Management's Discussion and Analysis

The Management's Discussion and Analysis ("MD&A") is intended to assist readers in understanding Dream Unlimited Corp. (the "Company" or "Dream"), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the audited consolidated financial statements ("consolidated financial statements") of Dream, including the notes thereto, as at and for the year ended December 31, 2021 and the consolidated financial statements as at and for the year ended December 31, 2022, which can be found under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") (www.sedar.com). Such financial statements underlying this MD&A have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Certain disclosures included herein are specified financial measures, including non-GAAP financial measures and supplementary and other financial measures. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

All dollar amounts in tables within this MD&A are in thousands of Canadian dollars, unless otherwise specified. For simplicity, throughout this discussion, we may make reference to the following:

- "Subordinate Voting Shares", meaning subordinate voting shares in the capital of Dream;
- "Class B Shares", meaning Class B common shares in the capital of Dream; and
- "Dream Impact Trust units", meaning units of Dream Impact Trust.

Unless otherwise specified, all references to "we", "us", "our" or similar terms refer to Dream and its subsidiaries. All references to the "Dream group of companies" represent Dream and the four publicly traded trusts that Dream provides asset management or development management services to and includes Dream, Dream Office Real Estate Investment Trust ("Dream Office REIT") (TSX: D.UN), Dream Impact Trust (TSX: MPCT.UN), Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT") (TSX: DIR.UN) and Dream Residential Real Estate Investment Trust ("Dream Residential REIT") (TSX: DRR.U). This MD&A is dated as of, and reflects all material events up to, February 21, 2023.

The "Forward-Looking Information" section of this MD&A includes important information concerning certain information found in this MD&A that contains or incorporates statements that constitute forward-looking information within the meaning of applicable securities laws. Readers are encouraged to read the "Forward-Looking Information" and "Risk Factors" sections of this MD&A for a discussion of the risks and uncertainties regarding this forward-looking information as there are a number of factors that could cause actual results to differ materially from those disclosed or implied by such forward-looking information.

Business Overview

Dream is a leading developer of exceptional office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established and successful asset management business, inclusive of $18 billion of assets under management* as at December 31, 2022 across four Toronto Stock Exchange ("TSX") listed trusts, our private asset management business and numerous partnerships. We also develop land and residential assets in Western Canada. Dream expects to generate more recurring income in the future as its development properties are completed and held for the long term. Dream has a proven track record for being innovative and for our ability to source, structure and execute on compelling investment opportunities. A comprehensive overview of our holdings is included in the "Summary of Dream's Assets and Holdings" section of this MD&A.

As at February 21, 2023, the Company had a 12% interest in Dream Residential REIT, a 32% interest in Dream Impact Trust and a 38% interest in Dream Office REIT, inclusive of interests held by Dream's Chief Responsible Officer.

Subsequent to December 31, 2022, the Company acquired de facto control of Dream Office REIT through the ownership of 18,473,925 REIT and LP B units. Dream Office REIT cancelled 242,200 REIT units that increased the Company's ownership of the REIT to over 36%. As a result, the Company will consolidate Dream Office REIT's financial results effective in the first quarter of 2023.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Summary of Results – Fourth Quarter and Year Ended 2022

As of February 21, 2023, assets under management* were $23 billion, up $8 billion since 2021 and fee earning assets under management* were $17 billion, up from $9 billion at the end of 2021. We have expanded our assets under management, increasing our investments in the industrial and residential rental classes from 59% in 2021 to 72% as at February 21, 2023.

Overview of Results

Loss before income taxes for the three months ended December 31, 2022 was $57.5 million, compared to earnings before taxes of $95.3 million in the prior year comparative period. The decrease is primarily due to a fair value loss on Dream Impact Trust's investment in the Virgin Hotels Las Vegas and lower fair value gains taken on our investment properties including those held within our equity accounted investments.

Earnings before income taxes for the year ended December 31, 2022 was $197.3 million, an increase of $71.4 million relative to the prior year, primarily due to condominium occupancies at Canary Commons in the first half of 2022, a gain on land settlement and fair value adjustments taken on Dream Impact Trust units held by other unitholders. This was partially offset by the aforementioned fair value losses.

Dream Impact Trust units held by other unitholders are treated as a liability on the consolidated statements of financial position of Dream and are fair valued each period under IFRS, generating fair value gains/losses with the fluctuation of the Dream Impact Trust unit prices and distributions to unitholders.

In the three months ended December 31, 2022, the fair value loss on the Dream Impact Trust units was $1.9 million (as a result of $4.4 million in cash distributions to Dream Impact Trust unitholders, partially offset by the Dream Impact Trust unit price decreasing to $4.03 at December 31, 2022 from $4.09 at September 30, 2022), compared to a fair value loss of $3.8 million in the comparative period (as a result of $4.7 million in cash distributions to Dream Impact Trust unitholders, partially offset by the Dream Impact Trust unit price decreasing to $6.15 at December 31, 2021 from $6.17 at September 30, 2021).

In the year ended December 31, 2022, the fair value gain on the Dream Impact Trust units was $80.4 million (as a result of the Dream Impact Trust unit price decreasing to $4.03 at December 31, 2022 from $6.15 at December 31, 2021, partially offset by $18.7 million in cash distributions to Dream Impact Trust unitholders), compared to a fair value loss of $25.0 million in the comparative period (as a result of the Dream Impact Trust unit price increasing to $6.15 at December 31, 2021 from $6.03 at December 31, 2020 and $19.0 million in cash distributions to Dream Impact Trust unitholders).

Our Operating Segments and Strategy

As an asset manager, owner and developer of real estate, our objectives are to:

- Develop best-in-class properties and communities that attract exceptional businesses, residents and visitors;
- Own our newly developed income producing assets for the long term;
- Grow our assets under management* both through our public and private platforms;
- Maintain a conservative balance sheet and liquidity position;
- Create positive and lasting impacts through our impact dedicated vehicles;
- Work with exceptional partners and stakeholders to maximize the value of our assets and developments;
- Manage our asset mix and profile to maximize long-term value to shareholders; and
- Generate solid returns for our shareholders over the long term.

We have achieved our goals in the past as a result of our expertise and high-quality asset base, combined with a track record in our ability to source, structure and execute on compelling investment opportunities while maintaining conservative debt levels. Over the last few years, we have actively focused on differentiating our asset base by growing assets that contribute to recurring income and investing in development assets and real estate in Toronto, with the goal of improving the safety, value and earnings quality of our business. Inclusive of assets held by Dream Impact Fund, Dream Impact Trust, Dream Office REIT and Dream Residential REIT, our portfolio totals 33,893 residential units and 11.3 million square feet ("sf") of commercial/retail gross leasable area ("GLA") as at December 31, 2022 (at 100% project level).

Recurring income is important to our business as it provides stable cash flows in order to fund our ongoing interest expense, fixed operating costs and dividends. This provides enhanced stability and financial flexibility as we continue to execute on our development pipeline. Assets held at December 31, 2022 that contribute to recurring income include our asset and development management contracts, our 36% equity ownership in Dream Office REIT, our 12% equity ownership in Dream Residential REIT, management fees from our private asset management business and our stabilized income generating assets, such as the Distillery District in Toronto, Arapahoe Basin, our ski hill in Colorado, and our multi-family purpose built rentals including those shared with Dream Impact Trust. Our future recurring income properties will include those that are currently being developed within our mixed-use developments in Toronto and Ottawa in addition to future potential acquisitions.

Our development assets, comprised of residential, commercial and retail buildings, and raw land, are located across Toronto, Ottawa/Gatineau and Western Canada. We believe our development pipeline includes exceptional assets that will contribute to income and cash flow over time as they are developed and completed. Income and cash flow generated from these assets can vary from period to period, due to a variety of factors including the timing of construction, availability of inventory, achievement of project milestones, timing of completion and end customer occupancy. As we execute on completing our development properties, we anticipate our recurring income assets will increase over time.

*Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

While not considered an individual reportable segment, Corporate and other includes: corporate-level cash and other working capital, consolidated tax balances and expense, our term facility and related interest expense, general and administrative expenses not allocated to a particular segment and the liability and fair value adjustments to Dream Impact Trust and Dream Impact Fund units held by other unitholders. Refer to the "Additional Information - Consolidated Dream" section of this MD&A for segmented assets and liabilities and the segmented statement of earnings.

Timing of Income Recognition and Impact of Seasonality

The Company's housing and condominium operations recognize revenue at the time of occupancy and, as a result, revenue and direct costs vary depending on the number of units occupied in a particular reporting period.

The Company's land operations revenue relating to sales of land is recognized when control over the property has been transferred to the customer - typically when the customer can begin construction on the property. Until this criterion is met, any proceeds received are accounted for as customer deposits. Revenue is measured based on the transaction price agreed to under the contract and is typically recognized upon receipt of 15% of the transaction price. Revenue from land is deferred until occupancy by a third-party customer, when the land is sold as part of a home constructed by our housing division. Certain marketing expenses for condominiums and homes are incurred prior to the occupancy of these units and accordingly are not tied to the number of units occupied in a particular period as they are expensed as incurred. Commissions are capitalized as contract assets, and expensed when condominium and housing revenue is recognized.

Based on our geographic location, most of our development activity in Western Canada takes place between April and October due to weather constraints, while sales orders vary depending on the rate at which builders work through inventory, which is affected by weather and market conditions. Traditionally, our highest sales volume quarter for our land and housing divisions has been the fourth quarter, while our lowest has been the first quarter.

Our recurring segment, which includes our purpose-built multi-family rentals, retail and office and hotels, is relatively flat throughout the year with the exception to our recreational property, Arapahoe Basin, which primarily has the highest sales volume during the winter ski season.

As a result, the Company's results can vary significantly from quarter to quarter.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Key Financial Information and Performance Indicators

Selected Financial Information

(in thousands of dollars, except per share and outstanding share amounts)	For the three months ended December 31,				For the year ended December 31,			
		2022		2021		**2022**		2021
Revenue	**$**	**167,692**	$	150,122	**$**	**343,768**	$	325,922
Earnings (loss) for the period	**$**	**(51,211)**	$	80,317	**$**	**164,445**	$	110,661
Basic earnings (loss) per share[(1)]	**$**	**(1.20)**	$	1.87	**$**	**3.86**	$	2.52
Diluted earnings (loss) per share[(1)]	**$**	**(1.20)**	$	1.81	**$**	**3.74**	$	2.46
Weighted average number of shares outstanding, basic		**42,587,702**		43,007,226		**42,601,025**		43,685,083
Total earnings (loss) for the period attributable to:								
Shareholders	**$**	**(51,211)**	$	80,317	**$**	**164,445**	$	110,030

		December 31, 2022		December 31, 2021
Total assets	**$**	**3,956,494**	$	3,488,674
Total liabilities	**$**	**2,402,802**	$	2,066,461
Total equity	**$**	**1,553,692**	$	1,422,213
Total issued and outstanding shares		**42,587,702**		42,836,031

(1) See Note 32 of the Company's consolidated financial statements for the year ended December 31, 2022 for further details on the calculation of basic and diluted earnings per share.

Recurring Income

A summary of the major asset types within our recurring income segment is included below.

Asset Management and Equity Ownership
We provide asset management services to Dream Industrial REIT, Dream Impact Trust and Dream Residential REIT, and on behalf of various institutional/ third-party real estate partnerships, including our private asset management business and development management services to Dream Office REIT. Asset management fees and equity interests in Dream Impact Trust and Dream Impact Fund are eliminated on consolidation. As of December 31, 2022, we held an aggregate of 18.5 million REIT units and class B units of a subsidiary of Dream Office REIT, representing an approximately 36.0% effective ownership interest in Dream Office REIT, and an aggregate of 2.3 million REIT units and class B units of a subsidiary of Dream Residential REIT, representing an approximately 11.8% effective ownership interest in Dream Residential REIT, both of which generate monthly cash distributions for Dream. It is important to note that fees earned on transactional activity in a period are not recurring in nature and accordingly will impact related margins. Fees related to development activities and partnerships included within this segment may fluctuate depending on the number of active projects and on Dream achieving certain milestones as the development manager. We expect that development and other management fees will continue to increase in future years as our existing developments progress through construction milestones.

Dream's assets under management* as of December 31, 2022 was $18 billion (December 31, 2021 – $15 billion), including fee earning assets under management* of approximately $11 billion (December 31, 2021 - $9 billion).

Stabilized Income Generating Assets
Dream owns a number of income generating assets, which are key contributors to our sources of recurring income. These assets include Arapahoe Basin and income producing assets in Toronto and Western Canada, including the Distillery District and stabilized residential rentals. As of December 31, 2022, we held over 13.7 million sf of GLA in retail, residential and mixed-use properties across the Dream platform and we expect assets in this segment to grow over time, as we intend to hold stabilized investment properties that are developed by Dream in the core markets in which we operate in addition to sourced transactions in those markets.

Selected Segment Key Operating Metrics

(in thousands of dollars, unless otherwise noted)	For the three months ended December 31,				For the year ended December 31,			
		2022		2021		**2022**		2021
Revenue	**$**	**42,705**	$	35,883	**$**	**167,985**	$	116,766
Net operating income*		**14,343**		9,962		**63,574**		40,415
Net margin		**11,119**		7,996		**55,116**		33,502
Net margin (%)*		**26.0%**		22.3%		**32.8%**		28.7%
Fair value changes in investment properties	**$**	**16,286**	$	45,730	**$**	**32,078**	$	31,180
Share of earnings (losses) from equity accounted investments		**(26,176)**		24,332		**12,688**		82,912

*Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Results of Operations

In the three months ended December 31, 2022, revenue and net operating income* derived from recurring income sources was $42.7 million and $14.3 million, respectively, compared to $35.9 million and $10.0 million in the comparative period. The change is primarily due to increased earnings from our growing multi-family rental portfolio, higher earnings from the Distillery District and improved results at our ski hill in Colorado.

Revenue and net operating income* for the year ended December 31, 2022 was $168.0 million and $63.6 million, respectively, an increase of $51.2 million and $23.2 million, respectively, from the comparative period. The increase is due to the aforementioned reasons and higher occupancy rates at our hotels located in the GTA.

Earnings from equity accounted investments for the three months and twelve months ended December 31, 2022 was a loss of $26.2 million and earnings of $12.7 million, respectively, in comparison to earnings of $24.3 million and $82.9 million, in the comparative periods, due to fair value adjustments taken on Dream Office REIT's investment property portfolio. Results for the year ended December 31, 2022 includes $5.7 million in equity accounted earnings from our 11.8% interest in Dream Residential REIT.

Over the next four years, an additional 2.2 million sf of residential GFA and 0.2 million sf of commercial/retail GLA are expected to be added to our recurring income segment (at the project level) primarily relating to various blocks at West Don Lands, Canary District, Zibi and Le Breton Flats.

