Independent auditor’s report

To the Shareholders of Dream Unlimited Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Dream Unlimited Corp. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company’s consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of earnings (loss) for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, Canada M5J 0B2
T.: +1 416 863 1133, F.: +1 416 365 8215, Fax to mail: ca_toronto_18_york_fax@pwc.com

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties *Refer to note 3 – Summary of material accounting policies, note 4 – Critical accounting estimates, judgments and assumptions and note 10 – Investment properties to the consolidated financial statements.* The Company measures its investment properties at fair value, and as at December 31, 2024, these assets were valued at $1,843 million. Fair values of investment properties are determined using valuations prepared by management. Two investment properties were valued using the direct comparison approach. The direct comparison approach considered recent activity for similar development/redevelopment sites. Fair values of the remaining investment properties were calculated using a discounted cash flow method or the direct capitalization method. Significant assumptions used in the discounted cash flow method included the discount rates, terminal capitalization rates and market rents. Significant assumptions used in the direct capitalization method included the capitalization rates. Critical judgments were made in respect of determining the fair values of investment properties by management. We considered this a key audit matter due to i) significant audit effort required to assess the fair values of investment properties; ii) critical judgments made by management when determining the fair values, including the development of the significant assumptions; and iii) a high degree of complexity in assessing audit	Our approach to addressing the matter included the following procedures, among others: • For a sample of investment properties, tested how management determined the fair values, which included the following: – Evaluated the appropriateness of the valuation methodology used (the direct comparison approach, the discounted cash flow method or the direct capitalization method). – Tested the underlying data used in the discounted cash flow method and the direct capitalization method by comparing components of the cash flows, such as contractual rents, to the underlying accounting records. – Evaluated the reasonableness of the discount rates and terminal capitalization rates for the discounted cash flow method, and capitalization rates for the direct capitalization method by comparing to external market and industry data. – Professionals with specialized skill and knowledge in the field of real estate valuations further assisted us: o For the investment properties valued using the direct comparison approach, in assessing the transactions used by management and by comparing to recent market transactions.

Key audit matter	How our audit addressed the key audit matter
evidence to support the significant assumptions made by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of real estate valuations.	o For the investment properties valued using the discounted cash flow method, in evaluating the reasonableness of the market rents, discount rates and terminal capitalization rates by comparing to externally available market data. o For the investment properties valued using the direct capitalization method, in evaluating the reasonableness of the capitalization rates by comparing to externally available market data. – Assessed the sufficiency of the disclosures in the consolidated financial statements.
Impairment assessment of investment in Dream Office Real Estate Investment Trust *Refer to note 3 – Summary of material accounting policies, note 4 – Critical accounting estimates, judgments and assumptions and note 12 – Equity accounted investments to the consolidated financial statements.* The Company's 31% interest in Dream Office Real Estate Investment Trust (Dream Office REIT) has a carrying value of $191.0 million as at December 31, 2024. The Company is deemed to exercise significant influence over the investee and, therefore, the investment has been recorded as an equity accounted investment. The Company assesses, at each reporting date, whether there is objective evidence that its interest in an equity accounted investment is impaired. If impaired, the carrying value of the Company's share of the underlying assets of the equity accounted investment is written down to its estimated recoverable amount, with any difference charged to earnings. In the year ended December 31, 2024, the Company identified objective evidence of impairment due to Dream Office REIT's sustained lower unit price. The	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the recoverable amount of the interest in Dream Office REIT, which included the following: – Evaluated the appropriateness of the discounted cash flow model used. – Tested the underlying data used in the discounted cash flow model. – Tested the reasonableness of Dream Office REIT's AFFO by considering the current and past performance of Dream Office REIT and relevant external market data. – Professionals with specialized skill and knowledge in the field of real estate valuations further assisted in evaluating the reasonableness of the portfolio capitalization rate and the discount rate by comparing to externally available market data.

Key audit matter	How our audit addressed the key audit matter
Company performed an impairment assessment of its investment. An impairment loss is calculated as the difference between its value-in-use and the carrying value. No impairment loss was recorded for the year ended December 31, 2024. The value-in-use was determined through preparation of a discounted cash flow model, which included a scenario weighted approach. The significant key assumptions used in the discounted cash flow model are the portfolio capitalization rate, discount rate and Dream Office REIT's adjusted funds from operations (AFFO). Significant judgment was made in respect of determining the recoverable amount by management. We considered this a key audit matter due to i) significant audit effort required to assess the recoverable amount; ii) significant judgment made by management when determining the recoverable amount, including the development of the significant key assumptions; and iii) a high degree of complexity in assessing audit evidence to support the significant key assumptions made by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of real estate valuations.	– Assessed the sufficiency of the disclosures in the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alaina Tennison.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 25, 2025

Consolidated Statements of Financial Position

As at December 31, 2024 and 2023

(in thousands of Canadian dollars)	Note		**2024**		2023
Assets					
Cash and cash equivalents	34	**$**	**83,881**	$	60,203
Accounts receivable	5		**284,744**		274,041
Other financial assets	6		**58,620**		99,822
Housing inventory	7		**53,763**		52,747
Condominium inventory	8		**300,950**		383,829
Land inventory	9		**469,458**		458,551
Investment properties	10		**1,842,513**		1,719,172
Recreational properties	11		**84,707**		82,898
Equity accounted investments	12		**657,908**		671,030
Capital and other operating assets	13		**84,508**		73,229
Total assets		**$**	**3,921,052**	$	3,875,522
Liabilities					
Accounts payable and other liabilities	15	**$**	**211,099**	$	233,376
Income and other taxes payable	20		**19,322**		79,964
Provision for real estate development costs	16		**75,825**		61,069
Debt	17		**1,870,366**		1,810,549
Dream Impact Trust units	18		**43,711**		70,779
Dream Impact Fund units	19		**126,375**		113,405
Deferred income taxes	20		**72,825**		102,321
Total liabilities			**2,419,523**		2,471,463
Shareholders' equity					
Share capital	21		**957,333**		962,027
Reorganization adjustment			**(944,577)**		(944,577)
Contributed surplus	29		**11,070**		20,984
Retained earnings			**1,465,342**		1,346,678
Accumulated other comprehensive income	22		**12,361**		18,947
Total equity			**1,501,529**		1,404,059
Total liabilities and equity		**$**	**3,921,052**	$	3,875,522

See accompanying notes to the consolidated financial statements.

Commitments and contingencies (Note 32)

On behalf of the Board of Directors of Dream Unlimited Corp.:

"Michael J. Cooper"
Michael J. Cooper
Director

"Joanne Ferstman"
Joanne Ferstman
Chair

Consolidated Statements of Earnings (Loss)

For the years ended December 31, 2024 and 2023

(in thousands of Canadian dollars, except for per share amounts)	Note		**2024**		2023
Revenue	23	**$**	**624,506**	$	386,947
Direct operating costs	24		**(422,849)**		(261,752)
Gross margin			**201,657**		125,195
Selling, marketing, depreciation and other operating costs	25		**(43,444)**		(39,325)
Net margin			**158,213**		85,870
Other income (expenses):					
General and administrative expenses	26		**(22,916)**		(31,155)
Fair value changes in investment properties	10		**(24,398)**		(57,279)
Share of earnings (loss) from equity accounted investments	12		**(19,131)**		(165,306)
Investment and other income			**17,916**		12,515
Interest expense	27		**(78,392)**		(68,301)
Gain on disposition of Arapahoe Basin	14		**157,362**		—
Adjustments related to Dream Impact Trust units	18		**26,891**		107,427
Adjustments related to Dream Impact Fund units	19		**9,828**		(3,561)
Earnings (loss) before income taxes			**225,373**		(119,790)
Income tax (expense) recovery	20		**(37,515)**		2,711
Earnings (loss) for the year		**$**	**187,858**	$	(117,079)
Basic earnings (loss) per share	30	**$**	**4.46**	$	(2.74)
Diluted earnings (loss) per share	30	**$**	**4.30**	$	(2.74)

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2024 and 2023

(in thousands of Canadian dollars)			**2024**		2023
Earnings (loss) for the year		**$**	**187,858**	$	(117,079)
Other comprehensive income (loss)					
Items that will be reclassified subsequently to net income:					
Unrealized loss on interest rate hedge, net of tax	22		**(7,634)**		(4,140)
Unrealized gain (loss) from foreign currency translation (will be reclassified to earnings on partial or full disposal of foreign operation)	22		**616**		(623)
Share of other comprehensive loss from equity accounted investments	22		**432**		(2,765)
Total other comprehensive loss			**(6,586)**		(7,528)
Total comprehensive income (loss)		**$**	**181,272**	$	(124,607)

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(in thousands of Canadian dollars)		**Dream share capital (Note 21)**		**Contributed surplus**		**Reorganization adjustment**		**Retained earnings**		**Accumulated other comprehensive income (Note 22)**		**Total equity**
Balance, January 1, 2024	**$**	**962,027**	**$**	**20,984**	**$**	**(944,577)**	**$**	**1,346,678**	**$**	**18,947**	**$**	**1,404,059**
Earnings for the year		**—**		**—**		**—**		**187,858**		**—**		**187,858**
Other comprehensive loss for the year		**—**		**—**		**—**		**—**		**(6,586)**		**(6,586)**
Shares repurchased (Note 21)		**(8,200)**		**—**		**—**		**—**		**—**		**(8,200)**
Dividends paid (Note 21)		**—**		**—**		**—**		**(67,307)**		**—**		**(67,307)**
Share-based compensation (Note 29)		**3,506**		**(9,914)**		**—**		**(1,887)**		**—**		**(8,295)**
Balance, December 31, 2024	**$**	**957,333**	**$**	**11,070**	**$**	**(944,577)**	**$**	**1,465,342**	**$**	**12,361**	**$**	**1,501,529**

(in thousands of Canadian dollars)		Dream share capital		Contributed surplus		Reorganization adjustment		Retained earnings		Accumulated other comprehensive income		Total equity
Balance, January 1, 2023	$	968,076	$	18,082	$	(944,577)	$	1,485,636	$	26,475	$	1,553,692
Loss for the year		—		—		—		(117,079)		—		(117,079)
Other comprehensive loss for the year		—		—		—		—		(7,528)		(7,528)
Shares repurchased		(10,827)		—		—		—		—		(10,827)
Dividends paid		—		—		—		(21,320)		—		(21,320)
Share-based compensation		4,778		2,902		—		(559)		—		7,121
Balance, December 31, 2023	$	962,027	$	20,984	$	(944,577)	$	1,346,678	$	18,947	$	1,404,059

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(in thousands of Canadian dollars)	Note	For the year ended December 31, **2024**	2023
Operating activities			
Earnings (loss) for the year		**$ 187,858**	$ (117,079)
Adjustments for non-cash items:			
Depreciation and amortization		**3,375**	8,117
Fair value changes in investment properties	10	**24,398**	57,279
Share of (earnings) loss from equity accounted investments	12	**19,131**	165,306
Deferred income tax recovery	20	**(27,247)**	(28,528)
Fair value adjustment on Dream Impact Trust units	18	**(27,182)**	(115,402)
Fair value adjustment on Dream Impact Fund units	19	**(9,828)**	3,561
Net gain on disposition of Arapahoe Basin	14	**(157,362)**	—
Other adjustments	34	**5,966**	6,601
Changes in non-cash working capital	34	**(7,049)**	(13,541)
Acquisition of condominium inventory	8	**—**	(4,241)
Income taxes paid	20	**(125,010)**	(3,175)
Development of housing inventory, net of cost of sales	7	**11,035**	11,279
Cost of sales of condominium inventory, net of development	8	**93,507**	(36,939)
Acquisition of land inventory	9	**(12,879)**	(4,485)
Development of land inventory, net of cost of sales	9	**(18,646)**	(10,756)
Net cash flows used in operating activities		**(39,933)**	(82,003)
Investing activities			
Acquisitions and additions to investment properties	10	**(126,758)**	(168,515)
Acquisitions and additions to recreational properties	11	**(6,475)**	(11,387)
Investments in equity accounted investments		**(3,999)**	(510)
Contributions to equity accounted investments		**(13,641)**	(43,651)
Distributions from and disposals of equity accounted investments		**23,422**	135,547
Acquisitions and additions of financial assets and other assets		**(13,720)**	(8,373)
Distributions from financial assets and other assets		**48,645**	1,133
Proceeds on disposition of investment properties	10	**43,022**	9,500
Proceeds on disposition of Arapahoe Basin	14	**197,804**	—
Loans receivable advances, net of repayments and lender fees		**(15,929)**	19,435
Net cash provided by (used in) investing activities		**132,371**	(66,821)
Financing activities			
Borrowings from mortgages and term debt facilities	17	**42,147**	207,188
Repayments of mortgages and term debt facilities	17	**(50,420)**	(97,454)
Advances of operating lines and revolving credit facilities, net of repayments	17	**(10,500)**	(115,100)
Advances on construction loans	17	**190,547**	240,382
Repayments of construction loans	17	**(187,595)**	(118,794)
Advances from equity accounted investments		**—**	40,600
Dream Impact Trust units repurchased from other unitholders	18	**—**	(2,590)
Dream Impact Fund contributions from other unitholders	19	**22,798**	39,925
Dividends paid	21	**(67,307)**	(21,320)
Repayments of lease obligations		**(230)**	(616)
Shares repurchased	21	**(8,200)**	(10,827)
Net cash flows provided by (used in) financing activities		**(68,760)**	161,394
Change in cash and cash equivalents		**23,678**	12,570
Cash and cash equivalents, beginning of year		**60,203**	47,633
Cash and cash equivalents, end of year	34	**$ 83,881**	$ 60,203

See accompanying notes to the consolidated financial statements.

1. Business and structure

Dream Unlimited Corp. ("Dream" or "the Company"), through its wholly owned subsidiary, Dream Asset Management Corporation ("DAM"), is a leading developer of office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established asset management business, inclusive of assets under management across four Toronto Stock Exchange ("TSX") listed trusts, our private asset management business and numerous partnerships. The Company also develops land, residential and income generating assets in Western Canada.

The principal office and centre of administration of the Company is 30 Adelaide Street East, Suite 301, State Street Financial Centre, Toronto, Ontario, M5C 3H1. The Company is listed on the TSX and is domiciled in Canada. The ultimate controlling party of Dream is Michael Cooper, President and Chief Responsible Officer of Dream.

2. Basis of preparation

The consolidated financial statements are prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

All dollar amounts discussed herein are in thousands of Canadian dollars, unless otherwise stated.

The consolidated financial statements for the year ended December 31, 2024 were approved by the Board of Directors for issuance on February 25, 2025, after which date they may be amended only with the Board of Directors' approval.

3. Summary of material accounting policies

The material accounting policies adopted by the Company in the preparation of its consolidated financial statements are set out below. The Company has consistently applied these accounting policies throughout all years presented in the consolidated financial statements.

Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, other financial assets and financial instruments classified as fair value through profit or loss, which are measured at fair value as determined at each reporting date.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions have been eliminated in the consolidated financial statements.

Subsidiaries are those entities the Company controls through the power to govern the financial and operating policies of the entity and by having exposure or rights to variable returns from its involvement with the entity. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are subsequently unconsolidated on the date control ceases.

Dream Impact Trust and Dream Impact Fund are considered subsidiaries of the Company based on the Company's exposure to variable returns from ownership through Dream Impact Trust and Dream Impact Fund units held, real estate joint ventures, and management agreements.

Segmented Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the President and Chief Responsible Officer of the Company.

Joint Arrangements and Associates

Investments in Joint Arrangements

A joint arrangement is a contractual arrangement, pursuant to which the Company and other parties undertake an economic activity that is subject to joint control, whereby the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. Joint arrangements are of two types: joint ventures and joint operations.

Investments in Joint Ventures

Joint ventures involve the establishment of a separate entity in which each co-venturer has an interest in the net assets of the arrangement and are accounted for using the equity method of accounting, whereby the Company recognizes its share of earnings or losses and of other comprehensive income ("OCI") of the equity accounted investment in its own earnings or OCI, as applicable. If the Company's investment is reduced to zero, additional losses are not provided for, and a liability is not recognized, unless the Company has incurred legal or constructive obligations or made payments on behalf of the equity accounted investment.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The Company's investments in joint ventures are as follows:

Name of joint venture and location	Nature of business	Ownership interest 2024	2023
Corktown Commercial Inc., Toronto	Investment properties	**n/a**	50%
Distillery Restaurants LP, Toronto	Restaurant	**62.5%**	62.5%
Dream CMCC Funds I and II, Toronto	Mixed-use development	**9% - 40%**	9% - 40%
Dundee Kilmer Developments Limited, Toronto	Condominiums	**50%**	50%
Dundee Kilmer Developments LP, Toronto	Condominiums	**50%**	50%
S/D Commercial Corporation, Toronto	Investment properties	**n/a**	50%
Westland Properties Ltd., Western Canada	Land	**78%**	78%
Dream VHP Limited Partnership, Toronto	Mixed-use development	**25%**	25%
Dream Wilson Brighton Development LP, Western Canada	Mixed-use development	**50%**	50%
GulfDream LP, Toronto	Mixed-use development	**50%**	50%
Port Credit West Village Partners LP, Mississauga	Mixed-use development	**31%**	31%
GG Duncan LP, Toronto	Mixed-use development	**33%**	33%
Dream WDL LP, Toronto	Residential rental	**33%**	33%
Zibi Community Utility LP, Ottawa	Utilities	**40%**	40%
DK B10 LP, Toronto	Condominiums	**50%**	50%
DKT B10 LP, Toronto	Residential rental	**33%**	33%
Dream/Pauls Castle LLC, Texas & Arizona	Residential rental	**5%**[1]	5%[1]
Harlo Scarborough Junction LP, Toronto	Mixed-use development	**45%**	45%
34 Madison LP, Toronto	Investment property	**80%**	80%
673 Warden LP, Toronto	Mixed-use development	**40%**	40%
Dream YD LP "Yorkdowns", Markham	Mixed-use development	**5%**	5%
Tamarack Developments LP, Edmonton	Land	**20%**	n/a
Millwoods Robertson Developments LP, Edmonton	Land	**20%**	n/a
Parallax QM LP, Toronto	Condominiums	**9%**	9%
Quayside Impact LP, Toronto	Mixed-use development	**50%**	50%

(1) The Company's ownership interest in Dream/Pauls Castle LLC is 50% with an effective economic interest of 5%.

