

Marcus & Millichap

CONFIDENTIAL INVESTMENT MEMORANDUM

FOR SALE

DEVELOPMENT LANDS

ISL/AL SENIORS HOUSING | HOTEL/RETAIL | TOWNHOMES



MOVING CAPITAL. MAKING MARKETS. **MAXIMIZING VALUE.**

MILL STREET, BANCROFT, ONTARIO, CANADA





FOUNTAIN HILL
MILL STREET
BANCROFT, ONTARIO
CANADA

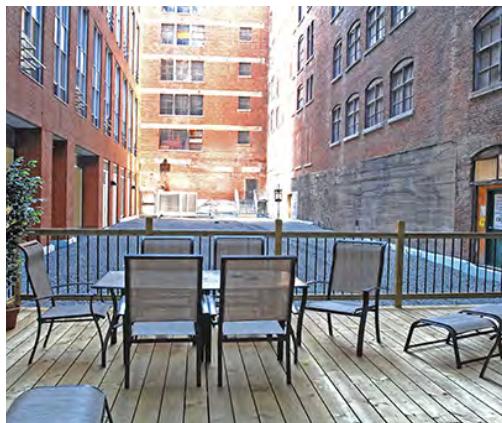


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OFFERING PROCESS

Marcus & Millichap

SECTION 1 EXECUTIVE SUMMARY

DEVELOPMENT LANDS
MILL STREET, BANCROFT, ONTARIO



Marcus and Millichap Real Estate Investment Services Canada Inc. (the “Advisor”), is pleased to offer for sale development land parcels in 82 Mill Street, Bancroft, Ontario (the “Property”), a proposed mixed-use development located in the quiet residential community of Bancroft, Ontario.

- Ideal for "Age-in-Place" continuum of care
- Available development land parcel for a proposed 94 unit ISL/AL seniors housing congregate care project
- Available development land parcel for proposed townhomes
- Available development parcel for a proposed Hotel & a 1 storey commercial /retail plaza
- Opportunity to be part of a larger mixed use, multi-phased purpose-built residential, seniors apartment or retirement residential & hotel / retail development to intensify the neighbourhood
- Current development plans call for 109 townhomes, 60-80 room, 62,000+ square foot four storey hotel, with approximately 10,000 square foot retail/commercial plaza & a 77,000+ square foot ISL/AL retirement residence
- **Draft Plan Approved**

SECTION 2 LOCATIONAL OVERVIEW

DEVELOPMENT LANDS
MILL STREET, BANCROFT, ONTARIO

SITE DATA

Address: Mill Street, Bancroft, Ontario, Canada

PIN Number: 400700219

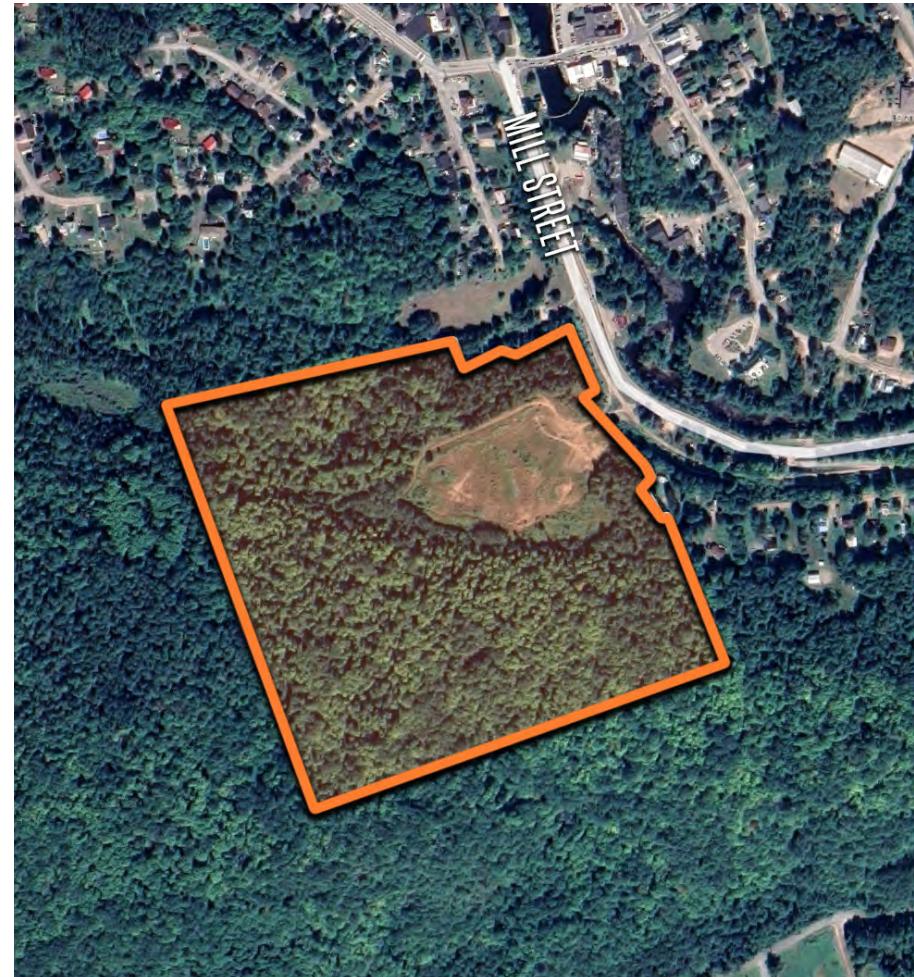
Configuration: Irregular

Site Area: ±49.25 acres (±2,145,247 SF)

Access: Vehicular access is via Mill Street

Legal Description: Lot 57 and Part of Lot 56 on RCP 2196, Part Lot 1
Concession A, Town of Bancroft, Hastings County

Zoning: C3 - Local Commercial, EP - Environmental
Protection, and R3 - Multiple Residential



MARKET DATA | 5 KM RADIUS OF THE SITE



Total Population
2,155



Average Household Size
2.1



Median Age
56.2



Average
Household Income
\$47,264 (2020)

SNAPSHOT OF AREA



LOCAL HOSPITALS

QHC North Hastings Hospital
Bancroft, ON

- Approximate travel time 2 minutes
- 900m from site

St. Francis Memorial Hospital
Barry's Bay, ON

- Approximate travel time 56 minutes
- 69.5 km from site

Campbellford Memorial Hospital
Campbellford, ON

- Approximate travel time 80 minutes
- 111 km from site

HASTINGS COUNTY OVERVIEW

Hastings County (pop. 145,746 (2021)) is located in the province of Ontario, Canada, on the border of Eastern Ontario and Central Ontario. Hastings County is the second largest county in Ontario. The county seat is Belleville, which is independent of Hastings County. Hastings County has trademarked the moniker "Cheese Capital of Canada". The county is served by Highway 401 in the south, Highway 7, a leg of the Trans-Canada Highway, in the central region, Highways 62 and 37 travelling north to south, Highway 28 travelling east to west in the northern region, and Highway 127 travelling north from Maynooth, also in the northern region. In the northern portion you will find the ancient rock formations and dense boreal forests of the Canadian Shield, where clear lakes and recreational opportunities abound every season of the year. The southern portion is part of the Great Lakes-St. Lawrence Lowlands, home to two cities and many small towns surrounded by rich farmland. Hastings County is abundant in historical and natural wonders.

BANCROFT OVERVIEW

The Town of Bancroft is a community in Hastings County along the York River. It is primarily a residential suburb known for its proximity to camping and hiking, and easy commute to Kawartha Highlands Provincial Park and several small surround communities; the town is accessible via both Highway 28 and Highway 62. Central to several mid-sized cities and halfway between Toronto and Ottawa, Bancroft offers the tranquility of the Canadian Shield with all the amenities of a modern community. The "Bancroft Area" has variously been considered to include parts of the Haliburton Highlands, Algonquin Highlands, Hastings Highlands and Madawaska Highlands.

FOUNTAIN HILL OVERVIEW

As a vibrant mixed-use commercial and residential community, Fountain Hill will be a valuable addition to the heart of the Town of Bancroft. Consistent with the local planning objectives, this new development will strengthen the existing community through providing new infrastructure and space for residents of all ages in close proximity to the QHC North Hastings Hospital. It will add cutting-edge hotel and banquet facility space, along with exciting new retail opportunities further promoting what Bancroft has to offer. The development of Fountain Hill is an incredible opportunity to transform an underutilized piece of land into an exciting, vibrant and valuable new community. Fountain Hill will be a place for people to visit, live, and thrive.

TRAVEL DISTANCES TO BANCROFT

CITY	POPULATION	KM
Buffalo	891,000	405
Detroit	3,548,000	598
Hamilton	787,000	314
Kingston	590,940	188
London	383,822	418
Montreal	4,221,000	417
Ottawa	1,393,000	224
Rochester	208,046	518
St. Catherines	130,348	358
Syracuse	420,000	392
Toronto	6,197,000	245
Trenton	329,000	128

QUICK FACTS

Location:

Hastings County along the York River

Incorporation:

December 1904 (village)
1999 (town)

Population (2016)

3,881

Land Area

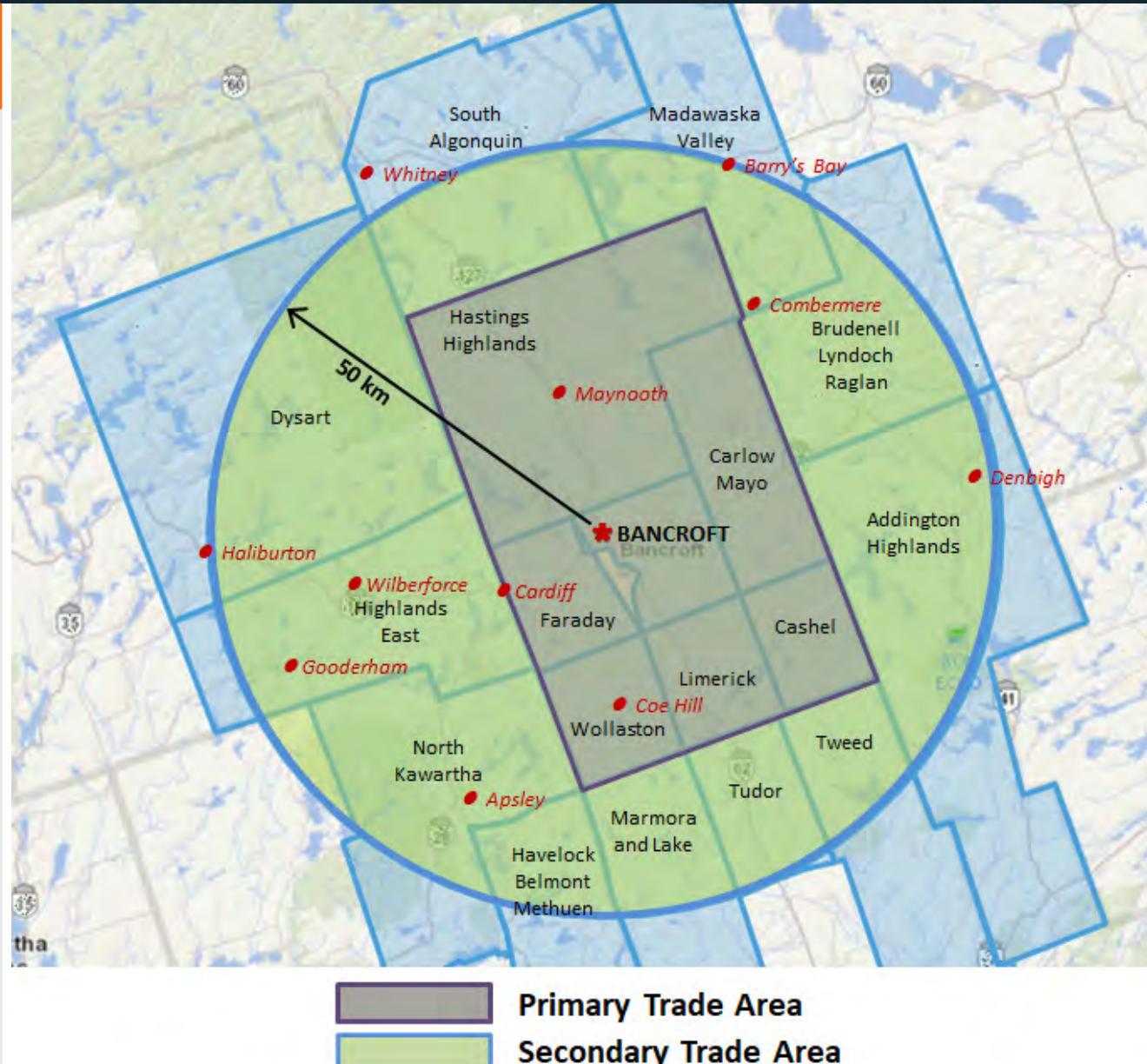
229.56 km²

Population density (2016)

16.9 per square kilometre

BANCROFT'S TRADE AREA

The Town of Bancroft is the economic hub serving north Hastings County and a regional population much greater than the Town's municipal population. The Primary Trade Area has a permanent population of 12,400. Portions of the Secondary Trade Area may have a weaker affinity to Bancroft than the Primary Trade Area however Bancroft continues to capture a significant amount of consumer traffic from this area. The combined permanent population of the Primary and Secondary Trade Area is approaching 29,000 persons. The seasonal population at an additional 40,000 persons may not contribute to the economic activity of the region on a year round basis but with the region's emphasis on 4 season tourism it is still a powerful factor. In addition, the seasonal market develops a growing affinity with Bancroft over time and the experience of many recreational markets is that seasonal residents often become permanent residents because of that affinity.



Source: Bancroft Community Development

THE BANCROFT TRADE AREA

(2011 Census Information with Undercounting)

Municipality	Permanent Population	Seasonal Population	Total Population
A. Town of Bancroft	4,140	305	4,445
B. Primary Market (Town plus surrounding Townships)	12,400	11,415	23,815
C. Secondary Market (Beyond the Primary Market but less than 50km from Town)	16,554	23,310	44,864
Total Market (B plus C)	28,954	39,725	68,679

THE PRIMARY MARKET

(2011 Census Information with Undercounting)

Municipality	Permanent Population	Seasonal Population	Total Population
Town of Bancroft	4,140	305	4,445
Hastings Highlands	4,450	5,675	10,125
Carlow/Mayo	950	525	1,475
Cashel	155	500	655
Faraday	1,570	2,045	3,615
Limerick	375	1,145	1,520
Wollaston	760	1,220	1,980
TOTAL	12,400	11,415	23,815

Source: Bancroft Community Development

THE SECONDARY MARKET
(2011 Census Information with Undercounting)

Municipality	Permanent Population		Seasonal Population		Total Population	
	Actual	Adjusted	Actual	Adjusted	Actual	Adjusted
Dysart et al (50% area adjustment)	5,966	2,983	15,325	7,662	21,291	10,645
Highlands East (no area adjustment)	3,249	3,249	9,721	9,721	12,970	12,970
South Algonquin (50% area adjustment)	1,211	605	981	490	2,192	12,970
Madawaska Valley (50% area adjustment)	4,828	2,141	2,739	1,369	7,021	3,510
Brudenell, Lyndoch (50% area adjustment)	1,658	829	930	465	2,588	1,294
Addington Highlands (50% area adjustment)	2,517	1,258	3,882	1,941	6,399	3,199
Tweed (25% area adjustment)	6,470	1,617	965	241	7,435	1,858
Tudor (no area adjustment)	470	470	770	770	1,240	1,240
Marmora and Lake (25% area adjustment)	4,355	1,088	2,210	552	6,565	1,640
Havelock Belmont (25% area adjustment)	4,523	1,130	5,763	1,400	10,286	2,570
North Kawartha (50% area adjustment)	2,369	1,184	7,318	3,659	9,683	4,843
TOTAL	37,070	16,554	50,604	28,310	87,670	44,864

Source: Bancroft Community Development

INCOME CHARACTERISTICS IN THE
PRIMARY MARKET
(2016 Census Data)

Municipality	Average Total Income of Households	Average Total Income of 1-person Households	Average Total Income of 2 or more person Households	Total Private Households	Total Private Households with Household Income More Than \$60,000	% of Private Households with Household Income More Than \$60,000
Bancroft	\$60,093	\$32,509	\$77,447	1,750	670	38.3
Hastings Highlands	\$76,581	\$32,991	\$89,908	1,820	835	45.9
Faraday	\$70,590	\$35,831	\$79,606	630	265	42.1
Carlow/ Mayo	\$70,858	\$26,535	\$82,896	380	165	43.4
Tudor and Cashel	\$54,210	\$30,963	\$63,564	270	90	33.3
Limerick	\$48,652	\$30,595	\$60,552	160	50	31.3
Wollaston	\$77,190	\$41,317	\$94,853	310	130	41.9
Primary Market	\$68,100 (weighted)			5,320	2,205	41.4

INCOME CHARACTERISTICS IN THE
SECONDARY MARKET
(2016 Census Data)

Municipality	Average Total Income of Households	Average Total Income of 1-person Households	Average Total Income of 2 or more person Households	Total Private Households	Total Private Households with Household Income More Than \$60,000	% of Private Households with Household Income More Than \$60,000
Dysart et al (50%)	\$75,715	\$38,367	\$91,249	2,895	1,465	50.6
Highlands East (100%)	\$63,299	\$36,112	\$73,167	1,610	660	41.0
South Algonquin (50%)	\$62,761	\$46,308	\$70,927	530	210	39.6
Madawaska Valley (50%)	\$63,520	\$29,781	\$78,709	1,705	725	42.5
Brudenell, Lyndock (50%)	\$59,446	\$34,969	\$68,532	655	255	38.9
Addington Highlands (50%)	\$57,626	\$33,139	\$68,529	1,030	405	39.3
Tweed (25%)	\$66,370	\$35,951	\$78,213	2,570	1,155	44.9
Marmora & Lake (25%)	\$61,465	\$32,515	\$73,927	1,725	700	40.5
Havelock Belmont (25%)	\$68,734	\$34,472	\$81,040	2,015	905	44.9
North Kawartha (50%)	\$76,641	\$39,770	\$89,576	1,115	540	48.4
Secondary Market Adjusted	\$66,825			7,155	3,216	

Source: Bancroft Community Development

HOUSEHOLD CHARACTERISTICS IN THE
PRIMARY MARKET

(2016 Census Data)