In the year ended December 31, 2022, we transferred two completed buildings at Zibi to our recurring income portfolio. 310 Miwate Private (formerly Zibi Block 208) is a 33,000 sf building primarily occupied by Spaces, an Amsterdam-based creative workspace provider. We also transferred Aalto Suites, a 162-unit residential rental building to our recurring income portfolio as construction is substantially complete. Results from these transferred blocks are shown in the recurring segment only from the date of transfer.

Development

An overview of our development segment by geography is included below.

Urban Development - Toronto and Ottawa

Our urban development assets are comprised of exceptional development opportunities in various planning and construction phases across Toronto and Ottawa and are comprised of condominium, purpose-built rental and mixed-use developments. A large proportion of assets carried within this segment are being developed for sale and so are held at cost. These are expected to contribute meaningfully to the Company's earnings in future periods as properties are developed and sold. In addition, through our equity ownership in Dream Impact Trust and Dream Office REIT, we have indirect investments in high-quality assets located in the GTA with significant redevelopment potential.

The developments that we hold today do not require a significant amount of equity and are financed primarily through project-specific debt including both land loans and construction financing, providing us with additional financial flexibility. In cases where we are developing investment properties to hold, fair value gains are recognized as key milestones are achieved through the development period over the time frame to stabilization and/or completion. Development margin from these assets is earned in periods where we have inventory available for occupancies in condominium or investment properties.

As at December 31, 2022, our Toronto and Ottawa pipeline across the Dream portfolio is comprised of over 25,600 residential units and approximately 4.1 million sf of commercial/retail GLA.

Western Canada Community Development

Dream's Western Canada community development is comprised of land, housing, multi-family and retail/commercial assets within our master-planned communities in Saskatchewan and Alberta. We currently own approximately 8,900 acres of land in Western Canada, of which 8,500 acres are in nine large master-planned communities at various stages of approval. With our land bank, market share, liquidity position and extensive experience as a developer, we are able to closely monitor and have the flexibility to increase or decrease our inventory levels to adjust to market conditions in any year. As at December 31, 2022, our Western Canada pipeline across the Dream portfolio is comprised of 227 purpose-built rental units and 0.3 million sf of commercial/retail GLA.

Land development is financed through our operating line, which is secured by our land in Western Canada and associated trade receivables. Housing, retail, commercial and multi-family development is financed through project-specific construction financing.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Selected Segment Key Operating Metrics

(in thousands of dollars, except lot, average selling price per lot and acre amounts)	For the three months ended December 31, 2022	2021	For the year ended December 31, 2022	2021
DIRECTLY OWNED				
Revenue	**$ 124,987**	$ 114,239	**$ 175,783**	$ 209,156
Gross margin	**38,711**	32,870	**50,033**	50,725
Gross margin %*	**31.0%**	28.8%	**28.5%**	24.3%
Net margin	**$ 32,610**	$ 26,689	**$ 24,019**	$ 27,064
Net margin %*	**26.1%**	23.4%	**13.7%**	12.9%
Lots sold - Western Canada	**690**	690	**858**	959
Average selling price per lot - Western Canada	**$ 144,000**	$ 141,000	**$ 141,000**	$ 134,000
Acres sold - Western Canada	**25**	5	**39**	10
Average selling price per acre - Western Canada	**$ 649,000**	$ 780,000	**$ 600,000**	$ 662,500
EQUITY ACCOUNTED INVESTMENTS				
Share of earnings from equity accounted investments	**$ 5,980**	$ 2,875	**$ 43,405**	$ 7,809
Condominium occupancy units (project level) - Toronto	**—**	15	**376**	15
Condominium occupancy units (Dream's share) - Toronto	**—**	8	**188**	8

Results of Operations

In the three months ended December 31, 2022, revenue and net margin derived from our development business increased to $125.0 million and $32.6 million, respectively, up by $10.7 million and $5.9 million over the comparative period. The increase is primarily due to an increase in acre sales in Western Canada.

In the year ended December 31, 2022, our development business generated $175.8 million in revenue and net margin of $24.0 million, down from $209.2 million and $27.1 million, respectively, from the comparative period. The decrease was driven by lower condominium occupancies, which is in line with management's expectations and was partially offset by higher acre sales in Western Canada.

Included in the development segment results for the three and twelve months ended December 31, 2022 is a $54.8 million fair value loss on Dream Impact Trust's investment in the Virgin Hotels Las Vegas.

Earnings from equity accounted investments in the three months ended December 31, 2022 was $6.0 million, an increase of $3.1 million from the comparable period, due to fair value gains in an investment property under development.

Earnings from equity accounted investments in the twelve months ended December 31, 2022 was $43.4 million, an increase of $35.6 million from the comparable period, due to the aforementioned gains and increased condominium occupancies at Canary Commons Condominiums in the first half of 2022.

Our development team remains focused on building out our exceptional development pipeline, including Phase 2 of Riverside Square, Brightwater and West Don Lands Blocks 8 and 3/4/7 and Canary Block 10, which are expected to occupy between 2023 and 2025; however, as the development manager for our projects, we are able to adjust, in real time, should adverse changes to the market arise.

Active Projects

Forma

In the year ended December 31, 2022, the Company launched sales for the East tower at Forma Condos. The development will consist of two towers and comprise over 2,000 units in Toronto's downtown core. Upon completion, the two towers will stand at 73 and 84 storeys tall and will include seven levels of office space, three levels of retail, include a mezzanine, and two levels for the Ontario College of Arts and Design University. Construction started in the fourth quarter of 2022.

Quayside

In the year ended December 31, 2022, Waterfront Toronto approved a project agreement for the development of a 12 acre site at the east end of downtown Toronto's waterfront to build Canada's largest all-electric, zero-carbon master-planned community. The community will comprise over 4,000 units, including over 800 affordable housing units and 3.5 acres of public space with a car-free green oasis from Parliament Street to Bonnycastle Street that will connect projects further west towards Jarvis Street.

Dream LeBreton

In the year ended December 31, 2022, the Company closed on the acquisition of the first phase of building at the LeBreton Flats library parcel, Dream LeBreton, a 2.7 acre site west of downtown Ottawa, which will feature 608 new rental housing units, over 40% of which will be affordable, and is adjacent to a light-rail station as well as our Zibi development. The site will be the first development block at LeBreton Flats and is part of a broader plan for development that contemplates approximately 4,000 housing units and 1 million sf of commercial density to be built over the next 35 years. The first development block is expected to become one of Canada's largest residential buildings to be considered net-zero carbon by the Canada Green Building Council and will start construction in the first half of 2023.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Riverside Square
Riverside Square is a 5 acre, two-phase, mixed-use development located in Toronto's downtown east end on the south side of Queen Street East and immediately east of the Don Valley Parkway. Dream has a 32.5% interest in the project alongside its partners. The first phase of the project consists of 688 residential condominium units, a state-of-the-art multi-level auto-plex and approximately 20,000 sf of retail GLA and is fully occupied. The second phase is planned to consist of approximately 36,000 sf of multi-tenant commercial space with a proposed grocery-anchored component together with 227 condominium units, with first occupancies expected in 2023.

Brightwater
Brightwater is a 72-acre waterfront property in Mississauga's Port Credit area, with plans to transform the site into a complete, vibrant and diverse waterfront community. The site is expected to be redeveloped into a large master-planned residential/mixed-use community. Highlights of the draft master plan proposal include nearly 3,000 residential units and 350,000 sf of retail and commercial space. The source remediation program is complete and vertical construction has commenced on the project's first condominium buildings which are fully pre-sold.

Zibi
In the year ended December 31, 2022, vertical construction at Zibi continued on all active blocks. The project is a multi-phase development that includes over 4 million sf of density consisting of approximately 1,900 residential units (inclusive of purpose-built rental units), over 2 million sf of commercial space and 8 acres of riverfront parks and plazas. Zibi will be one of Canada's most sustainable communities and the country's first "One Planet Master-Planned Community". In partnership with Hydro Ottawa, we developed the District Energy System, the first post-industrial waste heat recovery system in a master-planned community in North America, which provides net-zero heating and cooling for all tenants, residents and visitors at Zibi. During the year ended December 31, 2022, the District Energy System commenced operations.

Downtown Toronto's East End
Construction is ongoing at Block 8, the first building in our purpose-built rental community in the West Don Lands neighbourhood. Block 8 will comprise 770 rental units, of which 30% are affordable, with first occupancies expected in the first half of 2023. Construction on West Don Lands Block 3/4/7 commenced this year, comprising an additional 855 rental units (30% affordable), with initial occupancies planned for 2025. Construction has also commenced on Block 10, which comprises 206 condominium units, 238 purpose-built rentals, 26,000 sf of heritage retail and an Indigenous Hub. This area is a significant development hub for Dream, as it includes the 35 acre Canary District, the adjacent West Don Lands and Distillery District development assets, in addition to the future Lakeshore East and Quayside developments.

Other Items

Net Gain on Land Settlement
In the year ended December 31, 2018, a stabilized recurring income property was expropriated from the Company pursuant to the *Expropriations Act* (Ontario). In the year ended December 31, 2022, the Company agreed to a final settlement for an additional $88.5 million in compensation, which was recorded in the consolidated statement of earnings, net of transaction costs of $2.1 million.

Interest Expense
In the three and twelve months ended December 31, 2022, interest expense was $16.2 million and $51.8 million, respectively, up from $9.7 million and $27.2 million, respectively, in the comparative periods. The increase in interest expense is primarily due to higher interest rates, new borrowings related to the acquisition of multi-family rental properties in Toronto, higher drawings on our Western Canada operating line, and the issuance of Dream Impact Trust's convertible debentures in late 2021 and 2022.

General and Administrative Expenses
In the three and twelve months ended December 31, 2022, general and administrative expenses were $17.7 million and $33.6 million, respectively, compared to $1.5 million and $15.4 million, respectively, in the comparative period. The increase in general and administrative expenses are primarily due to the settlement of certain outstanding legal claims, one-time compliance costs and higher non-cash expenses related to share-based compensation. During the year ended December 31, 2022, the Company received government assistance through the Canadian Emergency Wage Subsidy of $0.6 million, compared to $2.7 million in the prior year.

Income Tax Expense
The Company's effective income tax rate was 11.0% and 16.6% for the three and twelve months ended December 31, 2022, respectively (three and twelve months ended December 31, 2021 – 15.8% and 12.1%, respectively). The effective income tax rate for the three months and year ended December 31, 2022 is different than the statutory combined federal and provincial tax rate of 26.1% mainly due to the non-taxable portion of capital gains, partially offset by a combination of non-deductible expenses and other items.

We are subject to income taxes in Canada, both federally and provincially, and the United States. Significant judgments and estimates are required in the determination of the Company's tax balances. Our income tax expense and deferred tax liabilities reflect management's best estimate of current and future taxes to be paid. The Company is subject to tax audits from various government and regulatory agencies on an ongoing basis. As a result, from time to time, taxing authorities may disagree with the interpretation and application of tax laws taken by the Company in its tax filings.

Liquidity and Capital Resources

Our capital consists of debt facilities and shareholders' equity. Our objectives in managing our capital are to ensure adequate operating funds are available to fund development costs, to cover leasing costs, overhead and capital expenditures for income generating assets, to provide for resources needed to fund capital calls for existing developments, to generate a target rate of return on investments and to cover dividend payments. There have been no material changes in future contractual obligations since December 31, 2022.

A summary of our working capital and financial assets and liabilities as at December 31, 2022 and 2021 is presented below. Project-specific inventory and debt balances are excluded from the table below as the proceeds from the sale of inventory funds the repayment of project-specific construction facilities and cash flows from investment properties are used to fund regular payments on mortgages and term debt. Please refer to Note 38 of the consolidated financial statements for the Company's full classification of items in the consolidated statements of financial position.

	December 31, 2022				December 31, 2021			
(in thousands of Canadian dollars)	Less than 12 months	Greater than 12 months	Non-determinable	**Total**	Less than 12 months	Greater than 12 months	Non-determinable	Total
Cash and cash equivalents	$ 47,633	$ —	$ —	**$ 47,633**	$ 52,564	$ —	$ —	$ 52,564
Accounts receivable	207,363	60,674	—	**268,037**	221,900	12,641	—	234,541
Other financial assets[(1)]	34,407	66,657	—	**101,064**	23,581	96,913	—	120,494
Lending portfolio	5,066	10,008	—	**15,074**	5,947	6,787	—	12,734
Equity accounted investment in Dream Office REIT	—	—	528,413	**528,413**	—	—	520,166	520,166
Equity accounted investment in Dream Residential REIT	—	—	45,835	**45,835**	—	—	—	—
Subtotal assets	294,469	137,339	574,248	**1,006,056**	303,992	116,341	520,166	940,499
Accounts payable and accrued liabilities	205,929	15,613	46,330	**267,872**	147,798	26,627	45,201	219,626
Income and other taxes payable	57,363	—	—	**57,363**	59,721	—	—	59,721
Provision for real estate development costs	74,162	—	—	**74,162**	52,198	—	—	52,198
Corporate debt facilities	41,421	290,409	—	**331,830**	—	243,388	—	243,388
Dream Impact Trust units	—	—	188,385	**188,385**	—	—	288,092	288,092
Dream Impact Fund units	—	—	69,919	**69,919**	—	—	49,430	49,430
Subtotal liabilities	378,875	306,022	304,634	**989,531**	259,717	270,015	382,723	912,455
Net excess (deficiency)	$ (84,406)	$ (168,683)	$ 269,614	**$ 16,525**	$ 44,275	$ (153,674)	$ 137,443	$ 28,044

(1) Other financial assets as at December 31, 2022 excludes $34.1 million in project-specific investment holdings (December 31, 2021 – $38.1 million).

As at December 31, 2022, there were adequate resources to address the Company's short-term liquidity requirements. Certain financial instruments that are callable or due on demand are presented as due within 12 months, which is inconsistent with the repayment timing expected by management. Due to the nature of our development business, in addition to the above resources, the Company expects to fund a portion of our current liabilities through sales of housing, condominium and land inventories, which cannot be classified and accordingly are not presented above. Management continuously reviews the timing of expected debt repayments and actively pursues refinancing opportunities as they arise. As at December 31, 2022, we had $285.7 million in available liquidity*, up from $275.6 million as at December 31, 2021.

Cash Requirements

The nature of the real estate business is such that we require capital to fund non-discretionary expenditures with respect to existing assets, as well as to fund growth through acquisitions and developments. As at December 31, 2022, on a consolidated basis, we had $47.6 million in cash and cash equivalents (December 31, 2021 – $52.6 million). Our intention is to meet short-term liquidity requirements through cash on hand, cash from operating activities, working capital reserves and operating debt facilities. As at December 31, 2022, our debt maturing in 2023 is primarily project-specific and is expected to be funded through proceeds from condominium unit closings. In addition, we anticipate that cash from operations and recurring income will continue to provide the cash necessary to fund operating expenses and debt service requirements.