Investments in Joint Operations

Where the Company undertakes its activities as a joint operation through a direct interest in the joint operation's assets and a direct obligation for the joint operation's liabilities, rather than through the establishment of a separate entity, the Company's proportionate share of the joint operation's assets, liabilities, revenues, expenses and cash flow is recognized in the consolidated financial statements and classified according to its nature.

Name of joint operation and location	Nature of business	Ownership interest 2024	2023
Distillery District, Toronto	Historical heritage district	**62.5%**	62.5%
Millwoods Robertson, Edmonton	Land	**n/a**	70%
Streetcar, Toronto	Condominiums and hotels	**n/a**	25% - 50%
Thornhill Woods, Toronto	Land and housing	**30% - 32%**	30% - 32%
100 Steeles Avenue West, Toronto	Mixed-use development	**n/a**	50%

Investments in Associates

Investments in associates comprise those investments over which the Company has significant influence but not control. Generally, the Company is considered to exert significant influence when it holds more than a 20% interest in an entity. However, determining significant influence is a matter of judgment and specific circumstances and, from time to time, the Company may hold an interest of more than 20% in an entity without exerting significant influence.

Conversely, the Company may hold an interest of less than 20% and exert significant influence through representation on the Board of Directors, through direction of management or through contractual agreements. The Company accounts for its investments in associates using the equity method of accounting.

The Company's interest in Dream Office Real Estate Investment Trust ("Dream Office REIT") as at December 31, 2024 was 31% (December 31, 2023 - 30%) and the Company is deemed to be able to exercise significant influence over the investee. The carrying amount and earnings from the Company's investment in Dream Office REIT has been recorded in equity accounted investments in the consolidated statements of financial position and share of earnings from equity accounted investments in the consolidated statement of earnings, respectively.

Impairment of Equity Accounted Investments

The Company assesses, at each reporting date, whether there is objective evidence that its interest in an equity accounted investment is impaired. If impaired, the carrying value of the Company's share of the underlying assets of the equity accounted investment is written down to its estimated recoverable amount, with any difference charged to earnings.

Business Combinations

The Company uses the acquisition method to account for business combinations. The consideration transferred for the acquisition is measured as the aggregate of the fair values of assets transferred, liabilities incurred or assumed, and any equity instruments of the Company issued in exchange for control of the acquiree. Acquisition costs are recorded as an expense in earnings as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, "Business Combinations" ("IFRS 3"), are recognized at their fair values at the acquisition date.

At the time of an acquisition of a property, the Company evaluates whether the acquisition is a business combination or an asset acquisition. IFRS 3 is only applicable if it is considered that a business has been acquired. A business, according to IFRS 3, is defined as an integrated set of activities and assets conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. In determining whether an acquired property meets the definition of a business, the Company assesses whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. This is relevant where the value of the acquired entity is concentrated in one property, or a group of similar properties. When an acquisition does not represent a business as defined under IFRS 3, the Company classifies these properties as an asset acquisition.

The interest of non-controlling shareholders in the acquiree, if any, is initially measured at the non-controlling shareholders' share of the net assets of the acquiree, or the fair value of the non-controlling interest, as applicable. To the extent the fair value of consideration paid exceeds the fair value of the net identifiable tangible and intangible assets acquired, the excess is recorded as goodwill. If the consideration transferred is less than the fair value of net identifiable tangible and intangible assets, the excess is recognized in earnings.

Where a business combination is achieved in stages, previously held interests in the acquired entity are remeasured to fair value at the acquisition date, which is the date control is obtained, and the resulting gain or loss, if any, is recognized in earnings. Amounts arising from interests in the acquiree prior to the date of acquisition of control that have previously been recognized in OCI are reclassified to earnings. Changes in the Company's ownership interest of a subsidiary that do not result in a loss of control are accounted for as equity transactions and are recorded as a component of equity.

Foreign Currency Translation

Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Functional Currency of Subsidiaries and Equity Accounted Investments

The monetary assets and liabilities on the financial statements of consolidated subsidiaries and equity accounted investments that have a functional currency that is different from that of the Company are translated into Canadian dollars using the exchange rate at year-end for items included in the consolidated statements of earnings and OCI, and the rates in effect at the dates of the consolidated statements of financial position for assets and liabilities. All resulting changes are recognized in OCI as foreign currency translation adjustments.

If the Company's interest in the foreign operations of a subsidiary or an equity accounted investment is diluted, but the foreign operations remain a subsidiary or an equity accounted investment, a pro rata portion of the cumulative translation adjustment related to those foreign operations is reallocated between controlling and non-controlling interests, in the case of a subsidiary, or is recognized as a dilution gain or loss, in the case of an equity accounted investment. When the Company disposes of its entire interest in the foreign operations, or when it loses control, joint control or significant influence, the cumulative translation adjustment included in accumulated other comprehensive income ("AOCI") related to the foreign operations is recognized in the consolidated statements of earnings on a pro rata basis.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in currencies other than an entity's functional currency at each year-end date are recognized in the consolidated statements of earnings, except when deferred in OCI as qualifying cash flow hedges and qualifying net investment hedges.

Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, other financial assets, financial instruments within accounts payable and other liabilities, debt, Dream Impact Trust units, Dream Impact Fund units, and deposits and restricted cash that have been included in the consolidated financial statements within capital and other operating assets.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are no longer recognized when the rights to receive cash flows from the assets have expired or are assigned and the Company has transferred substantially all risks and rewards of ownership in respect of an asset to a third party. Financial assets are recognized at settlement date less any related transaction costs. Financial liabilities are no longer recognized when the related obligation expires, or is discharged or cancelled.

Classification of financial instruments in the Company's consolidated financial statements depends on the purpose for which the financial instruments were acquired or incurred. Management determines the classification of financial instruments at initial recognition.

Fair Value Through Profit or Loss ("FVTPL")

Financial instruments in this category are initially and subsequently recognized at fair value. Gains and losses arising from changes in fair value are presented within earnings in the consolidated statements of earnings in the period in which they arise, unless they are derivative instruments that have been designated as hedges.

Financial Liabilities at Amortized Cost

Financial liabilities classified at amortized cost are initially measured at the amount required to be paid, less, when material, a discount to reduce the liabilities to fair value. Subsequently, these financial liabilities are measured at amortized cost using the effective interest method.

Financial Liabilities at Fair Value Through Profit or Loss

Certain financial liabilities are designated as FVTPL as they are managed and evaluated on a fair value basis. These financial liabilities are initially and subsequently measured at fair value. Gains and losses arising from changes in fair value are recorded within earnings in the consolidated statements of earnings in the period in which they arise, with the exception of changes in the liability's credit risk, which are recorded in OCI in the period in which they arise.

Hedging Instruments and Activities

At the inception of a hedging transaction, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are hedges of a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction is recognized in OCI. The gain or loss relating to the ineffective portion, if any, is recognized immediately in the consolidated statements of earnings.

The realized gain or loss recognized on settlement of a hedging instrument designated as a cash flow hedge will be reclassified to earnings over the same basis as the cash flows received from the hedged item. When a hedging instrument no longer meets the criteria for hedge accounting, any cumulative gains or losses existing in OCI at that time are recognized in earnings immediately.

Impairment of Financial Assets

The Company applies an appropriate impairment model approach for financial assets depending on the category of financial assets or liabilities. The three impairment models applicable under IFRS 9, "Financial Instruments" ("IFRS 9"), include the general approach, the simplified approach and the credit-adjusted approach. The Company uses the simplified approach, which recognizes expected credit losses ("ECL") based on lifetime ECL for accounts receivable and the general approach for loans receivable. The general approach uses the ECL estimated at the 12-month ECL unless the credit risk has increased significantly relative to the credit risk at the date of initial recognition.

Real Estate Inventory

Housing and Condominiums

Housing and condominium inventory, which may, from time to time, include commercial property, is acquired or constructed for sale in the ordinary course of business and is held as inventory and measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, based on prevailing market prices at each reporting date and discounted for the time value of money, if material, less estimated costs of completion and estimated selling costs.

Land

Land inventory includes land held for development and land under development and is measured at the lower of cost and net realizable value.

Capitalized Costs

Capitalized costs include all expenditures incurred in connection with the acquisition of property, direct development and construction costs, certain borrowing costs and property taxes.

Provision for Real Estate Development Costs

The provision for real estate development costs reflects management's estimate of costs to complete for land, housing and condominium projects for which revenue has been recognized. These amounts have not been discounted, as the majority of the costs are expected to be expended within approximately one year.

Investment Properties

Investment properties include properties held to earn rental income or for capital appreciation, or both. Investment properties are measured initially at cost, which includes all expenditures incurred in connection with the acquisition of property, direct development and construction costs, borrowing costs and property taxes. Subsequent to initial recognition, investment properties are measured at their fair value at each reporting date. Gains or losses arising from changes in fair value are recorded in earnings in the period in which they arise.

Development Investment Properties

Once appropriate evidence of a change in use of land held or under development is established, the land is transferred from inventory to investment properties. At that time, the land is recognized at fair value in accordance with the Company's accounting policy for investment properties if fair value is reliably measurable, and any gain or loss is reflected in fair value changes in investment properties within the consolidated statements of earnings, in the period the transfer occurs. The gain or loss recorded represents the difference between the fair value of the transferred property and the accumulated costs of development.

The fair value of development investment properties is determined by management on a property-by-property basis using a discounted cash flow ("DCF") valuation methodology or the direct comparison approach. Within the discounted cash flows, the significant unobservable inputs include: terminal capitalization rates, discount rates and market rents. Other assumptions include forecasted net operating income based on the location, type and quality of the property, supported by the terms of actual or anticipated future leasing; estimated costs to complete based on internal budgets, terms of construction contracts and market conditions; expected completion dates; development and leasing risks specific to the property; and the status of approvals and/or permits. Within the direct comparison approach, the significant unobservable inputs include recent transaction activity for similar development/redevelopment sites.

Stabilized Investment Properties

Stabilized investment properties are measured at their fair value at each reporting date. Gains or losses arising from changes in fair value are recorded in earnings in the period in which they arise. The fair value of stabilized investment properties is determined by management on a property-by-property basis using a DCF valuation methodology or the direct capitalization approach. Within the discounted cash flows, the significant unobservable inputs include: terminal capitalization rates, discount rates and market rents. The DCF model incorporates, among other things, expected rental income from current leases, assumptions about rental income from future leases and implied vacancy rates, general inflation and projections of required cash outflows with respect to such leases. Within the direct capitalization method, the significant unobservable input for the fair value calculation is capitalization rates.

Recreational Properties

Recreational properties are properties used in the production or supply of goods or services. Recreational properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Costs of recreational properties include all expenditures incurred in connection with the acquisition of the property, direct development and construction costs, borrowing costs and property taxes. The Company uses the straight-line method of depreciation for recreational properties, including major expansions and renovations. The estimated useful life of the properties is between two and forty years.

Real Estate Borrowing Costs

Real estate borrowing costs include interest and other costs incurred in connection with the borrowing of funds for operations. Borrowing costs directly attributable to the acquisition, development or construction of qualifying real estate assets that necessarily take a substantial period of time to prepare for their intended use or sale are capitalized as part of the cost of the respective real estate asset. For real estate construction and development projects, the Company considers a substantial period of time to be a period longer than one year to complete. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs that are directly attributable to investment properties under development or to the development of condominiums, commercial and recreational properties are capitalized. Borrowing costs related to land or housing developments are recognized in earnings as incurred. Where borrowing costs are specific to a qualifying asset, the amount is directly capitalized to that asset. Otherwise, borrowing costs are aggregated and pro-rated to qualifying assets using the Company’s weighted average cost of borrowing. Borrowing costs are capitalized during periods of active development and construction, starting from the commencement of the development work until the date on which all of the activities necessary to prepare the real estate asset for its intended use or sale are substantially complete. Thereafter, borrowing costs are charged to earnings.

Impairment of Non-Financial Assets

Non-financial assets are assessed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. An impairment loss, if any, is recognized for the amount by which the asset’s carrying value exceeds its recoverable amount. The recoverable amount of an asset is the greater of an asset’s fair value, less costs to sell, and its value in use. For the purposes of assessing impairment, assets are grouped at the cash generating unit ("CGU") level. If their carrying value is assessed as not recoverable, an impairment loss is recognized.

An assessment is made, at each reporting date, as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount and, if appropriate, reverses all or part of the impairment. If the impairment is reversed, the carrying amount of the asset is increased to the newly estimated recoverable amount. This increased carrying amount may not exceed the carrying amount that would have resulted after taking into account depreciation if no impairment loss had been recognized in prior years. The amount of any impairment reversal is recorded immediately in earnings for the year.

Dream Impact Fund Units

The Company holds an effective 34% interest in Dream Impact Fund as at December 31, 2024 through the ownership of 5,764,847 units (December 31, 2023 - 38% interest through ownership of 5,764,847 units). The residual non-controlling interest is held by third-party investors and is reflected as a financial liability as the units are redeemable by unitholders after a three-year lockup period and, therefore, are considered a puttable instrument in accordance with IAS 32, "Financial Instruments - Presentation" ("IAS 32"), and must be presented as a financial liability.

The Company manages the Dream Impact Fund units on a fair value basis. As a financial liability measured at fair value through profit or loss, the Company recorded the Dream Impact Fund units at fair value on acquisition of control. Subsequent to initial recognition, the liability is remeasured to fair value each period based on the Dream Impact Fund unit's closing net asset value. Fair value changes are recorded within adjustments related to Dream Impact Fund units in the consolidated statements of earnings in the period in which they arise. Distributions on Dream Impact Fund units not held by the Company are recognized in the period in which they are approved and are recorded as an expense within adjustments related to Dream Impact Fund units in the consolidated statements of earnings. Refer to Note 19 for additional details.

Dream Impact Trust Units

On June 16, 2023, Dream Impact Trust completed a unit consolidation of all issued and outstanding units of Dream Impact Trust on the basis of one (1) post-consolidation unit for every four (4) pre-consolidation units. All unit amounts disclosed herein reflect the post-unit consolidation shares for all periods presented, unless otherwise specified.

The Company holds an effective 37% interest in Dream Impact Trust as at December 31, 2024 through the ownership of 6,715,180 trust units (December 31, 2023 - 35% interest through ownership of 6,063,115 trust units). The remaining 11,533,260 trust units outstanding are held by other unitholders and have been recognized on the consolidated statements of financial position to reflect the residual 63% interest held by other parties as at December 31, 2024. The units are redeemable at the option of the holder and, therefore, are considered a puttable instrument in accordance with IAS 32, and must be presented as a financial liability. The holder has the option to redeem units, generally at any time, at a redemption price per unit equal to the lesser of 90% of the 20-day weighted average closing price prior to the redemption date or 100% of the closing market price on the redemption date.

The Company manages the Dream Impact Trust units on a fair value basis. As a financial liability measured at fair value through profit or loss, the Company recorded the Dream Impact Trust units at fair value on acquisition of control. Subsequent to initial recognition, the liability is remeasured to fair value each period based on the Dream Impact Trust unit's closing trading price. Fair value changes are recorded within adjustments related to Dream Impact Trust units in the consolidated statements of earnings in the period in which they arise. Distributions on Dream Impact Trust units not held by the Company are recognized in the period in which they are approved and are recorded as an expense within adjustments related to Dream Impact Trust units in the consolidated statements of earnings. Refer to Note 18 for additional details.

Convertible Debentures - Dream Impact Trust

The convertible debentures are financial instruments that can be converted to units of Dream Impact Trust at the option of the holder. As Dream Impact Trust’s units are puttable instruments in accordance with IAS 32, the convertible debentures are recognized as financial liabilities with embedded derivatives. The convertible debentures are financial liabilities that consist of the host instruments and the conversion features. At initial recognition, each host instrument is measured at fair value net of related transaction costs. At each subsequent reporting period, the host instruments are measured at amortized cost using the effective interest rate method. Each conversion feature, classified as a financial derivative, is initially and subsequently measured at FVTPL. Interest expense, accretion expense and any fair value adjustments required on the conversion features are recognized in the consolidated statement of earnings.

Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer. The Company capitalizes all commissions paid to an intermediary as a cost to obtain a contract when they are expected to be recovered. These costs are amortized consistently with the pattern of recognition for the related revenue. The following is a description of principal activities from which the Company generates its revenues, including the nature of revenues, timing of satisfaction of performance obligations and significant payment terms.

