

**Prepared for the following:**

**Trillium Waldorf School  
c/o: Alain Carriere & Tracy Jewell**

**NARRATIVE APPRAISAL REPORT  
540 Victoria Road North  
Guelph, ON**

**Prepared by:**



**Effective Date of the Report  
October 18, 2021**

# S.W. IRVINE & ASSOCIATES

REAL ESTATE APPRAISALS & CONSULTING

**October 18, 2021**

**Trillium Waldorf School  
c/o: Alain Carriere & Tracy Jewell  
540 Victoria Road North  
Guelph, ON**

**SUBJECT : 540 Victoria Road North  
Guelph, ON**

**PT BROKEN FRONT LOT G, DIVISION F,  
TOWNSHIP OF GUELPH, PARTS 1 & 2, G1R3212  
EXCEPT PT 1, 61R11880  
City of Guelph**

**CLIENT : Trillium Waldorf School  
c/o: Alain Carriere & Tracy Jewell**

Dear Mr. Carriere & Ms. Jewell,

In compliance with your request, I have personally inspected the subject property and carried out a complete market investigation and analysis. The property was inspected on October 18, 2021 by Larry Zions, AACI, P. App, of S.W. Irvine & Associates. The photographs included in this report were also taken on October 18, 2021 as granted by the client.

The subject is an institutional property located on Victoria Road North in the City of Guelph. It is improved with a 14,019 sq. ft. building that includes a 6,471 sq. ft. main building area and 7,548 sq. ft. of attached portables with a centre hallway. The entire subject site is 2.97 acres in size and it is zoned for an institutional use as per the former Township of Guelph; the subject property does not currently have a designated zoning that is specific to the City of Guelph Zoning By-law.

The purpose of this Narrative Appraisal Report is to estimate a current market value for the subject property that is based on its continued use as an institutional property. The only intended user of this appraisal report is Trillium Waldorf School; the only intended use is first mortgage financing (purchase). The effective date of the appraisal is October 18, 2021.

Enclosed in this appraisal report are photographs of the subject property, a description of the neighbourhood, a description of the site, a description of the building, land use regulations, a highest and best use analysis, a fair market analysis, a reconciliation of value, limiting conditions and certification.

As a result of this appraisal report, the estimated current market value for the subject property as continuing institutional property as at October 18, 2021 is:

**\$4,200,000 \***  
**(FOUR MILLION, TWO HUNDRED THOUSAND DOLLARS)**

*\* Subject to the attached assumptions and limiting conditions.*

Respectfully,

Larry Zions, AACI, P. App.  
S.W. Irvine & Associates

## PHOTOGRAPHS

*Subject Property: 540 Victoria Road North, Guelph, ON*

### Exterior Views of the Subject Building and Site





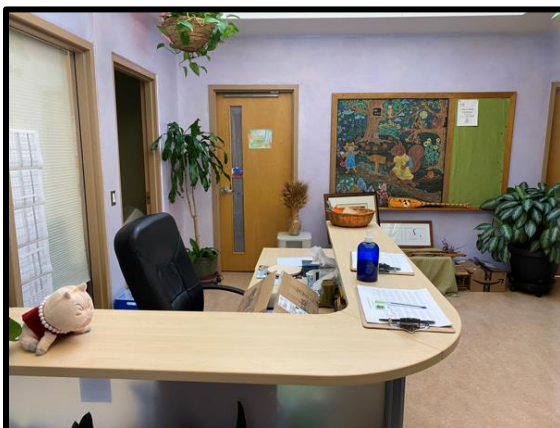
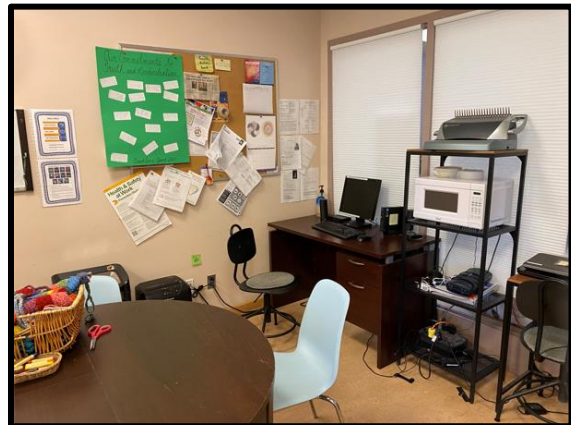
## PHOTOGRAPHS

*Subject Property: 540 Victoria Road North, Guelph, ON*

### Exterior Views of the Subject Building and Site (continued)



### Interior Views of the Subject Building



## PHOTOGRAPHS

*Subject Property: 540 Victoria Road North, Guelph, ON*

### Interior Views of the Subject Building (continued)





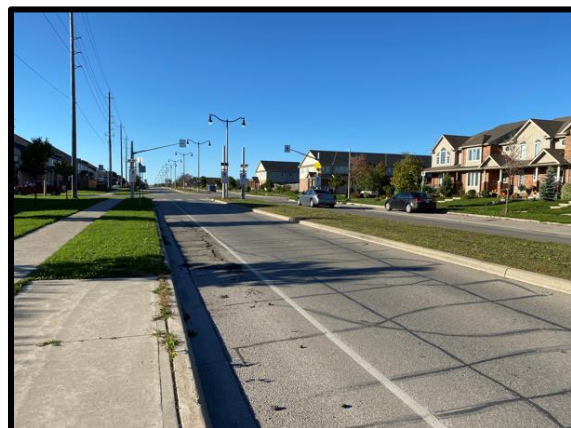
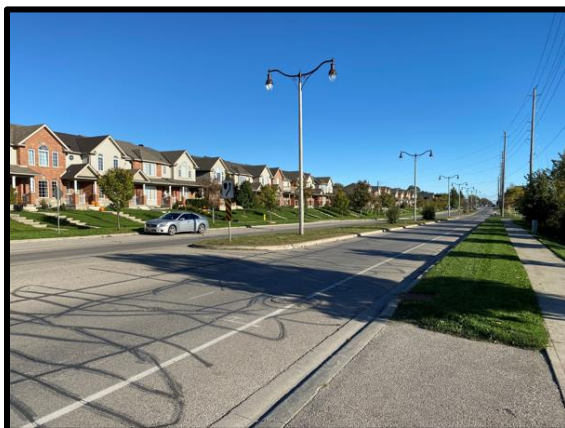
## PHOTOGRAPHS

*Subject Property: 540 Victoria Road North, Guelph, ON*

### Interior Views of the Subject Building (continued)



### Views of Victoria Road North



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*540 VICTORIA ROAD NORTH  
GUELPH, ON*

**SECTION 1**

**APPRAISAL PARAMETERS**

## SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

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PROPERTY ADDRESS	:	540 Victoria Road North Guelph, ON
LEGAL DESCRIPTION	:	PT BROKEN FRONT LOT G, DIVISION F, TOWNSHIP OF GUELPH, PARTS 1 & 2, G1R3212 EXCEPT PT 1, 61R11880 City of Guelph
PROPERTY ID #	:	713581212
REGISTERED OWNER	:	Absolute Indigo Inc.
EFFECTIVE DATE	:	October 18, 2021
TYPE OF PROPERTY	:	Institutional – operated as a private school
SITE SIZE	:	2.97 acres
GROSS BUILDING AREA	:	Main Building: 6,471 sq. ft. Portables/Hallway: <u>7,548 sq. ft.</u> Total: 14,019 sq. ft.
OFFICIAL PLAN	:	Low Density Residential
ZONING	:	Institutional – former Township of Guelph
2021 ASSESSMENT	:	Not provided
2021 TAXES	:	Exempt if owner-occupied
HIGHEST & BEST USE	:	Existing improved private school use based on a continuation of the property for an institutional purpose
MARKET VALUE ESTIMATE	:	<b>\$4,200,000</b>

### **ORDINARY ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY**

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

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.



5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.

10. The term “inspection” refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author’s privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.

16. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
17. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

## **EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS**

### **Covid-19 Pandemic:**

Values contained in this appraisal are based on market conditions as at the time of the current analysis contained within this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly, and such potential future events have been NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the effective date, readers are cautioned in relying on the appraisal after the effective date noted herein. As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.



## **SCOPE OF THE APPRAISAL ASSIGNMENT**

Each appraisal assignment is unique, depending upon the type and size of the property being appraised, the complexity and significance of the appraisal assignment, and the intended function of the appraisal. Included below are the specific tasks taken to complete this assignment, as well as, noteworthy items that must be drawn to the attention of the user/reader of this report.

- A preliminary investigation of the subject's market was carried out to determine trends, influences and other significant factors pertinent to the subject property.
- The subject property and the surrounding neighbourhood were inspected on October 18, 2021.
- The subject's legal description and registered ownership are obtained from Ontario Land Registry Office records available online at Geowarehouse.
- Land use controls affecting the subject property, including the effective Official Plan and Zoning Bylaw, are obtained from documents at Guelph City Hall.
- The subject's site dimensions and site size are based on site plans prepared by Ronald D. Brandon Architect as dated April 25, 2005. The subject's physical description of the land is based on the appraiser's inspection of the site, as well as verbal information provided by the client.
- The gross building area is based on plans prepared by Ronald D. Brandon Architect as dated April 25, 2005. The physical description of the building is based on the appraiser's inspection, as well as verbal information provided by the client.
- The subject's 2021 phased-in assessment is not provided; the subject property is exempt from property taxes if owner-occupied.
- As an older developed property consisting of building components constructed over time, the subject is not well-suited for the Cost Approach. As such, the Cost Approach is excluded from this appraisal report.

- Properties similar to the subject property (a private school) are typically owner-occupied, as such, there is a lack of rental market data for similar properties. Therefore, the Income Approach is excluded from this report.
- In completing the Direct Comparison Approach, an estimate of market value for the subject property is estimated from sales of similar properties that are researched through the Ontario Regional Real Estate Board and Realtrack online services.
- From the fair market analysis section of this report, an explanation is provided on the reconciliation and final estimate of market value for the subject property.
- The findings and analyses of this report are conveyed in a narrative format.
- This appraisal report is presented in compliance with the Canadian Uniform Standards of Professional Appraisal Practice.
- The market value estimate contained in this report includes the value of the land and building only; it does not include any form of chattel, goodwill or business value. The appraised value also excludes subsurface (mineral, oil, natural gas, etc.) rights, if any.
- The analyses included in this report rely on written and verbal information of market transactions, data and statistics obtained from a variety of sources considered to be reliable. A concerted effort was made to verify the accuracy of the information contained within this report. Since this appraisal is not intended to be used for court purposes or for arbitration, some of the information contained in the report may not have been fully documented or confirmed by reference to primary sources.
- The user of this report must be made aware of the fact that fraud is known to exist in real estate. If this is of a concern to the user of this report, it is recommended that legal and other experts as necessary be consulted if needed.

- Appraisers are not qualified in professional matters such as land surveying, engineering, architecture or real estate law, nor are appraisers qualified building inspectors. Investigation into such matters did not form part of the appraiser's analyses or conclusions. It is assumed that there are no hidden or unapparent conditions of the subject property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging professional studies that may be required to discover them. Any matters of the subject property that seem unusual, if detected, are noted in the appraisal report. The services of the appropriate experts in these fields are required to investigate the possibility that defects are present.

Technical investigations not provided include:

- An environmental site assessment
- An investigation into the bearing qualities of the underlying soils.

## **DEFINITION OF THE APPRAISAL ASSIGNMENT**

### **PURPOSE OF THE APPRAISAL**

The purpose of this Narrative Appraisal Report is to estimate a current market value for the subject property.

### **INTENDED USE & USER OF THE APPRAISAL**

The only intended use of this appraisal is first mortgage financing (purchase); the only intended user is Trillium Waldorf School (c/o: Alain Carriere & Tracy Jewell).

### **DEFINITION OF VALUE**

The value being estimated in this report is *market value*. For the purposes of this valuation, market value may be defined as follows:

*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:*

- (i) *Buyer and seller are typically motivated;*
- (ii) *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- (iii) *A reasonable time is allowed for exposure in the open market;*
- (iv) *Payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto;*
- (v) *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.<sup>1</sup>*

The market value estimated in this report reflects the price that would be paid for the property if sold in the open market as of the effective date of this appraisal.

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<sup>1</sup> Appraisal Institute of Canada, *Canadian Uniform Standards of Professional Appraisal Practice*: Appraisal Institute of Canada, 01/01/2005. Page 47, Line 6144.



### **EXPOSURE TIME**

Exposure time is the estimated length of time the property interest being appraised would have to be offered on the open market for a sale to occur at market value as at the effective date of the appraisal. The subject property is a 2.97 acre site that is improved with a 14,019 sq. ft. institutional building that is operated as a private school. Similar properties are predominantly sold on the open market under vacant possession to owner-occupiers. Typical financing terms involve a cash down-payment with the balance of the purchase price financed through a lending institution. Section 6 of this appraisal report (Current Market Value Analysis) includes a Direct Comparison Approach. Within the Direct Comparison Approach, there are four sales of other institutional properties, of which, the exposure time is known for one property, only. Therefore, to assist in the analysis, an additional sale of a smaller size institutional zoned property from the City of Guelph is introduced; please refer to the table below.

