6%. The slowdown is mainly due to higher for longer interest rates and more persistent inflation, which will be a drag on consumer spending. The completion of Trans Mountain pipeline expansion (TMX) in the second half of 2024 is expected to support energy sector activity, although slower global growth will continue to dampen non-energy output and exports. Strong momentum in residential construction in the second half of this year will support a modest rebound in residential investment in 2024.

Over the medium term, the Alberta economy is expected to rebound to around 2.9% as consumer spending recovers. Solid fundamentals – including a strong population growth, relatively young population, lower cost of living and high wages – will support Alberta’s expansion. While real GDP is forecast to expand, it will lag behind Alberta’s strong population growth in 2023 and 2024. As a result, real GDP per capita is expected to decline during these years before rebounding in 2025.

Chart 1: Real GDP growth to moderate next year
Contribution to annual change in Alberta real GDP by expenditure

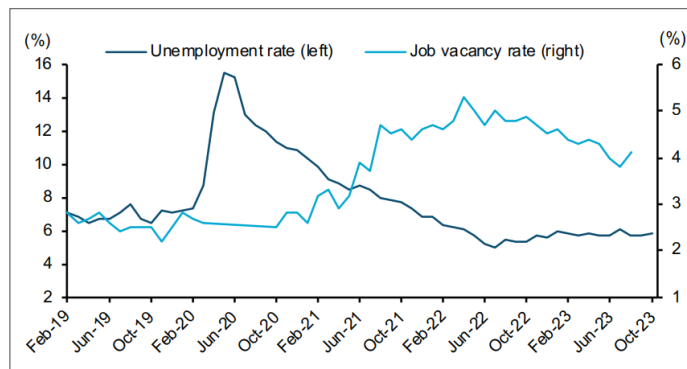


Sources: Statistics Canada, Haver Analytics and Alberta Treasury Board and Finance; e-estimate, f-forecast
* Includes total household, business, and government spending

UNEMPLOYMENT IN ALBERTA

Alberta's unemployment rate climbed ever-so-slightly last month. According to Statistics Canada, Looking past the recent volatility, employment in the province has expanded 78,000 through ten months of the year. Employment is now forecast to grow 3.3% this year, up one percentage point from budget but down slightly from the first quarter update. The province will continue to add jobs, albeit at a more moderate pace of 2.5% in 2024. Job vacancies remain elevated in the province, despite the downward trend this year.

Chart 7: Job vacancies remain high amid tight labour market
Unemployment rate and job vacancy rate in Alberta



Sources: Statistics Canada and Haver Analytics



4.0 ANALYSIS AND CONCLUSIONS

Despite the expansion of Alberta's labor force by over 108,000 individuals, equivalent to a growth rate of 4.3% over the past year, the labor force participation rate has decreased when measured against the working-age population since January 2023. This decline has been particularly evident among youth and older workers, with the youth participation rate experiencing a significant drop to historically low levels. Additionally, an aging population is contributing to a downward impact on the overall participation rate. Considering the recent weakness in labor force participation, the projected rate has been adjusted downwards from the initial budget estimates, with an expectation to average at 69.6% for the current year.

POPULATION GROWTH IN ALBERTA

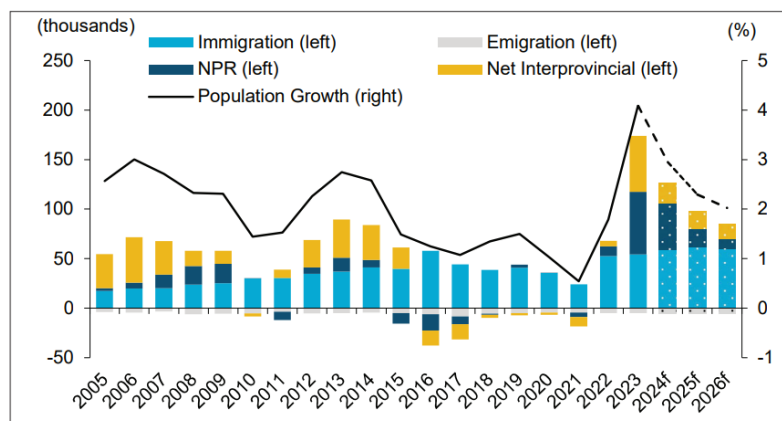
Alberta's population growth is predicted to moderate from the exceptional pace observed in the previous year, but it is still expected to remain robust. The second quarter of this year witnessed strong momentum, leading to a population expansion of 184,000 or 4.1% during the 2023 census year, representing the fastest annual growth rate since 1981.

For the 2024 census year, Alberta's population is projected to increase by 2.9%, which is an upward revision from the initial budget estimate of 2.2%. This growth will be supported by sustained high levels of net international migration, driven by the federal government's increased national immigration targets and strong inflows of non-permanent residents. The arrival of Ukrainian migrants under the Canada-Ukraine Authorization for Emergency Travel (CUAET) program will contribute significantly, with over 36,000 CUAET visa holders having settled in Alberta since 2022, and an additional 30,000 expected in the 2024 census year.

Although net interprovincial migration will slow down after exceptional gains in 2023, it is still expected to remain robust. Factors contributing to this include Alberta's relatively strong economic and labor market conditions, favorable housing affordability, and a lower cost of living. Population growth is forecasted to gradually moderate over the medium term and reach 2.0% by 2026.

Chart 6: Strong inflows of NPRs* will support population growth

Annual change in the Alberta population by migration component



Sources: Statistics Canada, Haver Analytics and Alberta Treasury Board and Finance; e-estimate, f-forecast
* Non-permanent residents

4.0 ANALYSIS AND CONCLUSIONS

3.3 CALGARY MARKET OVERVIEW

The Calgary economy grew by 3.1 per cent in 2023, supported by robust crude oil production and exports in the province, strong energy sector cashflows, solid consumer spending and residential investment driven by population growth. Business investment and housing spending cooled down in 2023 due to the elevated interest rate environment and higher borrowing costs before improving going forward.

The real GDP growth rate for the Calgary Economic Region in 2023 remained robust and exceeded the provincial, Canadian, U.S. and global economic performance. However, rising debt servicing costs and Calgarians' worsening indebtedness weighed on consumer spending. Non-residential and business fixed investment levels declined as businesses continued to exercise caution in the face of uncertainty and elevated financing costs, while housing investment remained resilient, driven by strong apartment construction.

Strong population growth and labor market performance increased economy-wide earnings and boosted economic activity and consumer spending. Total building construction investments were estimated to reach \$5.7 billion in 2023, while total housing starts were estimated to increase by over 14,000 units.

Positive nominal wage growth, employment growth and strong net migration generated robust housing demand, while the tight housing inventory contributed to positive resale average house price appreciation in 2023.

Consumer prices in Calgary were growing at a slower pace in 2023. After a 7.2 per cent increase in 2022, the annual average inflation growth in Calgary moderated to 3.9 per cent in 2023. Inflation should continue to decelerate, but there are signs of persistent inflationary pressures from food and shelter categories.

The fall season brought forth a significant revelation for the Calgary Economic Region in 2023. It is projected to surpass the rest of Canada in terms of growth, primarily due to relative housing affordability and lower living costs. These factors have attracted a considerable portion of inter-provincial migrants and a substantial number of international immigrants to the city. As a result, there will be a substantial increase in population, leading to a higher demand for housing, infrastructure, and public services.

This surge in population is expected to drive consumption, fill job vacancies, and continue to place pressure on the housing market. However, it is important to note that this growth is not expected to be sustained, as a deceleration is anticipated in 2024.

It is predicted that employment growth and real wage increases will contribute to higher earnings and consumer spending in the current year. However, factors such as elevated inflation, increased interest rates, and higher household indebtedness are likely to have a dampening effect on consumer spending in the following year.

The city's report also said crude oil exports should continue to grow through to 2028, "while at a decelerated pace compared to the rapid growth in the past two years." The Calgary Annual Economic Outlook reads, "With Trans Mountain pipeline expansion completion delayed to the second quarter of 2024, the price differential between the Western Canadian Select (WCS) and WTI should continue to exist in the near term before

4.0 ANALYSIS AND CONCLUSIONS

improving with increased transportation capacity”. But achieving net-zero scenarios will require the industry to “significantly reduce” emissions and “restructure its end-use energy sources.”

As migrants continue to move to Calgary in record numbers, new preliminary perceptions research released for the event indicates talent continues to see Calgary as a place of opportunity. Overall, the average unemployment rate is expected to stay above six per cent before trending down in 2025, as job growth is expected to only slightly exceed the increase in the labour force. The high cost of borrowing and construction is expected to hold back business investment in the coming year. Transportation and warehousing, and utility companies are expected to have the greatest decrease in capital investments. But the manufacturing sector and professional, scientific and technical services are expected to see “solid growth” through 2023, with the latter services’ growth coming from demand from the energy and tech sectors.

Calgary Real GDP Growth Rates

According to the fall Calgary Economic Outlook, real GDP growth in the Calgary Economic Region (CER) is forecast to be 3.1 per cent this year, better than Alberta’s forecasted 2.9 per cent and Canada’s 1.4 per cent. Looking ahead, 2024 is expected to see 3.7 per cent real GDP growth in Calgary, compared to Alberta’s 1.9 per cent, and 0.8 per cent expected in Canada and the United States.

GDP Growth Comparison

In 2023, the **real GDP growth rate** for the regional economy would remain robust and exceed the provincial, Canadian, U.S. and global economic performance.



4.0 ANALYSIS AND CONCLUSIONS

3.31 CALGARY INDUSTRIAL OVERVIEW (Q2 2024)

The Greater Calgary Area (GCA) experienced a slight decrease in vacancy rate in Q2 2024, the first since Q1 2023 when rates hit historic lows coming out of the COVID-19 pandemic. This small decrease is not necessarily indicative of a shift in the market and re-tightening of market conditions but rather it is a result of consistent leasing activity in both newly constructed buildings and older-generation space across the GCA industrial market. In addition to this activity, the 426,829 square feet of new supply completed in Q2 2024 is the lowest since Q1 2023, and this lower amount of new vacant space brought to market did not offset leasing activity as has been seen in previous quarters.

There is now ± 2.4 million square feet under construction across the GCA, 11% of which has been pre-leased or sold, and 73% of which is located in the Balzac market. There is currently no speculative construction underway in the South East inside the city limits for the first time since Q1 2021, however Colliers Calgary is tracking several proposed new developments which have a high probability of beginning construction before the end of 2024.

This will inject additional new supply of warehouse and distribution type space to what has been an active quadrant of the city.

Industrial real estate in the GCA continues to experience strong sale activity, with owner-user and investment sales being consistent and covering a wide range of asset types and locations. Although tempered from the past two years, the development community continues to express confidence in the GCA as a market with long term growth potential. Construction costs, in particular labour and material costs, have posed challenges but with the steady growth in net rental rates and the discount to other major Canadian markets remaining wide, projects across the GCA continue to move forward.

Looking ahead to the end of 2024, the vacancy rate is expected to increase to around the 4% mark as buildings complete construction. While leasing activity in new buildings is expected to offset some of this, a rise in availability and vacancy rate would bring the GCA more in line with what is typically seen as a healthy industrial market.

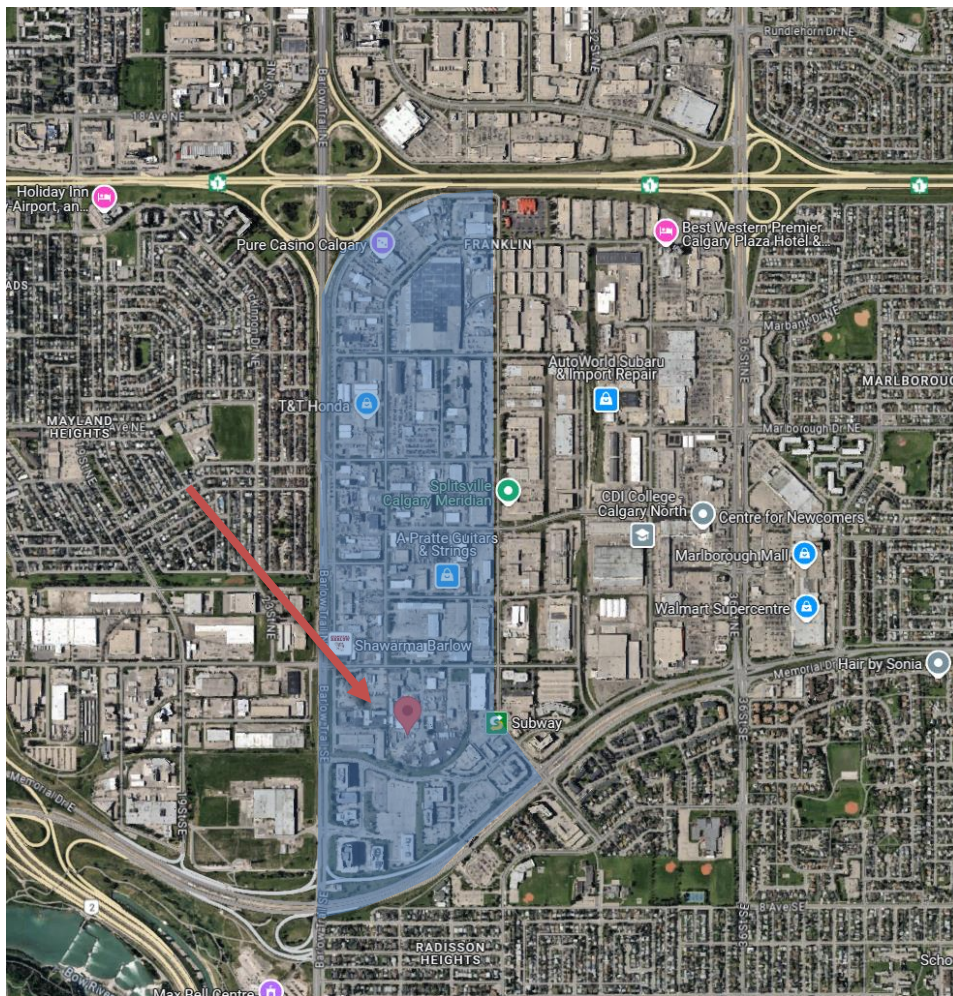


4.0 ANALYSIS AND CONCLUSIONS

3.4 NEIGHBORHOOD REVIEW

The subject is located in the industrial community of Meridian, which is in the east of downtown Calgary. The community of Meridian is bounded by 16 street on the north, Memorial Drive on the south, 28 street NE and 28 street SE on the east, and Barlow Trail NE and Barlow Trail SE on the west. Transit to this community is primarily through the 16 street, Deerfoot Trail, and Memorial Drive. With these three major roads, it is convinced to travel from and to this community.

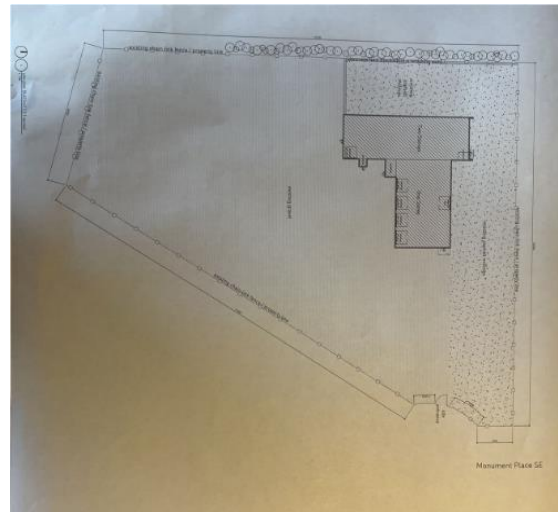
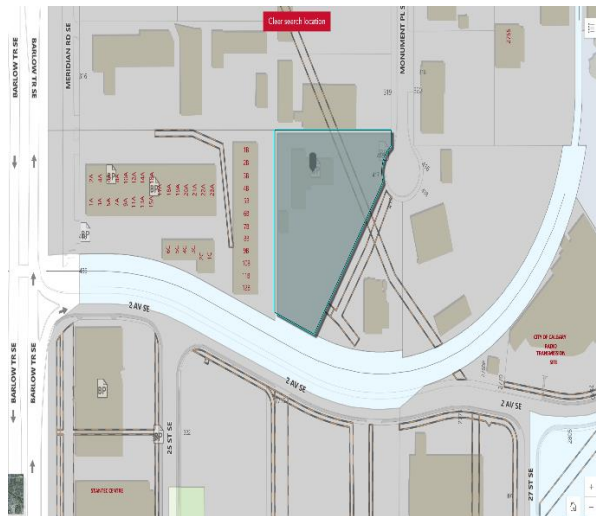
This community is an industrial community with none of the buildings being residential dwellings. The majority of facilities in the area are used for manufactory, construction, and industrial-oriented businesses, with scattered auto related businesses. Apart from businesses, the industrial area around the subject also contains food services such as subway, bakery, and various other restaurants.





4.0 ANALYSIS AND CONCLUSIONS

3.5 SITE DESCRIPTION



Property Description

Property Address	415 Monument Place SE Calgary, AB T2A 1X4
Property Neighborhood	Meridian
LINC	0017058348
Legal Description	Plan:4708JK; Block:11; Lot:6B
Zoning/Land Use	IG – General Industrial
Assessment & Tax	2024 Assessment: \$2,600,000; Assumed 2024 Tax: \$57,179

Ownership/Sales History

Owner of Record	LINDEMULDER PROPERTIES INC.
Sale History of the Last Three Years (CUSPAS required)	None
Encumbrances	3: 1 caveat, 1 airport regulation, and 1 mortgage
Services	
Ingress/Egress	The vehicular and pedestrian access are available east of the subject on Monument PL SE
Topography	We cannot observe drainage problems, and it is assumed that there will be no issues.
Environmental Concerns	No known concern
Utilities	The sites are fully serviced including electricity, potable water, storm drainage, natural gas etc.

4.0 ANALYSIS AND CONCLUSIONS

Site Data

Land Area	2.19 acre (95,396 square feet)
Shape	Pie
Dimension	See above measurement
Site Discussion	The subject site is a pie lot on an industrial area. The subject is zoned with Industrial – General (I-G) District. The site is fully serviced to municipal standards, water, sewer, storm sewer, cable, internet.