Consolidated Statements of Cash Flows

The Company's consolidated statement of cash flows is as follows:

	For the three months ended December 31,		**For the year ended December 31,**	
(in thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Net cash flows provided by (used in) operating activities	**$ 88,969**	$ 33,244	**$ 20,067**	$ 67,023
Net cash flows provided by (used in) investing activities	**35,795**	(152,305)	**(137,046)**	(477,171)
Net cash flows provided by (used in) financing activities	**(48,258)**	62,176	**198,468**	277,591
Decrease in cash and cash equivalents	**76,506**	(56,885)	**81,489**	(132,557)
Cash and cash equivalents, beginning of period	**57,547**	109,449	**52,564**	185,121
Cash and cash equivalents, end of period	**$ 134,053**	$ 52,564	**$ 134,053**	$ 52,564

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Operating Activities

Cash flows provided by operating activities totalled $89.0 million in the three months ended December 31, 2022, a $55.7 million decrease from the 2021 comparative period primarily due less draws on construction loans used for the development of condominium and housing inventory.

Cash flows used in operating activities totalled $20.1 million in the year ended December 31, 2022, a $47.0 million decrease from 2021 primarily due to the aforementioned reasons.

Investing Activities

Cash flow provided by investing activities totalled $35.8 million in the three months ended December 31, 2022, a $188.1 million increase from the 2021 comparative period. Cash outflows in 2021 primarily relate to the acquisition of multi-family rental properties and higher contributions to our equity accounted investments.

Cash used in investing activities totalled $137.0 million in the year ended December 31, 2022, a $340.1 million decrease from 2021. Cash used in investing actives in 2022 primarily relate to acquisitions and additions to our investment properties portfolio, partially offset by net proceeds from a land settlement. Cash outflows in 2021 primarily relate to the aforementioned acquisition activity.

Financing Activities

Cash flows used in financing activities totalled $48.3 million in the three months ended December 31, 2022, compared to a cash inflow of $62.2 million in the prior year. The decrease in cash from financing activities is primarily due to repayment of project-level debt facilities in 2022, in comparison to, drawings on our project-level debt facilities in 2021 in connection with the acquisition of our multi-family properties.

Cash inflow from financing activities totalled $198.5 million in the year ended December 31, 2022, a $79.1 million decrease from 2021. The decrease in cash inflow from financing activities is primarily due to the aforementioned activities.

Debt

As at December 31, 2022, debt was $1,612.6 million (December 31, 2021 – $1,293.7 million). A breakdown of project-specific and corporate debt facilities is detailed in the table below.

	Balance		Weighted average interest rate	
(in thousands of Canadian dollars)	**December 31, 2022**	December 31, 2021	**December 31, 2022**	December 31, 2021
Operating line - Dream Impact Fund	**$ 9,400**	$ 19,263	**6.47%**	2.70%
Operating line - Western Canada	**73,796**	75,779	**7.22%**	3.02%
Construction loans	**328,139**	315,629	**5.78%**	2.95%
Mortgages and term debt	**869,405**	639,636	**4.03%**	3.02%
Total project-specific debt	**$ 1,280,740**	$ 1,050,307	**4.65%**	2.99%
Non-revolving term facility	**223,128**	214,148	**5.59%**	3.88%
Operating line - Dream Impact Trust	**41,421**	—	**6.97%**	n/a
Convertible debentures (host instruments) - Dream Impact Trust	**66,833**	28,883	**6.12%**	6.20%
Convertible debentures (conversion features) - Dream Impact Trust	**449**	357	**n/a**	n/a
Total corporate debt facilities	**$ 331,831**	$ 243,388	**5.77%**	4.16%
Debt	**$ 1,612,571**	$ 1,293,695	**4.89%**	3.21%
Debt to total assets ratio*	**40.8%**	37.1%		

As at December 31, 2022, $735.3 million (December 31, 2021 – $469.3 million) of aggregate development loans and term debt were subject to a fixed, weighted average interest rate of 3.14% (December 31, 2021 – 3.05%) and will mature between 2023 and 2027. A further $877.3 million (December 31, 2021 – $824.4 million) of real estate debt was subject to a weighted average variable interest rate of 6.40% (December 31, 2021 – 3.30%) and will mature between 2023 and 2025. Included within total debt is $308.1 million (December 31, 2021 – $176.9 million) of variable debt that the Company has hedged through fixed interest rate swaps. All of the Company's interest rate swaps are being used to mitigate risk of rising interest rates and have been accounted for using hedge accounting.

Convertible Debentures

During the year ended December 31, 2022, the Trust closed on a public offering of $40,000 aggregate principal amount of impact convertible unsecured subordinated debentures ("2022 Debentures"), excluding transaction costs of $2,048. The 2022 Debentures bear a coupon interest rate of 5.75% per annum and an effective interest rate of 6.0% per annum, payable semi-annually on June 30 and December 31 of each year, commencing on December 31, 2022 and maturing on December 31, 2027. The 2022 Debentures are convertible at the holder's option into units of the Trust at a conversion price of $8.00 per unit, representing a conversion rate of 125.0000 units of $1 principal amount, convertible at the holder's option at any time before the maturity date.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Contractual Obligations

Our liquidity is impacted by contractual debt commitments as follows:

	2023	2024	2025	2026	2027 and thereafter	Total
Project-specific debt[1]	$ 382,748	$ 100,298	$ 184,063	$ 34,277	$ 579,354	$ 1,280,740
Corporate debt facilities[1]	41,421	—	223,128	29,327	37,954	331,830
Leases	1,404	1,380	1,068	1,041	6,943	11,836
	$ 425,573	$ 101,678	$ 408,259	$ 64,645	$ 624,251	$ 1,624,406

[1] The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.

In addition to the commitments above, we may be required to fund capital to our development projects as part of the Company's normal course of operations.

Shareholders' Equity

Dream is authorized to issue an unlimited number of Subordinate Voting Shares and an unlimited number of Class B Shares. As at December 31, 2022, there were 41,030,346 Subordinate Voting Shares and 1,557,356 Class B Shares outstanding (December 31, 2021 - 41,278,675 Subordinate Voting Shares and 1,557,356 Class B Shares).

In the year ended December 31, 2022, the Company's Board of Directors approved a special dividend of $0.50 per Subordinate Voting Share and Class B Share and was paid to shareholders on December 30, 2022.

Subsequent to the year ended December 31, 2022, the Company's Board of Directors approved an increase to the annual dividend per Subordinate Voting Share and Class B Share from $0.40 per share to $0.50 per share, effective with the dividend payable to shareholders on March 31, 2023.

As at February 21, 2023, there were 41,030,346 Subordinate Voting Shares, 1,557,356 Class B Shares, 865,845 options, 705,856 performance share units, 228,729 restricted share units and 298,896 deferred share units outstanding.

Including the Subordinate Voting Shares of Dream and Class B Shares held or controlled directly or indirectly, the President and Chief Responsible Officer ("CRO") owned an approximate 49% economic interest and 88% voting interest in the Company as at December 31, 2022.

Share Repurchases

The Company renewed its Normal Course Issuer Bid ("NCIB"), which commenced on September 21, 2022, under which the Company has the ability to purchase for cancellation up to a maximum number of 2,231,143 Subordinate Voting Shares through the facilities of the TSX at prevailing market prices and in accordance with the rules and policies of the TSX. The actual number of Subordinate Voting Shares that may be purchased, and the timing of any such purchases as determined by the Company, are subject to a maximum daily purchase limitation of 11,462 shares, except where purchases are made in accordance with block purchase exemptions under applicable TSX rules.

In connection with the renewal of the NCIB, the Company has established an automatic securities purchase plan (the "Plan") with its designated broker to facilitate the purchase of Subordinate Voting Shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its Subordinate Voting Shares due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Company's broker based on the parameters prescribed by the TSX and the terms of the parties' written agreement. Outside of such restricted or blackout periods, the Subordinate Voting Shares may also be purchased in accordance with management's discretion. The Plan was pre-cleared by the TSX and will terminate on September 20, 2023.

In the year ended December 31, 2022, 0.4 million Subordinate Voting Shares were purchased for cancellation by the Company under its NCIB at an average price of $39.53 (year ended December 31, 2021 – 2.4 million Subordinate Voting Shares at an average price of $25.29).

Off-Balance Sheet Arrangements, Commitments and Contingencies

We conduct our real estate activities from time to time through joint arrangements with third-party partners. A discussion of our off-balance sheet arrangements, commitments and contingencies is included in Note 34 of the consolidated financial statements for the year ended December 31, 2022, which is incorporated by reference into this MD&A.

Transactions with Related Parties

The Company has agreements for services and transactions with related parties, which are discussed and outlined in Note 35 of our financial statements for the year ended December 31, 2022, which is incorporated by reference into this MD&A.

Dream Industrial REIT

In the years ended December 31, 2022 and 2021, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Industrial REIT:

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	**2022**	2021
Asset management fees charged by Dream[1]	**$ 5,281**	$ 5,746	**$ 21,146**	$ 22,720
Cost recoveries charged by Dream	**243**	190	**1,428**	739

[1] Included in asset management fees charged to Dream Industrial REIT for the year ended December 31, 2022 and 2021 were incentive fees of $nil.

Dream Office REIT

Amounts earned/recovered under the shared services and property management agreements with Dream Office REIT during the years ended December 31, 2022 and 2021 are as follows:

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	**2022**	2021
Cost recoveries charged by Dream to Dream Office REIT	**$ 417**	$ 552	**$ 1,626**	$ 1,405
Cost recoveries charged by Dream Office REIT to Dream	**2,998**	2,581	**11,407**	8,787
Cost recoveries charged by Dream Office REIT to Dream Impact Trust	**278**	157	**1,032**	552
Fees charged by Dream to Dream Office REIT	**595**	588	**2,367**	2,353
Fees charged by Dream Office REIT to Dream	**133**	107	**409**	302
Fees charged by Dream Office REIT to Dream Impact Trust	**683**	513	**2,585**	2,103

Dream Residential REIT

In the year ended December 31, 2022, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Residential REIT:

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	**2022**	2021
Asset management fees charged by Dream[1]	**$ 295**	$ —	**$ 642**	$ —
Advisory fees charged by Dream	**—**	—	**2,834**	—
Cost recoveries charged by Dream	**170**	—	**278**	—

[1] Included in asset management fees charged to Dream Residential REIT for the year ended December 31, 2022 and 2021 were incentive fees of $nil.

Dream U.S. Industrial Fund

Amounts earned/recovered under the fund management agreement during the years ended December 31, 2022 and 2021 are as follows:

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	**2022**	2021
Fees earned under the fund management agreement	**$ 1,088**	$ 20	**$ 4,561**	$ 321

GTA Land Joint Venture

Amounts earned/recovered under the asset management agreement during the year ended December 31, 2022 are as follows:

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	**2022**	2021
Fees earned under the asset management agreement	**$ 82**	$ —	**$ 158**	$ —

Critical Accounting Estimates

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make judgments in applying its accounting policies, estimates and assumptions about the future. These judgments, estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent assets and liabilities included in the Company's consolidated financial statements. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that we believe are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from those estimates under different assumptions or conditions. A detailed summary of the most significant accounting judgments, estimates and assumptions made by management in the preparation and analysis of our financial results is included in Note 3 of our consolidated financial statements for the year ended December 31, 2022, which is incorporated by reference into this MD&A.

Changes in Accounting Policies and Disclosures and Future Accounting Policy Changes

A detailed summary of the most significant accounting policies and disclosures made by management in the preparation and analysis of our financial results is included in Note 4 of our consolidated financial statements for the year ended December 31, 2022, which is incorporated by reference into this MD&A.

Internal Control over Financial Reporting

As at December 31, 2022, the President and Chief Responsible Officer and the Chief Financial Officer (the "Certifying Officers"), with the assistance of senior management, have evaluated the design and effectiveness of the Company's disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 52-109"). Based on that evaluation, the Certifying Officers have concluded that, as at December 31, 2022, the DC&P are adequate and effective in order to provide reasonable assurance that material information has been accumulated and communicated to management, to allow timely decisions of required disclosures by the Company and its consolidated subsidiary entities, within the required time periods.

The Company's internal control over financial reporting ("ICFR") (as defined by NI 52-109) is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Using the framework established in "2013 Committee of Sponsoring Organizations (COSO) Internal Control Framework", published by the Committee of Sponsoring Organizations of the Treadway Commission, the Certifying Officers, together with other members of management, have evaluated the design and operation of the Company's ICFR. Based on that evaluation, the Certifying Officers have concluded that the Company's ICFR was effective as at December 31, 2022.

There were no changes in the Company's internal control over financial reporting in the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Risk Factors

We are exposed to various risks and uncertainties, many of which are beyond our control and could have an impact on our business, financial condition, operating results and prospects. Shareholders should consider those risks and uncertainties when assessing our outlook in terms of investment potential. For a discussion of the risks and uncertainties identified by the Company, please refer to our Annual Report for the year ended December 31, 2022 and our most recent Annual Information Form filed on SEDAR (www.sedar.com). For a discussion of the risks and uncertainties identified specific to Dream Impact Trust, please refer to the Dream Impact Trust Annual Report for the year ended December 31, 2022 and the most recent Annual Information Form filed by Dream Impact Trust on SEDAR.

Ownership of Real Estate

Development Risk

The development industry is cyclical in nature and is significantly affected by changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, government regulations, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends, housing demand and competition from other real estate companies.

An oversupply of alternatives to new homes and condominium units, such as resale properties, including properties held for sale by investors and speculators, foreclosed homes and rental properties, may reduce the Company's ability to sell new homes and condominium units and may depress prices and reduce margins from the sale of new homes and condominium units. Depending on market conditions, the Company may not be able, or may not wish, to develop its land holdings. Development of land holdings and properties that are to be constructed are subject to a variety of risks, not all of which are within the Company's control. Such risks include lack of funding, variability in development costs and unforeseeable delays.

Real estate assets, particularly raw land, are relatively illiquid in down markets. Such illiquidity tends to limit the Company's ability to vary its real estate portfolio promptly in response to changing economic or investment conditions. If there are significant adverse changes in economic or real estate market conditions, the Company may have to sell properties at a loss or hold undeveloped land or developed properties in inventory longer than planned. Inventory carrying costs can be significant and may result in losses in a poorly performing project or market.

Delays and Cost Over-Runs

Delays and cost over-runs may occur in completing the construction of development projects, prospective projects and future projects that may be undertaken. A number of factors that could cause such delays or cost over-runs include, but are not limited to, permitting delays, changing engineering and design requirements, the performance of contractors, labour disruptions, adverse weather conditions and the availability of financing.

Permitting

Our development of real estate projects is subject to various regulations requiring us to obtain building permits and other authorizations. We may be unable to obtain or face significant delays in obtaining such permits or authorizations, which could result in increased development costs or the cancellation of parts or entire projects.