Product and services	Nature and timing of satisfaction of performance obligations
Land	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.
Condominiums and housing projects	Revenue relating to sales of condominiums and housing projects is recognized when control of the property has been transferred to the customer - typically when the customer occupies 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.
Other revenue from investment properties (excluding base rent)	Other revenue from investment properties includes recoveries of operating expenses including percentage participation rents, lease cancellation fees, parking income and other incidental income. The Company recognizes revenue as the related services are performed. The unsatisfied performance obligation resulting from other investment property revenue has a variable consideration that is constrained by the underlying performance of the property.
Recreational properties	Amounts received for the sale of annual season passes to recreational properties are deferred and amortized on a straight-line basis over the term of the season. Other amounts received from the use of recreational properties are recognized as revenue when earned.
Real estate asset management and advisory services	Revenue from real estate asset management and advisory services is calculated based on a fee that is a formula specific to each advisory client and may include fee revenue calculated as a percentage of the capital managed, capital expenditures incurred, the purchase price of properties acquired and the value of financing transactions completed. These fees are recognized on an accrual basis over the period during which the related service is rendered. Asset management and advisory services fee arrangements may also provide the Company with an incentive fee when the investment performance of the underlying assets exceeds established benchmarks. Incentive fees, carried interest and other revenues are recognized in earnings when it is highly probable there will not be a significant reversal of revenue.
Rental income	The Company uses the straight-line method of rental revenue recognition on investment properties whereby any contractual free-rent periods and rent increases over the term of a lease are recognized in earnings evenly over the lease term. Initial direct leasing costs incurred in negotiating and arranging tenant leases are added to the carrying amount of the investment properties and are amortized over the term of the lease. Lease incentives, which include costs incurred to make leasehold improvements to tenants' space and cash allowances provided to tenants, are added to the carrying amount of investment properties and are amortized on a straight-line basis over the term of the lease as a reduction in revenue from investment properties.

Direct Operating Costs

Inventory costs associated with land held for development or land under development, including the estimated costs to complete the development of the asset, are allocated to direct operating costs on a per lot basis, pro-rated based on the revenue sold for each lot. Inventory costs associated with the development of condominiums are allocated to direct operating costs on a per unit basis, pro-rated based on the sales value of the unit relative to the sales value of all units in a condominium project. Direct operating costs associated with the construction of housing inventory and commercial property are specific to each project.

Direct operating costs related to specific investment or recreational properties include property management costs and operating expenses, as well as management and administrative expenses, and are recorded on an accrual basis.

Income Taxes

The Company follows the balance sheet liability method to provide for income taxes on all transactions recorded in its consolidated financial statements. The balance sheet liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax assets and liabilities are determined for each temporary difference and for unused tax losses and unused tax credits, as applicable, at rates expected to be in effect when the asset is realized or the liability is settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the substantive enactment date. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Due to uncertainties in the estimation process, particularly with respect to changes in facts and circumstances in future reporting periods (carry forward period assumptions), it is reasonably possible that actual results could differ from the estimates used in the Company's historical analysis. If the Company's results of operations are less than projected and there is insufficient objectively verifiable evidence to support the likely realization of its deferred tax assets, adjustments would be required to reduce or eliminate its deferred tax assets.

Earnings per Share

Basic earnings per share is computed by dividing Dream's earnings by the weighted average number of Subordinate Voting Shares and Dream Class B common shares ("Class B Shares") outstanding during the year. Diluted earnings per share, where applicable, is calculated by adjusting the weighted average number of shares outstanding for dilutive instruments by applying the treasury stock method.

Share-Based Compensation

Stock Option Plan

Management previously issued share-based compensation to certain employees in the form of stock options that vested evenly over a five-year period. The fair value of the options on the grant date was determined using an option pricing model. The estimated fair value of options on the grant date was recognized as compensation expense on a graded vesting basis over the period in which the employee services were rendered. In 2024, participants in the stock option plan were granted the option for a cash settlement. The Company remeasured its liability under the stock option plan using a fair value based on the listed market price on the TSX and reclassified its liability from equity to accounts payable and other liabilities.

Performance Share Unit Plan
Management issues share-based compensation to certain employees in the form of performance share units ("PSUs") that are subject to either time vesting only, or time and performance vesting. PSUs subject to performance vesting provide the holder with a minimum of 0 and a maximum of 1.5 Subordinate Voting Shares based on the achievement of predetermined Company performance goals. In lieu of receiving Subordinate Voting Shares on vesting, PSU holders may request a cash payment equal to the five-day trailing weighted average share price of the Company's Subordinate Voting Shares on the vesting date or settlement date, when applicable; however, the form of payment on vesting is ultimately the decision of the Company. During the holding period, which is between the grant date and the vesting date, PSUs earn dividends declared by the Company in the form of additional fractional PSUs. The fair value of the PSUs on the grant date is determined using an option pricing model. The estimated fair value of the PSUs on the grant date is recognized as compensation expense on a straight-line basis over the period in which the employee services are rendered.

Deferred Share Incentive Plan
The Company has a deferred share incentive plan that provides for the grant of deferred share units ("DSUs") and income deferred share units to eligible directors, senior management and their service providers. Grants to directors, officers and employees are recognized as compensation expense and are included in general and administrative expenses in the period in which they are granted. During the holding period, which is between the grant date and the vesting date, DSUs earn dividends declared by the Company in the form of additional fractional DSUs. On settlement of DSUs and earned fractional DSUs, the amount recognized in contributed surplus for the grant is reclassified to share capital.

Restricted Share Unit Plan
The Company has a Restricted Share & Restricted Share Unit Plan (the "RS & RSU Plan") that provides for the grant of an amount of cash (a "Restricted Share Award") to be used exclusively to subscribe for Subordinate Voting Shares ("Restricted Shares") in accordance with the terms of the RS & RSU Plan. Restricted Shares are issued at a subscription price that is calculated to be equal to the fair market value of a Restricted Share as of the applicable issuance date, being the fair market value of a Subordinate Voting Share taking into account the terms of vesting and forfeiture set out in the RS & RSU Plan and the applicable Restricted Share Award agreement. Restricted Shares issued under the RS & RSU Plan are held in escrow by a third-party escrow agent prior to vesting and are delivered to the participant on the tenth anniversary of the issuance date upon vesting, provided that certain forfeiture events have not occurred prior to such vesting date and subject to the terms of the RS & RSU Plan. Upon vesting, RS holders have the right to receive a cash payment equal to the five-day trailing weighted average share price of the Company's Subordinate Voting Shares; however, the form of payment on vesting is ultimately the decision of the Company.

Future Accounting Standards
Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements that are likely to have an impact on the Company are noted below, and represent the standards and interpretations the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective.

IFRS 18 "Presentation and disclosure in financial statements" ("IFRS 18")
In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1 "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, including the statement of comprehensive income where entities will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is in the process of assessing the impact of this new standard.

IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"
In May 2024, amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific condition are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets. The Company is in the process of assessing the impact of these new standards.

4. Critical accounting estimates, judgments and assumptions

The preparation of these consolidated financial statements in accordance with IFRS Accounting Standards 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 the Company believes 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. The following discusses the most significant accounting judgments, estimates and assumptions the Company has made in the preparation of its consolidated financial statements.

Joint Arrangements and Associates
The Company holds investments in various assets, and its ownership interest in these investments is established through diverse structures. Significant judgment is applied in assessing whether the investment structure results in control, joint control or significant influence over the operations of the investment, or whether the Company's investment is passive in nature. The assessment of whether the Company exerts control, joint control or significant influence over an investment will determine the accounting treatment for the investment. In making this assessment, the Company considers its ownership interest in the investment as well as its decision-making authority with regard to the operating, financing and investing activities of the investment as specified in the contractual terms of the arrangement. The Company also considers any agreements with the investee that expose the Company to variable returns from its involvement with the investee. Joint arrangements that involve the establishment of a separate entity in which each venture has an interest are set up as joint ventures, whereas investments in associates are those investments over which the Company has significant influence but no control.

Business Combinations and Goodwill
Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. Under IFRS 3, a business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits to investors. A business generally consists of inputs, processes applied to those inputs and resulting outputs that are, or will be, used to generate revenues. In the absence of such criteria, a group of assets is deemed to have been acquired. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business. Judgment is used by the Company in determining whether an acquisition qualifies as a business combination in accordance with IFRS 3 or as an asset acquisition.

When determining whether an acquisition is a business combination or an asset acquisition, the Company applies judgment when considering whether the acquisition is capable of producing outputs and whether the market participant could produce outputs if missing elements exist. In particular, the Company considers whether employees were assumed in the acquisition and whether an operating platform has been acquired.

Significant judgment is required in applying the acquisition method of accounting for business combinations and, specifically, in identifying and determining the fair value of assets and liabilities acquired, including intangible assets and residual goodwill, if any. The Company's goodwill balance is allocated to the particular CGU to which it relates (herein referred to as the "goodwill CGU"). The recoverable amount of the Company's goodwill CGU is determined based on the fair value less costs of disposal approach. Refer to Note 13 for further details.

Consolidation
In determining if an entity is a subsidiary of the Company, the Company makes significant judgments about whether it has power and control over such an entity. In addition to voting rights, the Company considers the contractual rights and obligations arising from other arrangements, and other relevant factors relating to an entity in determining if the Company has the power and ability to affect returns from an investee. The contractual rights and obligations considered by the Company include, among others, the approvals and decision-making process over significant operating, financing and investing activities, the responsibilities and scope of decision-making power of the Company, the termination provisions of applicable agreements, the types and determination of fees paid to the Company and the significance, if any, of any investment made by the Company. The Company reviews its prior conclusions when facts and circumstances change.

Net Realizable Value
Land, housing and condominium inventory are stated at the lower of cost and net realizable value. In calculating net realizable value, management must estimate the selling price of these assets based on prevailing market prices at the dates of the consolidated statements of financial position, discounted for the time value of money, if material, less estimated costs of completion and estimated selling costs. If estimates are significantly different from actual results, the carrying amounts of these assets may be overstated or understated on the consolidated statements of financial position and, accordingly, earnings in a particular period may be overstated or understated.

Provisions
Provisions are recorded by the Company when it has determined it has a present obligation, whether legal or constructive, and it is probable that an outflow of resources will be required to settle the obligation, provided a reliable estimate can be made of the amount of the obligation. Management must use judgment in assessing the magnitude and timing of the potential economic exposure and the likelihood of a future event occurring. Actual results may differ significantly from those estimates. The consolidated financial statements include a significant provision for costs to complete land, housing and condominium projects. The stage of completion of any development project, and the remaining costs to be incurred, are determined by management, considering relevant available information at each reporting date. In making such determination, management makes significant judgments about milestones, actual work performed and the estimates of costs to complete the work.

Fair Value of Investment Holdings and Participating Mortgages
Critical judgments are made in determining the fair value of investment holdings and participating mortgages. The fair values of these investments are reviewed regularly by the Company with reference to the applicable local market conditions and in discussion with the development's construction management company. The Company makes judgments with respect to the valuation of market comparables and management assumptions related to project level returns in order to determine the Company's interest and participating income.

Fair Value of Investment Properties

Critical judgments are made in respect of the fair values of investment properties and the investment properties held in equity accounted investments. Significant assumptions relating to the estimates of fair values of investment properties include terminal capitalization rates, discount rates, market rents and capitalization rates. Other assumptions include the receipt of contractual rents, renewal rates, maintenance requirements and current and recent investment property transaction prices, if any. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may change materially.

On a rotational basis, the Company engages independent, professionally qualified appraisers who are experienced, nationally recognized and qualified in the professional valuation of real estate in their respective geographic areas. Judgment is applied in determining the extent and frequency of independent appraisals. A select number of properties are valued by an independent appraiser on a rotational basis at least once every three years. For properties subject to an independent valuation report, management verifies all major inputs to the valuation and reviews the results with the independent appraisers.

Fair Value of Development Investment Properties

Fair value measurement of an investment property under development is applied only if the fair value is considered to be reliably measurable. Under specific circumstances, investment properties under development may be carried at cost until their fair value becomes reliably measurable. It may sometimes be difficult to determine reliably the fair value of investment properties under development. In order to evaluate whether the fair value of an investment property under development can be determined reliably, management considers various factors, including significant assumptions related to terminal capitalization rates, discount rates and market rent and other assumptions related to the terms of the construction contract, the stage of completion, the location, type and quality of the property, expected completion dates, the level of reliability of cash inflows after completion, the development risks specific to the property, past experience with similar constructions, status of approvals and/or permits, estimated costs to complete and market conditions.

Transfer of Inventory to Development Investment Properties

Raw land is usually unentitled property without the regulatory approvals that allow the construction of residential, industrial, commercial and mixed-use developments. When development plans are formulated, the Company may decide that specific land holdings will be developed into investment properties. Once appropriate evidence of a change in use is established, the land is transferred to investment properties. This also applies to multi-family rental properties, which are transferred to investment properties from condominium inventory.

Impairment of Non-Financial Assets

Recreational properties, capital assets and intangible assets with finite lives and equity accounted investments are tested for impairment whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. Intangible assets with indefinite lives are tested at least annually. Management uses judgment in performing this impairment test. Imprecision in any of the assumptions and estimates used could affect the valuation of these assets and the assessment of performance.

IAS 36, "Impairment of Assets", requires management to use judgment in determining the recoverable amount of assets tested for impairment. Judgment is involved in estimating the fair value less the cost to sell or value-in-use of the CGUs, including estimates of growth rates, discount rates and terminal rates. The values assigned to these key assumptions reflect past experience and are consistent with external sources of information.

Income Taxes

The determination of the Company’s 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 the Company believes 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.

Fair Value and Impairment of Financial Instruments

Certain financial instruments are recorded in the Company’s consolidated statements of financial position at values that are representative of or approximate fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by reference to its quoted market price or dealer price quotations.

IFRS 9 requires management to use judgment in determining if the Company's financial assets are impaired. The Company's financial assets are subject to the ECL model whereby the Company estimates on a forward-looking basis possible default scenarios and establishes a provision matrix that considers various factors including industry and sector performance, economic and technological changes and other external market indicators.

The fair value of certain other financial instruments is determined using valuation techniques. By their nature, these valuation techniques require the use of assumptions. Changes in the underlying assumptions could materially impact the determination of the fair value of a financial instrument. Imprecision in determining fair value using valuation techniques may affect the amount of earnings recorded in a particular period.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The Company classifies the fair value of its financial instruments according to the following hierarchy, which is based on the amount of observable inputs used to value the instrument:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement

Fair Value of Hedging Instruments and Effectiveness

Critical judgments are made in respect of assumptions used to estimate the fair value of hedging instruments and to assess the effectiveness of the hedging arrangement. The basis of valuation and assessment of effectiveness for the Company's derivatives is set out in Note 28; however, the fair values reported may differ from how they are ultimately recognized if there is volatility in interest rates between the valuation date and the settlement date.

5. Accounts receivable

As of December 31, 2024, included in accounts receivable is $184,993 for contracted sales of land under development and housing and condominium sales which are secured by the underlying real estate assets (December 31, 2023 - $180,642). The carrying value of accounts receivable is reported net of a provision for impairment of $1,868 (December 31, 2023 - $1,663).

6. Other financial assets

Other financial assets consisted of the following:

		2024		2023
Investment holdings[1]	**$**	**16,408**	$	46,753
Loans receivable		**40,478**		43,047
Participating mortgages		**—**		4,060
Interest rate swaps		**1,734**		5,962
	$	**58,620**	$	99,822

[1] Included are portfolio bonds of $nil that are recorded at amortized cost (December 31, 2023 - $39,656).

Investment Holdings

In the year ended December 31, 2024, a portfolio of bonds reached maturity and proceeds were used for the repayment of defeased project-level debt subsequent to December 31, 2024.

Loans Receivable

Loans receivable are amounts owing to the Company pertaining to development partnerships in Toronto and Western Canada. In the year ended December 31, 2024, the Company advanced two loans for parcels of land in Edmonton totalling $19,765, net of accrued interest and scheduled repayments.

7. Housing inventory

The movement in housing inventory is as follows:

		2024		2023
Balance, beginning of year	**$**	**52,747**	$	48,146
Transfers from land inventory (Note 9)		**12,051**		15,880
Development		**31,705**		21,175
Housing units occupied		**(42,740)**		(32,454)
Balance, end of year	**$**	**53,763**	$	52,747

(in thousands of Canadian dollars, except number of shares and per share amounts)

8. Condominium inventory

The movement in condominium inventory is as follows:

	2024	2023
Balance, beginning of year	**$ 383,829**	$ 346,979
Acquisitions	**51,070**	13,222
Development	**41,947**	75,824
Condominium units occupied	**(133,533)**	(38,885)
Transfers to investment properties (Note 10)	**(42,363)**	(13,311)
Balance, end of year	**$ 300,950**	$ 383,829

During the year ended December 31, 2024, the Company acquired control of a partnership holding condominium, retail and hotel properties where we previously held a 25-50% interest. Refer to Note 10 for further details.