Appraisal Information

Date of the Report	October 28, 2024
Effective Date of the Appraisal	October 21, 2024
Property Rights Appraised	Fee Simple
Flood Hazard	No

Adjacent Properties

North	Similar Industrial Property
West	Similar Industrial Property
South	2 Ave SE
East	Monument PL SE



4.0 ANALYSIS AND CONCLUSIONS

3.6 IMPROVEMENT DESCRIPTION



Improvements Data

Building Data	Year Built	1966
	Year Renovated	Unknown
	Remaining Economic Life	20 Yrs
	Floor Area Ratio	0.14
Property Type	Building Name	N/A
	Property Type	Industrial building
	Market Building Class	C+
	Construction Type	Concrete Block
	No. of Buildings	1
	No. of Stories	2

Structure

Foundation/Substructure	Poured Reinforced Concrete
Superstructure	Concrete Block
Main Floor (SF)	+/-8,656
Upper Floor (SF)	+/-4,436
Exterior	
Exterior Wall	Concrete Block
Windows	Vinyl Double RV rated
Doors	Double Glass front and metal rear door, Glass/wood solid doors interior
Roof	Flat roof with tar and gravel
Height	N/A
Interior	
Partition Wall	Drywall
Ceilings	Suspended Ceiling Office area main building

4.0 ANALYSIS AND CONCLUSIONS

Ceiling Height	9 feet clear main and upper level, and 13 feet workshop area level	
Lighting	ceiling mounted fluorescent lamp	
Flooring	Main and upper Floor: Ceramic, laminate, linoleum Workshop level: concrete	
Utilities	HVAC	forced air ducting
	Electricity	600V 600A 3 Wire 4 Phase
	Plumbing	Copper, in building system
	Elevator	No
	Fire Alarm	Yes
	Sprinkler	Yes
	Air Conditioner	Yes
	Security System	Yes

Discussion

Improvements Discussion	See Below
Tenants/Building Occupancy	Owner Occupied

The subject property is a 2-storey industrial building. The subject is located in the industrial community of Meridian, which is in the east of downtown Calgary. The community of Meridian is bounded by 16 street on the north, Memorial Drive on the south, 28 street NE and 28 street SE on the east, and Barlow Trail NE and Barlow Trail SE on the west. Transit to this community is primarily through the 16 street, Deerfoot Trail, and Memorial Drive. With these three major roads, it is convinced to travel from and to this community.

This community is an industrial community with none of the buildings being residential dwellings. The majority of facilities in the area are used for manufactory, construction, and industrial-oriented businesses, with scattered auto related businesses. Apart from businesses, the industrial area around the subject also contains food services such as subway, bakery, and various other restaurants.

The subject building was built in 1966 and is a concrete foundation, concrete block constructed freestanding building two floors (main with a 3-bay workshop, and upper floor). Main floor has a reception area, boardroom, office, two half bathrooms, kitchen (lunch area) with laminate countertops and pantry, lounge, mechanical room, storage area and operation areas. The floor is Ceramic, laminate, and linoleum. Main floor also has a workshop attached which includes 3 bays with concrete flooring, and has 13' ceiling height and overhead doors. It has a mechanical room, a parts room, a tool room, two half bathrooms and production areas. Upper floor has two half bathrooms, kitchen (lunch area) with laminate countertops and pantry, lounge, mechanical room, storage area and operation areas. The main floor is 8,656 Sq Ft and upper floor is 4,436 Sq Ft. The entire property is occupied by owner / BMP Supplies. The property is heated by forced air HVAC systems. The roof is with tar and gravel. It is currently zoned IG - Industrial General.

4.0 ANALYSIS AND CONCLUSIONS

3.7 REMAINING ECONOMIC LIFE

ACTUAL AGE is the chronological age of the subject property. The subject was built in 1966. Therefore, the actual age is 58 years old. Actual age is for information purposes for the reader only. Appraisers rely on Effective Age, discussed below.

EFFECTIVE AGE of a structure is estimated based on inspection and observation of the subject improvements. It is not necessarily the actual age, although the age that the property appears to be based on the condition of the improvements and upkeep.

The effective age of the subject property is estimated at 30 years.

ECONOMIC LIFE is the period over which a new structure may reasonably be expected to be competitive in the market in the use for which it was designated. It is the period of time over which it may be utilized to the point where it becomes economic to undertake refurbishment or complete structural reconstruction. Based on our analysis of more building permit issued from City of Calgary, secondary data like Marshall & Swift, and particularly conversations with contractors and realtors, and in my experiences, the economic life of the subject property is estimated at 50 years from the following reasons.

Supportive secondary data source study: a cost manual like Marshall Swift indicates in Calgary Zone, a concrete block building with a typical economical life of 50 to 55 years.

REMAINING ECONOMIC LIFE is the period of time from the effective date of appraisal to the point where the building should be upgraded or replaced. The remaining economic life of the subject property is the difference between the effective age and the economic life, or an opinion based on the Appraiser's analysis of the marketplace.

The remaining economic life of the subject property is 20 years.

4.0 ANALYSIS AND CONCLUSIONS

3.8 ASSESSMENT AND TAXES

Property assessment is a value placed on a property for municipal and provincial taxation purposes. The City of Calgary assesses each property annually to distribute fair and equitable taxation. The estimated value of each property comes from the measurement, analysis and interpretation of the real estate market and is governed by the Municipal Government Act. This process is based on mass appraisal models that are an expression of how supply and demand factors interact in the real estate market.

The 2024 assessment is set based on the market value of the property in the time of July 1, 2023, using mass appraisal method by assessment department of City of Calgary.

Assessment in 2024: \$2,600,000

Property Tax in 2024: \$57,179.

TAX		
Year	Assessed Value	Tax Amount
2024	\$2,600,000.00 ↑	\$57,179.72 ↑
2023	\$2,570,000.00 ↑	\$56,732.24 ↑
2022	\$2,520,000.00 ↑	\$55,275.20 ↑
2021	\$2,430,000.00 —	\$50,076.47 ↑
2020	\$2,430,000.00 ↑	\$47,159.74 ↑
2019	\$2,120,000.00 ↓	\$46,686.00 ↓
2018	\$2,570,000.00 ↓	\$49,925.85 ↓
2017	\$3,310,000.00 ↑	\$58,734.30 ↑
2016	\$3,260,000.00 ↑	\$51,946.80 ↑
2015	\$2,750,000.00 ↓	\$39,034.06 ↓
2014	\$3,090,000.00 ↓	\$43,602.37 ↓
2013	\$3,530,000.00 ↑	\$50,464.88 ↑
2012	\$2,840,000.00	\$46,136.65

Land usage
Industrial - General (I-G)

3.9 LAND USE CLASSIFICATION

Industrial - General District (I-G)

The area is designated primarily for a wide range of general industrial uses with land use impacts that are typically associated with such industrial uses. Uses may include manufacturing, storage, workshop, automotive uses and instructional uses, as well as industrial activities that may take place outdoors.

Conformity

The subject confirms this land use zoning bylaw. The subject property represents a legal, conforming use to all requirements, thus conforming to the land use control requirements and airport vicinity protection rule.

3.10 LEASE/OCCUPANCY

Owner occupied.

4.0 ANALYSIS AND CONCLUSIONS

4.1 HIGHEST AND BEST USE - DEFINITION

Highest and Best Use is defined as:

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

Source: AI, p.171

As indicated, the highest and best use of the subject property is estimated “as vacant” and “as improved”. The highest and best use of the land or site if vacant and available for use may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but it contributes to the total property value in excess of the value of the site.

4.2 HIGHEST AND BEST USE "AS VACANT"

Definition

Highest and Best Use “As Vacant” is defined as:

“Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”

Source: AI, p.171

To estimate the highest and best use of the subject site, four criteria are considered: legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Legal Permissibility

Legal permissibility refers to the possible uses of the subject site subject to legal restrictions. The legal restrictions that apply to the subject property include private and public restrictions. Private restrictions relate to leases, easements, rights-of-way, and restrictive covenants that any or may not be registered against the subject property. Public restrictions relate to government constraints in the form of land use bylaws, building codes, and environmental regulations. If private restrictions conflict with public restrictions, the most restrictive guidelines usually prevail.

With respect to private restrictions, according to the Certificates of Title, there are 3 encumbrances, liens and interests, whereas 1 is related to caveat, 1 related to airport regulation, and 1 related to mortgage. These encumbrances are mostly regarding the building and construction requirements and use regulations. The encumbrances do not appear to significant affect the marketability of the subject site. Reference is made to the

4.0 ANALYSIS AND CONCLUSIONS

Addendum for the Certificate of Title. For greater certainty of the effects of these encumbrances, legal counsel is recommended.

With respect to public restrictions, the current land use bylaw governing the subject property is IG - Industrial General, which allows various types of industrial uses. Reference is made to the above land use section and Addendum for permitted and discretionary uses.

In summary, based on the legal characteristics of the site, a variety of industrial uses property types, in accordance with the IG - Industrial General, is legally permissible on the subject site.

Physical Possibility

Physical possibility refers to the legally permissible uses of the subject site that are physically possible. To determine whether office/industrial use is physically possible, consideration is given to the physical attributes of the subject site. The size and location of the parcel are important determinants of value.

The subject site is zoned with IG - Industrial General. The subject site is located on a typical industrial street. The entire subject site is 2.19 acres. The subject is located surrounded by various types of industrial properties including warehouse, industrial bay, storages, industrial commercials, offices and retail properties. The physical attributes of the subject site, including shape, dimensions, and area, topography, utilities, access and street improvements, indicate suitability for the small scale industrial related uses.

In summary, based on the physical characteristics of the site, any use in accordance with the IG - Industrial General. is physically possible on the subject site. Given the location and exposure profile of the site, the office/industrial property use appears reasonable and essential. The general area has a mixture of small to median single industrial properties.

Financial Feasibility/ Maximum Profitability

Financial feasibility refers to the legally permissible and physically possible uses of the subject site that will produce a positive net financial or economic return to the owner of the site. Maximum profitability refers to the economically feasible use which produces the greatest net return to the subject site, or which would result in the highest property value. This use is estimated to be the highest and best use of the subject.

The subject property is located within a convenient industrial oriented neighborhood, currently zoned as IG - Industrial General, which is for a variety of industrial related uses. The subject is surrounded by many small to medium light industrial properties and industrial oriented business centers and hubs. An industrial building appears to conform to the general area and is considered the most probable type of use.

The 2.19-acre site, with a 1.0 FAR, allows for the construction of up to 95,396 square feet of industrial space. Given the current building size of 13,902square feet, there is significant potential for additional development. In conclusion, developing the vacant site for industrial use, as permitted by the IG - Industrial General zoning, is both financially feasible and highly profitable. To maximize profitability, increasing the building size to the maximum allowable limit of 95,396 square feet is recommended. This would allow for a larger industrial building, potentially generating higher rental income and property value.

4.0 ANALYSIS AND CONCLUSIONS

4.3 HIGHEST AND BEST USE "AS IMPROVED"

Definition

Highest and Best Use "As Improved" is defined as:

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

Source: AI, p.171

The subject property is a 2-storey industrial building. The subject is located in the industrial community of Meridian, which is in the east of downtown Calgary. The community of Meridian is bounded by 16 street on the north, Memorial Drive on the south, 28 street NE and 28 street SE on the east, and Barlow Trail NE and Barlow Trail SE on the west. Transit to this community is primarily through the 16 street, Deerfoot Trail, and Memorial Drive. With these three major roads, it is convinced to travel from and to this community.

The subject building was built in 1966 and is a concrete foundation, concrete block constructed freestanding building two floors (main with a 3-bay workshop, and upper floor). Main floor has a reception area, boardroom, office, two half bathrooms, kitchen (lunch area) with laminate countertops and pantry, lounge, mechanical room, storage area and operation areas. The floor is Ceramic, laminate, and linoleum. Main floor also has a workshop attached which includes 3 bays with concrete flooring, and has 13' ceiling height and overhead doors. It has a mechanical room, a parts room, a tool room, two half bathrooms and production areas. Upper floor has two half bathrooms, kitchen (lunch area) with laminate countertops and pantry, lounge, mechanical room, storage area and operation areas. The main floor is 8,656 SqFt and upper floor is 4,436 SqFt. The entire property is occupied by owner / BMP Supplies. The property is heated by forced air HVAC systems. The roof is with tar and gravel. It is currently zoned IG - Industrial General.

The subject property, located in a convenient industrial neighborhood, is currently zoned IG - Industrial General, allowing for a variety of industrial uses. The property comprises 2.19 acres of land with a 13,092 square foot building, resulting in a Floor Area Ratio (FAR) of 0.14. This FAR is lower than the typical FAR for industrial properties in the neighborhood, indicating there is excess or surplus land on the site.

The existing building is located on the north side of the lot, leaving the southern portion of the site available for potential development. The southern portion has sufficient frontage and access to accommodate a separate building. This suggests that there is excess land on the property. However, a more detailed analysis is required to definitively determine the feasibility and optimal use of the excess land.

This analysis should consider factors such as zoning regulations, infrastructure constraints, market demand, and potential development costs. By understanding these factors, it will be possible to determine the highest and best use of the excess land and maximize its value.

4.0 ANALYSIS AND CONCLUSIONS

4.4 VALUATION PROCESS

The valuation process is the orderly program in which the data used to estimate the value of the subject property are acquired, classified, analyzed, and presented. The first step in the process is to define the appraisal problem, i.e., identify the real estate, the effective date of the value estimate, the property rights being appraised, and the type of value sought. Once this has been accomplished, the appraiser collects and analyses the factors that affect the Market Value of the subject property. These factors are addressed in the area and neighborhood analysis, the site and improvement analysis, and the highest and best use analysis, and in the application of the three approaches to value, the Cost Approach, the Income Capitalization Approach and the Direct Comparison Approach.

In the **Cost Approach**, accrued depreciation is deducted from the cost new of the improvements and this figure is added to the land value to indicate the value of the whole property. Generally, land value is obtained through direct Comparison. The replacement cost new of the improvements is estimated based on current prices for component parts of the building less depreciation, which is computed by analyzing the disadvantages or deficiencies of the existing building as compared to a new building. This approach is most reliable when the improvements are new or nearly new and represent the highest and best use of the site.

The **Income Capitalization Approach** is predicated on the assumption that a definite relationship exists between the amount of income a property can earn and its value. In other words, value is created by the expectation of benefits to be derived in the future. In this approach, the net income of the property generated before payment of any debt service is converted into value; either through direct capitalization in which net income is divided by a capitalization rate or by the process of a discounted cash flow analysis where the future income stream is converted into present value.

The **Direct Comparison Approach** is used to estimate the value of the land as though vacant and/or the property as improved. The appraiser gathers data on sales of comparable properties and analyses the nature and conditions of each sale, making logical adjustments for dissimilar characteristics. Typically, a common unit of comparison is found. For land value, the unit of comparison is usually price per square foot or price per acre; for improved properties, it may be price per square foot, price per unit, or a gross income multiplier. The Direct Comparison Approach produces a good indication of value when sales of similar properties are available.

The final step in the valuation process is the reconciliation of the value indicators and the final estimate of value. Since the purpose and function of the appraisal report are of primary concern, the adequacy and reliability of the data presented becomes crucial. The appraiser considers the relative importance of each approach used, examining the range of the value indicators and places the most weight on the approach which appears most reliable. Applying the appropriate approaches to value to the subject property, the appraiser seeks to anticipate the actions of buyers and sellers in the market. *This report will employ Direct Comparison Approach and Income Approach.*

4.0 ANALYSIS AND CONCLUSIONS

4.5 DIRECT COMPARISON APPROACH

The Direct Comparison Approach is defined as:

“A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparable based on the elements of comparison. The direct Comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.”

Source: AI, p. 318

In the Direct Comparison Approach, Market Value is estimated by comparing the subject property to similar properties that have been sold or for which offers to purchase have been made. A major premise of the Direct Comparison Approach is that the Market Value of a property is directly related to the prices of comparable, competitive properties.

The comparative analysis in the Direct Comparison Approach focuses on differences in the legal, physical, location and economic characteristics of similar properties and the subject properties and on differences in the real property rights conveyed, the date of sale, the motivations of buyers and sellers, and the financing arrangements for each sales transaction, all or any of which can account for variations in prices.

A transaction price is always predicated on the real property interest conveyed. Many types of real estate, particularly income-producing property, are sold subject to existing leases. The revenue-generating potential of a property is often fixed or limited by the terms of existing leases. In the valuation process, adjustments must be made to reflect the difference between contract rent and market rent and how this difference affects property price.

Property prices are determined by the market. They result from negotiations between buyers and sellers; buyers constitute market demand and the properties offered for sale make up the supply. If the demand for a particular type of property is high, prices tend to increase; if demand is low, prices tend to decline. Shifts in the supply of improved properties frequently lag behind shifts in demand because supply is created by time-consuming construction, while demand can change rapidly. The analysis of real estate markets at a specific time may seem to focus on demand, but the supply of properties must also be considered.

The forces of supply and demand tend toward equilibrium, or balance, in the market, but absolute equilibrium is almost never attained. The balance between supply and demand changes continually. Due to economic changes, shifts in purchasing power, investor perceptions and preferences, demand varies greatly over time. The construction of new buildings and the demolition of old ones cause supply to vary as well.

As applied in the Direct Comparison Approach, the principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

4.0 ANALYSIS AND CONCLUSIONS

This principle implies that the reliability of the Direct Comparison Approach is diminished if substitute properties are not available in the market.

After sales data has been gathered and verified, systematic analysis begins. Because like units must be compared, each sale price should be stated in terms of appropriate units of comparison, i.e. price per square foot, Gross Rent Multiplier (GRM).

To apply the Direct Comparison Approach, an appraiser follows a systematic procedure:

- Research the market to obtain information on sales transactions, listings, and offerings to purchase properties similar to the subject property.
- Verify the information by confirming the data obtained are factually accurate and the transactions reflect arm's-length market considerations.
- Select relevant units of comparison (e.g., price per square foot, or per front foot) and develop a comparative analysis for each unit.
- Compare the subject property and comparable sale properties using the elements of comparison and adjust the sale price of each comparable appropriately or eliminate the property as a comparable.
- Reconcile the various value indications produced from the analysis of comparable sales into a single value indication or a range of values. An imprecise market may indicate a range of values.

In order to estimate the Market Value of the subject building, the Direct Comparison Approach was employed. Using this technique, data on sales of similar properties is analyzed, compared and adjusted for dissimilarities with the subject. Consequently, data found to be most similar to the subject is given the greatest weight.