PROPERTY	ADDRESS	SALE DATE	SALE PRICE	EXPOSURE TIME
Comparable # 4	61 Sherwood Drive Brantford, ON	August 20, 2018	\$1,250,000	<b>24 days</b>
Additional	639 Eramosa Road Guelph, ON	November 11, 2020	\$725,000	<b>28 days</b>

Based on the above data, a reasonable exposure time for the subject property at a market value of **\$4,200,000** as at October 18, 2021 is estimated at **20 to 30 days**.

### **LEGAL DESCRIPTION**

PT BROKEN FRONT LOT G, DIVISION F, TOWNSHIP OF GUELPH, PARTS 1 & 2, G1R3212  
EXCEPT PT 1, 61R11880; City of Guelph

### **PROPERTY RIGHTS APPRAISED**

The property rights are appraised on the basis of the fee simple interest, defined as, “absolute ownership unencumbered by any other interest or estate, subject to only the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.” (The Appraisal of Real Estate, Second Edition, page 5.2).

### **LEGAL REGISTERED OWNER AS OF EFFECTIVE DATE**

Absolute Indigo Inc.

**SALES HISTORY**

The subject property was purchased as vacant land by the current owner in the amount of \$550,000 as registered November 30, 2004. The main building and six attached portables were constructed in 2005. An additional portable was constructed in 2009 and another in 2012. As at the effective date of this report, there is a signed agreement of purchase and sale for the subject property; the details are provided below.

Vendor:	Absolute Indigo Inc.
Purchaser:	Trillium Educational Initiative Charitable Corporation
Purchase Price:	\$3,970,000
Date of Agreement:	November 1, 2021
Date of Completion:	June 30, 2022

**ENCUMBRANCES**

The subject's legal description is obtained from Ontario Land Registry Office records as researched online through Geowarehouse. According to this source, there are no encumbrances registered to the subject property. If any encumbrance is found to exist that has an effect on the subject's market value, the appraiser reserves the right to adjust the market value estimate of this report accordingly. Please note that a full title search on the subject property is not performed for the purpose of this report.

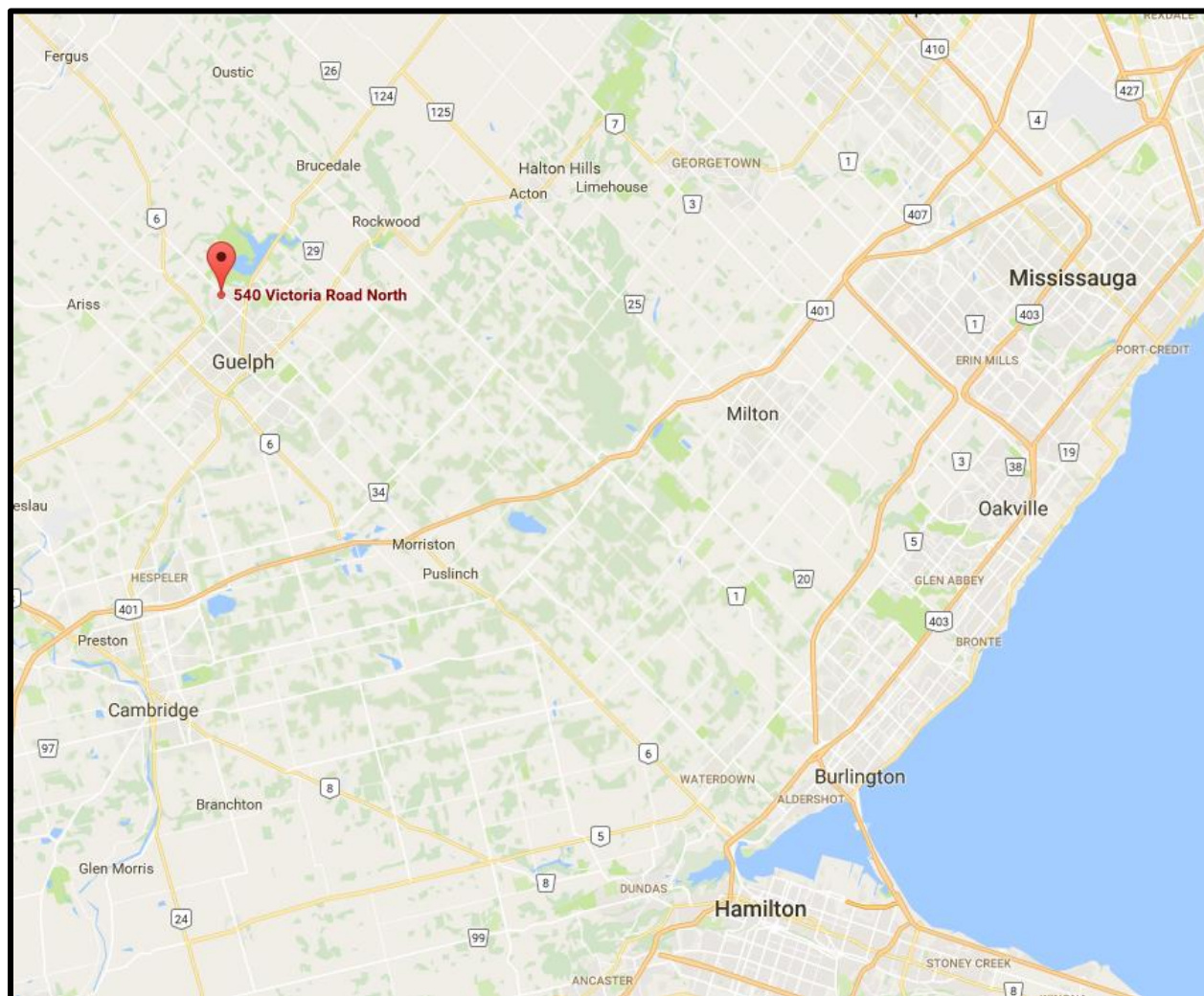
**EFFECTIVE DATE OF VALUATION**

October 18, 2021

## **SECTION 2**

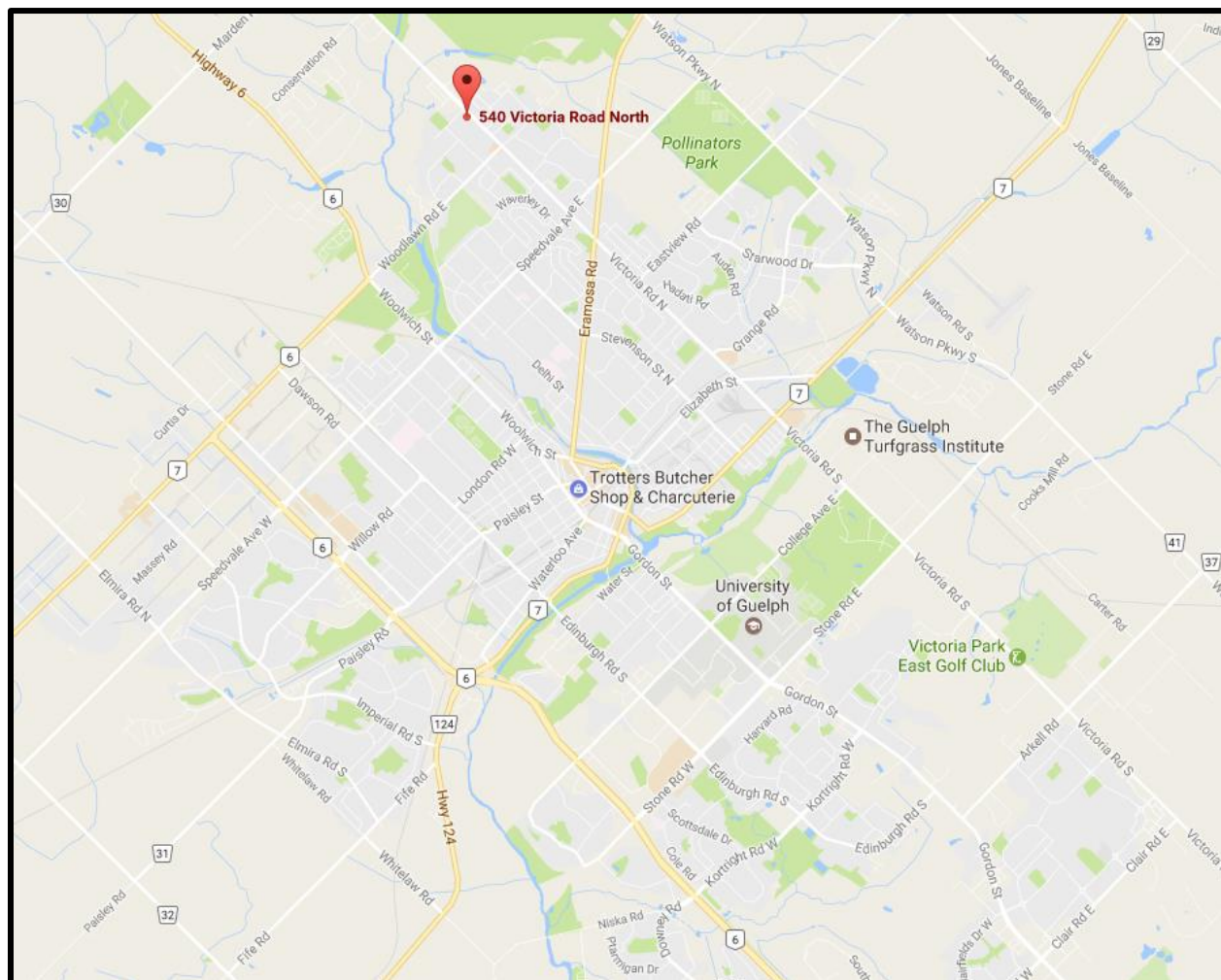
### **REGIONAL AND NEIGHBOURHOOD DATA**

## REGIONAL MAP





## CITY OF GUELPH MAP



## **REGIONAL AND NEIGHBOURHOOD ANALYSIS**

### **Location**

The subject property is located in the City of Guelph, which is located in the southwestern part of the Province of Ontario - approximately 18 kilometers east of the City of Kitchener, 21 kilometers east of Waterloo, 23 kilometers northeast of the City of Cambridge, 23 kilometers south of Elmira, 56 kilometers north of the City of Hamilton, 105 kilometers east of the City of London and 100 kilometers west of the City of Toronto. The City of Guelph is geographically within Wellington County and is bordered by the Townships of Guelph/Eramosa and Puslinch. Guelph covers a land area of 86.72 km<sup>2</sup>.

### **Government**

The City of Guelph is governed as a single tier government. Since 1991, the Guelph City Council has consisted of a mayor and twelve councilors - two voted in from each of the City's six wards. The members of Council are elected by residents to a four-year term of office. The City of Guelph also provides a member of the federal government (MP) and the provincial government (MPP) as elected by its constituents.

### **Economic Background**

The City of Guelph is located in an area of Southwestern Ontario that also includes the Cities of Cambridge, Kitchener and Waterloo. These four cities have a combined population of close to 600,000 people. The area benefits from its strategic location and excellent market access to the Greater Toronto Area and the United States border. Much of the area's success is also attributed to its many technology-based industries, extensive research and development facilities and strong service sector. As well, the area is home to three world class universities that include the University of Guelph, the University of Waterloo, and Wilfrid Laurier University. Further complementing the educational sector is Conestoga College, which has its main campus in Kitchener, with a smaller campus in Guelph.

The strong labour force of the area is demonstrated by the City of Guelph's low unemployment rate compared to the Province of Ontario and Canada as shown below.

### **December 2020 Unemployment Rates – Statistics Canada**

Guelph:	5.8%
Ontario:	9.4%
Canada:	8.7%

The leading economic sector of Guelph is the manufacturing industry, which accounts for approximately 25% of Guelph's employment. Guelph is also ranked the top agricultural biotechnology cluster in Ontario, and one of the top two in Canada.

### **Population Trends**

Between the census periods of 2006 and 2016, the City of Guelph has experienced steady growth to its population base as indicated in table below:

YEAR	POPULATION	% CHANGE
2016	131,794	+8.3%
2011	121,688	+5.9%
2006	114,943	-

Source: Statistics Canada

Furthermore, the City of Guelph is identified as being part of the Province of Ontario's "Places to Grow," which is a strategic plan for handling anticipated population growth over the next thirty years. Over this timeframe, the City of Guelph and the surrounding Wellington County area is expected to experience an increase in population of approximately 125,000 people. In addition, one of the goals of the Places to Grow strategic plan is to improve connectivity between Guelph and the Greater Toronto Area (GTA) through improved inter-regional transportation. Already, Guelph has re-built its downtown public transportation hub, which is to see increased Go-Transit services between Guelph and the GTA. As well, Guelph is expected to benefit from an improved economic corridor at the north end of the city between the Region of Waterloo to the west and the northern GTA to the east.

In summary, the population for the City of Guelph is expected to continue its trend of steady growth well into the future.

