LL

COURT FILE NUMBER	**2301-01408**
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF/ APPLICANT	**ROYAL BANK OF CANADA**
DEFENDANTS/ RESPONDENTS	**BRM CANADA GROUP INC., SAIMA QADEER and CHOUDHRY QADEER AKRAM**
DOCUMENT	**AFFIDAVIT OF VALUE**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Jack R. Maslen / Tiffany Bennett Borden Ladner Gervais LLP 1900, 520 – 3rd Avenue SW Calgary, AB T2P 0R3 Telephone: (403) 232-9790 / 9199 Facsimile: (403) 266-1395 Email: JMaslen@blg.com / TiBennett@blg.com File No. 404600.000869

AFFIDAVIT OF CHRIS CHORNOHOS

SWORN ON NOVEMBER 7, 2023

I, **CHRIS CHORNOHOS**, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I have carried on business as a licensed real estate appraiser in the City of Calgary, in the Province of Alberta, for more than 15 years.

2. On August 31, 2023, I made a careful personal inspection, of the property in question in these proceedings, with the legal descriptions set out in Schedule "**A**" hereto and municipally described as Units 2106, 2102, 2110, 2114, 2118, 2122, 2126, 3115, 3107, 3103, and 3119, 5150 – 47 Street NE, Calgary, Alberta, T3J 4N4 (the "**Lands**"). The Lands comprises of a two-storey industrial condominium building with 11 units.

3. I have, to the best of my knowledge and belief, set forth full and true particulars of the state, condition and value of the Lands and the improvements situated thereon in the report attached hereto and marked as Exhibit "**A**".

4. I have not now and never had any interest in the Lands or otherwise under the said proceedings except as appraiser for the Plaintiff in connection with the inspection and valuation made by me as outlined above.

SWORN BEFORE ME at Calgary, Alberta, this 7th day of November, 2023.

A Commissioner for Oaths in and for Alberta

CHRIS CHORNOHOS

ANDRE J. MATHEUSIK
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

SCHEDULE "A"

THE LANDS

Title No. 081 468 111
CONDOMINIUM PLAN 0814562
UNIT 23
AND 233 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 081 468 112
CONDOMINIUM PLAN 0814562
UNIT 24
AND 232 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 141 259 775
CONDOMINIUM PLAN 0814562
UNIT 25
AND 325 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 121 069 022
CONDOMINIUM PLAN 0814562
UNIT 26
AND 315 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 091 137 280
CONDOMINIUM PLAN 0814562
UNIT 27
AND 316 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 091 085 140
CONDOMINIUM PLAN 0814562
UNIT 28
AND 325 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 091 085 141
CONDOMINIUM PLAN 0814562
UNIT 29
AND 325 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 121 069 023
CONDOMINIUM PLAN 0814562
UNIT 31
AND 168 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 081 468 113
CONDOMINIUM PLAN 0814562
UNIT 32
AND 285 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 121 069 024
CONDOMINIUM PLAN 0814562
UNIT 33
AND 270 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 131 059 645
CONDOMINIUM PLAN 0814562
UNIT 36
AND 168 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

This is Exhibit "A" referred to

in the Affidavit of Chris Chronohos

Sworn before me this 7th day of November 2023.

A Commissioner for Oaths in and for Alberta

ANDRE J. MATHEUSIK
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

NEWMARK VALUATION & ADVISORY

5150 - 47 Street NE, Units 23-29, 31-33, 36

5150 47 Street NE
Calgary, AB

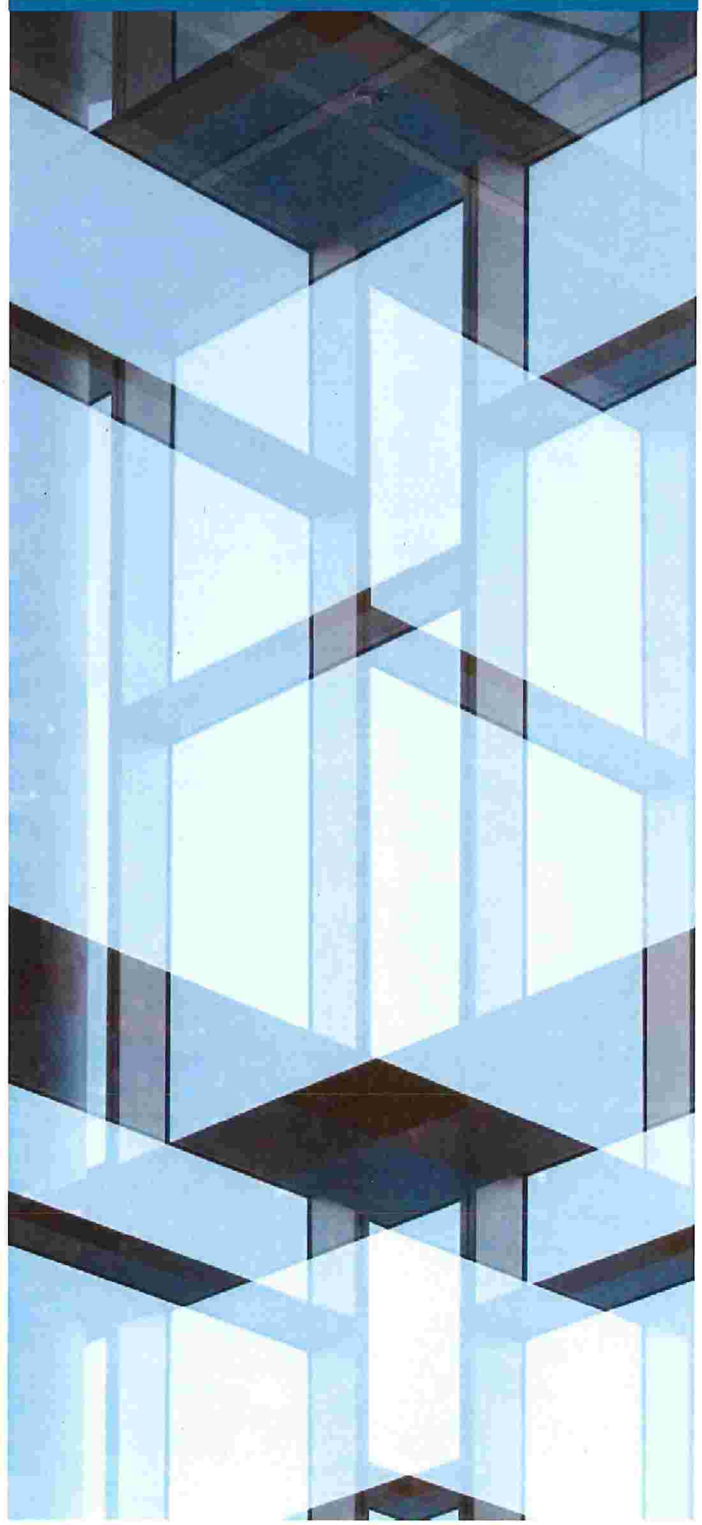
Newmark Job No.: 23-0191365-1

Appraisal Report Prepared For:

Jack R. Maslen
Borden Ladner Gervais LLP
Centennial Place, East Tower 1900, 520 – 3rd Ave SW
Calgary, AB, Canada T2P 0R3

Prepared By:

Newmark Real Estate Canada Limited
Valuation & Advisory
77 King Street West, Suite 4310
Toronto, Ontario



NEWMARK

September 13, 2023

Jack R. Maslen
Borden Ladner Gervais LLP
Centennial Place, East Tower 1900, 520 – 3rd Ave SW
Calgary, AB, Canada T2P 0R3

RE: Appraisal of an Industrial Property Known As 5150 - 47 Street NE, Units 23-29, 31-33, 36 Located At 5150 47 Street NE, Calgary, AB , Prepared By Newmark Real Estate Canada Limited (herein "Firm" or "Newmark")

Newmark Job No.: 23-0191365-1

Dear Mr. Jack :

The "Subject Property" is a 18,762 square foot a retail building known as 5150 - 47 Street NE, Units 23-29, 31-33, 36 located 5150 47 Street NE in Calgary, AB . The property was built in 2007.

Based on the analysis contained in the following report, the opinions of value for the subject are:

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	8/31/2023	$3,010,000
Market Value "Liquidation Value"	Fee Simple	8/31/2023	$2,859,500

Compiled by Newmark

Extraordinary Assumptions

An extraordinary assumption is defined in CUSPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

Hypothetical Conditions

A hypothetical condition is defined in CUSPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

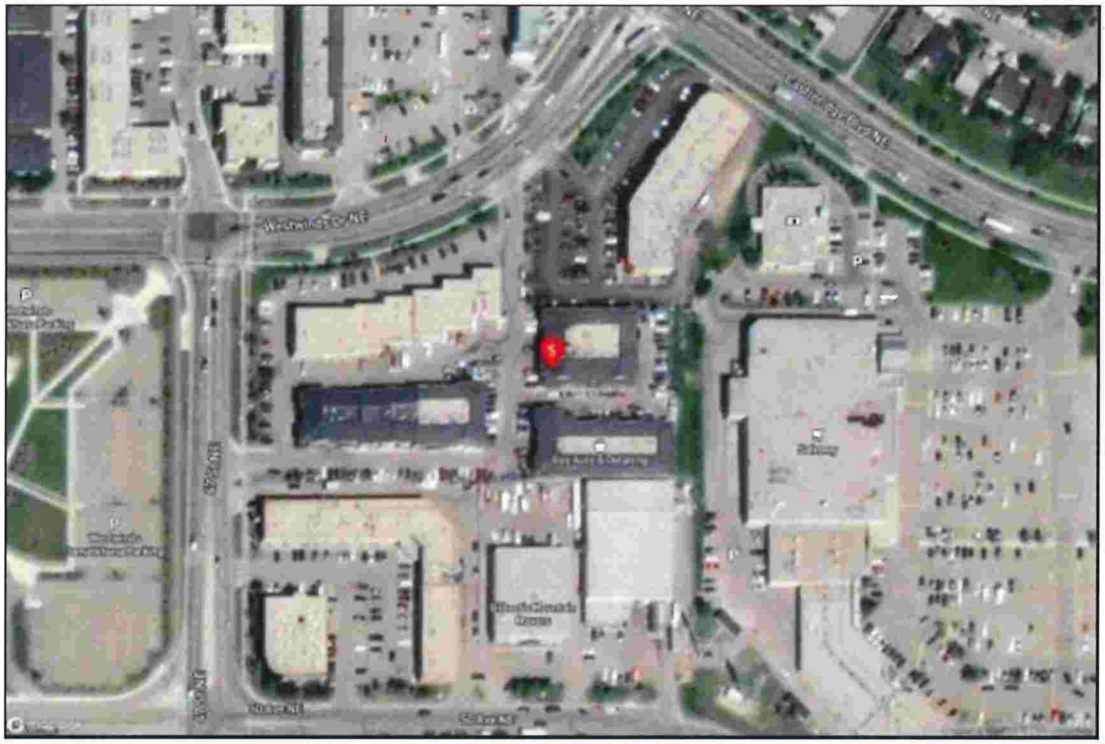
Certification

We certify that, to the best of our knowledge and belief:

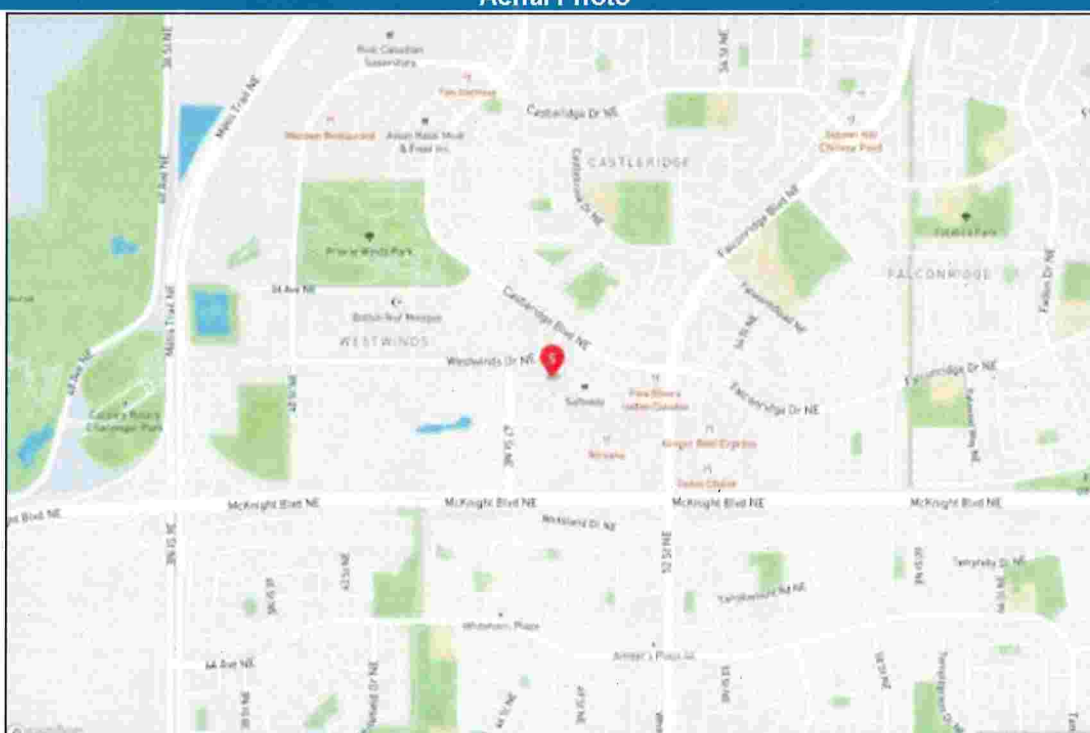
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Chris Chornohos, AACI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute of Canada.
12. Chris Chornohos, AACI, MRICS made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, " Newmark Knight Frank Canada Limited ", "Newmark Valuation & Advisory", "Newmark, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.
16. Chris Chornohos, AACI, MRICS has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Chris Chornohos, AACI, MRICS
Vice President
Telephone: 403-808-2224
Email: chris.chornohos@nmrk.com