9. Land inventory

The movement in land inventory is as follows:

	2024	2023
Balance, beginning of year	**$ 458,551**	$ 470,148
Acquisitions	**12,879**	4,485
Development	**130,245**	69,902
Lot and acre sales	**(119,945)**	(59,146)
Transfers to housing inventory	**(12,051)**	(15,880)
Transfers to investment properties (Note 10)	**—**	(10,958)
Transfer to assets held for sale (Note 14)	**(221)**	—
Balance, end of year	**$ 469,458**	$ 458,551

10. Investment properties

The movement in investment properties by segment is as follows:

	Recurring income	Development	Total 2024	Total 2023
Balance, beginning of year	$ 1,522,148	$ 197,024	**$ 1,719,172**	$ 1,558,511
Additions/dispositions and transfers to/from investment properties:				
Properties acquired	22,979	—	**22,979**	42,121
Land and building additions	26,286	100,472	**126,758**	159,361
Transfers from inventory (Note 8 and 9)	9,920	32,443	**42,363**	24,269
Transfers between segments	146,055	(146,055)	**—**	—
Dispositions	(41,889)	—	**(41,889)**	(9,500)
Gains (losses) included in earnings:				
Fair value changes in investment properties[1]	(19,194)	(5,204)	**(24,398)**	(57,279)
Amortization of tenant incentive and other	(2,349)	—	**(2,349)**	(2,181)
Change in straight-line rent	(123)	—	**(123)**	3,870
Balance, end of year	$ 1,663,833	$ 178,680	**$ 1,842,513**	$ 1,719,172

[1] During the year ended December 31, 2024, the Company sold its interest in 100 Steeles and recognized a loss of $11,089 reported in fair value changes in investment properties in the recurring income segment.

During the year ended December 31, 2024, the Company acquired control of a partnership holding condominium, retail and hotel properties where we previously held a 25-50% interest, located in Toronto, Ontario for a total purchase price of $119,083, which was paid for by the assumption of debt of $73,519, a cash payment of $1,750 and the settlement of working capital and loans receivable with a carrying value of $29,119 and $14,695, respectively.

Fair Value of Investment Properties

Fair values of investment properties are determined using valuations prepared by management using inputs that are Level 3 on the fair value hierarchy. To supplement the assessment of fair value, management obtains valuations of selected investment properties on a rotational basis from qualified external valuation professionals and verifies the results of such valuations with the external appraisers. As at December 31, 2024, eight investment properties with a fair value of $525,679 were externally appraised (December 31, 2023 - eight investment properties with a total fair value of $367,085).

(in thousands of Canadian dollars, except number of shares and per share amounts)

During the year ended December 31, 2024, the Company recorded a fair value loss of $24,398 (year ended December 31, 2023 - loss of $57,279) in the consolidated statements of earnings. Fair values of investment properties were calculated using a discounted cash flow method or the direct capitalization method. Included in the fair value changes in investment properties was two assets valued based on highest and best use, which is considered to be the asset's redevelopment potential. The assets were valued using the direct comparison approach, with density and price per square foot as significant assumptions. Generally, an increase in density and price per square foot would result in an increase in fair values.

The discount rate is based on the weighted average cost of capital of the Company and is used to determine the net present value of cash flows. The terminal capitalization rate is based on the location, size and quality of the investment property and takes into account any available market data at the valuation date.

The following are the significant assumptions in the valuation of investment properties using the discounted cash flow method:

- Terminal capitalization rate – capitalization rates used to estimate the resale value of the property at the end of the holding period
- Discount rate – reflecting current market assessments of the uncertainty in the amount and timing of cash flows
- Market rents – year one rates in the discounted cash flow

Significant unobservable inputs were as follows for December 31, 2024 and December 31, 2023:

		2024		2023	
	Input	**Range**	**Weighted average**	Range	Weighted average
Recurring income	Discount rate	**6.00%-8.00%**	**6.6%**	5.50%-8.00%	6.3%
	Terminal capitalization rate	**5.50%-7.50%**	**6.2%**	4.88%-7.50%	5.8%
	Market rents (in dollars per square foot)[1]	**$16.00-$45.00**	**$28.38**	$16.00-$41.47	$27.27
Development	Discount rate	**7.30%**	**7.3%**	5.50%	5.5%
	Terminal capitalization rate	**7.00%**	**7.0%**	4.00%	4.0%
	Market rents (in dollars per square foot)[1][2]	**$26.28**	**$26.28**	$49.50	$49.50

(1) Market rents represent year one rates in the discounted cash flow method. Market rents represent base rents only and do not include the impact of lease incentives.
(2) Market rents as at December 31, 2024 include an office property under development. Market rents as at December 31, 2023 included a multi-family property under development that was transitioned to the direct capitalization method in the year ended December 31, 2024.

Fair values of investment properties, which include commercial, retail and other properties held for the long term, are calculated using the direct capitalization method or a discounted cash flow ("DCF") model, plus a terminal value based on the estimated cash flow in the final year. The DCF model incorporates, among other things, expected rental income from current leases, assumptions about rental income from future leases and implied vacancy rates, general inflation and projections of required cash outflows with respect to such leases. The significant unobservable inputs for the fair value of the Company's investment properties are provided above.

Fair values of the Company's investment properties are most sensitive to changes in the discount and terminal capitalization rates. An increase in these rates will result in a decrease in the fair value of an investment property and vice versa.

	Increase (decrease) in value	
Input sensitivity	**+25 bps**	**-25 bps**
Impact of changes to weighted average discount rate	$ (11,511)	$ 12,424
Impact of changes to weighted average terminal capitalization rate	(12,242)	13,192

The following are the significant assumptions in the valuation of investment properties using the direct capitalization method:

- Capitalization rate – capitalization rates used to estimate the fair value of the investment properties

Significant unobservable inputs were as follows for December 31, 2024 and December 31, 2023:

		2024		2023	
	Input	**Range**	**Weighted average**	Range	Weighted average
Recurring income	Capitalization rate	**3.50%-5.25%**	**3.9%**	3.50%-5.25%	3.8%

Fair values of the Company's investment properties are most sensitive to changes in the capitalization rate. An increase in this rate will result in a decrease in the fair value of an investment property and vice versa.

	Increase (decrease) in value	
Input sensitivity	**+25 bps**	**-25 bps**
Impact of changes to weighted average capitalization rate	$ (54,056)	$ 59,209

Investment properties with a fair value of $1,359,914 as at December 31, 2024 (December 31, 2023 - $1,347,284) are pledged as security for mortgages and term debt. Investment properties with a fair value of $447,532 as at December 31, 2024 (December 31, 2023 - $350,837) are pledged as security for construction loans.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The Company's future minimum rental commitments, including joint operations, from non-cancellable tenant operating leases as at December 31, 2024 were as follows:

No longer than 1 year	$	51,745
Between 1 and 2 years		23,308
Between 2 and 3 years		22,514
Between 3 and 4 years		22,330
Between 4 and 5 years		21,238
Longer than 5 years		203,104
	$	344,239

11. Recreational properties

The movement in recreational properties is as follows:

		2024		2023
Balance, beginning of year	**$**	**82,898**	$	80,300
Acquisition		**45,034**		—
Additions		**4,725**		11,387
Depreciation		**(1,651)**		(5,724)
Transfer to assets held for sale		**(45,203)**		—
Other		**(1,096)**		(3,065)
Balance, end of year	**$**	**84,707**	$	82,898
Cost	**$**	**104,223**	$	135,402
Accumulated depreciation		**(19,516)**		(52,504)
Balance, end of year	**$**	**84,707**	$	82,898

During the year ended December 31, 2024, the Company acquired control of a partnership holding condominium, retail and hotel properties where we previously held a 25-50% interest. Refer to Note 10 for further details.

		2024		2023
Operational recreational properties:				
Arapahoe Basin ski hill (Colorado)	**$**	**—**	$	44,477
Broadview Hotel (Ontario)		**29,239**		11,624
Gladstone House (Ontario)		**27,063**		13,551
Postmark Hotel (Ontario)		**26,415**		11,040
Willows Golf Course (Saskatchewan)		**1,990**		2,206
	$	**84,707**	$	82,898

12. Equity accounted investments

The Company has entered into certain arrangements in the form of jointly controlled entities for various businesses. These arrangements include restrictions on the ability to access assets without the consent of all partners and include distribution conditions outlined in partnership agreements. These arrangements are accounted for under the equity method. The equity method of accounting is also applicable to investments in which the Company is deemed to be able to exercise significant influence over the investee company. As at December 31, 2024, the carrying value of these arrangements was $657,908 (December 31, 2023 - $671,030).

In determining if an entity is a subsidiary of the Company, the Company makes significant judgments about whether it has power, and therefore control, over such an entity. In addition to voting rights, the Company considers the contractual rights and obligations arising from other arrangements, and other relevant factors relating to an entity in determining if the Company has the power and ability to affect returns from an investee, among other factors. The contractual rights and obligations considered by the Company include, among others, the approvals and decision-making process over significant operating, financing and investing activities, the responsibilities and scope of decision-making power of the Company, the termination provisions of applicable agreements, the types and determination of fees paid to the Company and the significance, if any, of any investment made by the Company.

In the year ended December 31, 2024, the Company recorded an impairment loss of $nil (year ended December 31, 2023 - $72,935) on its investment in Dream Office REIT as a result of the impairment test trigger resulting from the sustained lower unit price. The impairment loss was calculated as the difference between its value-in-use and the carrying value. The value-in-use for the investment was determined through preparation of a discounted cash flow model which included a scenario weighted approach. The discounted cash flow model incorporates significant key assumptions in the scenarios including a portfolio capitalization rate, discount rate and Dream Office REIT’s adjusted funds from operations ("AFFO").

(in thousands of Canadian dollars, except number of shares and per share amounts)

The Company projects Dream Office REIT’s AFFO over five years and applies a perpetual long-term growth rate thereafter. The discount rate assumption of 8.0% (December 31, 2023 - 8.2%) represents the Company's assessment of the uncertainty in the amount and timing of cash flows. The portfolio capitalization rate of 6.5% (December 31, 2023 - 6.5%) is the Company’s estimate based on historical spreads over the cost of debt. Significant judgement and estimation is required in preparing these calculations, therefore, it is reasonably possible that changes to key assumptions may impact the value-in-use calculation. An increase of 50 basis points ("bps") in both the discount rate and the portfolio capitalization rate combined with a 10% reduction in AFFO would result in a lower estimated value-in-use of $53,843. A decrease of 50 bps in both the discount rate and the portfolio capitalization rate combined with a 10% increase in AFFO would result in a higher estimated value-in-use of $62,116. Generally, the discount rate and portfolio capitalization rate would be expected to move in the same direction in response to changes in economic circumstances, whereas AFFO is typically independent of the discount rate and portfolio capitalization rate. However, the sensitivity noted above includes the maximum impact if the assumptions were to change concurrently.

The following tables summarize the Company's proportionate share of assets and liabilities in equity accounted investments (segregated between development and recurring income investments) as at December 31, 2024 and December 31, 2023.

			2024
Project level (100%)	**Assets**	**Liabilities**	**Net assets**
Development investments			
Canary District	$ 355,601	$ (267,621)	$ 87,980
Forma	646,975	(461,167)	185,808
Brightwater	639,506	(441,203)	198,303
Victory Silos	180,308	(150,342)	29,966
Canary Landing (formerly West Don Lands)	444,694	(364,667)	80,027
Quayside	277,721	(188,540)	89,181
Other development investments	394,525	(332,695)	61,830
Total development investments	$ 2,939,330	$ (2,206,235)	$ 733,095
Recurring income investments			
Dream Office REIT	$ 2,584,927	$ (1,457,666)	$ 1,127,261
Dream Residential REIT	589,466	(210,275)	379,191
Brighton Marketplace	89,120	(51,861)	37,259
Maple House at Canary Landing	541,839	(394,292)	147,547
Other recurring income investments	626,322	(288,680)	337,642
Total recurring income investments	$ 4,431,674	$ (2,402,774)	$ 2,028,900
Total	**$ 7,371,004**	**$ (4,609,009)**	**$ 2,761,995**

(in thousands of Canadian dollars, except number of shares and per share amounts)

											2024
At Dream's share	**Ownership interest**		**Assets**		**Liabilities**		**Net assets**		**Difference between net assets and deemed cost of investments**[1]		**Total**
Development investments											
Canary District	33%-50%	$	155,407	$	(117,941)	$	37,466	$	—	**$**	**37,466**
Forma	33%		226,829		(153,448)		73,381		—		**73,381**
Brightwater	31%		190,572		(134,861)		55,711		—		**55,711**
Victory Silos	50%		103,701		(76,112)		27,589		—		**27,589**
Canary Landing	33%		152,394		(125,806)		26,588		—		**26,588**
Quayside	50%		135,582		(90,999)		44,583		—		**44,583**
Other development investments	7%-78%		83,751		(70,297)		13,454		—		**13,454**
Total development investments		$	1,048,236	$	(769,464)	$	278,772	$	—	**$**	**278,772**
Recurring income investments											
Dream Office REIT[2]	31%	$	808,871	$	(456,132)	$	352,739	$	(161,699)	**$**	**191,040**
Dream Residential REIT[2]	12%		69,755		(24,883)		44,872		—		**44,872**
Brighton Marketplace	50%		44,560		(25,931)		18,629		(2,286)		**16,343**
Maple House at Canary Landing	33%		162,126		(131,452)		30,674		—		**30,674**
Other recurring income investments	5%-50%		176,923		(80,716)		96,207		—		**96,207**
Total recurring income investments		$	1,262,235	$	(719,114)	$	543,121	$	(163,985)	**$**	**379,136**
Total		**$**	**2,310,471**	**$**	**(1,488,578)**	**$**	**821,893**	**$**	**(163,985)**	**$**	**657,908**

[1] The difference between net assets and the deemed cost of investments is due to the Company's proportionate share of the equity accounted investment's net assets being either higher or lower than the Company's cost of the investment at the end of the period. Specifically for the Company's investment in Dream Office REIT, the primary difference relates to cumulative impairments.
[2] As at December 31, 2024, the fair value of the Company's unit holdings in Dream Office REIT and Dream Residential REIT were $17.86 per unit and $8.98 per unit, respectively, for a total fair value of $105,930 and $20,952, respectively.

						2023
Project level (100%)		Assets		Liabilities		Net assets
Development investments						
Canary District	$	287,410	$	(207,032)	$	80,378
Forma		575,311		(381,100)		194,211
Brightwater		694,526		(536,417)		158,109
Victory Silos		180,308		(150,342)		29,966
Canary Landing (formerly West Don Lands)		326,379		(245,012)		81,367
Quayside		264,766		(182,003)		82,763
Other development investments		473,445		(373,200)		100,245
Total development investments	$	2,802,145	$	(2,075,106)	$	727,039
Recurring income investments						
Dream Office REIT	$	2,668,318	$	(1,413,169)	$	1,255,149
Dream Residential REIT		544,813		(256,444)		288,369
Brighton Marketplace		90,221		(51,386)		38,835
Maple House at Canary Landing		510,006		(360,114)		149,892
Other recurring income investments		571,938		(128,274)		443,664
Total recurring income investments	$	4,385,296	$	(2,209,387)	$	2,175,909
Total	$	7,187,441	$	(4,284,493)	$	2,902,948

(in thousands of Canadian dollars, except number of shares and per share amounts)

						2023
At Dream's share	Ownership interest	Assets	Liabilities	Net assets	Difference between net assets and deemed cost of investments[1]	Total
Development investments						
Canary District	33%-50%	$ 127,684	$ (93,690)	$ 33,994	$ —	$ 33,994
Forma	33%	202,530	(126,946)	75,584	—	75,584
Brightwater	31%	219,563	(164,672)	54,891	—	54,891
Victory Silos	50%	104,239	(75,169)	29,070	—	29,070
Canary Landing	33%	109,107	(82,104)	27,003	—	27,003
Quayside	50%	132,448	(91,074)	41,374	—	41,374
Other development investments	7%-78%	89,992	(76,173)	13,819	—	13,819
Total development investments		$ 985,563	$ (709,828)	$ 275,735	$ —	$ 275,735
Recurring income investments						
Dream Office REIT[2]	30%	$ 807,917	$ (428,549)	$ 379,368	$ (158,222)	$ 221,146
Dream Residential REIT[2]	12%	64,382	(23,011)	41,371	—	41,371
Brighton Marketplace	50%	45,111	(25,693)	19,418	(2,286)	17,132
Maple House at Canary Landing	33%	151,253	(120,068)	31,185	—	31,185
Other recurring income investments	5%-50%	128,670	(43,754)	84,916	(455)	84,461
Total recurring income investments		$ 1,197,333	$ (641,075)	$ 556,258	$ (160,963)	$ 395,295
Total		$ 2,182,896	$ (1,350,903)	$ 831,993	$ (160,963)	$ 671,030

(1) The difference between net assets and the deemed cost of investments is due to the Company's proportionate share of the equity accounted investment's net assets being either higher or lower than the Company's cost of the investment at the end of the period. Specifically for the Company's investment in Dream Office REIT, the primary difference relates to cumulative impairments.
(2) As at December 31, 2023, the fair value of the Company's unit holdings in Dream Office REIT and Dream Residential REIT were $20.96 per unit and $8.93 per unit, respectively, for a total fair value of $120,324 and $20,833, respectively.

The following tables summarize the Company’s proportionate share of revenue, earnings (loss) and earnings (loss) before depreciation in equity accounted investments for the years ended December 31, 2024 and 2023.