Municipality	Total Private Households	Private Households led by Primary Household Maintainers 55 years of age or older (% of total)	Median Income of One-Person Households	Median Income of 2 or More Person Households
Bancroft	1,750	1,085	\$22,029	\$63,982
Hastings Highlands	1,820	1,215	\$27,456	\$65,536
Faraday	630	420	\$26,816	\$62,080
Carlow/ Mayo	380	235	\$25,280	\$67,712
Tudor and Cashel	270	155	\$20,288	\$55,360
Limerick	160	110	\$22,944	\$56,704
Wollaston	310	215	\$24,256	\$60,032
Primary Market	5,320	3,435	\$23,754 (weighted)	\$63,668 (weighted)

HOUSEHOLD CHARACTERISTICS IN THE
SECONDARY MARKET

(2016 Census Data)

Municipality	Total Private Households (using adjusted #'s from Table 2)	Private Households led by Primary Household Maintainers 55 years of age or older (using adjusted Private Households) (% of total)	Median Income of One-Person Households	Median Income of 2 or More Person Households
Dysart et al	1,448	1,005	69.4	\$30,752
Highlands East	1,610	1,145	71.1	\$25,771
South Algonquin	265	185	68.9	\$33,408
Madawaska Valley	853	585	68.3	\$24,853
Brudenell, Lyndock	328	210	64.6	\$25,920
Addington Highlands	515	365	70.5	\$23,296
Tweed	643	395	61.1	\$27,456
Marmara & Lake	431	285	66.1	\$26,304
Havelock Belmont	504	335	66.0	\$27,488
North Kawartha	558	390	70.0	\$30,272
Secondary Market	7,155	4,900	67.6	\$27,436 (weighted)
				\$66,498 (weighted)

Source: Bancroft Community Development



SECTION 3 MARKET OVERVIEW

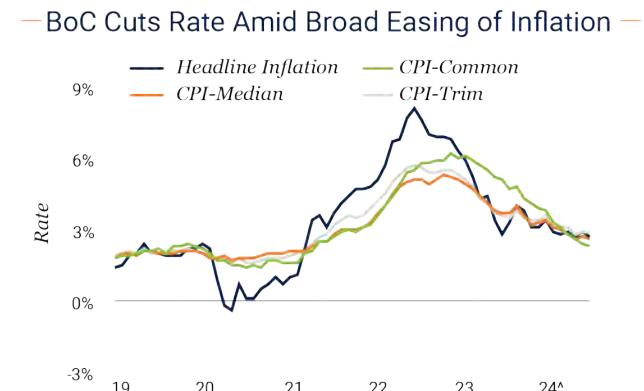
DEVELOPMENT LANDS
MILL STREET, BANCROFT, ONTARIO

CANADA MONETARY POLICY

REAL ESTATE MARKETS ADJUSTING TO LOWER RATES AS CENTRAL BANK EXTENDS ITS EASING CYCLE

The Bank of Canada delivered its second rate cut. As inflation pressures continued to unwind, the BoC reduced interest rates by 25 basis points in July. With weak household spending and signs of slack in the labour market, the bank now expects inflation to ease further in the foreseeable future. While this decision was broadly in line with market expectations, the monetary authority struck a more dovish tone in the press conference. BoC governor Tiff Macklem emphasized that, with increasing excess supply in the economy, the downside risks of weaker-than-expected growth are becoming more concerning. This indicates that the bank has transitioned to supporting GDP growth so that inflation does not retrace significantly. Looking ahead, if inflation continues on a downward trajectory, a cut at every policy meeting for the remainder of 2024 is possible.

Investment activity likely to perk up. While a 4.5 per cent overnight rate remains in restrictive territory, the BoC's dovish forward guidance will likely boost investor sentiment. Some sideline investment capital has already been redeployed for smaller-sized deals since the beginning of 2024, as buyers returned to the market in anticipation of easing financial conditions. As a result, metros such as Edmonton and Calgary saw a mild rise in total dollar volume transacted in select property types. With expectations that the overnight rate could drop below 4.0 per cent by year-end, investment activity may receive a more sizable boost for the remainder of 2024, particularly in sectors with healthy fundamentals.



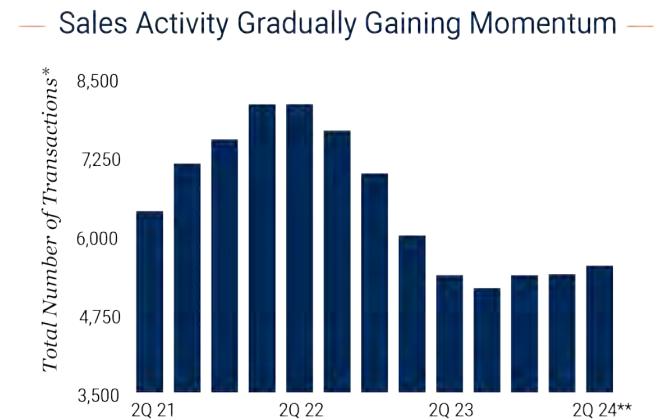
July 2024 | * Through June; * Trailing 12-month sales for office, retail, hotel, multifamily and industrial properties; ** Preliminary estimate Sources: Altus Data Solutions; Bank of Canada; CMHC; Statistics Canada

CANADA MONETARY POLICY

REAL ESTATE MARKETS ADJUSTING TO LOWER RATES AS CENTRAL BANK EXTENDS ITS EASING CYCLE

Lower borrowing costs to stimulate consumer spending. As Canada's recent change in immigration policy slows population growth – a major driver for private consumption – easing borrowing costs will likely take the baton to propel the next phase of consumption growth. With interest rates gradually declining to less restrictive levels, consumer spending is expected to recover toward the end of 2024 and well into 2025. This will benefit leasing activity in the retail sector, which witnessed weakening net absorption this year. Additionally, the upward momentum in consumer spending may also increase demand in the warehousing, transportation and manufacturing industries, supporting space needs in Canada's industrial sector. Consequently, the industrial vacancy rate could stabilize in 2025 after two years of increase.

Housing market reacting to lower interest rates. With further easing from the BoC appearing more assured, the single-family market will likely experience greater engagement from home buyers, facilitating a gradual transition from renting to home ownership. Coupled with a diminishing inflow of temporary residents expected over the coming year, this lower interest rate environment is expected to relieve some pressure on the multifamily market. However, despite significantly higher construction starts over the past few years, total apartment completions were lower than anticipated in the first half of 2024 due to construction delays. The still hefty demand and the lagging pace of new supply will maintain a low apartment vacancy rate, leading to further rent hikes this year.



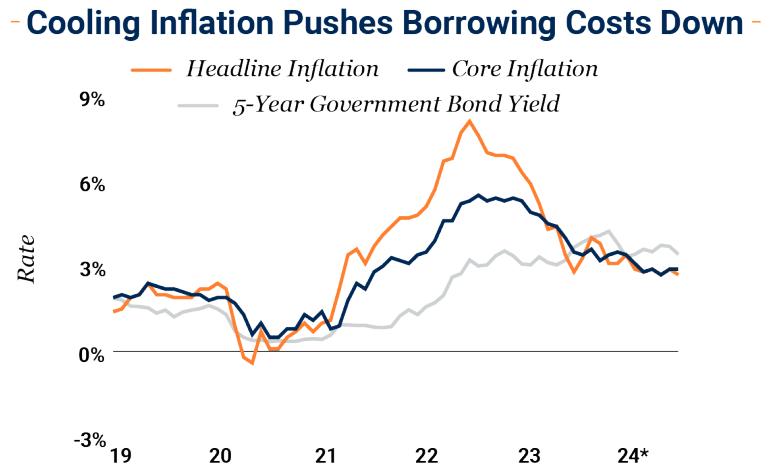
July 2024 | * FThrough June; * Trailing 12-month sales for office, retail, hotel, multifamily and industrial properties; ** Preliminary estimate Sources: Altus Data Solutions; Bank of Canada; CMHC; Statistics Canada

CANADA INFLATION

SLOWDOWN IN INFLATION COULD SOLIDIFY A SECOND CONSECUTIVE INTEREST RATE CUT

Annual price growth back on downward trend. Inflation hit 2.7 per cent in June — marking the sixth consecutive month within the central bank's target range — and down from the surprise uptick of 2.9 per cent in May. The deceleration was largely due to slower year-over-year growth in gasoline prices as well as a 1.8 per cent drop in the cost of durable goods, an indication that elevated interest rates continued to rein in spending. While the Bank of Canada's preferred measures of core inflation saw its three-month annualized change increase to 2.9 per cent, year-over-year measures were promising, with CPI-trim holding stable at 2.9 per cent and CPI-median falling to 2.6 per cent. With inflation falling by more than the consensus estimate of 2.8 per cent, a second consecutive interest rate cut in July is now the most likely outcome.

Markets react favourably to inflation print. With the unemployment rate hitting 6.4 per cent in June, along with the recently released business outlook survey suggesting further price easing ahead, money markets were pricing in an 83 per cent chance of a July rate cut just prior to June's inflation release. Now, with inflation falling by more than the consensus estimate, bond yields immediately fell across the curve and the Canadian dollar depreciated. At the same time, investors increased their bets for a July cut, with the market now penciling in an 87 per cent chance of a second consecutive rate reduction. Nevertheless, with the closely watched three-month annualized change in CPI-trim and CPI-median indicating that momentum in core inflation picked up, an interest rate pause in July cannot fully be ruled out.



* As of July 2024

Includes multifamily, retail, office, industrial and hotel sales \$1 million and greater; ^ Preliminary estimate through 2Q. Sources: Altus Data Solutions; CMHC; Capital Economics; Statistics Canada

CANADA INFLATION

SLOWDOWN IN INFLATION COULD SOLIDIFY A SECOND CONSECUTIVE INTEREST RATE CUT

Price of groceries reaccelerate. Food inflation has been trending down over the past 24 months. This comes after supply chain disruptions and global insecurity pushed inflation in the segment to a high of 10.4 per cent in January 2023. However, food purchased from stores saw annual price growth accelerated for the second consecutive month, to 2.1 per cent in June. A contributing factor is that groceries are considered an essential item. In the current environment of elevated inflation and interest rates, consumers have been redirecting spending more toward necessity-based products, leading to upward pressure on prices. Consequently, this greater emphasis on essential spending is one reason why grocery-anchored retail has held as a preferred investment option over the past year.

Falling borrowing costs set the stage for investment recovery. After the central bank held its overnight rate at 5.0 per cent for nearly a year, the monetary authority cut its key interest rate for the first time in over four years in June. This combination of interest rate stability, along with underwhelming economic performance, has caused bond yields to largely trend down since October of last year. Consequently, investment activity across Canada's major commercial property types has slowly been gaining momentum. While on a year-over-year basis total dollar volume was still down in the second quarter, preliminary estimates indicate a 16 per cent increase when compared to the first three months of the year. Looking ahead, with borrowing costs set to fall further, positive investor sentiment is likely to grow, stimulating transaction activity heading into 2025.



* As of July 2024

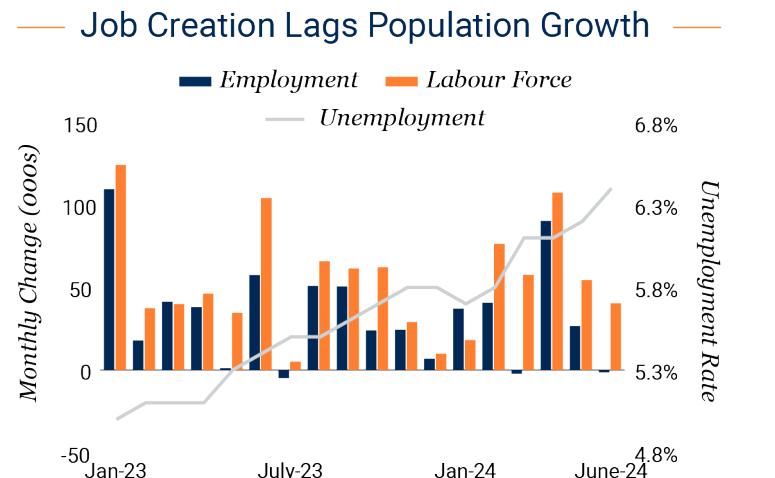
Includes multifamily, retail, office, industrial and hotel sales \$1 million and greater; ^ Preliminary estimate through 2Q. Sources: Altus Data Solutions; CMHC; Capital Economics; Statistics Canada

CANADA EMPLOYMENT

FURTHER CRACKS IN LABOUR MARKET LEND SUPPORT TO ADDITIONAL INTEREST RATE CUTS

Labour market continues to loosen. Canada's economy lost 1,400 jobs in June, well below the consensus estimate of a 25,000 position gain and marking the second monthly contraction in just four months. Hiring intentions remained weak, as elevated borrowing costs continued to work their way through the broader economy. Not only are some measures of job vacancies now below their pre-pandemic levels, but hours worked also fell 0.4 per cent monthly. At the same time, the number of active job seekers across Canada increased by 40,400 last month, on the heels of still-elevated population growth. These factors combined to lift the unemployment rate 20 basis points to 6.4 per cent, up 160 basis points from the July 2022 trough. This further easing in labour market conditions lends support to an additional interest rate cut at the Bank of Canada's July meeting, which would likely continue to foster growing investor enthusiasm in the commercial real estate sector..

Wage growth a risk to Central Bank. Despite the labour market broadly loosening over the past year, annual wage growth remained elevated and rose 30 basis points to 5.4 per cent in June, providing some risk to Canada's inflation outlook. However, this re-acceleration was largely due to unfavourable base-year effects, with the three-month annualized rate falling to 3.3 per cent. Other wage measures calculated directly from business payrolls have also been more gradual. Combined with labour demand and supply continuing to rebalance, wage pressures are likely to ease over the coming months. Consequently, June's labour report increased the odds to just over 60 per cent for a second interest rate cut later this month.



July 2024 |

Sources: Marcus & Millichap Research Services; Altus Data Solutions; Bank of Canada; Canada Mortgage and Housing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

CANADA EMPLOYMENT

FURTHER CRACKS IN LABOUR MARKET LEND SUPPORT TO ADDITIONAL INTEREST RATE CUTS

Higher worker pay needed. Given labour productivity concerns in Canada's economy, elevated wage growth is inflationary. However, income gains are needed in Canada. Not only do average earnings trail the United States by roughly 25 per cent, but income levels in Canada do not support rents that incentivize housing development. While multifamily construction has hit record highs in recent years due to improving fundamentals and government incentives, current rent levels still make the feasibility of new projects challenging. This is especially true in the current environment of surging construction costs, lengthy approval timelines and restrictive borrowing costs. Consequently, housing affordability in Canada has become a major concern and enhancing overall labour productivity should be a main point of focus in order to stimulate wage growth while at the same time minimizing its impact on inflation. Investment in housing could grow with less government intervention and help address widespread barriers to homeownership as a result.

Commercial real estate investment approaching inflection point. The Bank of Canada

cut its policy rate to 4.75 per cent in June, after holding it at 5.0 per cent since July of last year. As a result, bond yields have largely been trending down over the course of 2024, which is causing positive investor sentiment to grow. Preliminary estimates for the second quarter indicate a modest 3.0 per cent quarter-over-quarter increase in total dollar volume sold. Investors continued to favour property types benefiting from robust population growth and limited supply, with industrial, multifamily and retail capturing the largest shares of total dollar volume transacted.

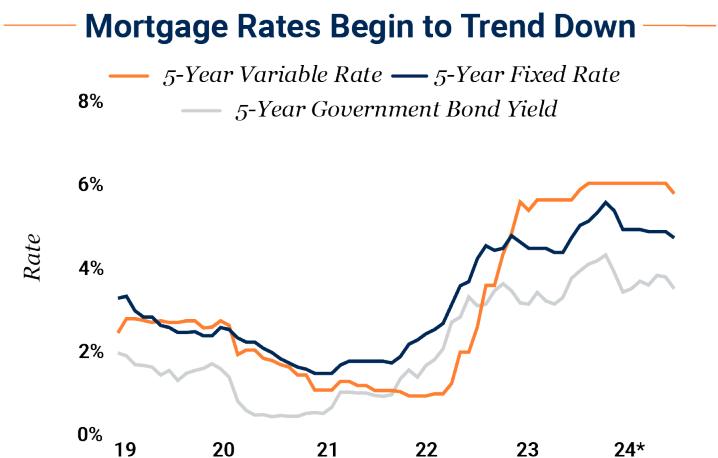


CANADA HOUSING

FIRST INTEREST RATE CUT PROVIDES A HELPING HAND TO CANADA'S HOUSING MARKET

Housing market remains soft, but could be turning the corner. After four periods of decline, home sales increased by 3.7 per cent monthly in June, on the heels of the Bank of Canada's first interest rate cut in over four years. At the same time, the number of newly listed properties edged up 1.5 per cent monthly, as more sellers looked to capitalize on the anticipated return of potential buyers amid falling borrowing costs. These factors combined supported a 110-basis-point uptick in the sales-to-new-listings ratio to 53.9 per cent, consistent with a balanced housing market. With home sales now gaining some momentum, the median price of a single-family home inched up 0.2 per cent month over month. While house prices were down 3.4 per cent year over year, additional rate cuts expected in the coming months are likely to cause home values to rise further, albeit at a modest pace given ongoing affordability hurdles.

Additional rate cuts poised to stimulate buyer demand. Canada's housing market appears to be on better footing. Home sales are likely to continue gaining momentum throughout the remainder of the year as further rate cuts are expected to boost buyer demand. However, this uptick will be incremental as affordability challenges remain elevated. Interest rates must come down materially before making a meaningful dent in ownership costs, causing Canada's housing market to experience a slow recovery. Nevertheless, this more modest recovery in the nation's housing market mitigates potential upside risk to shelter inflation outlined by the Bank of Canada, reinforcing the belief that additional rate cuts could materialize at the next monetary policy meeting.