Table of Contents



Aerial Photo

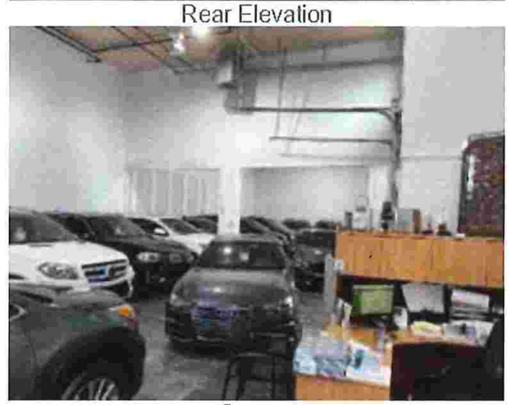


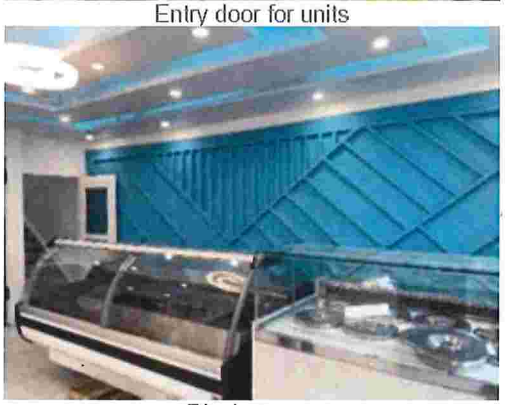
Location Map


Exterior Building

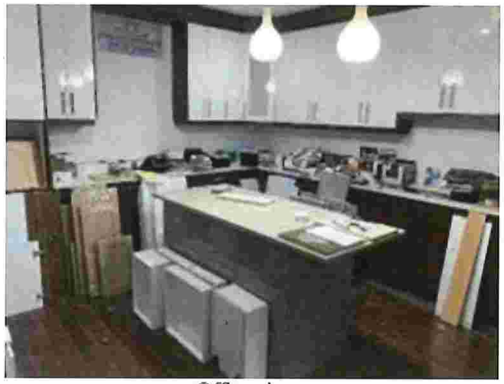

Rear Elevation


Entry door for units


Garage


Display area


Exit way



Office Area

Sitting Area

Executive Summary

5150 - 47 Street NE, Units 23-29, 31-33, 36	
Property Type:	Industrial-General Industrial
Street Address:	5150 47 Street NE
City, Province & Zip:	Calgary, AB
Net Rentable Area (SF):	18,762
Year Built:	2007
Land Area:	1.960 acres; 85,378 SF
Zoning:	DC
Legal Description	Plan 0814562; units 23-29, 31-33, 36
Highest and Best Use - As Vacant:	A Retail Use
Highest and Best Use - As Improved	A Retail Use
Analysis Details	
Valuation Dates:	
Market Value "As Is"	August 31, 2023
Market Value "Liquidation Value"	August 31, 2023
Inspection Date and Date of Photos:	August 31, 2023
Report Date:	September 13, 2023
Report Type:	Appraisal Report
Client:	Borden Ladner Gervais LLP
Intended Use:	Forclosure Proceeding
Intended User:	Borden Ladner Gervais LLP
Appraisal Premise:	Market Value "As Is", Market Value "Liquidation Value"
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 Months (6 Months)
Economic Age / Life:	20 Yrs / 75 Year Life

Compiled by Newmark

Leasing Summary						
Average Contract Rent/SF						$14.00
Average Market Rent/SF						$14.00
MLA Space Type Summary	Rentable SF	% Leased	% of Total Contract Rent	Contract Rent PSF	Market Rent PSF	Contract as % of Market
Industrial Space:	18,762	100.0%	100.0%	$14.00	$14.00	100.0%
Total	18,762	0.0%	100.0%	$14.00	$14.00	100.0%

Valuation Summary			
Sales Comparison Approach		$/SF	$ Total
Number of Sales			5
Range of Sale Dates			May-20 to Jun-23
Adjusted Range of Comparables ($/SF)			$142.39 to $196.24
Indicated Sales Comparison Approach Value	As Is	$310.20	$5,820,000

Income Capitalization Approach - Direct Capitalization Method			$/SF	$ Total
Capitalization Rate Indicators and Conclusion				**Indication**
Comparable Sales				5.32% - 7.33%
Concluded Going-In Capitalization Rate				6.50%
Stabilized Income Estimate				
Potential Gross Income			$24.00	$450,288
Stabilized % Vacancy & Collection Loss			-5.00%	($22,514)
Effective Gross Income			$22.80	$427,774
Operating Expenses			$12.36	$231,861
Operating Expense Ratio				54.2%
Net Operating Income			$10.44	$195,913
Capitalization Rate				6.50%
Indicated Direct Capitalization Value	Market Value "Liquidation Value"		$160.65	$3,014,043
Indicated Income Capitalization Approach Value	Market Value "Liquidation Value"		$160.43	$3,010,000
Market Value Conclusions	**Market Value "Liquidation Value"**		**$160.43**	**$3,010,000**
Concluded Exposure Time	Market Value "Liquidatior	6 Months or Less		
Concluded Marketing Time		6 Months or Less		

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in CUSPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in CUSPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by Newmark

Introduction

OWNERSHIP HISTORY

The current owner is BRM Canada Group Inc. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale
Current or Pending Contract:	None Reported
Sales in the Previous Three Years:	None

Compiled by Newmark

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for Forclosure Proceeding and no other use is permitted.
- The client is Borden Ladner Gervais LLP.
- The intended user is Borden Ladner Gervais LLP and no other user is permitted by any other party for any other purpose.

DEFINITION OF VALUE

Market value is defined as:

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

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

INTEREST APPRAISED

The appraisal is of the Leased Fee interest.

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

APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements of CUSPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL

The primary purpose of the appraisal is to develop an opinion of the Market Value of the Leased Fee interest in the property.

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Leased Fee	8/31/2023
Market Value "Liquidation Value"	Fee Simple	8/31/2023

Compiled by Newmark

SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

Newmark inspected the subject property on August 31, 2023 as per the defined scope of work. Chris Chornohos, AACI, MRICS made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

- Exposure and marketing time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Physical characteristics of the site and applicable improvements;
- Zoning requirements and compliance;
- Real estate tax data;
- Relevant applicable comparable data; and
- Investment rates

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.

Economic Analysis

NATIONAL OVERVIEW

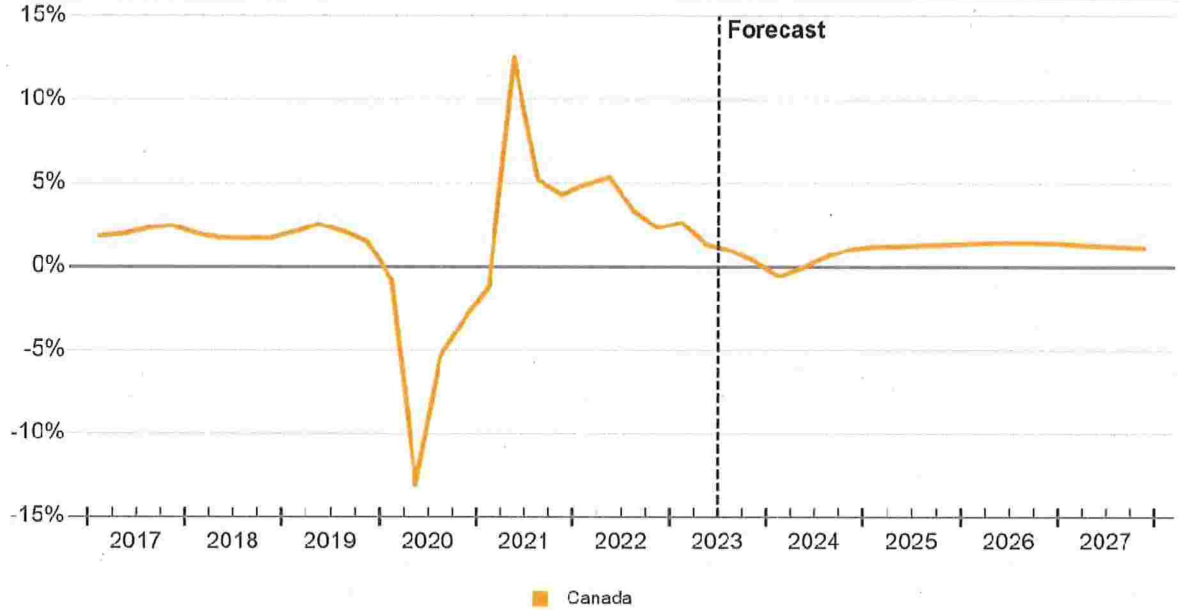
Canada's economy ended 2022 on a soft note as overall growth fell in the fourth quarter. Much of the decline was due to inventory drawdowns but even so, domestic demand was still soft due to a widening wedge between a resilient consumer and contracting investment among businesses and the residential sector. That wedge is not just a manifestation of a strong job market feeding into the consumer cycle, but also a strong influx of government transfers that boosted after-tax household incomes well beyond inflation. This runs the risk of frustrating the Bank of Canada's attempt to cool the domestic impulse to inflation.

Like the U.S., the Canadian labour market has been incredibly strong. However, several pieces are not adding up, and job gains are expected to slow dramatically in the coming months, as employers must reconcile with incredibly weak productivity and contracting profits. The impact of higher borrowing costs should also build on consumer patterns as the year rolls forward and more households face mortgage renewals at higher interest rates. Some households may be able to skirt the immediate impact on budgets by adjusting to longer amortization periods, but not all. And even for those in the first category, the longer period required on servicing debt can lead to a more cautious approach to discretionary spending.

The rise in mortgage rates has an immediate impact on housing demand in Canada, and after a year of cooling, the data are beginning to improve. However, important risks remain on the horizon. Bank of Canada is expected to remain on pause with interest rates. But uncertainties remain on the policy front. OSFI has signaled new rules may come in place for the management of household leverage risks and there is always the risk that the BoC is forced to resume raising rates. On the same token, should the economy slow even more forcefully due to heavily leveraged consumers, the Bank may be forced to cut interest rates by the end of 2023. This scenario is being somewhat priced into futures financial markets.

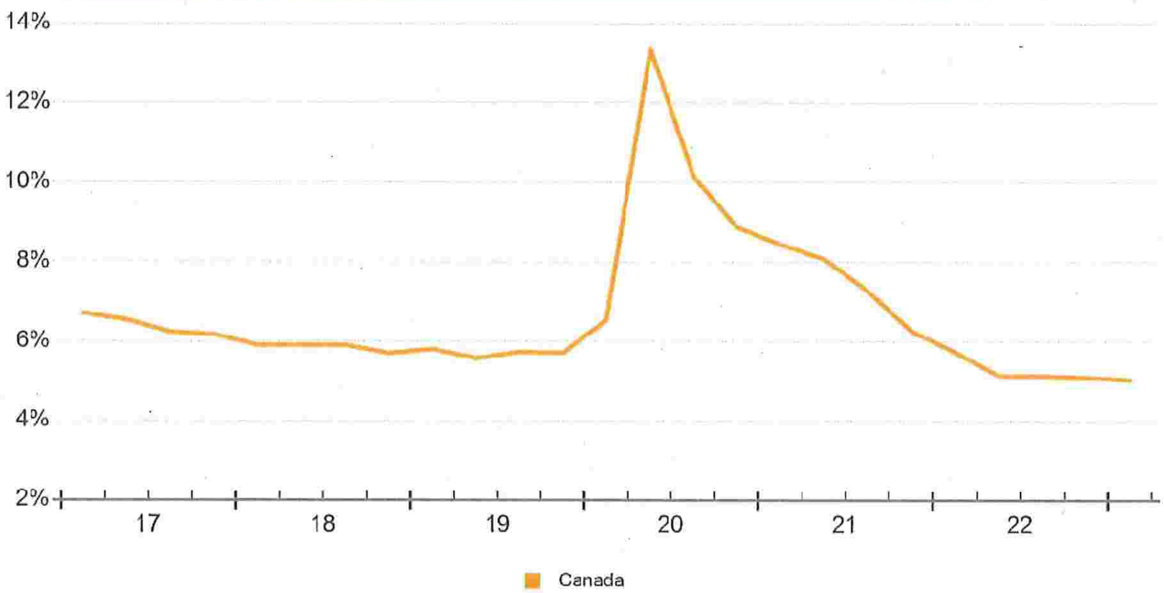
Canada's inflation has cooled a bit faster than expected, but this is partly because of a helping hand from government policy via dramatically lower daycare costs and energy rebates in some provinces. In other words, these are not due to cyclical forces tied to the job market, which can reignite inflation. For now, the trend in price pressures have been encouraging within several segments, from household furniture and appliances to shelter costs and airline fares. However, getting price pressures to trend down from lofty levels is not the same as building confidence that it will get all the way back to 2%. So, while the BoC can remain in wait and see mode, the burden of proof remains very much on the data to deliver to expectations.