Units of comparison (price per square foot) correspond to those used in the market. The valuation of the subject property by the Direct Comparison Approach is based on a price per square foot of the building area that is used for all comparable listing sales.

The subject property, located in a convenient industrial neighborhood, is currently zoned IG - Industrial General, allowing for a variety of industrial uses. The property comprises 2.19 acres of land with a 13,092 square foot building, resulting in a Floor Area Ratio (FAR) of 0.14. The logic of finding comparable sales is to looking for similar scale industrial properties with similar FAR and within same or similar zonings, so that the excess opportunities are treated equally for every comparable sales.



4.0 ANALYSIS AND CONCLUSIONS

4.5.1 DATA SHEET

INDEX 1



9235 44 Street SE

Index 1 is a 1-storey freestanding industrial building. Index 1 was sold for \$1,400,000 on 03/13/2024, or \$378/Sq Ft. Index 1 has 3700 Sq Ft leasable space, and a lot size of 54,185 sq ft with fully fenced. Index 1 has a FAR of 0.07 which is superior to the subject.

Index 1 is zoned with I-G, same with the subject. Index 1 was built in 1975, is considered superior in condition to subject.

Index 1 is located close to Barlow Trail NE and Glenmore Trail, easy access to Deerfoot Trail, it is similar in location to the subject.

Overall, Index 1 is similar in location, and superior in FAR and condition. The subject price should be lower than Index 1, \$378/Sq Ft.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 2



3603 Edmonton Trail NE

Index 2 is a freestanding industrial building close to the subject. Index 2 was sold for \$1,200,000 on 07/24/2023, or \$300 /Sq Ft.

Index 2 is a corner unit, located on Edmonton Trail with high exposure, quick access to major routes like Deerfoot Trail and TransCanada Highway, superior in location to the subject.

Index 2 has 4000 Sq Ft leasable space, and a lot size of 17,621 Sq Ft with fenced yard and two access points. Index 1 has a FAR of 0.23 which is inferior to the subject.

Index 2 was built in 1970, zoned with I-R, Index 2 is assumed superior to the subject in condition.

Overall, Index 2 is superior in interior condition and location, and inferior in FAR. The subject price should be lower than Index 2, \$300 /Sq Ft.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 3



620 MORAINES RD NE

Index 3 is a freestanding warehouse building in the same industrial park with the subject. Index 3 was sold for \$1,700,000 on 07/23/2024, or \$309 /Sq Ft. It has 5,500 Sq Ft building area, and a lot size of 47,916 Sq Ft. Index 3 has a real FAR of 0.11, which is similar to the subject.

Index 3 is zoned with I-G, same with the subject. Index 3 was built in 1995, superior in interior condition to the subject.

Index 3 is located in a typical industrial area east of Barlow Trail in the NE, easy access to TransCanada Highway and Deerfoot Trail, it is similar in location to the subject.

Overall, Index 3 is similar in location and FAR, and superior in interior condition. The subject unit price should be lower than the Index 3, \$309 /Sq Ft.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 4



1520 MERIDIAN RD NE

Index 4 is an industrial property close to the subject. Index 4 was sold for \$1,600,000 on 05/22/2024, or \$330/ Sq Ft. Index 4 has 4,850 Sq Ft leasable space and a lot size of 43,560 Sq Ft.

Index 4 has a real FAR of 0.11, which is similar to the subject.

Index 4 was built in year 1978, Index 4 is considered slightly superior in condition to the subject. Index 4 is zoned with I-C, similar to the subject.

Index 4 is located on Meridian Road with exposure to TransCanada Hwy and considered superior in location to the subject.

Overall, Index 4 is superior in location and condition, similar in FAR coverage. The subject unit price should be lower than the Index 4, \$330/ Sq Ft.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 5



6404 Burbank Road SE

Index 5 is a warehouse building in the district of Burbank, close to the subject. Index 5 was sold for \$6,300,000 on 01/23/2024, or \$290/ Sq Ft. Index 5 has a lot size of 3.08 acres and improvement size of 21,739 Sq Ft.

Index 5 is zoned with IG same to subject. Index 5 has a real FAR of 0.16, which is similar to the subject.

Index 5 was built in 1973, and just completed with some updates, considered similar in condition to the subject.

Index 5 is centrally south located and close to most major roadways, it has been fully fenced, and with 40% of office/operation space and 60% of warehouse space. Index 5 are with dock and drive in loading, all considered superior in condition.

Index 5 has 21,739 SqFt warehouse/office space, this is larger and inferior to the subject.

Overall, Index 5 is similar in FAR coverage ratio and location, superior in property condition and inferior in improvement size. The subject unit price should be similar to Index 5, \$290/ Sq Ft .



4.0 ANALYSIS AND CONCLUSIONS

INDEX 6



7664 10 St NE

Index 6 is a freestanding office and warehouse/shop property on the north side of the subject in Deerfort Business Centre community. Index 6 sold for \$9,033,000 on 06/17/2024, or \$282 /Sq Ft. Index 6 has 32,071 Sq Ft building size, and a lot size of 4.08 acres of land. Index 6 has a real FAR of 0.18, which is similar to the subject. Index 6 is a bigger scale of the subject.

Index 6 is zoned with I-G, same as the subject. Index 6 was in the north side of the city, although easy access to most roadways, but is still considered inferior in location being a bit far away.

Index 6 was built in 2000 and has a good size of office part, Index6 is considered to have superior condition.

Index 6 is similar types of properties, with office in front and warehouse in rear, but are in a much larger scale, the bigger improvement size, the low unit price. Index 6 is considered inferior in property size.

Overall, Index 6 is inferior in location, superior in condition, and inferior in property size. The subject unit price should be slightly higher than Index 6, \$282 /SqFt



4.0 ANALYSIS AND CONCLUSIONS

Improved Sales Summary and Adjustment Grid							
Subject	Index 1	Index 2	Index 3	Index 4	Index 5	Index 6	
Rights Transferred	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple	Fee Simple
Financial Consideration	Market	Market	Market	Market	Market	Market	Market
Condition of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Market Condition - Tiim	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Location:	Good	Similar	Superior	Similar	Superior	Similar	Similar
Address	415 Monument Place	9235 44 Street SE	3603 Edmonton Trail NE	620 MORAIN RD NE	1520 MERIDIAN RD NE	6404 Burbank Road SE	7664 10 St NE
Vendor	Calgary	Clagary	Calgary	Calgary	Calgary	Calgary	Calgary
Purchaser				11ELEVEN LTD	MNT HOLDINGS LTD	2560522 ALBERTA LTD	SMS EQUIPMENT INC
Submarket:	Meridian	South Foothills	Greenview Industrial Park	Meridian	Meridian	Burns Industrial	Deerfoot Business Centre
Date of Sale:		March-24	July-23	July-24	May-24	January-24	June-24
Zoning:	I-G	I-G	I-R	I-G	I-C	I-G	I-G
Lot Size(SqFt):	95,396	54,185	17,621	47,916	43,560	134,140	177,928
Sale Price:		\$1,400,000	\$1,200,000	\$1,700,000	\$1,600,000	\$6,300,000	\$9,033,000
Year Built	1966	1975	1970	1995	1978	1973	2000
Building Size (SF)	13,092	3,700	4,000	5,500	4,850	21,750	32,071
FAR	0.14	0.07	0.23	0.11	0.11	0.16	0.18
Building Mix	Office/Warehouse	Warehouse	Office/Warehouse	Office/Warehouse	Office/Warehouse	Office/Warehouse	Office/Warehouse
Parking/1000 SqFt							
Unadjusted Price/Building Size:		\$378	\$300	\$309	\$330	\$290	\$282

COMPARABLE SUMMARY

The above chart outlines the relevant parameters of 6 recently sold comparable office/warehouse building properties, in which comparable 1 to 6 are all similar industrial uses building properties. The price per square foot of the building ranged from \$282 to \$378 with a mean price of \$315 per square foot. The site sizes ranged from 17,621 square foot to 177,928 square foot, while the subject is 95,396 square foot (2.19 acre) in lot size. The leasable building sizes ranged from 3,600 square feet to 32,071 square foot, while the subject is 13,092 square feet of leasable area. The FAR ranged from 0.07 to 0.23, while the subject is 0.14.



4.0 ANALYSIS AND CONCLUSIONS

4.5.2 QUALITATIVE AND QUANTITATIVE ADJUSTMENTS

As mentioned above, adjustments can be qualitative or quantitative. Qualitative adjustments are based on non-numerical data, where quantitative adjustments are based on numerical. Both types of adjustments contain some aspects of a subjective approach, however quantitative adjustments require more adequate, fine tuned market evidence to make a reasonable numerical (dollar value) adjustment. Realistically, a qualitative approach is more realistic, as trying to quantify all the attributes of the site, and relating them to buyer/seller expectations or decisions is very difficult to do. Investors or owner/users in the marketplace apply values to properties through a more qualitative process. This analysis will employ a more qualitative approach, ultimately reconciling the subject value within the range of the best comparable sales. Moreover, the range of comparable sales is relatively tight, reducing the need for extensive adjustments.

Adjustments	Comments
Property Rights Additional Comments	Property Rights - The transaction price of a sale is always based on the real property interest conveyed. In this instance, an adjustment for this attribute was not considered necessary.
Financing Terms Additional Comments	Financing Terms - Prices paid in acquiring property may differ significantly due to the financing involved, if any. Cash or cash equivalencies are the basis of value, whereas extended, above market interest rate and/or leverage investor terms sales, generally represent the higher portion of a sales price range. Therefore, some methods of converting these financing terms to cash must occur so that the adjustment process may be applied to the sales. In reviewing the comparables, an adjustment was not required for atypical financing.
Conditions of Sale Additional Comments	Conditions of Sale - Adjustments made for conditions of sale usually reflect atypical motivations of the buyer and seller at the time of conveyance. A sale may be transacted at a below market price if the seller needs cash in a hurry. A financial, business, or family relationship between the parties may also affect the price of property. Interlocking corporate entities may record a sale at a non-market price to serve their business interest. When non-market conditions of sale are detected in a transaction, the sale must be thoroughly researched before an adjustment is made. Within the confirmation process, detailed attention was made to ensure the conditions of each sale. Based upon the research performed, it is believed that all of the comparable sales involved regular arms-length transactions without the presence of duress or adverse market influence. As such, no adjustments were warranted.
Market Conditions/Time Additional Comments	Market Conditions/Time - Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the subject property. Changed market conditions often result from various causes, such as inflation, changing demand, and changing supply. Time itself is not the cause for the adjustment. The market has been fairly stable over the period in which the sales took place. In this instance, a market condition adjustment was not made.



4.0 ANALYSIS AND CONCLUSIONS

Improved Sales Summary and Adjustment Grid							
Subject	Index 1	Index 2	Index 3	Index 4	Index 5	Index 6	
Rights Transferred	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple	Fee Simple
Financial Consideration	Market	Market	Market	Market	Market	Market	Market
Condition of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Market Condition - Time	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Location:	Good	Similar	Superior	Similar	Superior	Similar	Similar
Address	415 Monument Place	9235 44 Street SE	3603 Edmonton Trail NE	620 MORAINÉ RD NE	1520 MERIDIAN RD NE	6404 Burbank Road SE	7664 10 St NE
Vendor	Calgary	Calgary	Calgary	Calgary	Calgary	Calgary	Calgary
Purchaser				11ELEVEN LTD	MNT HOLDINGS LTD	2560522 ALBERTA LTD	SMS EQUIPMENT INC
Submarket:	Meridian	South Foothills	Greenview Industrial Park	Meridian	Meridian	Burns Industrial	Deerfoot Business Centre
Date of Sale:		March-24	July-23	July-24	May-24	January-24	June-24
Zoning:	I-G	I-G	I-R	I-G	I-C	I-G	I-G
Lot Size(SqFt):	95,396	54,185	17,621	47,916	43,560	134,140	177,928
Sale Price:		\$1,400,000	\$1,200,000	\$1,700,000	\$1,600,000	\$6,300,000	\$9,033,000
Year Built	1966	1975	1970	1995	1978	1973	2000
Building Size (SF)	13,092	3,700	4,000	5,500	4,850	21,750	32,071
FAR	0.14	0.07	0.23	0.11	0.11	0.16	0.18
Building Mix	Office/w/warehouse	Warehouse	Office/w/warehouse	Office/w/warehouse	Office/w/warehouse	Office/w/warehouse	Office/w/warehouse
Parking/1000 SqFt							
Unadjusted Price/Building Size:		\$378	\$300	\$309	\$330	\$290	\$282
Property Rights							
Financing Motivation							
Condition of Sale							
Time							
Location/Timing		Inferior	Superior		Superior		Inferior
FAR		Superior++	Inferior				
Improvements(Age/Quality/Condition)		Inferior	Superior			Superior	Superior
Property Size		Superior	Superior	Superior	Superior	Inferior	Inferior
Parking							
Land Use							
Total Adjustment		Superior	Superior	Superior	Superior +	Similar	Inferior
Adjusted Price/Unit		378-	300-	\$309-	330-	\$290	282+

4.0 ANALYSIS AND CONCLUSIONS

4.5.3 ADJUSTMENTS AND ANALYSIS

No zoning adjustment has been made; all comparable sales are within similar industrial zones.

4.5.4 SUMMARY

The above chart outlines the relevant parameters of 6 recently sold comparable office/warehouse building properties, in which comparable 1 to 6 are all similar industrial uses buildings. The price per square foot of the building ranged from \$282 to \$378 with a mean price of \$315 per square foot. The site sizes ranged from 17,621 square foot to 177,928 square foot, while the subject is 95,396 square foot (2.19 acre) in lot size. The leasable building sizes ranged from 3,600 square feet to 32,071 square feet, while the subject is 13,092 square feet of leasable area. The FAR ranged from 0.07 to 0.23, while the subject is 0.14.

According to the qualitative analysis, Index 5 is the same scale of property and located close to the subject and has the least total adjustment, thus is given the greatest weight. The adjusted price per square foot of \$290 and close the mean price, is reasonable and confirms the current market condition. Thus, in our opinion,

MARKET VALUE BY PRICE PER USABLE SQUARE FOOT

$$\begin{aligned}
 &= \text{PRICE/SQUARE FOOT X USABLE SQUARE FOOT} \\
 &= \$ 290 \quad \times \quad 13,092 \\
 &= \$3,798,680.
 \end{aligned}$$

Rounded to \$3,800,000.

Based on an inspection of the property and the research and analyses undertaken, we have formed the opinion that as of October 21, 2024, the Value of the subject property under the Direct Comparison Approach is:

**THREE MILLION EIGHT HUNDRED THOUSAND CANADIAN DOLLARS
(\$3,800,000)**



4.0 ANALYSIS AND CONCLUSIONS

4.6 INCOME APPROACH – OVERALL INCOME CAPITALIZATION

The Income Capitalization Approach is defined as:

"A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits, (cash flows and reversion), into property value. This conversion can be accomplished two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."

Source: AI, p. 178.

Income-producing real estate is typically purchased as an investment and from the investor's point of view; earning power is the critical element affecting property value. One basic investment premise is that the higher the earnings, the higher the value. An investor who purchases income-producing real estate is essentially trading present dollars for the right to receive future dollars. The Income Capitalization Approach to Value consists of methods, techniques and mathematical procedures that an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) converting these benefits into an indication of present value.

The Income Approach is typically used in market value appraisals in income-producing property. The approach may also be used to estimate investment value, which is the value of the property to an investor. Market value and investment value may coincide if the client's investment criteria are typical of investors in the market. In that case, the two value estimates may be the same, but the two types of value are **not** interchangeable. Market value is objective, impersonal, and detached; investment value is based on subjective, personal parameters. To estimate market value with the Income Approach, the appraiser must be certain that all dates and assumptions used are market oriented.

There are two accepted capitalization methods - yield capitalization and direct capitalization. These methods are based on different measures of expected earnings and include different assumptions concerning the relationship between expected earnings and value.

For the purposes of this appraisal, we have used the Yield Capitalization Technique to estimate the Market Value of the subject property. This is the most typical approach used by investors when valuating or purchasing a property such as the subject.

The analysis of the Income Approach is presented as follows:

- 1) Analysis of Market Rent
- 2) Cash Flow/NOI before debt service
- 3) Capitalization Rate Analysis
- 4) Capitalized Market Value (Stabilized)

4.0 ANALYSIS AND CONCLUSIONS

4.6.1 ANALYSIS OF MARKET RENT

Market Rent is the rent applicable to the subject property based on the prevailing market conditions. The leases are all recently signed market lease with option to renew, the leasehold positions are not strong. Therefore, the roll over is assumed at Fee Simple levels on Net Terms, i.e. expenses paid by owners through operating cost recoveries. Market Rent is expressed in Net Terms.

4.6.1.1 LEASE TYPE

GROSS Lease

The comparable rental rates are expressed on GROSS terms. A GROSS rental rate is defined as a type of real estate lease where the tenant pays rent to the landlord as a gross amount. The tenant is not required to pay additional rent to the landlord to cover expenses related to the leased premises. The landlord pays all the property-related expenses. The landlord normally set up a reserve pool for unexpected repair or maintenance cost when it is need. Also, the lease agreement may indicate a damage deposit and the tenants responsibility if a damage is caused by tenants

NET Lease

The comparable rental rates are expressed on NET terms. A NET rental rate is defined as a rental rate that does not include any operating costs. Other than any items defined in the lease as the landlords' responsibility to pay, the tenant is responsible for their proportionate share of operating costs associated with their occupation of the subject premises.

4.0 ANALYSIS AND CONCLUSIONS

4.6.1.2 MARKET RENT COMPARABLE:

Index 7



1308 40 Avenue NE

Address:	1308 40 Avenue NE	Year Built:	1973
Status:	Leased on 04/22/2024	Size:	6,542 SF
Net Rent	\$12.00	Add Rent:	\$5.25

Index 7 is an industrial bay, with exposure to 12th Street NE, quick access to McKnight Trail, 32nd Avenue and Deerfoot Trail NE. This unit has approximately 6,542 Sq Ft, includes office area and a 21' ceiling height warehouse area with dock loading. Index 7 was built in 1973, Index 7 has similar condition to subject, but subject has superior FAR to Index 7.

All considered, the rental rate of the subject property should be higher than Index 7, net rent \$12.00.