Supply of Materials and Services

The construction industry has from time to time experienced significant difficulties in the supply of materials and services, including with respect to shortages of skilled and experienced contractors and tradespeople, labour disputes, shortages of building materials, unforeseen environmental and engineering problems, and increases in the cost of certain materials. If any of these difficulties should occur, we may experience delays and increased costs in the construction of homes and condominiums.

Competition

The residential home and condominium and rental building industry is highly competitive. Residential home and condominium and rental builders compete for buyers, desirable properties, building materials, labour and capital. We compete with other local, regional and national builders. Any improvement in the cost structure or service of these competitors will increase the competition we face. We also compete with sellers of existing homes, housing speculators and investors in rental housing. Competitive conditions in the residential home and condominium and rental building industries could result in: difficulty in acquiring desirable land at acceptable prices, increased selling incentives, lower sales volumes and prices, lower profit margins, impairments in the value of our inventory and other assets, increased construction costs and delays in construction.

Our ability to successfully expand asset management activities in the future is dependent on our reputation with clients. We believe that our track record, the expertise of our asset management team and the performance of the assets currently under management will enable us to continue to develop productive relationships with these companies and to grow the assets under management. However, if we are not successful in doing so, our business and results of operations may be adversely affected.

Joint Venture Risks

Real estate investments are often made as joint ventures or partnerships with third parties. These structures involve certain additional risks, including the possibility that the co-venturers/partners may, at any time, have economic or business interests inconsistent with ours, the risk that such co-venturers/partners could experience financial difficulties that could result in additional financial demands on us to maintain and operate such properties or repay debt in respect of such properties, and the need to obtain the co-venturers'/partners' consent with respect to certain major decisions in respect of such properties.

Our co-venturers/partners may, at any time, have economic or business interests inconsistent with ours and we may be required to take actions that are in the interest of the partners collectively, but not in the Company's sole best interests. Accordingly, we may not be able to favourably resolve issues with respect to such decisions or we could become engaged in a dispute with any of them that might affect our ability to develop or operate the business or assets in question efficiently. Any failure of the Company or our co-venturers and partners to meet their obligations, or disagreements with respect to strategic decision making, could have an adverse effect on the joint ventures or partnerships, which may have an adverse effect on the Company. In addition, we face the risk that any interests that we directly or indirectly hold in any joint venture may be diluted in the event that additional capital is required from the partners of the joint venture and we are, or the entity holding such interests is, unable to participate in such capital raise. We cannot guarantee that we nor any entity in which we hold an interest will be able to access sufficient capital to perform any obligations in connection with any joint venture commitments.

We attempt to mitigate these risks by performing due diligence procedures on potential partners and contractual arrangements, and by closely monitoring and supervising the joint ventures or partnerships.

Expropriation Risk

We are subject to laws and regulations governing the ownership and leasing of real property and are subject to the possibility that our assets may be expropriated. Should any assets that we hold for development or other assets be expropriated, there is a risk that we may not realize the profit that we expected upon planning the development, sale or lease of such asset. Expropriation of our assets may also affect the value of any assets that we have in physical proximity to the expropriated asset, including as a result of disruption of our community planning initiatives. These factors may have adverse effects on our business and may negatively impact our expected development project and other returns.

Geographic Concentration

Our land development and housing operations are concentrated in Saskatchewan and Alberta. Some or both of these regions could be affected by severe weather; natural disasters; shortages in the availability or increased costs of obtaining land, equipment, labour or building supplies; changes to the population growth rates and therefore the demand for homes in these regions; and changes in the regulatory and fiscal environment. Due to the concentrated nature of our expected land development and housing operations, negative factors affecting one or a number of these geographic regions at the same time could result in a greater impact on our financial condition or results of operations than they might have on other companies that have a more diversified portfolio of operations.

Given the prominence of the oil and gas industry in Alberta and Saskatchewan, the economies of these provinces can be significantly impacted by the price of oil. Similarly, because of our substantial land and housing development operations in Alberta and Saskatchewan, any substantial decline in the price of oil could also adversely affect the Company's operating results. We continuously evaluate the economic health of the markets in which we operate through various means to ensure that we have identified and, where possible, mitigated risks to the Company, including the potential impacts of changes in the price of oil. Additionally, the land development process is longer term in nature, which, to some extent, mitigates the impacts of short-term fluctuations in the health of the economies in which we operate. As of December 31, 2022, the Company had not identified any material adverse effect on our business as a result of oil prices.

Our Saskatchewan and Alberta operations have historically focused on the Company's land and housing businesses, as well as a golf course reported under our recreational properties. The Company has also recognized the potential of our substantial land holdings in these markets for retail and multi-family residential development opportunities, and we expect to continue to increase the activity for these types of developments in the future. Our retail developments utilize the Company's existing land inventory to develop assets that will derive cash flows over a longer term.

In addition to our holdings in Saskatchewan and Alberta, a substantial portion of the projects in our Development segment are located in and around the GTA and we have invested significantly in this region through both our Development segment and our investment in Dream Office REIT and Dream Impact Trust, whose portfolios are concentrated in Toronto. Accordingly, any negative fluctuation in Toronto market fundamentals could result in a greater impact on our financial condition or results of operations than they might have on other companies that have a more diversified portfolio of operations.

Risks Related to Acquisitions

Our external growth prospects depend in large part on our ability to identify suitable investment opportunities, pursue such opportunities and consummate acquisitions, including direct or indirect acquisitions of real estate. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as our ability to realize our anticipated growth opportunities and synergies from our newly acquired investments. Integrating acquired investments and businesses also involves a number of risks that could materially and adversely affect our business, including: (i) failure of the acquired investment or businesses to achieve expected results; (ii) risks relating to the integration of the acquired investment or businesses and the retention and integration of key personnel relating to the acquired investment or businesses; and (iii) the risk that major tenants or clients of the acquired investment or businesses may not be retained.

Notwithstanding pre-acquisition due diligence, it is not possible to fully understand a property before it is owned and operated for an extended period of time and there may be undisclosed or unknown liabilities concerning the acquired properties. The Company may not be indemnified for some or all of these liabilities. To mitigate this risk, we conduct an appropriate level of due diligence and investigation in connection with acquisition of properties and seek, through contractual arrangements, to ensure that risks lie with the appropriate party. For example, we could directly or indirectly acquire a property that contains undisclosed environmental contamination. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. Thus, we could have overlooked or misjudged legal and/or economic liabilities. These circumstances could lead to additional costs and could have a material adverse effect on our proceeds from sales and development or rental income of the relevant properties, for which we may not be entitled to any recourse against the vendor, and any contractual, legal, insurance or other remedies may be insufficient. In addition, after the acquisition of a property by us, the market in which the acquired property is located may experience unexpected changes that materially adversely affect the property’s value. For these reasons, among others, our property acquisitions may cause us to experience significant losses. The occupancy of rental properties that we acquire may decline during our ownership, and rents that are in effect at the time a rental property is acquired may decline thereafter. For these reasons, among others, our property acquisitions may cause us to experience significant losses. If we are unable to manage our growth and integrate our acquisitions effectively, our investments, operating results and financial condition could be materially adversely affected.

Risks Related to Master-Planned Communities

Before a master-planned community generates any revenues, material expenditures are incurred to acquire land, obtain development approvals and construct significant portions of project infrastructure, amenities, model homes and sales facilities. It generally takes several years for a master-planned community development to achieve cumulative positive cash flow. If we are unable to develop and market our master-planned communities successfully and generate positive cash flows from these operations in a timely manner, this may have a material adverse effect on our business and results of operations.

Real Estate Ownership

An investment in real estate is relatively illiquid. Such illiquidity tends to limit our ability to vary our commercial property portfolio promptly in response to changing economic or investment conditions. In recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession we may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary to dispose of properties at lower prices in order to generate sufficient cash for operations.

Certain significant expenditures (e.g., property taxes, maintenance costs, mortgage payments, insurance costs and related charges) must be made regardless of whether or not a property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long term, properties must be maintained or, in some cases, improved to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which may not be able to be passed on to tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction, or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization. Any failure by us to ensure appropriate maintenance and refurbishment work is undertaken could materially adversely affect the rental income that we earn from such properties; for example, such a failure could entitle tenants to withhold or reduce rental payments or even terminate existing leases. Any such event could have an adverse effect on our cash flows, financial condition and results of operations.

Returns on real estate and real estate related assets and investments are generally subject to a number of factors and risks, including changes in general economic conditions (which could affect the availability, terms and cost of mortgage financings and other types of credit), changes in local economic conditions (such as an oversupply of properties or a reduction in demand for real estate in a particular area), the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs. These factors and risks could cause fluctuations in the value of the real estate and real estate related assets and investments owned by us, or in the value of the real estate securing mortgages and other loans our Subsidiaries may issue. These fluctuations could materially adversely affect us.

The revenue properties in the various Dream Entities’ investment portfolios generate income through rent received from tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than those of the existing lease. The Dream Entities’ income and cash flows could be adversely affected if tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in any particular property could not be leased on economically favourable lease terms. In the event of default by a tenant, they may experience delays or limitations in enforcing their rights as lessor and incur substantial costs in protecting their investments. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws, which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to the other Dream Entities that may adversely affect the asset management revenue or distributions we receive from the other Dream Entities.

Rollover of Leases

Revenue properties generate income through rent received from tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than those of the existing lease. Our cash flows and financial position could be adversely affected if tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in our revenue properties could not be leased on economically favourable lease terms. In the event of default by a tenant, we may experience delays or limitations in enforcing our rights as lessor and incur substantial costs in protecting our investment. In addition, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws, which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to us.

Market Conditions

Revenue properties are subject to economic and other factors affecting the real estate markets in the geographic areas where we own and manage properties. These factors include government policies, demographics and employment patterns, the affordability of rental properties, competitive leasing rates and long-term interest and inflation rates. These factors may differ from those affecting the real estate markets in other regions. If real estate conditions in areas where these properties are located decline relative to real estate conditions in other regions, our cash flows and financial condition may be more adversely affected than those of companies that have more geographically diversified portfolios of properties.

Residential Rental Business Risk

The Company expects to be increasingly involved in mixed-use development projects that include residential rentals. Purchaser demand for residential rentals is cyclical and is affected by changes in general market and economic conditions, such as consumer confidence, employment levels, availability of financing for home buyers, interest rates, demographic trends, housing supply and housing demand. As a landlord in its properties that include rental apartments, the Company is subject to the risks inherent in the multi-unit residential rental business, including, but not limited to, fluctuations in occupancy levels, individual credit risk, heightened reputation risk, tenant privacy concerns, potential changes to rent control regulations, increases in operating costs including the costs of utilities and the imposition of new taxes or increased property taxes. In addition, multi-family rental properties are subject to rent control legislation in Ontario. The legislation in various degrees imposes restrictions on the ability of a landlord to increase rents above an annually prescribed guideline or requires the landlord to give tenants sufficient notice prior to an increase in rent, or restricts the frequency of rent increases permitted during the year. In response to COVID-19, Ontario capped residential rent increases on existing tenants for 2022 at 1.2%. The lack of availability of affordable housing and related housing policy and regulations is continuing to increase in prominence as a topic of concern at the various levels of government. The Company may be exposed to the risk of the implementation of, or amendments to, existing legislative rent controls in the markets in which it operates, which may have an adverse impact on our operations and we may incur costs that will not be fully recoverable from rents charged to tenants. Multi-family rental business risk may result in a significant loss of earnings to the Company; however, to mitigate these risks, the Company portfolio includes well located and professionally managed properties.

Sales Risks

Home and condominium buyers typically finance their home or condominium acquisitions through lenders providing mortgage financing. Increases in mortgage rates or decreases in the availability of mortgage financing could depress the market for new condominiums because of the increased monthly mortgage costs to potential buyers. In addition, increases in mortgage rates and other economic factors may negatively impact the capacity of prospective buyers to close on the acquisition of our units, resulting in buyers defaulting on their purchase agreements and providing us with a gain limited to the purchase agreement deposit. In such cases, we face the risk that we may need to sell the units at lower prices than expected, and that the deposit that we withheld from any defaulting buyers will not cover the loss in sales price of such units. Even if potential customers do not need financing, changes in mortgage interest rates and mortgage availability could make it harder for them to sell their existing homes to potential buyers who need financing, which would result in reduced demand for new homes. As a result, rising mortgage rates and reduced mortgage availability could adversely affect the Company's ability to sell new condominiums and the price at which it can sell them.

Regulatory Risks

The real estate development process is subject to a variety of laws and regulations. In particular, governmental authorities regulate such matters as zoning and permitted land uses, levels of density and building standards. We will have to continue to obtain approvals from various governmental authorities and comply with local, provincial and federal laws, including laws and regulations concerning the protection of the environment in connection with such development projects. Obtaining such approvals and complying with such laws and regulations may result in delays which, may cause us to incur additional costs that impact the profitability of a development project, or may restrict development activity altogether with respect to a particular project.

In addition, certain private funds that operate in the United States in which we hold interests are registered with the Securities and Exchange Commission ("SEC"), and are therefore subject to the regulations of the SEC. Any failure of such private funds to adhere to or abide by such applicable securities regulations may result in fines or other enforcement action by the SEC, which could result in significant financial and reputational costs for such funds and adversely affect the value of our investment in such funds.

Environmental and Climate Change Risks

As an owner of real property, we are subject to various federal, provincial or state, and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances. The presence of such substances, if any, could adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral and, potentially, could also result in civil claims against us. In order to obtain financing for the purchase of a new property through traditional channels, we may be requested to arrange for an environmental audit to be conducted. Although such an audit provides us and our lenders with some assurance, we may become subject to liability for undetected pollution or other environmental hazards on our properties against which we cannot insure, or against which we may elect not to insure where premium costs are disproportionate to our perception of relative risk.

We have formal policies and procedures to review and monitor environmental exposure. In 2021, we became an official supporter of the TCFD, and will develop a plan to systematically assess climate change-related risk around the four TCFD core reporting areas, being governance, strategy, risk management, and metrics and targets.

Climate change continues to attract the focus of governments, investors, and the general public as an important threat, given that the emission of greenhouse gases and other activities continue to negatively impact the planet. We face the risk that our properties or tenants will be subject to government initiatives aimed at countering climate change, such as reduction of greenhouse gas emissions, which could impose constraints on our operational flexibility or cause us or our tenants to incur financial costs to comply with various reforms. Any failure to adhere and adapt to climate change reform could result in fines or adversely affect our reputation, operations, or financial performance. Furthermore, our properties or tenants may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt our operations and activities, damage our properties, and potentially decrease our property values or require us to incur additional expenses including an increase in insurance costs to insure our properties against natural disasters and severe weather.