July 2024 | *Through June

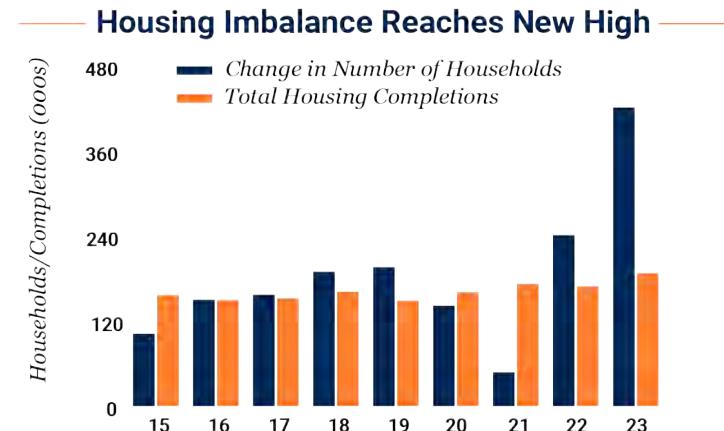
Sources: Marcus & Millichap Research Services; Altus Data Solutions; Bank of Canada; CMHC; Capital Economics; CoStar Group, Inc.; Ratehub.ca; RBC Economics; Statistics Canada

CANADA HOUSING

FIRST INTEREST RATE CUT PROVIDES A HELPING HAND TO CANADA'S HOUSING MARKET

Falling borrowing costs to relieve some housing pressures. The belief among many economists and investors is that the Central Bank will lower its overnight rate by an additional 50 to 75 basis points by year-end, with the rate sitting around 3.0 per cent by the end of 2025. This will coincide with falling residential mortgage rates, alleviating some barriers to home ownership. Potential buyers who currently reside in the rental market could seek ownership opportunities as housing costs ease. This is likely to mitigate some pressure on Canada's apartment rental market. Combined with the expected slowdown in population growth and healthy levels of new supply, Canada's multifamily vacancy rate is forecast to stabilize around 1.5 per cent. Nevertheless, with apartment rental vacancies remaining well below equilibrium levels, annual rent growth is forecast to hold above long-term standards at roughly 5.0 per cent, maintaining the property type as a preferred investment option.

Supply dynamics will still contribute to affordability challenges. While falling interest rates will help alleviate some affordability hurdles, the under supply of housing across the country will continue to pose challenges. This trend has been exacerbated in recent years, with Canada's population growing by a near-record high of 3.2 per cent annually in 2023. At the same time, national housing starts on a moving 12-month average were down roughly 5.0 per cent in June compared to the 2021 peak and at nearly half of the 500,000 annual pace needed to restore affordability by 2030. Consequently, action is needed to help with the feasibility of housing development in order to boost supply and affordability across the country.



July 2024 | * Through June

Sources: Marcus & Millichap Research Services; Altus Data Solutions; Bank of Canada; CMHC; Capital Economics; CoStar Group, Inc.; Ratehub.ca; RBC Economics; Statistics Canada

2024 MID-YEAR CANADA IMMIGRATION OUTLOOK

DEMAND AND SUPPLY RECALIBRATE AS POPULATION GROWTH HITS INFLECTION POINT

Temporary residents growth leveling off. Following a record year of population growth in 2023, Canada enacted a series of immigration reforms earlier this year aimed at reducing the proportion of nonpermanent residents from 6.2 per cent of the total population in 2023 to 5 per cent by 2027. The government will reduce the number of new study permits for international students by 35 per cent in 2024, alongside plans to decrease the nation's reliance on temporary foreign workers. As some of these new measures have taken effect, the pace of temporary resident admissions has already slowed, dropping from an annual increase of 58 per cent in July 2023 to 27 per cent in April 2024. With the full implementation of these new policies, the temporary resident population is expected to expand at a more moderate rate for the remainder of this year.

Total population growth has likely peaked. Driven by a milder intake of temporary residents, Canada's annual population growth appeared to have plateaued in the first half of 2024. After 12 consecutive quarters of accelerating increase, this pause suggests that a more noticeable deceleration may lie ahead. This moderation in population growth is expected to be particularly pronounced in Toronto and Vancouver, where temporary residents have been the biggest contributor to population gains in recent years. Other metros are likely to experience a somewhat mitigated impact due to more balanced migration patterns, driven by not only immigration but also inter- and intra-provincial immigration.

Major Immigration Policy Changes

- Study permit approval will be reduced by 35 per cent in 2024;
- International students in curriculum licensing arrangements are no longer eligible for post graduation work permits;
- Only spouses of international students enrolled in master's, doctoral and professional programs will be eligible for open work permits;
- The number of low-wage foreign workers hired will be reduced from 30 per cent of the workforce to 20 per cent.

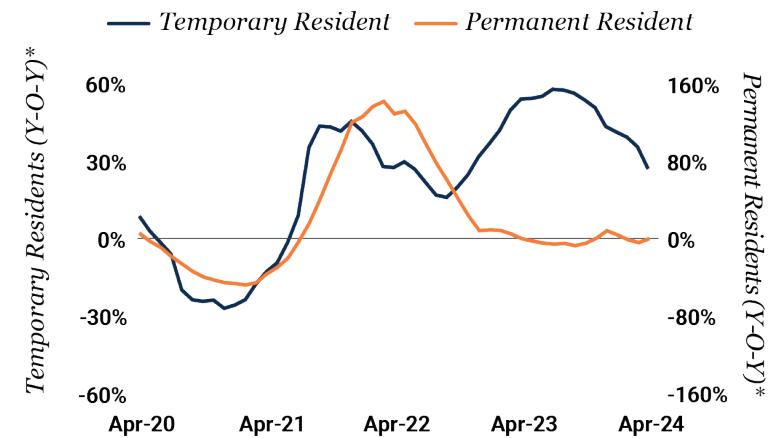
* 12-month moving average; ^ Y-O-Y growth through 2Q, component contributions through 1Q Sources: Immigration, Refugees and Citizenship Canada; Statistics Canada

2024 MID-YEAR CANADA IMMIGRATION OUTLOOK

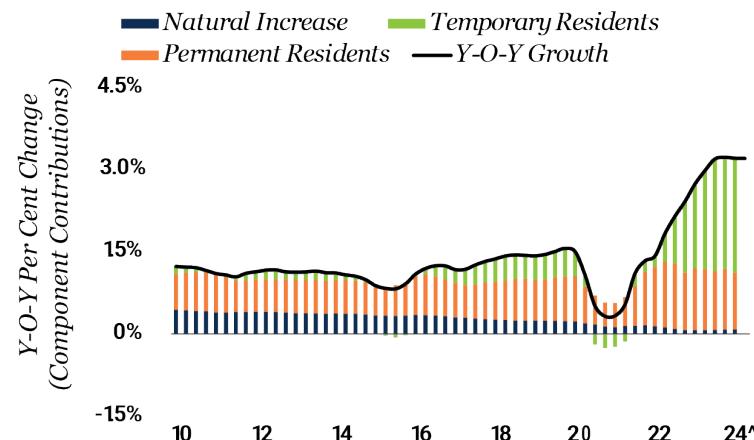
DEMAND AND SUPPLY RECALIBRATE AS POPULATION GROWTH HITS INFLECTION POINT

Sectors expected to readjust to new demographic trends. With interest rates remaining elevated, Canada's post-pandemic economic strength, backed by significant population gains, may face some challenges in the near term due to a lower inflow of new residents. This demographic shift will likely also prompt adjustments in demand and supply dynamics across commercial real estate sectors. In the multifamily sector, a decrease in temporary resident arrivals will alleviate some demand pressure. Coupled with healthy supply growth, the vacancy rate is projected to stabilize in 2024. While annual rent growth is estimated to remain above long-term standards, the pace of growth is also likely to moderate given a stabilizing vacancy rate. In the retail sector, despite a still healthy outlook due to past population growth and limited supply, store expansion may slow as resident gains soften and elevated borrowing costs curb spending. This will consequently put pressure on warehousing and transportation demand, contributing to the ongoing rebalancing seen in the industrial sector.

Pace of Temporary Resident Inflow Slowing



Population Growth Appears to Have Peaked



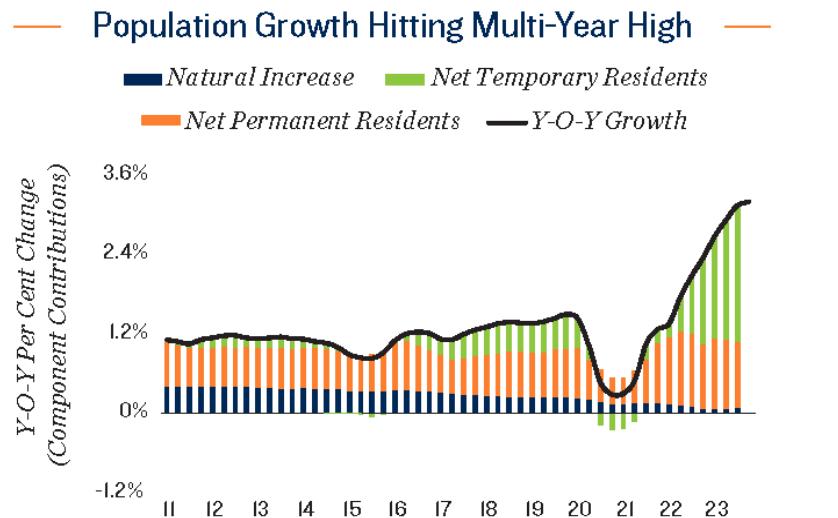
* 12-month moving average; ^ Y-O-Y growth through 2Q, component contributions through 1Q Sources: Immigration, Refugees and Citizenship Canada; Statistics Canada

CANADA MULTIFAMILY

EVOLVING DEMOGRAPHICS AND INCREASING NEW SUPPLY TO PROVIDE SOME VACANCY STABILIZATION

Vacancy rate to remain tight 2024. Canada's multifamily vacancy rate dropped to 1.5 per cent in 2023, the lowest level on record. Demand tailwinds, including historic population growth, robust employment gains and elevated homeownership costs, pushed demand ahead of supply, resulting in the ultra-low vacancy rate and an 8.4 per cent rent increase. In 2024, however, Canada's population growth is projected to soften, and job creation is expected to moderate. Demand for purpose-built rentals, as a result, will increase at a milder pace. With total completions also reaching a new high, the national vacancy rate will stabilize around 1.5 per cent. This will likely cause rent growth to moderate but hold above the nation's long-term standard, given still healthy demand dynamics amid ongoing population expansion and homeownership challenges.

Lower population gains to soften demand growth. One of the main drivers for the fast-declining vacancy rate over the past two years was a record-breaking inflow of new immigrants. As newcomers are primarily renters, apartment demand has risen sharply since 2022. The resulting low vacancy rates and soaring rent increases, however, have prompted a change to Canada's immigration policy. A 35 per cent reduction of study permits and a new set of restrictions for work permits were announced at the start of 2024. Since foreign students and workers accounted for nearly 70 per cent of the population growth last year, this cap on new international students will meaningfully impact population growth in 2024. While remaining above the long-term average, lower population gains will alleviate some demand pressure in the multifamily sector this year.



*Q1 2024 | Sources: Marcus & Millichap Research Services; Canada Mortgage and Housing Corporation; Statistics Canada

CANADA MULTIFAMILY

EVOLVING DEMOGRAPHICS AND INCREASING NEW SUPPLY TO PROVIDE SOME VACANCY STABILIZATION

Upward momentum from labour market to fade. Canada's job market performance in 2023 – a 2.1 per cent increase in total employment and a 5.4 per cent advancement in wages – beat many economists' expectations. Apart from record population gains, this strong job and earnings growth also fueled apartment demand. However, as elevated interest rates persist into 2024, the pace of job creation is expected to soften in the near term. Job openings will also remain on a downward trajectory. This should result in higher unemployment rates and more moderate wage growth in the coming months, causing rental demand pressures to ease slightly. The turnover rate will also likely inch lower, which should help whittle down rent growth in metros with rent control policies.

Completions to reach a record high. Surging rental demand over the past few years has spurred development activity in a number of metros. Vancouver's apartment construction starts, for instance, jumped from below 8,000 units in 2021 to over 12,000 in 2023. In addition, a variety of government efforts to boost housing construction, such as the Enhanced GST Rental Rebate and the ongoing discussion of creating a pre-approved home design catalogue, are also good news for builders. These supply-side tailwinds will keep Canada's total apartment completions on an upward trajectory, with new supply projected to approach 70,000 units this year. The climbing new supply, coupled with relatively modest demand growth, will help stabilize the national vacancy rate and soften rent growth in 2024.



*Q1 2024 | Sources: Marcus & Millichap Research Services; Canada Mortgage and Housing Corporation; Statistics Canada

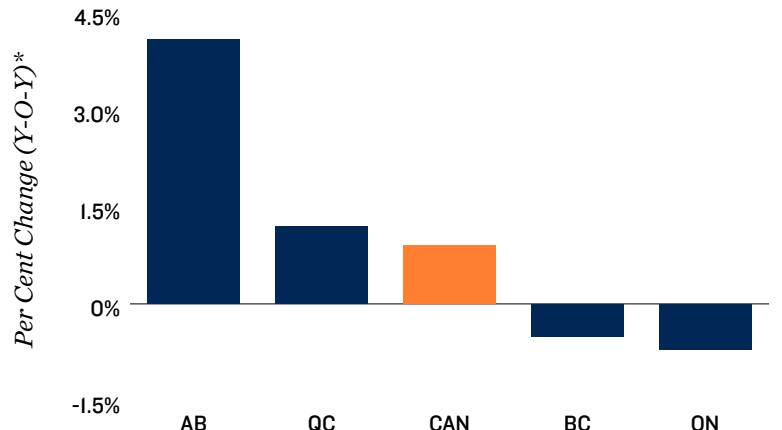
CANADA RETAIL SALES

THIRD QUARTER CONSUMPTION STARTS OFF ON GOOD FOOTING AMID STRONG JULY RETAIL SALES

Household spending surprises to the upside. Canada retail sales edged up 0.9 per cent monthly in July, which was above the flash estimate of 0.6 per cent and marked the highest gain this year. A 2.2 per cent rise in motor vehicle and parts sales drove this uptick, yet this was to be expected after a cyber attack pushed sales down in June. Nevertheless, the strength in retail sales was broad-based. Core retail sales – which exclude motor vehicle and fuel vendors – also grew by 0.6 per cent, largely due to an uptick in grocery store sales and general merchandise retailers. With a more positive outlook for retail sales beginning to materialize amid falling borrowing costs and elevated population growth, per capita consumption could pick up over the second half of 2024 after experiencing a 2.2 per cent annualized contraction in the second quarter.

Lower cost metros outperform. Retail sales in Canada were up 0.9 per cent yearly in July, though more affordable regions with outsized gains led the nationwide increase. For example, Alberta retail sales jumped 4.1 per cent year over year and were up 1.9 per cent year to date. In contrast, provinces offering a higher cost of living amid elevated housing costs – like Ontario and British Columbia – saw total retail sales drop 0.7 per cent and 0.5 per cent year over year, respectively. Looking ahead, lower cost regions are not only seeing strong sales but also robust population growth. While this is likely to drive retail property performance and investor interest, vacancy rates will stay well-below equilibrium levels for all major metros.

- Retail Sales Outperform in Lower Cost Regions -



September 2024

* Through July Sources: Marcus & Millichap Research Services; Altus Data Solutions; Canada Mortgage and Housing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

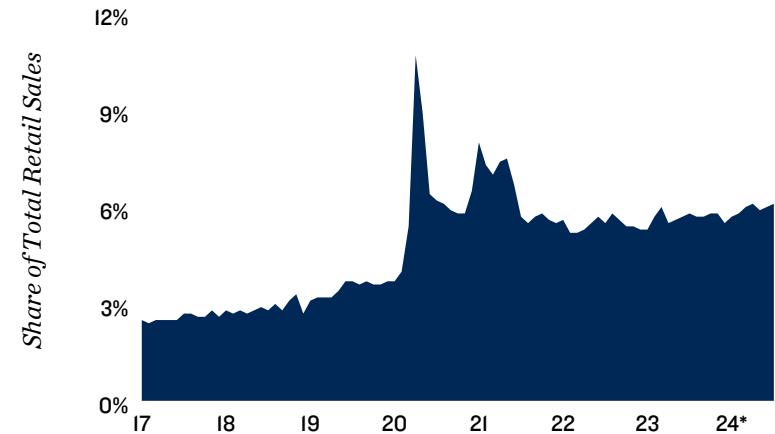
CANADA RETAIL SALES

THIRD QUARTER CONSUMPTION STARTS OFF ON GOOD FOOTING AMID STRONG JULY RETAIL SALES

Long-term industrial outlook remains sound. Canada's industrial sector added a historic 42 million square feet of industrial supply in 2023, with an additional 35 million expected this year. At the same time, elevated borrowing costs have caused a pullback in both consumer and business spending, causing industrial space demand to normalize. Consequently, the nation's vacancy rate has increased by 200 basis points compared with the pandemic low, reaching 3.0 per cent as of June. With the Bank of Canada beginning its monetary easing cycle and alleviating some pressures on households – coupled with the rapid population growth in recent years – Canada's industrial outlook remains optimistic nonetheless. Canada's e-commerce sales may already signify this turn to some extent, edging up 3.4 per cent monthly and translating into a nearly 6.0 per cent year-over year gain. As of July, online sales accounted for 6.1 per cent of total retail sales – double the pre-pandemic average of 3.0 per cent.

Select retail capturing investor attention. Grocery-anchored neighbourhood centres have become a preferred investment option. This retail format offers a diverse tenant roster and future intensification potential while also becoming increasingly active in suburban communities seeing strong population growth. Moreover, given the essential goods and services tenants in these retail formats tend to offer, the property type captures a larger share of consumer spending in times of economic uncertainty. This trend was reflected in July's retail sales numbers, which saw both grocery as well as health and personal care sales jump by 1.2 per cent monthly.

— E-Commerce Share Resumes Upward Trend —



September 2024

* Through July Sources: Marcus & Millichap Research Services; Altus Data Solutions; Canada Mortgage and Housing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

CANADA HOUSING

MUTED HOUSING ACTIVITY LENDS FURTHER SUPPORT TO ADDITIONAL INTEREST RATE CUTS

Canada's housing market little changed. Following an uptick in activity in June amid the Bank of Canada's first rate cut and some sellers looking to get ahead of the higher capital gains tax, home sales edged back 0.7 per cent monthly in July. While a clearer path for financing costs has materialized, elevated home prices in more unaffordable cities continue to temper the nation's housing market. However, with borrowing costs likely to fall further over the remainder of the year, sellers are looking to capitalize on pent-up demand that is currently sidelined. The number of newly listed properties inched up 0.9 per cent monthly. While the sales-to-new-listings ratio continued to suggest a balanced market, the median price of a single-family home rose for the second consecutive month, edging up 0.1 per cent. On an annual basis, prices were down 4.1 per cent. With markets expecting additional rate cuts at each of the central bank's remaining policy meetings in 2024, purchasing activity and price appreciation are likely to gain momentum heading into 2025.

Quiet housing market a promising sign for central bank. The median price of a single-family home has largely held unchanged since the beginning of the year, despite a clearer interest rate outlook forming. With the Bank of Canada stating that housing costs continue to be a main inflationary risk, this muted housing market activity lends support to additional interest rate cuts. Combined with an easing labour market, below-potential GDP growth and stagnating consumption, markets are now pricing in rate cuts at each of the Bank's remaining three policy meetings in 2024. Canada's key lending rate is anticipated to end the year at 3.75 per cent.