4.0 ANALYSIS AND CONCLUSIONS

Index 8



3659 19 Street NE

Address:	3659 19 Street NE	Year Built:	1977
Status:	Leased on 07/26/2024	Size:	6,400 SF
Net Rent	\$ 14.00	Add Rent:	\$4.95

Index 8 is a warehouse bay with exposure to 19th Street NE, located between 32nd Avenue NE and McKnight Blvd NE, easy access to Deerfoot Trail. Index 8 has approximately 6,400 Sq. Ft. leasable space with oversized drive-in loading door. Index 8 was built in 1977, zoned with I-G. Index 8 has similar condition to the subject.

All considered, the rental rate of the subject property should be similar to Index 8, net rent \$14.00.



4.0 ANALYSIS AND CONCLUSIONS

Index 9



4709 14 Street NE #Units 4-5

Address:	4709 14 Street NE #Units 4-5	Year Built:	1974
Status:	Leased on 08/30/2024	Size:	6,250 SF
Net Rent	\$11.50	Add Rent:	\$7.38

Index 9 is a 6,250 SF industrial bay, includes office area of 465 SF and warehouse area of 5,785 SF with 18' clear ceiling height and two 12' x 12' dock doors. Index 9 is located close to McKnight Boulevard NE, 32 Avenue NE, and Deerfoot Trail NE, location is similar to the subject. Index 9 was built in 1974, has similar interior condition to subject, but subject has superior FAR to Index 9.

All considered, the rental rate of the subject property should be more than Index 9, net rent \$11.50.



4.0 ANALYSIS AND CONCLUSIONS

Index 10



2299 20 Avenue NE

Address:	2299 20 Avenue NE	Year Built:	1996
Status:	Leased on 10/05/2023	Size:	10,750 SF
Net Rent	\$12.00	Add Rent:	\$4.95

Index 10 is a stand-alone industrial building close to Barlow Trail NE, TransCanada Hwy and Deerfoot Trail NE, similar in location to the subject. Index 10 was built in 1996, has superior condition. Index 10 has 10,750 SF of building size and lot size 44,866 SF, the FAR is 0.24, doubled to the subject.

All considered, the rental rate of the subject property should be higher to Index 10, net rent \$12.00.



4.0 ANALYSIS AND CONCLUSIONS

Index 11



3003 21 Street NE

Address:	3003 21 Street NE	Year Built:	1980
Status:	Leased on 11/29/2022	Size:	4,665 SF
Net Rent	\$ 13.00	Add Rent:	\$4.75

Index 11 is a freestanding warehouse building with large showroom and warehouse, 2 private offices, washroom, and coffee station. Index 11 is close to 32nd Avenue NE and Barlow Trail NE, easy access to Deerfoot Trail and TransCanada Hwy, has similar location to subject. Index 11 was built in 1977, similar to the subject in condition, but subject has superior FAR to Index 11.

All considered, the rental rate of the subject property should be higher than Index 11, net rent \$ 13.00.

4.0 ANALYSIS AND CONCLUSIONS

4.6.1.3 MARKET RENT SUMMARY

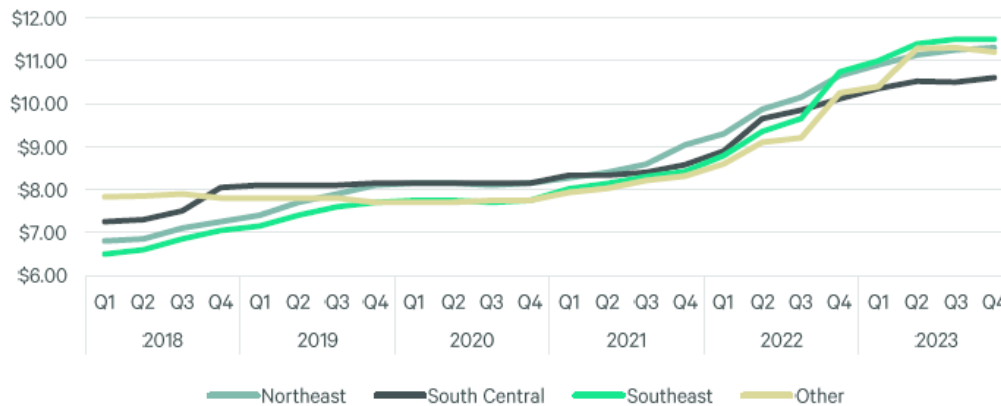
The above chart lists five market rent comparable listings, similar in location, property use, FAR and building type to the subject property.

The term and fee schedule for the market comparable listings are similar to the subject. Therefore, the above concluded market rent for the subject is within the range and considered reasonable.

According to the owner, the subject is currently occupied by the owner.

The rent for 5 comparable range from \$11.5 to \$14, and has a mean of \$12.1/SF.

FIGURE 3: Historical Rents By Submarket (PSF)



Source: CBRE Research, Q4 2023.

According to rent comparable analysis, property rent \$13/SF, similar to comparable 11, is reasonable:

$$\begin{aligned}
 \text{RENT BY PRICE PER SQUARE FOOT} &= \text{RENT/SQUARE FOOT} \times \text{LEASABLE SQUARE FOOT} \\
 &= \mathbf{\$13} \quad \times \quad \mathbf{13,092} \\
 &= \mathbf{\$170,196}
 \end{aligned}$$

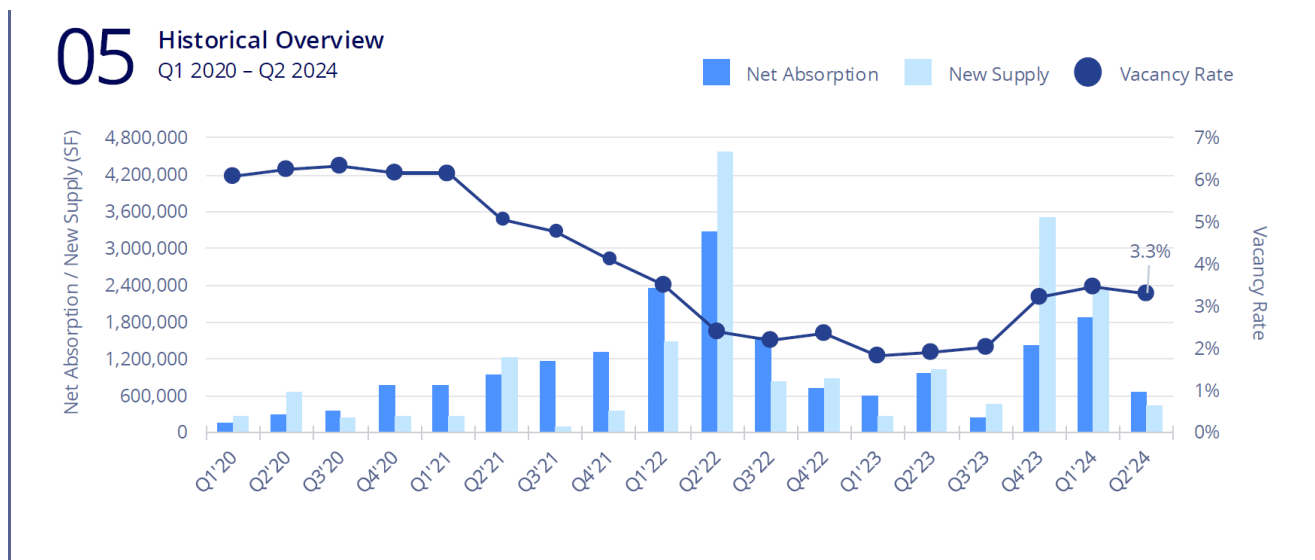
It should be noted that due to the subject property's large lot size and low FAR, resulting in excess land, suitable land rent comparable are limited. Consequently, the excess land value may be required in addition to income approach to support the whole property value.

4.0 ANALYSIS AND CONCLUSIONS

4.6.1.4 ANALYSIS OF VACANCY/OPERATING COSTS

Vacancy and Collection Loss Allowance

The Greater Calgary Area (GCA) experienced a slight decrease in vacancy rate in Q2 2024, the first since Q1 2023 when rates hit historic lows coming out of the COVID-19 pandemic. This small decrease is not necessarily indicative of a shift in the market and re-tightening of market conditions but rather it is a result of consistent leasing activity in both newly constructed buildings and older-generation space across the GCA industrial market. In addition to this activity, the 426,829 square feet of new supply completed in Q2 2024 is the lowest since Q1 2023, and this lower amount of new vacant space brought to market did not offset leasing activity as has been seen in previous quarters. The vacancy and collection loss allowance of 4% is applied for the situation.



Stabilized Operating Expenses

Operating costs for the subject property are the non-capital, cash expenses a user occurs while operating the property. This can be the landlord or the tenant. The most common operating costs, by definition, are property taxes; utilities; insurance; repairs and maintenance; and management fees. Vendor has provided the associated operating expenses is to be used for the estimation to determine the income statement.

From the lease agreement, the tenant is net lease, and the owner can reimburse all the operating expenses.

The major category of the expenses is following:

The property tax in 2024 is \$57,179, from the tax authority. We use \$58,000 for the estimate average.

4.0 ANALYSIS AND CONCLUSIONS

The building insurance is not included, the maintenance and repair are not included either. We need to add the reasonable amount of these expenses to stabilize the income statement.

The cost of insurance in 2024 is \$37,609, from the owner. We use \$38,000 per year for the estimate average.

Building maintenance and repair is estimated at \$3,000 per year for the estimate average.

By definition of NNN rent, the property tax, building insurance, maintenance & repair are reimbursed by tenants.

Snow Removal and Landscaping is estimated at \$3,000 per year for the estimate average.

Accounting and miscellaneous cost is estimated to be \$1,000 per year.

These costs are the direct costs and not to be reimbursed from tenants according to lease agreement and industrial norm.

Structural Allowance

As the timing and costs for anticipated replacements such as roof covering, carpeting, exterior painting, etc. are difficult to predict, it is common appraisal practice to use a structural allowance of 0.50%-2% of the Effective Gross Income to allow for structural maintenance.

1.0% of the effective gross income is to be used for the estimation of structural repair for it is a 68-year-old building.

Estimating Net Operating Income

Taking the aforementioned income and expense details into account, the following pro forma operating statements have been prepared for the subject property.



4.0 ANALYSIS AND CONCLUSIONS

4.6.2 CASH FLOW/NOI BEFORE DEBT SERVICE

Income Approach Statement			
Industrial Building Property			
415 Monument Place SE - NET RENT INCOME STATEMENT			
	Net Rent	Size (SqFt)	Yearly
Building	\$ 13	13,092	170,196.00
Operating Expenses Recovery	\$ 7.56		99,000.00
Property Tax			58,000.00
Insurance			38,000.00
Repairs & Maintenance			3,000.00
Gross Potential Income			269,196.00
Less: Vacancy & Collection Loss		4.00%	10,767.84
Effective Gross Income			258,428.16
Operating Expenses			-
Property Tax			58,000.00
Insurance			38,000.00
Repairs & Maintenance			3,000.00
Snow Removal, Landscaping			3,000.00
Miscellaneous Cost			1,000.00
Structural Maintenance Allowance		1.00%	2,584.28
Total Operating Expenses		39.22%	105,584.28
NET OPERATING INCOME			152,843.88

It is worth to note the additional cost is \$7.56 per square foot, a bit higher than the industrial norm. This is because of the low FAR and relatively small building size in this property scale.

4.0 ANALYSIS AND CONCLUSIONS

4.6.3 CAPITALIZATION RATE ANALYSIS

Market participants commonly use overall capitalization rates to value income producing properties. According to *The Appraisal of Real Estate (Second Canadian Edition)*, an overall capitalization rate is defined as an income rate for a total real property interest that reflects the relationship between a single year's net operating income and the total property value. It is used to convert net operating income into an indication of overall property value using the following formula:

$$\text{Market Value} = \text{Net Operating Income} \div \text{Overall Capitalization Rate}$$

An overall capitalization rate does not make a distinction between the return on and the return of capital. As such, an overall capitalization rate implicitly allows for both the return on and return of capital. Other assumptions which underlie the overall capitalization rate include:

- Assumption of periodic benefits
- Assumption of constant periodic benefits
- Treatment of financing
- Treatment of income taxation considerations

An overall capitalization rate is influenced by many factors including the perceived risk associated with the income stream, expected increase/decrease in future earnings, rates of return earned by comparable properties and general interest rates in the economy. It is important to note that an overall capitalization rate should be applied to a stabilized income stream whereby the estimate of net operating income best reflects projected future income. In other words, capitalizing the net operating income for a property going through an initial lease-up or when income expenses are expected to change drastically over time greatly reduces the reliability and accuracy of this methodology.

An overall capitalization rate can be derived using several techniques including:

- Derivation from comparable sales
- Derivation from effective gross income multipliers and net income ratios
- Band of investment – mortgage and equity components
- Band of investment – land and building components
- Debt coverage formula

I have used comparable sales available in the marketplace. In general, capitalization rates are affected by current inflation rates, the level and trend of interest rates, the general level of investor confidence, and the economic health of the region. Property specific factors including security and future growth in income are influenced by the strength of the covenant behind a particular lease.

The capitalization rate implicitly reflects the overall attributes of the subject property, specifically related to income, or the relationship between net operating income and sale price. The capitalization rate is not a rate of return, rather a ratio, or a market indicator. Conversely, the inverse of the capitalization rate is a price/earnings ratio, or how much an investor will pay for one dollar of income.



4.0 ANALYSIS AND CONCLUSIONS

4.6.3.1 CAPITALIZATION RATE ANALYSIS

INDEX 12



3920/3928 Edmonton Trail NE

Index 12 is a two freestanding building office/retail property located at 3920/3928 Edmonton Trail NE, Calgary. sold in 05/16/2022 for a price of \$6,200,000 or \$197 per square foot.

Index 12 has a capital rate of 6.37%. Index 12 is zoned with C-COR3, which is superior to subject in commercial category as allowed for a variety of different users including retail. The rent for retail properties is higher than industrial, thus will have a superior future income potential.

Index 12 was built in 1977 and is considered similar in interior condition to the subject.

Index 12 has a FAR 0.42 which is inferior to subject 0.14.

All considered, the subject capital rate should be similar to Index 12, 6.37%.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 13



2915 19 ST NE

Index 13 is a two levels warehouse building, sold on 02/06/2024 for a price of \$3,150,000 or \$103 per square foot. It reports a capital rate of 5.77%.

Index 13 is zoned with I-G, which is same as to subject.

Index 13 was built in 1979 and is considered similar to the subject in interior condition.

Index 13 has a FAR 0.55 which is much inferior to subject 0.14.

All considered, the subject capital rate should be much lower than Index 13, 5.77%.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 14



7725 46 St SE

Index 14 is a one-story single-tenants retail and industrial property located on 7725 46 St SE Calgary south side. sold on 06/13/2023 for a price of \$2,300,000 or \$137 per square foot.

Index 14 reports a capital rate of 6.53%. Index 14 is zoned with IG, allows a variety of retail and light industrial users, and is similar to the subject.

Index 14 was built in 1981, the condition is considered superior to the subject.

Index 14 has a FAR 0.40 which is inferior to subject 0.14.

All considered, the subject capital rate should be similar to Index 14, 6.53%.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 15



7015/7019 8 St NE

Index 15 is a two single tenant retail and industrial property located on 7015/7019 8 St NE Calgary north side. sold on 01/04/2023 for a price of \$6,250,000 or \$217 per square foot.

Index 15 reports a capital rate of 5.96%. Index 14 is zoned with IB, allows a variety of retail and light industrial users, and is similar to the subject.

Index 15 has a FAR 0.42 which is inferior to subject 0.14.

Index 15 was built in 1990 and has good keep up and is considered superior in interior condition.

Index 15 was fully leased for long term anchor tenants, the lease is 10% lower than the market rates, Index 15 is income secured and has good income potential.

All considered, the subject capital rate should be higher than Index 15, 5.96%.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 16



1820 30 AVE NE

Index 16 is a freestanding 1 level warehouse building, sold on 1/23/2023 for a price of \$25,250,000 or \$163 per square foot.

Index 16 has a calculated capital rate of 5.45%. Index 16 is zoned with I-C, similar to the subject.

Index 16 has a building area of 154,693 Sq Ft and lot size of 361,548 Sq Ft, or FAR 0.42 which is inferior to the subject 0.14.

Index 16 was built in 1981 and has 20' ceiling height than the subject, and is considered superior in condition to the subject.

Index 16 is leased overall wight average in-place rents of \$8.9 PSF, which are considered under-market.

All considered, the subject capital rate should be higher than Index 16, 5.45%.



4.0 ANALYSIS AND CONCLUSIONS

CAPITALIZATION RATE COMPARABLES ANALYSIS CHART 1

No.	Address City	Subdivision	Sale Date LUB Age	Sale Price Net Income NI/SqFt	Property Size(SF) Lot Size(SF)	P/SqFt	Cap. Rate
12	3920/3928 Edmonton Tr NE Calgary	Greenview Industrial	May-22 C-COR3 44	\$6,200,000 \$395,000 \$13	31,480 74457	\$197	6.37%
13	2915 19 ST NE Calgary	South Airways	Feb-24 I-G 45	\$3,150,000 \$181,755 \$5.94	30,574 55321	\$103	5.77%
14	7725 46 St SE Calgary	Foothills Industrial	June-23 IG 43	\$2,300,000 \$150,200 \$8.94	16,800 42484	\$137	6.53%
15	7015/7019 8 St NE Calgary	Deerfort Business Centre	January-23 IB 34	\$6,250,000 \$372,623.00 \$12.95	28,774 96357	\$217	5.96%
16	1820 30 AVE NE Calgary	South Airways	Jan-23 I-C 43	\$25,250,000 \$1,376,700 \$8.90	154,693 361548	\$163	5.45%
Subject	415 Monument Place SE Calgary	Meridian	I-G 58	\$105,611 \$8.07	13,092 95,396		

The above chart outlines the relevant parameters of five capitalization rate comparable sales. The cap rates range from 5.45% to 6.53%.



4.0 ANALYSIS AND CONCLUSIONS

CAPITALIZATION RATE COMPARABLES ANALYSIS CHART 2

No	Address/Location	Cap Rate	Motivation	Market Condition	Locational Factor	Physical Factors	Income Security	Income Upside	Overall
12	3920/3928 Edmonton Tr NE	6.37%							similar
13	2915 19 ST NE	5.77%						superior	superior
14	7725 46 St SE	6.53%							similar
15	7015/7019 8 St NE	5.96%				superior	superior		superior
16	1820 30 AVE NE	5.45%				superior		superior	superior
Subject 415 Monument Place SE Calgary									

The subject has average rental rates, good location, and moderate NOI per square foot, and fully leased with a good WAIT. Overall, it suggests an average risk for investment. Therefore, it is my opinion that a cap rate of 6.5% higher than Indices 13, 15 and 16, and close to Index 12 and 14, could be warranted.

