URBANFUND CORP.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2020

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Unaudited Interim Condensed
Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of
Urbanfund Corp.

The accompanying unaudited interim condensed consolidated financial statements of Urbanfund Corp. (the "Company" or "Urbanfund") are the responsibility of management and have been approved by the Board of Directors of the Company.

The unaudited interim condensed consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards, as disclosed in the notes to the unaudited interim condensed consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the consolidated balance sheets date. In the opinion of management, the consolidated financial statements have been prepared with acceptable limits of materiality and are in accordance with International Financial Reporting Standards.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the interim condensed consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with the established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under *National Instrument 51-102, Part 4, subsection 4.3(3)(a)*, if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an independent auditor. The accompanying unaudited interim condensed consolidated financial statements of Urbanfund have been prepared by and are the responsibility of management.

Urbanfund's independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

Mitchell Cohen
President, Chief Executive Officer and Director

Thomas Kofman
Director

Toronto, Ontario
May 28, 2020

URBANFUND CORP.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(In Canadian dollars)
(Unaudited)

As at	Note		**March 31, 2020**		December 31, 2019
Assets					
Investment properties	5	**$**	**74,015,812**	$	67,170,041
Equity accounted investments	6		**13,026,410**		12,614,410
Assets held for sale	4		**-**		3,263,111
Income taxes recoverable			**-**		22,442
Receivables and other assets	7		**2,151,162**		1,679,390
Cash			**7,769,556**		7,331,435
Total assets		**$**	**96,962,940**	$	92,080,829
Liabilities					
Mortgages payable	8	**$**	**34,480,474**	$	31,690,190
Deferred tax liabilities			**5,454,000**		5,324,000
Tenant deposits			**148,794**		147,493
Liabilities associated with assets held for sale	4		**-**		1,678,230
Income taxes payable			**378,558**		-
Accounts payable and accrued liabilities			**4,250,621**		2,654,133
Total liabilities			**44,712,447**		41,494,046
Equity					
Common shares			**12,188,363**		11,865,800
Preferred shares			**1,113,750**		1,113,750
Retained earnings			**38,052,983**		36,711,836
Total shareholders' equity			**51,355,096**		49,691,386
Non-controlling interests			**895,397**		895,397
Total equity			**52,250,493**		50,586,783
Total liabilities and equity		**$**	**96,962,940**	$	92,080,829
Contingencies and commitments	19				

Approved by the Board of Directors:

Mitchell Cohen — Director

Thomas Kofman — Director

The accompanying notes are an integral part of the consolidated financial statements.

URBANFUND CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(In Canadian dollars)
(Unaudited)

Three months ended March 31,	Note		2020		2019
Revenues					
Rental revenue	11	**$**	**1,354,099**	$	1,283,886
Inventory property sales	11		**4,851,350**		-
			6,205,449		1,283,886
Operating costs					
Rental expenses			**653,934**		681,163
Inventory property cost of sales			**3,573,203**		-
			4,227,137		681,163
Operating income			**1,978,312**		602,723
Other income					
Income from equity accounted investments	6		**412,000**		211,593
Interest income			**47,480**		37,624
Gain on disposal of marketable securities			**23,498**		-
Fair value adjustment on marketable securities			**-**		84,898
Fair value adjustment on investment properties	5		**100,115**		492,915
			583,093		827,030
Other expenses					
Financing costs			**230,880**		218,283
General and administrative costs			**45,334**		225,949
			276,214		444,232
Income before taxes			**2,285,191**		985,521
Current income tax expense			**401,000**		3,000
Deferred income tax expense			**130,000**		134,000
			531,000		137,000
Net income and comprehensive income		**$**	**1,754,191**	$	848,521
Net income attributable to:					
Shareholders		**$**	**1,754,191**	$	848,134
Non-controlling interests			**-**		387
		$	**1,754,191**	$	848,521
Net income per share attributable to shareholders:					
Basic income per share	9	**$**	**0.04**	$	0.02
Diluted income per share	9	**$**	**0.03**	$	0.02

The accompanying notes are an integral part of the consolidated financial statements.