Home Warranty and Construction Defect Claims

As a homebuilder, we are subject to construction defect and home warranty claims arising in the ordinary course of our business. These claims are common in the homebuilding industry and can be costly. Where we act as the general contractor, we will be responsible for the performance of the entire contract, including work assigned to subcontractors. Claims may be asserted against us for construction defects, personal injury or property damage caused by the subcontractors, and if successful these claims give rise to liability. Where we hire a general contractor, if there are unforeseen events such as the bankruptcy of, or an uninsured or under-insured loss claimed against our general contractor, we will sometimes become responsible for the losses or other obligations of the general contractor. The costs of insuring against construction defect and product liability claims are high, and the amount of coverage offered by insurance companies may be limited. There can be no assurance that this coverage will not be further restricted and become more costly. If we are not able to obtain adequate insurance against these claims in the future, our business and results of operations may be adversely affected.

Seasonality
The nature of our land development and housing business is inherently seasonal as it depends on sales of specific projects dictated by the marketplace and the availability of buyers as well as weather-related delays. We have historically experienced, and we expect that we will continue to experience, variability in our results on a quarterly basis. We generally have more homes under construction, close more home sales and have greater revenues and operating income from our housing business in the fourth quarter of our fiscal year. Therefore, although new home contracts are obtained throughout the period, a significant portion of our home closings occur in the second fiscal quarter. Our revenues from our land and housing development business therefore may fluctuate significantly on a quarterly basis, and we must maintain sufficient liquidity to meet short-term operating requirements.

Asset Management Risks
Our ability to successfully expand our asset management activities is dependent on a number of factors, including certain factors that are outside our control. In the event that the asset base of our funds were to decline, our management fees could decline as well. In addition, we could experience losses on our investments of our own capital in our funds as a result of poor performance by our funds. Termination of an asset management agreement in accordance with its terms by any of our funds would also result in a decline in our management fees.

Our ability to successfully expand asset management activities is dependent on our reputation with clients. We believe that our track record, the expertise of our asset management team and the performance of the assets currently under management will enable us to continue to develop productive relationships with these companies and to grow the assets under management. However, if we are not successful in doing so, our business and results of operations may be adversely affected.

Our revenues from the asset management segment are dependent on agreements with a few key clients. Although we have long-term, stable management contracts with clients that may only be terminated in limited circumstances, any such termination could have a material adverse effect on our revenue from management fees.

Lending Portfolio and Investment Holdings

Default Risk
If a borrower under a loan defaults under any terms of the loan, we may have the ability to exercise our enforcement remedies in respect of the loan. Exercising enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact our cash flow. In addition, as a result of potential declines in real estate values, there is no assurance that we will be able to recover all or substantially all of the outstanding principal and interest owed to us in respect of such loans by exercising our enforcement remedies. Our inability to recover the amounts owed to us in respect of such loans could materially adversely affect us.

There can be no assurance that any of the loans comprising our borrowers' portfolio can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. The lenders, the borrowers or both may elect to not renew any loan. If loans are renewed, the principal balance, the interest rates and the other terms and conditions will be subject to negotiation between the lenders and the borrowers at the time of renewal.

In addition, the composition of our lending portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in it being less diversified during certain periods. A lack of diversification may result in exposure to economic downturns or other events that have an adverse and disproportionate effect on particular types of securities, industries or geographies.

Credit Risk and Concentration Risk
There is a risk that a borrower or issuer of an investment security will not make a payment on debt or that an originating lender will not make its payment on a loan participation interest purchased by us or that an issuer or an investment security or an originating lender retaining the original loan in which it grants participation may suffer adverse changes in financial condition, lowering the credit quality of its security or participation and increasing the volatility of the security or participation price. Such changes in the credit quality of a security or participation can affect its liquidity and make it more difficult to sell if we wish to do so. In addition, with respect to loans made or held by us, a change in the financial condition of a borrower could have a negative financial impact on us.

While we intend to diversify our investments to ensure that we do not have excessive concentration in any single borrower or counterparty, or related group of borrowers or counterparties, the Company currently holds various lending instruments and investments with the same counterparty or related counterparties within its lending portfolio and development and investment holdings portfolio. A change in the financial condition of a single borrower or counterparty or related group of borrowers or counterparties to which the Company has concentrated exposure could significantly and adversely affect the overall performance of the Company.

Financial and Liquidity Risk

Interest Rate Risk
When negotiating financing agreements or extending such agreements, we will depend on our ability to agree on terms, including in respect of interest payments and amortization. In addition to existing variable rate portions of our financial agreement, we may enter into future financing agreements with variable interest rates. There is a risk that interest rates will continue to increase. Further increases in interest rates could result in a significant increase in the amount paid by us to service debt that could materially adversely affect our cash flows.

We may implement hedging programs in order to offset the risk of revenue losses and to provide more certainty on our cash flows should current variable interest rates increase. However, to the extent that we fail to adequately manage these risks, our financial results and our ability to make interest payments under future financings may be adversely affected. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by financial institutions, could have a material adverse effect on our ability to sell any of our investments.

Financing Risk

We will require access to capital to ensure properties are maintained, as well to fund our growth strategy and significant capital expenditures. There is no assurance that capital will be available when needed or on favourable terms. Our access to third-party financing will be subject to a number of factors, including general market conditions, the market's perception of our growth potential, our then current and expected future earnings and our cash flows. Upon the expiry of the terms of the financing of any particular property, refinancing may not be available or may not be available on reasonable terms.

Ability to Obtain Performance, Payment, Completion and Surety Bonds and Letters of Credit

We may often be required to provide performance, payment, completion and surety bonds or letters of credit to secure the completion of our construction contracts, development agreements and other arrangements. We have obtained facilities to provide the required volume of performance, payment, completion and surety bonds and letters of credit for our expected growth in the medium term; however, unexpected growth may require additional facilities. Our ability to obtain further performance, payment, completion and surety bonds and letters of credit primarily depends on our perceived creditworthiness, capitalization, working capital, past performance and claims record, management expertise and certain external factors, including the capacity of the performance bond markets. If our future claims record or our providers' requirements or policies are different, if we cannot obtain the necessary consent from lenders to renew or amend our existing facilities, or if the market's capacity to provide performance and completion bonds is not sufficient, we could be unable to obtain further performance, payment, completion and surety bonds or letters of credit when required, which could have a material adverse effect on our business, financial condition and results of operations.

Financial Covenants

Our credit facilities and other financial instruments contain customary covenants and conditions, including, among others, compliance with various financial ratios and restrictions upon the incurrence of additional indebtedness and liens on our properties. Furthermore, the terms of some of this indebtedness may adversely affect our ability to consummate transactions that result in a change of control. Existing mortgages may also contain customary negative covenants such as those that limit our or our affiliates' ability, without the prior consent of the lender, to further mortgage the applicable property. If we or our affiliates were to breach covenants in these debt agreements, the lender could declare a default and require us to repay the debt immediately. If we fail to make such repayment in a timely manner, the lender may be entitled to take possession of any property securing the loan. If the lenders declared a default under our credit facilities, all amounts outstanding thereunder would become due and payable and our ability to borrow in future periods could be restricted. In addition, any such default on indebtedness in excess of a stipulated amount, unless waived, could constitute a default under other facilities or financial instruments, giving rise to the acceleration of such indebtedness.

Other Applicable Risks

Economic Environment

Uncertainty over whether the economy will be adversely affected by inflation or stagflation, and the systemic impact of volatile energy costs and geopolitical issues, may contribute to increased market volatility. Such economic uncertainties and market challenges, which may result from a continued or exacerbated general economic slowdown, and their effects could materially and adversely affect the Company's ability to generate revenues, thereby reducing its earnings. A difficult operating environment could also have a material adverse effect on the ability of the Company to maintain occupancy rates at its properties, which could harm the Company's financial condition. Under such economic conditions, the Company's tenants may be unable to meet their rental payments and other obligations due to the Company, which could have a material adverse effect on the Company's financial position.

Increased inflation could have a more pronounced negative impact on any variable rate debt the Company is subject to or incurs in the future and on its results of operations. Similarly, during periods of high inflation, annual rent increases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures and increased costs may have an adverse impact on the Company's tenants if increases in their operating expenses exceed increases in revenue. This may adversely affect the tenants' ability to pay rent, which could negatively affect the Company's financial condition.

The Company is also subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of its real estate purchases, or the number of investors seeking to acquire properties decreases, the value of the Company's investments may not appreciate or may depreciate. Accordingly, the Company's operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

Public Health Risk

Public health crises, pandemics and epidemics, such as those caused by new strains of viruses such as the novel coronavirus (COVID-19), could adversely impact our and our customers' businesses, and thereby our and our customers' ability to meet payment obligations, by disrupting supply chains and transactional activities, causing reduced traffic at our properties, leading to mobility restrictions and other quarantine measures, precipitating increased government regulation and negatively impacting local, national or global economies. Public health crises, pandemics and epidemics may also increase the volatility in financial markets and impact debt and equity markets, which could affect our ability to access capital. All of these factors may have a material adverse effect on our business, results of operations and our ability to make cash distributions to unitholders.

The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. The actual and threatened spread of COVID-19 globally could also further adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the Company's share price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain.

Cyber Security Risk
Cyber security has become an increasing area of focus for issuers and businesses in Canada and globally, as reliance on digital technologies to conduct business operations has grown significantly. As we continue to increase our dependence on information technologies to conduct our operations, the risks associated with cyber security also increase. We rely on management information systems and computer control systems. Business disruptions, utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm our operations and materially adversely affect our operating results. Cyber-attacks against organizations are increasing in sophistication and can include but are not limited to intrusions into operating systems, theft of personal or other sensitive data and/or cause disruptions to business operations. Such cyber-attacks could compromise the Company's confidential information as well as that of the Company's employees, customers and third parties with whom the Company interacts and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage.

Our exposure to cyber security risks includes exposure through third parties on whose systems we place significant reliance for the conduct of our business. We have implemented security procedures and measures in order to protect our systems and information from being vulnerable to cyber-attacks. However, we may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to our information and control systems could have severe financial and other business implications.

Tax Risk
We are subject to income taxes both federally and provincially in Canada and the United States. Significant judgments and estimates are required in the determination of our tax balances. Our income tax expense and deferred tax liabilities reflect management's best estimate of current and future taxes to be paid. We are subject to tax audits from various government and regulatory agencies on an ongoing basis. As a result, from time to time, taxing authorities may disagree with the interpretation and application of tax laws taken by us in our tax filings. These reassessments could have a material impact on us in future periods.

The determination of our income and other tax liabilities requires interpretation of complex laws and regulations, often involving multiple jurisdictions. Judgment is required in determining whether deferred income tax assets should be recognized on the consolidated statements of financial position. Deferred income tax assets are recognized to the extent that we believe it is probable that the assets can be recovered. Furthermore, deferred income tax balances are recorded using enacted or substantively enacted future income tax rates. Changes in enacted income tax rates are not within the control of management. However, any such changes in income tax rates may result in actual income tax amounts that may differ significantly from estimates recorded in deferred tax balances.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Certain proposed amendments to the *Tax Act* would have the effect of denying the deductibility of net interest expense in certain circumstances, including the computation of taxable income by a corporation, partnership or a trust. If these proposed amendments are enacted as proposed, the amount of interest deductible by the Company and Subsidiaries owned by the Company may be reduced.

Adverse Weather Conditions and Natural Disasters
Adverse weather conditions and natural disasters such as hurricanes, tornadoes, earthquakes, droughts, floods, fires, extreme cold, snow and other natural occurrences could have a significant effect on our ability to develop land. These adverse weather conditions and natural disasters could cause delays and increase costs in the construction of new homes and the development of new communities. If insurance is unavailable to us or is unavailable on acceptable terms, or if the insurance is not adequate to cover business interruption or losses resulting from adverse weather or natural disasters, our business and results of operations could be adversely affected. In addition, damage to new homes caused by adverse weather or a natural disaster could cause our insurance costs to increase.

Adverse weather conditions and natural disasters could also limit the ability to generate or sell power. In certain cases, some events may not excuse us from performing obligations pursuant to agreements with third parties, and we may be liable for damages or suffer further losses as a result. In addition, many of our power generation assets are located in remote areas, which makes access for repair of damage difficult.

Uninsured Losses
The Company carries comprehensive general liability, environmental, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (including, but not limited to, environmental contamination or catastrophic events such as war or acts of terrorism), which are either uninsurable, in whole or in part, or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and the Company would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Key Personnel

The Company's executive and other senior officers have a significant role in our success and oversee the execution of our strategy. Our ability to retain our management team or attract suitable replacements should any members of the management group leave is dependent on, among other things, the competitive nature of the employment market. The Company has experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on its ability to achieve its objectives. The loss of services from key members of the management team or a limitation in their availability could adversely impact our financial condition and cash flow. We rely on the services of key personnel on our executive team, including our President and CRO, Chief Financial Officer, President of Asset Management, and the Company's directors. The loss of their services could have an adverse effect on the Company. We mitigate key personnel risk through succession planning, but do not maintain key personnel insurance.

Changes in Law

We are subject to laws and regulations governing the ownership and leasing of real property (including the expropriation thereof), employment standards, environmental matters, taxes and other matters. It is possible that future changes in such laws or regulations or changes in their application, enforcement or regulatory interpretation could result in changes in the legal requirements affecting commercial properties (including with retroactive effect). Any changes in the laws to which we are subject or in the political environment in the jurisdictions where the commercial properties in which we have an interest are operated could adversely affect us and the revenues we are able to generate from our investments.

Impact Investment Strategy Risk

Dream Impact Trust has deployed its capital into impact investment opportunities that are aligned with Dream Impact Trust’s three impact verticals. Dream Impact Trust's ability to achieve its investment objectives and to continue to pay distributions to us will be dependent on Dream Impact Trust's ability to successfully identify and realize on investment opportunities that align with their investment framework. There can be no assurance that they will achieve these objectives or that its impact investments or developments will generate positive returns in a timely manner. In addition, Dream Impact Trust has implemented its own impact investing framework, which it believes will be aligned with existing frameworks in this field. However, these may or may not be interpreted differently from other issuers or other participants in the impact investing space. While Dream Impact Trust intends to responsibly create positive social and environmental change in its communities, the success of its impact investment strategy and its ability to generate market returns will be based on various and unpredictable factors, including investor perceptions and reactions and future economic or investment conditions.

Adverse Global Market, Economic and Political Conditions, Health Crises

Adverse Canadian, U.S., European and global market, economic and political conditions, including dislocations and volatility in credit markets and general global economic uncertainty, unexpected geopolitical events, including disputes between nations, war, terrorism or other acts of violence, and international sanctions, could have a material adverse effect on our business, results of operations and financial condition with the potential to impact, among others: (i) the value of our properties; (ii) the availability or the terms of financing that we have or may anticipate utilizing; (iii) our ability to make principal and interest payments on, or refinance any outstanding debt when due; (iv) the occupancy rates in our properties; and (v) the ability of our tenants to enter into new leasing transactions or to satisfy rental payments under existing leases.