Job Growth YOY



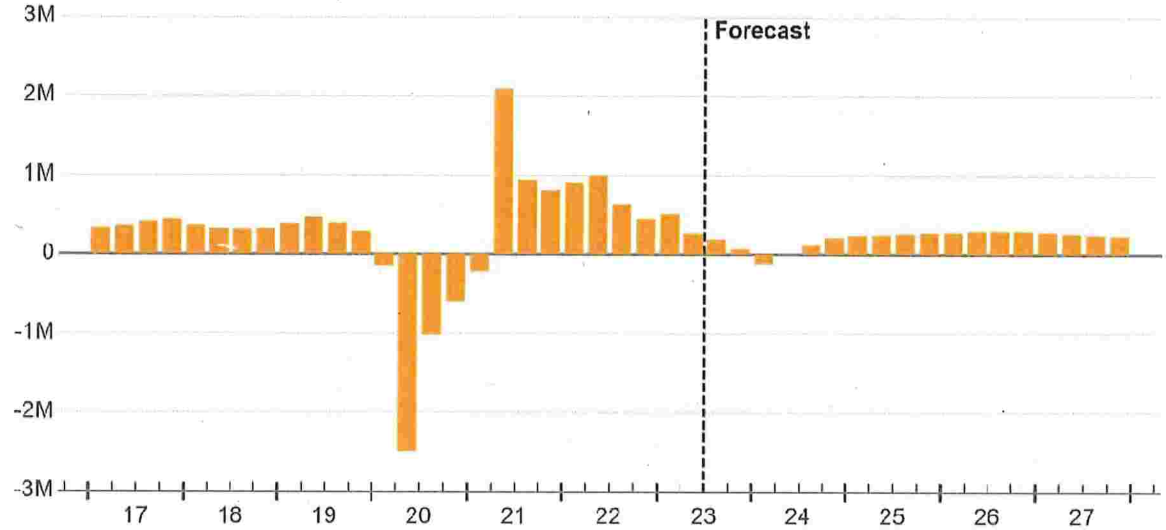
Source: Oxford Economics

Unemployment Rate



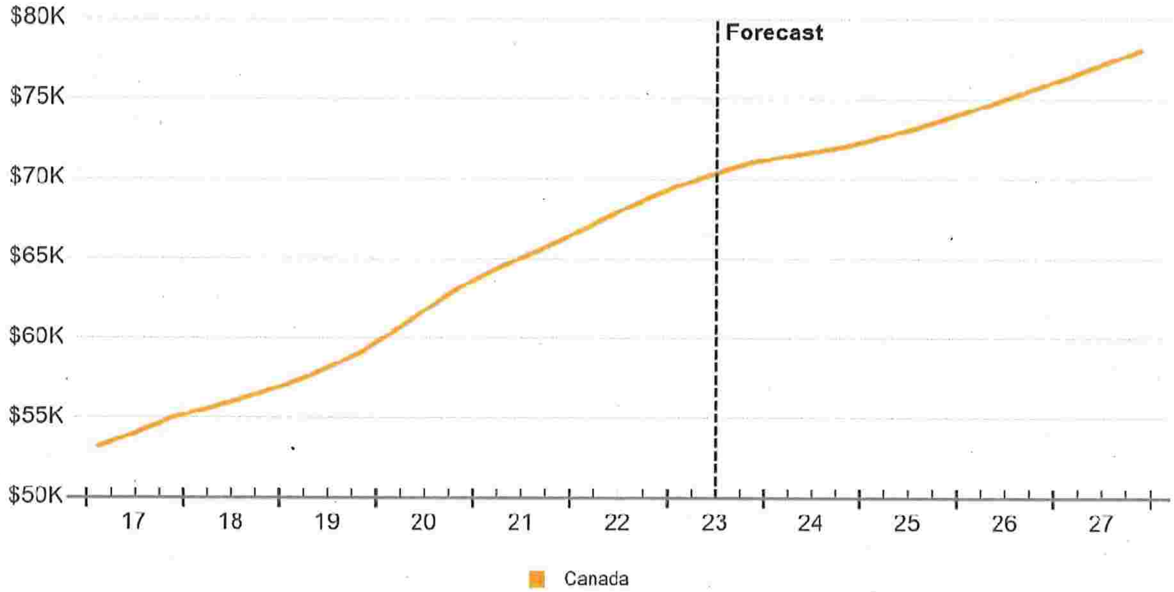
Source: Oxford Economics

Net Employment Change YOY



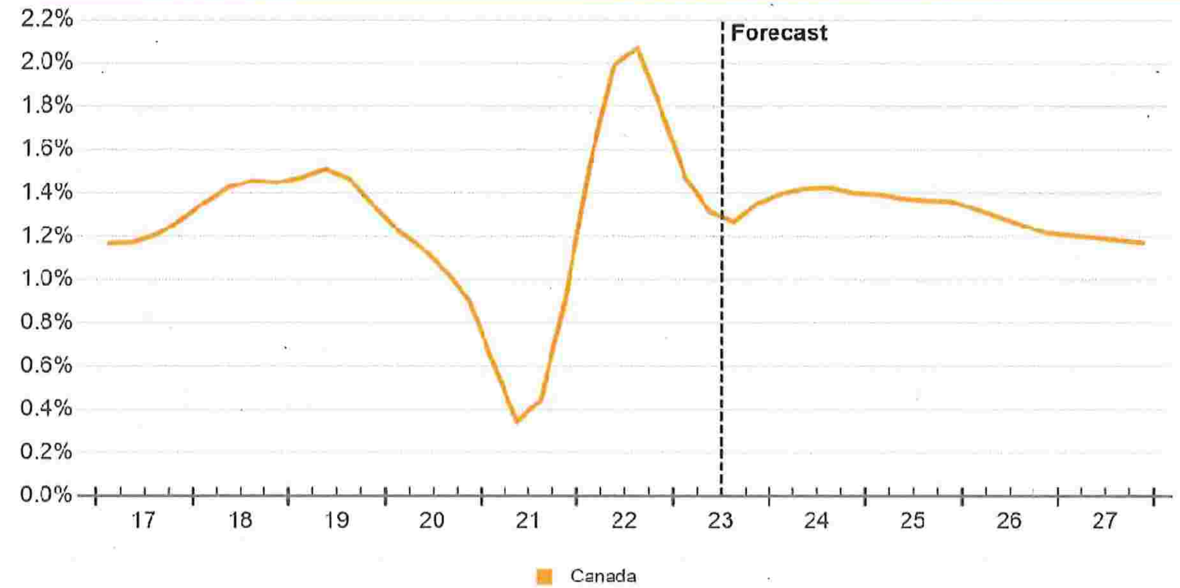
Source: Oxford Economics

Median Household Income



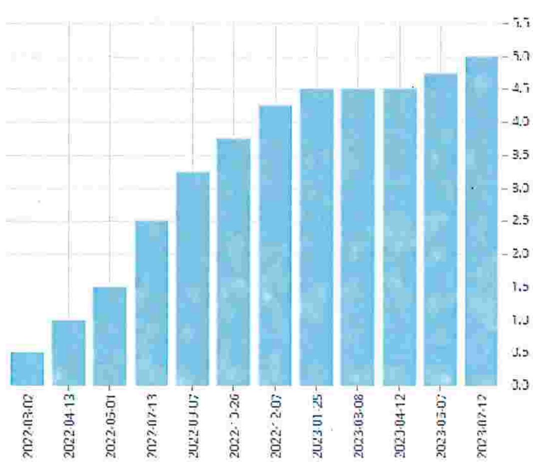
Source: Oxford Economics

Population Growth



Source: Oxford Economics

Highlights



Date*	Target (%)	Change (%)
July 12, 2023	5.00	+0.25
June 7, 2023	4.75	+0.25
April 12, 2023	4.50	---
March 8, 2023	4.50	---
January 25, 2023	4.50	+0.25
December 7, 2022	4.25	+0.50
October 26, 2022	3.75	+0.50
September 7, 2022	3.25	+0.75
July 13, 2022	2.50	+1.00
June 1, 2022	1.50	+0.50
April 13, 2022	1.00	+0.50
March 2, 2022	0.50	+0.25

*As of 2021, a change takes effect the day after its announcement.

- On July 12, 2023, the Bank of Canada increased its target for the overnight rate to 5%, with the bank rate at 5% and the deposit rate at 5%. The Bank is also continuing its policy of quantitative tightening.

- Globally, consumer price inflation is coming down, largely reflecting lower energy prices compared to a year ago, but underlying inflation remains stubbornly high. While economic growth around the world is softening in the face of higher interest rates, major central banks are signaling that interest rates may have to rise further to restore price stability. In the United States, the economy is slowing, although consumer spending remains surprisingly resilient, and the labour market is still tight. Economic growth has essentially stalled in Europe but upward pressure on core prices is persisting. Growth in China is expected to slow after surging in the first quarter. Financial conditions have tightened back to those seen before the bank failures in the United States and Switzerland.

- Canada's economy was stronger than expected in the first quarter of 2023, with GDP growth of 3.1%. Consumption growth was surprisingly strong and broad-based, even after accounting for the boost from population gains. Demand for services continued to rebound. In addition, spending on interest-sensitive goods increased and, more recently, housing market activity has picked up. The labour market remains tight: higher immigration and participation rates are expanding the supply of workers, but new workers have been quickly hired, reflecting continued strong demand for labour. Overall, excess demand in the economy looks to be more persistent than anticipated.

- CPI inflation ticked up in April to 4.4%, the first increase in 10 months, with prices for a broad range of goods and services coming in higher than expected. Goods price inflation increased, despite lower energy costs. Services price inflation remained elevated, reflecting strong demand and a tight labour market. The Bank continues to expect CPI inflation to ease to around 3% in the summer, as lower energy prices feed through and last year's large price gains fall out of the yearly data. However, with three-month measures of core inflation running in the 3½-4% range for several months and excess demand persisting, concerns have increased that CPI inflation could get stuck materially above the 2% target.

- Based on the accumulation of evidence, Governing Council decided to increase the policy interest rate, reflecting our view that monetary policy was not sufficiently restrictive to bring supply and demand back into balance and return inflation sustainably to the 2% target. Quantitative tightening is complementing the restrictive stance of monetary policy and normalizing the Bank's balance sheet. Governing Council will continue to assess the dynamics of core inflation and the outlook for CPI inflation. Bank of Canada will be evaluating whether the evolution of excess demand, inflation expectations, wage growth and corporate pricing behaviour are consistent with achieving the inflation target. The Bank remains resolute in its commitment to restoring price stability for Canadians.

ALBERTA ECONOMIC OVERVIEW

Since the end of last year, only one province has added more jobs than Alberta in percentage terms with particular strength displayed in private sector positions. Job growth has been especially notable in the professional, scientific, and technical services industries. In the resources sector, oil production is up 3% through October compared to the same period in 2021, while natural gas production is up 7% by that same count. And, like the other Prairie provinces, agricultural production looks to have bounced back this year after a difficult 2021 plagued by droughts.

Despite a recent pull-back in WTI prices, the oil price forecast has been nudged up compared to September projection, factoring in ongoing headwinds to supply and some boost to demand coming from a marginally improved outlook for China. These forces should push WTI back up into the $80-90 per barrel range in the New Year. We also think that natural gas prices will remain relatively elevated, providing support to incomes and production in the province.

Elevated price levels for these key export commodities are consistent with a continued healthy fiscal backdrop in Alberta, after helping to fatten the government's bottom line this year. Indeed, the province's latest fiscal update is projecting a healthy $12.4 billion surplus this fiscal year. Still, it's unlikely Alberta's economy will manage to buck the trend of sharply slowing economic growth. Households in the province are highly indebted, leaving them vulnerable to rising borrowing costs. Not helping the matter is the fact that real wages in the province have been declining at a near 5% pace amid relatively tepid nominal wage gains. Monthly job growth also cooled considerably in the second half of 2022. Looking ahead to next year, Alberta's unemployment rate climbing higher as the economy loses steam.

There are forces that should provide somewhat of an offset to these consumer spending headwinds. For one, expectation of healthy immigration flows into Alberta, which should underpin solid population growth. In addition, the provincial government has pledged significant "inflation relief" support to households in the form of cheques, rebates, and other measures.

Alberta Economic Indicators

Economic Indicators	2022	2023	2024
Real GDP	5.1	1.9	0.9
Nominal GDP	22.9	1.3	2.6
Employment	5.0	0.8	0.3
Unemployment Rate (%)	5.7	6.1	6.4
Housing Starts (000's)	38.1	35.4	29.3
Existing Home Prices	4.3	-5.6	3.2
Home Sales	-1.5	-20.9	12.8

Source: Statistics Canada, CMHC, CREA, Forecast by TD Economics

GREATER CALGARY AREA

In Alberta, the economy has been spurred on by a two-year energy price surge (mid-20 to mid-22). After sustained improvements in labour markets and overall business sentiment, it is on relatively solid ground. The provincial budget, presented in late-February 2023, forecasts a surplus of $2.4 billion in 2023-24, based on enormous resource royalties, and was delivered with an improved framework to ensure the current fiscal situation can be sustained. Most notably, future government expenditures will be tied to population and inflation. However, rising interest rates and still elevated inflation worldwide will bite into even the most solid local economies, including Alberta's, despite the still elevated price of oil, which had been trending downward since mid-2022 and remains well below levels recorded shortly after Russia's invasion of Ukraine.

Before the pandemic, the province dealt with one of the highest unemployment rates in the country at 7.4% in February 2020, which had risen dramatically to 14.6% as of June 2020. Since then, the unemployment rate has declined to as low as 5.2% (August 2022) before climbing to close out April 2023 at 5.8%. The private sector leads the way in job growth, specifically in the professional, scientific, and technical services industries. In addition, the province is expected to see added job growth as it welcomes additional residents, and the economy continues to grow throughout 2023. As a result, Alberta is expected to outperform most other provinces in the next two years regarding Real GDP growth.

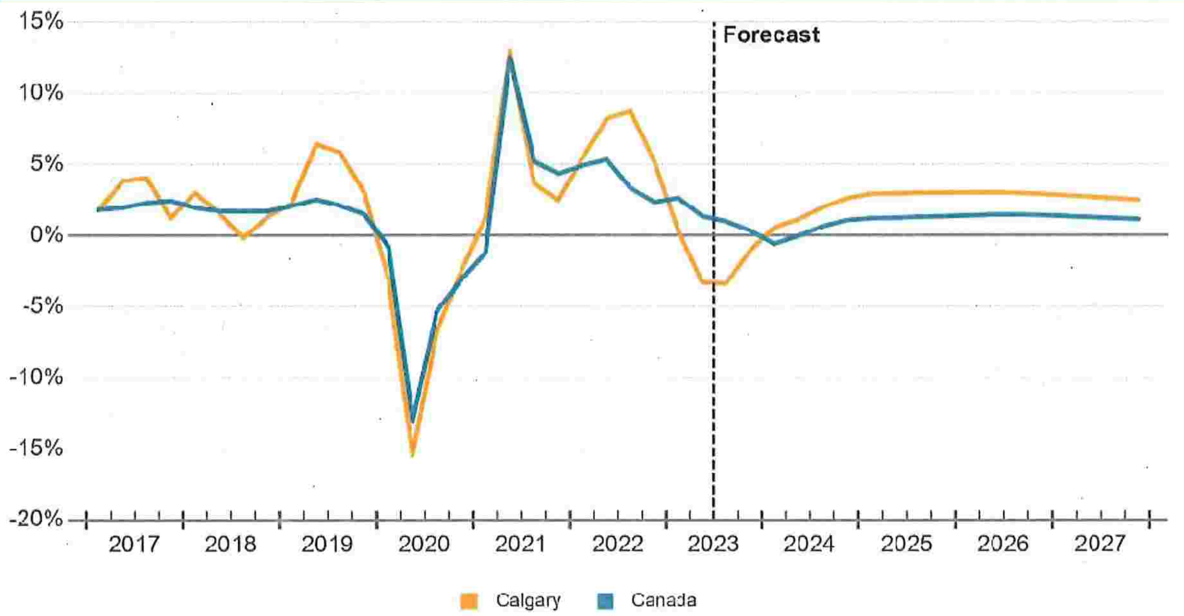
The 1,150-kilometre Trans Mountain Pipeline is expected to be completed in 2023. It will further boost an Alberta economy that has already seen significant improvement from the surging price of Western Canadian Select. WCS started 2021 at $32USD/barrel and finished 2021 at approximately $65USD. Prices crested $100 briefly but have since trended downward, closing out May 2023 at $47USD per barrel.