URBANFUND CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Canadian dollars)
(Unaudited)

		Common equity		Preferred equity				
	Note	Number of shares	Share capital	Number of shares	Share capital	Retained earnings	Non-controlling interests	Total equity
Balance, December 31, 2018		45,842,925	$ 10,773,071	7,425,000	$ 1,113,750	$ 31,752,422	$ 1,290,895	$ 44,930,138
Changes during the period:								
Net income and comprehensive income for the year		-	-	-	-	848,134	387	848,521
Dividends paid	10, 17	-	-	-	-	(57,098)	-	(57,098)
Dividends payable	10	-	-	-	-	(249,189)	-	(249,189)
Dividend reinvestment plan	10	282,377	190,680	-	-	(190,680)	-	-
Balance, March 31, 2019		46,125,302	$ 10,963,751	7,425,000	$ 1,113,750	$ 32,103,589	$ 1,291,282	$ 45,472,372

		Common equity		Preferred equity				
	Note	Number of shares	Share capital	Number of shares	Share capital	Retained earnings	Non-controlling interests	Total equity
Balance, December 31, 2019		**47,280,392**	**$ 11,865,800**	**7,425,000**	**$ 1,113,750**	**$ 36,711,836**	**$ 895,397**	**$ 50,586,783**
Changes during the period								
Net income and comprehensive income for the year		**-**	**-**	**-**	**-**	**1,754,191**	**-**	**1,754,191**
Dividends paid	10, 17	**-**	**-**	**-**	**-**	**(87,699)**	**-**	**(87,699)**
Less: prior period dividends payable	10	**-**	**-**	**-**	**-**	**410,290**	**-**	**410,290**
Add: current period dividends payable	10	**-**	**-**	**-**	**-**	**(413,072)**	**-**	**(413,072)**
Dividend reinvestment plan	10	**443,751**	**322,563**	**-**	**-**	**(322,563)**	**-**	**-**
Balance, March 31, 2020		**47,724,143**	**$ 12,188,363**	**7,425,000**	**$ 1,113,750**	**$ 38,052,983**	**$ 895,397**	**$ 52,250,493**

The accompanying notes are an integral part of the consolidated financial statements.

URBANFUND CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Canadian dollars)
(Unaudited)

Three months ended March 31,	Note	2020	2019
Operating activities			
Net income from:			
Net income and comprehensive income		$ 1,754,191	$ 848,521
Items not affecting cash:			
Income from equity accounted investments	6	(412,000)	(211,593)
Interest income		(47,480)	(37,624)
Fair value adjustment on marketable securities		-	(84,898)
Fair value adjustment on investment properties	5	(100,115)	(492,915)
Gain on disposal of marketable securities		(23,498)	-
Deferred income tax expense		130,000	134,000
Adjustments for other non-cash working capital items	18	4,724,684	(226,887)
Cash provided by (used in) operating activities		6,025,782	(71,396)
Investing activities			
Construction expenditures to properties under development	5	(6,701,771)	(626,533)
Capital expenditures on income properties	5	(43,885)	(3,085)
Construction expenditures to inventory properties	4	-	(108,037)
Cash used in investing activities		(6,745,656)	(737,655)
Financing activities			
Proceeds from mortgage financing, net of financing costs	17	3,065,355	-
Repayments of mortgage principal	17	(1,816,879)	(272,628)
Dividends paid	17	(90,481)	(114,196)
Cash provided by (used in) financing activities		1,157,995	(386,824)
Net change in cash		438,121	(1,195,875)
Cash, beginning of period		7,331,435	9,184,553
Cash, end of period		$ 7,769,556	$ 7,988,678
Supplemental cash flow information	17		

The accompanying notes are an integral part of the consolidated financial statements.