August 2024 | * Through June; ** Trailing 12-month sum; ^ Forecast provided by Capital Economics

Sources: Marcus & Millichap Research Services; Altus Data Solutions; Bank of Canada; Canada Mortgage and Housing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

CANADA HOUSING

MUTED HOUSING ACTIVITY LENDS FURTHER SUPPORT TO ADDITIONAL INTEREST RATE CUTS

Supply-side measures could provide some balance to market. Given underbuilding within Canada's apartment rental market since the late 1980s, the nation's vacancy rate held well below equilibrium levels at 1.5 per cent as of the end of 2023. In recent years, however, government incentives and healthy rent growth have encouraged more development, with completions now sitting at an all-time high. Supply growth in Canada's for-owned condo market — which tends to act as a secondary source of rental supply — has also been elevated since the early 2000s and is approaching all-time highs this year as well. Consequently, these supply-side dynamics could help stabilize Canada's multifamily market over the course of 2024. Nevertheless, as Canada continues to experience elevated population growth, vacancy is forecast to hold at a sub-2 per cent level, supporting annual rent growth in the range of 5.0-6.0 per cent. Multifamily will continue to hold as a preferred investment option as a result.

Demand likely to ease. While historic population gains over the past two years will continue to act as a tailwind for multifamily demand, recent changes in Canada's immigration policies will cause these demand pressures to ease over the coming years. Population growth reached 3.2 per cent annually as of the second quarter, with it forecast to slow to roughly 1.5 per cent by year-end and 0.5 per cent in 2025. At the same time, declining borrowing costs will allow some households to transition out of the rental market and into home ownership. Consequently, Canada's multifamily vacancy rate could inch up marginally over the coming years, causing annual rent growth to return to a more balanced level.

- Population Gains to Ease Amid Change in Policy -



August 2024 | * Through June; ** Trailing 12-month sum; ^ Forecast provided by Capital Economics

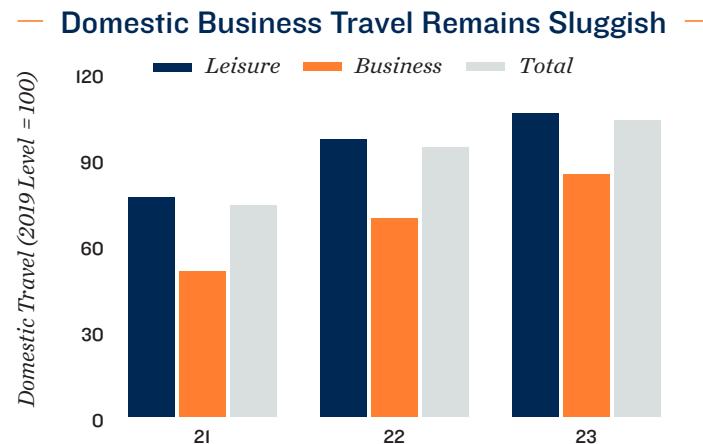
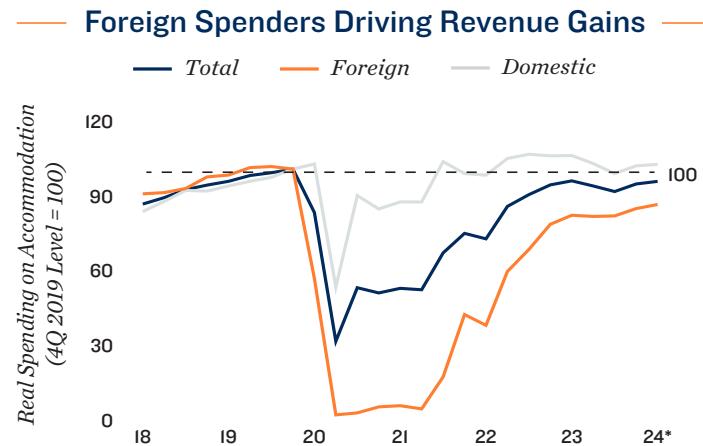
Sources: Marcus & Millichap Research Services; Altus Data Solutions; Bank of Canada; Canada Mortgage and Housing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

NATIONAL REPORT CANADA HOSPITALITY

INTERNATIONAL VISITS TAKE LEAD AS DOMESTIC TRAVEL NORMALIZES

Demand supported by inbound travel. In the second year without public health restrictions, rising travel demand continued to drive hotel revenues higher in 2023. The national occupancy rate exceeded pre-pandemic levels, with revenue per available room registering an annual increase of 18 per cent. As domestic travel demand fully normalized, a continued increase in inbound travel by nonresidents contributed to this upward momentum. Moving into 2024, however, the occupancy rate plateaued in the first half of the year, likely due to softer spending from the domestic market, especially as elevated interest rates tightened budgets for Canadian businesses and households. While this trend is expected to persist, a further recovery in inbound travel will help support hotel demand through year-end. RevPAR is forecast to increase by 4.1 per cent in 2024, driven primarily by rising average daily rates amid limited inventory expansion.

Domestic market faces near-term challenges. In the domestic market, transient leisure travel fully recovered to pre-pandemic levels in 2023, with the number of personal and leisure-related trips surpassing the 2019 benchmark by 6.0 per cent. Despite an uptick in the corporate segment, the number of business-related trips remained sluggish due to the adoption of remote meetings and businesses cutting travel spending. Weekday occupancy lagged as a result, especially for hotels located in downtown areas. In 2024, slower growth in the broader economy is expected to translate into softer domestic travel demand, particularly in the corporate segment as businesses may further tighten their travel policies. Leisure demand, however, could remain more resilient, as consumers continue to prioritize travel over other discretionary spending.



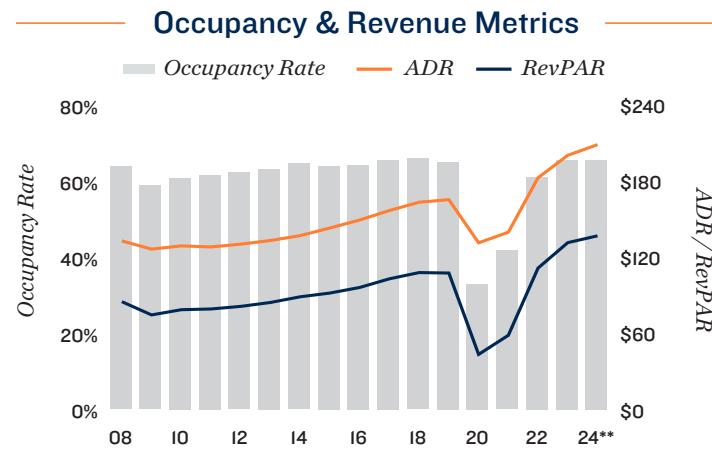
Q3/24 | * Through 1Q; ** Forecast

Sources: CoStar Group, Inc. Statistics CanadaHousing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

NATIONAL REPORT CANADA HOSPITALITY

INTERNATIONAL VISITS TAKE LEAD AS DOMESTIC TRAVEL NORMALIZES

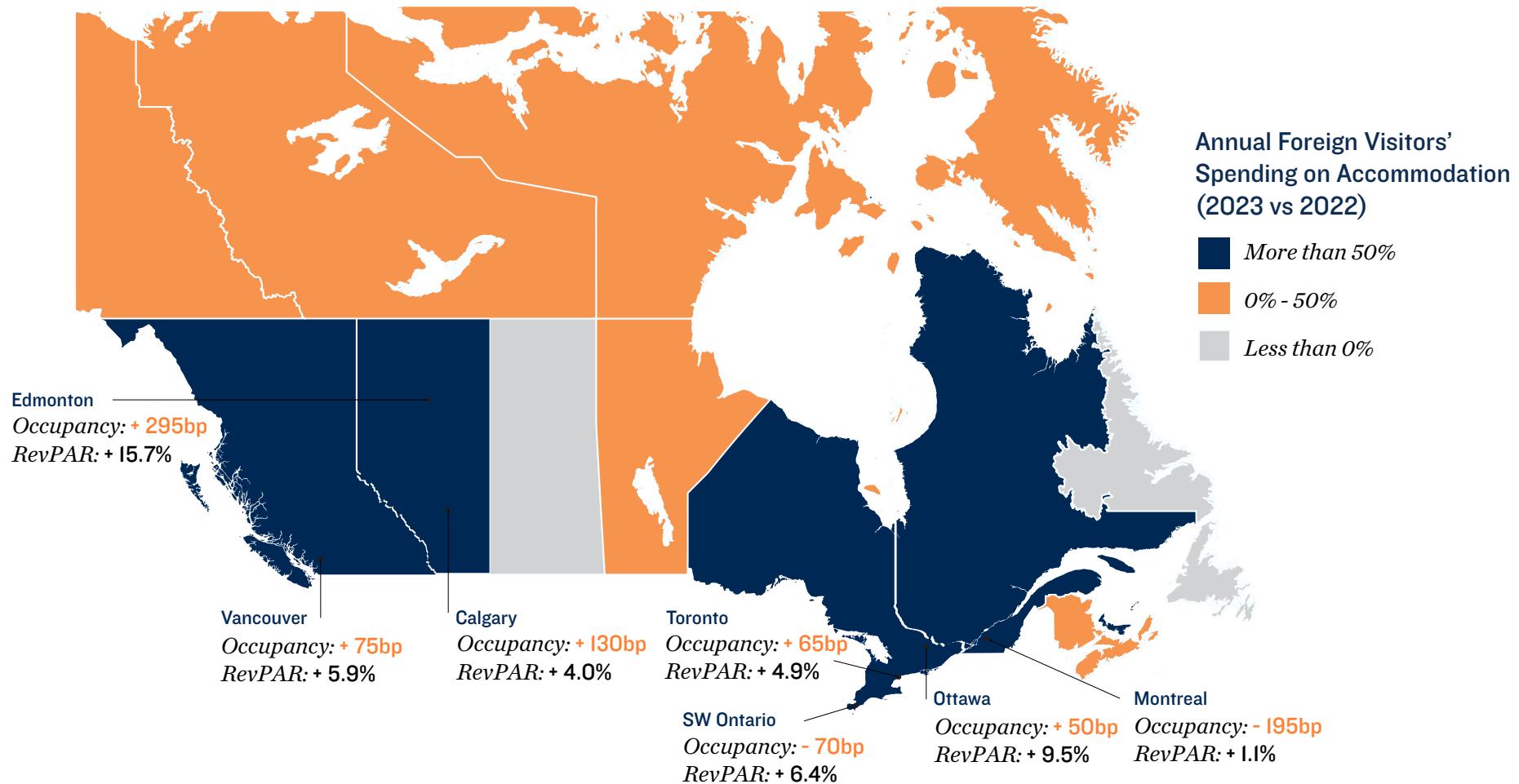
Foreign demand maintains strong influence. International inbound travel has bounced back strongly since restrictions were lifted. The number of foreign visitors surged by 52 per cent in 2023, reaching 84 per cent of the total traveler volume seen in 2019. The number of visitors from the United States — Canada's largest source of foreign visitors — rose by more than 50 per cent on the back of a strong U.S. economy and a favourable exchange rate. Inbound passenger volume from Asia, which had come to a standstill during the peak of the pandemic, rebounded sharply by 98 per cent, led by a remarkable 138 per cent annual increase from Northeast Asia. As inbound travel continues to normalize, further growth in foreign visitor arrivals is anticipated this year, providing a boost to hotel revenues against stabilizing domestic demand in 2024.



Q3/24 | * Through 1Q; ** Forecast

Sources: CoStar Group, Inc. Statistics CanadaHousing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

NATIONAL REPORT CANADA HOSPITALITY FOREIGN SPENDING UP IN ALL OF CANADA'S MAJOR METROS



Q3/24 | * Through 1Q; ** Forecast

Sources: CoStar Group, Inc. Statistics CanadaHousing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

NATIONAL REPORT CANADA HOSPITALITY FOREIGN SPENDING UP IN ALL OF CANADA'S MAJOR METROS

WESTERN CANADA

- Calgary, Alberta:** Hotel demand in Calgary is poised to stay on a positive trajectory in 2024, benefiting from robust economic growth driven by the energy sector and historic population expansion. While no new construction is expected this year, approximately 900 rooms are in various stages of development, providing some risk that investors continue to monitor.
- Edmonton, Alberta:** Driven by an increase in leisure travel, Edmonton's hotel occupancy reached the pre-pandemic level in 2023. Hotel performance is expected to continue improving this year as the metro holds more sports events, alongside a strong public sector presence supporting business travel. Supply-side pressure will be muted, with just one 48-unit hotel to be completed in the metro's Summerlea neighbourhood.
- Vancouver, British Columbia:** The metro will host various high-profile events in 2024 and beyond, including Taylor Swift concerts and the 2026 World Cup. These events will attract both domestic and foreign visitors, further strengthening the metro's hotel demand. With no new supply coming to market this year, occupancy is estimated to end the year above 79 per cent, which will continue to be the highest rate in Canada.

EASTERN CANADA

- Montreal, Québec:** Despite a notable return of visitors boosting occupancy and revenue, Montreal's hospitality sector faces a slower recovery compared to peers due to a significant inventory expansion. In 2024, over 200 rooms are expected for delivery. Coupled with sluggish growth in corporate and group demand, the occupancy rate is forecast to contract.
- Ottawa, Ontario:** While hotel demand is expected to continue trending upward in 2024, weakness in the metro's economy due to elevated interest rates will soften growth in leisure demand. Federal government's cuts in travel spending will also pose a key risk to the metro's hospitality sector in the years ahead.
- Southwestern Ontario:** Increased business activity has driven a rebound in corporate demand in Southwestern Ontario. The forthcoming completion of the Gordie Howe Bridge in 2025 is expected to bolster trade and tourism ties with the United States, enhancing hotel demand in the region.
- Toronto, Ontario:** Toronto is set to host numerous large-scale events in 2024, attracting a growing number of visitors and supporting another year of occupancy gains. Llagging corporate travel demand will be a weak spot, as in-person work has not materialized as quickly as expected.

Q3/24 | * Through 1Q; ** Forecast

Sources: CoStar Group, Inc. Statistics CanadaHousing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

NATIONAL REPORT CANADA HOSPITALITY 2024 FORECAST

CONSTRUCTION

3,300 units completed

- Following a brief recovery last year, completions are expected to decrease by 12 per cent due to elevated development costs. Toronto will lead in construction activity, adding over 1,400 rooms in 2024.

OCCUPANCY

10 basis point decrease Y-O-Y

- Hotel demand in 2024 is expected to be bolstered by foreign visitors and the domestic leisure segment. However, corporate travel is likely to remain subdued due to slower economic growth.

ADR

4.2% increase Y-O-Y

- ADR will continue to drift higher as the occupancy rate holds at a healthy level. However, the rate of increase is expected to moderate, reflecting softer demand amid slower economic growth.

REVPAR

4.1% increase Y-O-Y

- With the occupancy rate holding steady, the increase in RevPAR will be driven by higher daily rates. The most significant rate increases are anticipated throughout the summer months and in December.

Q3/24 | * Through 1Q; ** Forecast

Sources: CoStar Group, Inc. Statistics CanadaHousing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada

NATIONAL REPORT CANADA HOSPITALITY

2024 INVESTMENT OVERVIEW

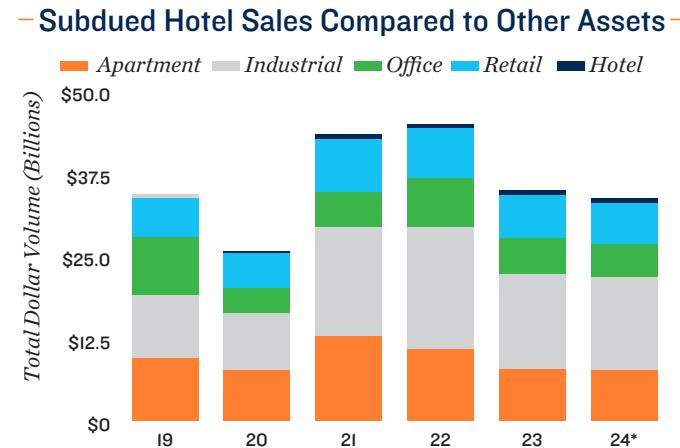
Large-sized deals seeing continued momentum. Buoyed by a demand recovery and improving investor confidence, sales activity continued to rise. The trailing 12-month dollar volume traded through the first quarter of 2024 increased by 25 per cent year-over-year, driven primarily by transactions exceeding \$20 million. This surge in sales volume reflects renewed buyer interest following the post-pandemic recovery in travel demand, while some sellers took advantage of higher hotel valuations to divest their assets.

Investors remain heavily focused on Ontario market. As the hub of Canada's political, financial and manufacturing sectors, Ontario continues to lead as the most active transaction market. The province accounted for over 65 per cent of the total number of sales in Canada in the first half of 2024. The largest transaction this year was the acquisition of 10 hotels by InnVest and Manga Hotel Group from Morguard Corp. A vast majority of these properties are located in Ontario, with some also in Nova Scotia.

High buyer demand unmet due to scarce opportunities. While hotel assets in Canada attract significant buyer interest, many owners' long-term hold strategies, often stemming from generational ownership structures, have restricted the availability of properties for sale. As a result, investment activity in the hospitality sector is expected to remain subdued compared to other core assets in the foreseeable future.