## **Transportation**

- |        |   |  |
|--------|---|--|
| Public | - | The City of Guelph has a public bus transit system that offers service to most areas of the city seven days a week. Go-Transit bus and rail services also run out of the new downtown transportation hub.  |
| Taxi   | - | There are two main taxi cab companies operating in Guelph.   |
| Roads  | - | Guelph has a good network of major and secondary streets throughout the city. Highways # 6 and # 7 pass through Guelph, in addition, the Hanlon Expressway provides a direct link to Highway 401.  |
| Rail   | - | The Canadian National Railway and Canadian Pacific Railways service industry with all types of rail services. The Guelph Junction Railroad has become a strong player in servicing industrial properties in Guelph. A limited number of industrial properties in Guelph have access to rail service with spur lines into their properties. Guelph's passenger train station is located in the downtown core as part of the newly constructed transportation hub. |
| Truck  | - | Trucking is the leading method for industrial shipping into and out of Guelph. The three main industrial basins within the city are well designed to handle the largest tractor-trailer combinations.  |
| Air    | - | Guelph's only air service is known as the Guelph Airpark, which is used as a recreational air strip and hangar. For international air services, Lester B. Pearson International Airport is approximately 72 kilometres east of the City and the Waterloo Regional Airport is approximately 20 km west.   |
| Water  | - | Guelph is not located on any major waterways, but the Port of Hamilton and the Port of Toronto are both located within a 60-minute drive and provide shipping service to the Great Lakes and the St. Lawrence Seaway.  |

### **Real Estate Summary**

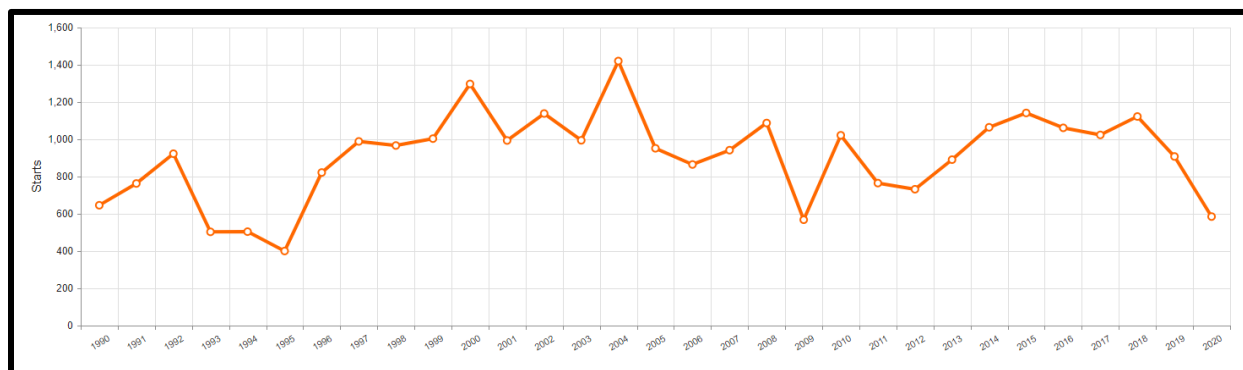
The City of Guelph's Official Plan 2021 lays out a growth management strategy based on the trends of previous years and analyzes what is expected to come in the future based on the Places to Grow Act, 2005. The main objectives laid out by the official plan include some of the following key points:

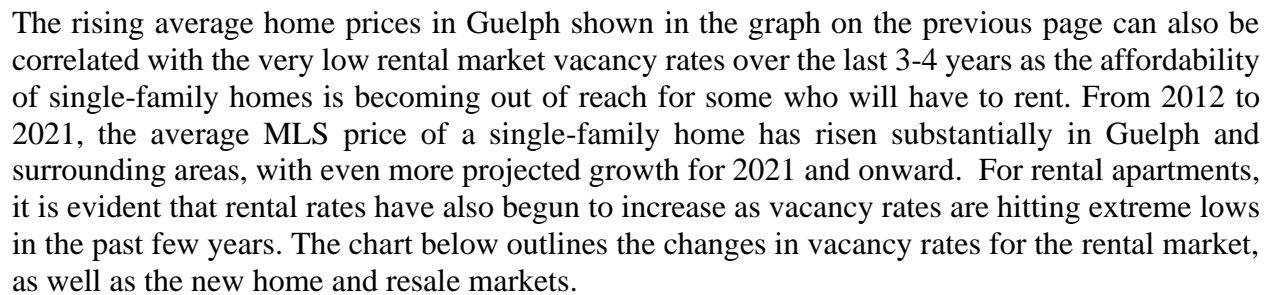
- Providing an adequate supply of land within the City's settlement area boundaries to accommodate projected growth to the year 2031
- Directing growth to best accommodate for the expected population and employment growth
- Maintain a healthy mix of residential and employment land uses at approximately 57 jobs per 100 residents.
- Maintain/preserve existing employment areas and identify areas for future employment uses
- Promote the City's Urban Growth Centre by implementing multi-modal transportation networks and efficient public transportation.
- Promote and protect the City's natural heritage system

### **Residential Sector:**

As the City's current estimated population is 131,794 (2016 census) people and by 2031 it is expected to jump to 177,000 people, economic trends have been occurring to account for this growth. A few relevant areas of analysis are shown on the following pages. Housing starts are impacted by the demand of housing which is exemplified by a graph of average house prices and in turn absorption. Therefore, the following graphs and tables will help to identify a summary of the direction in which building/residential sales and starts have been occurring over the past 10 years.

**Annual Guelph Starts**





Forecast Summary Guelph CMA Fall 2018									
	2015	2016	2017	2018(F)		2019(F)		2020(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	343	249	243	110	155	90	165	70	175
Multiples	798	812	780	600	900	570	870	595	940
Starts - Total	1,141	1,061	1,023	800	1,000	730	965	745	1,030
Resale Market									
MLS® Sales	3,470	3,610	3,324	2,780	3,025	2,800	3,140	2,790	3,225
MLS® Average Price(\$)	390,661	440,423	528,489	511,500	545,800	523,700	587,790	530,700	609,340
Economic Overview									
Mortgage Rate(5 year)(%)	4.67	4.66	4.78	5.00	5.60	5.40	6.20	5.50	6.50

	2015	2016	2017	2018(F)		2019(F)		2020(F)	
Rental Market									
October Vacancy Rate (%)	1.2	1.0	1.2	1.1		1.2		1.2	
Two-bedroom Average Rent (October)(\$)	1,027	1,078	1,124	1,163		1,194		1,224	
Economic Overview									
Population	153,290	156,553	159,988	162,500		166,050		168,788	
Annual Employment Level	90,500	90,600	90,800	88,400		90,300		91,700	

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

Rental Market: Privately initiated rental apartment structures of three units and over.

The forecasts (F) included in this document are based on information available as of 5th October 2018. (L)= Low end of range. (H)= High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey - Market Absorption Survey - Rental Market Survey). Statistics Canada. CREA/MLS®. CMHC Forecast (2018-2020).

**Commercial Sector:**

The steady growth of Guelph's population has led to an increase demand for retail, food services, professional practices and other commercial services. This increased demand has resulted in steady commercial development throughout all regions of the city. The south end of Guelph has seen the greatest amount of commercial development due to that area of the city having experienced the highest rate of housing starts over the past decade. The majority of commercial development at the south end has occurred along Gordon Street and Clair Road. In addition, Woodlawn Road West, at Guelph's north end, continues to experience increased commercial growth, particularly at the northwest corner of Woodlawn Road West and Woolwich Street, where there is a village style retail mall anchored by a Walmart department store. As the population of Guelph is expected to continue its growth trend, the demand for commercial related real estate is expected to remain high.

**Downtown Core:**

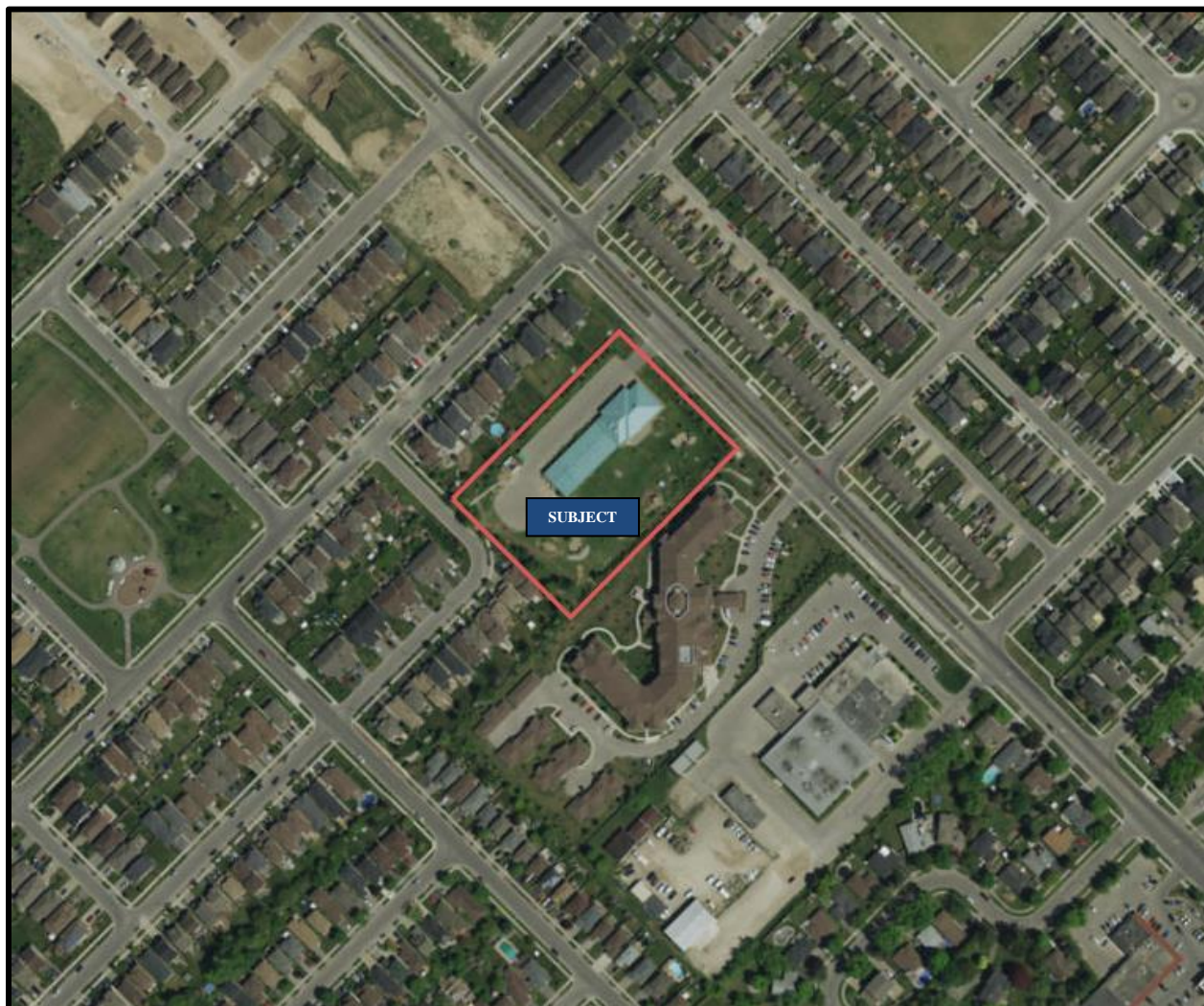
In an effort to improve the appeal of Guelph's downtown core to its residents, revitalization of the downtown area has occurred over the past twenty years. Past improvements include conversion of the former Eaton's Centre to a new arena and entertainment facility – now known as the Sleeman Centre, plus, a new downtown mall known as the Quebec Street Mall. As well, in 2009, the City of Guelph completed construction on a new city hall. The revitalization process is expected to continue with identification of Guelph's downtown core as an "urban growth centre" as part of the Province's "Places to Grow" strategy. In response, three new construction starts of multi-storey condominium apartment buildings have occurred in Guelph's downtown core. In addition, in 2012, the City completed construction of a new downtown public transportation hub for bus & rail services. Future plans for the downtown core include a new main branch of the Guelph Library.

**Industrial Sector:**

The City of Guelph contains three main industrial basins – the Northwest Industrial Park, the York-Watson Industrial Park and the Hanlon Industrial Park. In addition, an older miscellaneous industrial area exists in the neighbourhood of Elizabeth Street and York Road. As these existing industrial basins are nearly fully developed, the City of Guelph has addressed the demand for more industrial land through the recent creation of the Hanlon Creek Business Park. This new park is comprised of 380 net saleable acres of land. It is located along the south side of Teal Drive and extends southward to Forestell Road, west to Downey Road, and east to the Hanlon Expressway. The Hanlon Creek Business Park is developed as a combination of business park land and industrial land interspersed with park land and wetlands. The increasing demand for industrial land in Guelph is a result of decreasing industrial land available in the GTA. As manufacturing, warehousing, research and development and other technology-based companies experience the need to expand, they must now look to communities outside of the GTA due to a lack of available land in that area. As a result, communities like Guelph become an attractive place to set up business. For this reason, industrial land in Guelph should continue to be in good demand.



## SUBJECT'S NEIGHBOURHOOD MAP



**Description of Subject's Neighbourhood**

The subject property is located in the northern section of the City of Guelph known as Victoria North. Victoria North is a heavily developed major road that includes a mixture of residential, commercial, institutional and industrial properties. The boundaries of Victoria North can generally be described as the lands lying at the north-east corner of the city of Guelph - east of Woolwich Street and north of Woodlawn Road East. The subject property is located on Victoria Road North, which is a main street that runs along the eastern side of the City of Guelph, spanning the full north-south distance of the city. Victoria Road is considered a major transportation route through Guelph as it intersects with several other major Guelph roads including Woodlawn Road East, Speedvale Avenue East, York Road, Stone Road, and Clair Road East.