1. GENERAL INFORMATION

Urbanfund Corp. and its consolidated subsidiaries (collectively, "Urbanfund" or the "Company") own, develop and operate a real estate portfolio focused on a mix of both residential and commercial properties. Urbanfund also actively focuses on identifying real estate related projects. The parent company, Urbanfund Corp., was incorporated on February 4, 1997, pursuant to the provisions of the Business Corporations Act of Alberta. In 2003, the Company filed articles of continuance, allowing operations to continue under the laws of the Province of Ontario, Canada. The Company's corporate headquarters and registered head office are located at 35 Lesmill Road, Toronto, Ontario, Canada, M3B 2T3.

Urbanfund's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol UFC.

2. BASIS OF PREPARATION

(a) Statement of compliance

Urbanfund's interim condensed consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). Under International Financial Reporting Standards (IFRS), additional disclosures are required in annual financial statements, and therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the years ended December 31, 2019 and 2018.

These interim condensed consolidated financial statements were authorized for issuance by the board of directors on May 28,2020.

(b) Basis of presentation

The interim condensed consolidated financial statements are prepared on a going concern basis using the historical cost method modified to include fair value measurement of investment properties (note 5) and assets held for sale (note 4), as set out in the relevant accounting policies. The accounting policies set out below have been applied consistently in all material respects.

(c) Significant judgments, estimates and assumptions

The preparation of Urbanfund's interim condensed consolidated financial statements require management to make judgments, estimates and assumptions that effect the amounts reported. In the process of applying Urbanfund's accounting policies, management was required to apply judgment in certain areas. Estimates and assumptions made by management are based on events and circumstances that existed at the interim condensed consolidated balance sheet date. Accordingly, actual results may differ from these estimates.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The duration and impact of the COVID-19 pandemic on the Company is unknown at this time. As such, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the financial results and operations of the Company. Any estimates are therefore subject to significant uncertainty, and may materially and adversely affect the Company's operation and financial results.

In light of the COVID-19 pandemic, management has made judgements in determining the valuation inputs used in its internal valuation model to measure fair value of investment properties. The carrying value for the Company's investment properties reflects its best estimate for the highest and best use as at March 31, 2020.

The significant judgments, estimates and assumptions in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2019 and 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2019.

(In Canadian dollars)

4. ASSETS HELD FOR SALE

In February 2020, the Company, through 4 Alfred Khuene joint operation, completed the sale of its inventory property. The Company's proportionate share of the results of assets held for sale are as follow:

Three months ended March 31,		2020		2019
Revenue				
Rental revenue	**$**	**37,081**	$	23,515
Inventory property sales		**4,851,350**		-
		4,888,431		23,515
Operating costs				
Rental expenses		**21,478**		18,843
Inventory property cost of sales		**3,573,203**		-
		3,594,681		18,843
Operating income		**1,293,750**		4,672
Financing costs		**12,262**		13,767
General and administrative costs		**3,013**		6,516
Net income (loss) from assets held for sale	**$**	**1,278,475**	$	(15,611)

The Company's net cash flows associated with assets held for sale are as follows:

Three months ended March 31,		2020		2019
Net income (loss) from assets available for sale	**$**	**1,278,475**	$	(15,611)
Adjustments for net changes in non-cash working capital		**195,721**		(37,938)
Cash provided by (used in) operating activities		**1,474,196**		(53,549)
Construction expenditures to properties under development				(108,037)
Cash used in investing activities		**-**		(108,037)
Repayments of mortgage princiapl		**(1,541,809)**		-
Cash used by financing activities		**(1,541,809)**		-
Net change in cash	**$**	**(67,613)**	$	(161,586)

As at,	Note		March 31, 2020		December 31, 2019
Assets					
Inventory property		**$**	**-**	$	3,232,341
Receivables and other assets	7		**-**		30,770
Total assets held for sale		**$**	**-**	$	3,263,111
Liabilities					
Mortgages payable	8	**$**	**-**	$	(1,541,809)
Accounts payable and accrued liabilities			**-**		(136,421)
Total liabilities held for sale			**-**		(1,678,230)
Net assets		**$**	**-**	$	1,584,881