Q3/24 | * Through 1Q; ** Forecast

Sources: CoStar Group, Inc. Statistics CanadaHousing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada



NATIONAL REPORT CANADA HOSPITALITY

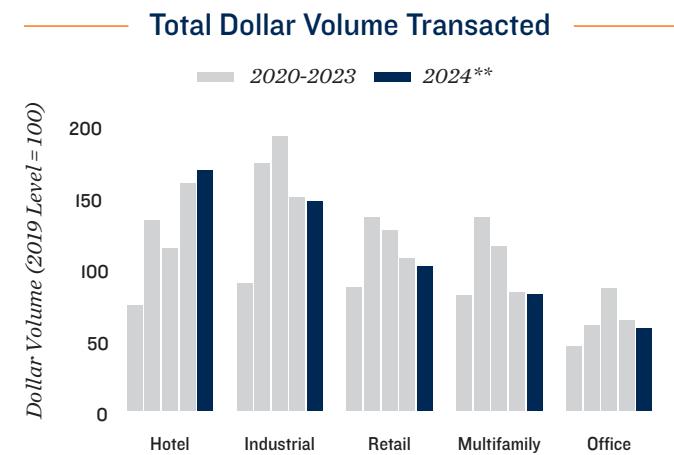
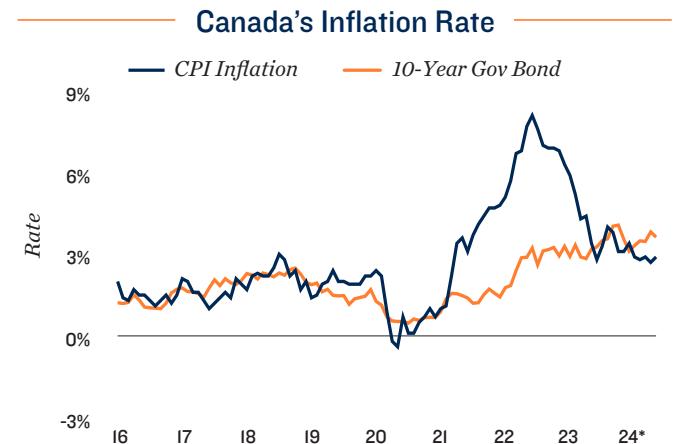
LOWER RATES KICK-START TRANSACTION ACTIVITY AMID UNIQUE DYNAMICS IN CANADA'S HOSPITALITY SECTOR

Rate cuts the main theme throughout 2024. Since the Bank of Canada's first rate cut this year, economic data has continued to reflect easing inflationary pressures, suggesting further policy easing may be on the horizon. Despite a slight uptick from April, inflation remained within the Bank's target range in May. The labour market stayed on a softening path, with the latest job vacancy rate dropping to the lowest level since March 2020. Additionally, home resale activity weakened in May as new listings increased amid muted demand, making the housing market more favourable for buyers. Evolving demographic trends, such as a decrease in the inflow of temporary residents due to Canada's new immigration policy, are also expected to contribute to lower price growth in the near term by putting downward pressure on shelter inflation. While current market consensus anticipates three to four additional rate cuts through the end of 2024, the Bank of Canada will maintain a data-dependent approach to create a monetary environment that sustains economic growth without causing inflation to re-accelerate.

Easing financial costs strengthen investor sentiment. Due to a swift post-pandemic recovery in the travel industry and the ability to generate inflation-adjusted cash flows, hotels have been one of investors' most preferred asset types in Canada since 2020. Despite rising interest rates, total dollar volume rose 40 per cent last year, with the upward momentum persisting into 2024. As financing conditions start to improve, hotel properties, which have historically offered the highest cap rate among all core assets, will appear more appealing to investors. This may lead to a further increase in buy-side activity and upward pressure on hotel valuations. However, still top of mind for buyers are the particular risks in Canada's hospitality sector. With high exposure to international markets, the tourism industry in Canada has experienced impacts from global political and economic developments since the health crisis. For instance, the war between Russia and Ukraine disrupted normal flight paths between Asia and North America. Consequently, passenger volume from Asia currently remains well below pre-pandemic levels. At the same time, a strong U.S. dollar, relative to the Canadian dollar, has made travel to Canada more affordable for U.S. residents, while encouraging more Canadians to vacation domestically. Nevertheless, robust operating performance coupled with lower financing costs will provide a foundation for strong investor confidence in the near term.

Q3/24 | * Through 1Q; ** Forecast

Sources: CoStar Group, Inc. Statistics CanadaHousing Corporation; Capital Economics; CoStar Group, Inc.; Statistics Canada



CANADIAN SENIORS HOUSING OUTLOOK

THE AGING POPULATION IN CANADA AND AROUND THE GLOBE WILL BE A DEFINING THEME OF THE NEXT 20 YEARS

For the past 70 plus years, the Baby Boomer demographic cohort has wielded significant influence on our society. Through the power in numbers, the level of economic activity generated by the aging of those individuals born between 1946 and 1964 has been a driving force. This phenomenon resulted in an expansion in the education system in the 1960's and 1970's and construction of new colleges and universities in the 1970's and 1980's. As this population continues to age, the healthcare system will need to respond to the increasing demand from this cohort

According to the Canadian Institute for Health Information, the average healthcare spending on those age 80 and older is more than seven times the amount spent for someone between the ages of 1 and 64. Governments continue to grapple with growing demands for spending at a time when the overall labour force participation rate (and by extension, individuals paying income tax) is expected to decrease due to the aging population. The private sector will be increasingly called upon to come up with innovative solutions to provide housing and services for the growing segment of the population aged 75-plus. The seniors housing & care property market is a direct beneficiary of these trends

Over the next 20 years, the 75-plus segment is expected to grow by almost 4.0% per year and will account for 13.5% of the total population by 2040. In order to maintain the current level of seniors housing inventory per capita, total supply will need to more than double over the next 20 years to maintain equilibrium

In addition to the number of seniors in the 75-plus segment, we also know that in general, Canadians are living longer. According to Statistics Canada's most recent data on life expectancy, between 1992 and 2009, the life expectancy at age 65 has increased by more than two years

In Canada, there currently are approximately 3,651 senior housing properties containing 319,925 units (excluding long-term care properties)

Combined, these factors are expected to result in a greater level of consumer demand for seniors housing

RETIREMENT MARKET OVERVIEW LIFESTYLE AND AFFORDABILITY OF SENIORS HOUSING

With the rapid expansion of the seniors sector in Canada in the past decade, new developments have increasingly brought improvements to buildings, programs, and amenities at seniors housing facilities. Seniors (and their offspring) are well informed about the needs of the aging, the increasing number of choices available, and their freedom to select the lifestyle they want or need. Increasingly, seniors and families are requesting more services to enable residents to “age in place” and delay or avoid a transfer to another setting

The income and household wealth of Canadian seniors 75 plus varies greatly from province to province. Since seniors who own their home are typically mortgage free, the sale of their home, when reinvested, adds to the available income that enables them to afford accommodation in Retirement Housing

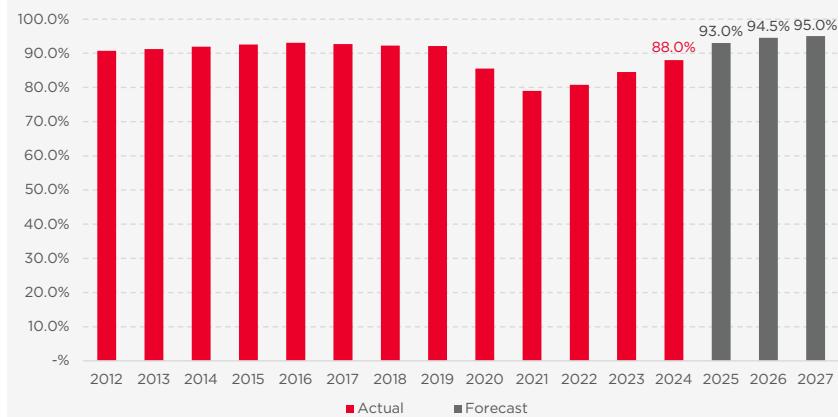


SENIORS HOUSING OPERATING PERFORMANCE

National seniors housing occupancy continues on a steady path of recovery. The market is poised to surpass pre-pandemic occupancy by the end of 2025

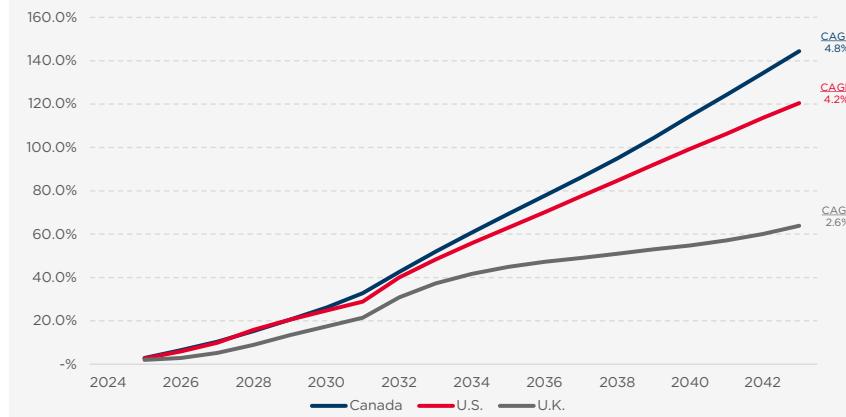
Demand for seniors housing is being driven by structural shifts in the age and composition of Canada's population

OCCUPANCY FORECAST



Source: Cushman & Wakefield ULC and CMHC Seniors Housing Report (Time period adjustment (t-1) for historical CMHC survey data lag)

PROJECTED CUMULATIVE GROWTH IN POPULATION AGE 80+



Sources: Canada: Statistics Canada. Table: 17-10-0057-01. Projection scenario M4: medium-growth 7. June 2024. U.S. Census Bureau: 2023 National Population Projections Datasets. November 2023. U.K. Office for National Statistics. 2021-based Interim National Population Projections. January 2024

Source: Cushman Wakefield Valuation & Advisory Publication September 2024

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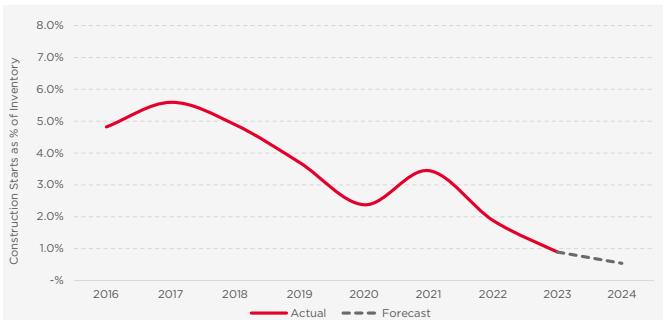
SENIORS HOUSING OPERATING PERFORMANCE

Source: Altus Group Statistics, 2024 based on information from the C&W Construction Index, January 2024

Inflation and higher interest rates have resulted in material increases in the cost to build new product, which has crowded out investment in development at a time when the increased supply is needed

CONSTRUCTION STARTS AS % OF INVENTORY (UNITS)

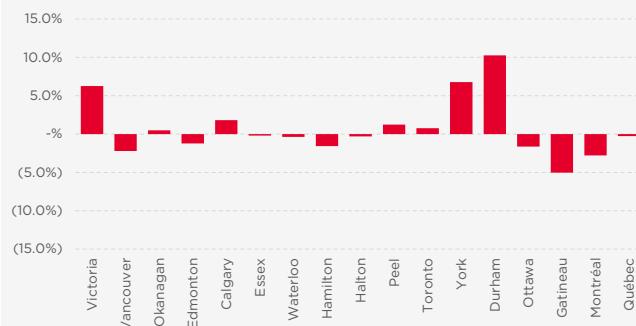
CANADA



Metric: Projects which commenced construction in the period (measured by units) as a percentage of the existing units of inventory (Sample based on C&W Construction Index) Source: Cushman & Wakefield ULC

In recent years, the absolute supply of seniors housing rental units has declined in certain markets, as property closures have exceeded new supply deliveries

MAJOR METRO MARKET SUPPLY GROWTH YEAR-OVER-YEAR



Source: Cushman Wakefield Valuation & Advisory Publication September 2024

Other than prospective interest savings, it is unlikely that material construction cost deflation will spur new development in the short term

HARD COST ESCALATION: SENIORS HOUSING & LONG-TERM CARE RESIDENCES

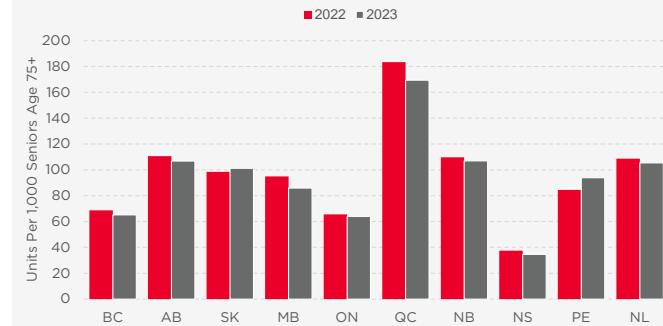
CANADA



Source: Altus Group and Cushman & Wakefield ULC

We expect the overall national inventory of seniors housing rental units will shrink in absolute terms in 2026/27 due to the slowdown in new development coupled with the closure of older residences

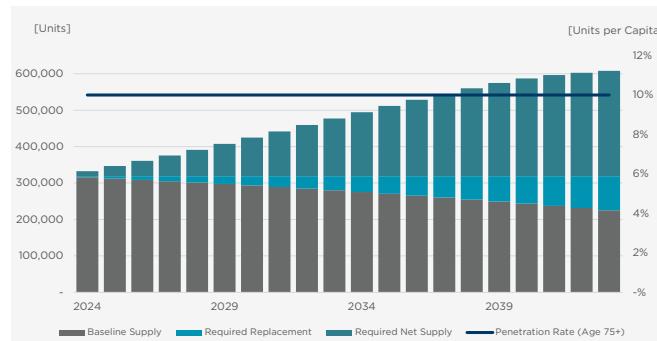
PER CAPITA SUPPLY CONTRACTION IN CERTAIN MARKETS



SENIORS HOUSING OPERATING PERFORMANCE

Over the course of the next 10 years, we project about 200,000 new seniors housing suites are required to maintain market equilibrium. For context, less than 73,000 suites were built during the past decade

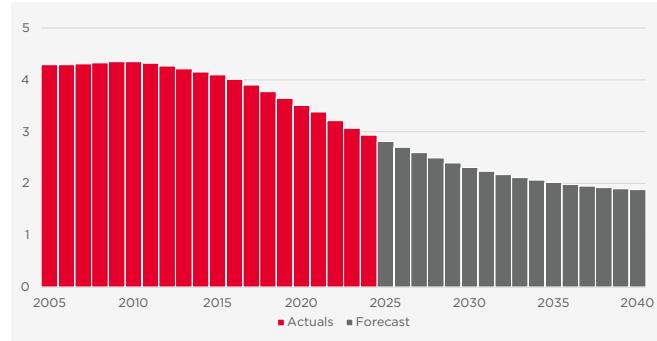
NEW SUPPLY REQUIRED TO MAINTAIN MARKET EQUILIBRIUM



Source: Cushman & Wakefield ULC

The declining ratio of available family caregivers per senior will make it more challenging to age at home, further bolstering the needs-driven demand for seniors housing

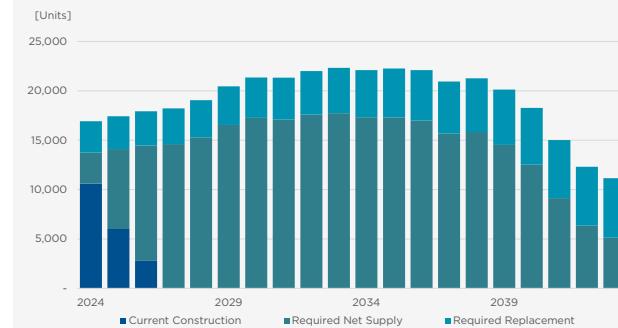
RATIO OF CAREGIVER POPULATION (AGES 45-64) TO ELDERLY POPULATION (AGE 75+)



Source: Cushman & Wakefield Valuation & Advisory Publication September 2024

The current rate of construction starts is not keeping pace with the rate of required replacement. We think it is unlikely that the rate of supply growth will keep pace with demand, leading to a tighter market

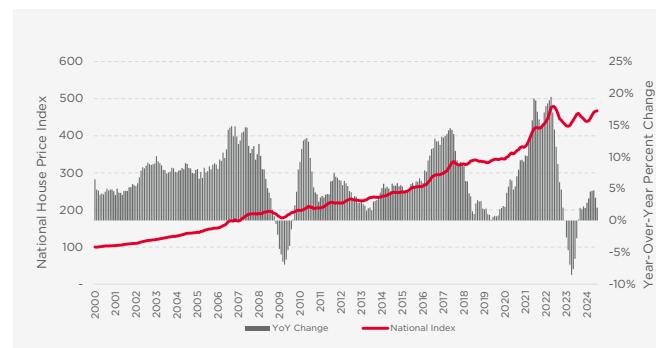
REQUIRED NET NEW SUPPLY VS. LIFECYCLE REPLACEMENT OF EXISTING INVENTORY



Source: Cushman & Wakefield ULC

The resilient residential housing market is resulting in further wealth accumulation by the Boomer target market

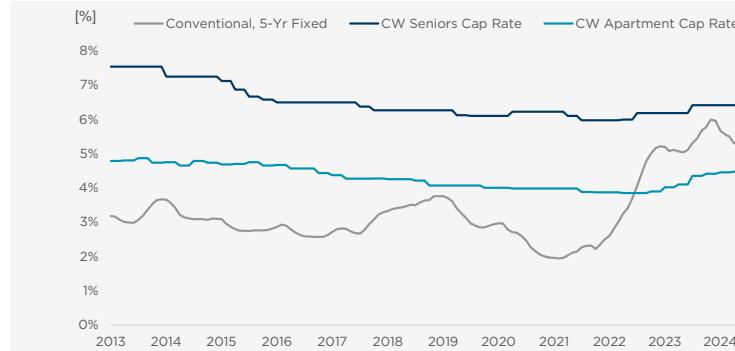
NATIONAL HOUSE PRICE INDEX



SENIORS HOUSING OPERATING PERFORMANCE

After a relatively quiet period during the past ~24 months, the investment market is exhibiting signs that it is on a path back to normalcy

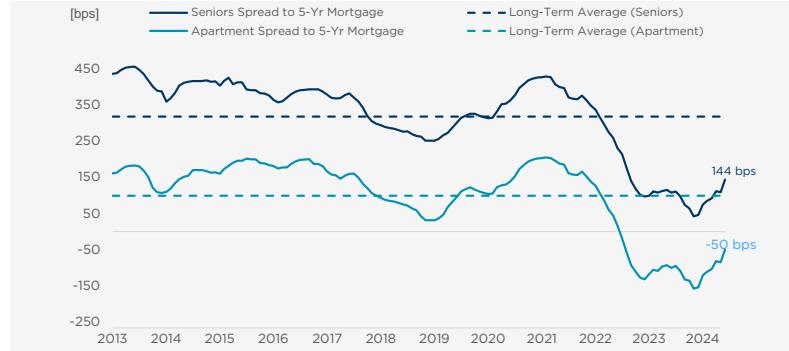
SENIORS HOUSING AND APARTMENTS CAP RATE VERSUS CONVENTIONAL MORTGAGE RATES



Source: Cushman & Wakefield ULC

Investors' cost of capital is trending back to its historical mean as the cost of borrowing pulls back from the highest levels in over a decade