Forward-Looking Information

Certain information herein contains or incorporates statements that constitute forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements regarding our objectives and strategies to achieve those objectives; our beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth, expected net proceeds from sales or transactions, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, vacancy and leasing assumptions, litigation and the real estate industry in general; as well as specific statements in respect of: anticipated levels of development, asset management and other management fees in future periods; our development and redevelopment plans and proposals for current and future projects, including projected sizes, density, timelines, uses and tenants; the redevelopment potential of our assets and the assets held by Dream Office REIT and Dream Impact Trust; anticipated current and future unit sales and occupancies of our condominium and mixed-use projects, including anticipated timing of closings of condominium unit sales, and resulting revenue; the contribution of our development segment to our earnings and income in future periods; our expectation that recurring income will increase in the future, including as development properties are completed and held for the long term, and the future composition of our recurring income portfolio; expected benefits from recurring income and developments, including stability and financial flexibility; the supplementary information in relation to the development and redevelopment projects in our portfolio, including the projects that we expect to be completed and added to our recurring income segment over the next four years, total units at completion, square footage, residential GFA, rental, commercial and retail GLA, occupancy/stabilization dates and future GLA under development and other project features; expectations regarding our development plans for Zibi, Riverside Square, West Don Lands, Canary Block 10, LeBreton, Brightwater, Lakeshore East, Quayside and Forma projects, as well as other projects; Quayside becoming Canada’s largest all-electric, zero-carbon master-planned community; expectations of the development, future profit and earnings contributions from our urban development division; our acquisition and development pipeline, including in respect of the Dream group of companies; our ability to monitor and adjust our inventory levels and development projects based on market conditions; our capital management objectives; Dream’s intention to hold stabilized income properties in core markets and expectations that such assets will grow over time; Dream's ability to source, structure and execute investment opportunities; the goal of improving Dream's business' safety, value and earnings quality; expectations regarding our sustainability and impact targets, including in respect of characteristics of our projects and affordable units; Zibi’s sustainability and it becoming the first One Planet community in Canada, Dream LeBreton becoming Canada's largest zero-carbon residential community and Dream LeBreton's first development block becoming one of Canada's largest residential buildings to be considered net zero carbon by the Canada Green Building Council; expectations regarding the sale of assets, including assets being developed for sale; our expected sources of funding of current liabilities, including the sale of assets, and of short-term liquidity requirements, including through cash on hand, cash from operating activities, working capital reserves and operating debt facilities; Dream's ability to maintain a conservative debt level; expected sources of funding for maturing debt; our anticipation that cash from operations and recurring income will provide cash needed to fund operating expenses and debt service requirements; and our overall financial performance, profitability and liquidity for future periods and years. Forward-looking statements generally can be identified by words such as "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "plan", "forecast", "project", "continue", "target", "outlook" or similar expressions suggesting future outcomes or events.

Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. There can be no assurance that actual results will be consistent with these forward-looking statements. The assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein as well as assumptions relating to: that no unforeseen changes in the legislative and operating framework for the respective businesses will occur; that there will be no material change to environmental regulations that may adversely impact our business; that we will meet our future objectives, priorities and growth targets; that we receive the licenses, permits or approvals necessary in connection with our projects; our expectations regarding the impact of the novel coronavirus ("COVID-19") pandemic and government measurements to contain it, including the impact of COVID-19 on our operations, liquidity, financial condition or results; our expectation regarding ongoing remote working; that we will have access to adequate capital to fund our future projects, plans and any potential future acquisitions; that our future projects and plans will proceed as anticipated; that we are able to identify high-quality investment opportunities; that we find suitable partners with which to enter into joint ventures or partnerships; that we do not incur any material environmental liabilities and that future market, demographic and economic conditions will develop as expected; and the nature of development lands held and the development potential of such lands, including our ability to bring new developments to market, general economic and business conditions remaining in line with expectations, including low unemployment, interest rates and inflation remaining in line with management expectations, positive net migration, oil and gas commodity prices, our business strategy, including geographic focus, anticipated sales volumes, performance of our underlying business segments and conditions in the GTA and Western Canada land, commercial and housing markets. All the forward-looking statements contained in this MD&A are based on what we believe are reasonable assumptions; there can be no assurance that actual results will be consistent with these forward-looking statements. Factors or risks that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, adverse changes in general and local economic and business conditions; inflation or stagflation; the impact of the COVID-19 pandemic on the Company and uncertainties surrounding the COVID-19 pandemic, including government measures to contain the COVID-19 pandemic; risks associated with unexpected or ongoing geopolitical events, including disputes between nations, terrorism or other acts of violence, international sanctions and the disruption of movement of goods and services across jurisdictions; risks related to a potential economic slowdown in certain of the jurisdictions in which we operate and the effect inflation and any such economic slowdown may have on market conditions and lease rates; employment levels; regulatory risks, mortgage and interest rates and regulations; environmental risks; consumer confidence; seasonality; adverse weather conditions; reliance on key clients and personnel and competition; and other risks and factors referenced under "Risk Factors" in this MD&A and described from time to time in the documents filed by the Company with the securities regulators.

All forward-looking information is as of February 21, 2023. Dream does not undertake to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information about these assumptions and risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our website at www.dream.ca.

Additional Information - Consolidated Dream

Segmented Assets and Liabilities

							December 31, 2022
	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	**Dream standalone[1]**
Assets							
Cash and cash equivalents	$ 27,739	$ 15,270	$ 4,624	**$ 47,633**	$ 2,244	$ 2,062	**$ 43,327**
Accounts receivable	26,436	233,564	8,037	**268,037**	3,353	(568)	**265,252**
Other financial assets[2]	37,155	59,055	4,854	**101,064**	6,156	(97,612)	**192,520**
Lending portfolio	15,074	—	—	**15,074**	15,074	—	**—**
Housing inventory	—	48,146	—	**48,146**	—	—	**48,146**
Condominium inventory	—	346,979	—	**346,979**	—	57,167	**289,812**
Land inventory	206	469,942	—	**470,148**	—	—	**470,148**
Investment properties	1,410,271	148,240	—	**1,558,511**	304,830	131,270	**1,122,411**
Recreational properties	80,300	—	—	**80,300**	—	—	**80,300**
Equity accounted investments	644,700	317,037	—	**961,737**	386,111	(208,521)	**784,147**
Capital and other operating assets	16,259	31,390	11,216	**58,865**	6,401	3,677	**48,787**
Intangible asset	—	—	—	**—**	—	(43,000)	**43,000**
Total assets	$ 2,258,140	$ 1,669,623	$ 28,731	**$ 3,956,494**	$ 724,169	$ (155,525)	**$ 3,387,850**
Liabilities							
Accounts payable and other liabilities	$ 64,506	$ 175,463	$ 27,903	**$ 267,872**	$ 18,980	$ 36,693	**$ 212,199**
Income and other taxes payable[3]	—	—	57,363	**57,363**	—	—	**57,363**
Provision for real estate development costs	262	73,900	—	**74,162**	—	—	**74,162**
Debt	916,137	364,603	331,831	**1,612,571**	220,889	99,070	**1,292,612**
Dream Impact Trust units[3]	—	—	188,385	**188,385**	—	188,385	**—**
Dream Impact Fund units[3]	—	—	69,919	**69,919**	—	—	**69,919**
Deferred income taxes[3]	—	—	132,530	**132,530**	5,568	10,349	**116,613**
Total liabilities	$ 980,905	$ 613,966	$ 807,931	**$ 2,402,802**	$ 245,437	$ 334,497	**$ 1,822,868**
Non-controlling interest	$ —	$ —	$ —	**$ —**	$ —	$ (146,774)	**$ 146,774**
Shareholders' equity	1,277,235	1,055,657	(779,200)	**1,553,692**	478,732	(343,248)	**1,418,208**
Total equity	$ 1,277,235	$ 1,055,657	$ (779,200)	**$ 1,553,692**	$ 478,732	$ (490,022)	**$ 1,564,982**

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust and consolidation and fair value adjustments and Dream standalone.
(2) Other financial assets on a Dream standalone basis includes the Company's investment in Dream Impact Trust of $98.0 million, which is eliminated on a consolidated basis.
(3) Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

							December 31, 2021
	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	Dream standalone[1]
Assets							
Cash and cash equivalents	$ 25,441	$ 17,777	$ 9,346	$ 52,564	$ 8,431	$ 452	$ 43,681
Accounts receivable	26,081	200,225	8,235	234,541	1,834	(1,672)	234,379
Other financial assets[2]	38,750	119,107	767	158,624	60,912	(96,226)	193,938
Lending portfolio	12,734	—	—	12,734	12,734	—	—
Housing inventory	—	36,320	—	36,320	—	—	36,320
Condominium inventory	—	288,215	—	288,215	—	38,208	250,007
Land inventory	286	469,322	—	469,608	—	—	469,608
Investment properties	1,110,858	146,100	—	1,256,958	277,240	14,495	965,223
Recreational properties	65,077	—	—	65,077	—	—	65,077
Equity accounted investments	592,800	266,225	—	859,025	333,604	(147,813)	673,234
Capital and other operating assets	12,992	32,162	9,854	55,008	6,947	2,818	45,243
Intangible asset	—	—	—	—	—	(43,000)	43,000
Total assets	$ 1,885,019	$ 1,575,453	$ 28,202	$ 3,488,674	$ 701,702	$ (232,738)	$ 3,019,710
Liabilities							
Accounts payable and other liabilities	$ 48,143	$ 147,585	$ 23,898	$ 219,626	$ 24,435	$ 34,420	$ 160,771
Income and other taxes payable[3]	—	—	59,721	59,721	—	—	59,721
Provision for real estate development costs	—	52,198	—	52,198	—	—	52,198
Debt	691,220	359,087	243,388	1,293,695	133,150	6,685	1,153,860
Dream Impact Trust units[3]	—	—	288,092	288,092	—	288,092	—
Dream Impact Fund units[3]	—	—	49,430	49,430	—	—	49,430
Deferred income taxes[3]	—	—	103,699	103,699	7,186	8,062	88,451
Total liabilities	$ 739,363	$ 558,870	$ 768,228	$ 2,066,461	$ 164,771	$ 337,259	$ 1,564,431
Non-controlling interest	$ —	$ —	$ —	$ —	$ —	$ (134,003)	$ 134,003
Shareholders' equity	1,145,656	1,016,583	(740,026)	1,422,213	536,931	(435,994)	1,321,276
Total equity	$ 1,145,656	$ 1,016,583	$ (740,026)	$ 1,422,213	$ 536,931	$ (569,997)	$ 1,455,279

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust and consolidation and fair value adjustments and Dream standalone.
(2) Other financial assets on a Dream standalone basis includes the Company's investment in Dream Impact Trust of $95.6 million, which is eliminated on a consolidated basis.
(3) Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

Segmented Statement of Earnings

For the three months ended December 31, 2022

	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	**Dream standalone[1]**
Revenue	$ 42,705	$ 124,987	$ —	**$ 167,692**	$ 4,689	$ (563)	**$ 163,566**
Direct operating costs	(28,362)	(86,276)	—	**(114,638)**	(2,290)	(780)	**(111,568)**
Gross margin	14,343	38,711	—	**53,054**	2,399	(1,343)	**51,998**
Selling, marketing, depreciation and other operating costs	(3,224)	(6,101)	—	**(9,325)**	—	(18)	**(9,307)**
Net margin	11,119	32,610	—	**43,729**	2,399	(1,361)	**42,691**
Fair value changes in investment properties	16,286	(704)	—	**15,582**	11,545	2,609	**1,428**
Investment and other income	(1,066)	2,084	(554)	**464**	40	4	**420**
Interest expense	(9,385)	(1,766)	(5,096)	**(16,247)**	(3,092)	(1,147)	**(12,008)**
Fair value changes in financial instruments	—	(59,673)	(104)	**(59,777)**	(60,455)	678	**—**
Share of earnings from equity accounted investments	(26,176)	5,980	—	**(20,196)**	5,938	(1,775)	**(24,359)**
Net segment earnings (loss)	(9,222)	(21,469)	(5,754)	**(36,445)**	(43,625)	(992)	**8,172**
General and administrative expenses[2]	—	—	(17,716)	**(17,716)**	(2,946)	1,815	**(16,585)**
Adjustments related to Dream Impact Trust units[2]	—	—	(1,879)	**(1,879)**	—	(1,879)	**—**
Adjustments related to Dream Impact Fund units[2]	—	—	(1,485)	**(1,485)**	—	—	**(1,485)**
Income tax (expense) recovery	—	—	6,314	**6,314**	1,708	6,615	**(2,009)**
Net earnings (loss)	$ (9,222)	$ (21,469)	$ (20,520)	**$ (51,211)**	$ (44,863)	$ 5,559	**$ (11,907)**

For the three months ended December 31, 2021

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	Dream standalone[1]
Revenue	$ 35,883	$ 114,239	$ —	$ 150,122	$ 4,842	$ (2,473)	$ 147,753
Direct operating costs	(25,921)	(81,369)	—	(107,290)	(2,204)	(343)	(104,743)
Gross margin	9,962	32,870	—	42,832	2,638	(2,816)	43,010
Selling, marketing, depreciation and other operating costs	(1,966)	(6,181)	—	(8,147)	—	(1)	(8,146)
Net margin	7,996	26,689	—	34,685	2,638	(2,817)	34,864
Fair value changes in investment properties	45,730	(616)	—	45,114	26,964	(64)	18,214
Investment and other income	2,719	1,569	558	4,846	309	—	4,537
Interest expense	(5,071)	(684)	(3,931)	(9,686)	(1,516)	—	(8,170)
Fair value changes in financial instruments	(378)	(265)	210	(433)	(442)	—	9
Share of earnings (loss) from equity accounted investments	24,332	2,875	—	27,207	2,816	(242)	24,633
Net segment earnings (loss)	75,328	29,568	(3,163)	101,733	30,769	(3,123)	74,087
General and administrative expenses[2]	—	—	(1,548)	(1,548)	(2,799)	2,554	(1,303)
Adjustments related to Dream Impact Trust units[2]	—	—	(3,782)	(3,782)	—	(3,782)	—
Adjustments related to Dream Impact Fund	—	—	(1,054)	(1,054)	—	—	(1,054)
Income tax (expense) recovery	—	—	(15,032)	(15,032)	(1,011)	(1,588)	(12,433)
Net earnings (loss)	$ 75,328	$ 29,568	$ (24,579)	$ 80,317	$ 26,959	$ (5,939)	$ 59,297