From an economic perspective, Alberta's 2023 budget is focused on job creation, economic growth, diversification and investment attraction. Future spending has been fueled by budget surpluses resulting from substantial oil and gas royalties. Despite the national economic headwinds presented in the latter half of 2022 and beyond, investment in the cleantech sector has improved. It is expected to continue to do so at an increasing rate due to the federal government's announced tax credit for investment to aid in the transition to a low-carbon economy. Alberta is already well positioned due to the significant pool of professionals with unparalleled energy, extraction, and engineering skillsets. As a result, Alberta will play a pivotal role in achieving the nation's climate goals and speeding up the adoption and commercialization of the cleantech industry.

The public sector has faced its challenges, although those appeared to have eased somewhat in early 2021, the result of global oil prices strengthening, lower unemployment, and increased exports. Major infrastructure projects, like Calgary's Green Line LRT project and the City of Edmonton's LRT expansion project, are challenging but will induce further economic activity.

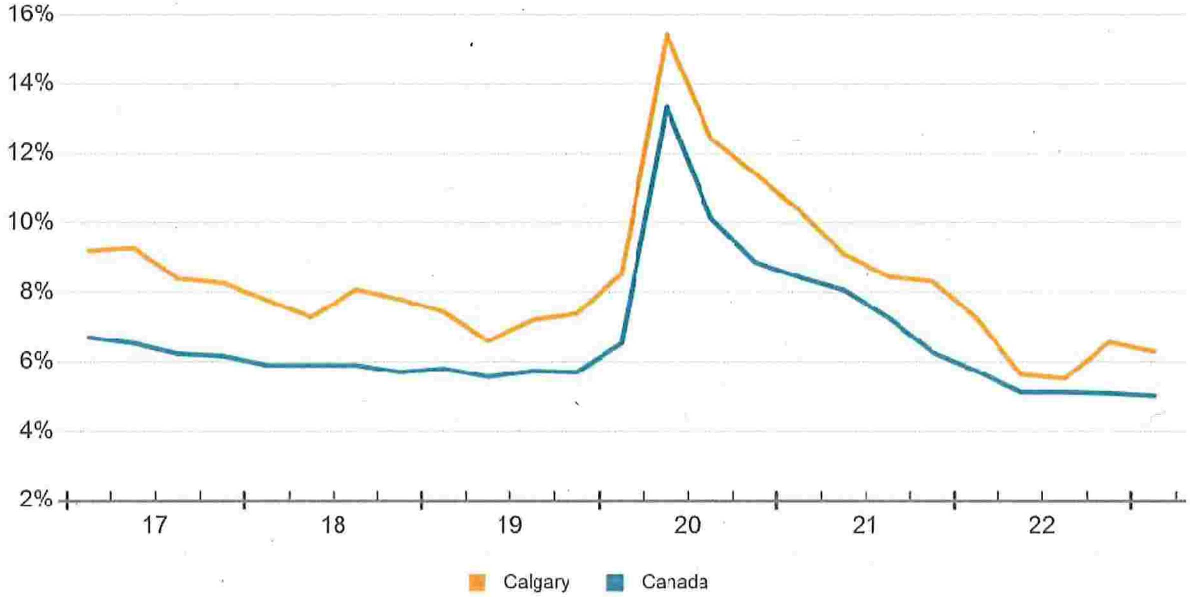
Looking ahead, the economy in Alberta is likely to lead the country in terms of growth fueled by the natural resources sector. The climate-related policy will be an ongoing opportunity for the energy sector in Alberta as the industry works to reduce its impact while simultaneously supporting a case for additional pipelines. Significant investment will be required to meet emissions targets, which will be scrutinized as the world continues to shift toward more sustainable options, made possible by the growth in oil prices since the start of the pandemic.

Job Growth



Source: Oxford Economics
Compiled by Newmark

Calgary - Unemployment



Source: CoStar
Compiled by Newmark

INDUSTRIAL MARKET OVERVIEW

National Industrial Market Report

As the economy grapples with elevated inflation, higher interest rates and a growing threat of recession, Canada's industrial market remains exceptionally tight. Global supply chain shortages and disruptions brought on by the pandemic have been at the heart of the economy's issue with rising inflation. Fortunately, falling shipping rates and commodity prices suggest that these constraints are easing. This couldn't come at a better time for Canada's industrial sector given that there is almost no available industrial space left to lease across major markets given a national vacancy rate of just 1.7% - near historic lows. With little space available, leasing volumes and net absorption have been forced to trend lower in recent months.

Meanwhile, developers are doing the best they can amidst rising costs for land, labour and other construction inputs to boost relative supply. There is currently more than 60 million square feet of new product under construction across Canada representing just over 3% of inventory. This pipeline will help alleviate some of the tightness in the market, which has led to significant growth in industrial lease rates across the country, up anywhere from 10 –20% against year ago levels. Even compared to the highest rates of inflation in three decades, industrial rent growth in Canada is outpacing price growth in the broader economy by a considerable margin.

These strong market fundamentals are a key reason why investors continue to show a voracious appetite for industrial properties even though interest rates have sharply risen while the economic outlook has deteriorated since the end of last year. Indeed, the annualized pace of investment sales reached just over $15 billion in the second quarter - still well above long term averages. With strong investment demand, industrial property prices, by any measure, remain near record highs and show little signs of reversing course. Meanwhile industrial cap rates continue to sit near historical lows despite the recent increase in borrowing costs. This by extension, is resulting in extremely low yield spreads in some key markets such as Vancouver and Toronto. Compressed yield spreads suggest that industrial investors expect strong, above inflation rent growth to keep industrial property pricing intact, even as the economy adjusts more broadly to higher interest rates.

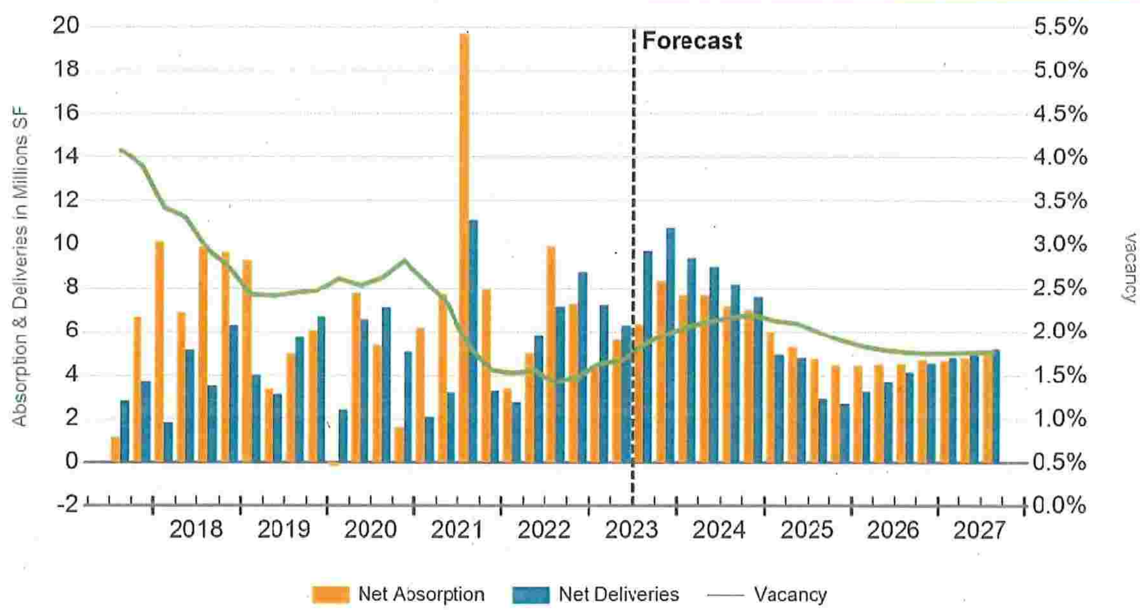
Leasing

Strong demand for logistics space along with robust growth in e-commerce, has kept industrial leasing activity near record highs over the past two years. But with effectively, little to no available space left to lease in a number of major markets, industrial leasing activity has been suppressed so far in 2023 at just under 10 million square feet as of Q1. This is the lowest pace on record dating back to 2015. As a result, the 12-month pace of net absorption, while still historically high, continues to ease and is estimated to be about 26 million square feet in Q2 2023. Although the monthly pace of demand has slowed, the annualized trend in absorption is still above its long-term average of about 22 million square feet. To be sure, when space does become available, there still seems to be no shortage of tenants lining up. As a result, data suggests that the probability of leasing industrial space within six months is still close to a very healthy 50%.

While there has been a noticeable pick up in new supply, it is forecasted that industrial vacancy in Canada will continue to remain tight with no foreseeable return to more balanced conditions anytime soon. All industrial property types are experiencing record low vacancies, but especially flex and specialized space. The usual players are at the heart of leasing activity including manufacturers, third party logistics operators and retailers. To that end one of the largest lease deals in Canada over the past three months was by Campbell Company of Canada, a brand known for its flagship canned soup products. Given tight surrounding market conditions, the tenant agreed to an extension to stay at its current facility located at 255 Chrysler Drive in Brampton Ontario.

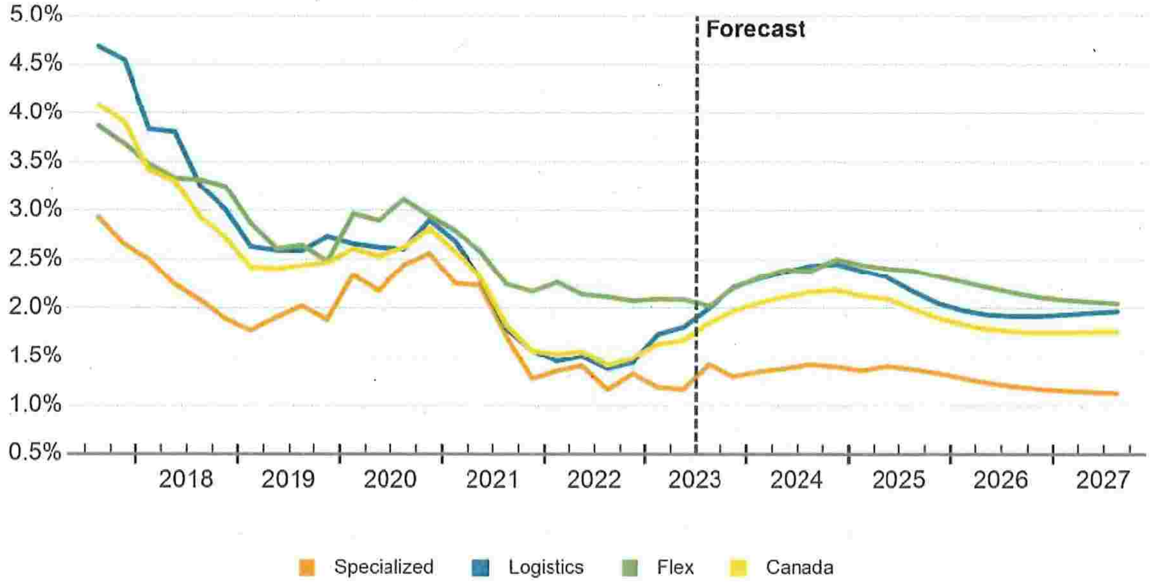
Others tenant types such as e-commerce giants like Amazon are continuing to grow their footprints, both in traditional industrial nodes, but also in new markets and locations. Also playing a minor role in underlying leasing demand is growth from "alternative" users such as cold storage, life sciences and data centres. Not surprisingly, most industrial deals are direct leases, with terms averaging 5 years. But given the market tightness, there appears to be a growing trend toward shorter lease terms as well.

National Industrial - Net Absorption, Net Deliveries & Vacancy



Source: CoStar - National Industrial Market

National Industrial - Vacancy Rate



Source: CoStar - National Industrial Market

Rent

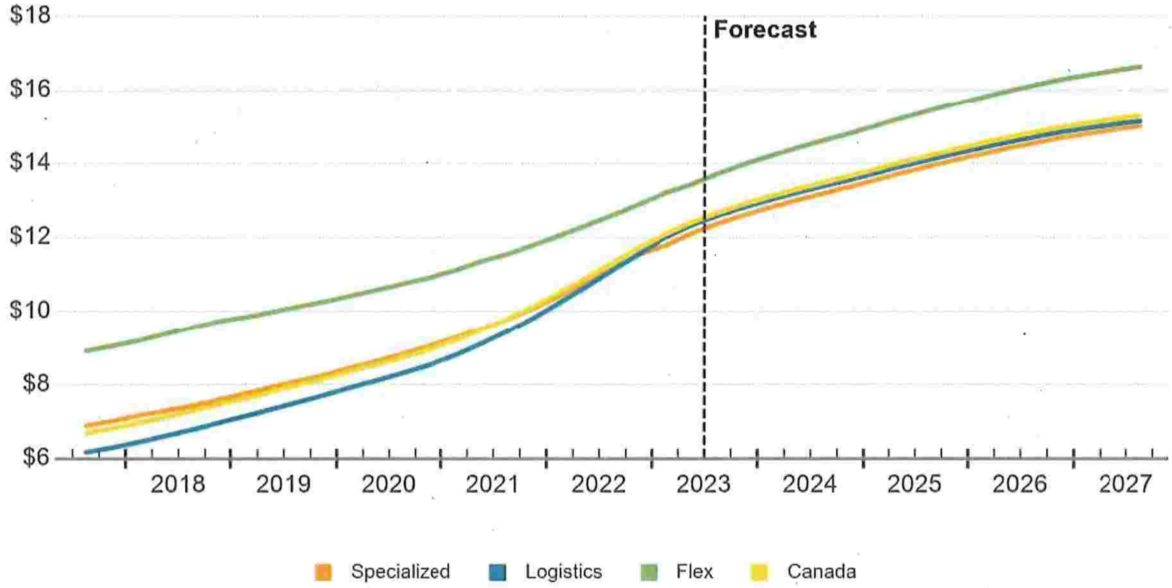
Strong demand and low vacancy rates have pushed rental rate growth to near-record highs. For example, national logistics space is currently seeing y/y rental increases of nearly 17% and upwards of 20% in Greater Montreal and 15% in the GTA.

Low vacancy and rising rents in key logistics hubs like Mississauga and Brampton are also putting upward pressure on nearby industrial markets as tenants seek space to store the influx of incoming products. As a result, markets outside of the GTA, but connected by major highways such as Hamilton and Kitchener are seeing annual rent increases topping 14%.