We have also referred to the Colliers Q2 2024 Canadian Capitalization Rate report. As indicated, Calgary currently operates at rates ranging from 6.50% to 7.5% for an industrial Class B space. The above 6.5% cap rate includes a similar risk category in the analysis being a good location and low risk to generate NOI per square foot.

We expect capitalization rates will be influenced primarily by bond yields and interest rates as industrial market fundamentals remain strong, however lack of liquidity from larger institutional buyers will likely limit capitalization rate compression should bond rates drop. Applying this into the analysis, the subject is with class C industrial property, the capitalization rate should higher than class B lower bound 6.50%, but the anticipated interest rate will decrease, if the risk premium stays the same, the overall risk rate will decrease as well, this will offset the higher capital rate of class C industrial property, pulling the rate back to 6.50%.

Industrial					
Class A		Class B		Q3 Prediction	
Low	High	Low	High	A	B
5.50%	6.00%	6.50%	7.50%	↔	↔

4.0 ANALYSIS AND CONCLUSIONS

4.6.4 CAPITALIZED MARKET VALUE (STABILIZED)

Income Approach Statement			
Industrial Building Property			
415 Monument Place SE - NET RENT INCOME STATEMENT			
	Net Rent	Size (SqFt)	Yearly
Building	\$ 13	13,092	170,196.00
Operating Expenses Recovery	\$ 7.56		99,000.00
Property Tax			58,000.00
Insurance			38,000.00
Repairs & Maintenance			3,000.00
Gross Potential Income			269,196.00
Less: Vacancy & Collection Loss		3.00%	8,075.88
Effective Gross Income			261,120.12
Operating Expenses			-
Property Tax			58,000.00
Insurance			38,000.00
Repairs & Maintenance			3,000.00
Snow Removal, Landscaping			3,000.00
Miscellaneous Cost			1,000.00
Structural Maintenance Allowance		1.00%	2,611.20
Total Operating Expenses		39.23%	105,611.20
NET OPERATING INCOME			155,508.92
Capitalization Rate			6.50%
MARKET VALUE			2,392,444.90
ROUNDED			2,400,000.00
PRICE/sf			183

Based on an inspection of the property and the research and analyses undertaken, we have formed the opinion that as of October 21, 2024, the Value of the subject property under the Income Approach via overall income capitalization is:

TWO MILLION FOUR HUNDRED THOUSAND CANADIAN DOLLARS*
(\$2,400,000) *

* THE ABOVE VALUE IS BASED ON CERTAIN EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS THAT THIS REPORT SETS.

4.0 ANALYSIS AND CONCLUSIONS

4.7 EXCESS LAND VALUATION

We have noticed that direct comparison approach and income approach have a big gap. The direct comparison approach indicates that the property value is \$3,800,000, while the income approach only generates the value of \$2,400,000.

This is because of the excess land. In the direct comparison approach, all comparable sales chosen has a low FAR. Excess land opportunities exist on all these comparable sales. In other words, the value of these comparable sales has already taken the excess land opportunities into consideration. The value includes this.

In the Income approach, the rents do not require support of excess land, and none of the leased premises have included the excess land, as their FARs are much higher. When we allocate \$13 for leasing the subject building, excess land does not need to support the rent, and the value of the excess land value has been ignored.

Excess land

is defined as land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

Surplus land

is defined as land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

The actual FAR is 0.14. For I-G zoning, it allows maximized FAR =1, the subject has 2.19 acres of land, and it is a pie shaped lot, the existing dwelling is in the northeast corner of the land. There exist excess land opportunities by free off the west portion of the land. Considering the physical attributes of the subject land, half of the land can be subdivided and still follow the current land use bylaw I-G zoning.

We assume the land is cut in the middle; this will not affect the current operation. We assume the subdivided land is 1.1 acres, and this 1.1-acre land has its market value.

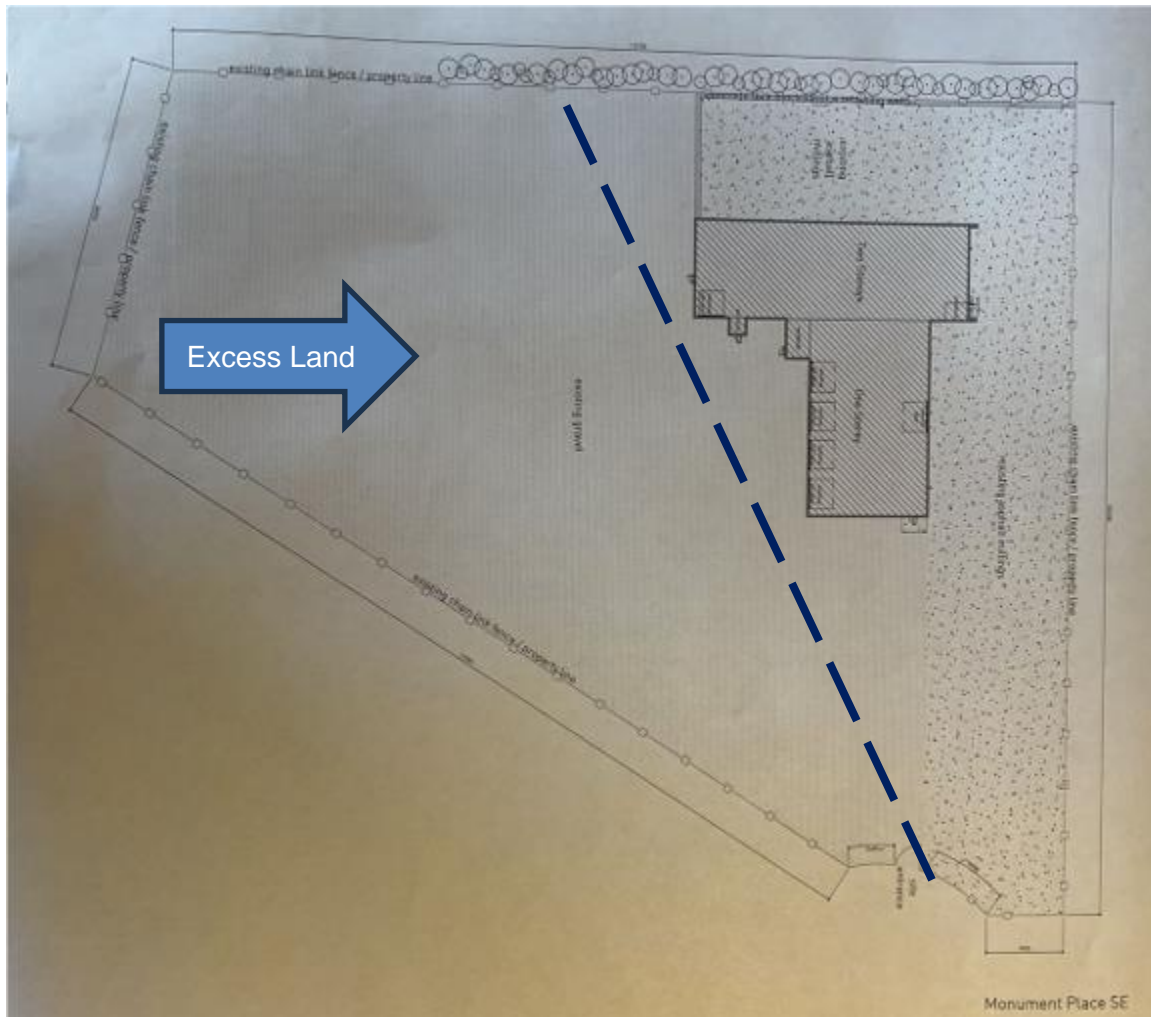
The following generally accepted techniques have been considered in estimating the value of the vacant land.

Direct Comparison

This approach to an estimate of value is justified on the principle of substitution which affirms that a prudent purchaser will not pay more for a property than the price of an equally desirable substitute property available under similar conditions. This approach is capable of providing a reliable indication of market value, given an adequate number of sales of properties bearing sufficient degrees of direct comparability to the subject. Based on recent market transactions, this method of land valuation is most appropriate in the case of the subject property.



4.0 ANALYSIS AND CONCLUSIONS



Extraction

This method involves extracting the land value from the sale price of an improved property by subtracting the depreciated value of the improvement from the total sale price. By doing so, only the land value remains. This method is best used when the value of the improvement is relatively small when compared to the overall property value. A lack of improved property sales coupled with the difficulties encountered in estimating depreciation greatly reduces the reliability of value indications derived from this technique.

Allocation

The principles of balance and contribution are fundamental in applying the allocation method of land valuation as both these principles are based on the notion that the value of a property adheres to a typical ratio of land value to overall property value. This method is mainly used when vacant land sales are unavailable or in circumstances such as new subdivisions, whereby sufficient data is available to determine typical ratios of lot value to total property value. In the case of the subject property, adequate sales data limits the applicability of this approach.

4.0 ANALYSIS AND CONCLUSIONS

Land Residual Technique

This is a method of direct capitalization whereby the accuracy of variables such as building value, net operating income, as well as building and land capitalization rates are necessary to provide reliable results. As such, this method is seldom used as the accuracy of variables is difficult to evaluate and minor changes in any of these variables can cause significant changes in the resulting land value.

Ground Rent Capitalization

This is also a method of direct capitalization whereby the ground rent, or the rent paid for the right to occupy the land is converted into an indication of land value by using market-derived capitalization rates. It is often used in estimating the value of a particular interest in land, such as the leased fee interest, leasehold interest, etc. A lack of market derived capitalization rates limits the applicability of this valuation technique.

Discounted Cash Flow Analysis (Subdivision Development Analysis)

This method is applied to value vacant land when potential development as a subdivision is found to be the highest and best use of the land. Again, the reliability of data is vital in reaching an accurate indication of land value as inaccurate variables used in the analysis will have a detrimental impact on the final value estimate. Determining realistic pricing in addition to accurate costs associated with holding, developing and marketing the property are essential in conducting a discounted cash flow analysis as these variables are discounted at a market derived rate over the absorption period to reach a value conclusion for the vacant land. The complex nature of this valuation technique requires numerous market derived inputs. Due to the lack of sufficient market data, this approach is not applicable in determining the vacant land value of the subject property.

In short, the direct comparison method of valuation is considered the best valuation technique for determining the vacant land value of the subject property. A comprehensive investigation was conducted in efforts to find comparable indices considered most similar to the subject in terms of location, date of sale, size, and zoning. As such, the search included the following sources: local realtors, MLS listings/sales, RealNet Canada Inc., Alberta Data Search, vendors and purchasers, appraisers, local property assessment office, and offerings posted on internet websites. The comparable indices selected are described further below.

We will use Direct Comparison Approach to determine the land value.

4.7.1 LAND MARKET VALUE ANALYSIS

The following vacant land comparable sales are chosen for comparable sales. They are from listings in Commercial Edge. The registered documents have been checked to confirm the accuracy of the data.



4.0 ANALYSIS AND CONCLUSIONS

4.7.2 DATA SHEET

INDEX 17



2583 23 St NE

Index 17 is a vacant land located on 2583 23 St NE for size of 1.36 acres, it was sold on 05/28/2024 for \$1,750,000 an indicated price of \$1,286,765 per acre.

Index 17 is located in the community of South Airways, a similar industrial neighborhood to the northeast side of subject.

Index 17 is located between International Airport and 16 Ave, easy access to most roadways, but still considered inferior location to subject, as the subject is centrally located.

Index 17 is trapezoid with a long frontage with better exposure, while the subject is a pie shape with small frontage, Index 17 has better frontage.

Index 17 is with I-G zoning, this is same to the subject. Index 17 has 1.36 acres land size, while the subject has a excess land of approximately 1.1 acres. They are similar in size.

Overall, Index 17 is superior in shape but inferior in location, Subject should be similar to Index 17 in land unit value.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 18



717 57 Ave NE

Index 18 is vacant land located on 717 57 Ave NE for size of 1.55 acres, it was sold on 02/22/2024 for \$2,150,000 and indicated price of \$1,387,097 per acre.

Index 18 is located in the community of Deerfoot Business Centre, a similar industrial neighborhood to the northeast side of the subject.

Index 18 is located between International Airport and Deerfoot Rd, easy access to most roadways, should be considered inferior to the subject, but it sits next to a shopping center facility and backing directly to Deerfoot Dr. The inferior location has been offset by superior convenience.

Index 18 is irregular shape but has two sides frontage on 57 Ave NE and 7 St NE, Index 18 is superior in frontage.

Index 18 is with I-B zoning, this is similar to the subject. For Index 18, it has a maximum FAR of 1.0 similar to subject, but the permitted land use is more restricted and to the lighter side of industrial, therefore, Index 18 is considered superior in zoning category.

Index 18 has 1.55 acres of land, slightly bigger than subject excess land 1.1 acres, with less selling unit price, this Index 18 is slightly inferior in land size.

Overall, Index 18 is much superior in frontage exposure, and zoning category, inferior in lot size. Subject should be less than Index 18 in land unit value.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 19



21 Freeport Pl NE

Index 19 is vacant land located on 21 Freeport Pl NE for size of 3.33 acres, it was sold on 01/08/2024 for \$4,200,000 and indicated price of \$1,261,261 per acre.

Index 19 is located in the community of Freeport Business Centre, a suburban industrial neighborhood to the northeast side of the subject and close to north edge.

Index 19 is located between International Airport and Deerfoot Rd, easy access to most roadways, should be considered inferior to the subject, but it sits next to the intersection of Barlow Trail and Country Hills Blvd. The inferior location has been offset by its superior convenient access.

Index 19 is a rectangular shape with two sides frontage on Freeport Place NE, Index 18 is superior in frontage/shape.

Index 19 is with I-B zoning, this is similar to the subject. For Index 19, it has a maximum FAR of 1.0 similar to subject, but the permitted land use is more restricted and requires high quality buildings in a campus-like setting, offices, research and low-impact manufacturing. Therefore, Index 19 is considered superior in zoning category.

Index 19 has 3.33 acres of land, much bigger than subject excess land 1.1 acres, with less selling unit price, this Index 19 is slightly inferior in land size.

Overall, Index 19 is superior in frontage exposure, and zoning category, inferior in lot size. The subject should be slightly less than Index 19 in land unit value.



4.0 ANALYSIS AND CONCLUSIONS

INDEX 20



5723 1 St SE

Index 20 is vacant land located on 5723 1 St SE for size of 1.8 acres, it was sold on 06/17/2024 for \$2,160,000 and indicated price of \$1,200,000 per acre.

Index 20 is located in the community of Manchester Industrial, a similar industrial neighborhood to the southeast side of the subject.

Index 20 is considered inferior in location to the subject.

Index 20 is a rectangular shape with a long frontage on 1 St SE, Index 19 is superior in frontage/shape.

Index 20 is with I-B zoning, this is similar to the subject. For Index 20, it has a maximum FAR of 2.0 superior to the subject. Therefore, Index 20 is superior in zoning.

Index 20 has 1.8 acres of land, slightly bigger than the subject excess land 1.1 acres, with less selling unit price, this Index 20 is slightly inferior in land size.

Overall, Index 20 is inferior in location, superior frontage exposure, and zoning category, inferior in lot size. The subject should be similar to Index 20 in land unit value.



4.0 ANALYSIS AND CONCLUSIONS

Land Sales Summary and Adjustment Grid					
Subject	Comp 17	Comp 18	Comp 19	Comp 20	
Rights Transferred:	Fee simple	Fee simple	Fee simple	Fee Simple	
Financial Considerations:	Market	Market	Market	Market	
Conditions of Sale:	Arm's Length	Arm's Length	Arm's Length	Arm's Length	
Market Conditions - Time:	Stable	Stable	Stable	Stable	
Address:	415 Monument Place SE	2583 23 St NE	717 57 Ave NE	21 Freeport PI NE	5723 1 St SE
Location:	Good	Inferior	similar	similar	Inferior
Submarket:	Meridian	South Airways	Deerfort Business Centre	Freeport Business Centre	Manchester Industrial
Date of Sale:		May-24	Feb-24	Jan-24	Jun-24
Vendor:		GERARD DEVELOPMENTS LTD	CALNOR DEVELOPMENTS LTD	1658345 ALBERTA LTD	CENTRE 58 MANAGEMENT LTD
Purchaser:		NEW COVENANT ASSEMBLY	SGK COMMERCIAL REAL ESTATE INC	2566000 / 2565986 ALBERTA INC	STEELHEAD INVESTMENTS INC
Zoning:	I-G	I-G	I-B	I-B	I-B
Lot Size(Ac):	1.10	1.36	1.55	3.33	1.80
Sale Price:		\$ 1,750,000	\$ 2,150,000	\$ 4,200,000	\$ 2,160,000
Allowed FAR:	1.00	1	1	1	2
Buldable Area					
Unadjusted Price/SF:		1,286,765	1,387,097	1,261,261	1,200,000

COMPARABLE SUMMARY

The above chart outlines the relevant parameters of 4 recently sold industrial land properties. The price per acre of land ranged from \$1,200,000 to \$1,387,097 with a mean price of \$1,283,781 per acre. The site sizes ranged from 1.36 acres to 3.33 acres, while the subject excess land has 1.1 acres land. The FAR for subject and land comparable sales are either 1 or 2.



4.0 ANALYSIS AND CONCLUSIONS

4.7.3 QUALITATIVE AND QUANTITATIVE ADJUSTMENTS

As mentioned above, adjustments can be qualitative or quantitative. Qualitative adjustments are based on non-numerical data, where quantitative adjustments are based on numerical. Both types of adjustments contain some aspects of a subjective approach, however quantitative adjustments require more adequate, fine tuned market evidence to make a reasonable numerical (dollar value) adjustment. Realistically, a qualitative approach is more realistic, as trying to quantify all the attributes of the site, and relating them to buyer/seller expectations or decisions is very difficult to do. Investors or owner/users in the marketplace apply values to properties through a more qualitative process. This analysis will employ a more qualitative approach, ultimately reconciling the subject value within the range of the best comparable sales. Moreover, the range of comparable sales is relatively tight, reducing the need for extensive adjustments.