5. INVESTMENT PROPERTIES

As at,		March 31, 2020		December 31, 2019
Income properties	**$**	**55,983,000**	$	55,839,000
Properties under development		**18,032,812**		11,331,041
	$	**74,015,812**	$	67,170,041

		Income properties		Properties under development		Total
Balance, January 1, 2020	**$**	**55,839,000**	**$**	**11,331,041**	**$**	**67,170,041**
Development expenditures:						
Capitalized costs		**-**		**6,422,314**		**6,422,314**
Finance costs		**-**		**279,457**		**279,457**
Capital expenditures		**43,885**		**-**		**43,885**
Fair value adjustment on investment properties		**100,115**		**-**		**100,115**
Balance, March 31, 2020	**$**	**55,983,000**	**$**	**18,032,812**	**$**	**74,015,812**

(In Canadian dollars)

	Income properties	Properties under development	Total
Balance, January 1, 2019	$ 53,433,000	$ 4,466,678	$ 57,899,678
Development expenditures:			
Capitalized costs	-	6,299,214	6,299,214
Finance costs	-	565,149	565,149
Capital expenditures	452,126	-	452,126
Fair value adjustment on investment properties	1,953,874	-	1,953,874
Balance, December 31, 2019	$ 55,839,000	$ 11,331,041	$ 67,170,041

Valuation methodology

As highlighted in note 13, the fair value methodology of the Company's income properties use inputs that are considered Level 3 because of significant unobservable inputs are required to determine fair value.

As at March 31, 2020 and December 31, 2019, the capitalization rates used in valuing the commercial and residential properties are set out as follows:

	December 31, 2019			**March 31, 2020**		
	Minimum	Maximum	Average	**Minimum**	**Maximum**	**Average**
Commercial properties	5.05%	7.80%	5.22%	**5.05%**	**7.80%**	**5.22%**
Residential properties	3.90%	5.25%	4.29%	**3.90%**	**5.25%**	**4.28%**

Sensitivity

The following table is a sensitivity applied to the proportion of the Company's investment properties measured using the direct capitalization approach and therefore is sensitive to the changes in capitalization rates.

	Stabilized NOI −1%	Stabilized NOI as reported	Stabilized NOI +1%
As at December 31, 2019:			
Capitalization rate, decrease, 0.25%	$ 2,645,900	$ 3,235,800	$ 3,827,700
Capitalization rate, as reported	(556,100)	-	561,400
Capitalization rate, increase, 0.25%	(3,418,500)	(2,888,400)	(2,359,000)
As at March 31, 2020:			
Capitalization rate, decrease, 0.25%	**$ 2,654,600**	**$ 3,247,200**	**$ 3,838,400**
Capitalization rate, as reported	**(555,600)**	**-**	**562,900**
Capitalization rate, increase, 0.25%	**(3,428,200)**	**(2,898,500)**	**(2,366,500)**

6. EQUITY ACCOUNTED INVESTMENTS

The following details the Company's ownership in its equity accounted investment:

As at,		**March 31, 2020**	December 31, 2019
Equity investees	Principal activity		
Highfield Park Residential Inc. (*"Highfield"*)	Owns and operates investment properties	**20%**	20%
Bellbrook Residential Inc. (*"Bellbrook"*)	Owns and operates investment properties	**20%**	20%

The following table shows the changes in the aggregate carrying value of Urbanfund's equity accounted investment:

			March 31, 2020			**December 31, 2019**
As at,	Highfield	Bellbrook	**Total**	Highfield	Bellbrook	**Total**
Balance, beginning of period	$ 10,738,410	$ 1,876,000	**$ 12,614,410**	$ 7,712,410	$ -	**$ 7,712,410**
Contributions	-	-	**-**	-	2,000,000	**2,000,000**
Distributions	-	-	**-**	(200,000)	-	**(200,000)**
Share of net income (loss)	408,000	4,000	**412,000**	3,226,000	(124,000)	**3,102,000**
Balance, end of period	$ 11,146,410	$ 1,880,000	**$ 13,026,410**	$ 10,738,410	$ 1,876,000	**$ 12,614,410**