Occupiers may initially suffer "sticker shock" from exorbitantly higher industrial rents. Deals by starting net rents in Canada averaged about $16 in Q2 2023 and considerably higher than that in tight (and often congested) markets like Vancouver and parts of the GTA. But the reality is that many tenants can quickly overcome these high industrial rents by mitigating escalating transportation costs, which now represents a much higher portion of overall supply-chain costs than rental rates. Many occupiers, in fact, are finding it cost effective to lease more space even in non-traditional markets, to cut down on transportation costs because although rents are at record highs, they can pale in comparison with the increase in transportation costs.

Just as a reference point, transportation costs typically account for half of an occupier's total logistics costs. However, that figure can easily rise to 70 percent, while fixed facility costs, which include real estate rent, accounts for only 3 to 6 percent. The math, therefore, suggests that it takes roughly an 8 percent increase in fixed facility costs to equal the impact of just a 1 percent increase in transportation costs. Said differently, occupiers are perfectly willing to pay higher industrial rents to offset transportation costs.

National Industrial - Market Rent Per Square Feet



Source: CoStar - National Industrial Market

Construction

An ongoing constraint for the Canadian industrial sector has been the ability for new supply to keep up with demand. However, a noticeable pick up in construction activity has recently occurred with about 60M SF of new space currently underway in Canada. While the absolute level of the increase is encouraging and centre in major land constrained markets like Vancouver - the relative level of new supply in the pipeline is still only about 3% of current inventory. In key distribution markets like Greater Toronto, the relative amount of new supply is even less. New development is also beginning to pick up in cities that have not been traditional industrial markets.

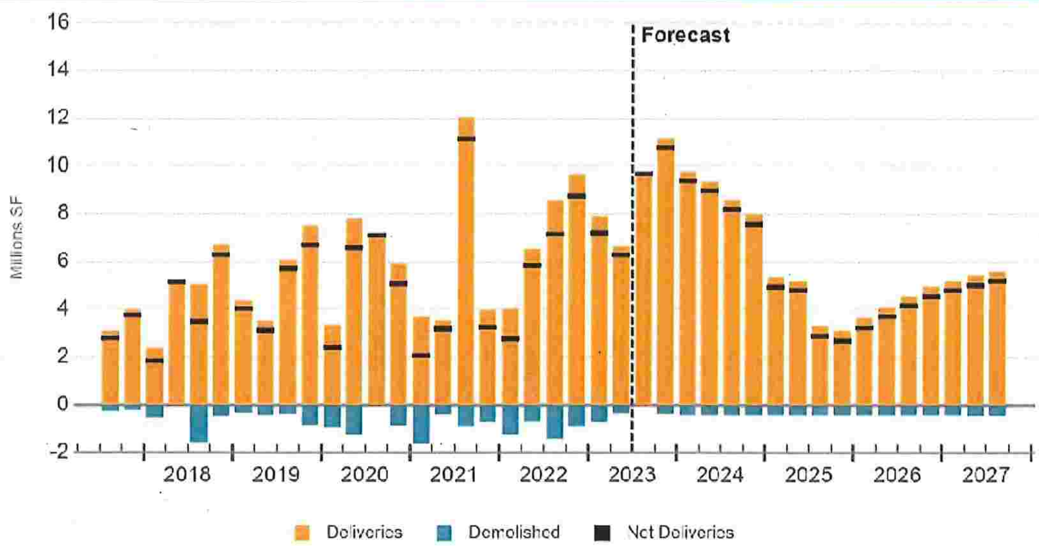
Constrained land supply has been a major concern in Vancouver for a number of years and is increasingly a major issue in the GTA today, owing both to the limitations of physical geography but also regulatory land use constraints. Geographic and policy-induced supply constraints ultimately increase the cost and timeframe of new development in both of these markets. In contrast, there are fewer barriers to entry in markets such as Calgary and Edmonton. Indeed, with a comparatively more ample supply of developable land, new industrial product continues to be steadily delivered in these markets, despite their comparatively higher vacancy rates. The costs differences in Alberta compared to Vancouver, is also a major region why both Calgary and Edmonton are emerging as the key distribution hubs for Western Canada.

While industrial developers are eager to build more industrial in the GTA and Vancouver, fundamental supply constraints are unlikely to lift anytime soon. As such, developers are being forced to be more creative. While this creativity involves exploring new markets outside of these major urban areas (ie., the Greater Golden Horseshoe or Abbotsford/Chilliwack) that potentially have fewer or more permissible development restrictions, it also involves developing product that puts more density on smaller parcels of land.

For any type of higher density or "multi-story" industrial development, rental rates also need to be high enough to make the economics of the project work - however most markets across Canada, save for a few on the west coast, are not quite there yet. But the possibility of tight industrial market conditions continuing for the foreseeable future, could certainly make that a reality.

In fact, our forecast for industrial given current demand and supply fundamentals suggests that vacancy will continue to compress and remain near 2% for the foreseeable future. This is obviously a very bullish forecast as it suggests that landlord market conditions will persist indefinitely. However, it is possible that new supply will ultimately ramp up more than we expect should a number of policy changes related to development or the expansion to new locations that we spoke to above, comes to fruition.

National Industrial - Deliveries & Demolitions



Source: CoStar - National Industrial Market

Sales

Given the strong and seemingly enduring fundamentals in Canadian industrial, the asset class remains the hottest investment sector of all property types. In fact, in 2022, industrial transaction volumes topped almost $13 billion, still well above long term averages. Although economic concerns and tighter capital market conditions have intensified over the past several months and may suppress the absolutely level of industrial transaction activity, we expect sales in this asset class to outperform this year once again with investors continuing to show a strong relative appetite to invest industrial properties.

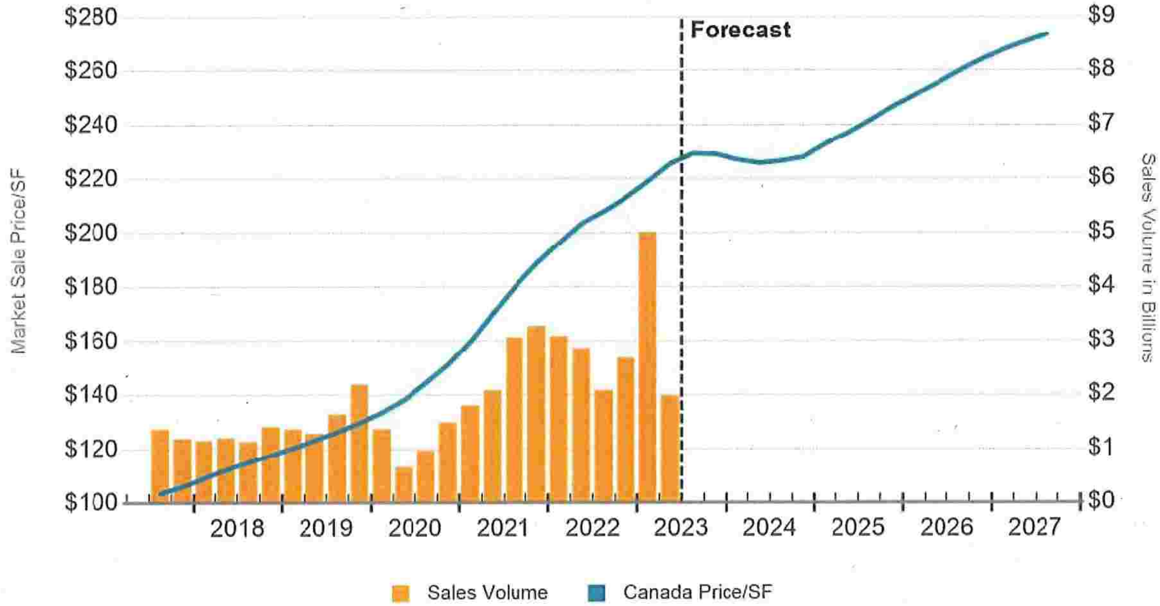
In fact, at $7 billion in sales in Q1, industrial properties remain the most dominant property type changing hands so far this year. To be sure, that figure is bloated by a $6 billion entity level transaction that closed in February, in which Dream Industrial REIT, in partnership with GIC Real Estate, acquired Summit Industrial Income REIT. The Summit acquisition represented what Dream called a “highly strategic transaction”, growing its exposure to the Canadian industrial market, diversifying its revenue streams through growth of its property management vertical, and introducing a new source of growth capital in high-growth industrial markets. Clearly, this deal is a testament to the strength of the Canadian industrial market.

Strong investment demand and a shortage of product is continuing to keep industrial pricing at elevated levels in Canada. The average market sale price across Canada is $293 per square foot as of Q2 2023. Some of the most expensive recent deals over the past year have involved sales for land value. Regionally, Vancouver remains the one of the priciest industrial property markets. Industrial cap rates have compressed significantly over the last several years, especially for top quality properties. Despite higher interest rates over the past year, prime industrial cap rates in Toronto and Vancouver can still be found below 4%. These low industrial cap rates are largely reflective of the expectations for strong rent growth, but also depending on the location of the property, redevelopment opportunities as well.

With the cap rate spread to interest rates compressing further than other traditional property types such as office and retail and sitting well below its long-term average of about 400 bps, some industrial investors are increasingly questioning whether industrial pricing is no longer rational, and an adjustment is necessary. Others, however, remain confident that the prospect of strong future rental growth justifies acquiring industrial at current cap rates but are content to wait out the current uncertain economic environment.

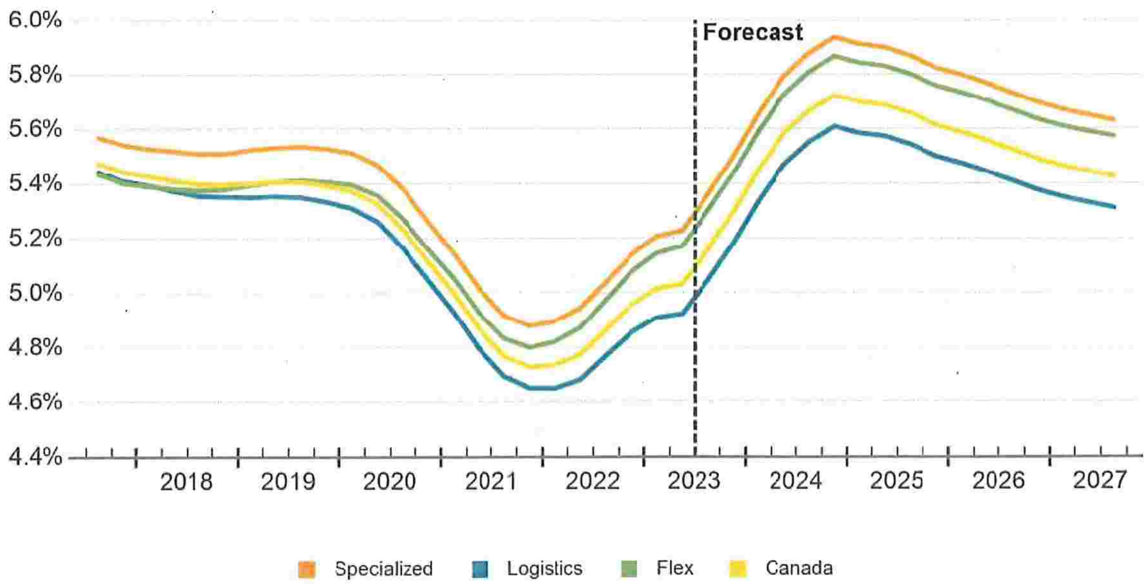
Time will tell whether the voracious investment demand for industrial will persist amidst sharply rising interest rates. But given the assessment of fundamentals in this sector, there is no reason why the industrial asset class won't remain a darling for investors going forward. Said differently, it is believed that industrial assets still have plenty more runway for price growth over the coming quarters.

National Industrial - Sales Volume & Market Sale Price Per Square Feet



Source: CoStar - National Industrial Market

National Industrial - Market Cap rate



Source: CoStar - National Industrial Market

CALGARY INDUSTRIAL MARKET OVERVIEW

Calgary's industrial sector is comprised of just under 180 million square feet. It is in the midst of the most prolific development cycle seen in years, which will provide some flexibility to a market that saw its vacancy rate hit 2%, an all-time low in 2022, down from 7% in the Spring of 2020. Currently, vacancy sits at 2.3%.

The end of 2022 saw Calgary post its most robust annual rent rate of growth, 8%. Today, year-over-year gains, aggregated across all industrial building types, sit at 4.7% and take the average rate to $11.30/square foot net. This rate is still well below the national average of $16.80, a contributing factor to Calgary's ongoing development as a growth market for service firms and as a distribution hub for western Canadian cities. Relative to Vancouver, the most logical distribution hub for international shipments arriving by container ship, net rental rates are essentially half-price.

Greater Calgary has 9.3 million square feet of space under construction, approximately 5.2% of the existing inventory. The national average is 3.1%. The area has a significant industrial land bank relative to most other major Canadian markets. Service land, despite being absorbed quickly in the past 18 months, still amounts to just under 2,000 gross acres, primarily located in the Northeast and Southeast quadrants within city limits, according to a City of Calgary report. Developments like Amazon's new space in the Dufferin area and the ongoing build-out of sites like Point Trotter are chipping away at this land bank. However, areas outside city limits also provide significant opportunities, such as the Balzac area just north of Calgary.

Over the past year, aggregated estimated market sale prices have stabilized and currently sit at $165 per square foot. Specialized and flex buildings are north of $200, currently in the $225 per square foot range. Prices are forecast to soften throughout 2023 and 2024 by as much as 10% to $150, potentially returning the market to early 2021 pricing levels.

Nationwide and worldwide economic changes have affected Calgary's industrial market conditions. It will, however, remain a growth market. The ongoing construction cycle will attract investors on the hunt for yield as the market presents an average cap rate of 6.8%, well above the national average of 5.1%. Local service providers and large-scale distributors will continue to look to Calgary for its relatively affordable rates. And the population will continue to grow partly due to the enormous gains in net migration and the market being a much cheaper city to live in. These drivers will ensure that the market remains highly competitive and that industrial growth continues throughout the coming years.