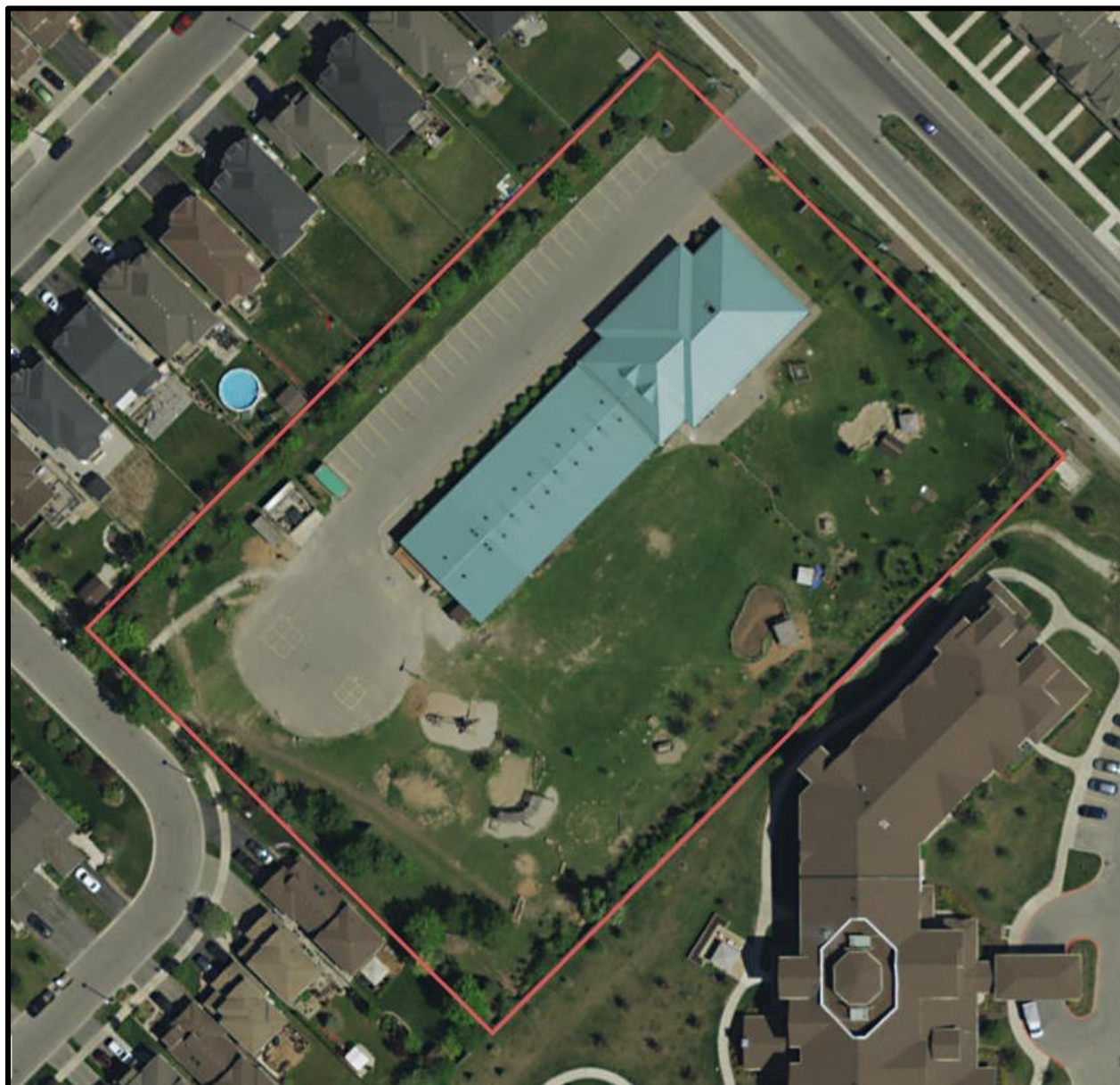
Directly surrounding the subject property is a mixture of detached and semi-detached dwellings, as well as, a large retirement community called Guelph Lake Commons. Located on the other side of the Guelph Lake Commons is the Upper Grand District School Board main office building.

In summary, the subject property is located in well-established neighbourhood in the Victoria North sector of Guelph. It is located on a main road and benefits from close proximity to major transportation routes that serve the City.

**SECTION 3**

**DESCRIPTION OF THE SITE**

## AERIAL VIEW OF THE SUBJECT SITE



## SITE DETAILS

### Location:

The subject site is located on the west side of Victoria Road North. Victoria Road North is a four-lane arterial road that includes an asphalt surface, storm drains, drainage ditches and overhead lighting. Traffic volume along Victoria Road North is moderate.

<b>Shape:</b>	Rectangular
<b>Size:</b>	2.97 acres
<b>Frontage:</b>	300 ft. +/- along Victoria Road North
<b>Depth:</b>	427 ft. +/-
<b>Topography:</b>	Generally level with some grading for storm water management

### Site Improvements:

- 1 double-wide paved entrance from Victoria Road North.
- Paved parking along north side of building. Includes concrete curbs and marked parking spaces; exterior lights are mounted to building with two additional light poles over parking area. Handicapped parking spaces and accessibility ramps to building.
- Paved playing court at rear of site with a metal light pole.
- Interlocking brick walkway along north and east sides of building.
- Mature trees surrounding the perimeter of the site with attractive landscaping including gardens; property sign at road frontage.
- Combination of chain link and wood fencing along perimeter.
- Open lawn area with playground equipment.
- Garbage storage area on a concrete slab with wood fencing.
- Wooden wheelchair ramp at rear portable.
- Storm water management system that includes drainage ditches and culverts around the site perimeter and storm drains in the parking lot.
- Fire hydrant on site



**Land-coverage Ratio  
Of Building:**

10.8%

**Servicing:**

- City of Guelph sanitary/storm sewers & water
- Natural gas
- Hydro
- Telecommunications

**Abutting Properties:**

North Side: Single detached dwellings along Simmonds Drive

South Side: Guelph Lake Commons retirement community

East Side: 2-storey townhouses along opposite side of Victoria Road North

West Side: Single detached & townhouse dwellings on Wilton Road

**Encumbrances:**

None

### **ENVIRONMENTAL COMMENTS**

The subject property has served as an institutional use as a private school since construction of the building in 2005.

The appraiser is not qualified to detect, test for, investigate, or otherwise ascertain the existence of any environmental material or condition of any underground material. There is no responsibility assumed by the appraiser for any such conditions, nor for any expertise or engineering knowledge required to discover them. If desired the client is urged to retain an expert or qualified person in respect to such matters.

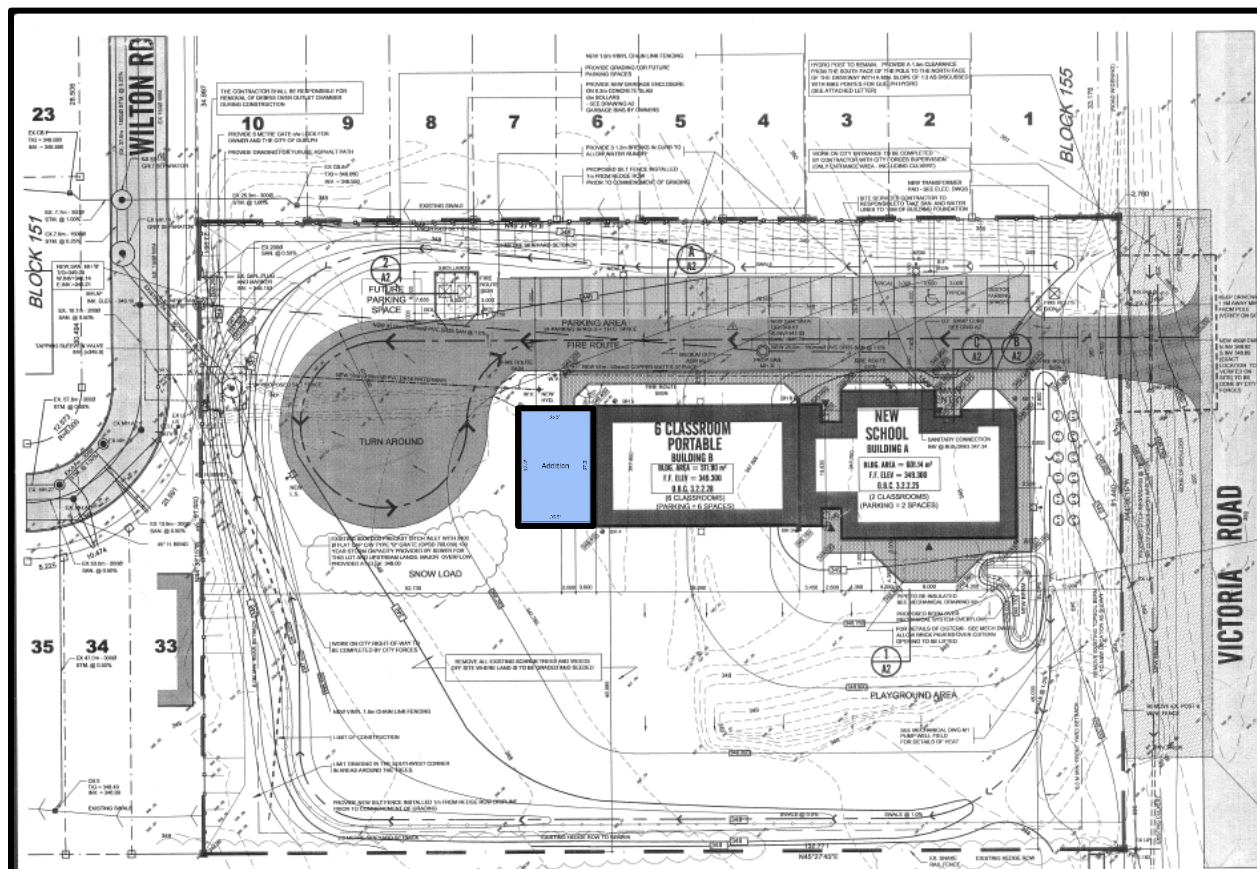
**For the intentions of this appraisal report, the subject property is assumed to be 100% free and clear of any environmental contamination.** The value estimated in this report is predicted on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. If the presence of hazardous substances or conditions is established and an environmental clean-up was needed, it should be treated as **COST TO CURE** and deducted from the appraised value shown in this report.

**SECTION 4**

**DESCRIPTION OF THE BUILDING**

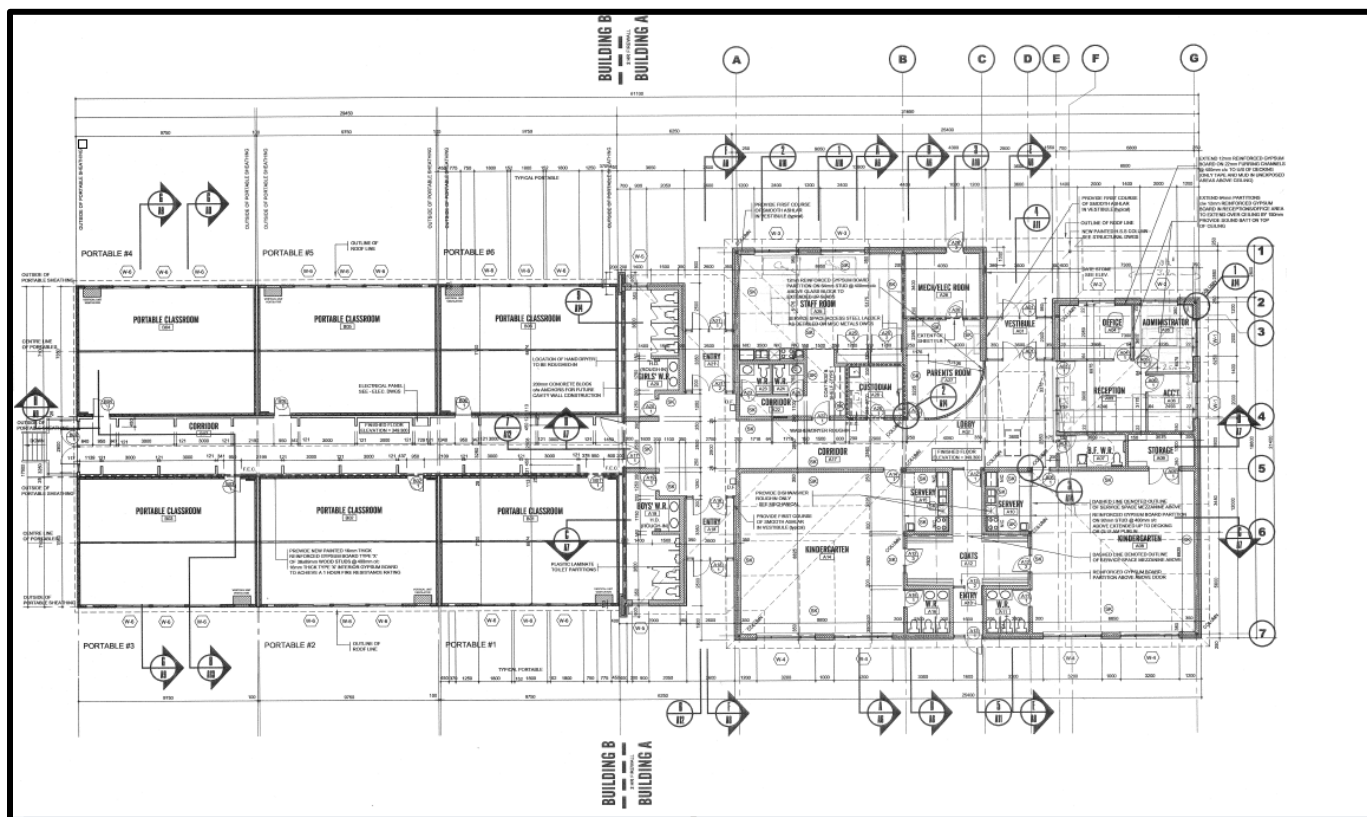


## BUILDING FOOTPRINT



Note: The two additional portables constructed in 2009 and 2012 are shown in blue.