(In Canadian dollars)

The following tables presents the financial position of Urbanfund's equity accounted investee on a 100% basis:

			March 31, 2020			**December 31, 2019**
As at,	Highfield	Bellbrook	**Total**	Highfield	Bellbrook	**Total**
Current assets	$ 1,958,660	$ 319,260	**$ 2,277,920**	$ 1,547,425	$ 534,835	**$ 2,082,260**
Non-current assets	127,920,000	33,350,000	**161,270,000**	126,680,000	33,350,000	**160,030,000**
Current liabilities	(1,829,265)	(682,976)	**(2,512,241)**	(1,711,529)	(504,833)	**(2,216,362)**
Non-current liabilities	(72,317,343)	(23,586,286)	**(95,903,629)**	(72,823,846)	(24,000,000)	**(96,823,846)**
Net assets	$ 55,732,052	$ 9,399,998	**$ 65,132,050**	$ 53,692,050	$ 9,380,002	**$ 63,072,052**
Urbanfund's interest	**$ 11,146,410**	**$ 1,880,000**	**$ 13,026,410**	$ 10,738,410	**$ 1,876,000**	**$ 12,614,410**

			2020			**2019**
Three months ended March 31,	Highfield	Bellbrook	**Total**	Highfield	Bellbrook	**Total**
Revenue	$ 3,306,020	$ 604,270	**$ 3,910,290**	$ 3,182,785	$ -	**$ 3,182,785**
Operating expenses	(1,832,834)	$ (279,512)	**(2,112,346)**	(1,838,207)	-	**(1,838,207)**
Interest expense	(677,607)	$ (300,569)	**(978,176)**	(696,615)	-	**(696,615)**
Fair value adjustment on investment properties	1,244,421	$ (4,188)	**1,240,233**	410,000	-	**410,000**
Net income	$ 2,040,000	$ 20,001	**$ 2,060,001**	$ 1,057,963	$ -	**$ 1,057,963**
Income from equity accounted investments	**$ 408,000**	**$ 4,000**	**$ 412,000**	$ 211,593	**$ -**	**$ 211,593**

7. RECEIVABLES AND OTHER ASSETS

The following table details Urbanfund's receivables and other assets:

As at,	Note	**March 31, 2020**	December 31, 2019
Accounts receivable		**$ 864,382**	$ 662,165
Refundable deposits		**704,990**	577,974
Investment in private company (2,083,333 common shares)		**250,000**	250,000
Amounts receivable	12	**128,087**	128,087
Prepaid expenses		**203,703**	91,934
		$ 2,151,162	$ 1,710,160
Receivables and other assets		**2,151,162**	1,679,390
Receivables and other assets held for sale	4	**-**	30,770
		$ 2,151,162	$ 1,710,160

(i) The investment in private company represents 2,083,333 common shares with 1,041,666 detachable warrants.

8. MORTGAGES PAYABLE

As at,	Note	**March 31, 2020**	December 31, 2019
Current		**$ 1,114,727**	$ 2,654,370
Non-current		**33,365,747**	30,577,629
		$ 34,480,474	$ 33,231,999

As at,	Note	**March 31, 2020**	December 31, 2019
Mortgages payable		**$ 34,480,474**	$ 31,690,190
Mortgages payable on inventory property held for sale	4	**-**	1,541,809
		$ 34,480,474	$ 33,231,999

(In Canadian dollars)

Mortgages payable are secured by investment properties and bear interest at various fixed rates with payment terms either monthly blended principal and interest payments ("MBPI") or interest only ("IO").