Leasing

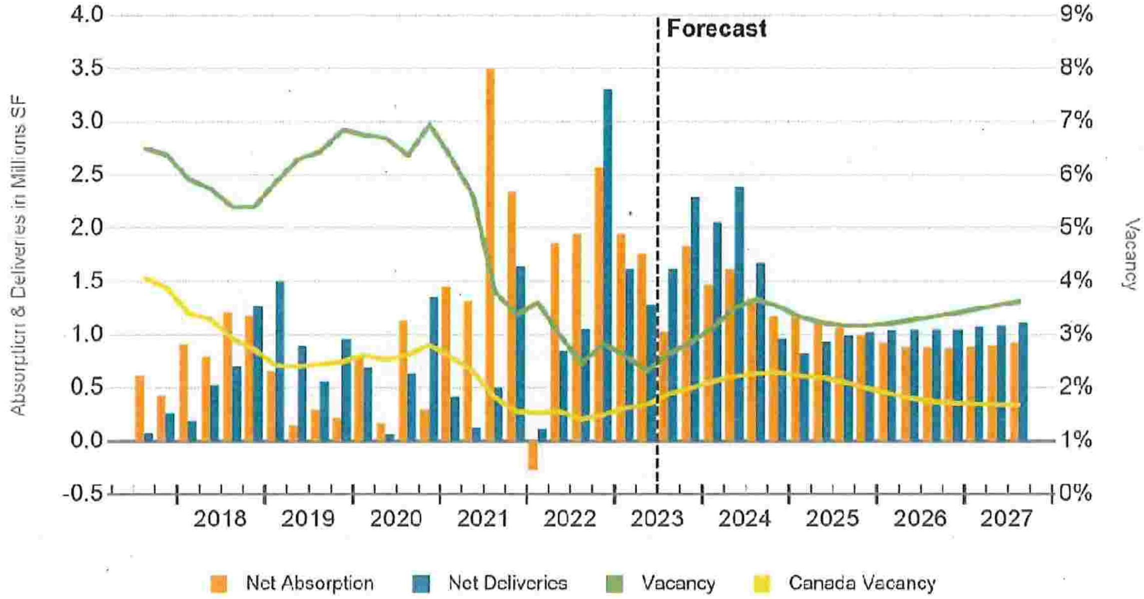
The Calgary industrial market has had a tremendous run in the past 12 months; 7.4 million square feet of net absorption over the past year has eclipsed the threeyear average of 5.9 million square feet resulting in vacancy moving from 2.8% to the current 2.3%, after already plummeting from 7% in Q4-20. In addition, the pace of construction now leads the nation, with total square feet underway representing the equivalent of 5.2% the existing inventory. Leasing activity through the first six months, nearly three million square feet, indicates that the Calgary market will start to see absorption metrics decline throughout the year despite the scheduled deliveries, resulting in some unwinding of the current vacancy rate. Annual leasing activity over the previous four years has ranged from 8.5 to 9.5 million square feet.

Accelerated by the pandemic, Calgary continues to play an increasing role as a centre for distribution and logistics. This activity is most apparent in two submarkets; the Rocky View County & Outlying submarket includes the Balzac area, which is home to industrial parks such as High Plains, Interlink Logistics, and Crosspointe, and the Southeast submarket, home to the Point Trotter and Dufferin areas, to name two.

Since the start of 2023, activity has included several leases over 100,000 square feet and as high as 250,000 square feet. McIntyre Group, DSV, Master Group, and Bluebird Self Storage have all taken larger spaces, with at least three in Rocky View County, near Balzac. Each building is newer, showing that demand for large, highquality spaces still exists. These high-quality buildings, tenanted by strong tenants, will drive investor interest in the market.

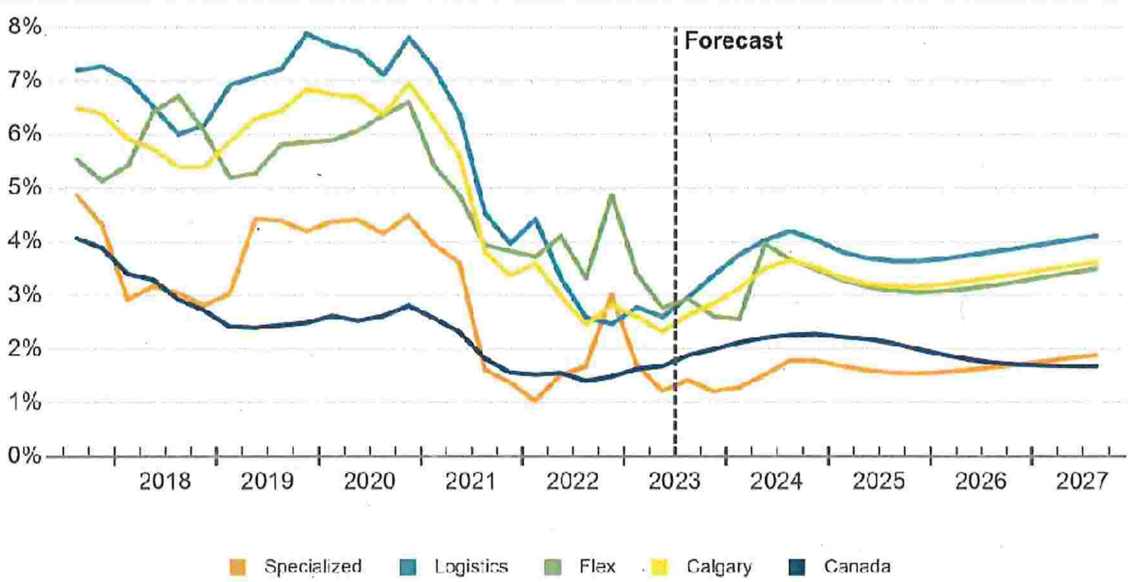
Leasing activity in 2023 is off the pace of past years by approximately 35%, the result of dwindling availabilities as well as the overarching nationwide slowdown. Rent rate growth has a long runway relative to other markets and will continue incentivizing national players to secure leases in Calgary. 4.7% gains over the last year to $11.30 per square foot is well below the national average growth rate of 12.8% and the national average rental rate of $16.80. Rental rates broke out in 2022 and continue to do so. 2022 culminated with 8.3% in the fourth quarter, compared to 2021 Q4.

Calgary Industrial - Net Absorption, Net Deliveries & Vacancy



Source: CoStar - Calgary Industrial Market

Calgary Industrial - Vacancy Rate



Source: CoStar - Calgary Industrial Market

Rent

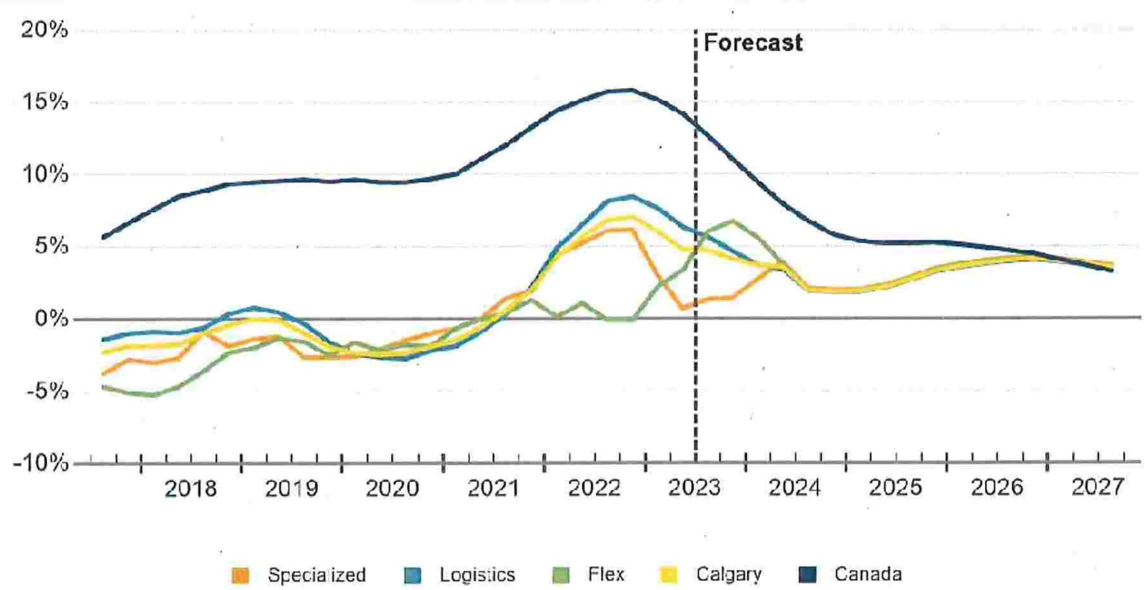
Due to a strong value proposition and an uptick in tenant and investor demand, industrial rents in Calgary are expected to continue their climb established in late 2021 through 2022 and beyond.

However, The climb rate will moderate in the months and quarters ahead as the current construction cycle plays out.

In the past 12 months, average industrial rates increased by 4.7% to $11.30/square foot. With the influx in distribution space throughout 2021, rents in the segment were last to achieve growth, but now improving by 5.8% over the past 12 months, while specialized industrial facilities were flat. The specialized building segment is showing some weakness relative to other industrial building types. It is expected that the cost of operating a specialized business has increased, either as a manufacturer or an industrial service provider, and reduced the appetite for new space. Tenants in this segment, for now, appear to be content with maintaining their current setups.

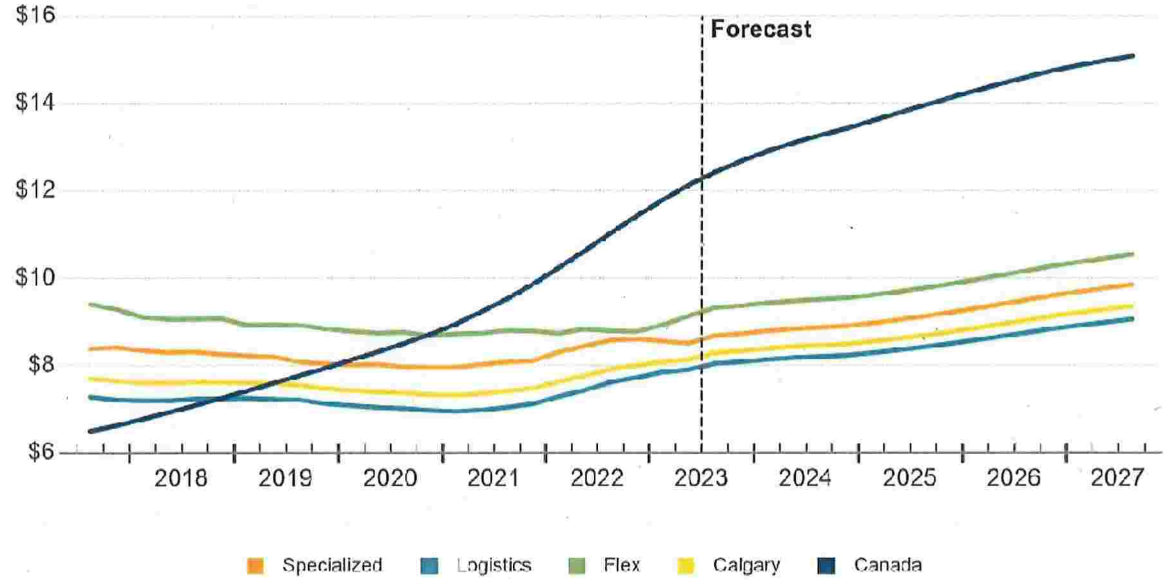
Industrial rents in Calgary have remained below the national average and have been the slowest to achieve consistent growth. Over the past five years, rents have climbed by just 8.4% having been in decline from 2015 through to the start of 2021. Competing major markets, Edmonton and Vancouver, have rates above that of Calgary, Edmonton at $11.70 and Vancouver at $20.60. Calgary benefitted from Vancouver's rapid growth rate, seeing many distribution firms locate in Calgary as a result. However, Calgary will see added competition from Edmonton for distribution tenants as rental rate spreads between the two cities tighten, and further capacity at the Port of Prince Rupert is added in each of the next two years and again in five to seven years if the Port's plans pan out.

Calgary Industrial - Market Rent Growth (YOY)



Source: CoStar - Calgary Industrial Market

Calgary Industrial - Market Rent Per Square Feet



Source: CoStar - Calgary Industrial Market

Construction

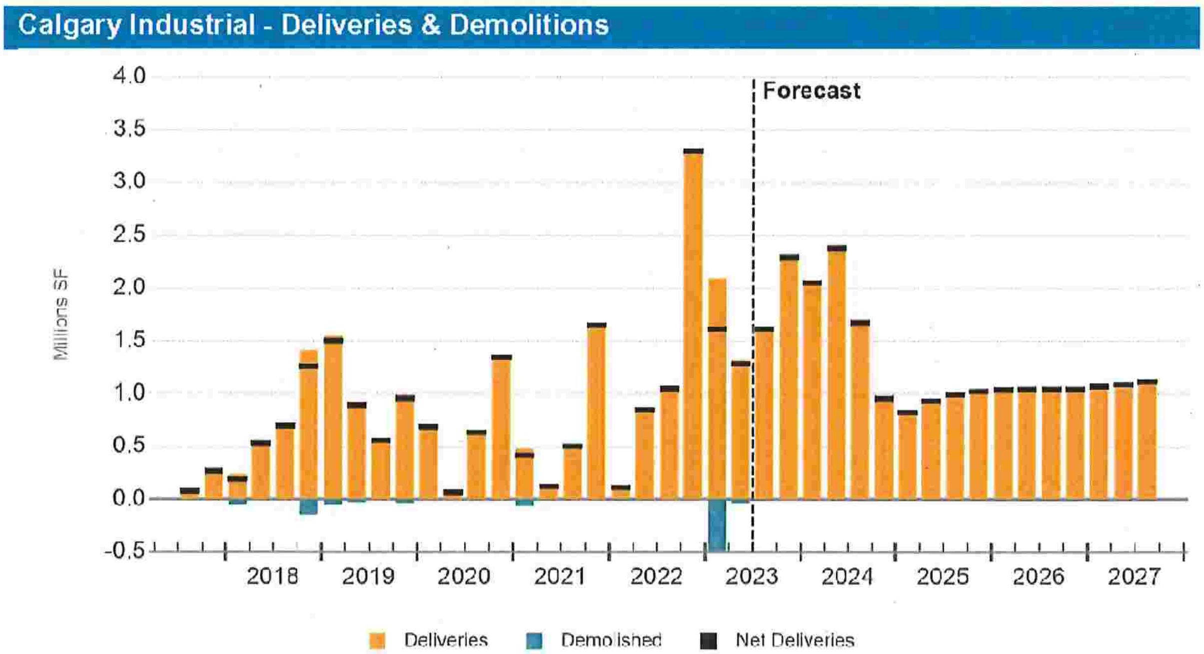
The Calgary region currently has 9.3 million million square feet under construction, well above the five-year average of 3.7 million square feet. The top developments, in terms of size, are primarily centred in two areas, Rocky View County near Balzac and the Southeast submarket within the City of Calgary. These are distribution buildings and can be found in areas like High Plains and Nose Creek Business Parks, Interlink Logistics Park in Rocky View County, and 68th Street Logistics Park.