## INTERIOR LAYOUT



Note: Plans represent the building before the two portable additions in 2009 and 2012

## **BUILDING DETAILS**

TYPE:	Institutional building with rear portables utilized as classrooms
AGE:	Main building & 6 portables – 2005 Portable addition – 2009; portable addition – 2012
BASEMENT:	None
STRUCTURE:	<b>Main Structure:</b> Concrete block frame <b>Portables:</b> Wood frame
CLEARANCE HEIGHT:	<b>Main Structure:</b> 9 ft. ceilings in common areas, vaulted ceilings in kindergarten rooms <b>Portables:</b> 9 ft.
FOUNDATION:	<b>Main Structure:</b> Poured concrete <b>Portables:</b> Concrete piers
ROOF:	<b>Main Structure:</b> Steel covered roof – wood truss with pre-engineered steel reinforcement <b>Portables:</b> Low pitch, gable roof with steel sheets
EXTERIOR WALLS:	<b>Main Structure:</b> Decorative concrete block on bottom 3 ft. of building, upper is finished in stone veneer <b>Portables:</b> Aluminum siding
WINDOWS:	<b>Main Structure:</b> Wood frame, double pane <b>Portables:</b> Aluminum frame, single pane + storm panes
HYDRO:	800 amp. 200/208 volt, 3-phase main service, transformer on site
HEATING/COOLING:	<b>Main Structure:</b> Ground source heat pump with in-floor heating throughout; central air conditioning <b>Portables:</b> Individually controlled electric heating/air conditioning units in each portable. 2 individually controlled heating/air conditioning units in common hallway
FIRE SAFETY:	Fire hydrant on site, hard wired smoke detectors, centralized alarm, fire extinguishers
WATER:	City of Guelph; cistern for rain water collection for toilets; water softener
SEWERS:	City of Guelph storm & sanitary sewers

## **INTERIOR DESCRIPTION**

### **Main Building:**

Entrance		
Vestibule:	Layout:	2 sets of double doors
Offices/ Lobby :	Layout:	Reception, (3) private offices, accessible washroom, boys and girls washrooms, storage room, custodial room
	Finishes:	Ceiling: T-bar acoustic tiles Walls: Drywall, concrete block in washroom Floors: Marmoleum Lighting: Fluorescent + skylight in lobby
Classrooms:	Layout:	2 kindergarten classrooms with a connecting coat room, grade 1 & 2 combined classroom; each includes a kitchen, kindergarten classrooms include one washroom each
	Finishes:	Ceiling: Vaulted tongue and groove pine ceiling Walls: Drywall Floors: Marmoleum Lighting: Incandescent

### **Portables**

	Layout:	Central hallway, (8) individual portables – 4 either side of hallway, each portable is a classroom
	Finishes:	Ceiling: T-bar acoustic tiles Walls: Drywall over wood frame Floors: Vinyl tile/ Marmoleum Lighting: Fluorescent

## **BUILDING AREA SUMMARY**

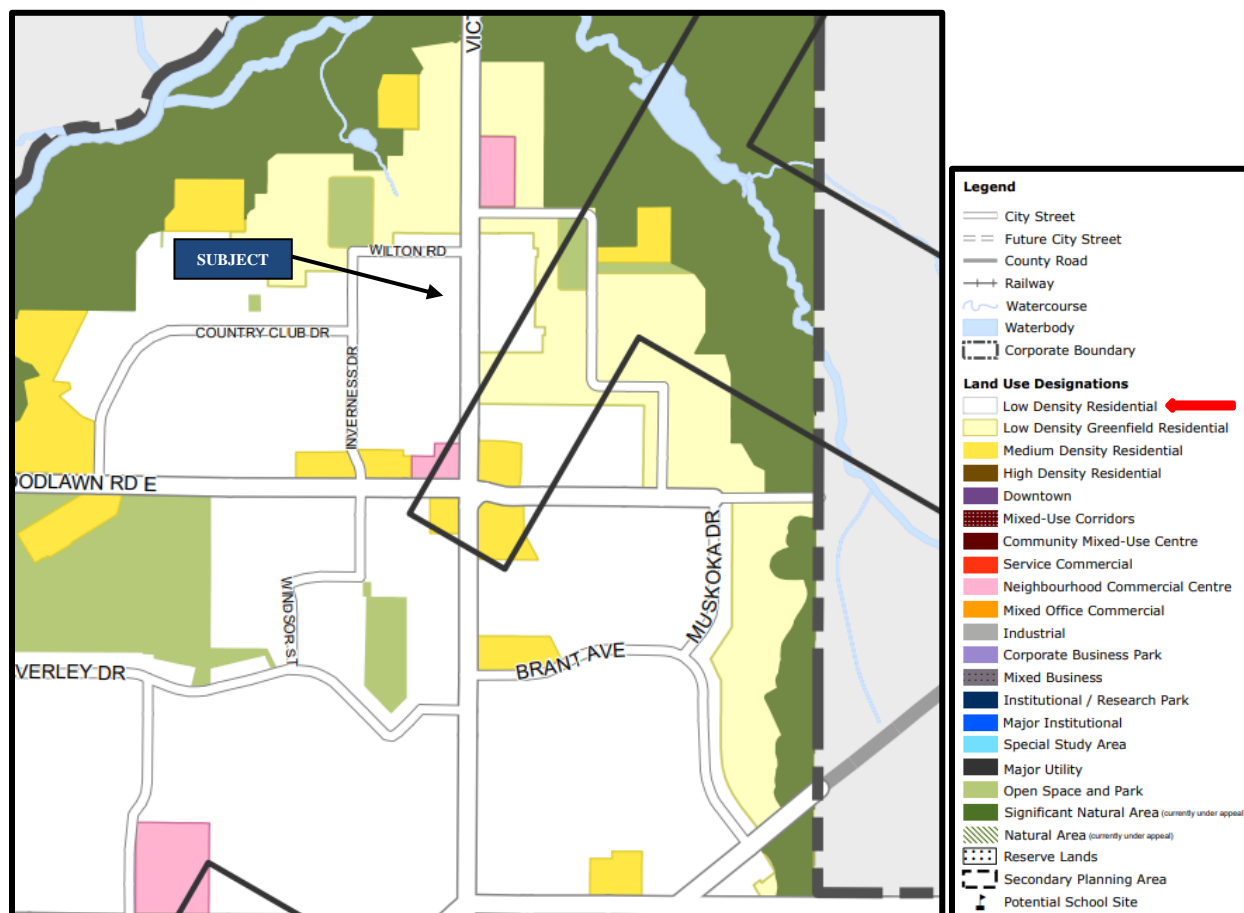
Main Building:	6,471 sq. ft.
Portables:	<u>7,548 sq. ft.</u>
<b>Gross Building Area:</b>	<b>14,019 sq. ft.</b>

**SECTION 5**

**LAND USE REGULATIONS  
&  
HIGHEST AND BEST USE ANALYSIS**

# CITY OF GUELPH OFFICIAL PLAN

## SCHEDULE 1 – LAND USE PLAN



## APPLICABLE EXCERPTS

### **9.3.2 Low Density Residential**

This designation applies to residential areas within the ***built-up area*** of the city which are currently predominantly low-density in character. The predominant land use in this designation shall be residential.

#### **Permitted Uses**

1. The following uses may be permitted subject to the applicable provisions of this Plan:
  - i) detached, semi-detached and duplex dwellings; and
  - ii) multiple unit residential buildings, such as townhouses and apartments.

City of Guelph Official Plan  
2021 Consolidation

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#### **Height and Density**

The ***built-up area*** is intended to provide for ***development*** that is ***compatible*** with existing neighbourhoods while also accommodating appropriate ***intensification*** to meet the overall ***intensification target*** for the ***built-up area*** as set out in Chapter 3. The following height and density policies apply within this designation:

2. The maximum height shall be three (3) storeys.
3. The maximum ***net density*** is 35 units per hectare and not less than a minimum ***net density*** of 15 units per hectare.
4. Notwithstanding policies 9.3.2.2 and 9.3.2.3, increased height and density may be permitted for ***development*** proposals on arterial and collector roads without an amendment to this Plan up to a maximum height of six (6) storeys and a maximum ***net density*** of 100 units per hectare in accordance with the Height and Density Bonus policies of this Plan.

### 9.3.1.2 Non-Residential Uses in Residential Designations

1. Within the residential designations of this Plan, a variety of small-scale non-residential uses may be permitted that are complementary to and serve the needs of residential neighbourhoods. Such non-residential uses include:
  - i) schools;
  - ii) places of worship;
  - iii) **child care centres**;
  - iv) municipal open space, parks, trails and recreation facilities; and
  - v) **convenience commercial** uses limited to a maximum **gross floor area** of 400 square metres on a property.
2. Non-residential uses shall be developed in a manner that is **compatible** with adjoining residential properties and which preserves the amenities of the residential neighbourhood.

City of Guelph Official Plan  
June 2021 Consolidation

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3. In addition to the Urban Design policies of this Plan, non-residential uses shall:
  - i) be located on an arterial or collector road;
  - ii) be located on the property in a manner which minimizes the impact of traffic, noise, signs and lighting on adjoining residential properties;
  - iii) have adequate landscaping and screening to promote **compatibility** with adjacent activities;
  - iv) have sufficient off-street parking, circulation and access points; and
  - v) have adequate municipal services.





## APPLICABLE EXCERPTS

THE CORPORATION OF THE TOWNSHIP OF GUELPH

# A BY-LAW

Number 1/81

A BY-LAW TO AMEND BY-LAW NO. 10/77

WHEREAS the Municipal Council of the Township of Guelph deems it advisable to amend By-Law Number 10/77

NOWHEREFORE the Municipal Council of the Corporation of the Township of Guelph ENACTS as follows:

1. SECTION 5, ZONES of By-Law No. 10/77, is hereby amended by adding to the list of Descriptive Name of Zone of Section 5.1 Classification of Zones the following new Zone Name:  
  
"ZONE 4 (Rural Residential)      4"
2. BY-LAW NO. 10/77 is hereby amended by the creation of a new Section 8.A, Zone 4 (Rural Residential), immediately following Section 8, Zone 1 (Rural), as follows:  
  

\*SECTION 8.A      ZONE 4 (RURAL RESIDENTIAL)

8.A.1    Permitted Uses

Within a Zone 4 (Rural Residential), no land shall be used and no building or structure shall be erected or used except for one or more of the following uses:

8.A.1.1    A single-family detached dwelling;

8.A.1.2    Conversion of existing single-family detached dwellings;

8.A.1.3    An office, base or headquarters for the occupant of a single-family detached dwelling;

8.A.1.4    A church and a building constructed expressly for that purpose;

- 2 -

8.A.1.5 A school under the jurisdiction of either a county Board of Education or a Roman Catholic Separate School Board, or a private school incorporated under provincial charter;

8.A.1.6 A publicly-owned park, recreation area, reforestation area, community centre or public use.

8.A.2 Regulations

Within a Zone 4 (Rural Residential) no land shall be used and no building or structure shall be erected or used except in conformity with the following regulations:

8.A.2.1 All of the applicable regulations contained in Section 6 'General Regulations' of By-Law No. 10/77;

8.A.2.2 Single-family Detached Dwelling

- a) Minimum Lot Area - 2050 square meters
- b) Minimum Lot Width - 30 meters
- c) Minimum Side Yard (each side) - 3 meters
- d) Minimum Rear Yard - 8 meters
- e) Minimum Ground Floor Area
  - 1-storey buildings - 140 square meters
  - more than 1 storey - 90 square meters
- f) Maximum Lot Coverage - 25% of lot area

8.A.2.3 Conversion of an existing single-family dwelling:

In accordance with the regulations contained in Section 7.2 of By-Law No. 10/77;

8.A.2.4 Office, base or headquarters used for the occupant of a single-family detached dwelling:

In accordance with the regulations contained in Section 7.3 of By-Law No. 10/77;

8.A.2.5 Church, school or a publicly-owned park recreational area, reforestation area,

- 3 -

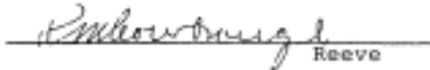
community centre or public use:

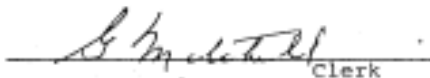
- a) Minimum Lot Area - 2050 square meters
- b) Minimum Lot Width - 30 meters
- c) Minimum Side and Rear-Yards Equal to one-half of building height or 8 meters, whichever is greater.

3. This By-Law shall become effective on the date hereof subject to receiving the approval of the Ontario Municipal Board.