For the year ended December 31, 2022							
	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	**Dream standalone[1]**
Revenue	$ 167,985	$ 175,783	$ —	**$ 343,768**	$ 18,427	$ (4,891)	**$ 330,232**
Direct operating costs	(104,411)	(125,750)	—	**(230,161)**	(9,142)	(2,194)	**(218,825)**
Gross margin	63,574	50,033	—	**113,607**	9,285	(7,085)	**111,407**
Selling, marketing, depreciation and other operating costs	(8,458)	(26,014)	—	**(34,472)**	—	(28)	**(34,444)**
Net margin	55,116	24,019	—	**79,135**	9,285	(7,113)	**76,963**
Fair value changes in investment properties	32,078	(859)	—	**31,219**	11,247	60	**19,912**
Investment and other income	(791)	9,325	190	**8,724**	215	4	**8,505**
Interest expense	(27,845)	(7,915)	(16,043)	**(51,803)**	(9,286)	(1,979)	**(40,538)**
Fair value changes in financial instruments	4	(55,238)	413	**(54,821)**	(55,503)	678	**4**
Share of earnings from equity accounted investments	12,688	43,405	—	**56,093**	8,658	(5,260)	**52,695**
Net segment earnings (loss)	71,250	12,737	(15,440)	**68,547**	(35,384)	(13,610)	**117,541**
General and administrative expenses[2]	—	—	(33,563)	**(33,563)**	(10,613)	7,170	**(30,120)**
Net gain on land settlement	—	—	86,420	**86,420**	—	—	**86,420**
Adjustments related to Dream Impact Trust units[2]	—	—	80,411	**80,411**	—	80,411	**—**
Adjustments related to Dream Impact Fund units[2]	—	—	(4,524)	**(4,524)**	—	—	**(4,524)**
Income tax (expense) recovery[2]	—	—	(32,846)	**(32,846)**	2,443	(2,300)	**(32,989)**
Net earnings (loss)	$ 71,250	$ 12,737	$ 80,458	**$ 164,445**	$ (43,554)	$ 71,671	**$ 136,328**

For the year ended December 31, 2021							
	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1]	Dream standalone[1]
Revenue	$ 116,766	$ 209,156	$ —	$ 325,922	$ 19,562	$ (8,778)	$ 315,138
Direct operating costs	(76,351)	(158,431)	—	(234,782)	(8,564)	(1,561)	(224,657)
Gross margin	40,415	50,725	—	91,140	10,998	(10,339)	90,481
Selling, marketing, depreciation and other operating costs	(6,913)	(23,661)	—	(30,574)	—	(461)	(30,113)
Net margin	33,502	27,064	—	60,566	10,998	(10,800)	60,368
Fair value changes in investment properties	31,180	9,976	—	41,156	23,974	(258)	17,440
Investment and other income	3,070	5,387	1,509	9,966	1,031	1	8,934
Interest expense	(12,114)	(3,154)	(11,407)	(26,675)	(4,680)	—	(21,995)
Fair value changes in financial instruments	(1,427)	(6,472)	524	(7,375)	(7,413)	—	38
Share of earnings (loss) from equity accounted investments	82,912	7,809	—	90,721	8,032	(4,345)	87,034
Net segment earnings (loss)	137,123	40,610	(9,374)	168,359	31,942	(15,402)	151,819
General and administrative expenses[2]	—	—	(15,428)	(15,428)	(11,693)	8,049	(11,784)
Adjustments related to Dream Impact Trust units[2]	—	—	(25,019)	(25,019)	—	(25,019)	—
Adjustments related to Dream Impact Fund units	—	—	(2,037)	(2,037)	—	—	(2,037)
Income tax (expense) recovery[2]	—	—	(15,214)	(15,214)	1,201	9,015	(25,430)
Net earnings (loss)[3]	$ 137,123	$ 40,610	$ (67,072)	$ 110,661	$ 21,450	$ (23,357)	$ 112,568

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust, consolidation and fair value adjustments and Dream standalone.
(2) Certain line items are included in Corporate and other as balances are reviewed on a consolidated basis.
(3) Includes earnings attributable to non-controlling interest.

Quarterly Business Trends

A summary of revenue, earnings (loss), and basic and diluted earnings (loss) per share for the previous eight quarters is presented below.

(in thousands of dollars, except per share amounts)	**Dec 31, 2022**	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Revenue	**$ 167,692**	$ 55,057	$ 67,805	$ 53,214	$ 150,122	$ 46,066	$ 79,660	$ 50,074
Earnings (loss) for the period	**(51,211)**	96,742	76,741	42,173	80,317	34,572	(467)	(3,761)
Basic earnings (loss) per share	**(1.20)**	2.27	1.80	0.99	1.87	0.79	(0.01)	(0.10)
Diluted earnings (loss) per share	**(1.20)**	2.20	1.74	0.96	1.81	0.77	(0.01)	(0.10)
Dividends declared	**25,553**	4,259	4,259	4,257	4,282	3,046	3,073	3,074

The Company's quarterly results may vary significantly from quarter to quarter due to the seasonality of our operations. See "Timing of Income Recognition and Impact of Seasonality" and "Risk Factors - Seasonality".

Selected Annual Information

	Year ended December 31,		
(in thousands of dollars, except per share amounts)	**2022**	2021	2020
Revenue	**$ 343,768**	$ 325,922	$ 347,623
Earnings before income taxes	**197,291**	125,875	197,620
Earnings for the year	**164,445**	110,661	159,638
Earnings for the year attributable to shareholders	**164,445**	110,030	159,221
Basic earnings per share[(1)]	**3.88**	2.52	3.37
Diluted earnings per share[(1)]	**3.76**	2.46	3.31
Dividends declared	**38,328**	13,475	11,164
Total assets	**3,956,494**	3,488,674	2,844,373
Total liabilities	**2,402,802**	2,066,461	1,437,761
Total equity	**1,553,692**	1,422,213	1,406,612

(1) Per share amounts reflect the Share Consolidation for all years presented.

Non-GAAP Measures and Other Disclosures

In addition to using financial measures determined in accordance with IFRS, we believe that important measures of operating performance include certain financial measures that are not defined under IFRS. Throughout this MD&A, there are references to certain non-GAAP measures and other specified financial measures, including those described below, which management believes are relevant in assessing the economics of the business of Dream. These performance and other measures are not financial measures under IFRS and may not be comparable to similar measures disclosed by other issuers. However, we believe that they are informative and provide further insight as supplementary measures of financial performance, financial position or cash flow, or our objectives and policies, as applicable.

Non-GAAP Financial Measures

"Adjusted EBITDA" represents net income for the period adjusted for interest expense on debt; amortization and depreciation; share of earnings from equity accounted investments; and net current and deferred income tax expense (recovery). The most directly comparable financial measure to adjusted EBITDA is net earnings. This non-GAAP measure is an important measure used by the Company in evaluating the performance of divisions within our recurring income segment.

	For the three months ended December 31, 2022				
	Asset management	Stabilized properties	Arapahoe Basin	Dream Impact Trust & consolidation and fair value adjustments[(1)]	Total recurring income
Revenue	$ 11,540	$ 18,238	$ 8,801	$ 7,416	$ 45,995
Net margin	(9,833)	7,789	(1,210)	4,353	1,099
Net earnings (loss)	$ (26,602)	$ 5,625	$ (1,353)	$ 13,108	$ (9,222)
Less: Interest expense	(276)	(6,569)	(127)	(2,413)	(9,385)
Less: Taxes	—	—	—	—	—
Less: Depreciation and amortization	—	(290)	(1,059)	—	(1,349)
Less: Share of earnings (losses) from equity accounted investments	(28,600)	2,116	10	298	(26,176)
Adjusted EBITDA	**$ 2,274**	**$ 10,368**	**$ (177)**	**$ 15,223**	**$ 27,688**

					For the three months ended December 31, 2021
	Asset management	Stabilized properties	Arapahoe Basin	Dream Impact Trust & consolidation and fair value adjustments[1]	Total recurring income
Revenue	$ 13,944	$ 12,620	$ 7,434	$ 1,885	$ 35,883
Net margin	4,789	5,261	(1,392)	(662)	7,996
Net earnings (loss)	$ 28,217	$ 19,779	$ 1,159	$ 26,173	$ 75,328
Less: Interest expense	(87)	(4,055)	(24)	(905)	(5,071)
Less: Taxes	—	—	—	—	—
Less: Depreciation and amortization	—	(521)	(1,131)	—	(1,652)
Less: Share of earnings (losses) from equity accounted investments	23,472	(337)	(16)	1,213	24,332
Adjusted EBITDA	$ 4,832	$ 24,692	$ 2,330	$ 25,865	$ 57,719

					For the year ended December 31, 2022
	Asset management	Stabilized properties	Arapahoe Basin	Dream Impact Trust & consolidation and fair value adjustments[1]	Total recurring income
Revenue	$ 47,712	$ 63,337	$ 43,400	$ 16,826	$ 171,275
Net margin	5,894	26,101	7,604	5,497	45,096
Net earnings	$ 26,497	$ 26,678	$ 9,428	$ 8,647	$ 71,250
Less: Interest expense	(791)	(20,622)	(255)	(6,177)	(27,845)
Less: Taxes	—	—	—	—	—
Less: Depreciation and amortization	—	(949)	(4,071)	—	(5,020)
Less: Share of earnings from equity accounted investments	9,891	380	1,129	1,288	12,688
Adjusted EBITDA	**$ 17,397**	**$ 47,869**	**$ 12,625**	**$ 13,536**	**$ 91,427**

					For the year ended December 31, 2021
	Asset management	Stabilized properties	Arapahoe Basin	Dream Impact Trust & consolidation and fair value adjustments[1]	Total recurring income
Revenue	$ 43,121	$ 29,481	$ 33,380	$ 10,784	$ 116,766
Net margin	17,594	11,609	3,640	659	33,502
Net earnings (loss)	$ 92,946	$ 17,054	$ 6,452	$ 20,671	$ 137,123
Less: Interest expense	(135)	(8,345)	(120)	(3,514)	(12,114)
Less: Taxes	—	—	—	—	—
Less: Depreciation and amortization	—	(1,068)	(4,111)	—	(5,179)
Less: Share of earnings (losses) from equity accounted investments	75,791	5,994	(46)	1,173	82,912
Adjusted EBITDA	$ 17,290	$ 20,473	$ 10,729	$ 23,012	$ 71,504

[1] For the Company's definition of the following non-GAAP measures: Dream Impact Trust and consolidation and fair value adjustments, refer to the definition below.

"Dream Impact Trust & Consolidation and fair value adjustments" are two separate non-GAAP financial measures and represent certain IFRS adjustments required to reconcile Dream standalone and Dream Impact Trust results to the consolidated results as at December 31, 2022 and December 31, 2021 and for the three and twelve months ended December 31, 2022 and 2021. Management believes Dream Impact Trust & Consolidation and fair value adjustments provides investors useful information in order to agree to the Dream Impact Trust financial statements.

Consolidation and fair value adjustments relate to business combination adjustments on acquisition of Dream Impact Trust on January 1, 2018 and related amortization, elimination of intercompany balances including the investment in Dream Impact Trust units, adjustments for co-owned projects, fair value adjustments to the Dream Impact Trust units held by other unitholders, and deferred income taxes.

"Dream standalone" represents the results of Dream, excluding the impact of Dream Impact Trust's consolidated results. Refer to the "Segmented Assets and Liabilities" and "Segmented Statement of Earnings" sections of this MD&A for a reconciliation of Dream excluding Dream Impact Trust results to the consolidated financial statements. The most direct comparable financial measure to Dream standalone is consolidated Dream. This non-GAAP measure is an important measure used by the Company to evaluate earnings against historical periods, including results prior to the acquisition of control of Dream Impact Trust.

"Earnings before income taxes after adjusting for fair value on Dream Impact Trust units held by other unitholders" represents the Company's pre-tax earnings excluding the impact from the volatility of Dream Impact Trust's share price. The most directly comparable financial measure to earnings before income taxes after adjusting for fair value of Dream Impact trust units held by other unit holders is earnings before income taxes. Management believes Dream Impact Trust and consolidation and fair value adjustments provides investors useful information in order to review Dream results without the volatility of fair value changes in Dream Impact Trust's trading price.

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	**2022**	2021
Earnings (loss) before income taxes	**$ (57,525)**	$ 95,349	**$ 197,291**	$ 125,875
Less: Adjustments related to Dream Impact Trust units	**(1,879)**	(3,782)	**80,411**	(25,019)
Earnings (loss) before income taxes after adjusting for fair value on Dream Impact Trust units held by other unitholders	**$ (55,646)**	$ 99,131	**$ 116,880**	$ 150,894

"Net operating income" represents revenue less direct operating costs and selling, marketing, depreciation and other indirect costs and is equal to gross margin as per Note 37 of the consolidated financial statements. Net operating income excludes general, administrative and overhead expenses, and depreciation, which are included in net margin per Note 37 of the consolidated financial statements. The most directly comparable financial measure to net operating revenue is net margin. This non-GAAP measure is an important measure used by management to assess the profitability of the Company's recurring income segment. Net operating income for the recurring income segment for the three and twelve months ended December 31, 2022 and 2021 is calculated as follows:

	For the three months ended December 31,		For the year ended December 31,	
	2022	2021	**2022**	2021
Revenue	**$ 42,705**	$ 35,883	**$ 167,985**	$ 116,766
Less: Direct operating costs	**(28,362)**	(25,921)	**(104,411)**	(76,351)
Less: Selling, marketing, depreciation and other indirect costs	**(3,224)**	(1,966)	**(8,458)**	(6,913)
Net margin	**$ 11,119**	$ 7,996	**$ 55,116**	$ 33,502
Add: Depreciation	**1,349**	1,380	**5,020**	4,907
Add: General and administrative expenses	**1,875**	586	**3,438**	2,006
Net operating income	**$ 14,343**	$ 9,962	**$ 63,574**	$ 40,415

Supplementary and Other Financial Measures

"Assets under management ("AUM")" is the respective carrying value of gross assets managed by the Company on behalf of its clients, investors or partners under asset management agreements, development management agreements and/or management services agreements at 100% of the client's total assets. All other investments are reflected at the Company's proportionate share of the investment's total assets without duplication. Assets under management is a measure of success against the competition and consists of growth or decline due to asset appreciation, changes in fair market value, acquisitions and dispositions, operations gains and losses, and inflows and outflows of capital.

"Available liquidity" represents Dream's standalone corporate cash and revolving debt facilities, including the operating line – Western Canada and margin loan, to cover the Company's capital requirements including acquisitions. This financial measure is used by the Company to forecast and plan to hold adequate amounts of available liquidity to allow for the Company to settle obligations as they come due.

"Debt to total assets ratio" represents the Company's financial leverage and is calculated as debt as a percentage of total assets, in each case per the consolidated financial statements.

"Fee earning assets under management" represents assets under management that are managed under contractual arrangements that entitle the Company to earn asset management revenue calculated as the total of: (i) 100% of the purchase price of client properties, assets and/or indirect investments subject to asset management agreements; (ii) 100% of the carrying value of gross assets of the underlying development project subject to development management agreements; and (iii) 100% of the carrying value of specific Dream Office REIT redevelopment properties subject to a development management addendum under the shared services agreement with Dream Office REIT, without duplication.