Beyond distribution buildings, custom builds and flex properties make up most of the developments underway that are sub 250,000 square feet. Airdrie has two developments of significance, a 200,000-square-foot data centre and the expansion of Costco's distribution centre. Beedie's 'Rise at Point Trotter' is an ideal example of the flex industrial condo space available. Beedie first came to the Calgary market in 2010, in Airdrie's Highland Park area and has continuously brought this high-quality format to the Calgary market. The development is priced in the $250 to $275 per square foot range.

7.1 million square feet have been delivered in the past 12 months, with the Southeast and Rocky View County areas leading the way in terms of contribution by submarket. Most notably, Amazon launched their two buildings on 106th Avenue SE, totaling approximately 3.5 million square feet. A number of other distribution buildings ranging from 200,000 to 585,000 square feet launched as well, almost entirely in the two hot spots, SE Calgary and Balzac. Canal 108, buildings 1 and

2, developed by Enright, also completed, offering mediumsized condo bays, with some remaining availability after the completion date.

While vacancy rates will remain, historically low and rental rates will continue to climb, though more moderately, we may see some of the space proposed for development delayed given the current economic state unless the current rate of rent growth is sustained. If the growth isn't sustainable, several proposed projects could be delayed. The Calgary region has a significant influx of new space coming to market, with a number of buildings having been started on a speculative basis. As this space completes construction, the absorption will be watched closely and may provide greater insight into the pace of leasing work through 2023.



Source: CoStar - Calgary Industrial Market

Sales

Sales volumes over the past 12 months have reached $2.0 billion, surpassing the robust three-year average of $1.2 billion, despite delays in property transfer registrations hampering land title offices throughout Alberta. As of April 2023, delays remain an issue. Q1 2023 has amounted $124 million in sales volumes but is expected to continue to see volume added as Q1 transactions are registered at land titles.

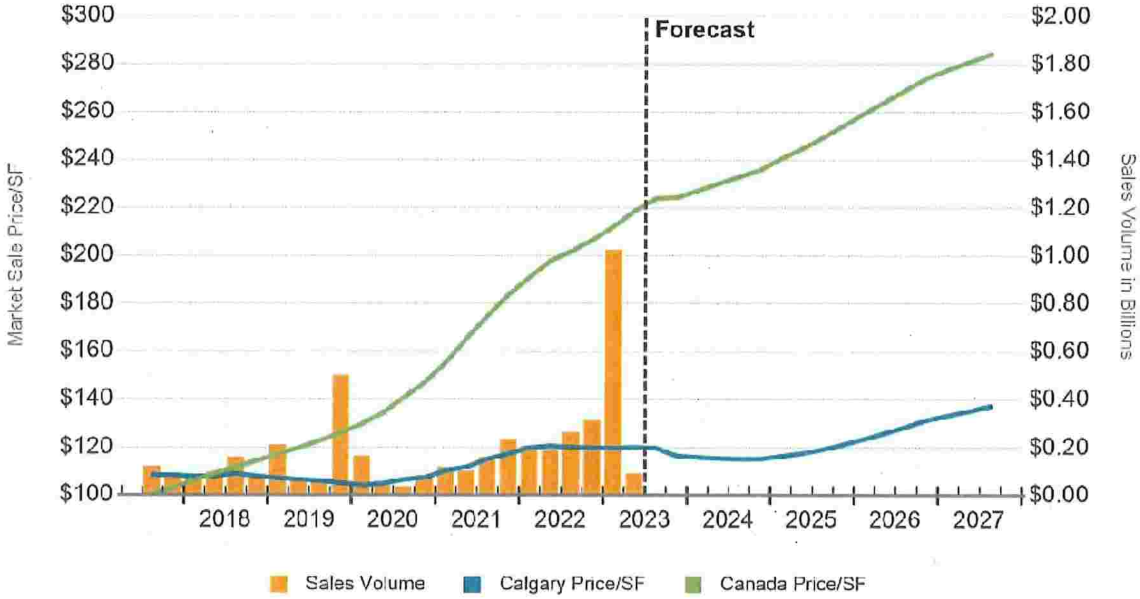
The six quarters leading into Q1-2023 represent six of the top ten on record dating back to 2016. Significant boosts to the volume over that time have come from portfolio sales and include Skyline Group's acquisition of a 16-building portfolio. The total size of the portfolio is 2.1 million square feet, split evenly between Calgary and Edmonton addresses. In all, the collection of buildings traded for $309 million, or $144 per square foot.

Skyline acted again in December 2022, picking up a 300,000-square-foot, newly built building at South Calgary Distribution Centre, tenanted by Purolator, for $57 million. The price represents a per-square-foot valuation of $185. This transaction illustrates the still healthy appetite for new builds that are tenanted by the strongest of covenants and likely had a cap rate in the same range as the logistics average cap rate of 4.8%, which is well above the national logistics cap rate average of 4.8%

It is these cap elevated cap rates that are drawing national and international attention to the market and include Richmond B.C. investor RCG Group acquiring a 409,000 square foot distribution building for $64.65 million ($158/SF), U-Haul's acquisition of the Calgary Herald building that will be used for self-storage, and British Columbia investors Lloyd Investments and TriVan Capital acquiring multiple buildings in the last six months. The Calgary market is increasingly more competitive as investors hunt for better yields in well-located, highquality industrial buildings. Investors are facing added competition from end users as a number of the top transactions, as well as most specialized properties and condo trades went to local businesses.

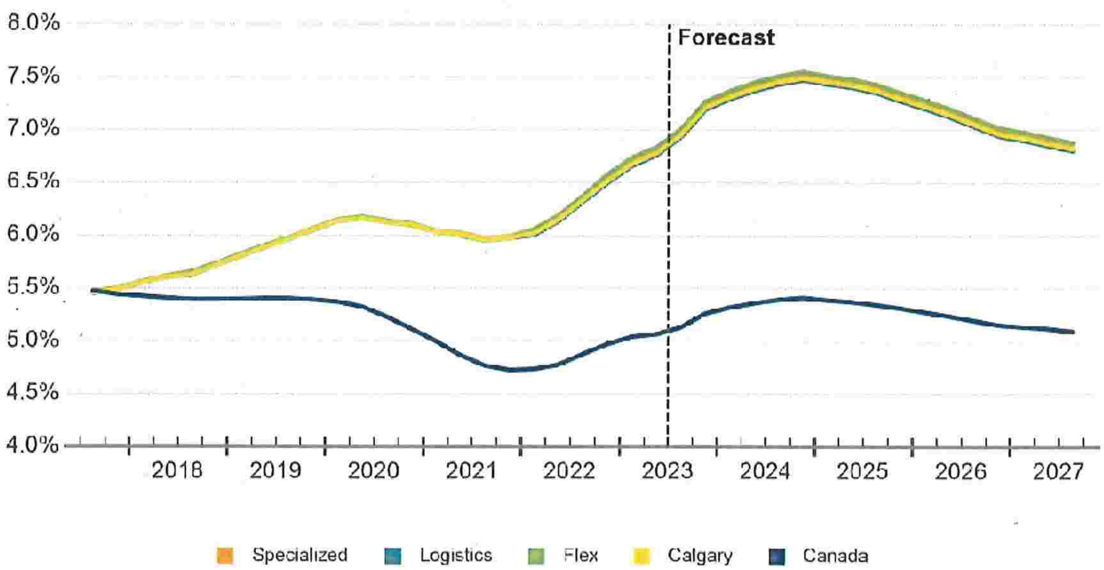
Even though sales activity had been strong before the pandemic, average market prices have climbed by 9% since 2020q1 to $165 per square foot. Over the six months, average market prices have been in a gradual decline as elevated borrowing costs take some sheen off an otherwise very strong industrial investment market. Despite the continued interest in the market, prices are projected to soften further, however, that will only amount to marginal declines, on average, with higher-quality properties expected to maintain their value. Any loss in value will not negate the gains made between early 220 and mid-2022.

Calgary Industrial - Sales Volume & Market Sale Price Per SF



Source: CoStar - Calgary Industrial Market

Calgary Industrial - Market cap rate



Source: CoStar - Calgary Industrial Market

Demographics Study

NEWMARK

Detailed Income Profile Canada

5150 47 St NE, Calgary, Alberta, T3J 4N4
Ring: 1 kilometer radius

Prepared by Esri
Latitude: 51.09942
Longitude: -113.96484

Summary	2017	2022	2027	2022 - 2027 Change	2022- 2027 Annual Rate
Population	8,737	9,088	9,121	33	0.07%
Households	2,631	2,647	2,656	9	0.07%
Average Household Size	3.3	3.4	3.4	0.00	0.00%
Families	2,251	2,261	2,270	9	0.08%
Average Family Size	3.1	3.1	3.1	-0.01	0.00%

	2017		2022		2027	
Households-Current Income	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	2,631	100.00%	2,647	100.00%	2,656	100.00%
<$19,999	148	5.6%	118	4.5%	102	3.8%
$20,000 - $39,999	387	14.7%	402	15.2%	365	13.7%
$40,000 - $59,999	475	18.1%	430	16.2%	376	14.2%
$60,000 - $79,999	480	18.2%	430	16.2%	373	14.0%
$80,000 - $99,999	374	14.2%	360	13.6%	328	12.3%
$100,000+	767	29.2%	906	34.2%	1,112	41.9%
$100,000 - $124,999	345	13.1%	353	13.3%	368	13.9%
$125,000 - $149,999	159	6.0%	205	7.7%	308	11.6%
$150,000 - $199,999	152	5.8%	189	7.1%	213	8.0%
$200,000+	111	4.2%	158	6.0%	223	8.4%
$200,000 - $299,999	90	3.4%	121	4.6%	159	6.0%
$300,000+	21	0.8%	37	1.4%	64	2.4%
Median Household Income	CA$72,729	-	CA$77,326	-	CA$86,829	-
Average Household Income	CA$83,490	-	CA$90,942	-	CA$100,295	-
Per Capita Income	CA$25,142	-	CA$26,488	-	CA$29,206	-

Households-Constant Income	2017		2022		2027	
(Base Year 2017)	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	2,631	100.00%	2,647	100.00%	2,656	100.00%
<$19,999	163	6.2%	165	6.2%	165	6.2%
$20,000 - $39,999	375	14.3%	382	14.4%	396	14.9%
$40,000 - $59,999	474	18.0%	479	18.1%	488	18.4%
$60,000 - $79,999	481	18.3%	481	18.2%	482	18.1%
$80,000 - $99,999	377	14.3%	370	14.0%	368	13.9%
$100,000+	761	28.9%	770	29.1%	757	28.5%
$100,000 - $124,999	343	13.04%	341	12.88%	332	12.50%
$125,000 - $149,999	158	6.01%	155	5.86%	150	5.65%
$150,000 - $199,999	150	5.70%	156	5.89%	158	5.95%
$200,000+	110	4.2%	118	4.5%	118	4.4%
$200,000 - $299,999	89	3.4%	94	3.6%	95	3.6%
$300,000+	21	0.8%	24	0.9%	23	0.9%
Median Household Income	CA$72,620	-	CA$72,370	-	CA$71,598	-
Average Household Income	CA$81,943	-	CA$82,087	-	CA$80,968	-
Per Capita Income	CA$24,676	-	CA$23,909	-	CA$23,578	-

NEWMARK

Detailed Income Profile Canada

5150 47 St NE, Calgary, Alberta, T3J 4N4
Ring: 3 kilometer radius

Prepared by Esri
Latitude: 51.09942
Longitude: -113.96484

Summary	2017	2022	2027	2022 - 2027 Change	2022- 2027 Annual Rate
Population	89,780	93,261	95,403	2,142	0.46%
Households	25,789	25,918	26,537	619	0.47%
Average Household Size	3.5	3.6	3.6	0.00	0.00%
Families	23,735	23,842	24,338	496	0.41%
Average Family Size	3.2	3.2	3.2	0.00	0.00%

	2017		2022		2027	
Households-Current Income	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	25,789	100.00%	25,918	100.00%	26,537	100.00%
<$19,999	1,258	4.9%	1,035	4.0%	937	3.5%
$20,000 - $39,999	3,531	13.7%	3,547	13.7%	3,297	12.4%
$40,000 - $59,999	4,460	17.3%	3,999	15.4%	3,544	13.4%
$60,000 - $79,999	4,522	17.5%	4,117	15.9%	3,656	13.8%
$80,000 - $99,999	3,728	14.5%	3,567	13.8%	3,189	12.0%
$100,000+	8,289	32.1%	9,654	37.2%	11,914	44.9%
$100,000 - $124,999	3,462	13.4%	3,542	13.7%	3,705	14.0%
$125,000 - $149,999	1,945	7.5%	2,248	8.7%	3,161	11.9%
$150,000 - $199,999	1,807	7.0%	2,274	8.8%	2,678	10.1%
$200,000+	1,074	4.2%	1,589	6.1%	2,369	8.9%
$200,000 - $299,999	879	3.4%	1,255	4.8%	1,759	6.6%
$300,000+	196	0.8%	334	1.3%	610	2.3%
Median Household Income	CA$76,121	-	CA$81,463	-	CA$91,502	-
Average Household Income	CA$86,863	-	CA$94,642	-	CA$104,163	-
Per Capita Income	CA$24,951	-	CA$26,302	-	CA$28,974	-

Households-Constant Income	2017		2022		2027	
(Base Year 2017)	Number	Percent	Number	Percent	Number	Percent
Income Base by Households	25,789	100.00%	25,918	100.00%	26,537	100.00%
<$19,999	1,380	5.4%	1,396	5.4%	1,494	5.6%
$20,000 - $39,999	3,439	13.3%	3,463	13.4%	3,665	13.8%
$40,000 - $59,999	4,490	17.4%	4,521	17.4%	4,683	17.6%
$60,000 - $79,999	4,535	17.6%	4,547	17.5%	4,630	17.4%
$80,000 - $99,999	3,739	14.5%	3,692	14.2%	3,719	14.0%
$100,000+	8,207	31.8%	8,298	32.0%	8,347	31.5%
$100,000 - $124,999	3,447	13.37%	3,418	13.19%	3,421	12.89%
$125,000 - $149,999	1,925	7.46%	1,894	7.31%	1,893	7.13%
$150,000 - $199,999	1,777	6.89%	1,852	7.15%	1,892	7.13%
$200,000+	1,057	4.1%	1,135	4.4%	1,141	4.3%
$200,000 - $299,999	870	3.4%	925	3.6%	948	3.6%
$300,000+	187	0.7%	211	0.8%	193	0.7%
Median Household Income	CA$75,813	-	CA$75,744	-	CA$74,803	-
Average Household Income	CA$85,252	-	CA$85,427	-	CA$84,091	-
Per Capita Income	CA$24,488	-	CA$23,741	-	CA$23,390	-