READ A FIRST AND SECOND TIME THIS 7th DAY OF January, 1981.

READ A THIRD TIME AND PASSED THIS 7th DAY OF January, 1981.

  
Reeve

  
Clerk

### **SUBJECT'S CONFORMITY TO LAND USE REGULATIONS**

#### **City of Guelph Official Plan:**

Subject's Designation:	Low Density Residential
Subject's Compliance:	An institutional use, including the subject's use as a school, is a permitted non-residential use

#### **City of Guelph Zoning By-law:**

Subject's Zoning:	Rural Residential Zone as per former Township of Guelph Zoning By-law
Subject's Compliance:	An institutional use, including the subject's use as a private school, is a permitted non-residential use
Site Regulations:	Subject is assumed to be in compliance with Section 8.A.2.2 of the former Township of Guelph Zoning By-law

**In summary, the subject property's existing institutional use as a private school is shown to be a *legal conforming use*.**

## **HIGHEST AND BEST USE**

Highest and Best Use is defined as,

*The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.*<sup>1</sup>

This definition applies specifically to the highest and best use of land. In cases where a site has existing improvements on it, the highest and best use may not necessarily be the existing use. The existing use will endure however, unless and until land value in its highest and best use surpasses the total value of the property in its existing use.

Presupposed within the definition for Highest and Best Use is an acknowledgment of the contribution of that specific use to the overall neighbourhood ambience and advancement goals in addition to the wealth optimization of property owners. Also implied, is that the determination of highest and best use is an opinion depending on the appraiser's judgement and analytical proficiency. The principle of highest and best use represents the premise upon which property value is based.

In the context of most probable selling price (market value) another equivalent term to reflect highest and best use would be "most probable use". In the context of investment value an alternative term would be "most profitable use" (Real Estate Appraisal Terminology 1975).

The considerations in determining the Highest and Best Use of a site are summarized as follows;

1. The use must be legal.
2. The use must be within the realm of probability, that is it must be likely, and not speculative in nature.
3. There must be a demand for the use.
4. The use must be profitable.
5. The use must be such as to provide to the land the highest net return.
6. The use must be such as to deliver the return for the longest period of time.

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<sup>1</sup>Appraisal Institute of Canada, *Canadian Uniform Standards of Professional Appraisal Practice*: Appraisal Institute of Canada, 01/01/2005. Page 57, Line 6641.

### **Highest & Best Use as Vacant**

With regards to land use regulations, the subject property is designated Low Density Residential according to the City of Guelph Official Plan. This designation permits low-density residential uses, as well as, complementary institutional and commercial uses that serve the neighborhood. The applicable Zoning By-law allows for a residential or institutional use of the subject property. Therefore, based on the land use controls in effect, development of the subject site for either a residential or an institutional use is legally permissible. In terms of its physical attributes, the subject site is a level 2.97 acre lot that includes extensive frontage and that is fully developable. The subject site also has immediate access to full municipal services. As such, a residential or institutional use of the property is physically possible. The predominant land use within the subject's neighbourhood is low-rise residential. Within any residential neighbourhood, however, there is also a need for institutional properties, particularly those of an educational nature. As such, a residential or institutional use of the subject property is financially feasible. Based on the aforementioned factors affecting the subject property, development of the site for either a residential or institutional use is most probable. Of those two possibilities, a residential use is likely to achieve a higher net return to the land due to a higher density of development permitted by that type of use. **Therefore, the Highest and Best Use of the subject property as *vacant* is to be developed for a low density residential purpose.**

### **Highest and Best Use as Improved**

The subject's existing improvements include a 14,019 sq. ft. private educational institute and corresponding site improvements that include a paved entrance and parking lot, playing surfaces, handicapped accessibility features, and landscaping. The building is well maintained and functional for its intended use. The site improvements further enhance the utility and curb appeal of the property. Overall, the existing improvements contribute substantial value to the property. The subject's institutional use is legally permissible by the applicable land use regulations. Furthermore, an educational use of the property should remain in good demand given Guelph's steadily growing population, including the subject's immediate neighbourhood. Overall, the subject's existing improvements substantially raise the value of the property above its value as vacant land. **Therefore, the Highest and Best Use of the subject property *as improved* is the existing institutional use as an educational facility.**

### **Highest and Best Use Conclusion**

From the preceding analysis, the subject's Highest and Best Use as vacant is to be developed for a low density residential purpose, whereas, the Highest and Best Use as improved is the current institutional use. Moreover, the market value estimate contained within this report is based on a continuation of the subject's current institutional use as per the request of the client. Furthermore, it is noted that the subject's existing improvements do contribute significant value to an institutional use of the property. **Therefore, the Highest and Best Use of the subject as a continuing institutional property is the existing improved use as a private school.**



**SECTION 6**

**MARKET VALUE ANALYSIS**

## **METHODS OF VALUATION**

The valuation of real estate can be estimated through the application of one or more of the following three approaches to value.

1. **The Cost Approach:** This is a valuation based on adding the depreciated replacement cost of the site improvements, to the estimated market value of the land under its highest and best use.
2. **The Income Approach:** This method of valuation converts the projected current net operating income into an estimate of current value through the use of a capitalization rate (Direct Capitalization) or through analysis of anticipated growth (or lack thereof) in earnings during the length of the prescribed investment horizon (Discounted Cash Flow).
3. **The Direct Comparison Approach:** This valuation is based on a direct comparison with recent sales of similar properties in the open market.

The Cost Approach is best suited for new construction. The subject's building, however, was constructed in stages between 2005 and 2012, consisting of a main building and eight portables. Given the variation to the chronological age and type of construction that makes up the subject building, it is difficult to accurately estimate a fair effective age and depreciation factor for the structure's components. As a result, the subject property is not a suitable candidate for the Cost Approach. In addition, because institutional properties similar to the subject are predominantly owner-occupied, there is a lack of relevant rental data on which to base an Income Approach. As such, the income approach is excluded from this report, as well. Within the comparable market, however, there is a sufficient supply of relevant sales data to complete a comparison analysis with the subject. Therefore, the Direct Comparison Approach is considered a suitable method of valuation and is included in this appraisal report.

**In summary, only the Direct Comparison Approach is utilized as a method of valuation for the subject property; the Cost Approach and Income Approach are excluded due to their lack of reliability and/or relevant market data.**

## **DIRECT COMPARISON APPROACH**

## **METHODOLOGY**

The direct comparison approach is a process of comparing market data; that is the price paid for similar properties, prices asked by owners, offers made by prospective purchasers, and of rents and leases. This approach is based on the principle of "substitution" which implies that a prudent purchaser will not pay more to buy or rent a property than what it will cost him to buy or rent a comparable substitute property. This approach to value forms the basis of most real estate transactions and is very accurate in assisting the appraiser in determining market value. This approach measures directly what the buyer is willing to pay for a property by comparing the subject property to sales of similar properties in the vicinity.

In making comparisons between properties, similarities and dissimilarities must be recognized. The conclusions which are deemed to be most dependable are those based upon the comparison of factors and conditions which are very much alike. As well, regard must be paid to dissimilarities which affect the relative desirability and utility of the comparable sales.

The major elements of comparison are real property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, economic characteristics, use, non-realty components of value. The objective of the adjustments is to deduce from the data the amount which the property would bring in terms of price, if exposed for sale on the open market for a reasonable time at the date of valuation.

The following are the recognized steps which must be followed to complete the direct comparison approach:

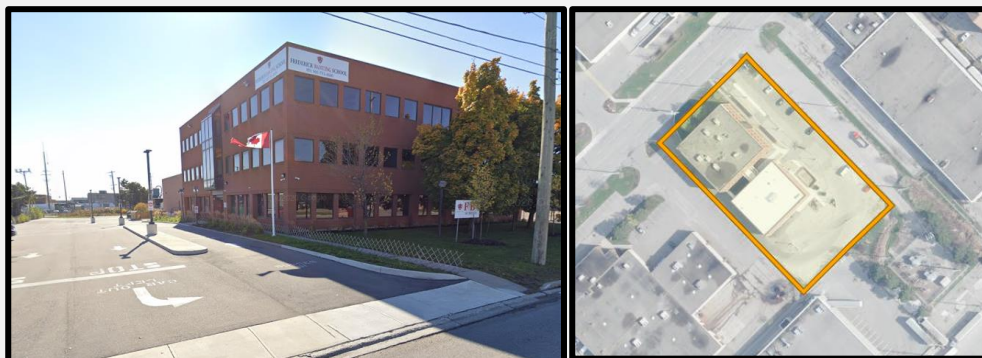
- Research the market to find all pertinent information on comparable sales, listings and offers. The best sales will be those which are similar to the subject in type, size, location, and time of sale.
- Verify the information collected regarding the sale comparable. Verifying the information with a party directly involved with the sale of the property will ensure all details are accurate and may provide additional information such as motivational factors, chattels, special conditions, etc...
- Select a relevant unit of comparison which the sale comparable can be compared upon (ie. selling price per square foot, selling price per acre, etc). The main consideration which should be made when determining a unit of comparison is that the unit selected is a unit of comparison typically used on the local market place for the particular type of property being appraised.
- Compare each sale comparable with the subject property and make any necessary adjustments.
- Reconcile the adjusted data and arrive at an indication of value for the subject property.

(The above steps were referenced from The Appraisal of Real Estate, Canadian Edition, page 361.)

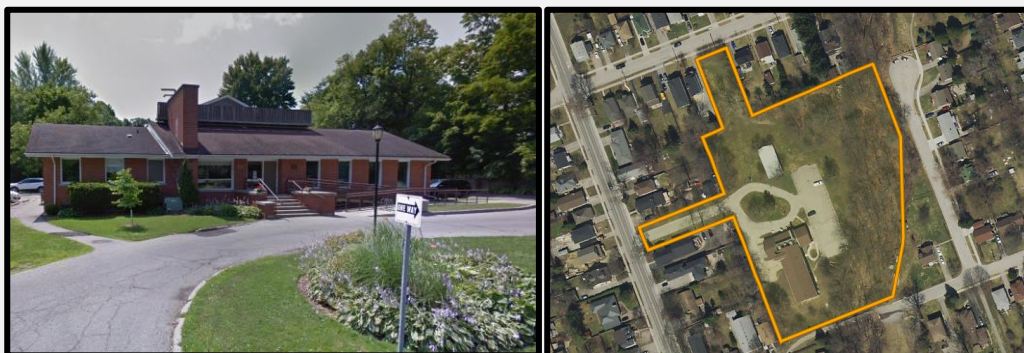
The following sale comparables are considered as a means of estimating a current market value for the subject property based on its ongoing use as a private school.

## COMPARABLE PROPERTIES

**Comparable # 1**  
**21 Coventry Road, Brampton ON**



**Comparable # 2**  
**125 Woodward Avenue, London ON**



**Comparable # 3**  
**65 Sky Acres Drive, Brantford, ON**

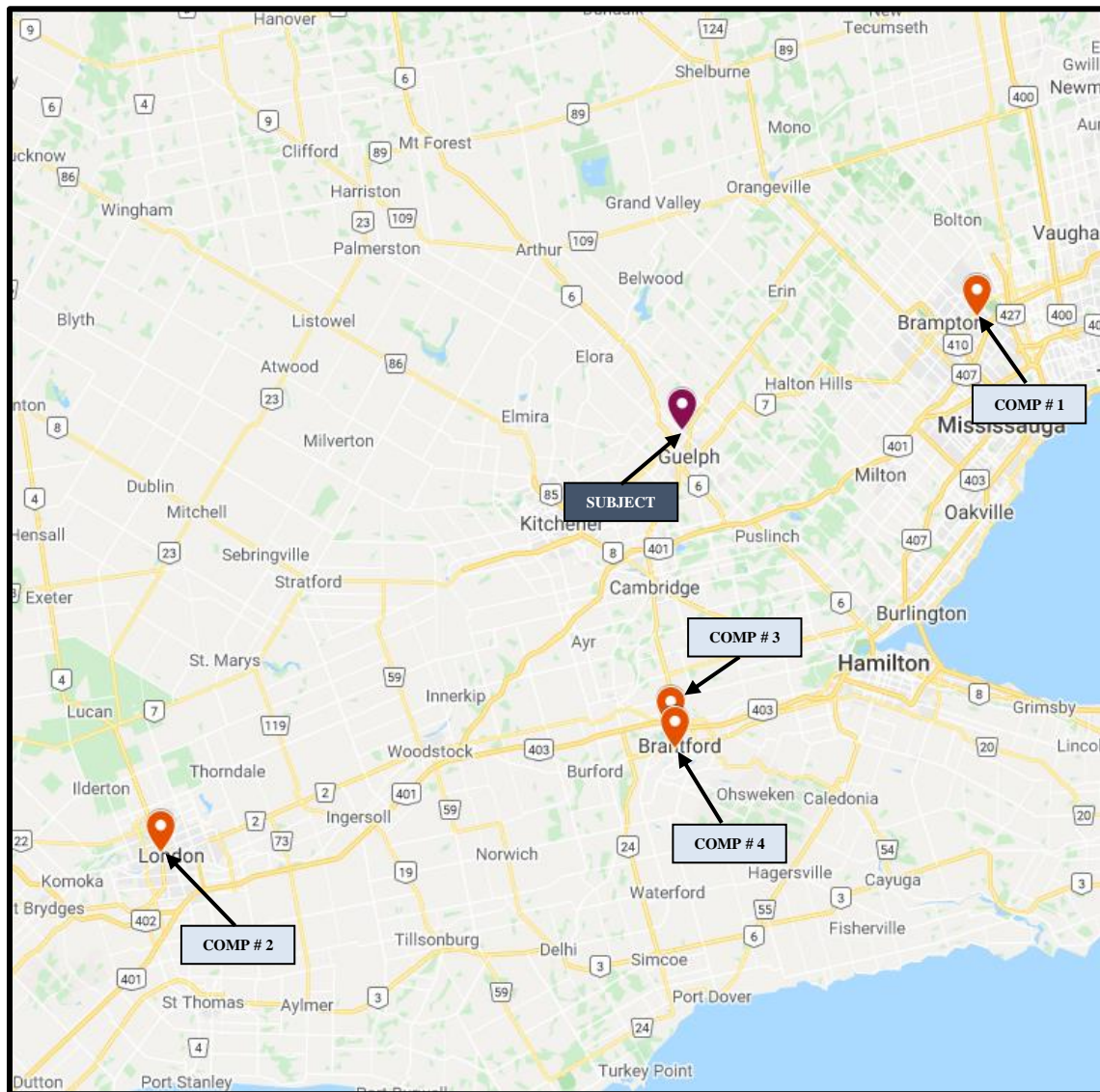


**Comparable # 4**  
**61 Sherwood Drive, Brantford, ON**





## COMPARABLE PROPERTY MAP



The following pages provide details on the four sale comparable properties, as well as, the adjustments that are deemed necessary to the sale price per sq. ft. of each relative to the subject property. Based on those adjustments, a fair market value is estimated for the subject property.