			2024
Project level (100%)	**Revenue**	**Earnings (loss)**	**Earnings (loss) before depreciation**
Development investments	$ 380,919	$ 24,636	$ 25,787
Recurring income investments			
Dream Office REIT	196,114	(109,071)	(108,950)
Dream Residential REIT	36,243	9,046	9,046
Brighton Marketplace	6,856	(1,576)	(1,147)
Maple House at Canary Landing	12,257	93	93
Other recurring income investments	11,738	(8,850)	(7,324)
Total recurring income investments	$ 263,208	$ (110,358)	$ (108,282)
Total	**$ 644,127**	**$ (85,722)**	**$ (82,495)**

				2024
At Dream's share	**Ownership interest**	**Revenue**	**Earnings (loss)**	**Earnings (loss) before depreciation**
Development investments[1]	7%-78%	$ 142,791	$ 11,693	$ 11,888
Recurring income investments				
Dream Office REIT[2]	31%	61,680	(29,065)	(29,028)
Dream Residential REIT	12%	4,089	1,021	1,021
Brighton Marketplace	50%	3,428	(788)	(573)
Maple House at Canary Landing	33%	4,086	31	31
Other recurring income investments	5%-50%	6,579	(2,023)	(1,632)
Total recurring income investments		$ 79,862	$ (30,824)	$ (30,181)
Total		**$ 222,653**	**$ (19,131)**	**$ (18,293)**

(1) Earnings in the year ended December 31, 2024 relate primarily to occupancies at Canary House at Canary Landing and Brightwater Towns.
(2) Loss in the year ended December 31, 2024 primarily relates to the Company's share of Dream Office REIT's losses.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Project level (100%)		Revenue		Earnings (loss)		Earnings (loss) before depreciation (2023)
Development investments	$	64,386	$	13,525	$	14,277
Recurring income investments						
Dream Office REIT		190,448		(77,196)		(77,034)
Dream Residential REIT		62,904		(19,639)		(19,639)
Brighton Marketplace		6,886		3,727		4,138
Maple House at Canary Landing		823		27,566		27,566
Other recurring income investments		17,331		2,723		3,973
Total recurring income investments	$	278,392	$	(62,819)	$	(60,996)
Total	$	342,778	$	(49,294)	$	(46,719)

At Dream's share	Ownership interest		Revenue		Earnings (loss)		Earnings (loss) before depreciation (2023)
Development investments[1]	7%-78%	$	23,102	$	5,321	$	5,383
Recurring income investments							
Dream Office REIT[2]	30%		63,139		(181,415)		(181,361)
Dream Residential REIT	12%		7,443		(1,683)		(1,683)
Brighton Marketplace	50 %		1,627		1,027		1,232
Maple House at Canary Landing	33%		275		9,189		9,189
Other recurring income investments	5%-50%		8,944		2,255		2,521
Total recurring income investments		$	81,428	$	(170,627)	$	(170,102)
Total		$	104,530	$	(165,306)	$	(164,719)

[1] Earnings in the year ended December 31, 2023 relate primarily to fair value gains in Canary District and Canary Landing.
[2] Loss in the year ended December 31, 2023 relates to a loss of $88,204 on the disposition of 7,032,649 Dream Office REIT units for gross proceeds of $109,006, as well as an impairment loss of $72,935 and the Company's share of Dream Office REIT's losses.

13. Capital and other operating assets

Capital and other operating assets consisted of the following:

		2024		2023
Restricted cash[1]	$	**43,646**	$	18,346
Goodwill		**13,576**		13,576
Prepaid expenses[2]		**13,651**		20,295
Capital assets		**7,890**		10,622
Right-of-use assets		**1,158**		829
Other		**4,587**		9,561
Total capital and other operating assets	$	**84,508**	$	73,229

[1] Included in restricted cash as at December 31, 2024 is $38,276 of project-specific cash restricted to debt repayments.
[2] Included in prepaid expenses as at December 31, 2024 is $1,432 of capitalized sales commissions relating to housing and condominium sales to be recognized in future periods (December 31, 2023 - $4,282).

		2024		2023
Capital assets	$	**23,065**	$	26,603
Accumulated depreciation		**(15,175)**		(15,981)
Total capital assets	$	**7,890**	$	10,622

Restricted cash represents cash advanced by the Company to secure letters of credit provided to various government agencies to support development activity, certain customer deposits on land, housing and condominium sales required for specific statutory requirements before closing, and cash held as security.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Right-of-Use Assets

The movement in right-of-use assets relating to property and equipment is as follows:

		2024		2023
Balance, beginning of year	**$**	**829**	$	1,931
Additions		**678**		144
Depreciation		**(349)**		(392)
Disposition		**—**		(854)
Balance, end of year	**$**	**1,158**	$	829

Goodwill

Goodwill arising from business combinations is allocated at the lowest level within the Company at which it is monitored by management to make business decisions and, therefore, has been allocated to the Zibi CGU within the Development segment.

The recoverable amount of the Zibi CGU has been estimated using fair value less costs of disposal. The CGU's inventory was fair valued using a third-party appraisal, whereby the direct comparison approach was used to compare Zibi with similar sites classified as vacant for development that have been recently sold or offered for sale. The fair value measurement is categorized in Level 3 of the fair value hierarchy.

14. Assets held for sale

In the year ended December 31, 2024, the Company disposed of its interest in Arapahoe Basin, for a gain of $157,362 that was recognized in the consolidated statement of earnings, net of $6,636 transactions costs, for the year ended December 31, 2024.

Assets held for sale		2024		2023
Balance, beginning of year	**$**	**—**	$	—
Transfer from recreational properties (Note 11)		**45,203**		—
Transfer from land inventory (Note 9)		**221**		—
Transfer from accounts receivable		**2,556**		—
Transfer from capital and other assets (Note 13)		**1,921**		—
Change to assets held for sale		**908**		—
Assets sold during the year		**(50,809)**		
Balance, end of year	**$**	**—**	$	—

Liabilities associated with assets held for sale		2024		2023
Balance, beginning of year	**$**	**—**	$	—
Transfer from debt (Note 17)		**7,792**		—
Transfer from accounts payable (Note 15)		**7,695**		—
Change to liabilities held for sale		**(1,357)**		—
Liabilities relieved during the year		**(14,130)**		
Balance, end of year	$	**—**	$	—

15. Accounts payable and other liabilities

The details of accounts payable and other liabilities are as follows:

		2024		2023
Accrued liabilities	**$**	**95,348**	$	70,461
Customer deposits		**37,180**		70,893
Trade payables[(1)]		**69,640**		73,310
Lease obligation		**1,579**		10,088
Deferred revenue		**1,290**		8,040
Interest rate swaps		**6,062**		584
	$	**211,099**	$	233,376

[(1)] Included in trade payables were bank overdraft balances of $3,988 as at December 31, 2024 (December 31, 2023 - $1,779).

(in thousands of Canadian dollars, except number of shares and per share amounts)

Lease Obligation

		2024		2023
Maturity analysis - contractual undiscounted cash flows				
Less than one year	**$**	**577**	$	1,526
One to two years		**504**		1,386
Two to three years		**412**		1,285
Three to four years		**112**		1,062
Four to five years		**86**		930
More than five years		**99**		7,427
Total undiscounted lease obligation as at end of year	**$**	**1,790**	$	13,616
Discounted using the lessee's incremental borrowing rate as at end of year		**(211)**		(3,528)
Total discounted lease obligation as at end of year	**$**	**1,579**	$	10,088
Current portion of lease obligation		**534**		1,462
Non-current portion of lease obligation		**1,045**		8,626
Total lease obligation	**$**	**1,579**	$	10,088

There are no material future cash outflows to which the Company is potentially exposed that are not reflected in the measurement of lease obligations.

16. Provision for real estate development costs

The movement in the provision for real estate development costs is as follows:

		2024		2023
Balance, beginning of year	**$**	**61,069**	$	74,162
Additional provisions		**37,646**		22,798
Utilized during the year		**(22,890)**		(35,891)
Balance, end of year	**$**	**75,825**	$	61,069

The provision for real estate development costs includes accrued costs based on the estimated costs to complete land, housing and condominium development projects for which revenue has been recognized. These amounts have not been discounted, as the majority are expected to be utilized within one year.

17. Debt

Project-Specific Debt

		Construction loans		Operating line - Western Canada		Mortgages and term debt		Operating line - Dream Impact Fund		Total
Balance, January 1, 2024	$	449,540	$	—	$	1,059,203	$	10,500	**$**	**1,519,243**
Borrowings		190,547		153,500		42,147		10,200		**396,394**
Repayments		(187,595)		(153,500)		(50,420)		(20,700)		**(412,215)**
Debt assumed on acquisition		9,847		—		63,672		—		**73,519**
Interest and other		274		—		505		—		**779**
Balance, December 31, 2024	**$**	**462,613**	**$**	**—**	**$**	**1,115,107**	**$**	**—**	**$**	**1,577,720**

		Construction loans		Operating line - Western Canada		Mortgages and term debt		Operating line - Dream Impact Fund		Total
Balance, January 1, 2023	$	328,139	$	73,796	$	869,405	$	9,400	$	1,280,740
Borrowings		240,382		67,000		247,788		40,800		595,970
Repayments		(118,794)		(141,500)		(97,454)		(39,700)		(397,448)
Debt assumed on acquisition		—		—		41,948		—		41,948
Interest and other		(187)		704		(2,484)		—		(1,967)
Balance, December 31, 2023	$	449,540	**$**	—	$	1,059,203	$	10,500	$	1,519,243

(in thousands of Canadian dollars, except number of shares and per share amounts)

Corporate Debt Facilities

	Non-revolving term facility	Operating line - Dream Impact Trust	Convertible debenture (host instrument) - Dream Impact Trust	Convertible debenture (conversion feature) - Dream Impact Trust	**Total**
Balance, January 1, 2024	$ 223,769	$ —	$ 67,530	$ 7	**$ 291,306**
Borrowings	—	23,000	—	—	**23,000**
Repayments	—	(23,000)	—	—	**(23,000)**
Interest and other	642	—	705	(7)	**1,340**
Balance, December 31, 2024	**$ 224,411**	**$ —**	**$ 68,235**	**$ —**	**$ 292,646**

	Non-revolving term facility	Operating line - Dream Impact Trust	Convertible debenture (host instrument) - Dream Impact Trust	Convertible debenture (conversion feature) - Dream Impact Trust	Total
Balance, January 1, 2023	$ 223,128	$ 41,421	$ 66,833	$ 449	$ 331,831
Borrowings	—	5,500	—	—	5,500
Repayments	—	(47,200)	—	—	(47,200)
Interest and other	641	279	697	(442)	1,175
Balance, December 31, 2023	$ 223,769	**$ —**	**$ 67,530**	$ 7	$ 291,306

Further details on the weighted average interest rates and maturities are included in Note 28.

Construction Loans and Mortgages and Term Debt

Construction loans relate to housing and multi-family rental projects under development, project-specific financing and land servicing and may be due on demand with recourse provisions and/or hold security against the underlying property. Mortgages and term debt are property-specific and may hold security against the underlying property with or without recourse provisions.

Operating Line - Western Canada

The Company's revolving term credit facility (the "operating line") is primarily used to finance land servicing activity in Saskatchewan and Alberta. The operating line is available up to a formula-based maximum not to exceed $320,000, with a syndicate of Canadian financial institutions. The operating line bears interest, at the Company's option, at a rate per annum equal to either the bank's prime lending rate plus 1.25% or at the bank's then prevailing Canadian Overnight Repo Rate Average ("CORRA") rate plus 2.50%. The operating line is secured by a general security agreement and a first charge against various real estate assets in Western Canada.

As at December 31, 2024, funds available under this facility were $310,645, as determined by the formula-based maximum calculation with $27,752 of letters of credit issued against the facility (December 31, 2023 - $320,000, with $46,493 of letters of credit issued against the facility). As of December 31, 2024, $nil was drawn on the operating line (December 31, 2023 - $nil).

Non-Revolving Term Facility

The Company's non-revolving term facility is with a syndicate of Canadian financial institutions, matures on November 30, 2025 and totals $225,000. The non-revolving term facility bears interest, at the Company's option, at a rate per annum equal to either the bank's prime lending rate plus 1.50% or at the bank's then prevailing CORRA rate plus 2.75%. The facility is secured by a general security agreement and a first charge against various real estate assets and other financial assets of the Company.

Operating Line - Dream Impact Trust

During the year ended December 31, 2024, the Company amended its credit facility, reducing the borrowing capacity from $25,000 to $5,000, the credit facility's maturity date remains April 30, 2025. The facility bears interest at the CORRA rate plus 2.25%, or at the bank's prime rate plus 1.25%.

As at December 31, 2024, $nil was drawn on the facility (December 31, 2023 - $nil) and funds available under this facility were $nil (December 31, 2023 – $16,700), net of $300 of letters of credit issued against the facility (December 31, 2023 – $300). Dream Impact Trust is not able to borrow under the facility as the availability under the formula was $nil when the investment properties collateralized under the facility were sold during the year.

Convertible Debentures - Dream Impact Trust

During the year ended December 31, 2022, the Company 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 Dream Impact Trust at a conversion price of $32.00 per unit, representing a conversion rate of 31.2500 units of $1 principal amount, convertible at the holder's option at any time before the maturity date.

(in thousands of Canadian dollars, except number of shares and per share amounts)

During the year ended December 31, 2021, the Company closed on a public offering of $30,000 aggregate principal amount of impact convertible unsecured subordinated debentures ("2021 Debentures"), excluding transaction costs of $340. The 2021 Debentures bear a coupon interest rate of 5.50% per annum and an effective interest rate of 6.2% per annum, payable semi-annually on July 31 and January 31 of each year, commencing on January 31, 2022 and maturing on July 31, 2026. The 2021 Debentures are convertible at the holder's option into units of Dream Impact Trust at a conversion price of $31.02 per unit, representing a conversion rate of 32.2373 units of $1 principal amount, convertible at the holder's option at any time before the maturity.

The fair value of the host instruments at inception were calculated using an estimated interest rate for an unsecured debenture with a similar term to maturity and without a conversion feature. The conversion features are recognized as a financial liability and are fair valued for each reporting period.

Margin Facility

In the year ended December 31, 2024, the Company amended its revolving margin facility, reducing it from $150,000 to $100,000. The margin loan bears interest, at the Company's option, at a rate per annum equal to either the bank's prime lending rate plus 1.25% or at the CORRA rate plus 2.50%. As of December 31, 2024, funds available were $32,938 (December 31, 2023 - $29,177) and $nil was drawn on the facility (December 31, 2023 - $nil).

Covenants

The Company's debt agreements contain a number of covenants with which the Company must comply and meet certain financial ratios. The Company's non-revolving term facility and operating line - Western Canada set out a combination of four main covenants which are tested quarterly following each reporting date based on the results of Dream Asset Management Corporation, prepared on a non-IFRS basis as prescribed by the related agreements. A failure to meet these tests could result in default and, if not cured or waived, could result in an acceleration of the repayment in the underlying financing.

These covenants are:

- Debt to Total Asset Ratio – the Company is required to maintain a maximum specified ratio of its total debt obligations and its total assets, each as defined in the agreement.
- Interest Coverage Ratio – the Company is required to maintain a minimum specified ratio of earnings before interest, taxes, depreciation and amortization ("EBITDA"), as defined in the agreement, to total interest expense.
- Adjusted Net Worth – the Company is required to maintain a minimum amount of equity, as defined in the agreement.
- Asset Coverage Value – the Company is required to maintain a minimum level of certain assets, as defined in the agreement.

The majority of the Company's remaining project-level debt with covenants reference, or are consistent with, these corporate covenants in the respective agreements. Should the Company fail a project-specific debt covenant test, the Company generally has cure mechanisms in the related debt agreements that allow the Company to post a letter of credit or other collateral in order to bring the Company in compliance with the covenant test. As a result, a failure to meet a covenant test would not immediately constitute an event of default.

The Company received a covenant waiver on a mortgage on a portfolio of properties held in Toronto. The mortgage has been presented as a current obligation as at December 31, 2024. The next test for this covenant will be as of June 30, 2025.

With the exception of the above, the Company is in compliance with these financial covenants as of December 31, 2024. The carrying amount of the Company's debt subject to periodic compliance with financial covenants as at December 31, 2024 is $857,847. There are no indications that the Company may have difficulties complying with the covenants when they will be next tested as at the December 31, 2024 annual reporting date.

Interest Rate Swaps

The Company is exposed to interest rate risk primarily through its variable rate debt obligations. Variable rate debt represented 30% (December 31, 2023 - 26%) of the Company's total debt obligation as at December 31, 2024. In order to manage the interest rate risk on certain variable rate debt, the Company has entered into interest rate swaps as detailed below.

Maturity date(s)		Notional amount hedged	Weighted average fixed interest rate		**Fair value of hedging instruments**
October 31, 2025 to August 31, 2028	$	330,980	6.38%	**$**	**(6,062)**
March 18, 2029		75,500	3.43%		**1,734**

The Company applied hedge accounting to these relationships, whereby the change in fair value of the effective portion of the hedging derivatives was recognized in accumulated other comprehensive income. Settlements of both the fixed and variable portions of the interest rate swaps occur on a monthly basis. The full amounts of the hedges were determined to be effective as at December 31, 2024 as all critical terms matched during the year.