As at,					**March 31, 2020**		December 31, 2019
Property name(s)	Payment Terms	Maturity Date	Interest Rate				
3080-3094 Don Mills & 200 Van Horne	MBPI	Mar 1, 2025	2.52%	**$**	**10,432,222**	$	10,531,896
305 North Front Centre	MBPI	Oct 5, 2022	3.95%		**9,543,119**		9,608,991
476-480 Wonderland Road	MBPI	Jun 5, 2023	4.35%		**1,088,403**		1,103,346
Quebec Headway, Vendor Take Back	MBPI	May 1, 2023	4.50%		**2,315,245**		2,345,433
Quebec Headway, Assumed Mortgages	MBPI	(i)	(i)		**2,178,208**		2,240,722
4 Alfred Kuhne Boulevard	IO	March 1, 2020	Prime + 2%		**-**		1,543,750
59 Weber Street	IO	March 1, 2022	6.50%		**9,103,440**		6,038,085
Mortgages payable				**$**	**34,660,637**	$	33,412,223

(i) Quebec Headway assumed mortgages payable are made up of 9 mortgages outstanding on the income properties of Quebec Headway. The weighted average remaining life is 3.73 years (2019 - 3.93 years) and bear a weighted average interest rate of 3.18% (2019 - 3.19%).

Minimum principal payments over the following years are as follows:

2020 (remainder of the year)	$	837,429
2021		1,038,678
2022		18,904,808
2023		3,388,546
2024		553,739
Thereafter		9,937,437
		34,660,637
Unamortized mortgage financing costs		(180,163)
	$	34,480,474

9. EQUITY

Basic and diluted income per share has been calculated as follows:

Three months ended March 31,		**2020**		2019
Net income attributable to shareholders	**$**	**1,754,191**	$	848,134
Weighted average common units outstanding:				
Basic		**47,655,115**		46,080,883
Dilutive effect of preferred shares		**7,425,000**		7,425,000
Diluted		**55,080,115**		53,505,883
Net income per share attributable to shareholders:				
Basic income per share	**$**	**0.04**	$	0.02
Diluted income per share	**$**	**0.03**	$	0.02

10. DIVIDENDS PAID AND DIVIDEND REINVESTMENT PLAN

On June 17, 2015, Urbanfund adopted a dividend policy (the "Dividend Policy") and implemented a dividend reinvestment plan for the holders of common shares and Series A preferred shares (collectively, the "DRIP"). The DRIP is a voluntary program permitting holders of Series A, first preferred shares and common shares to automatically and without charge, reinvest dividends into additional common shares at a specified discount to the volume-weighted average market price calculated as the date of payment.

On June 18, 2019, Urbanfund amended its Dividend Policy to increase the annual dividend rate to $0.03 per common share and $0.03 per Series A preferred share, or 50% increase from the previous year, payable quarterly in the amount of $0.0075 per common share and Series A preferred share.

For the three months ended March 31, 2020, Urbanfund issued 443,751 common shares valued at $322,563 to participants enrolled in the DRIP (March 31, 2019 – 282,377 and $190,680). For the three months ended March 31, 2020, total dividends paid during the period was $87,699 (March 31, 2019 - $57,098). As at March 31, 2020, dividends payable was $413,072 (December 31, 2019 - $410,290).

(In Canadian dollars)

11. RENTAL REVENUE

Three months ended March 31,		**2020**		2019
Base rent	**$**	**1,094,224**	$	1,075,551
Realty tax and insurance recoveries		**105,232**		125,928
Common area maintenance recoveries		**109,152**		31,085
Percentage rent		**2,282**		20,690
Miscellaneous revenue		**43,209**		30,632
Rental revenue	**$**	**1,354,099**	$	1,283,886

As a result of adopting IFRS 15, *Revenue from Contracts with Customers*, the following tables provide additional disclosures of the Company's other revenue streams.

Revenue from Contracts with Customers

Three months ended March 31,		**2020**		2019
Inventory property sales	**$**	**4,851,350**	$	-
Common area maintenance recoveries		**109,152**		31,085
Parking revenue		**9,694**		8,346
Revenue with contracts with customers	**$**	**4,970,196**	$	39,431

12. RELATED PARTY BALANCES AND TRANSACTIONS

Included in amounts receivable within receivables and other assets (note 7) is $128,087 (December 31, 2019 - $128,087) of amounts due from a corporation that is also a shareholder of the Company.