Adjustments	Comments
Property Rights	Property Rights - The transaction price of a sale is always based on the real property interest conveyed. In this instance, an adjustment for this attribute was not considered necessary.
Additional Comments	
Financing Terms	Financing Terms - Prices paid in acquiring property may differ significantly due to the financing involved, if any. Cash or cash equivalencies are the basis of value, whereas extended, above market interest rate and/or leverage investor terms sales, generally represent the higher portion of a sales price range. Therefore, some methods of converting these financing terms to cash must occur so that the adjustment process may be applied to the sales. In reviewing the comparables, an adjustment was not required for atypical financing.
Additional Comments	
Conditions of Sale	Conditions of Sale - Adjustments made for conditions of sale usually reflect atypical motivations of the buyer and seller at the time of conveyance. A sale may be transacted at a below market price if the seller needs cash in a hurry. A financial, business, or family relationship between the parties may also affect the price of property. Interlocking corporate entities may record a sale at a non-market price to serve their business interest. When non-market conditions of sale are detected in a transaction, the sale must be thoroughly researched before an adjustment is made. Within the confirmation process, detailed attention was made to ensure the conditions of each sale. Based upon the research performed, it is believed that all of the comparable sales involved regular arms-length transactions without the presence of duress or adverse market influence. As such, no adjustments were warranted.
Additional Comments	
Market Conditions/Time	Market Conditions/Time - Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the subject property. Changed market conditions often result from various causes, such as inflation, changing demand, and changing supply. Time itself is not the cause for the adjustment.
Additional Comments	The market has been fairly stable over the period in which the sales took place. In this instance, a market condition adjustment was not made.



4.0 ANALYSIS AND CONCLUSIONS

Land Sales Summary and Adjustment Grid						
Subject	Comp 17	Comp 18	Comp 19	Comp 20		
Rights Transferred:	Fee simple	Fee simple	Fee simple	Fee Simple		
Financial Considerations:	Market	Market	Market	Market		
Conditions of Sale:	Arm's Length	Arm's Length	Arm's Length	Arm's Length		
Market Conditions - Time:	Stable	Stable	Stable	Stable		
Address:	415 Monument Place SE	2583 23 St NE	717 57 Ave NE	21 Freeport PI NE	5723 1 St SE	
Location:	Good	Inferior	similar	similar	Inferior	
Submarket:	Meridian	South Airways	Deerfort Business Centre	Freeport Business Centre	Manchester Industrial	
Date of Sale:	May-24	May-24	Feb-24	Jan-24	Jun-24	
Vendor:	GERARD DEVELOPMENTS LTD	CALNOR DEVELOPMENTS LTD	NEW COVENANT ASSEMBLY	SGK COMMERCIAL REAL ESTATE INC	2566000 / 2565986 ALBERTA INC	CENTRE 58 MANAGEMENT LTD
Purchaser:						STEELHEAD INVESTMENTS INC
Zoning:	I-G	I-G	I-B	I-B	I-B	
Lot Size(Ac):	1.10	1.36	1.55	3.33	1.80	
Sale Price:		\$ 1,750,000	\$ 2,150,000	\$ 4,200,000	\$ 2,160,000	
Allowed FAR:	1.00	1	1	1	2	
Bulldable Area						
Unadjusted Price/SF:		\$1,286,765	\$1,387,097	\$1,261,261	\$1,200,000	
Adjustments						
Property Rights						
Financing Motivation						
Condition of Sale						
Time						
Location/Timing		inferior			inferior	
Frontage/Shape		superior	superior ++	suprior	superior	
Demolish Required					inferior	
Site Size		inferior	inferior	inferior --	inferior	
Development Permit					superior	
Land Use			superior	superior	superior +	
Total Adjustment		similar	superior	inferior	similar	
Adjusted Price/Bulldable SF:		\$1,286,765	\$1,387,097	\$1,261,261	\$1,200,000	

4.0 ANALYSIS AND CONCLUSIONS

4.7.4 SUMMARY

No time adjustment has been made; all comparable sales are within a similar marketing and exposure time frame.

The above chart outlines the relevant parameters of 4 recently sold industrial land properties. The price per acre of land ranged from \$1,200,000 to \$1,387,097 with a mean price of \$1,283,781 per acre. The site sizes ranged from 1.36 acres to 3.33 acres, while the subject excess land has 1.1 acres land. The FAR for subject and land comparable sales are either 1 or 2.

According to the qualitative analysis, Index 1 is the same scale of land property and located close to the subject and has the least total adjustment, thus is given the greatest weight. The adjusted price acre of \$1,280,000 and close the mean price, is reasonable and confirms the current market condition. Thus, in our opinion,

MARKET VALUE OF THE 1.1 ACRES OF EXCESS LAND VALUED BY LAND VALUE PER ACRE

$$\begin{aligned}
 &= \text{PRICE/ACRE} \times \text{LAND SIZE} \\
 &= \$1,280,000 \times 1.1 \\
 &= \$1,408,000.
 \end{aligned}$$

Rounded to \$1,400,000.

Based on an inspection of the property and the research and analyses undertaken, we have formed the opinion that as of October 21, 2024, the Value of the subject excess 1.1 acres land under the Direct Comparison Approach is:

ONE MILLION FOUR HUNDRED THOUSAND CANADIAN DOLLARS *
(\$1,400,000) *

* THE ABOVE VALUE IS BASED ON CERTAIN EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS THAT THE REPORT SETS.

4.7.5 INCOME APPROACH RECONCILIATION

INCOME APPROACH	
INCOME APPROACH (BUILDING)	\$2,400,000
EXCESS LAND VALUE	\$1,400,000
FINAL ESTIMATE OF MARKET VALUE	\$3,800,000



4.0 ANALYSIS AND CONCLUSIONS

4.8 RECONCILIATION

FINAL ESTIMATE OF MARKET VALUE	
COST APPROACH	N/A
DIRECT COMPARISON APPROACH (All Included)	\$3,800,000
INCOME APPROACH (Building with 1.1 acres)	\$2,400,000
EXCESS LAND VALUE (Excess Land 1.1 acres)	\$1,400,000
INCOME APPROACH (Total)	\$3,800,000
FINAL ESTIMATE OF MARKET VALUE	\$3,800,000

The final estimate of value is the appraiser's opinion that results from the application of the appraisal analysis and does not consider value in use which is peculiar to the perceptions of utility from use of the individual user as it represents the special value to the owner.

Direct Comparison Approach: In the Direct Comparison Approach, Market Value is estimated by comparing the subject property to similar properties that have been sold or for which offers to purchase have been made. A major premise of the Direct Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties. The DCA produced a value of \$3,800,000.

The direct comparison approach uses the recent market comparable sales to substitute the subject. During the analysis, numbers of pairing sets are used to determine the adjustment. Sometimes, when direct pairing is unavailable, creation of such pairing sets needs to be performed, including assumption and estimation. This increases the risk of failing. The direct comparison approach for income property is less credible, but strong for single tenants or owner-occupied income occupied properties.

Income Approach: The Income Approach is based on economic analysis. Income producing real estate, such as a retail development, is typically purchased as an investment. From the investor's point of view, earning power is the critical element affecting property value. An investor who purchases income producing real estate is essentially trading present dollars for the right to receive future dollars. In the application of the Income Approach, I applied the Direct Capitalization Technique. In this, we projected a one-year stabilized cash flow stream based on market rents and expenses and used market vacancy and collections losses.

We reconciled and applied an overall market derived capitalization rate, converting the Net Income into a Market Value of \$2,400,000 rounded via overall income capitalization approach.

It should be noted that due to the subject property's large lot size and low FAR, resulting in excess land. Consequently, the rent conclusion derived above may underestimate the actual rental potential and, therefore, does not fully support the DCA value. The primary difference between the two approaches lies in the valuation of the excess land.

The excess land, based on the land direct comparison, has the value of \$1,400,000. The aggregate value via Income Approach is \$3,800,000.

4.0 ANALYSIS AND CONCLUSIONS

The Direct Comparison Approach primarily reflects the market's perception of investment return. The Income Approach, on the other hand, focuses on the potential rental income. The Direct Comparison Approach treats the subject as a whole and does not require further assumption. In our financial reconciliation, we will place majority weight on the Direct Comparison Approach although two approaches generate the same value.

Based on an inspection of the property and the research and analyses undertaken as of October 21, 2024, we have formed the opinion that the Market Value of the subject property is:

THREE MILLION EIGHT HUNDRED THOUSAND CANADIAN DOLLARS*
(\$3,800,000) *

* THE ABOVE VALUE IS BASED ON CERTAIN EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS THAT THE REPORT SETS.

4.9 HISTORY OF THE PROPERTY

The Canadian Uniform Standards of Appraisal Practice (CUSPAP) states that 3 years of transfer information must be provided on the subject property.

According to MLS, there is no market activity during last 3 years.

4.10 REASONABLE EXPOSURE TIME: 6 TO 12 MONTHS

Reasonable exposure time is the estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at Market Value on the effective date of the appraisal. It is always presumed to have preceded the effective date of the appraisal and is based upon the analysis of past events assuming a competitive and open market.

Exposure time is different for various types of real property and under various market conditions. Researching recent investment activity and discussions with industry professionals, sellers and buyers in the marketplace suggest it would have taken up to 6 to 12 months for the subject property to have been exposed on the marketplace prior to the consummation of a sale transaction. The subject site would take 6 to 12 months to sell in the current market, based on our opinion.

5.0 CERTIFICATION

5.0 CERTIFICATION

I certify that, 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 impartial and unbiased professional analyses, opinions and conclusions;
- 3) I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment.
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- 5) My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
- 6) My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP.
- 7) I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
- 8) Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
- 9) As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program;
- 10) The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.

CO-SIGNING AIC APPRAISER'S CERTIFICATION:

I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report.

PROPERTY IDENTIFICATION

Address:

415 Monument Place SE Calgary, AB T2A 1X4

Legal Description:

Plan 4708JK, BLK 11, LOT 6B

5.0 CERTIFICATION

Based upon the data, analyses and conclusions contained herein, the market value of the Fee Simple interest in the property described, under the extraordinary assumption.

As of October 21, 2024, is estimated at:

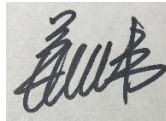
THREE MILLION EIGHT HUNDRED THOUSAND CANADIAN DOLLARS*
(\$3,800,000) *

* THE ABOVE VALUE IS BASED ON CERTAIN EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS THAT THE REPORT SETS.

Respectfully submitted,
One Step Appraisal Solutions Inc.



De Dai, AACI. P. App. MBA
Real Estate Appraiser
Inspection: Oct 11, 2024
Effective Date: Oct 21, 2024
AIC ID: 906960
RECA Licensed
www.onestepappraisals.com
info@onestepappraisals.com



William Jing, AIC Candidate
Real Estate Appraiser
Inspection: Oct 11, 2024
Effective Date: Oct 21, 2024
AIC ID: 913114
RECA Licensed
www.onestepappraisals.com



6.0 QUALIFICATION

6.0 QUALIFICATION



De Dai
AACI. P. App.
MBA

PROFESSIONAL AFFILIATIONS

- AACI. P. App.
- DAR, Certified Appraisal Reviewer since July 2011.
- Active appraiser licensing through RECA as a Real Estate Appraiser in good standing for 13 years

EDUCATION

- MBA, University of Alberta, May 2022
- Post-Graduate Certificate in Real Property Valuation (PGCV), University of British Columbia, 2016
- BSc, Actuarial Science/business minor, University of Alberta, 2007

EXPERIENCE

Commercial appraisal: specialized in appraising income properties, including multifamily residential properties; industrial/warehouse/retail condo and freestanding properties, land; special use properties as health-related properties, resort properties, land.

Residential: appraised over 30,000 residential properties, reviewed over 20,000 reports, having profound experiences and knowledges for all types of residential properties.

NOTABLE ASSIGNMENTS/ AWARDS

- Jasper National Park cabin appraisal
- BC Island Appraisal
- University of Alberta Student Housing Feasibility Study
- YEG Airport Expropriation Study
- Suncor Energy "Emerging Leaders" MBA Natural Resources & Energy Scholarship. 2021

7.0 ADDENDA

7.0 ADDENDA

This Addenda contains information which supports the data, reasoning and analyses that was used in the Appraisal Process to develop the opinion of value and to report this Appraisal Report.

<u>7.1</u>	<u>CERTIFICATE OF TITLE</u>	87
<u>7.2</u>	<u>LAND USE BYLAW</u>	89
<u>7.3</u>	<u>SUBJECT PHOTOS AND FLOORPLANS</u>	98
<u>7.4</u>	<u>DCA COMPARABLE LISTINGS AND LOCATION MAP</u>	124



7.0 ADDENDA

7.1 CERTIFICATE OF TITLE



LAND TITLE CERTIFICATE

S		
LINC	SHORT LEGAL	TITLE NUMBER
0017 058 348	4708JK;11;6B	161 244 603

LEGAL DESCRIPTION
 PLAN 4708JK
 BLOCK 11
 LOT 6B
 EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
 ATS REFERENCE: 4;29;24;16;NW

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 111 140 614

REGISTERED OWNER(S)					
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION	
161 244 603	14/10/2016	TRANSFER OF LAND	\$2,700,000	CASH & MORTGAGE	

OWNERS
 LINDEMULDER PROPERTIES INC.
 OF 118, 5850-51 ST SW
 CALGARY
 ALBERTA T3E 6S7

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
771 147 064	20/10/1977	ZONING REGULATIONS SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING REGULATIONS
231 060 034	25/02/2023	MORTGAGE MORTGAGEE - ROYAL BANK OF CANADA. 36 YORK MILLS RD, 4TH FLR. TORONTO ONTARIO M2P0A4

(CONTINUED)



7.0 ADDENDA

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

161 244 603

REGISTRATION

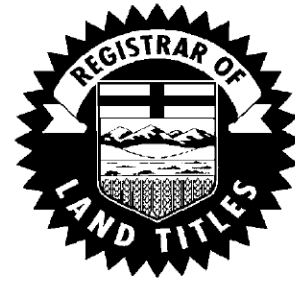
NUMBER	DATE (D/M/Y)	PARTICULARS

ORIGINAL PRINCIPAL AMOUNT: \$3,250,000		
231 060 035	25/02/2023	CAVEAT
		RE : ASSIGNMENT OF RENTS AND LEASES
		CAVEATOR - ROYAL BANK OF CANADA.
		36 YORK MILLS RD, 4TH FLR.
		TORONTO
		ONTARIO M2P0A4
		AGENT - ALI MEMON
TOTAL INSTRUMENTS: 003		

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 27 DAY OF OCTOBER, 2024 AT 02:39 P.M.

ORDER NUMBER: 51996910

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



7.0 ADDENDA

7.2 LAND USE BYLAW

PART 8 - DIVISION 2: I-G

Division 2: Industrial – General (I-G) District

Purpose

32P2009

906 The Industrial – General District is intended to be characterized by:

- (a) a wide variety of light and medium general industrial *uses* and a limited number of support commercial *uses*;
- (b) *parcels* typically located in internal locations;
- (c) *deleted*
- (d) a limited number of non-industrial *uses* that may be appropriate due to *building* or *parcel* requirements generally found in industrial areas;
- (e) *uses* and *buildings* that may have little or no relationship to *adjacent parcels*;
- (f) appropriate controls to ensure *screening* of any outdoor activities; and
- (g) limits on sales and office activities in order to preserve a diverse industrial land base.

44P2022

Permitted Uses

32P2009

907 (1) The following *uses* are *permitted uses* in the Industrial – General District:

- (a) **Park;**
- (b) **Sign – Class A;**
- (c) **Sign – Class B;**
- (d) **Sign – Class D;** and
- (e) **Utilities.**

(2) Unless otherwise referenced in subsection 908(1), the following *uses* are *permitted uses* in the Industrial – General District:

- (a) **Auto Body and Paint Shop;**
- (b) **Auto Service – Major;**
- (c) **Auto Service – Minor;**
- (d) *deleted*
- (d.1) **Beverage Container Quick Drop Facility;**
- (d.2) **Brewery, Winery and Distillery;**

16P2018

37P2014

49P2017



7.0 ADDENDA

PART 8 - DIVISION 2: I-G

- (e) **Car Wash – Multi-Vehicle;**
- (f) **Car Wash – Single Vehicle;**
- (g) **Catering Service – Major;**
- (h) **Catering Service – Minor;**
- (i) **Crematorium;**
- (j) **Distribution Centre;**
- (k) **Dry-cleaning and Fabric Care Plant;**
- (l) **Fleet Service;**
- (m) **Freight Yard;**
- (n) **General Industrial – Light;**
- (o) **General Industrial – Medium;**
- (p) **Large Vehicle Service;**
- (q) **Large Vehicle Wash;**
- (r) **Motion Picture Production Facility;**
- (s) **Municipal Works Depot;**
- (t) **Parking Lot – Grade;**
- (u) **Parking Lot – Structure;**
- (v) **Power Generation Facility – Medium;**
- (w) **Power Generation Facility – Small;**
- (x) **Protective and Emergency Service;**
- (y) **Recreational Vehicle Service;**
- 16P2018 (y.2) **Recyclable Material Drop-Off Depot;**
- 14P2010 (y.1) **Sign – Class C;**
- (z) **Specialty Food Store;**
- 44P2022 (aa) **Utility Building;** and
- 44P2022 (aa.1) **Vehicle Storage.**
- 44P2022 (bb) *deleted*
- 44P2022 (cc) *deleted*
- 44P2022 (dd) *deleted*



7.0 ADDENDA

PART 8 - DIVISION 2: I-G

Discretionary Uses		32P2009
908	(1) Uses listed in subsection 907(2) are <i>discretionary uses</i> if they are located:	
	(a) <i>deleted</i>	44P2022
	(b) on a <i>parcel</i> that does not have both sewer and water systems provided by the <i>City</i> .	
	(2) The following <i>uses</i> are <i>discretionary uses</i> in the Industrial – General District:	
	(a) Auction Market – Other Goods;	
	(b) Auction Market – Vehicles and Equipment;	
	(b.1) <i>deleted</i>	22P2016, 49P2017
	(c) Building Supply Centre;	
	(d) Bulk Fuel Sales Depot;	
	(d.1) Cannabis Facility;	25P2018
	(e) Child Care Service;	
	(f) Convenience Food Store;	
	(g) Custodial Quarters;	
	(h) Drive Through;	
	(i) <i>deleted</i>	44P2022
	(j) Gas Bar;	
	(k) Instructional Facility;	
	(l) Kennel;	
	(m) Large Vehicle and Equipment Sales;	9P2012
	(m.1) <i>deleted</i>	7P2014, 25P2018
	(n) Office;	
	(o) Outdoor Café;	
	(p) Pet Care Service;	
	(p.1) Place of Worship – Large;	36P2011
	(q) Print Centre;	
	(r) Restaurant: Food Service Only;	27P2021
	(s) <i>deleted</i>	27P2021
	(t) Restaurant: Licensed;	27P2021
	(u) <i>deleted</i>	27P2021



7.0 ADDENDA

PART 8 - DIVISION 2: I-G

- (v) **Restored Building Product Sales Yard;**
- (w) **Salvage Yard;**
- (x) **Self Storage Facility;**
- (y) **Storage Yard;**
- (z) **Sign – Class E;**
- 30P2011 (aa) **Sign – Class F;**
- 4P2012 (aa.1) **Sign – Class G;**
- 4P2012 (bb) **Special Function – Class 2;**
- (cc) *deleted*
- 38P2013, 65P2023 (dd) *deleted*
- 33P2019 (dd.1) **Urban Agriculture;**
- 44P2022 (dd.2) **Vehicle Rental – Minor;**
- 38P2013 (ee) **Vehicle Sales – Minor;**
- 38P2013 (ff) **Veterinary Clinic;**
- 38P2013 (gg) **Wind Energy Conversion System – Type 1; and**
- (hh) **Wind Energy Conversion System – Type 2.**
- 26P2018 (3) The following *uses* are *discretionary uses* in the Industrial – General (I-G) District on a *parcel* with a **Cannabis Facility**:
 - (a) **Cannabis Store.**

Rules

909 In addition to the rules in this District, all *uses* in this District must comply with:

- (a) the General Rules for Industrial Land Use Districts referenced in Part 8, Division 1;
- (b) the Rules Governing All Districts referenced in Part 3; and
- (c) the applicable Uses And Use Rules referenced in Part 4.