18. Dream Impact Trust units

The Company accounts for the 63% interest in Dream Impact Trust held by other unitholders as a financial liability measured at FVTPL (December 31, 2023 - 65%). As at December 31, 2024, the trust units had a fair value of $43,711 based on the trading price on the TSX. The movement in Dream Impact Trust units is as follows:

(in thousands of Canadian dollars, except number of shares and per share amounts)

	2024			2023		
	Units		**Total**	Units		Total
Balance, beginning of year	**11,508,852**	**$**	**70,779**	11,686,387	$	188,385
Units acquired by the Company in the year	**—**		**—**	(102,850)		(1,403)
Units issued to other unitholders through distribution reinvestment plan	**10,050**		**57**	21,987		190
Units repurchased and cancelled by Dream Impact Trust	**—**		**—**	(111,937)		(1,187)
Deferred units exchanged for Dream Impact Trust units	**14,358**		**57**	15,265		196
Fair value adjustment	**—**		**(27,182)**	—		(115,402)
Balance, end of year	**11,533,260**	**$**	**43,711**	11,508,852	$	70,779

In the year ended December 31, 2024, the Company recognized a gain related to Dream Impact Trust units of $26,891 in the consolidated statements of earnings, comprising a fair value gain of $27,182 due to a decrease in Dream Impact Trust's trading price offset by cash distributions to other unitholders of $291 (year ended December 31, 2023 - gain of $107,427 comprising a fair value gain of $115,402 due to a decrease in Dream Impact Trust's trading price offset by distributions to other unitholders of $7,975).

19. Dream Impact Fund units

The Company accounts for the 66% interest (December 31, 2023 - 62%) in Dream Impact Fund held by other unitholders as a financial liability and this amount is remeasured to fair value each period based on the Dream Impact Fund unit's closing net asset value. The movement in Dream Impact Fund units is as follows:

	2024			2023		
	Units		**Total**	Units		Total
Balance, beginning of year	**9,744,416**	**$**	**113,405**	6,213,941	$	69,919
Units issued to other unitholders	**2,165,649**		**22,798**	3,530,475		39,925
Fair value adjustment	**—**		**(9,828)**	—		3,561
Balance, end of year	**11,910,065**	**$**	**126,375**	9,744,416	$	113,405

In the year ended December 31, 2024, third-party investors contributed $22,798 to Dream Impact Fund (year ended December 31, 2023 - $39,925).

In the year ended December 31, 2024, the Company recognized a gain of $9,828 related to Dream Impact Fund units (year ended December 31, 2023 - loss of $3,561) in the consolidated statements of earnings due to a change in net asset value attributable to Dream Impact Fund's non-controlling interest.

20. Income taxes

In the year ended December 31, 2024, the Company recognized an income tax expense $37,515 (year ended December 31, 2023 – income tax expense recovery of $2,711), the major components of which include the following items:

		2024		2023
Current income taxes:				
Current income taxes with respect to profits during the year	$	76,580	$	19,594
Current tax adjustments with respect to prior year		(967)		260
Other items affecting current income tax expense (recovery)		(10,851)		5,963
Current income tax expense		64,762		25,817
Deferred income taxes (recoveries):				
Origination and reversal of temporary differences		(26,671)		(28,735)
Expense arising from previously unrecognized temporary difference		(120)		1,126
Impact of changes in income tax rates		(456)		(919)
Deferred income tax recovery		(27,247)		(28,528)
Income tax expense (recovery)	**$**	**37,515**	$	(2,711)

Due to non-coterminous tax years of the Company's partnership and trust interests, income of approximately $2,101 for the year ended December 31, 2024 (year ended December 31, 2023 – income of $60,496) relating to such partnership and trust interests will be included in computing the Company's taxable income for its 2025 and 2024 taxation years.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The income tax recovery amount on pre-tax earnings differs from the income tax recovery amount that would arise using the combined Canadian federal and provincial statutory tax rate of 25.7% (December 31, 2023 - 25.9%) as presented in the table below. Cash paid, net of refunds, for income taxes for the year ended December 31, 2024 was $125,010 (year ended December 31, 2023 – $3,175).

		2024		2023
Earnings (loss) before tax at statutory rate of 25.7% (2023 - 25.9%)	**$**	**57,921**	$	(31,026)
Effect on taxes of:				
Non-deductible expenses		**2,045**		3,350
Adjustment in expected future tax rates		**(456)**		(919)
Non-recognition of the benefit of current year's tax (gains) losses		**347**		4,547
Tax adjustments in respect of prior years		**(1,189)**		1,625
Non-taxable portion of capital (gains) losses		**(6,912)**		14,959
Other items		**(14,241)**		4,753
Income tax expense (recovery)	**$**	**37,515**	$	(2,711)

The movement in the deferred income taxes in the year ended December 31, 2024 and the year ended December 31, 2023, and the net components of the Company's net deferred income tax liabilities, are presented in the following table:

Asset (Liability)		Accounts receivable		Real estate and assets held for sale		Non-coterminous tax year		Financial instruments/ equity accounted investments		Loss carry-forwards		Total
Balance, January 1, 2023	$	(13,884)	$	(66,941)	$	(25,573)	$	(53,570)	$	27,438	$	(132,530)
(Charged) credited to:												
Earnings for the year		1,710		3,333		9,926		7,463		6,096		28,528
Other comprehensive income (loss)		—		(90)		—		1,771		—		1,681
Balance, December 31, 2023	$	(12,174)	$	(63,698)	$	(15,647)	$	(44,336)	$	33,534	$	(102,321)
(Charged) credited to:												
Earnings (losses) for the year		(3,805)		5,826		15,107		6,938		3,181		27,247
Other comprehensive income (loss)		—		(161)		—		2,410		—		2,249
Balance, December 31, 2024	**$**	**(15,979)**	**$**	**(58,033)**	**$**	**(540)**	**$**	**(34,988)**	**$**	**36,715**	**$**	**(72,825)**

As at December 31, 2024, the Company had tax losses of $17,971 (December 31, 2023 – $13,586) that expire between 2025 and 2044 and tax losses of $16,266 (December 31, 2023 - $15,339) that do not expire. Deferred income tax assets have not been recognized in respect of these losses, as it is not probable that the Company will be able to utilize all of the losses against taxable profits in the future.

21. Share capital

The Company is authorized to issue an unlimited number of Subordinate Voting Shares and an unlimited number of Class B Shares. Holders of Subordinate Voting Shares and Class B Shares are entitled to one vote and 100 votes, respectively, for each share held. The Class B Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time. Holders of Subordinate Voting Shares and Class B Shares are entitled to receive and participate equally as to dividends, share for share, as and when declared by the directors of the Company. In the event of a liquidation, dissolution or winding up of the Company, holders of Subordinate Voting Shares and Class B Shares will be entitled to the remaining property and assets of the Company.

			2024			2023
Issued and outstanding	**Number of shares**		**Amount**	Number of shares		Amount
Subordinate Voting Shares	**40,498,896**	**$**	**918,551**	40,682,688	$	923,245
Class B Shares	**1,557,322**		**38,782**	1,557,322		38,782
	42,056,218	**$**	**957,333**	42,240,010	$	962,027

(in thousands of Canadian dollars, except number of shares and per share amounts)

The following table summarizes the changes in the Subordinate Voting Shares issued:

			2024			2023
	Number of shares		**Amount**	Number of shares		Amount
Issued and outstanding, beginning of year	**40,682,688**	**$**	**923,245**	41,030,346	$	929,294
Class B Shares converted into Subordinate Voting Shares	**—**		**—**	34		—
Share based compensation units exercised, net of withholding taxes	**86,299**		**1,719**	9,896		247
Subordinate Voting Shares issued under the Restricted Share & Restricted Share Unit Plan	**116,801**		**1,787**	204,082		4,531
Subordinate Voting Shares repurchased	**(386,892)**		**(8,200)**	(561,670)		(10,827)
Issued and outstanding, end of year	**40,498,896**	**$**	**918,551**	40,682,688	$	923,245

The following table summarizes the changes in the Class B Shares issued:

			2024			2023
	Number of shares		**Amount**	Number of shares		Amount
Issued and outstanding, beginning of year	**1,557,322**	**$**	**38,782**	1,557,356	$	38,782
Class B Shares converted into Subordinate Voting Shares	**—**		**—**	(34)		—
Issued and outstanding, end of year	**1,557,322**	**$**	**38,782**	1,557,322	$	38,782

Share Repurchases

The Company renewed its normal course issuer bid ("NCIB"), which commenced on September 23, 2024, under which the Company has the ability to purchase for cancellation up to a maximum number of 2,375,743 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 7,009 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 22, 2025.

In the year ended December 31, 2024, 386,892 Subordinate Voting Shares were purchased for cancellation by the Company under its NCIB at an average price of $21.20 (year ended December 31, 2023 – 561,670 Subordinate Voting Shares at an average price of $19.28).

Dividends

In the year ended December 31, 2024, the Company declared dividends of $67,307 on its Subordinate Voting Shares and Class B Shares (year ended December 31, 2023 - $21,320).

Subsequent to the year ended December 31, 2024, the Company's Board of Directors approved an increase to the annual dividend per Class A Subordinate Voting Share and Class B Common Share from $0.60 per share to $0.65 per share, effective with the dividend payable on March 31, 2025 to shareholders of record on March 14, 2025.

22. Accumulated other comprehensive income

The movement in AOCI is as follows:

		Interest rate hedges		Foreign currency translation		Equity accounted investments		Total
Balance, January 1, 2023	$	8,976	$	12,252	$	5,247	$	26,475
Other comprehensive loss during the year		(4,140)		(623)		(2,765)		(7,528)
Balance, December 31, 2023		4,836		11,629		2,482		18,947
Other comprehensive loss during the year		(7,634)		(806)		432		(8,008)
Foreign currency exchange gain during the year		—		1,422		—		1,422
Balance, December 31, 2024	**$**	**(2,798)**	**$**	**12,245**	**$**	**2,914**	**$**	**12,361**

(in thousands of Canadian dollars, except number of shares and per share amounts)

23. Revenue

Revenue consisted of the following:

		2024		2023
Revenue from contracts with customers	**$**	**552,380**	$	316,036
Revenue from other sources - loans receivable		**216**		1,749
Revenue from other sources - rental income		**71,910**		69,162
Total revenue	**$**	**624,506**	$	386,947

Revenue from Contracts with Customers

The following table disaggregates revenue by major revenue stream and timing of revenue recognition:

2024	Land	Housing and condominium	Investment properties	Recreational properties	Asset management	**Total**
Revenue	$ 206,410	$ 210,052	$ 23,769	$ 56,481	$ 75,072	**$ 571,784**
Less: Intercompany revenue	—	(16,383)	—	—	(3,021)	**(19,404)**
Revenue from external customers	$ 206,410	$ 193,669	$ 23,769	$ 56,481	$ 72,051	**$ 552,380**
Timing of revenue recognition						
At a point in time	$ 206,410	$ 193,669	$ —	$ 49,072	$ 23,157	**$ 472,308**
Over time	—	—	23,769	7,409	48,894	**80,072**
	$ 206,410	$ 193,669	$ 23,769	$ 56,481	$ 72,051	**$ 552,380**

2023	Land	Housing and condominium	Investment properties	Recreational properties	Asset management	Total
Revenue	$ 92,205	$ 90,692	$ 17,873	$ 60,919	$ 71,124	$ 332,813
Less: Intercompany revenue	—	(12,056)	—	—	(4,721)	(16,777)
Revenue from external customers	$ 92,205	$ 78,636	$ 17,873	$ 60,919	$ 66,403	$ 316,036
Timing of revenue recognition						
At a point in time	$ 92,205	$ 78,636	$ —	$ 50,112	$ 4,374	$ 225,327
Over time	—	—	17,873	10,807	62,029	90,709
	$ 92,205	$ 78,636	$ 17,873	$ 60,919	$ 66,403	$ 316,036

24. Direct operating costs

Direct operating costs consisted of the following:

	Recurring income	Development	**2024**	2023
Direct costs of real estate inventory	$ —	$ 296,392	**$ 296,392**	$ 130,485
Direct costs of operating investment and recreational properties	88,135	3,377	**91,512**	96,066
Direct costs of development and asset management	34,945	—	**34,945**	35,201
	$ 123,080	$ 299,769	$ 422,849	$ 261,752

25. Selling, marketing, depreciation and other operating costs

Selling, marketing, depreciation and other operating costs consisted of the following:

		2024		2023
Salary and other compensation	**$**	**15,675**	$	16,223
General office and other		**20,826**		17,604
Selling and marketing costs		**6,943**		5,498
	$	**43,444**	$	39,325

(in thousands of Canadian dollars, except number of shares and per share amounts)

26. General and administrative expenses

General and administrative expenses consisted of the following:

		2024		2023
Salary and other compensation	**$**	**11,514**	$	14,043
Corporate, service and professional fees		**7,670**		8,221
General office and other[(1)]		**3,732**		8,891
	$	**22,916**	$	31,155

[(1)] Included in general office and other for the year ended December 31, 2024 is $nil related to the settlement of certain outstanding legal claims and one-time compliance costs (year ended December 31, 2023 - $5,475).

27. Interest expense

Interest expense consisted of the following:

		2024		2023
Interest on project-specific debt	**$**	**75,488**	$	68,613
Interest on corporate debt facilities		**17,871**		17,476
Amortization of deferred financing costs and accretion of effective interest		**2,249**		2,517
Project-specific interest capitalized to real estate development projects		**(17,216)**		(20,305)
Total	**$**	**78,392**	$	68,301

Interest expense was capitalized to real estate development projects for the year ended December 31, 2024 at a weighted average effective borrowing rate of 6.38% (year ended December 31, 2023 - 7.22%).

28. Financial instruments fair value and risk management

Fair Value of Financial Instruments

The following table categorizes financial assets or liabilities measured or disclosed at fair value by level according to the significance of inputs used in making measurements. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The Company recognizes transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There were no transfers between hierarchy levels during the year.

		2024		2023	
	Fair value hierarchy	Carrying value	Fair value	Carrying value	Fair value
Recurring measurement					
Financial assets					
Participating mortgages	Level 3	**$ —**	**$ —**	$ 4,060	$ 4,060
Interest rate swaps	Level 2	**1,734**	**1,734**	5,962	5,962
Investment holdings	Level 3	**16,408**	**16,408**	46,753	46,753
Loans receivable	Level 3	**40,478**	**40,478**	4,611	4,611
Financial liabilities					
Dream Impact Trust units	Level 1	**43,711**	**43,711**	70,779	70,779
Dream Impact Fund units	Level 3	**126,375**	**126,375**	113,405	113,405
Interest rate swaps	Level 2	**6,062**	**6,062**	584	584
Convertible debentures (conversion features) - Dream Impact Trust	Level 3	**—**	**—**	7	7
Fair values disclosed					
Lease obligation	Level 3	**1,579**	**1,579**	10,088	10,088
Loans receivable	Level 3	**—**	**—**	38,436	36,075
Operating line - Dream Impact Fund	Level 3	**—**	**—**	10,500	10,500
Construction loans	Level 3	**462,613**	**445,199**	449,540	427,597
Mortgages and term debt	Level 3	**1,115,107**	**1,022,036**	1,059,203	1,003,596
Non-revolving term facility	Level 3	**224,411**	**225,000**	223,769	225,000
Convertible debentures (host instruments) - Dream Impact Trust	Level 3	**68,235**	**67,335**	67,530	65,675

(in thousands of Canadian dollars, except number of shares and per share amounts)

Cash and cash equivalents, accounts receivable, loans receivable, deposits, restricted cash and certain financial instruments included in accounts payable and other liabilities, with the exception of lease obligations, are carried at amortized cost, which approximates their fair values due to their short-term nature.

The fair value of the Dream Impact Trust units is based on the listed market price on the TSX as at December 31, 2024 of $3.79 per unit for the 11,533,260 outstanding trust units not held by the Company.

Level 3 Fair Value Measurements

The Company used the following techniques to determine the fair value measurements categorized in Level 3:

Dream Impact Fund Units

The fair value of the Dream Impact Fund units liability is remeasured to fair value each period based on the Dream Impact Fund unit's closing net asset value.

Loans Receivable

The fair value of loans receivable as at December 31, 2024 was determined by discounting the expected cash flows of each loan using a market interest rate. The market interest rates were determined taking into consideration similar instruments with corresponding maturity dates, plus a credit adjustment in accordance with the borrower's creditworthiness as well as considering the risk characteristic of the underlying development.

Project-Specific Debt, Non-Revolving Term Facilities and Revolving Term Facilities, Convertible Debentures and Lease Obligation

The fair value of the operating line - Western Canada, construction loans, mortgages and term debt, non-revolving term facilities and revolving term facilities and convertible debentures (host instruments) has been calculated by discounting the expected cash flows of each loan using a discount rate specific to each individual loan or obligation. The discount rate is determined using the bond yield for similar instruments of similar maturity adjusted for each individual project's specific credit risk. In determining the adjustment for credit risk, the Company considers current market conditions and other indicators of the Company's creditworthiness.

Convertible Debentures (Conversion Features) - Dream Impact Trust

The significant unobservable inputs used in the fair value measurement of the conversion features on the convertible debentures is the volatility. The Company calculated the expected volatility of the conversion features using historical pricing of Dream Impact Trust and other similar companies in the industry. The volatility used as at December 31, 2024 was 31.5%. If the volatility used in the fair value calculation were to increase or decrease by 5%, the value of the conversion features would have a nominal impact.

Valuation Process

The Company's finance department is responsible for either determining the fair value measurements directly or reviewing the fair value measurements provided by third-party appraisers. On a quarterly basis, management will review the valuation policies, procedures and analysis of changes in fair value measurements. Refer to Note 19 for a continuity of the Company's Dream Impact Fund units.