Urbanfund is also contracted to this shareholder for property management fees and cost reimbursements as follows:

As at,	**March 31, 2020**	December 31, 2019
Property management fees, included in:		
Accounts payable and accrued liabilities	**82,190**	54,841
Management cost reimbursements, included in:		
Accounts payable and accrued liabilities	**38,282**	23,650

Three months ended March 31,		**2020**		2019
Property management fees, included in:				
Rental expenses	**$**	**27,349**	$	31,375
Income from equity accounted investment, net		**26,675**		21,108
Management cost reimbursements, included in:				
Rental expenses	**$**	**63,832**	$	64,150
Income from equity accounted investment, net		**47,215**		50,084

The marketable securities owned by Urbanfund are held at a brokerage that is partially owned, directly or indirectly, by common shareholders who are also directors of the Company. At March 31, 2020, there was $24,104 (December 31, 2019 - $23,017) in cash held by the brokerage.

There has been no compensation paid to key management personnel during the three months ended March 31, 2020 and 2019.

13. FAIR VALUE MEASUREMENT

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated balance sheets are as follows:

		March 31, 2020			December 31, 2019		
As at,	Note	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Cash and cash equivalents		**$ 7,769,556**	**$ -**	**$ -**	$ 7,331,435	$ -	$ -
Income properties	5	**-**	**-**	**55,983,000**	-	-	55,839,000
Total assets measured at fair value		**$ 7,769,556**	**$ -**	**$ 55,983,000**	$ 7,331,435	$ -	$ 55,839,000

For assets measured at fair value as at March 31, 2020 and December 31, 2019, there were no transfers between Level 1, Level 2 and Level 3.

Receivables and other assets, tenant deposits, accounts payable and accrued liabilities

The carrying value of receivables and other assets, tenant deposits, accounts payable and accrued liabilities are considered to be representative of their fair values due to their short-term nature.

Investment in private company

The fair value of the investment in private company included in receivables and other assets (note 7) are not reasonably determinable, as there is no active market for the investments, therefore are recorded at cost.

Mortgages payable

The fair value of the mortgages payable are Level 2 and approximate $34,176,000 (December 31, 2019 - $32,871,000) based on the interest rates obtainable for similar financial instruments in the current market place.

14. RISK MANAGEMENT

Financial risk management objectives and policies

The Company's activity exposes it to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. These financial risks are managed by the Company under policies approved by the Board of Directors. The principal financial risks are actively managed by the Company's finance department, within Board approved policies and guidelines. On an ongoing basis, the finance department actively monitors market conditions with a view to minimizing the exposure of the Company to changing market factors, while at the same time limiting the funding costs of the Company.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The duration and impact of the COVID-19 pandemic on the Company is unknown at this time but has resulted in the federal and provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Uncertain economic conditions resulting from the COVID-19 outbreak may, in the short or long term, materially adversely impact: the Company's tenants, and their ability to pay rent (credit risk); and/or the debt and equity market and Company's ability to access debt and/or capital on acceptable terms, or at all (liquidity risk), all of which could materially adversely affect the Company's operations and financial performance.

Interest rate risk

Urbanfund is exposed to interest rate risks on its borrowings and could be adversely affected if it were unable to obtain cost-effective financing. The Company's debt is financed at fixed rates with maturities staggered over a number of years, thereby mitigating its exposure to changes in interest rates and financing risks. A change in the interest rate by 1% would result in an increase or decrease in the fair value of mortgages by $143,236 (December 31, 2019 - $159,355).