NEWMARK

Detailed Income Profile Canada

5150 47 St NE, Calgary, Alberta, T3J 4N4
Ring: 5 kilometer radius

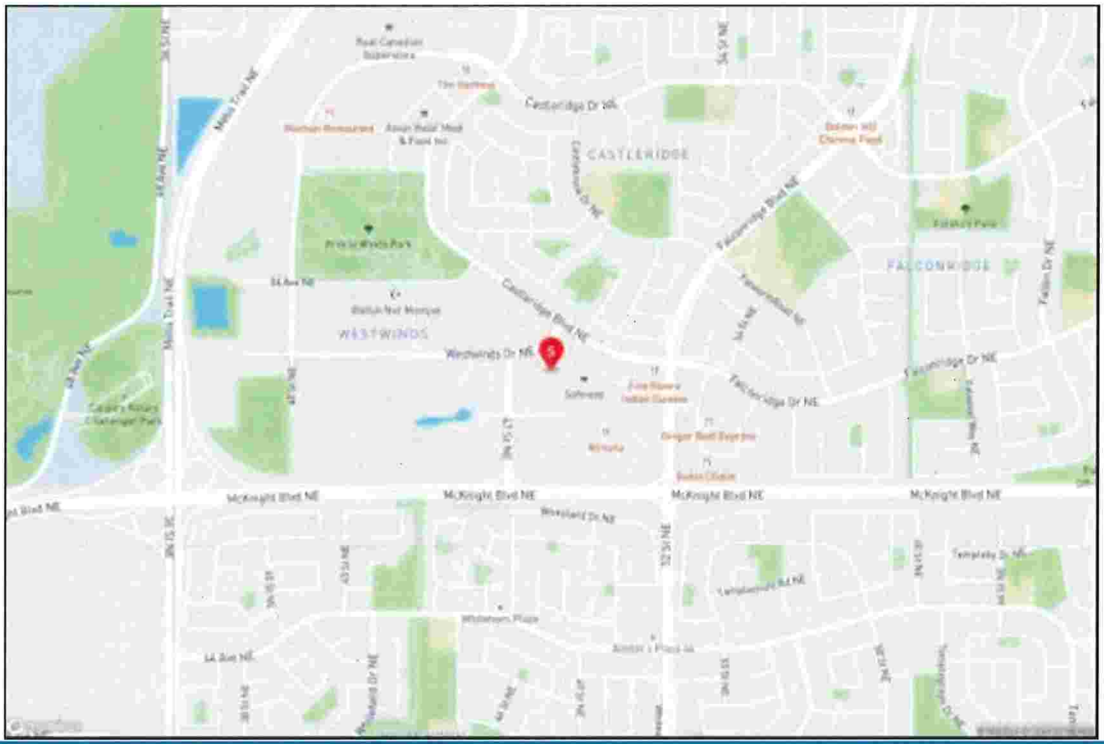
Prepared by Esri
Latitude: 51.09942
Longitude: -113.96484

Summary	2017	2022	2027	2022 - 2027 Change	2022- 2027 Annual Rate
Population	155,969	163,700	172,570	8,870	1.06%
Households	45,550	46,192	48,615	2,423	1.03%
Average Household Size	3.4	3.5	3.5	0.00	0.00%
Families	41,327	41,957	44,033	2,076	0.97%
Average Family Size	3.2	3.2	3.2	0.01	0.00%

	2017		2022		2027	
Households-Current Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Income Base by Households	45,550	100.00%	46,192	100.00%	48,615	100.00%
<$19,999	2,306	5.1%	1,903	4.1%	1,735	3.6%
$20,000 - $39,999	6,354	13.9%	6,427	13.9%	6,112	12.6%
$40,000 - $59,999	7,861	17.3%	7,069	15.3%	6,416	13.2%
$60,000 - $79,999	7,860	17.3%	7,184	15.6%	6,530	13.4%
$80,000 - $99,999	6,441	14.1%	6,239	13.5%	5,804	11.9%
$100,000+	14,727	32.3%	17,370	37.6%	22,018	45.3%
$100,000 - $124,999	6,095	13.4%	6,269	13.6%	6,645	13.7%
$125,000 - $149,999	3,444	7.6%	4,057	8.8%	5,789	11.9%
$150,000 - $199,999	3,266	7.2%	4,121	8.9%	5,015	10.3%
$200,000+	1,923	4.2%	2,922	6.3%	4,569	9.4%
$200,000 - $299,999	1,593	3.5%	2,315	5.0%	3,388	7.0%
$300,000+	329	0.7%	607	1.3%	1,181	2.4%
Median Household Income	CA$75,912	-	CA$81,643	-	CA$92,111	-
Average Household Income	CA$86,832	-	CA$94,872	-	CA$105,105	-
Per Capita Income	CA$25,359	-	CA$26,771	-	CA$29,609	-

Households-Constant Income	2017		2022		2027	
(Base Year 2017)	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Income Base by Households	45,550	100.00%	46,192	100.00%	48,615	100.00%
<$19,999	2,521	5.5%	2,561	5.5%	2,801	5.8%
$20,000 - $39,999	6,181	13.6%	6,260	13.6%	6,778	13.9%
$40,000 - $59,999	7,904	17.4%	7,978	17.3%	8,438	17.4%
$60,000 - $79,999	7,889	17.3%	7,958	17.2%	8,311	17.1%
$80,000 - $99,999	6,461	14.2%	6,445	14.0%	6,661	13.7%
$100,000+	14,594	32.0%	14,991	32.5%	15,626	32.1%
$100,000 - $124,999	6,086	13.36%	6,125	13.26%	6,314	12.99%
$125,000 - $149,999	3,410	7.49%	3,418	7.40%	3,528	7.26%
$150,000 - $199,999	3,211	7.05%	3,398	7.36%	3,612	7.43%
$200,000+	1,887	4.1%	2,050	4.4%	2,172	4.5%
$200,000 - $299,999	1,572	3.5%	1,684	3.6%	1,803	3.7%
$300,000+	315	0.7%	365	0.8%	369	0.8%
Median Household Income	CA$75,640	-	CA$75,826	-	CA$75,138	-
Average Household Income	CA$85,223	-	CA$85,635	-	CA$84,851	-
Per Capita Income	CA$24,889	-	CA$24,164	-	CA$23,904	-

NEIGHBORHOOD OVERVIEW



Location Map

Location Description

The subject property is in a neighbourhood known as Westwinds in northeast quadrant of Calgary. it is bounded by Castle ridge Boulevard NE. to the east, the 64 Avenue NE to the north, Metis Trail N.E. to the west, and the Mcknight Boulevard NE to the south.

The immediate area around the subject property is bound by the following roadways:

North	Westwinds Drive NE
South	McKnight Boulevard NE
East	Falconridge Boulevard NE
West	47 Street NE

Land Use

Land uses in the surrounding area is of commercial uses, shopping centres and restaurants. It is near to Calgary International Airport.

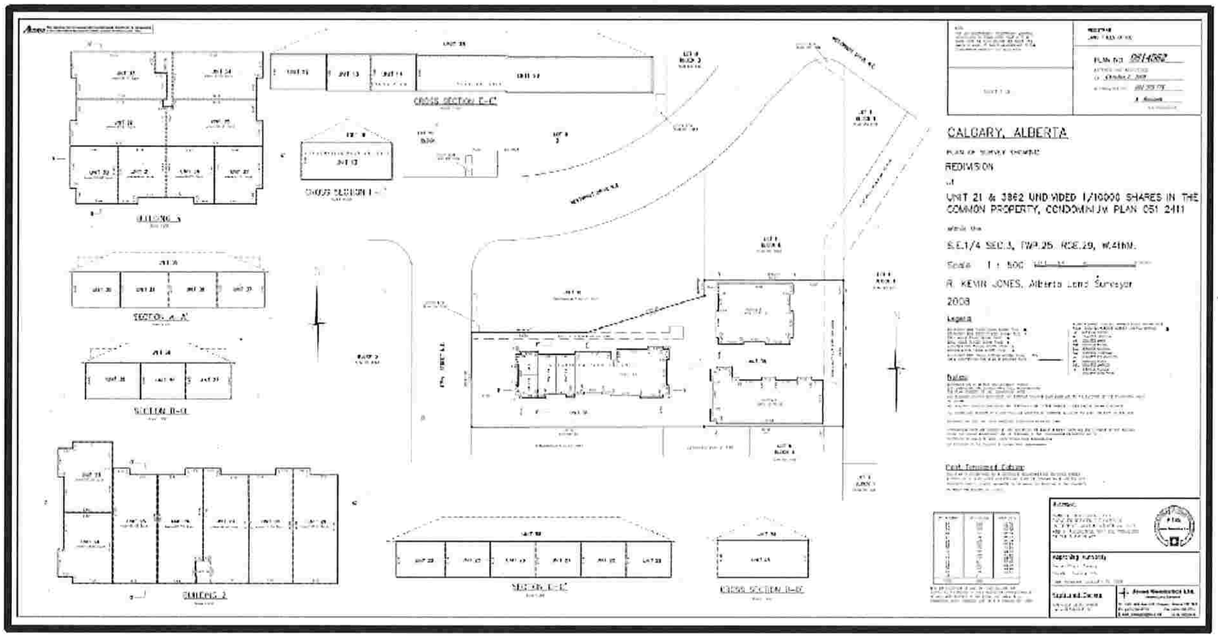
Amenities and Schools

- There is an average availability of amenities and schools within the immediate area of the subject property.

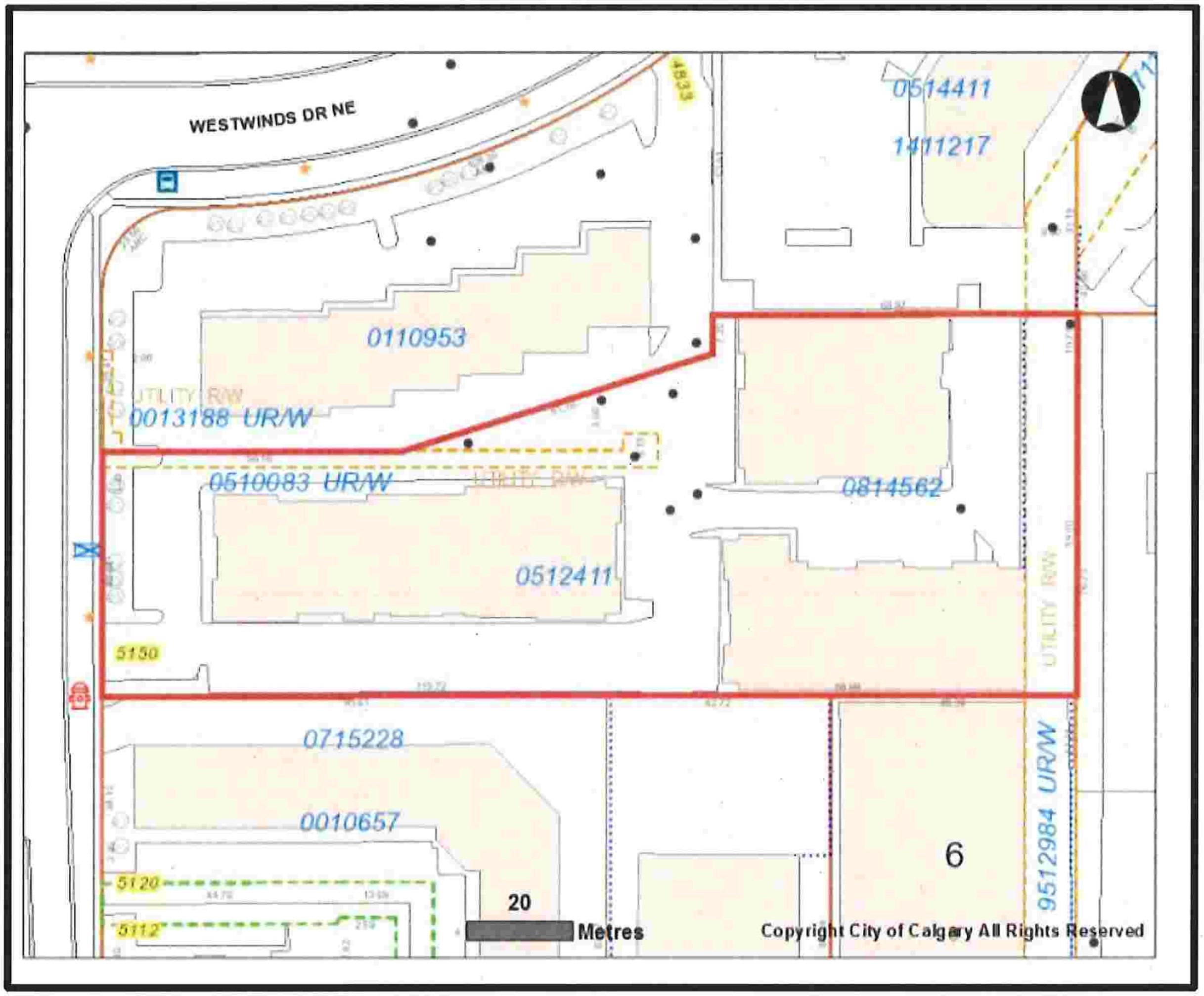
Public Transit

- In walking distance to Calgary Transit. Automobiles are the most convenient mode of transport.

Site Analysis



Site Plan



Site Plan

Land Parcels				
Parcel Summary	Legal Desription	Classification	Land Area (SF)	Land Area (Acres)
Site 1	Plan 0814562; units 23-29, 31-33, 36	Primary Site 1	85,378	1.9600

Compiled by Newmark

Land Description	
Site Characteristics	
Primary Street Frontage	47 Street NE (90 FF)
Traffic Control at Entry	Traffic light
Traffic Flow	Moderate
Accessibility Rating	Average
Visibility Rating	Average
Shape	Regular
Corner	No
Topography	Level
Site Vegetation	Perimeter Landscaping
Other Site Characteristics	None noted
Utilities	
Utility Services	Electricity, gas, sewer, water

Compiled by Newmark

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were provided a preliminary title report prepared by SPIN on August 28, 2023. Based upon a review of the title report, there are identified exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

ENVIRONMENTAL ISSUES

No environmental issues were observed or reported. Newmark is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

CONCLUSION

– The physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses, including those permitted by zoning.

– The site is adequately served by the local roadways allowing for adequate accessibility.

– We are not aware of any other restrictions on development that would be significant or impactful to the highest and best use and valuation analysis.