	Loans receivable	Investment holdings	Convertible debentures (conversion features)	Interest rate swaps	Participating mortgages
Balance, December 31, 2023	$ 43,047	$ 46,753	$ (7)	$ 5,378	$ 4,060
Issued or acquired during the year:					
Contributions/borrowings/advances	30,368	10,804	—	—	—
Distributions	—	(39,377)	—	—	—
Repayments	(33,629)	—	—	—	(4,400)
Interest capitalized, amortization and other	692	—	—	—	—
Total gains or losses for the year included in net earnings:					
Change in fair value	—	—	7	—	340
Included in other comprehensive income:					
Change in fair value	—	(1,772)	—	(9,706)	—
Balance, December 31, 2024	**$ 40,478**	**$ 16,408**	**$ —**	**$ (4,328)**	**$ —**

(in thousands of Canadian dollars, except number of shares and per share amounts)

	Loans receivable	Investment holdings	Convertible debentures (conversion features)	Interest rate swaps	Participating mortgages
Balance, December 31, 2022	$ 59,619	$ 40,950	$ (449)	$ 10,376	$ 5,193
Issued or acquired during the year:					
Contributions/borrowings/advances	56	10,554	—	—	—
Distributions	—	(4,751)	—	—	—
Repayments	(19,435)	—	—	—	—
Interest capitalized, amortization and other	2,807	—	—	—	—
Total gains or losses for the year included in net earnings:					
Change in fair value	—	—	442	—	(1,133)
Included in other comprehensive income:					
Change in fair value	—	—	—	(4,998)	—
Balance, December 31, 2023	$ 43,047	$ 46,753	$ (7)	$ 5,378	$ 4,060

Risk Management

The Company is exposed to financial risks due to the nature of its business and the financial assets and liabilities that it holds. The Company's overall risk management strategy seeks to minimize potential adverse effects on the Company's financial performance.

Market Risk

Market risk is the risk a material loss may arise from fluctuations in the fair value of a financial instrument. For purposes of this disclosure, the Company segregates market risk into two categories: fair value risk and interest rate risk.

Fair Value Risk

Fair value risk is the risk of a potential loss from adverse movements in the values of assets and liabilities, excluding movements relating to changes in interest rates and foreign exchange currency rates, because of changes in market prices.

The Company's liability associated with the Dream Impact Trust units is fair valued in reference to Dream Impact Trust's unit trading price as listed on the TSX. A 10% absolute change in the market price would increase (decrease) the carrying amount of the Dream Impact Trust liability by $4,371 before associated taxes with a corresponding decrease (increase) in earnings before income taxes.

The Company's liability associated with Dream Impact Fund units is fair valued in reference to Dream Impact Fund's net asset value. A 10% absolute change in net asset value would increase (decrease) the carrying amount of the Dream Impact Fund liability by $12,638 before associated taxes with a corresponding decrease (increase) in earnings before income taxes.

Credit Risk

Credit risk is the risk one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from the possibility that builders or other third-party purchasers of the Company's real estate inventory, or other entities to which the Company may have advanced funds, may not fulfill their contractual obligations to repay amounts due to the Company. The Company mitigates its credit risk by requiring graduated deposits from buyers and withholding real estate titles until final payments are received. The Company also mitigates credit risk by dealing only with builders and other third-party buyers the Company considers to have secure financial standing and by diversifying the mix of builders and markets.

Credit risk related to the loans receivable and investment holdings arises from the possibility that a borrower may not be able to honour its debt commitments as a result of a negative change in market conditions that could result in a loss to the Company. The Company mitigates risk by actively monitoring the mortgage and loan investments and initiating recovery procedures, in a timely manner, when required.

Credit risk may also arise from a borrower that may not be able to honour its debt commitments as a result of a negative change in market conditions that could result in a loss to the Company. Credit risk related to financial guarantees provided by the Company arises from the possibility that counterparties default on their financial obligations. The Company mitigates these risks by actively monitoring the mortgage/loan receivables, loan investment and financial guarantees, and initiating recovery procedures, in a timely manner, when required. Further considerations were taken on the fair value of certain loans within loans receivable discussed below.

Credit risk may also arise from a customer that may not be able to close financing on a land lot or condominium unit previously occupied and recognized in revenue. The Company mitigates this risk by requiring deposits on signing, mortgage pre-approvals on initial deposit, actively monitoring collection of interim occupancy payments, working closely with project-specific mortgage brokers, where applicable, retaining title to the underlying land or unit until final closing, and initiating recovery procedures when required.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The maximum exposure to credit risk at December 31, 2024 was $395,294 (December 31, 2023 - $570,663). This is the fair value of the Company's accounts receivable from previously recognized land and condominium revenue, participating mortgages, loans receivable, which includes interest receivable, and contingent liabilities for the obligation of other owners of the unincorporated joint operations and joint ventures. The Company has recourse under these investments in the event of default by the counterparty, in which case the Company would have a claim against the underlying collateral.

Interest Rate Risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily through its variable rate debt obligations. Variable rate debt represented 30% (December 31, 2023 – 26%) of total debt obligations as at December 31, 2024. Interest rate risk is mitigated, in part, by borrowing long-term fixed rate mortgages with relatively consistent interest expense. In addition, there is interest rate risk associated with the Company's fixed rate debt due to the expected requirement to refinance such debts in the year of maturity. The Company is exposed to the variability in market interest rates and credit spreads on maturing debt to be renewed. The Company has entered into interest rate swaps to further mitigate interest rate risk. See Note 17 for further details.

The Company has exposure to the variability in market interest rates on its loans receivable investments with variable rate loans and fixed rate loans maturing within the next 12 months. As at December 31, 2024, there are no variable rate loans within loans receivable. The Company invests in mortgages and loans secured by all types of residential and commercial real estate property that represent an acceptable underwriting risk.

The Company’s interest expense associated with variable rate interest debt would increase (decrease) depending on the loan's agreements and the Bank of Canada's overnight rate. An increase in interest rates would correspond with an increase in interest expense. The following table is a sensitivity if interest rates were to increase 1% or decrease 1%.

	Year ended December 31, 2024	
	Increase 1%	**Decrease 1%**
Interest expense	$ 5,597	$ (5,597)

Foreign Exchange Risk

Foreign exchange currency risk is the risk that the value of investments denominated in currencies other than the functional currency of the Company will fluctuate and could adversely impact our aggregate foreign currency exposure. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Company's functional currency in determining fair value. The Company holds assets and liabilities, including cash and investments that are denominated in currencies other than the Canadian dollar, the functional currency. The Company is therefore exposed to currency risk as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. As at December 31, 2024, the Company has exposure to the United States dollar through its investments in Dream Residential REIT and Dream U.S. Industrial Fund, both the U.S. dollar and euro through its asset management agreement with Dream Industrial REIT and certain multi-family joint ventures and the U.S. dollar through its fund management agreement with Dream U.S. Industrial Fund.

Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulty in meeting obligations associated with the maturity of financial liabilities. The Company manages its liquidity risk primarily through the management of its financial leverage. The Company uses various debt and equity ratios to monitor its capital adequacy and debt requirements, including interest coverage, minimum net worth, average term to debt maturity, and the ratio of variable rate debt to aggregate debt. These ratios assist the Company in assessing the debt level maintained by the Company in order to ensure adequate cash flows for real estate development. The Company manages maturities of outstanding debt by matching them to project closing dates and monitoring the repayment dates to ensure sufficient capital will be available to cover obligations. Management also actively monitors both project-specific and corporate-level debt covenant compliance in addition to the Company's availability under the operating lines and margin facility.

As at December 31, 2024, the Company had $366,905 in corporate-level cash and availability under various revolving facilities. As at December 31, 2024, the Company has sufficient liquidity available to cover obligations as they become due. As at December 31, 2024, current liabilities exceed current assets by $654,351 (December 31, 2023 - $193,817). Current liabilities include the $225,000 non-revolving term facility maturing in November 2025. The Company's main sources of liquidity are its cash and cash equivalents on hand, and its operating line - Western Canada. The Company is able to use its operating line - Western Canada on short notice, which eliminates the need to hold a significant amount of cash and cash equivalents on hand.

(in thousands of Canadian dollars, except number of shares and per share amounts)

A summary of the Company's weighted average effective interest rates as at December 31, 2024 is as follows:

	Weighted average effective interest rates			Debt amount	
	2024	2023	**Maturity dates**	**2024**	2023
Fixed rate					
Construction loans	**2.83%**	2.81%	2025-2047	**$ 180,023**	$ 145,588
Mortgages and term debt	**3.88%**	3.80%	2025-2052	**942,842**	937,443
Convertible debenture (host instrument) - Dream Impact Trust	**6.10%**	6.10%	2026-2027	**68,235**	67,530
Convertible debenture (conversion feature) - Dream Impact Trust	**n/a**	n/a	2026-2027	**—**	7
Non-revolving term facility - hedged portion	**6.72%**	5.45%	2025	**120,000**	220,000
Total fixed rate debt	**4.09%**	4.15%		**1,311,100**	1,370,568
Variable rate					
Construction loans	**5.90%**	7.79%	2025-2026	**282,590**	303,952
Mortgages and term debt	**5.77%**	7.53%	2025-2027	**172,265**	121,760
Operating line - Dream Impact Fund	**n/a**	7.20%	2025	**—**	10,500
Non-revolving term facility - unhedged portion	**7.18%**	8.20%	2025	**104,411**	3,769
Total variable rate debt	**6.10%**	7.71%		**559,266**	439,981
Total debt	**4.69%**	5.02%		**$ 1,870,366**	$ 1,810,549

The following table summarizes the aggregate of the scheduled principal repayments and debt maturities as at December 31, 2024:

	Construction loans	Mortgages and term debt	Non-revolving term facility	Convertible debentures - Dream Impact Trust	**Total**
2025	$ 246,083	$ 234,746	$ 225,000	$ —	$ 705,829
2026	64,004	76,144	—	30,827	170,975
2027	897	477,674	—	38,619	517,190
2028	909	70,899	—	—	71,808
2029	920	76,273	—	—	77,193
2030 and thereafter	150,874	184,363	—	—	335,237
	463,687	1,120,099	225,000	69,446	1,878,232
Discount/Unamortized premium/financing costs	(1,074)	(4,992)	(589)	(1,211)	(7,866)
	$ 462,613	$ 1,115,107	$ 224,411	$ 68,235	**$ 1,870,366**

The contractual payments above include the principal repayments, including accrued interest, owing in future periods. The amounts presented above are shown consistent with their contractual repayments. Certain facilities may be due on demand.

29. Share-based compensation

Stock Option Plan

The Company has a stock option plan under which key officers and employees are granted options to purchase Subordinate Voting Shares. Each option granted can be exercised for one Subordinate Voting Share.

		2024		2023
	Options	**Weighted average exercise price**	Options	Weighted average exercise price
Options outstanding, beginning of year	**810,845**	**$ 16.23**	865,845	$ 16.96
Exercised	**(727,500)**	**15.72**	—	—
Expired	**—**	**—**	(55,000)	27.76
Options outstanding, end of year	**83,345**	**$ 19.71**	810,845	$ 16.23
Options exercisable, end of year	**83,345**	**$ 19.71**	790,836	$ 16.17

As at December 31, 2024, 83,345 options were outstanding under the stock option plan collectively. The fair value of the stock option grants is estimated based on the value of the entity's shares. The fair value of the liability is remeasured at each reporting date until the date of settlement. In the year ended December 31, 2024, a fair value gain of $201 was recognized in Investment and other income (year ended December 31, 2023 - $nil)

(in thousands of Canadian dollars, except number of shares and per share amounts)

Performance Share Unit Plan

PSUs may be granted to current employees and are subject to either time vesting only, or time and performance vesting. PSUs subject to performance vesting provide the holder with a minimum of 0 and a maximum of 1.5 Subordinate Voting Shares based on the achievement of predetermined Company performance goals. In lieu of receiving Subordinate Voting Shares on vesting, PSU holders have the right to request a cash payment equal to the five-day trailing weighted average share price of the Company's Subordinate Voting Shares on the vesting date or settlement date, when applicable; however, the form of payment on vesting is ultimately the decision of the Company.

	2024			2023		
	Units		**Weighted average fair value at grant date**	Units		Weighted average fair value at grant date
Units outstanding, beginning of year	**849,317**	**$**	**22.11**	705,856	$	20.10
Granted	**163,520**		**21.25**	149,804		28.66
Forfeited	**(8,932)**		**28.65**	(14,920)		38.10
PSUs added by performance factor	**3,754**		**21.56**	7,501		24.94
Reinvested	**71,079**		**21.94**	19,751		22.19
Exercised	**(46,261)**		**21.56**	(18,675)		24.94
Units outstanding, end of year	**1,032,477**	**$**	**21.93**	849,317	$	22.11

In the year ended December 31, 2024, compensation expense of $2,945 (year ended December 31, 2023 – $3,612) related to this plan was recognized in general and administrative expenses.

The fair value of PSUs granted in the year ended December 31, 2024 was estimated on the historical grant date with the following assumptions:

Risk-free interest rate	4.0%
Expected life	3 years
Contractual life	10 years

Deferred Share Unit Plan

The Company has a DSU incentive plan pursuant to which DSUs may be granted to eligible directors, senior management and certain service providers. As at December 31, 2024, there were 372,637 units outstanding (December 31, 2023 – 343,891 units outstanding). In the year ended December 31, 2024, compensation expense of $894 (year ended December 31, 2023 – $802) related to this plan was recognized in general and administrative expenses.

	2024	2023
Units outstanding, beginning of year	**343,891**	298,896
Granted	**43,217**	37,479
Exercised	**(40,038)**	—
Reinvested	**25,567**	7,516
Units outstanding, end of year	**372,637**	343,891

Restricted Share & Restricted Share Unit Plan

The Company has an RS & RSU Plan that grants to participants an amount of cash (a "Restricted Share Award") to be used exclusively to subscribe for Subordinate Voting Shares ("Restricted Shares") in accordance with the terms of the RS & RSU Plan.

In the year ended December 31, 2024, $1,787 in Restricted Share Awards was granted to be used to subscribe for Subordinate Voting Shares and 116,801 Restricted Shares were issued to be held in escrow until February 2034 (year ended December 31, 2023 - $4,531 in Restricted Share Awards and 204,082 Restricted Shares were held in escrow until February 2033). In the year ended December 31, 2024, compensation expense of $3,259 (year ended December 31, 2023 – $2,891) related to this plan was recognized in general and administrative expenses.

The net changes in contributed surplus relating to share-based compensation were as follows:

		2024		2023
Balance, beginning of year	**$**	**20,984**	$	18,082
Granted and added by performance factor, net of forfeitures		**5,325**		2,809
Dividends reinvested		**1,887**		559
Transfer of stock options to accounts payable and other liabilities		**(15,406)**		—
Exercised		**(1,720)**		(466)
Balance, end of year	**$**	**11,070**	$	20,984

(in thousands of Canadian dollars, except number of shares and per share amounts)

30. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the Company's earnings (loss) attributable to shareholders of the Company by the weighted average number of shares outstanding in the year.

Diluted earnings (loss) per share is calculated by dividing the Company's earnings (loss) attributable to the shareholders of the Company by the weighted average number of shares outstanding after the dilutive effect of the stock options, performance share units and deferred share units. The diluted weighted average number of shares used in the diluted earnings per share calculation is determined by assuming that the total proceeds received for the conversion of such units is used to repurchase Subordinate Voting Shares at the average selling price of such publicly traded units over the term of the calculation.

The following table summarizes the basic and diluted earnings per share and the weighted average number of shares outstanding:

		2024		2023
Earnings (loss) attributable to the shareholders of the Company, basic and diluted	**$**	**187,858**	$	(117,079)
Weighted average number of shares outstanding:				
Dream Subordinate Voting Shares		**40,531,340**		41,109,891
Dream Class B Shares		**1,557,322**		1,557,344
Total weighted average number of shares		**42,088,662**		42,667,235
Effect of dilutive securities on weighted average number of shares outstanding at the end of the year:				
Share-based compensation[(1)]		**1,624,539**		—
Total weighted average number of shares outstanding after dilution		**43,713,201**		42,667,235
Basic earnings (loss) per share	**$**	**4.46**	$	(2.74)
Diluted earnings (loss) per share		**4.30**		(2.74)

(1) For the year ended December 31, 2024, 215,393 stock options and PSUs were considered anti-dilutive (year ended December 31, 2023 – 2,462,319 stock options, DSUs, RSUs and PSUs).

31. Capital management

The Company's capital consists of debt and shareholders' equity. The Company's objectives in managing capital are to:

i) Ensure adequate operating funds are available to fund the development of real estate inventory and other assets, including investments through joint ventures and joint operations;
ii) Ensure the Company is able to meet its lease and capital expenditure obligations relating to its investment and recreational properties;
iii) Ensure the Company has adequate resources available to benefit from acquisition opportunities, should they arise; and
iv) Generate a targeted rate of return on its investments.

The Company continuously monitors its debt structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying real estate industry.

32. Commitments and contingencies

Capital Commitments

The Company is obligated, under certain contract terms, to construct and develop investment properties, condominium and housing inventory. The Company has entered into contracts with various suppliers and is committed to future payments of approximately $495,000 (December 31, 2023 - $170,000).

Letters of Credit and Surety Bonds

The Company is contingently liable for letters of credit and surety bonds that have been provided to support land developments, equity accounted investments and other activities in the amount of $120,033 (December 31, 2023 – $109,024). The Company is also contingently liable for bonds that have been provided to support certain urban development condominium partnerships that expire at the end of a specified warranty period.