Building Size

910 The maximum *gross floor area* of all *buildings* on a *parcel* that is not serviced by *City* water and sewer, is 1600.0 square metres.

27P2021

Use Area

910.1 (1) The maximum *public area* for a **Restaurant: Food Service Only** or **Restaurant: Licensed** is 300.0 square metres.

Floor Area Ratio

911 The maximum *floor area ratio* for *buildings* on a *parcel* that is serviced by *City* water and sewer is 1.0.



7.0 ADDENDA

PART 8 - DIVISION 2: I-G

Building Height

- 912 (1)** Unless otherwise referenced in subsection (2), there is no maximum **building height** for a **building** located on a **parcel** in the Industrial – General District. 44P2022
- (2)** Where the **parcel** shares a **property line** with a **parcel** in the S-SPR District or a **residential district**, the maximum **building height** is 18.0 metres. 44P2022

Building Setback

- 913** The minimum **building setback** from a **property line** shared with the Headworks Canal operated by the Western Irrigation District is 15.0 metres.

Storage of Goods, Materials and Supplies

- 913.1 (1)** A **use** may have an outdoor area for the storage of goods, materials or supplies provided the storage area is: 32P2009
- (a) not located in a **setback area**; and 16P2018
 - (b) not located between a **building** and a **major street** or **expressway**. 16P2018
 - (c) *deleted* 16P2018
- (2)** Goods, materials or supplies stored outside of a **building** within 5.0 metres of a **property line** have a maximum height of 5.0 metres.
- (3)** The height of goods, materials or supplies is measured from **grade** and includes any pallets, supports or other things on which the goods, materials or supplies are stacked.

Screening

- 914** Loading docks, outdoor activities and equipment located outside of a **building** must be **screened** from view of: 32P2009
- (a) an **adjacent expressway**, **major street**, **LRT corridor** or regional pathway; and
 - (b) a **street** or **lane** where the **street** or **lane** separates the **parcel** from a **residential district** or **special purpose district**.

Gross Floor Area for Offices and Administration Areas

- 914.1 (1)** Unless otherwise referenced in subsection (2), the cumulative **gross floor area** of **Office uses** in a **building** must not exceed 50.0 per cent of the **gross floor area** of the **building**. 67P2008, 10P2009, 32P2009
- (2)** Areas in a **building** used for administration or to provide work space to employees of a **use** will not be included when determining compliance with subsection (1) provided:
- (a) the administration or work space area is located in the same **use area** as the **use** that it serves; and



7.0 ADDENDA

PART 8 - DIVISION 2: I-G

- (b) the principal *use* is not an **Office**.
- (3) The **Development Authority** may consider a relaxation of subsection (1) where an **Office** is proposed in a **building**:
 - (a) that was legally existing or approved prior to the effective date of this Bylaw; and
 - (b) where the floor area proposed for the **Office** has already been constructed to accommodate an administrative or office function.

Front Setback Area

915 Where the *parcel* shares a **front property line** with:

- (a) an **expressway** or **major street**, the **front setback area** must have a minimum depth of 6.0 metres; and
- (b) any **street**, other than an **expressway** or **major street**, the **front setback area** must have a minimum depth of 4.0 metres.

Rear Setback Area

916 (1) Where the *parcel* shares a **rear property line** with a *parcel* designated as:

- (a) a **commercial district**, the **rear setback area** must have a minimum depth of 1.2 metres;
- (b) an **industrial district**:
 - (i) the **rear setback area** must have a minimum depth of 1.2 metres; or
 - (ii) in the case where walls facing the **rear property line** are constructed of materials that do not require maintenance, there is no requirement for a **rear setback area**; or
 - (iii) in the case where the *parcel* is **adjacent** to a rail line that terminates and there is no need for a spur line or the spur line is incorporated within the **building**, there is no requirement for a **rear setback area**;
- (c) a **residential district**, the **rear setback area** must have a minimum depth of 6.0 metres; and
- (d) a **special purpose district**, the **rear setback area** must have a minimum depth of 6.0 metres.

(2) Where the *parcel* shares a **rear property line** with:

- (a) an **expressway** or **major street**, the **rear setback area** must have a minimum depth of 6.0 metres;
- (b) the Headworks Canal operated by the Western Irrigation District, the **rear setback area** must have a minimum depth of 7.5 metres;



7.0 ADDENDA

PART 8 - DIVISION 2: I-G

- (c) a *lane*, there is no requirement for a *rear setback area*; and
- (d) an *LRT corridor* or *street*, not including an *expressway* or *major street*, the *rear setback area* must have a minimum depth of 4.0 metres.

Side Setback Area

- 917 (1)** Where the *parcel* shares a *side property line* with a *parcel* designated as:
- (a) a *commercial district*, the *side setback area* must have a minimum depth of 1.2 metres;
 - (b) an *industrial district*:
 - (i) the *side setback area* must have a minimum depth of 1.2 metres; or
 - (ii) in the case where walls facing the *side property line* are constructed of materials that do not require maintenance, there is no requirement for a *side setback area*; or
 - (iii) in the case where the *parcel* is *adjacent* to a rail line that terminates and there is no need for a spur line or the spur line is incorporated within the *building*, there is no requirement for a *side setback area*;
 - (c) a *residential district*, the *side setback area* must have a minimum depth of 6.0 metres; and
 - (d) a *special purpose district*, the *side setback area* must have a minimum depth of 6.0 metres.
- (2)** Where the *parcel* shares a *side property line* with:
- (a) an *expressway* or *major street*, the *side setback area* must have a minimum depth of 6.0 metres;
 - (b) the Headworks Canal operated by the Western Irrigation District, the *side setback area* must have a minimum depth of 7.5 metres;
 - (c) a *lane*, there is no requirement for a *side setback area*; and
 - (d) an *LRT corridor* or *street*, not including an *expressway* or *major street*, the *side setback area* must have a minimum depth of 4.0 metres.

Landscaping In Setback Areas

- 918 (1)** Where a *setback area* shares a *property line* with a *street*, *expressway* or *major street*, the *setback area* must:
- (a) be a *soft surfaced landscaped area*; and



7.0 ADDENDA

PART 8 - DIVISION 2: I-G

- (b) provide a minimum of 1.0 trees and 2.0 shrubs:
 - (i) for every 35.0 square metres; or
 - (ii) for every 50.0 square metres, where irrigation is provided by a *low water irrigation system*.
- (2) Where a *setback area* shares a *property line* with a *lane*, there is no requirement for a *soft surfaced landscaped area* or *hard surfaced landscaped area*.
- (3) Where a *setback area* shares a *property line* with a *parcel* designated as a *residential district*, the *setback area* must:
 - (a) be a *soft surfaced landscaped area*;
 - (b) provide a minimum of 1.0 trees and 2.0 shrubs:
 - (i) for every 30.0 square metres; or
 - (ii) for every 35.0 square metres, where irrigation is provided by a *low water irrigation system*; and
 - (c) provide trees and shrubs planted in a linear arrangement along the length of the *setback area*.
- (4) Where a *setback area* shares a *property line* with an *LRT corridor*, or *parcel* designated as a *commercial*, *industrial* or *special purpose district*, the *setback area*:
 - (a) must be a *soft surfaced landscaped area*;
 - (b) may have a sidewalk in the *setback area* along the length of the *building*; and
 - (c) must provide a minimum of 1.0 trees and 2.0 shrubs:
 - (i) for every 35.0 square metres; or
 - (ii) for every 50.0 square metres, where irrigation is provided by a *low water irrigation system*.
- (5) Where a *setback area* shares a *property line* with the Headworks Canal operated by the Western Irrigation District, the *setback area* must:
 - (a) be a *soft surfaced landscaped area*;
 - (b) provide a minimum of 1.0 trees and 2.0 shrubs:
 - (i) for every 35.0 square metres; or
 - (ii) for every 50.0 square metres, where irrigation is provided by a *low water irrigation system*; and
 - (c) provide trees and shrubs planted in a linear arrangement along the length of the *setback area*.

576

LAND USE BYLAW – 1P2007 July 23, 2007



7.0 ADDENDA

PART 8 - DIVISION 2: I-G

Additional Landscaping Requirements

- 919** (1) Unless otherwise referenced in this District, all *setback areas* on a *parcel*, not including those portions specifically required for motor vehicle access, sidewalks, or any other purpose allowed by the *Development Authority*, must be a *soft surfaced landscaped area*.
- (2) Every *building* on a *parcel* must have at least one sidewalk connecting the *public entrance* to a public sidewalk, or in the case where there is no public sidewalk, to the nearest *street*.
- (3) A sidewalk must be provided along the entire length of the front of a *building*, not including any portion of the *building* where loading docks are located.
- (4) Every sidewalk located along the front of a *building* and every sidewalk located within a *setback area* must be:
- (a) a *hard surfaced landscaped area*;
 - (b) a minimum width of 2.0 metres; and
 - (c) raised above the surface of an adjacent parking area.
- (5) Every sidewalk located within a parking area must be:
- (a) an asphalt surface;
 - (b) indicated by painted lines;
 - (c) a minimum width of 2.0 metres; and
 - (d) at the same surface level as the parking area.

Employee Area

- 920** All *developments* must have an outdoor area, for use of the employees, that is a minimum of 10.0 square metres.

Outside Product Display Areas

32P2009

- 921** *deleted*



7.0 ADDENDA

7.3 SUBJECT PHOTOS AND FLOORPLANS



Main entrance of the subject towards southwest



2nd Entrance of the subject towards northeast



7.0 ADDENDA



Street View towards east



Street View towards north



7.0 ADDENDA



View of the building towards north



View of the building towards northeast



View of the building towards southeast



Back loading yard to the west



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Interior Driveway towards east