"Gross margin %" is an important measure of operating earnings in each business segment of Dream and represents gross margin as a percentage of revenue. Gross margin represents revenue, less direct operating costs, excluding selling, marketing, depreciation and other operating costs.

"Net margin %" is an important measure of operating earnings in each business segment of Dream and represents net margin as a percentage of revenue.

Additional Information

Additional information relating to Dream, including the Company's annual information form and consolidated financial statements and accompanying notes, is available on SEDAR at www.sedar.com. The Subordinate Voting Shares trade on the TSX under the symbol **"DRM"**.

Summary of Dream Group of Companies' Assets and Holdings

Project/property	Entity[3]	Dream ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
RECURRING INCOME SEGMENT								
Downtown Toronto & GTA								
Commercial:								
Adelaide Place	D.UN	36.0%	Income property	—	—	658,000	81.2%	
Sussex Centre	D.UN/MPCT	68.0%	Income property	—	—	655,000	73.3%	
2200-2206 Eglinton Avenue East & 1020 Birchmount Road	D.UN	36.0%	Income property	—	—	442,000	72.9%	
State Street Financial Centre	D.UN	36.0%	Income property	—	—	414,000	96.9%	
Distillery District	DRM	50.0%	Income property	—	—	395,000	88.9%	
438 University Avenue	D.UN	36.0%	Income property	—	—	323,000	98.1%	
655 Bay Street	D.UN	36.0%	Income property	—	—	301,000	99.7%	
74 Victoria Street/137 Yonge Street	D.UN	36.0%	Income property	—	—	266,000	100.0%	
720 Bay Street	D.UN	36.0%	Income property	—	—	248,000	100.0%	
36 Toronto Street	D.UN	36.0%	Income property	—	—	214,000	74.7%	
330 Bay Street	D.UN	36.0%	Income property	—	—	165,000	68.9%	
20 Toronto Street/33 Victoria Street	D.UN	36.0%	Income property	—	—	158,000	97.9%	
250 Dundas Street West	D.UN	36.0%	Income property	—	—	121,000	86.9%	
Victory Building	D.UN	36.0%	Income property	—	—	102,000	48.5%	
49 Ontario	MPCT	100.0%	Redevelopment	TBD	TBD	88,000	91.5%	
425 Bloor Street East	D.UN	36.0%	Income property	—	—	83,000	100.0%	
212 King Street West	D.UN	36.0%	Income property	—	—	73,000	92.9%	
357 Bay Street	D.UN	36.0%	Income property	—	—	65,000	100.0%	
10 Lower Spadina	MPCT	100.0%	Income property	—	—	61,000	93.1%	
100 Steeles Avenue West	DRM/MPCT	50.0%	Redevelopment	TBD	TBD	59,000	97.1%	
360 Bay Street	D.UN	36.0%	Income property	—	—	58,000	55.6%	
6 Adelaide Street East	D.UN	36.0%	Income property	—	—	53,000	81.0%	
350 Bay Street	D.UN	36.0%	Income property	—	—	53,000	67.5%	
Plaza Imperial	MPCT	40.0%	Income property	—	—	35,000	100.0%	
349 Carlaw	MPCT	100.0%	Income property	—	—	34,000	64.3%	
56 Temperance Street	D.UN	36.0%	Income property	—	—	32,000	77.0%	
Canary District - Stage 1 retail	DRM	50.0%	Income property	—	—	32,000	81.0%	
68-70 Claremont Street	MPCT	100.0%	Income property	—	—	30,000	—%	
76 Stafford Street	MPCT	100.0%	Income property	—	—	25,000	100.0%	
Plaza Bathurst	MPCT	40.0%	Income property	—	—	24,000	100.0%	
220 King Street West	D.UN	18.0%	Income property	—	—	22,000	100.0%	
Berkeley Properties	MPCT	100.0%	Income property	—	—	14,000	76.5%	
Other GTA retail	DRM	30.0-50.0%	Income property	—	—	102,000	50.2%	
Residential Rentals:								
Weston Common	DRM/DIF/MPCT	100.0%	Income property	841	692,000	52,000	97.0%	
70 Park	DIF/MPCT	100.0%	Income property	210	257,000	—	97.1%	
Robinwood Portfolio	DRM/DIF/MPCT	100.0%	Income property	285	156,000	—	89.8%	
262 Jarvis	DRM/DIF/MPCT	100.0%	Income property	71	35,000	—	96.7%	
111 Cosburn	DIF/MPCT	100.0%	Income property	23	14,000	—	73.9%	
Other:								
Broadview Hotel	DRM	50.0%	Hospitality	58	—	—		
Gladstone House	DRM	50.0%	Hospitality	55	—	—		
Postmark Hotel	DRM	50.0%	Hospitality	55	—	—		Q2 2023
Total Downtown Toronto & GTA				**1,598**	**1,154,000**	**5,457,000**	**87.2%**	
Zibi (Ottawa/Gatineau)								
Commercial:								
Natural Sciences Building (Zibi Block 211)	DIF/MPCT	70.0%	Income property	—	—	186,000	93.4%	
15 Rue Jos-Montferrand (Zibi Block 2/3)	DRM/MPCT	100.0%	Income property	—	—	53,000	81.2%	
310 Miwate Private (Zibi Block 208)	DRM/MPCT	100.0%	Income property	—	—	33,000	100.0%	
Residential Rentals:								
Aalto Suites (Zibi Block 10)	DRM/MPCT	100.0%	Income property	162	135,000	1,000	87.0%	
Other:								
Zibi Community Utility	DIF/MPCT	40.0%	Energy utility					
Total Zibi (Ottawa/Gatineau)				**162**	**135,000**	**273,000**	**90.2%**	

Project/property	Entity[3]	Dream ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
U.S.								
Commercial:								
12800 Foster Street, Overland Park, Kansas	D.UN	36.0%	Income property	—	—	185,000	100.0%	
Residential Rentals:								
Private Fund - Texas	DRM	5.0%	Income property	2,497	2,065,000		91.6%	
Private Fund - Arizona	DRM	5.0%	Income property	347	223,000		95.5%	
DRR - Greater Oklahoma City, OK	DRR	11.8%	Income property	1,431	1,164,000		96.2%	
DRR - Greater Dallas-Fort Worth, TX	DRR	11.8%	Income property	1,049	1,005,000		94.2%	
DRR - Greater Cincinnati, OH	DRR	11.8%	Income property	952	866,000		96.7%	
Other:								
Arapahoe Basin ski hill, Colorado	DRM	100.0%	Recreational	—	—			
Total U.S.				**6,276**	**5,323,000**	**185,000**	**94.4%**	
Western Canada								
Commercial:								
444 - 7th Building, Calgary	D.UN	36.0%	Income property	—	—	261,000	78.9%	
Saskatoon Square, Saskatoon	D.UN	36.0%	Income property	—	—	228,000	64.9%	
Co-operators Place, 1900 Sherwood Place, Regina	D.UN	36.0%	Income property	—	—	206,000	86.6%	
606 - 4th Building & Barclay Parkade, Calgary	D.UN	36.0%	Income property	—	—	126,000	87.6%	
Kensington House, Calgary	D.UN	36.0%	Income property	—	—	78,000	88.9%	
Shops of South Kensington, Saskatoon	DRM	100.0%	Income property	—	—	72,000	100.0%	
Hampton Heights, Saskatoon	DRM	100.0%	Income property	—	—	22,000	91.0%	
234 - 1st Avenue South, Saskatoon	D.UN	36.0%	Income property	—	—	10,000	85.4%	
Brighton Recreation, Saskatoon	DRM	100.0%	Income property	—	—	7,000	100.0%	
Residential Rentals:								
Brighton Village Rentals I, Saskatoon	DRM	100.0%	Income property	121	81,000	—	100.0%	
Childers Rentals Kensington, Saskatoon	DRM	100.0%	Income property	48	75,000	—	100.0%	
Other:								
Willows, Saskatoon	DRM	100.0%	Recreational	—	—			
Total Western Canada				**169**	**156,000**	**1,010,000**	**83.7%**	
Total Recurring Income Segment				**8,205**	**6,768,000**	**6,925,000**	**89.9%**	

Project/property	Type	Entity[3]	Dream ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
DEVELOPMENT SEGMENT									
Downtown Toronto & GTA									
Residential and Mixed-Use:									
Riverside Square - Phase 2	Sell	DRM	32.5%	Construction	227	195,000	43,000		Q3 2023
WDL Block 8	Hold	DIF/MPCT	33.3%	Construction	770	624,000	4,000		Q2 2023
Brightwater I and II	Sell	DRM/MPCT	31.0%	Construction	311	244,000	98,000	36.7%	Q3 2023
Brightwater Towns	Sell	DRM/MPCT	31.0%	Construction	106	237,000	—		2024
Canary House (Block 10 - Condominium)	Sell	DIF	50.0%	Construction	206	153,000	26,000		2024
Canary Block 10 - Rental	Hold	DIF/MPCT	33.3%	Construction	238	182,000	—		2024
The Mason, Brightwater	Sell	DRM/MPCT	31.0%	Construction	162	128,000	5,000		2024
Ivy	Various	DRM/MPCT	100.0%	Construction	268	193,000	—		2024
WDL Block 3/4/7	Hold	DRM/MPCT	33.3%	Construction	855	811,000	32,000		2025
Queen & Mutual	Sell	MPCT	9.0%	Construction	369	243,000	7,000		2025
Bridge House, Brightwater	Sell	DRM/MPCT	31.0%	Planning	474	392,000	—		2026
Forma - East Tower	Sell	DRM/MPCT	33.3%	Construction	864	590,000	1,000		2029
Brightwater future blocks	Various	DRM/MPCT	31.0%	Planning	1,942	2,433,000	257,000		2025-2032
Quayside	Various	DIF/MPCT	50%	Planning	4,405	2,688,000	344,000		2031-2035
Canary Block 13	Hold	DRM	50.0%	Planning	682	565,000	13,000		TBD
Forma - West Tower	Sell	DRM/MPCT	33.3%	Planning	1,170	885,000	223,000		TBD
Scarborough Junction	Sell	MPCT	45.0%	Planning	6,619	5,270,000	165,000		TBD
Lakeshore East	TBD	DRM/MPCT	50.0%	Planning	1,500	1,200,000	100,000		TBD
WDL Block 20	Hold	DRM/MPCT	33.3%	Planning	653	571,000	255,000		TBD
Distillery District - 31A Parliament	Hold	DRM	50.0%	Planning	515	389,000	342,000	30.7%	TBD
Main Street Townhomes	Sell	DRM	50.0%	Planning	30	68,000	—		TBD
Seaton	Sell	MPCT	7.0%	Planning	TBD	TBD	TBD		TBD
BlackTusk Partnership	Various	DIF/MPCT	5.0%-80.0%	Various	TBD	TBD	TBD		TBD
Front & Spadina GO Station[4]	TBD	TBD	TBD	Planning	TBD	TBD	TBD		TBD
Collingwood Grain Terminal[4]	TBD	TBD	TBD	Planning	TBD	TBD	TBD		TBD
Other	Sell	Various	Various	Various	1,045	1,099,000	58,000		TBD
Commercial:									
366 Bay Street		D.UN	36.0%	Redevelopment	—	—	36,000		Q2 2023
67 Richmond Street West		D.UN	36.0%	Redevelopment	—	—	50,000	10.3%	Q4 2023
Total Downtown Toronto & GTA					**23,411**	**19,160,000**	**2,059,000**	**28.8%**	

Project/property		Entity[3]	Dream ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
Ottawa/Gatineau									
Zibi Block 11	Hold	DRM/MPCT	100.0%	Construction	148	127,000	4,000		Q4 2023
Zibi Block 206	Hold	DRM/MPCT	100.0%	Construction	207	196,000	11,000		2024
Zibi Block 207	Hold	DRM/MPCT	100.0%	Construction	—	—	76,000		2024
Dream LeBreton	Hold	DRM/DIF/MPCT	100.0%	Planning	608	410,000	26,000		2025
Zibi Future blocks	Various	DRM/MPCT	100.0%	Planning	1,255	1,292,000	1,891,000		TBD
Total Ottawa/Gatineau					**2,218**	**2,025,000**	**2,008,000**		
Western Canada									
Residential:									
Brighton Village Rentals II, Saskatoon	Hold	DRM	100.0%	Construction	132	108,000	9,000		Q4 2023
Block 124 Townhome Rentals, Saskatoon	Hold	DRM	100.0%	Planning	95	115,000	—		Q4 2023
Commercial:									
Brighton Marketplace, Saskatoon	Hold	DRM	50.0%	Construction	—	—	222,000	97.1%	Q2 2023
Harbour Landing, Regina	Hold	DRM	100.0%	Construction	—	—	41,000	76.3%	Q2 2023
Montrose, Calgary	Hold	DRM	100.0%	Construction	—	—	24,000	93.2%	Q2 2023
Total Western Canada					**227**	**223,000**	**296,000**	**93.8%**	
Total Development Segment					**25,856**	**21,408,000**	**4,363,000**	**52.8%**	
Total Dream Platform					**34,061**	**28,176,000**	**11,288,000**	**87.9%**	

Western Canada Land Holdings

City	Acre equivalents
Calgary	1,783
Edmonton	849
Saskatoon	2,992
Regina	3,276
Total	**8,900**

Summary by Geography

Location	Current GLA	Future GLA under development[2]	In-place and committed occupancy	Residential/ hotel units at completion[2]	Residential GFA[2]
Downtown Toronto & GTA	5,457,000	2,059,000	83.1%	25,009	20,314,000
Ottawa/Gatineau	273,000	2,008,000	90.2%	2,380	2,160,000
U.S.	185,000	—	94.4%	6,276	5,323,000
Western Canada	1,010,000	296,000	85.7%	396	379,000
Total	**6,925,000**	**4,363,000**	**87.9%**	**34,061**	**28,176,000**

(1) Dream, Dream Impact Fund and Dream Impact Trust holdings at fully consolidated ownership. Dream Office REIT and Dream Residential REIT at 36.0% and 11.8% respective ownership as of December 31, 2022.

(2) Residential units, GFA and GLA are at 100% project level and include planned units, GFA and GLA, which are subject to change pending various development approvals. Planned residential units may be developed as condominium units or purpose-built rentals as supported by market demand, targeted studies and return objectives. For projects currently in occupancy, residential units reflect remaining units in inventory to be occupied in future periods.

(3) DRM refers to Dream Standalone. DIF refers to Dream Impact Fund. MPCT refers to Dream Impact Trust. D.UN refers to Dream Office REIT. DRR refers to Dream Residential REIT.

(4) This project agreement is currently under negotiation and planned density and ownership structure will be available upon completion.