### COMPARABLE PROPERTY DATA TABLE

#	ADDRESS	DATE	SITE	BUILDING	SALE PRICE	SALE PRICE PER SQ. FT.
1	21 Coventry Road Brampton, ON	June 28, 2021	<b>1.40 acres</b> asphalt parking lot, minimal landscaping	<b>32,981 sq. ft.</b> <i>Design:</i> 1-3 storey purpose-built school & office building <i>Age:</i> 20+ years <i>Condition:</i> assumed good <i>Use at Sale Date:</i> private school & office building <i>Intended Use by Purchaser:</i> to be utilized as a school	<b>\$9,760,000</b>	<b>\$296</b>
2	125 Woodward Avenue London, ON	December 7, 2020	<b>3.97 acres</b> asphalt parking lot, lawn areas, well-landscaped	<b>13,996 sq. ft.</b> <i>Design:</i> 1-2 storey purpose-built place of worship & office <i>Age:</i> 20+ years +/- <i>Condition:</i> assumed good <i>Use at Sale Date:</i> place of worship & office <i>Intended Use by Purchaser:</i> to be utilized as a place of worship & office	<b>\$2,100,000</b>	<b>\$150</b>
3	65 Sky Acres Drive Brantford, ON	March 29, 2019	<b>2.38 acres</b> asphalt parking lot, asphalt playing courts, grass playing fields, average landscaping	<b>14,600 sq. ft.</b> <i>Design:</i> 1 storey purpose-built school <i>Age:</i> 60 years +/- <i>Condition:</i> assumed average <i>Use at Sale Date:</i> private school <i>Intended Use by Purchaser:</i> to be utilized as a private school	<b>\$2,100,000</b>	<b>\$144</b>
4	61 Sherwood Drive Brantford, ON	August 20, 2018	<b>1.32 acres</b> asphalt parking lot, asphalt playing courts, grass playing fields, average landscaping	<b>15,332 sq. ft.</b> <i>Design:</i> 1 storey purpose-built school <i>Age:</i> 55 years +/- <i>Condition:</i> good – significantly renovated in 2016-2017 <i>Use at Sale Date:</i> place of worship & daycare centre <i>Intended Use by Purchaser:</i> to be utilized as a place of worship, daycare centre & dance school	<b>\$1,250,000</b>	<b>\$82</b>
<b>Subject</b> <b>540 Victoria Road North</b> <b>Guelph, ON</b>		<b>Effective Date</b> <b>October 18,</b> <b>2021</b>	<b>2.97 acres</b> asphalt parking lot, asphalt playing courts, grass playing fields, well-landscaped	<b>14,019 sq. ft.</b> <i>Design:</i> 1 storey purpose-built school (6,471 sq. ft.) + 8 attached portables <i>Age:</i> main building built 2005; portables built 2005, 2009, 2012 <i>Condition:</i> good <i>Current Use:</i> private school <i>Intended Use by Purchaser:</i> to be utilized as a private school	-----	-----

## COMPARABLE PROPERTY ADJUSTMENT TABLE

#	LOCATION	SALE PRICE PER SQ. FT.	UPWARD ADJUSTMENTS	DOWNWARD ADJUSTMENTS	SALE PRICE PER SQ. FT. NET ADJUSTMENT
1	21 Coventry Road Brampton, ON	\$296	<b>Site</b> Comp. # 1's site is 1.57 acres smaller and inferior in improvements to the subject site  <b>Economies of Scale</b> Comp. # 1's building is 18,962 sq. ft. larger than the subject building	<b>Location</b> Comp. # 1 has a superior location in Brampton  <b>Building Design</b> Comp. # 1's building is of superior design vs. the subject's design as consisting of 46% attached portable structures	<b>EVEN +/-</b>  The strong upward adjustment for economies of scale, combined with the upward adjustment for the site is considered sufficient to offset the downward adjustments for the superior location & building design of Comp. # 1.
2	125 Woodward Avenue London, ON	\$150	<b>Location</b> Comp. # 2 has an inferior location in London  <b>Time</b> Comp. # 2 sold December 2020	<b>Site</b> Comp. # 2's site is 1.00 acre larger than the subject site  <b>Building Design</b> Comp. # 2's building is of superior design vs. the subject's design as consisting of 46% attached portable structures	<b>UPWARD</b>  The adjustments for location and time are considered stronger than the downward adjustments for site size and building design.
3	65 Sky Acres Drive Brantford, ON	\$144	<b>Location</b> Comp. # 3 has an inferior location in Brantford  <b>Time</b> Comp. # 3 sold March 2019  <b>Building Condition</b> Comp. # 3's building condition is assumed to be slightly inferior to the subject	<b>Building Design</b> Comp. # 3's building is of superior design vs. the subject's design as consisting of 46% attached portable structures	<b>UPWARD</b>
4	61 Sherwood Drive Brantford, ON	\$82	<b>Location</b> Comp. # 4 has an inferior location in Brantford  <b>Time</b> Comp. # 4 sold August 2018  <b>Site</b> Comp. # 4's site is 1.65 acres smaller than the subject site  <b>Economies of Scale</b> Comp. # 4's building is 1,313 sq. ft. larger than the subject building  <b>Building Condition</b> Comp. # 4's building condition is assumed to be slightly inferior to the subject	<b>Building Design</b> Comp. # 4's building is of superior design vs. the subject's design as consisting of 46% attached portable structures	<b>UPWARD</b>

## RECONCILIATION OF VALUE

The common measure of value employed for the four comparable properties is the sale price per sq. ft. of the gross building area. When utilizing this method of valuation, it is important to be aware of the principle of economies of scale. The nature of this principle is that a property improved with a smaller building typically sells at a higher rate per sq. ft. than a property that is similar in all aspects, except for having a larger building. Other factors that influence the sale price per sq. ft. include location, date of sale, site features and condition/design of the building. Based on the adjustments indicated in the preceding table, a suitable rate of value for the subject property is determined to be similar to the \$296 sale price per sq. ft. of comparable # 1 as being a very recent sale of a property that is superior in location and building design, but requiring strong upward adjustments to the sale price per sq. ft. for the site and economies of scale. Therefore, a reasonable rate of value for the subject is estimated at **\$300 per sq. ft. of the gross building area**. In applying this rate, the estimated current market value for the subject as an ongoing institutional property as at October 18, 2021 is:

14,019 sq. ft. gross building area	@	\$300 per sq. ft.	=	\$4,205,700
			(R)	\$4,200,000

**\$4,200,000 \***

**(FOUR MILLION, TWO HUNDRED THOUSAND DOLLARS)**

*\* Subject to the attached assumptions & limiting conditions.*

## **APPRAISER'S CERTIFICATION**

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

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

## **CO-SIGNING AIC APPRAISER'S CERTIFICATION**

If an AIC appraiser has co-signed this appraisal report, he or she certifies and agrees that "I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report."

**PROPERTY IDENTIFICATION****ADDRESS:** 540 Victoria Road North**CITY:** Guelph**PROVINCE:** Ontario**POSTAL CODE:** N1E 6Z4**LEGAL DESCRIPTION :**

PT BROKEN FRONT LOT G, DIVISION F, TOWNSHIP OF GUELPH, PARTS 1 & 2, G1R3212  
EXCEPT PT 1, 61R11880; GUELPH CITY OF GUELPH

**BASED UPON THE DATA, ANALYSES AND CONCLUSIONS CONTAINED HEREIN, THE  
CURRENT MARKET VALUE OF THE INTEREST IN THE PROPERTY DESCRIBED AS AT:  
*October 18, 2021* IS ESTIMATED AT: \$4,200,000.**

AS SET OUT ELSEWHERE IN THIS REPORT, THIS REPORT IS SUBJECT TO CERTAIN  
ASSUMPTIONS AND LIMITING CONDITIONS, THE VERIFICATION OF WHICH IS OUTSIDE  
THE SCOPE OF THIS REPORT.

**APPRIASER**

SIGNATURE:

NAME: Larry Zions

AIC DESIGNATION/STATUS:

AACI, P. App.

MEMBERSHIP #: 904075

DATE OF REPORT/DATE SIGNED:

November 29, 2021

PERSONALLY INSPECTED THE SUBJECT

PROPERTY: Yes

DATE OF INSPECTION: October 18, 2021

SOURCE OF DIGITAL SIGNATURE SECURITY: Adobe Acrobat Reader

Narrative Appraisal Report of:  
540 Victoria Road North, Guelph, ON

S.W. Irvine &amp; Associates

***ADDENDA***

**SCHEDULE A**

**AGREEMENT OF PURCHASE & SALE EXCERPT**

**Agreement of Purchase and Sale  
Commercial**

DS  
ML

DS  
ML

This Agreement of Purchase and Sale dated this 15<sup>th</sup> day of OCTOBER NOVEMBER 20 21

CG

**BUYER:** TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION, agrees to purchase from  
(full legal names of all Buyers)

**SELLER:** ABSOLUTE INDIGO INC., the following  
(full legal names of all Sellers)

**REAL PROPERTY:**

Address 540 VICTORIA ROAD NORTH

fronting on the \_\_\_\_\_ side of \_\_\_\_\_

in the CITY OF GUELPH

and having a frontage of \_\_\_\_\_ more or less by a depth of \_\_\_\_\_ more or less

and legally described as PT BROKEN FRONT LOT G, DIVISION F, TOWNSHIP OF GUELPH, PARTS 1 & 2, 61R3212

EXCEPT PT 1, 61R11880; CITY OF GUELPH (PIN: 71358-1212 (LT)) (the "property")  
(legal description of land including easements not described elsewhere)

**PURCHASE PRICE:** Dollars (CDN\$) 3,970,000.00

THREE MILLION NINE HUNDRED SEVENTY THOUSAND DOLLARS Dollars

**DEPOSIT:** Buyer submits NOT APPLICABLE  
(Herein/Upon Acceptance/as otherwise described in this Agreement)

Dollars (CDN\$) 0.00

by negotiable cheque payable to \_\_\_\_\_ "Deposit Holder"  
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes  
of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance  
of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place  
the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

**SCHEDULE(S) A** \_\_\_\_\_ attached hereto form(s) part of this Agreement.

DS  
ML

DS  
ML

**IRREVOCABILITY:** This offer shall be irrevocable by BUYER until 5:00 P.M. on  
(Seller/Buyer) (a.m./p.m.)  
the 2nd day of November OCTOBER 20 21, after which time, if not accepted, this  
offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

CG

**2. COMPLETION DATE:** This Agreement shall be completed by no later than 4:00 p.m. on the 30TH day of JUNE  
20 22. Upon completion, vacant possession of the property shall be given to the Buyer  
unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): ML ML

INITIALS OF SELLER(S): CG

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**SCHEDULE B**

**COMPARABLE PROPERTY DATA**

## Comparable # 1

REALTRACK | [Search ICiComps](#) | [Logout](#)



### **21 COVENTRY RD**

Brampton : Peel Region

28 Jun 2021     \$9,760,000

street photos: [1](#) [2](#) [3](#) [4](#) [5](#)

Transferor(s)

21 Coventry Inc     905-790-2333

Pres: Daniele Sanita

16 Melanie Dr, Ste 101

Brampton, Ontario

L6T 4K9

Transferee(s)

Acumen Brampton Inc     416-756-7227

*Ace Acumen Academy*

Pres: John Wu

1440 Don Mills Rd, Ste 102

Toronto, Ontario

M3B 3M1

Description

School/Office Bldg: 3 storey; 32,981 sf @ \$296

Vacant - will be used as a school by the purchaser

1 elevator

40 surface parking stalls

Last transferred in April 2013 for \$4,050,000

Site

Plan 43R-12163, Parts 1 & 2

PIN: 14024-0084

S side Coventry Rd, E of Walker Dr

1.40 acre

Assessment Roll Number

21 10 100 025 27913

Consideration

cash: \$9,760,000      assumed/vtb debt: \$0

## Comparable # 2

[REALTRACK](#) | [Search ICiComps](#) | [Logout](#)



### **125 WOODWARD AVE**

London : Middlesex County  
07 Dec 2020     \$2,100,000

street photos: [1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#)

Transferor(s)

Family Service Thames Valley     519-855-0511

Attn: Shannel Butt  
125 Woodward Ave  
London, Ontario  
N6H 2H1

Transferee(s)

London Muslim Mosque     519-439-9451

Pres: Ali Jomaa  
151 Oxford St W  
London, Ontario  
N6H 1S3

Description

Office/Institutional Bldg: 2 storey; 13,996 sf on about 3.9 Ac

Will be used as a place of worship by the purchaser.