Abandoned Workshop



7.0 ADDENDA



Yard in the southeast



Yard in the southeast



7.0 ADDENDA



Yard in the southeast



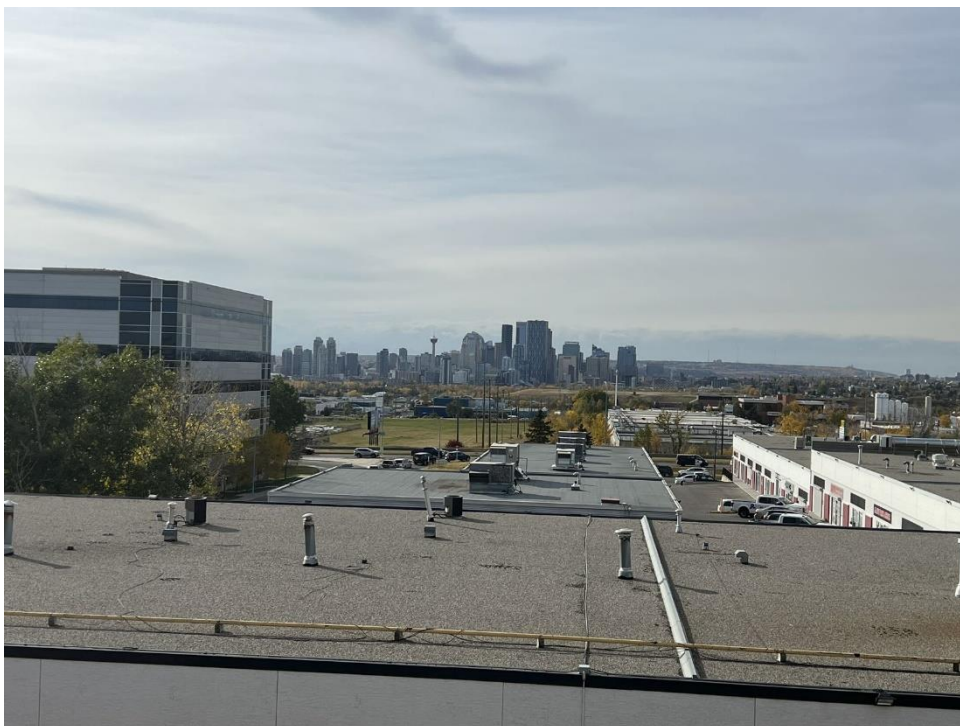
Yard in the northeast



7.0 ADDENDA



View towards the west



View towards the west – close to Downtown



7.0 ADDENDA



Reception – Main Floor



Boardroom – Main Floor



7.0 ADDENDA



Office – Main Floor



Kitchen – Main Floor



7.0 ADDENDA



Lounge – Main Floor



Operation area – Main Floor



7.0 ADDENDA



Operation Area – Main Floor



Storage – Main Floor



7.0 ADDENDA



Bathroom – Main Floor



Bathroom – Main Floor



7.0 ADDENDA



HVAC



Exterior Concrete Block Wall



7.0 ADDENDA



Bay 1 – Workshop Level



Bay 2 – Workshop Level



7.0 ADDENDA



Bay 3 – Workshop Level



Bathroom – Workshop Level



7.0 ADDENDA



Interior bay with electrical meters – Workshop Level



Storage – Workshop Level



7.0 ADDENDA



Tool storage – Workshop Level



Furnace Room 1 – Workshop Level



7.0 ADDENDA



Furnace Room 2 – Main Floor



Kitchen – Upper Floor



7.0 ADDENDA



Bathroom – Upper Floor



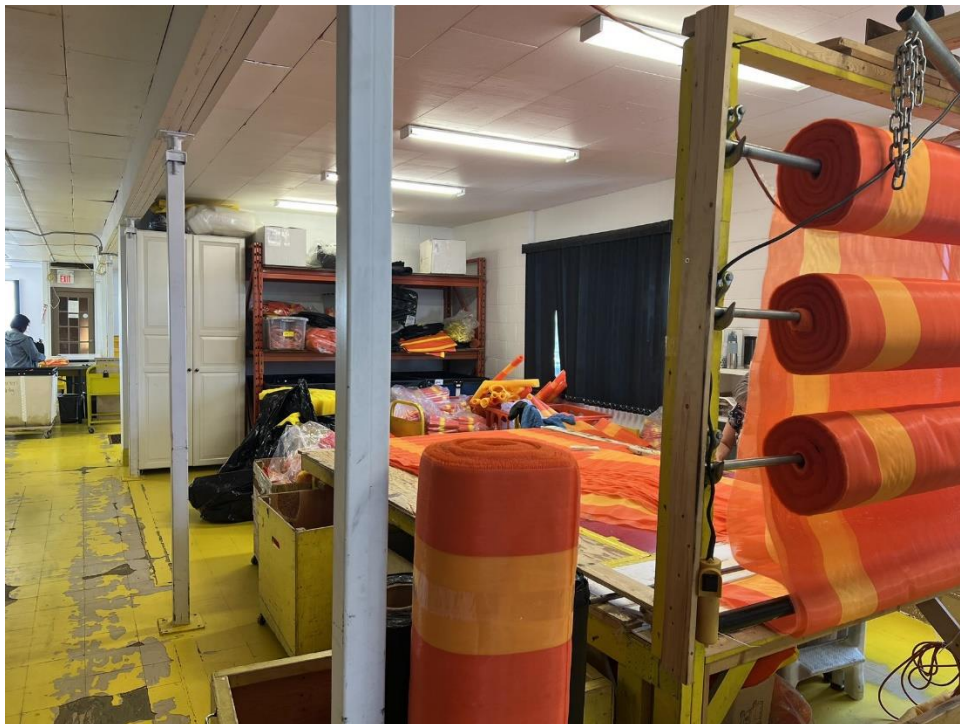
Storage area – Upper Floor



7.0 ADDENDA



Storage area – Upper Floor



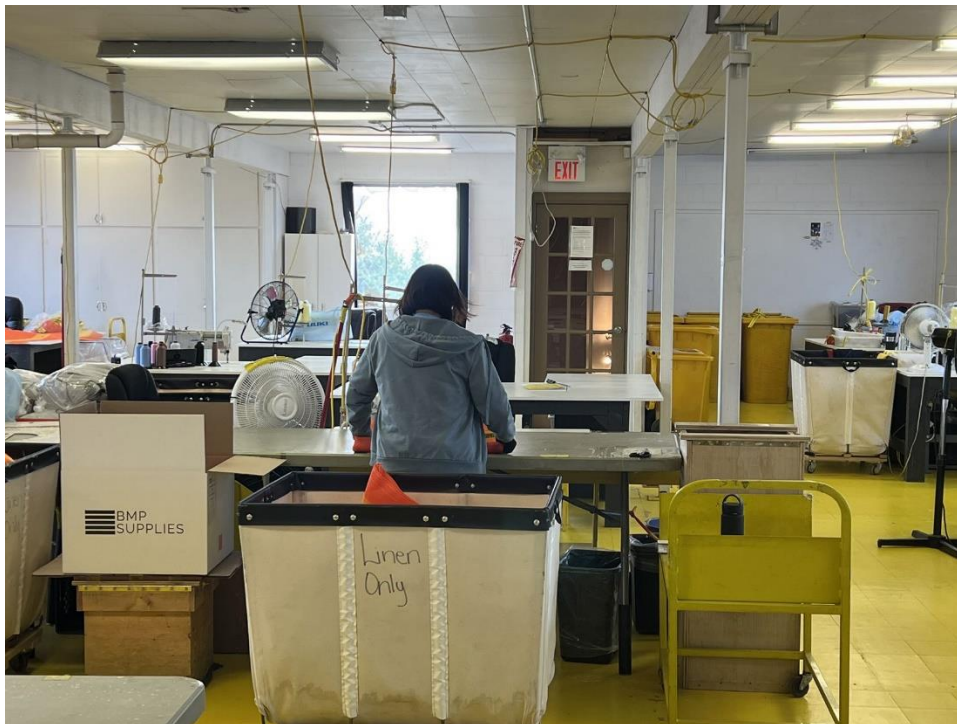
Operation area – Upper Floor



7.0 ADDENDA



Ceiling – Upper Floor



Operation area – Upper Floor



7.0 ADDENDA



Operation area – Upper Floor

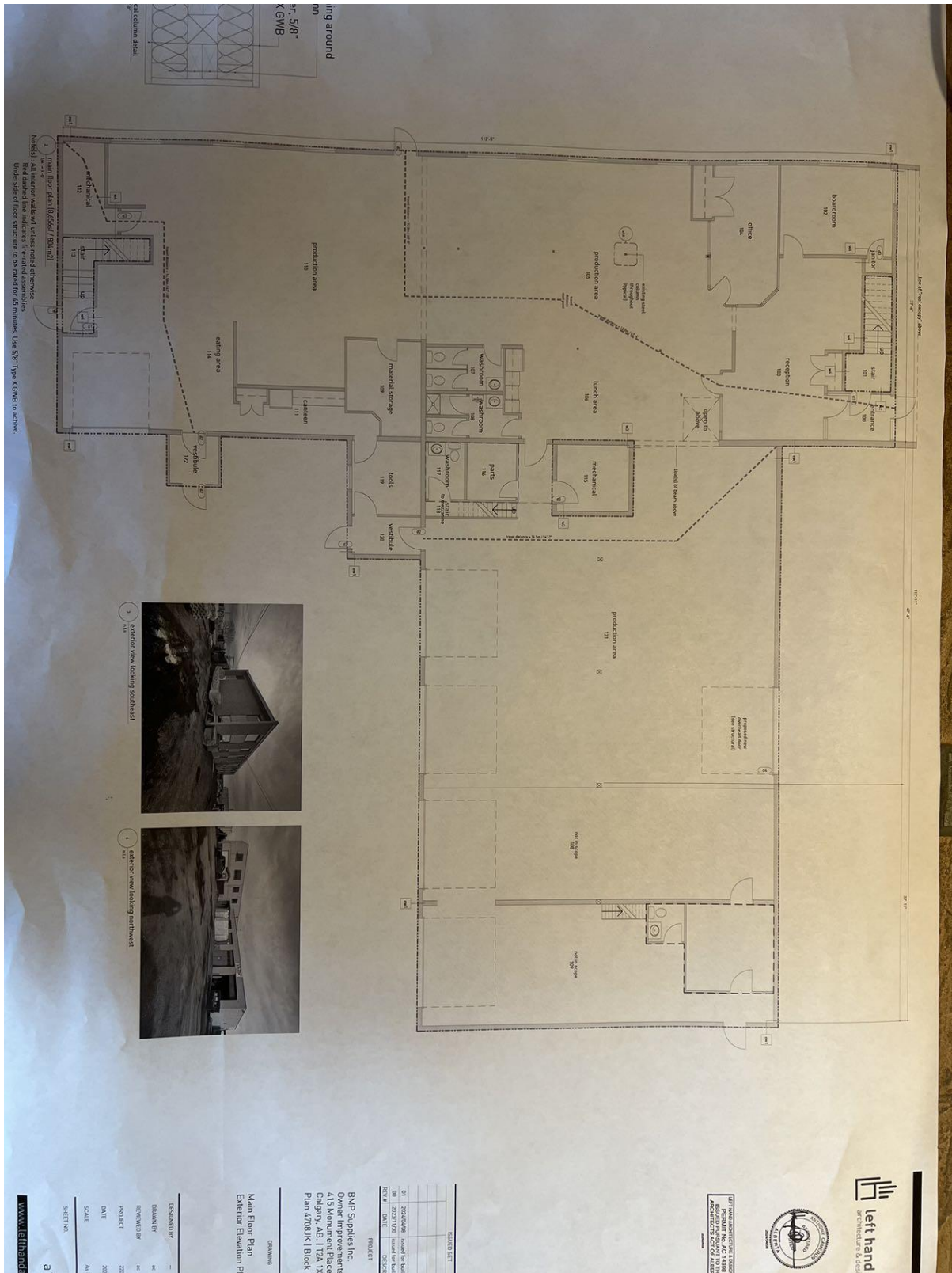


Operation area – Upper Floor



7.0 ADDENDA

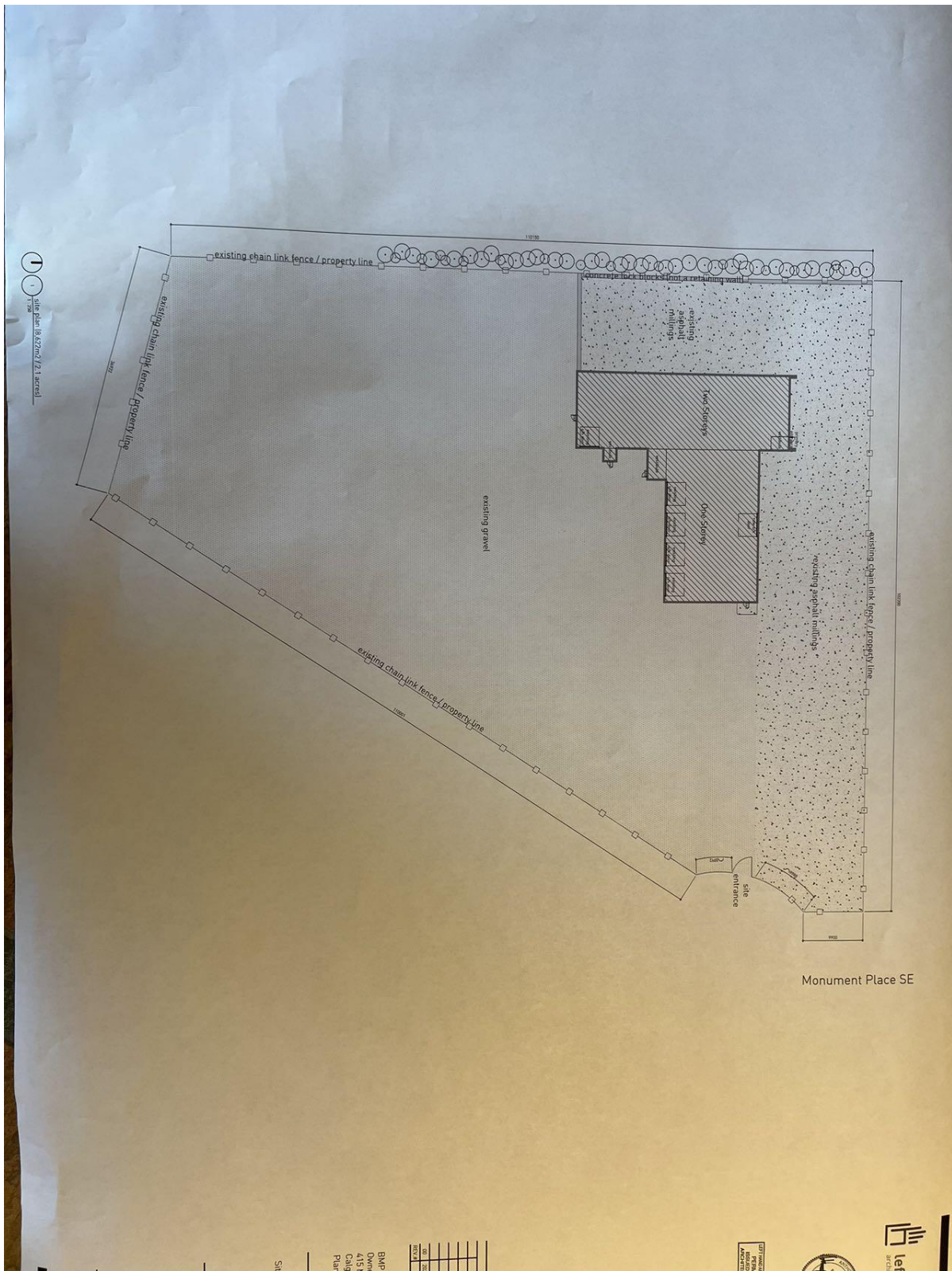
Floorplan





7.0 ADDENDA

Plot Map



Monument Place SE



Index 2

3603 Edmonton Trail NE Calgary, AB T2E 3P1

Commercial
Sold

A2042007

DOM: 86 **LP:** \$1,225,000.00
CDOM: 86 **LR:**
OP: \$1,225,000.00
SP: \$1,200,000.00

SD: 07/24/2023
Trans Type: For Sale **Title:** Fee Simple
County: Calgary **City:** Calgary
Type: Industrial **SQFT:** 4,000
Bus Type: **Year Built:** 1970
Building Type: Free-Standing, Warehouse **Business:** No
Subdivision: Greenview Industrial Park **# Floors:** 1
LINC#: [0019039916](#) **# Buildings:** 1
Legal Pln: 5942AD **Blk:** 16 **Lot:** 1 TO 6 Inclusive



1 / 9



Zoning: I-R **Tax Amt:** \$26,102.18
Lot Size: 0.40 Ac **Tax Year:** 2022
Exclusions: Yes **SRR:** No
Reports: RPR with Compliance **Leg Unit #:**
Restrictions: None Known
Disclosure:
Owner Type:
Possession: 60 Days / Neg

Public Remarks: Freestanding high exposure 4,000 +/- sq. ft. industrial building on Edmonton Trail, occupied by 2 month to month tenants. 17,621 sq. ft. /40 acre site offers fenced gated rear yard with 2 access points., also for sale directly North across public alley is an 11,378 sq. ft. industrial lot fenced and gated with an house/office structure on site, occupied by a month to month auto sales tenant.

Property Information

Building Area: 4,000.00 **Nearest Town:**
Footprint SF: 4,000 **Foundation:** Poured Concrete **Frontage:** 117.00
Lot Size Dim: **Floor Thick:** **Live Work:**
Builder Name: **Roof:** Asphalt **Lot Depth:** 144.00
Exclusion Date: 10/31/2023 **ASPARP:**
Condo Type: Not a Condo **Condo Fee:** **Fee Frequency:**
Construct Type: Concrete, Mixed
Exclusions: ALL CHATTELS EQUIPMENT AND FIXTURES OWNED BY TENANTS
Heating: Forced Air
Access To Prop: Accessible to Major Traffic Route, Direct Access, Gravel Lane, On Major Traffic Route, Visual Exposure
Inclusions: None
Fire Protection: Hydrant

Industrial Information

Yard Size: **# Grade Doors:** **# Load Doors:** **Clr Ceiling Ht:** 16.00
Office SqFt: **Lse Sz SqM** **Lease Type:** Gross, See Realtor Remarks
Unit#/UF: **Lse Term Rmn:** 1
Complex Nm: **Lse Sub Lease:** **Lease Type:** Gross, See Realtor Remarks
Bus Includes: **Lse Term Rmn:** 1

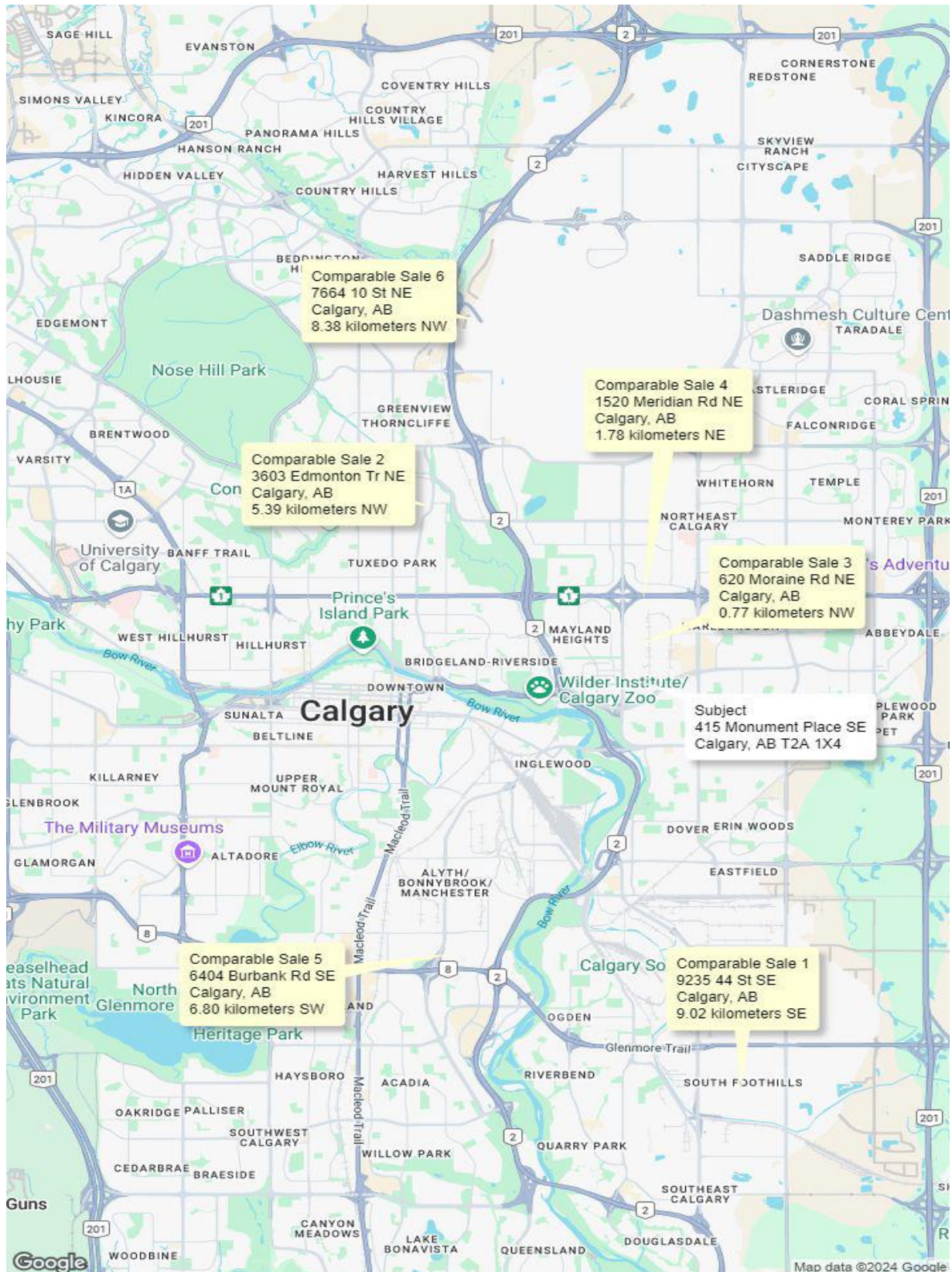
Agent & Office Information

List Agent: [Paul Loutitt](#)  ploutitt@shaw.ca **Phone:** [403-245-0773](tel:403-245-0773)
List Firm: [CENTURY 21 BAMBER REALTY LTD.](#) **Phone:** [403-245-0773](tel:403-245-0773)
Firm Address: 1612 - 17 AVENUE S.W., CALGARY, T2T 0E3 **Firm Fax:** [403-229-0239](tel:403-229-0239)
Appt: Dont use showing time, no lockbox, Tenant Occupied, call listing agent direct
Showing Contact: Paul Loutitt 403-245-0773 **List Date:** 04/29/2023
Comm: \$1.00 TOTAL **Expiry Dt:**
LB Type/Info: None/ **With Dt:**
Owner Name: **Ownership:** Private
Occupancy: Tenant **Exclusion:** Yes **SRR:** No
Number Days: call agent Direct 403-245-0773



7.0 ADDENDA

LOCATION MA





7.0 ADDENDA

Index 18

717 57 AVE NE

Overview

Municipality:	Calgary
Subdivision:	Deerfoot Business Centre
Category:	Vacant Land
Sale Price:	\$2,150,000
Sale Date:	02-22-2024
Price Breakdown:	\$1,387,097/Acre



Property Description

Lot Size:	1.55 Acres
Zoning:	I-B
Quad:	NE

Building Description

Building Area:	0
Use:	
Year Built:	
Observed Condition:	
Number of levels:	0



Seller / Buyer Information:

Seller:	CALNOR DEVELOPMENTS LTD
Buyer:	SGK COMMERCIAL REAL ESTATE INC

Financial Information

Capitalization Rate:	0	Net Operating Income:	\$0
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Assessment Tax

Land:	\$0	Impr:	\$1,750,000
Land + Impr. Total:	\$1,750,000	Local Impr:	\$0
Taxes + Local Impr. Total:	\$0	Taxes:	\$0

Remarks

Located in Deerfoot Business Centre, adjacent to Deerfoot City re-development with tenants including Walmart, Canadian Tire and Cabela's. Easy access to major road thoroughfares of Deerfoot Trail and McKnight Boulevard and close proximity to Calgary International Airport. Allowable Density:1.00 FAR. Zoning: I-B f1.0 (Industrial - Business) - I-Bf1.0 Industrial - Business - I-B is an industrial designation that is primarily for business park uses with high quality buildings in a campus-like setting, typically in highly visible locations next to major roadways. Uses may include offices, research and low-impact manufacturing. Outdoors industrial uses are not allowed. Was listed for sale by Cushman & Wakefield - see attached flyer. No pending applications.

Legal Description

Lot:	11	Block:	6
Property Plan:	031-0726	District Lot:	

Legal Documents

Transfer Number:	241055347	LINC/PID:	0029824216
Rollnumber:	200275766		