CAP RATE SPREADS TO CONVENTIONAL 5-YEAR MORTGAGE RATES

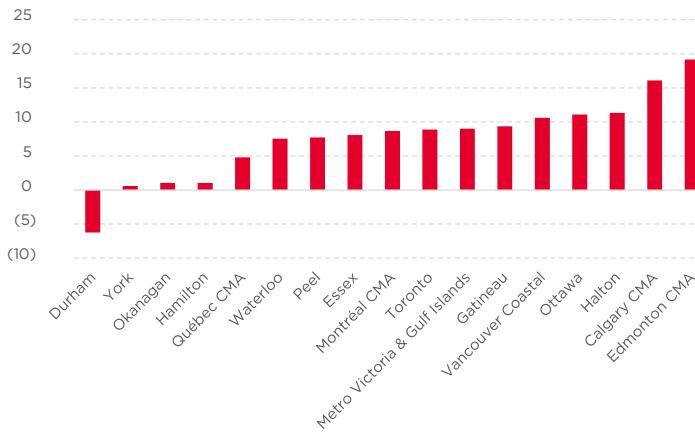


Source: Cushman & Wakefield ULC

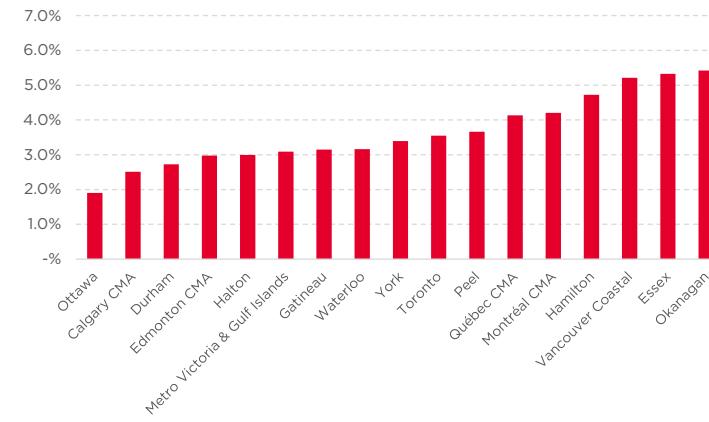
Source: Cushman Wakefield Valuation & Advisory Publication September 2024

SENIORS HOUSING OPERATING PERFORMANCE

NET OCCUPANCY ABSORPTION SINCE 2021
(PERCENTAGE POINTS)



RENT GROWTH (TRAILING 5-YEAR CAGR)



SENIORS HOUSING SUPPLY PER CAPITA VS.
INVENTORY GROWTH



Source: Cushman Wakefield Valuation & Advisory Publication September 2024

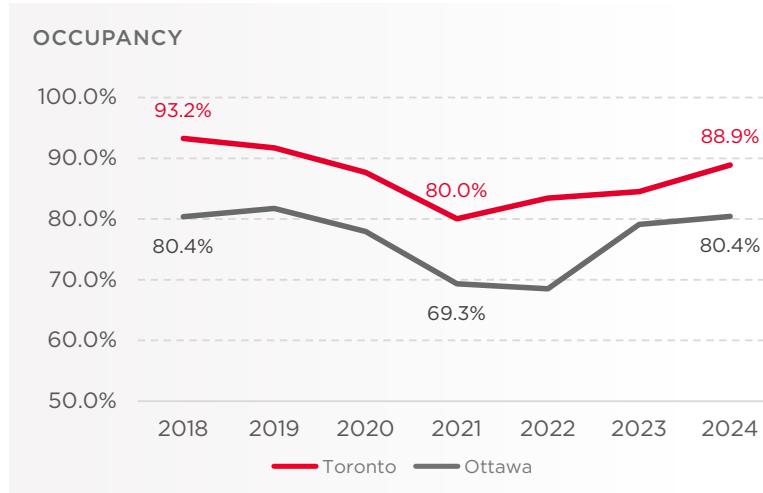
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Marcus & Millichap Real Estate Investment Services Canada Inc., Brokerage

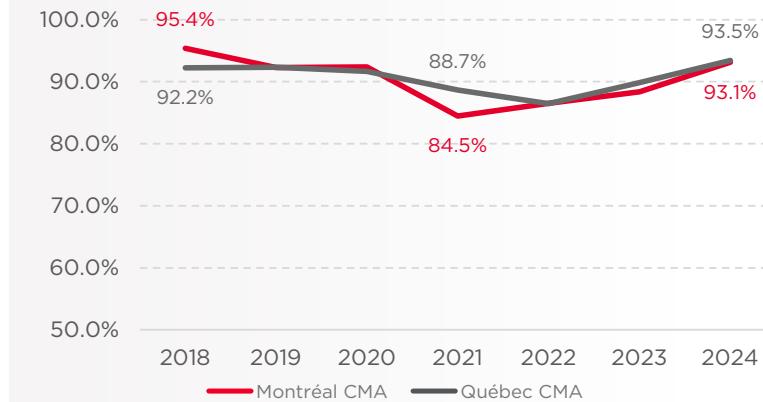
SENIORS HOUSING OPERATING PERFORMANCE

PRIMARY MARKETS: OCCUPANCY AND MONTHLY RENT GROWTH

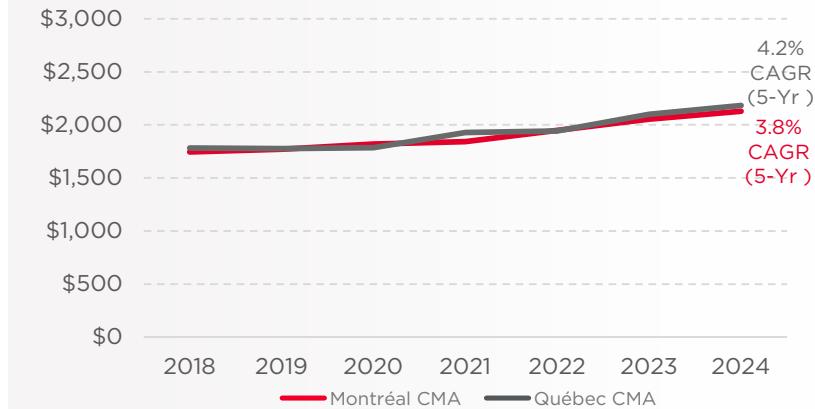
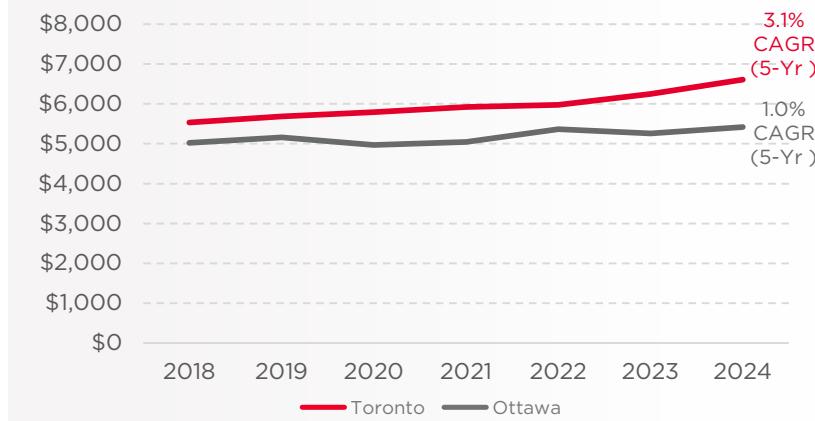
TORONTO / OTTAWA



MONTRÉAL / QUÉBEC



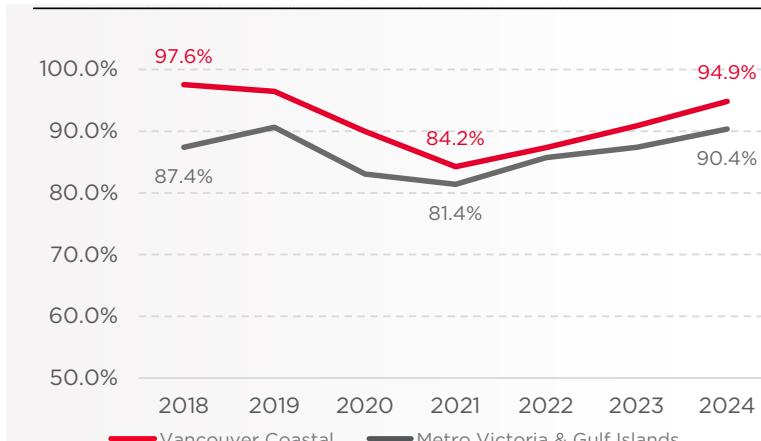
ONE BEDROOM RENT



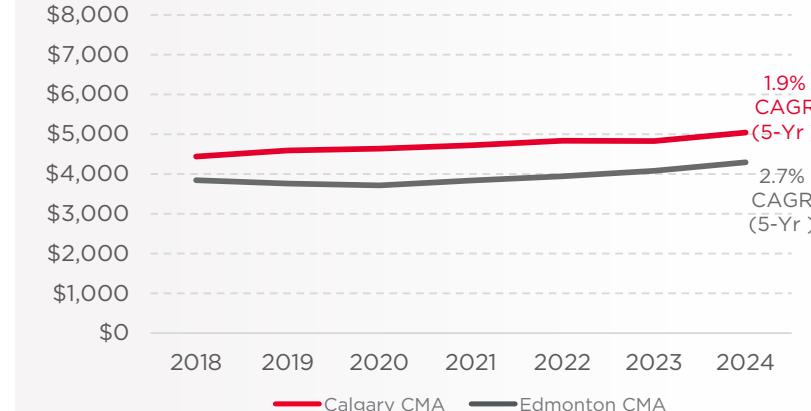
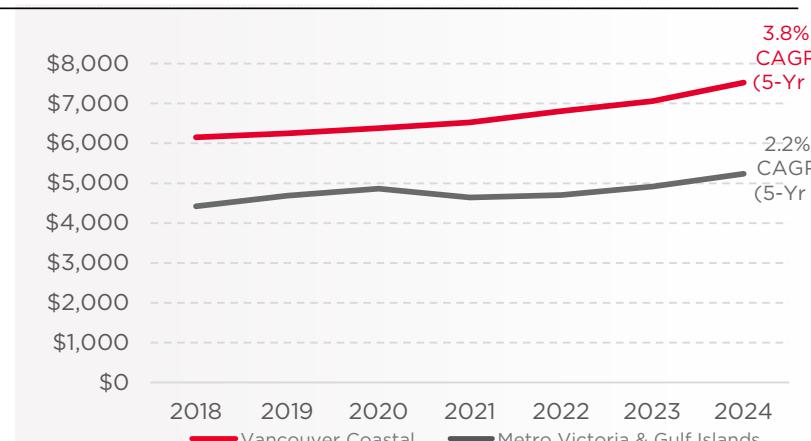
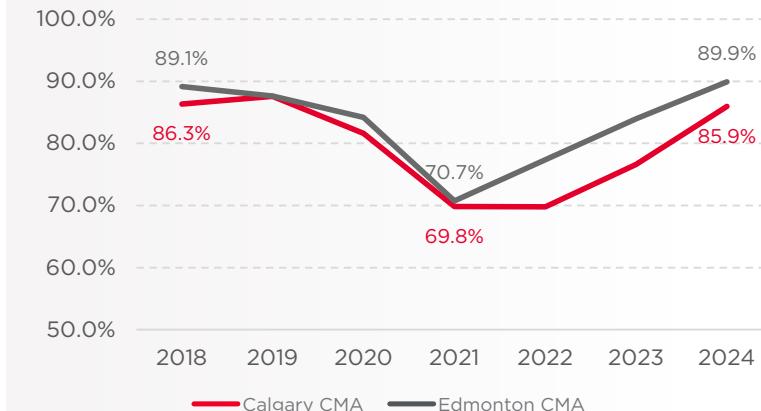
Source: Cushman Wakefield Valuation & Advisory Publication September 2024

SENIORS HOUSING OPERATING PERFORMANCE

VANCOUVER / VICTORIA &
GULF ISLANDS



CALGARY / EDMONTON



Note: Average rents reflect typical ISL service package (i.e., including daily meals and weekly housekeeping) except for reported Montréal and Québec rents, which exclude the services component

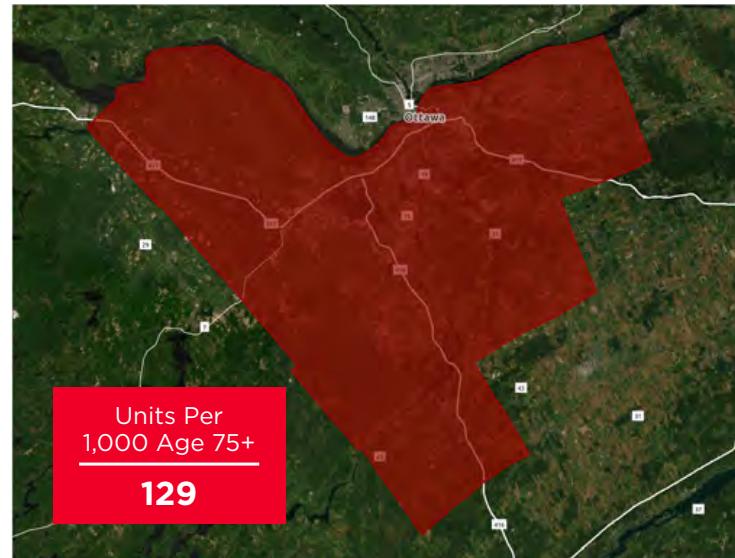
Source: Cushman & Wakefield ULC

Source: Cushman Wakefield Valuation & Advisory Publication September 2024

SENIORS HOUSING OPERATING PERFORMANCE

Ottawa	2018	2019	2020	2021	2022	2023	2024
OVERALL OCCUPANCY							
MEDIAN	80.4%	81.7%	77.9%	69.3%	68.5%	79.1%	80.4%
AVERAGE RENT							
MEDIAN RENT	\$4,351	\$4,471	\$4,324	\$4,322	\$4,581	\$4,657	\$4,913
RENT PSF	\$8.27	\$8.50	\$8.12	\$8.19	\$8.66	\$9.18	\$9.38
POTENTIAL GAIN-TO-LEASE	6%	8%	1%	1%	3%	2%	4%
% OF IL SUITE MIX	100%	100%	100%	100%	100%	100%	100%
STUDIO							
MEDIAN RENT	\$3,552	\$3,626	\$3,417	\$3,336	\$3,507	\$3,570	\$3,800
RENT PSF	\$9.16	\$9.39	\$8.85	\$8.71	\$9.19	\$10.06	\$11.40
POTENTIAL GAIN-TO-LEASE	8%	9%	1%	(0%)	3%	6%	4%
% OF IL SUITE MIX	51%	51%	50%	50%	49%	47%	44%
ONE BEDROOM							
MEDIAN RENT	\$5,020	\$5,157	\$4,969	\$5,046	\$5,363	\$5,260	\$5,417
RENT PSF	\$8.33	\$8.56	\$8.23	\$8.36	\$8.88	\$8.78	\$8.97
POTENTIAL GAIN-TO-LEASE	5%	9%	(0%)	0%	2%	0%	4%
% OF IL SUITE MIX	37%	37%	37%	37%	38%	40%	42%
ONE BEDROOM + DEN							
MEDIAN RENT	\$6,509	\$6,745	\$6,966	\$7,204	\$7,712	\$8,085	\$8,472
RENT PSF	\$9.06	\$9.38	\$9.70	\$10.03	\$10.77	\$11.31	\$11.85
POTENTIAL GAIN-TO-LEASE	4%	2%	5%	9%	5%	1%	3%
% OF IL SUITE MIX	2%	2%	2%	2%	2%	3%	3%
TWO BEDROOM							
MEDIAN RENT	\$5,458	\$5,729	\$5,747	\$5,890	\$6,108	\$6,371	\$6,585
RENT PSF	\$6.01	\$6.29	\$6.29	\$6.43	\$6.69	\$6.77	\$6.97
POTENTIAL GAIN-TO-LEASE	8%	6%	3%	2%	7%	(2%)	3%
% OF IL SUITE MIX	10%	10%	11%	10%	10%	10%	11%

MARKET MAP: OTTAWA



Census Areas/Census Metropolitan Areas within the Primary Geography includes: Ottawa West, Ottawa Central and Ottawa East

Source: Cushman Wakefield Valuation & Advisory Publication September 2024

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Marcus & Millichap Real Estate Investment Services Canada Inc., Brokerage