Credit risk

Credit risk arises from the possibility that Urbanfund's tenants may experience financial difficulty and be unable to fulfil their lease commitments. The Company mitigates this risk of credit loss by diversifying its tenant mix and by limiting its exposure to any one tenant. In addition, the Company obtains security deposits from tenants. The Company mitigates its exposure to credit loss by placing its cash and short-term investments with major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations as they become due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

(In Canadian dollars)

Since inception, the Company has financed its cash requirements primarily through issuances of securities, short-term borrowings and issuances of long-term debt. The Company controls liquidity risk through management of working capital, cash flows and the availability and sourcing of financing. Financial liabilities are due as follows:

	< 1 year	1-2 years	3-5 years	>5 years
Accounts payable and accrued liabilities	$ 4,250,621	$ -	$ -	$ -
Mortgages payable	837,429	1,038,678	22,847,093	9,937,437

15. CAPITAL MANAGEMENT

Urbanfund defines capital as its equity. The Company's objective when managing capital is: (i) to safeguard the ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders; and (ii) to provide adequate return to shareholders by obtaining an appropriate amount of debt commensurate with the level of risk, to reduce after-tax cost of capital.

The Company sets the amount of capital in proportion to the risk. Urbanfund manages capital structure and makes adjustments in light of changes in economic conditions and the characteristic risk of underlying assets. In order to maintain or adjust capital structure, the Company may repurchase shares, return capital to shareholders, issue new shares or sell assets to reduce debt. Urbanfund's objective is met by retaining adequate liquidity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. There have been no changes to the Company's capital management policies during the three months ended March 31, 2020 and 2019.

16. SEGMENTED INFORMATION

Urbanfund, primarily owns, develops, manages and operates residential and commercial sector properties in Canada. In measuring its performance of its residential and commercial properties, the Company does not distinguish or group its operations on a geographical or any other basis and, accordingly has a single reportable operating segment. Management has applied judgment by aggregating its operating segments into one single reportable segment for disclosure purposes. Such judgment considers the nature of property operations, tenant mix and an expectation that operating segments within a reportable segment have similar long-term economic characteristics. The Company's Chief Executive Officer is the chief operating decision maker and regularly reviews Urbanfund's operations and performance on a consolidated basis. Urbanfund does not have any single major tenant or any significant groups of tenants.

17. SUPPLEMENTAL CASH FLOW INFORMATION

Three months ended March 31,		**2020**		2019
Interest received	**$**	**47,480**	$	37,624
Interest paid		**(227,499)**		(209,625)
Dividends paid:				
Dividends declared during the period	**$**	**(90,453)**		(113,827)
Dividends declared in the prior period, paid in the current period		**(87,727)**		(57,098)
Dividends declared in the current period paid in next period		**87,699**		56,729
Dividends paid	**$**	**(90,481)**	$	(114,196)

The following provides a reconciliation of cash flows arising from financing activities relating to mortgages payable:

Three months ended March 31,		**2020**		2019
Balance, beginning of period	**$**	**33,412,223**	$	28,455,589
Cash flows				
Proceeds from mortgage financing		**3,065,355**		-
Repayments of mortgage principals		**(1,816,879)**		(272,628)
Non-cash changes:				
Deferred financing costs		**(61)**		(10,169)
Balance, end of period	**$**	**34,660,638**	$	28,172,792

(In Canadian dollars)
(Unaudited)

18. ADJUSTMENTS FOR OTHER NON-CASH WORKING CAPITAL ITEMS

Three months ended March 31,		**2020**		2019
Receivables and other assets	**$**	**(441,002)**	$	(147,263)
Inventory properties		**3,232,341**		(108,037)
Accounts payable and accrued liabilities		**1,460,067**		72,717
Income taxes		**401,000**		3,000
Tenant deposits		**1,301**		(873)
Deferred financing costs and other		**70,977**		(46,431)
Net change in other working capital items	**$**	**4,724,684**	$	(226,887)

19. CONTINGENCIES AND COMMITMENTS

The Company may have various other contractual obligations in the normal course of operations. The Company is not contingently liable with respect to litigation, claims and environmental matters, including those that could result in mandatory damages or other relief. Any expected settlement of claims in excess of amounts recorded will be charged to the interim condensed consolidated statements of income and comprehensive income as and when such determination is made.