Site

Plan 33R-9614, Part 1

PIN: 08250-0071

E side Woodward Ave, N of Edinburgh St

3.97 acre

Assessment Roll Number

39 36 010 200 08400

Consideration

cash: \$1,000,000    assumed/vtb debt: \$1,100,000

Family Service Thames Valley

principal: \$1,100,000

registered: 12/07/2020    due: 12/07/2022

Broker/Agent

Colliers International: Chris Kirwin & Lisa Lansink, 519-438-4300

### Comparable # 3

REALTRACK | [Search IC comps](#) | [Logout](#)



**65 SKY ACRES DR**

Brantford : Brant

29 Mar 2019     \$2,100,000

street photos: [1](#) [2](#) [3](#) [4](#) [5](#) [6](#)

Transferor(s)

Vicano Developments Ltd     519-759-4120

*Vicano Construction Ltd*

Pres: Peter Vicano

225 Paris Rd

Brantford, Ontario

N3R 1J2

Transferee(s)

Crossing All Bridges Learning Centre Ltd     519-751-0123

Attn: Lawrence Brook

65 Sky Acres Dr

Brantford, Ontario

N3R 5W6

Description

School: 1 storey; 14,600 sf on about 2.4 Ac

Vacant - the property will be occupied by the purchaser.

Last transferred in December 2017 for \$1,611,000

Site


Plan 2R-8170, Part 1

PIN: 32166-0201

S side Sky Acres Dr, W of Hillier Cres

2.38 acre

## Comparable # 4

<b>61 SHERWOOD Drive Brantford, ON N3T 1N3</b> MLS® #: <b>30673956</b> Status: <b>Sold Closed</b>		Price: <b>\$1,299,900 (SALE)</b> Sold Price: <b>\$1,250,000</b> Prior Price:	
		<b>COMM/Investment/Sale</b>	
Region: <b>Brantford</b> Munic: <b>2067 - West Brant</b> Nbhd: <b>2071 - Old West Brant</b> Cat/Use: <b>Office/Other</b> Sq.Ft: <b>15,332</b> Acreage: <b>1.32</b> Yr Built/Age: Zoning: <b>F-12</b> Legal Desc: <b>PLAN 353 PT LOT A PT LOT B N SHERWOOD</b> Roll#: <b>290601000701900</b> PIN: <b>322790026</b> Common Area Upcharges: Area Influence CrossSt/Dir: <b>CATHARINE AVENUE</b>		DOM: <b>24</b> Storey(s): Freestanding: <b>Yes</b> Location: <b>Urban</b> Fronting On: <b>West</b> Rail: Occupant: <b>Owner Plus Tenant</b> Taxes/Year: <b>\$24,026/2017</b> Type Taxes: Lot/Bldg/Unit:	
<b>Property Details</b>			
Lot Front/Depth: <b>241.00 Ft/229.00 Ft</b> Lot Irregularities: Wtr Supply/Type: <b>Municipal</b> Heat: <b>Baseboard, Gas Hot Water</b> Sewer: <b>Storm</b> Air Conditioning: <b>Yes</b> Utilities: Garage Type: <b>None</b>		Lot Size Code: <b>Feet</b> Outside Strg: Elevator: Survey/Year: <b>Unknown</b> Amps: Sprinklers: Parking Spcs: Visitable: Basement: <b>No</b> Volts: Fire Protect: Trailer Spots:	
<p><b>Prime investment opportunity yielding approximately 6.0% ROI Cash on Cash. Strategically positioned in one of Brantford's up and coming areas and comprising of 15,332 SF. This building is 100 % occupied by 2 strong performing Tenants. The Zion Ministries Centre offers an investor quality covenants and long term income stability with leases running 8.5 years and up to 3 years of remaining term. The Property is well designed with multiple access points and ample parking, and easily accessible by both car and public transit. The centre was significantly renovated in 2016-17 including a new parking lot, the installation A/C wall packs, updating of facade, exterior landscaping and sprinkler system, updates to washrooms and numerous other upgrades. This property has a strong appeal to the passive investor with a strategy objective focused on achieving long-term appreciation of value, with minimal day-to-day management obligations. The perfect compliment to a growth based portfolio with limited risk attached. The current Owner will remain in place, or, move to vacate in the event of a User/Owner purchase. A must have acquisition for the savvy investor.</b></p>			
Exclusions: <b>Landlords and Tenants Personal Chattels and Fixtures</b>			
<b>Space Information</b>			
Tot SqFt Avail: <b>15,332 Square Feet</b> Retail:		% Usable:	
<b>Tax Information</b>			
Roll#: <b>290601000701900</b> Taxes/Year: <b>\$24,026.38/2017</b> PIN: <b>322790026</b> Assessment/Yr: <b>\$668,000/2018</b>		Type Taxes: Assessment: <b>\$668,000</b>	
Legal Desc: <b>PLAN 353 PT LOT A PT LOT B N SHERWOOD</b>			
<b>REALTOR® Information</b>			
Brk Rmrks: <b>Contact Listing Broker for Confidentiality Agreement and Income and Expense Statement.</b> Sellers: <b>ZION MINISTRIES (BRANTFORD INCORPORATED )</b>			
Appointments: Commission: <b>2</b> Bkg Trust: <b>NIB</b> HST Applicable: <b>Yes</b> Sign: <b>Yes</b> Lockbox: <b>No</b> Comme Dt: <b>07/24/2018</b> Expire Date:		Possession: <b>/30 - 59 Days</b> Possess Date: SPIS: <b>No</b> Spec Agree: <b>No</b> Hold Days: <b>30</b> Contact Exprd: <b>No</b> CDOM: <b>24</b>	
Financing: List Broker 1: <a href="#">Associate Realty Brantford Inc.</a> List SP 1: <a href="#">Gerald Luska, Broker</a> Email: <a href="mailto:gluska8801@rogers.com">gluska8801@rogers.com</a> Brokerage Web: <a href="http://www.associaterealty.ca">http://www.associaterealty.ca</a>		L/BR Phone: <b>519-752-4116</b> L/SP Phone: <b>519-753-8801</b>	
<b>Sold Information</b>			
Orig List Price: <b>\$1,299,900</b> Sale Date: <b>08/20/2018</b> LP\$/SQFT: <b>\$84.78</b> SP/LP: <b>96.16%</b>		Close Date: <b>11/01/2018</b> Sold Price: <b>\$1,250,000</b> SP\$/SQFT: <b>\$81.53</b>	
Coop SP 1: <a href="#">Sarah Tolhurst, Salesperson</a> Coop Brk 1: <a href="#">Coldwell Banker Homefront Realty</a>		C/SP Phone: <b>519-755-0345</b> C/BR Phone: <b>519-756-8120</b>	

**SCHEDULE C**

**LIMITING CONDITIONS & RESUME**



## **CONTINGENT AND LIMITING CONDITIONS**

This report is prepared at the request of:

**Trillium Waldorf School  
(c/o: Alain Carriere & Tracy Jewell)**

For the purpose of providing:

**A current market value estimate of  
540 Victoria Road North, Guelph, ON**

To be used for:

**Conventional first mortgage financing**

It is not reasonable for anyone other than the above mentioned person(s), institution or organization to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.

This report has been prepared at the request of, and for the exclusive (and confidential) use of, the recipient as named above and herein and for the specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy, thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.

The estimated market value of the real estate which is the object of this appraisal pertains to the value of the fee simple estate in the real property, based on vacant possession or subject to the terms and conditions of the existing tenancy as described in this report. The property rights appraised herein exclude mineral rights, if any.

The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value; especially if there was no reason to doubt its accuracy. Other empirical data required interpretive analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following assumptions and limiting conditions:

The property has been valued on the basis that title to the real estate herein appraised is good and marketable.

The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters which might render this property more or less valuable than as stated herein. If came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of this report.

The value estimated in this report is predicted on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. If the presence of hazardous substances or conditions is established and an environmental clean up was needed, it should be treated as COST TO CURE and deducted from the appraised value shown in this report.

The legal description of this property and the area of the site was obtained from LOCAL MUNICIPAL OFFICE

Further, the photographs, plans and sketches contained in this report are included solely to aid the recipient in visualizing the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.

The property has been valued on the basis that the real estate is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein.

This property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.

The interpretation of the leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, the summaries of these contractual agreements, which appear in the Addenda, are presented for the sole purpose of giving the reader an overview of the salient facts thereof.

The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules regulations, orders and codes of all governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However such possible circumstances have not been accounted for in the appraisal process.)

Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.

The property has been valued on the basis that, prior to the advance of the loan, all municipal and public utility services including, without limitation, sanitary sewers, water, electricity, telephone and gas shall have been installed and connected and shall be operating satisfactorily and full payment for these service installations and connections shall have been made whether or not chargeable against the site or the property by way of local improvement charges payable before or after the date of any advance of the loan.

This property has been valued on the basis that there is no action, or suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in equity or before or by any governmental department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate herein appraised.

This property has been valued on the basis that all construction was or will be carried out in accordance with properly executed plans and specifications; that proper workmanship and supervision was or will be employed in the construction of the improvements; that the property was or will be occupied and in operation within a reasonable period of time following completion of the construction and that the property is being or will be managed in a manner which is typical for the type of property being appraised.

This property has been valued on the basis that all leases, agreement to lease, or other contractual agreements relating to the terms and conditions of the tenants occupation of space within the subject property are fully enforceable, notwithstanding that such documentation may not be fully executed by the parties thereto as at the date of this appraisal.

The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, this data is not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.

The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special considerations, and the extent of any special value that may arise therefrom, have been described and measured in this report.

Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.

In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest (leasehold interest) in the real estate, by the reason of the possible contributory value of non-realty interests or benefits such as provisions for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.

The estimated market value of the property referred to herein is predicated upon the condition that it would be sold either on a cash basis to the vendor or on the basis of cash over the balance of the known financing or on the basis of cash over the amount of proposed financing and subject to any contractual agreements and encumbrances as noted in this report (as-is and where-is, without any contingent agreements or caveats). Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.

Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, additional compensation is required. The compensation is to permit adequate time for preparation and for any appearances which may be required. In this situation, the client and the appraiser must agree on the rate of compensation prior to any court appearances. However, neither this nor any other of these assumptions and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.

Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as at the effective date of this appraisal, cannot necessarily be relied upon as at any other date without the subsequent advice of the author of this report.

The distribution of value between land, buildings and other improvements applies only in regard to the purpose and function of this appraisal, as outlined in the body of this report.

The value expressed herein is in Canadian dollars.

This report is only valid if it bears the original signature(s) of the authors.

These Contingent and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.

Note 1: In instances where the appraiser has reason to suspect the presence of certain conditions which might adversely influence the value of the property, an appropriate prefix to pertinent paragraphs might be: "It is reported/recognized there may be a possibility of....". A corresponding suffix might also be required, such as: "However, although such possibilities have not been accounted for in the final opinion of value, the recipient of this report should conduct further investigations in this regard, as such conditions and circumstance could constitute an adjustment to the opinion of value contained in this report."

Note 2: Any extraordinary contingent and limiting conditions should also be noted in the Letter of Transmittal, as well as in any appropriate place within the body of the report.

**LARRY ZIONS, AACI, P. App.**  
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**EMPLOYMENT:** Partner at S.W. Irvine & Associates; employed as a real estate appraiser since 2005.

**APPRAISAL EXPERIENCE:** Specializing in commercial, industrial, multi-residential, development land, agricultural and expropriation properties.

**EDUCATION:** AACI Program – University of British Columbia  
Diploma in Real Property Administration – Seneca College  
Bachelor of General Studies - Athabasca University

**MEMBERSHIPS:** Appraisal Institute of Canada – AACI, P. App.

**CLIENTS:** Financial Institutions:

- Royal Bank of Canada
- Bank of Montreal
- TD Canada Trust
- Canadian Imperial Bank of Commerce
- Bank of Nova Scotia
- Meridian Credit Union
- Home Trust Company
- Various other private lending companies

**Provincial and Municipal Government Agencies:**

- City of Guelph
- County of Wellington
- Township of Guelph/Eramosa
- Township of Puslinch
- Township of Centre Wellington
- Town of Minto
- Wellington Catholic District School Board
- Upper Grand District School Board
- Grand River Conservation Authority
- Ministry of Transportation Ontario

**Developers:**

- Terra View Custom Homes Ltd.
- Sloot Construction
- Carson Reid Homes
- Prior Construction Corporation
- Sunny Park Homes

**Other:**

- Various mortgage brokers and law firms