NATIONAL INVESTMENT TRENDS Q2 2024 CANADA CAP RATES

Downtown office	Victoria	Vancouver	Calgary	Edmonton	Saskatoon	Winnipeg	London
AA	N/A	5.25% - 6.00% 	9.00% - 9.50% 	7.75% - 8.75% 	N/A	N/A	N/A
A	6.25% - 6.50% 	5.50% - 6.25% 	10.50% - 11.50% 	9.50% - 11.50% 	7.25% - 7.75% 	7.00% - 8.00% 	7.00% - 8.25% 
B	6.50% - 6.75% 	5.75% - 6.50% 	12.50% - 13.00% 	11.00% - 12.00% 	8.25% - 9.25% 	7.50% - 8.50% 	7.75% - 9.00% 
Suburban Office							
A	6.25% - 6.75% 	6.00% - 6.50% 	9.25% - 10.25% 	9.25% - 10.25% 	7.00% - 7.50% 	6.75% - 7.75% 	6.25% - 7.25% 
B	6.50% - 7.00% 	6.25% - 6.75% 	11.00% - 12.00% 	10.00% - 12.00% 	7.75% - 8.25% 	7.50% - 8.50% 	6.75% - 8.25% 
Industrial							
A	5.00% - 5.25% 	4.50% - 5.00% 	5.50% - 6.00% 	5.75% - 6.50% 	6.50% - 7.00% 	6.50% - 7.50% 	5.50% - 6.25% 
B	5.00% - 5.50% 	4.75% - 5.00% 	6.00% - 7.00% 	6.75% - 7.75% 	7.25% - 7.75% 	7.00% - 8.00% 	6.00% - 7.00% 
Retail							
Regional	5.75% - 6.25% 	5.25% - 5.75% 	6.00% - 7.00% 	6.00% - 7.00% 	6.50% - 6.75% 	6.50% - 7.50% 	6.25% - 7.00% 
Power	5.75% - 6.25% 	5.50% - 6.00% 	7.00% - 8.00% 	7.00% - 8.00% 	6.50% - 6.75% 	6.50% - 7.50% 	6.25% - 7.25% 
Neighbourhood	5.75% - 6.00% 	5.25% - 5.75% 	6.25% - 7.25% 	7.00% - 8.00% 	6.75% - 7.50% 	7.25% - 7.50% 	6.00% - 7.50% 
Strip	5.75% - 6.00% 	5.00% - 5.50% 	5.75% - 6.25% 	6.00% - 6.75% 	6.50% - 7.00% 	6.50% - 7.50% 	6.00% - 7.25% 
Non-anchored Strip Mall	5.75% - 6.25% 	5.50% - 6.00% 	6.25% - 6.75% 	6.75% - 7.50% 	7.50% - 7.75% 	7.00% - 7.50% 	6.25% - 7.50% 
Urban Streetfront	5.75% - 6.25% 	5.25% - 5.75% 	6.50% - 7.50% 	7.00% - 7.50% 	7.00% - 7.50% 	7.00% - 7.50% 	7.00% - 8.50% 
High Street	5.75% - 6.00% 	5.00% - 5.50% 	N/A	N/A	N/A	N/A	N/A
Multifamily							
High Rise A	N/A	2.50% - 3.50% 	4.50% - 5.00% 	4.50% - 5.00% 	N/A	N/A	4.00% - 5.25% 
High Rise B	4.25% - 4.50% 	2.75% - 3.50% 	5.00% - 5.50% 	4.75% - 5.25% 	5.25% - 5.75% 	4.75% - 5.25% 	4.00% - 5.75% 
Low Rise A	4.25% - 4.75% 	3.00% - 4.00% 	4.50% - 5.00% 	4.75% - 5.50% 	5.50% - 6.00% 	4.50% - 5.25% 	4.25% - 6.00% 
Low Rise B	4.00% - 4.50% 	3.00% - 4.50% 	5.00% - 5.50% 	5.00% - 5.75% 	6.25% - 6.75% 	5.00% - 5.25% 	4.50% - 6.25% 
New Construction	4.50% - 5.00% 	4.00% - 4.60% 	4.50% - 5.00% 	4.50% - 5.00% 	5.00% - 5.50% 	N/A	4.50% - 5.25% 
Seniors Housing							
Independent/Assisted Living A	6.00% - 6.50% 	5.75% - 6.50% 	6.50% - 7.25% 	6.50% - 7.25% 	6.75% - 7.50% 	6.75% - 7.50% 	6.50% - 7.00% 
Independent/Assisted Living B	7.50% - 8.00% 	7.25% - 7.75% 	8.00% - 8.75% 	8.00% - 8.75% 	8.50% - 9.25% 	8.50% - 9.25% 	7.75% - 8.50% 
Long Term Care A	7.00% - 7.50% 	7.00% - 7.50% 	7.75% - 8.50% 	7.75% - 8.50% 	N/A	N/A	7.25% - 7.75% 
Hotel							
Downtown Full Service	7.00% - 8.00% 	5.25% - 6.75% 	7.75% - 9.00% 	8.25% - 9.75% 	8.25% - 9.75% 	8.25% - 9.75% 	8.00% - 9.50% 
Suburban Limited Service	8.75% - 9.75% 	7.00% - 8.50% 	9.00% - 10.00% 	9.25% - 10.50% 	9.25% - 10.75% 	9.25% - 10.75% 	9.00% - 10.00% 
Focused Service	8.25% - 9.25% 	6.50% - 8.00% 	8.50% - 9.50% 	8.50% - 10.00% 	8.75% - 10.25% 	8.75% - 10.25% 	8.50% - 9.50% 

Source: CBRE research - CBRE_2024_Q2_CapRates & Investment Insights_Canada

NATIONAL INVESTMENT TRENDS

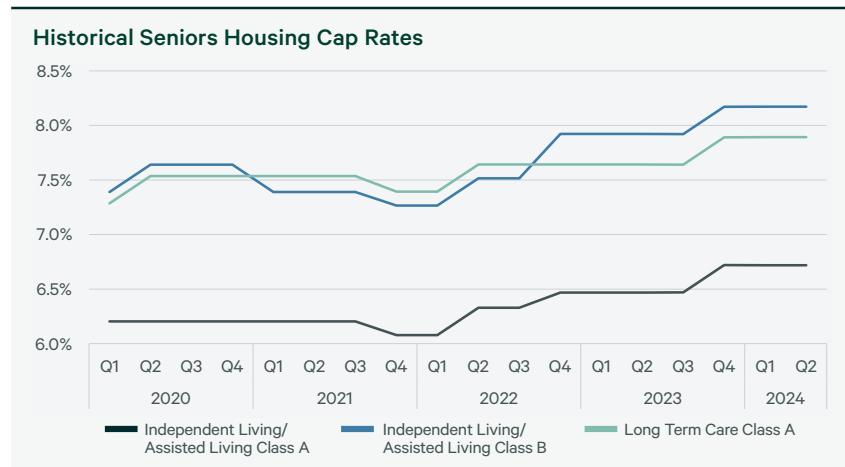
Q2 2024 CANADA CAP RATES

Downtown office	Kitchener-Waterloo	Toronto	Ottawa	Montreal	Quebec City	Halifax
AA	N/A	5.25% - 6.00%	6.25% - 6.50%	6.25% - 6.75%	N/A	N/A
A	6.00% - 6.75%	6.00% - 6.75%	6.50% - 7.25%	6.75% - 7.25%	6.75% - 8.00%	7.50% - 8.25%
B	6.50% - 7.25%	6.50% - 7.25%	7.25% - 8.00%	7.25% - 7.75%	8.25% - 9.50%	8.25% - 8.75%
Suburban Office						
A	6.50% - 7.50%	7.25% - 8.00%	7.50% - 8.25%	7.50% - 8.00%	8.25% - 9.00%	7.50% - 8.25%
B	7.00% - 7.75%	8.00% - 8.75%	8.25% - 8.75%	8.50% - 9.50%	9.00% - 10.00%	8.25% - 9.00%
Industrial						
A	5.75% - 6.50%	5.00% - 5.50%	6.25% - 6.75%	6.00% - 6.50%	5.25% - 6.50%	6.50% - 7.00%
B	6.00% - 7.00%	5.25% - 6.00%	6.50% - 6.75%	6.25% - 6.75%	6.25% - 7.75%	7.00% - 7.50%
Retail						
Regional	6.00% - 6.50%	5.25% - 6.75%	6.00% - 6.25%	6.25% - 6.75%	7.25% - 8.00%	7.50% - 8.50%
Power	6.00% - 6.50%	6.25% - 7.25%	6.50% - 6.75%	7.00% - 7.50%	7.75% - 8.50%	7.25% - 8.00%
Neighbourhood	6.00% - 6.50%	5.75% - 6.75%	6.25% - 6.75%	7.00% - 7.50%	9.00% - 10.00%	7.50% - 8.50%
Strip	5.50% - 6.35%	5.25% - 6.00%	6.50% - 6.75%	6.50% - 7.00%	7.00% - 8.00%	7.25% - 8.25%
Non-anchored Strip Mall	6.00% - 6.50%	5.50% - 6.50%	6.25% - 7.00%	7.00% - 7.50%	8.75% - 9.25%	8.00% - 8.75%
Urban Streetfront	6.00% - 7.00%	5.00% - 5.50%	5.75% - 6.25%	5.25% - 5.75%	N/A	7.25% - 7.75%
High Street	N/A	5.00% - 5.50%	N/A	N/A	N/A	N/A
Multifamily						
High Rise A	4.25% - 4.75%	3.50% - 4.75%	4.50% - 5.00%	4.25% - 4.75%	4.25% - 5.00%	4.50% - 5.00%
High Rise B	4.25% - 5.00%	3.75% - 5.00%	4.65% - 5.50%	4.50% - 5.00%	5.00% - 6.00%	4.75% - 5.25%
Low Rise A	4.25% - 5.25%	3.50% - 4.75%	4.50% - 5.00%	4.75% - 5.25%	4.50% - 5.25%	4.50% - 5.00%
Low Rise B	4.25% - 5.50%	3.75% - 5.00%	4.90% - 5.50%	5.25% - 5.75%	5.00% - 6.00%	5.00% - 5.50%
New Construction	4.25% - 4.75%	4.00% - 4.75%	4.50% - 4.75%	4.25% - 4.75%	4.25% - 4.75%	4.50% - 5.00%
Seniors Housing						
Independent/Assisted Living A	6.50% - 7.00%	6.00% - 6.75%	6.25% - 6.75%	6.25% - 7.00%	6.75% - 7.25%	6.75% - 7.75%
Independent/Assisted Living B	7.75% - 8.50%	7.25% - 8.00%	7.50% - 8.25%	7.75% - 8.75%	8.00% - 9.00%	8.00% - 9.00%
Long Term Care A	7.25% - 7.75%	7.25% - 7.75%	7.25% - 7.75%	8.00% - 8.50%	8.25% - 8.75%	8.25% - 8.75%
Hotel						
Downtown Full Service	8.00% - 9.25%	5.25% - 6.75%	7.50% - 8.50%	6.50% - 7.50%	8.00% - 9.00%	7.50% - 9.00%
Suburban Limited Service	9.00% - 10.00%	8.00% - 9.00%	8.75% - 9.75%	8.50% - 9.50%	9.00% - 10.00%	9.00% - 10.00%
Focused Service	8.50% - 9.50%	7.50% - 8.50%	8.25% - 9.25%	7.50% - 9.00%	8.50% - 9.50%	8.50% - 9.50%

Source: CBRE research - CBRE_2024_Q2_CapRates & Investment Insights_Canada

SENIORS HOUSING INVESTMENT TRENDS, Q2 2024 CANADA CAP RATES

- The Senior Living market experienced low but increasing transaction activity in Q2 2024 as investors continue to seek opportunistic acquisitions amid the current macroeconomic environment.
- The June interest rate cut has contributed to renewed optimism in the sector with strong bid depth during Q2 in major markets and several deals that are expected to close in the latter half and should allow for future cap rate compression.
- The outlook for the sector remains exceptional in view of compelling demand fundamentals despite uneven occupancy recovery in the short term with some properties and asset classes faring better than others.
- Construction starts reached historic lows in 2023 at less than 1% of inventory given elevated financing costs and construction timelines. This bodes well for going-concern properties which continue to see upward pressure on rental rates given the lack of supply growth and an aging demographic.



Source: CBRE research - CBRE_2024_Q2_CapRates & Investment Insights_Canada

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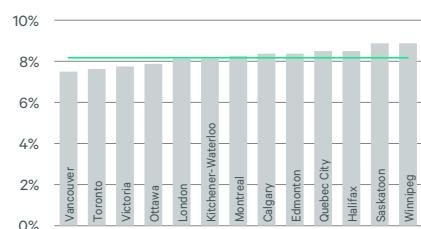
Regional Rankings

Cap Rate △ Q/Q National Average

Independent Living/Assisted Living Class A



Independent Living/Assisted Living Class B

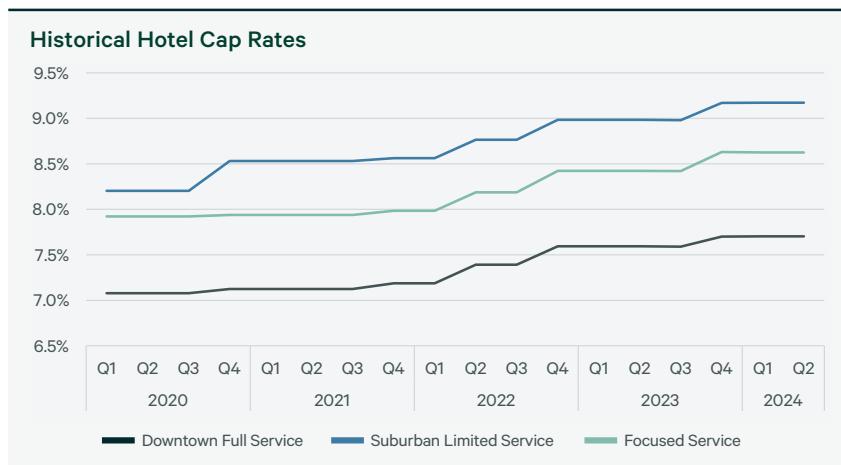


Long Term Care Class A



HOTEL INVESTMENT TRENDS, Q2 2024 CANADA CAP RATES

- Hotel investment activity in Q2 2024 was in line with Q1 2024 (excluding large portfolio transactions) as operating fundamentals remained strong across most of the country.
- Lenders continue to signal optimism as the availability of debt is strong for well performing, high-quality hotel product in major markets. The June interest rate cut has reduced upward pressure on cap rates which should result in cap rate compression in the latter half of the year with further interest rate cuts expected.
- While there were gains in domestic leisure and transborder travel, domestic business and international travel gains have been slower and remain below 2019 levels. The slower return of international visitors is largely due to global geopolitical uncertainty which has been waning as of late and improving economic conditions should support a rebound in the latter half of 2024 and into 2025.



Regional Rankings



Source: CBRE research - CBRE_2024_Q2_CapRates & Investment Insights_Canada

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Investment Sales

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Marcus & Millichap Real Estate Investment Services Canada Inc., Brokerage

OTTAWA INVESTMENT TRENDS Q2 2024 CANADA CAP RATES

- The Nation's Capital saw a sluggish start to the first half of the year in terms of investment volume. Despite the lack of closed transactions however, activity remained strong with a number of notable listing surfacing to market. Leading the charge has been the multifamily sector which continues to lead Ottawa's investment activity. Look for several completed deals to get posted by the start of Q3 2024. The sector has proven to be a resilient asset class despite pricing volatility which is being experienced across all sectors. This momentum is expected to continue into the back half of the year.
- The industrial and retail sectors remain very strong and sought-after but are in short supply. The office market continues to see a flight-to-quality from both tenants and investors with increased emphasis placed on sustainability of cash flow and growth.
- Look for a stronger back half of the year as the market starts to see some green shoots on the heels of a more attractive bond market and further anticipated interest rate cuts by the Bank of Canada.

Historical Ottawa Cap Rates



Q2 2024 Cap Rates

Downtown Office			△Q/Q
AA	6.25% - 6.50%	↔	
A	6.50% - 7.25%	↔	
B	7.25% - 8.00%	↔	
Suburban Office			
A	7.50% - 8.25%	↔	
B	8.25% - 8.75%	↔	
Industrial			
A	6.25% - 6.75%	↔	
B	6.50% - 6.75%	↔	
Retail			
Regional	6.00% - 6.25%	↔	
Power	6.50% - 6.75%	↔	
Neighbourhood	6.25% - 6.75%	↔	
Strip	6.50% - 6.75%	↔	
Strip (non-anchored)	6.25% - 7.00%	↔	
Urban Streetfront	5.75% - 6.25%	↔	
High Street	N/A		
Multifamily			
High Rise A			▲
High Rise B	4.65% - 5.50%	↔	
Low Rise A			▲
Low Rise B	4.90% - 5.50%	↔	
New Construction			▲
Seniors Housing			
Independent/Assisted Living A	6.25% - 6.75%	↔	
Independent/Assisted Living B	7.50% - 8.25%	↔	
Long Term Care A	7.25% - 7.75%	↔	
Hotel			
Downtown Full Service	7.50% - 8.50%	↔	
Suburban Limited Service	8.75% - 9.75%	↔	
Focused Service	8.25% - 9.25%	↔	

Source: CBRE research - CBRE_2024_Q2_CapRates & Investment Insights_Canada

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SECTION 4 ASSET OVERVIEW

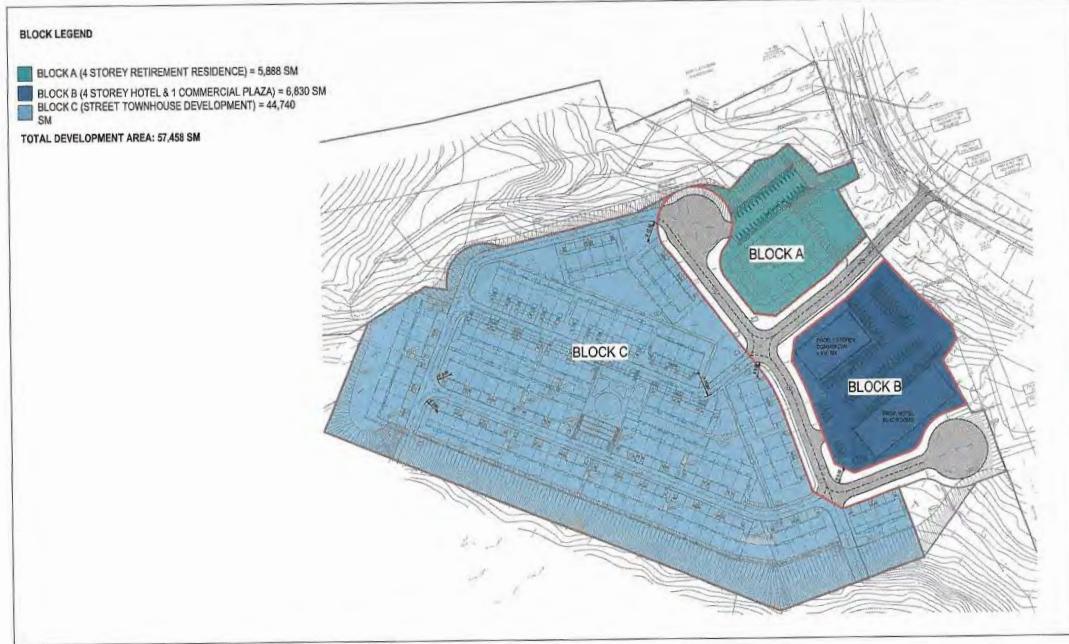
DEVELOPMENT LANDS
MILL STREET, BANCROFT, ONTARIO

APPROVED SITE DRAFT PLAN

SITE STATISTICS (BLOCK A - 4 STOREY RETIREMENT RESIDENCE)	
LOT AREA:	5,888 SM
TOTAL GFA:	7,148 SM
FSI:	0.86
BUILDING AREA	1,785 SM
LOT COVERAGE:	31%
LANDSCAPED AREA	2,803 SM
PERCENTAGE OF LANDSCAPE AREA	47%
HARDSCAPE AREA	920 SM
TOTAL UNITS:	94 UNITS
TOTAL SURFACE PARKING SPACES	31+ 4 BF

SITE STATISTICS (BLOCK B - 4 STOREY HOTEL & 1 STOREY COMMERCIAL PLAZA)	
LOT AREA:	8,288 SM
TOTAL GFA:	6,710 SM
FSI:	- HOTEL (4-storeys) 1,445 SM x 4 = 5,760 SM - COMMERCIAL 930 SM
BUILDING AREA	2,375 SM
LOT COVERAGE:	28.7%
LANDSCAPED AREA	5,913 SM
PERCENTAGE OF LANDSCAPE AREA	71%
HARDSCAPE AREA	4,135 SM
TOTAL NO. OF HOTEL ROOMS:	60-80 ROOMS
TOTAL SURFACE PARKING SPACES	100+ 6 BF

SITE STATISTICS (BLOCK C - STREET TOWNHOUSES)	
OVERALL TOWNHOUSE BLOCKS:	
LOT AREA:	44,740 SM
TOTAL GFA:	16,810 SM
FSI:	0.38
BUILDING AREA	9,145 SM
LOT COVERAGE:	21%
LANDSCAPED AREA	27,000 SM
PERCENTAGE OF LANDSCAPE AREA	60%
HARDSCAPE AREA	8,595 SM
TOTAL UNITS:	109 UNITS
OUTDOOR AMENITY AREA	2,560 SM
NO. OF RESIDENTS PARKING	210 PARKING SPACES
NO. OF VISITORS PARKING	14 PARKING SPACES



APPROVED SITE DRAFT PLAN



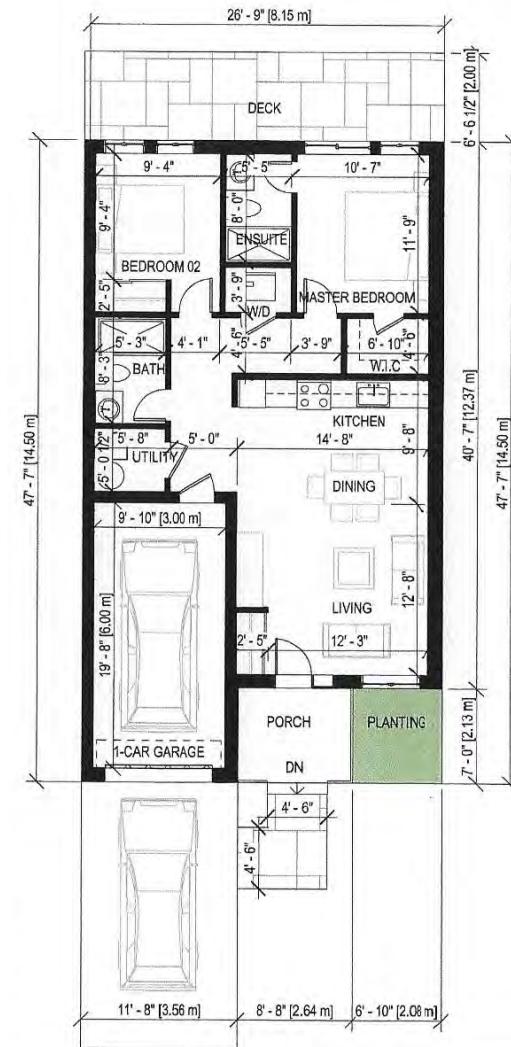
ASSET OVERVIEW

As a vibrant mixed-use commercial and residential community, Fountain Hill will be a valuable addition to the heart of the Town of Bancroft. Consistent with the local planning objectives, this new development will strengthen the existing community through providing new infrastructure and space for residents of all ages in close proximity to the QHC North Hastings Hospital. It will add cutting-edge hotel and banquet facility space, along with exciting new retail opportunities further promoting what Bancroft has to offer. The development of Fountain Hill is an incredible opportunity to transform an underutilized piece of land into an exciting, vibrant and valuable new community. Fountain Hill will be a place for people to visit, live, and thrive.

The Concept Plan is based on meeting the needs of the community. It provides residential development in a variety of forms, including condominium apartment units and townhouses. These units are planned to prioritize accessibility, encouraging aging in place. Fountain Hill will also include space for a brand new hotel and banquet hall facility leveraging the Town's beautiful natural heritage assets and proximity to several scenic recreational trails. Furthermore, the new development will contain valuable retail space to facilitate economic growth and development.

	Lot Area (M ²)	Ground Floor Area (M ²)	Storeys	GFA (M ²)	Units	Parking Spaces
HOTEL	8,288		4	5,780	60-80	106
RETAIL		930	1	930		18
RETIREMENT	5,888	1,785	4	7,148	94	35
TOWNHOMES	44,740			16,810	109	224

SAMPLE RENDERINGS - SENIORS RESIDENCE



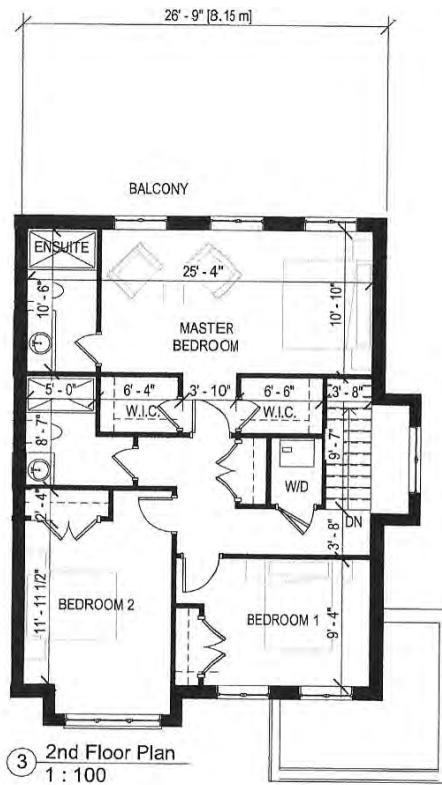
SAMPLE RENDERINGS - 2 STOREY PLUS BASEMENT



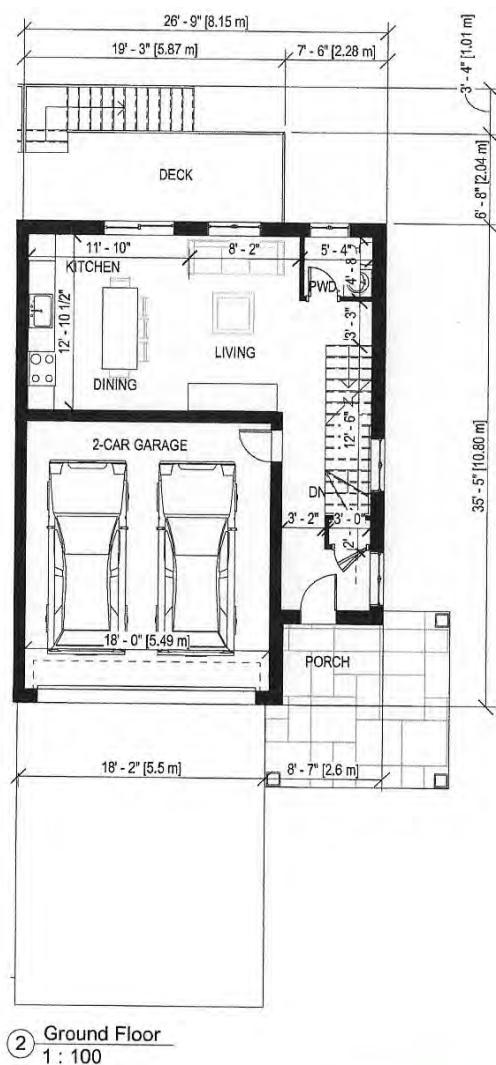
SAMPLE RENDERINGS - 2 STOREY PLUS BASEMENT



SAMPLE RENDERINGS - 2 STOREY PLUS BASEMENT



UNIT AREA SCHEDULE			
Name	Level	Area (SM)	Area (SF)
Unit 1	BASEMENT	45.30 m ²	487.61 SF
Unit 1	GROUND FLOOR	47.53 m ²	511.62 SF
Unit 1	SECOND FLOOR	89.79 m ²	966.45 SF
		182.62 m ²	1965.68 SF



SAMPLE RENDERINGS - 3 STOREY TOWNHOUSE



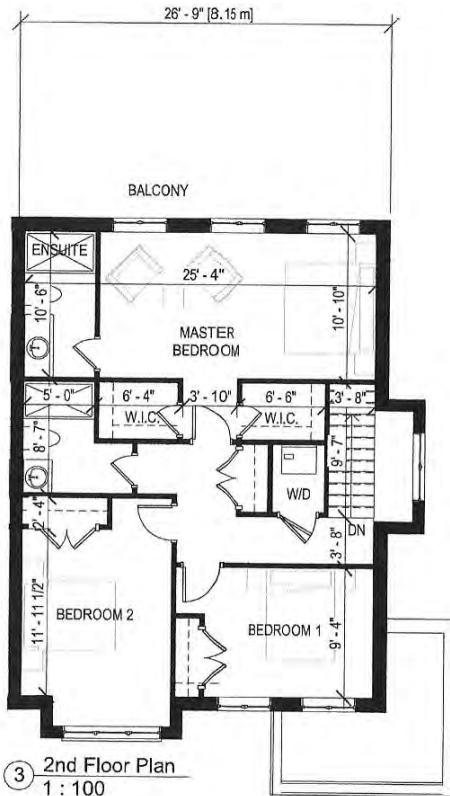
SAMPLE RENDERINGS - 3 STOREY TOWNHOUSE



SAMPLE RENDERINGS - 3 STOREY TOWNHOUSE



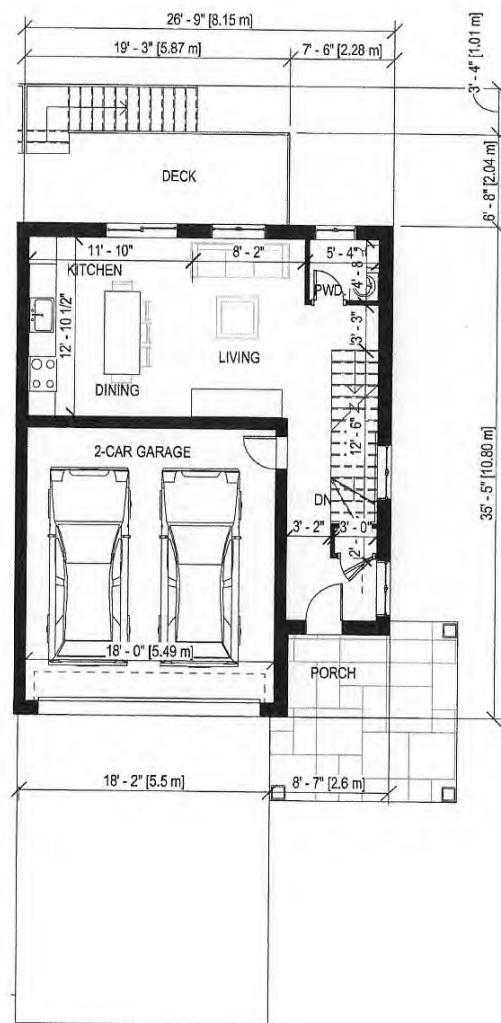
SAMPLE RENDERINGS - 3 STOREY TOWNHOUSE



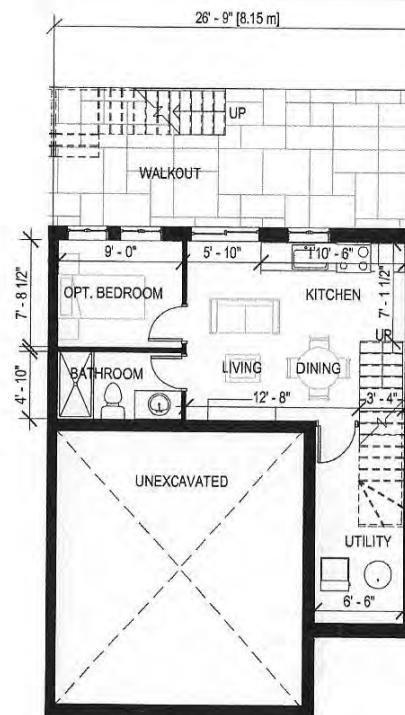
3 2nd Floor Plan
1 : 100

UNIT AREA SCHEDULE

Unit 1	BASEMENT	45.30 m ²	487.61 SF
Unit 1	GROUND FLOOR	47.53 m ²	511.62 SF
Unit 1	SECOND FLOOR	89.79 m ²	966.45 SF
		182.62 m ²	1965.68 SF



2 Ground Floor
1 : 100



1 Basement Floor Plan
1 : 100

HOTEL RENDERING



ZONING - C3 - LOCAL COMMERCIAL

C3 - LOCAL COMMERCIAL - ZONE PROVISIONS*

Lot Area (minimum)	43,057 SF
Lot Frontage (minimum)	147.6 feet
Front Yard (Minimum)	26.2 feet
Rear Yard (Minimum)	26.2 feet
Building Height (Maximum)	36.1 feet
Building Size (Maximum)	21,528.5 SF
Lot Coverage (Maximum)	40%
Prohibited Uses	Large format retail

*Excepting an Automobile Service Station, Hotel, or Motel

CLICK HERE TO VISIT
The Town of Bancroft Zoning
FOR MORE INFORMATION



PERMITTED USES

- Agricultural implement and supply dealer
- Agricultural produce sales outlet
- Auction outlet
- Automobile sales and rental establishment
- Automobile service station
- Banquet hall
- Building supply outlet
- Bulk sales outlet
- Convenience retail store
- Diesel, propane and/or natural gas outlet
- Eating establishment
- Fertilizer mixing and sales establishment
- Flea market
- Garden center, greenhouse or nursery
- Hotel/motel
- Merchandise service shop
- Mobile home or travel trailer sales agency
- Personal service shop
- Recreational vehicle sales and service
- Restaurant
- Retail establishment
- Self-storage buildings
- Supermarket
- Tavern
- Veterinary clinic

ZONING - R3 - MULTIPLE RESIDENTIAL

R3 - LOCAL COMMERCIAL - ZONE PROVISIONS

Lot Area (minimum)	86,114 SF
Lot Area (minimum per dwelling unit)	8,611.4 SF
Lot Frontage (minimum)	196.9 feet
Front Yard (minimum)	32.8 feet
Rear Yard (minimum)	32.8 feet
Building Height (maximum)	36.1 feet
Number of dwellings per building (minimum)	3 dwelling units
Lot Coverage (Maximum)	30%

CLICK HERE TO VISIT
The Town of Bancroft Zoning
FOR MORE INFORMATION



PERMITTED USES

- Existing single detached dwelling
- Semi-detached dwelling
- Duplex dwelling
- Multiple dwelling including triplex, fourplex, townhouse and low-rise apartment complex
- Home for the Aged or Rest Home
- Private retirement residence
- Senior citizen's residential dwelling
- A converted dwelling
- Type 'A' Home Occupation in accordance with Section 3.16
- An accessory building or use to the above uses

SECTION 5 OFFERING PROCESS

DEVELOPMENT LANDS
MILL STREET, BANCROFT, ONTARIO

On behalf of the Vendor, Marcus & Millichap is pleased to offer for sale, various development land parcels of Fountain Hill mixed-use development located along Mill Street located in Bancroft, Ontario, Canada.

Contents & Indemnification

This Confidential Investment Memorandum (“CIM”) has been prepared by the Advisor and is being delivered to prospective purchasers to assist them in establishing their interest in acquiring the Property. This CIM does not purport to be all-inclusive or to contain all the information that a prospective purchaser may require in deciding whether or not to purchase this Property. This CIM is for information and discussion purposes only, and does not constitute an offer to sell, or the solicitation of any offer to buy the subject Property. The CIM provides information relating to certain physical, locational, zoning and site characteristics of the subject Property. The information upon which this CIM is based has been obtained from various sources considered reliable. Neither the Vendor nor the Advisor make any representations, declarations or warranties, expressed or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise, and such information or statements should not be relied upon by prospective purchasers without independent investigation and verification. The Vendor and the Advisor expressly disclaim any and all liability for any errors or omissions in the CIM or any other written or oral communication transmitted or made available to prospective purchasers.

If any information related to the offering, in addition to the information provided in the CIM, is provided at any time, orally or otherwise, by the Vendor or the Advisor, such information is

provided as a convenience only, without representation or warranty as to its accuracy or completeness and such information should not be relied upon by prospective purchasers without independent investigation and verification.

Confidentiality

By receipt of this Memorandum, the recipient agrees that this document and its contents are confidential; that it will hold and treat it in the strictest of confidence; that it will not, directly or indirectly, disclose this document or its contents to any firm or entity without the Advisor’s prior written consent and that it will not use or permit this document to be used in any manner detrimental to the interests of the Vendor, its Advisor or their affiliates.

This document is not to be reproduced, in whole or in part, without the prior written consent of the Advisor. The terms and conditions in this section will relate to all of the sections of this CIM as if stated independently therein.

Submission Process

Interested parties will receive detailed property and financial information. Interested parties are invited to submit their Letter of Intent or Agreement of Purchase and Sale to the Advisor by the indicated Bid Date. The Vendor has indicated that all offers received prior to the Bid deadline will be considered.

Office of the Advisor:

Marcus & Millichap Real Estate Investment Services Canada Inc., Brokerage
275 Bank Street, Suite 301, Ottawa, ON K2P 2L6
Phone: 613-364-2300, Fax: 613-364-2310

Due Diligence

Interested parties are invited to inspect the Property and review pre-due diligence documentation, prior to submission of any offer. Property inspections may be arranged by appointment through the Advisor. Access to a comprehensive electronic data room will be made available to interested parties.

Submission Guidelines

Submissions will be evaluated primarily on the following:

- consideration offered for the Property,
- method of payment of the consideration,
- prospective purchaser's ability to complete the transaction,
- form of offer, and
- proposed date and conditions of closing.

Prospective purchasers should note that the Vendor is under no obligation to respond to or accept any submission for the Property. The Vendor reserves the right to remove the Property from the market and to alter the process described above and timing thereof, at its sole discretion.

Condition of Sale

The Property and all fixtures, chattels and equipment included with the Property is to be purchased on an "as is, where is" basis and there is no warranty, expressed or implied, as to title, description, condition, cost, size, merchantability, fitness for purpose, quantity

or quality thereof. Any information related to the Property which has been or may be obtained from the Vendor, the Advisor or any other person, by a prospective purchaser, will have been provided solely for the convenience of the prospective purchaser and will not be warranted to be accurate or complete and will not form part of the terms of an Agreement of Purchase and Sale.

Offering Price

BLOCK A - RETIREMENT RESIDENCE - \$1,750,000

BLOCK B - HOTEL & ONE STOREY COMMERCIAL - \$1,600,000

BLOCK C - STREET TOWNHOUSES - \$6,540,000

Exclusive Representation

All inquiries regarding the Property or any information contained in this CIM, should be directed to the undernoted on behalf of the Vendor and the Advisor.

Advisory Team

Raffaele Guglielmelli

Senior Vice President

Director, National Seniors Housing Group

raff.g@marcusmillichap.com

Direct: 613.364.2317 // Mobile: 613.724.9562

Broker

NON-ENDORSEMENT & DISCLAIMER NOTICE

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