The Company is committed to pay levies in the future of up to $29,839 (December 31, 2023 – $11,499) relating to signed municipal agreements on commencement of development of certain real estate assets. Additional development costs may also be required to satisfy the requirements of these municipal agreements.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Joint Operations, Co-ownerships, Joint Ventures and Associates

The Company may conduct its real estate activities from time to time through joint operations and joint ventures with third-party partners. The Company was contingently liable for the obligations of the other owners of the unincorporated joint operations and joint ventures in the amount of $170,548 as at December 31, 2024 (December 31, 2023 – $343,560). These guarantees include contingent liabilities for certain obligations of our joint venture partners, which are exclusive of our share of those guarantees that are included in our equity accounted investments on the consolidated statements of financial position. However, the Company would have available to it the other co-venturers' share of assets to satisfy any obligations that may arise. From time to time, the Company may be required to fund capital contributions to its various investments.

Legal and Other Contingencies

The Company and its operating subsidiaries may become liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the consolidated financial statements of the Company.

33. Asset management and management services agreements and related party transactions

Dream Industrial REIT

The Company entered into an asset management agreement with Dream Industrial REIT effective October 2012, which was amended effective January 1, 2022, pursuant to which the Company provides a range of management and advisory services. The Company receives revenue in respect of these services including base annual management fees, acquisition fees, financing fees, capital expenditure fees, development fees and incentive fees, determined in accordance with the formulas set forth in the agreement. The incentive fee is payable in respect of each 12-month period during the term of the agreement in an amount equal to 15% of Dream Industrial REIT's funds from operations per unit as defined in the asset management agreement, inclusive of gains on the disposition of any properties, in excess of a hurdle amount. The amount of the incentive fee payable by Dream Industrial REIT is contingent on a variety of factors, including, but not limited to, changes in the fair value of investment properties, timing of dispositions and foreign exchange rates. The asset management agreement has an initial term of 10 years and is renewable for further five-year terms. Subject to the termination provisions in the agreement, the Company is automatically reappointed at the expiration of each five year term. Upon termination of the asset management agreement, all accrued fees, including the incentive fee, become payable to the Company in accordance with the provisions of the agreement. In such circumstances or if Dream Industrial REIT is acquired, the incentive fee is calculated as if all of Dream Industrial REIT's properties were sold on the applicable date.

In addition, the Company has entered into a shared services agreement with Dream Industrial REIT. Pursuant to the agreement, Dream Industrial REIT reimburses the Company for shared costs allocated in each calendar year on a cost recovery basis.

In the years ended December 31, 2024 and 2023, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Industrial REIT:

	2024	2023
Asset management fees charged by Dream[1]	**$ 21,968**	$ 25,930
Cost recoveries charged by Dream	**1,972**	1,767

[1] Included in asset management fees charged to Dream Industrial REIT for the year ended December 31, 2024 were incentive fees of $592 (December 31, 2023 – $nil).

Included in accounts receivable are balances due from Dream Industrial REIT related to asset management agreements and cost sharing agreements of $6,789 (December 31, 2023 - $6,505).

Office REIT

In 2019, the Company and Dream Office REIT entered into a shared services agreement pursuant to which the Company will act as the development manager for Dream Office REIT's future development projects and Dream Office REIT will act as the property manager for the Company's stabilized investment properties. The shared services agreement maintains certain resource sharing arrangements between the Company and Dream Office REIT. Under the shared services agreement, in connection with each future development project, the Company earns a development fee equal to 3.75% of the total net revenue of the development or, for rental properties, 3.75% of the IFRS Accounting Standards value upon completion, without any promote or other incentive fees. In connection with the property management services provided by Dream Office REIT, the Company pays a fee up to 3.5% of gross revenue of the portfolio.

The Company, via Dream Impact Trust, and Dream Office REIT entered into a property management agreement pursuant to which Dream Office REIT will perform property management services including tenant administration, accounting, etc., for a fee of 3.5% of gross revenues. Additionally, Dream Office REIT will perform services with respect to the leasing and construction management of the office properties for a fee equal to expenses incurred or a percentage of the expenses incurred for each property. The property management agreement can be terminated upon an unremedied default by the property manager, Dream Office REIT, or if there is a change in the ownership of the property.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Amounts earned/recovered under the shared services and property management agreements during the years ended December 31, 2024 and 2023 are as follows:

		2024		2023
Cost recoveries charged by Dream to Dream Office REIT	$	**2,232**	$	1,867
Cost recoveries charged by Dream Office REIT to Dream		**13,082**		12,055
Cost recoveries charged by Dream Office REIT to Dream Impact Trust		**2,427**		2,551
Fees charged by Dream to Dream Office REIT		**704**		1,795
Fees charged by Dream Office REIT to Dream		**547**		426
Fees charged by Dream Office REIT to Dream Impact Trust		**1,027**		939

The net amount owing to Dream Office REIT as of December 31, 2024 was $632 (December 31, 2023 – $416).

Dream Residential REIT

The Company, through a subsidiary, and a third-party service provider ("Asset Managers") entered into an asset management agreement with Dream Residential REIT effective May 6, 2022, pursuant to which the Asset Managers provide a range of management and advisory services. The Asset Managers earn fees on a 50/50 basis in respect of these services including base annual management fees, acquisition fees, financing fees, capital expenditure fees and incentive fees, determined in accordance with the formulas set forth in the agreement. The incentive fee is payable in respect of each 12-month period during the term of the agreement in an amount equal to 15% of Dream Residential REIT's funds from operations per unit as defined in the asset management agreement, inclusive of gains on the disposition of any properties, in excess of a hurdle amount. The amount of the incentive fee payable by Dream Residential REIT is contingent on a variety of factors, including, but not limited to, changes in the fair value of investment properties, timing of dispositions and foreign exchange rates. The asset management agreement has an initial term of 10 years and is renewable for further five-year terms. Subject to the termination provisions in the agreement, the Asset Managers are automatically reappointed at the expiration of each five-year term. Upon termination of the asset management agreement, all accrued fees, including the incentive fee, become payable to the Asset Managers in accordance with the provisions of the agreement. In such circumstances or if Dream Residential REIT is acquired, the incentive fee is calculated as if all of Dream Residential REIT's properties were sold on the applicable date.

In addition, the Company has entered into a shared services agreement with Dream Residential REIT. Pursuant to the agreement, Dream Residential REIT reimburses the Company for shared costs allocated in each calendar year on a cost recovery basis. Fees paid by Dream Residential REIT to the Company are paid in U.S. dollars.

In the years ended December 31, 2024 and 2023, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Residential REIT:

		2024		2023
Asset management fees charged by Dream[(1)]	$	**941**	$	1,071
Cost recoveries charged by Dream		**400**		281

[(1)] Included in asset management fees charged to Dream Residential REIT for the years ended December 31, 2024 and 2023 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Residential REIT related to asset management agreements and cost sharing agreements of $430 (December 31, 2023 - $332).

Industrial Joint Ventures

In the year ended December 31, 2023, Dream Industrial REIT and a global sovereign wealth fund created a joint venture ("Dream Summit Industrial LP") which acquired Summit Industrial Income REIT. The Company, through a subsidiary, entered into asset management and development management agreements with Dream Summit Industrial LP effective February 2023 pursuant to which the Company provides asset management and development management services.
In the year ended December 31, 2022, the Company along with Dream Industrial REIT formed a develop-to-hold joint venture with a global sovereign wealth fund (the "GTA Land Joint Venture"). A subsidiary of the Company entered into an asset management agreement with the GTA Land Joint Venture, effective April 28, 2022, pursuant to which the Company provides asset management services. The asset management agreement is renewable annually and the Company is automatically reappointed at the expiration of each one-year term. The Company received revenue in respect of these services, including asset management fees, acquisition fees, development fees and promote fees.

In the year ended December 31, 2021, Dream Industrial REIT seeded a private open-ended U.S. Industrial Fund by selling 18 assets (29 buildings) from its U.S. portfolio. Dream entered into a fund management agreement with Dream U.S. Industrial Fund, effective July 2021, pursuant to which the Company provides fund management services. The fund management agreement is renewable annually and the Company is automatically reappointed at the expiration of each one-year term. The Company received revenue in respect of these services, including fund management fees. Fund management fees are calculated as 0.50% per annum with increases as capital contributions are made by a limited partner after 90 days up to a maximum of 1.20% per annum and are subject to foreign exchange rates. Fees paid by Dream U.S. Industrial Fund to the Company are paid in U.S. dollars.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Amounts earned under the various agreements with the Company's industrial-focused joint ventures during the years ended December 31, 2024 and 2023 are as follows:

		2024		2023
Fees earned under the fund/asset management agreements	$	**39,389**	$	19,096
Fees earned under the development management agreements		**706**		2,913

Included in accounts receivable are balances due from the industrial joint ventures related to various agreements of $16,900 (December 31, 2023 - $6,353).

In the year ended December 31, 2024, carried interest of $17,940 was earned related to Dream US Industrial Fund.

Distributions Earned from Investments

The Company earned distributions from Dream Residential REIT and Dream Office REIT (Note 12).

Other Transactions

In the year ended December 31, 2018, the Company, along with Dream Office REIT, entered into a strategic partnership, Alate Partners, focused on the property technology market. The Company and Dream Office REIT each initially held a 25% interest in Alate Partners, included within other development interests in equity accounted investments. In the year ended December 31, 2022, the Company restructured its investment in Alate Partners to allow for third-party capital in a new fund, Alate I L.P.

Compensation of Key Management

Compensation expense for the year for key management personnel and the Company's directors is shown in the table below.

		2024		2023
Compensation and benefits	$	**5,925**	$	8,845
Share-based compensation		**4,384**		4,339
Directors' fees		**894**		802
	$	**11,203**	$	13,986

34. Supplementary cash flow information

Components of other adjustments include:

		2024		2023
Accrued interest on loans receivable and other expenses	$	**1,492**	$	469
Share-based compensation expense		**5,492**		2,902
Fair value changes in financial instruments		**1,722**		(691)
Other		**(2,740)**		3,921
	$	**5,966**	$	6,601

Components of changes in non-cash working capital include:

		2024		2023
Accounts receivable	$	**(35,269)**	$	(6,093)
Accounts payable and other liabilities		**(29,758)**		(2,730)
Income and other taxes payable		**64,368**		22,601
Provision for real estate development costs		**14,756**		(13,093)
Deposits		**1,795**		(1,654)
Restricted cash		**(27,083)**		(11,904)
Prepaid expenses and other assets		**4,142**		(3,843)
	$	**(7,049)**	$	(16,716)

The breakdown of cash and cash equivalents is as follows:

		2024		2023
Cash	$	**83,765**	$	60,087
Money market funds, term deposits and GICs		**116**		116
	$	**83,881**	$	60,203

35. Segmented information

The Company's segment reporting considers how the Company presents information for financial reporting and management decision-making.

The Company's operating segments are as follows:

- *Recurring income*: Comprised of our asset management and development management agreements with Dream Industrial REIT, Dream Residential REIT and various development partners, fees earned through our private asset management business, a 31% equity interest in Dream Office REIT, a 12% equity interest in Dream Residential REIT, and our stabilized income producing assets in the Greater Toronto Area ("GTA"), National Capital Region, Western Canada and Colorado.
- *Development*: Comprised of mixed-use developments in the GTA and National Capital Region, land, housing, retail/commercial, hospitality assets and multi-family rental developments in Saskatchewan and Alberta.

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 units and Dream Impact Fund units held by other unitholders.

Management has determined the operating segments based on how the President and Chief Responsible Officer and senior management review the business and manage risk. Gross margin represents revenue, less direct operating costs, excluding selling, marketing and other operating costs. Net margin represents gross margin, as defined above, including selling, marketing and other operating costs. Used as a percentage of revenue to evaluate operational efficiency, these margins are employed as fundamental business considerations in updating budgets, forecasts and strategic planning. The allocation of other components of earnings would not assist management in the evaluation of the segments' contributions to earnings and are categorized as Corporate and other.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Segmented Statement of Earnings

Segmented revenue and expenditures for the years ended December 31, 2024 and 2023 are as follows:

2024	Recurring income	Development	Corporate and other	**Consolidated Dream**
Revenue	$ 221,240	$ 403,266	$ —	**$ 624,506**
Direct operating costs	(123,080)	(299,769)	—	**(422,849)**
Gross margin	98,160	103,497	—	**201,657**
Selling, marketing, depreciation and other operating costs	(4,165)	(39,279)	—	**(43,444)**
Net margin	93,995	64,218	—	**158,213**
Fair value changes in investment properties	(19,194)	(5,204)	—	**(24,398)**
Share of earnings from equity accounted investments	(30,824)	11,693	—	**(19,131)**
Investment and other income	620	11,327	5,969	**17,916**
Interest expense	(42,807)	(12,781)	(22,804)	**(78,392)**
Gain on disposition of Arapahoe Basin	157,362	—	—	**157,362**
Net segment earnings (loss)	$ 159,152	$ 69,253	$ (16,835)	**$ 211,570**
General and administrative expenses[1]	—	—	(22,916)	**(22,916)**
Adjustments related to Dream Impact Trust units[1]	—	—	26,891	**26,891**
Adjustments related to Dream Impact Fund units[1]	—	—	9,828	**9,828**
Income tax expense[1]	—	—	(37,515)	**(37,515)**
Net earnings	$ 159,152	$ 69,253	$ (40,547)	**$ 187,858**

2023	Recurring income	Development	Corporate and other	Consolidated Dream
Revenue	$ 213,343	$ 173,604	$ —	$ 386,947
Direct operating costs	(128,541)	(133,211)	—	(261,752)
Gross margin	84,802	40,393	—	125,195
Selling, marketing, depreciation and other operating costs	(9,070)	(30,255)	—	(39,325)
Net margin	75,732	10,138	—	85,870
Fair value changes in investment properties	(52,619)	(4,660)	—	(57,279)
Share of earnings (loss) from equity accounted investments	(170,627)	5,321	—	(165,306)
Investment and other income	(57)	11,542	1,030	12,515
Interest expense	(40,036)	(10,280)	(17,985)	(68,301)
Net segment earnings (loss)	$ (187,607)	$ 12,061	$ (16,955)	$ (192,501)
General and administrative expenses[1]	—	—	(31,155)	(31,155)
Adjustments related to Dream Impact Trust units[1]	—	—	107,427	107,427
Adjustments related to Dream Impact Fund units[1]	—	—	(3,561)	(3,561)
Income tax recovery[1]	—	—	2,711	2,711
Net earnings (loss)	$ (187,607)	$ 12,061	$ 58,467	$ (117,079)

[1] Certain line items are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Segmented Assets and Liabilities

Segmented assets and liabilities as at December 31, 2024 and December 31, 2023 were as follows:

				2024
	Recurring income	Development	Corporate and other	**Consolidated Dream**
Assets				
Cash and cash equivalents	$ 28,490	$ 23,250	$ 32,141	**$ 83,881**
Accounts receivable	60,333	219,162	5,249	**284,744**
Other financial assets	15,142	25,021	18,457	**58,620**
Housing inventory	—	53,763	—	**53,763**
Condominium inventory	—	300,950	—	**300,950**
Land inventory	—	469,458	—	**469,458**
Investment properties	1,663,833	178,680	—	**1,842,513**
Recreational properties	84,707	—	—	**84,707**
Equity accounted investments	379,136	278,772	—	**657,908**
Capital and other operating assets	41,402	35,963	7,143	**84,508**
Total assets	$ 2,273,043	$ 1,585,019	$ 62,990	**$ 3,921,052**
Liabilities				
Accounts payable and other liabilities	$ 51,664	$ 135,415	$ 24,020	**$ 211,099**
Income and other taxes payable[1]	—	—	19,322	**19,322**
Provision for real estate development costs	—	75,825	—	**75,825**
Debt	1,234,505	343,215	292,646	**1,870,366**
Dream Impact Trust units[1]	—	—	43,711	**43,711**
Dream Impact Fund units[1]	—	—	126,375	**126,375**
Deferred income taxes[1]	—	—	72,825	**72,825**
Total liabilities	$ 1,286,169	$ 554,455	$ 578,899	**$ 2,419,523**
Shareholders' equity	986,874	1,030,564	(515,909)	**1,501,529**
Total equity	$ 986,874	$ 1,030,564	$ (515,909)	**$ 1,501,529**

[1] Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

				2023
	Recurring income	Development	Corporate and other	Consolidated Dream
Assets				
Cash and cash equivalents	$ 33,506	$ 20,214	$ 6,483	$ 60,203
Accounts receivable	46,168	221,227	6,646	274,041
Other financial assets	60,033	37,550	2,239	99,822
Housing inventory	—	52,747	—	52,747
Condominium inventory	—	383,829	—	383,829
Land inventory	221	458,330	—	458,551
Investment properties	1,522,148	197,024	—	1,719,172
Recreational properties	82,898	—	—	82,898
Equity accounted investments	395,295	275,735	—	671,030
Capital and other operating assets	9,608	51,663	11,958	73,229
Total assets	$ 2,149,877	$ 1,698,319	$ 27,326	$ 3,875,522
Liabilities				
Accounts payable and other liabilities	$ 63,144	$ 159,071	$ 11,161	$ 233,376
Income and other taxes payable[1]	—	—	79,964	79,964
Provision for real estate development costs	17	61,052	—	61,069
Debt	1,097,068	422,175	291,306	1,810,549
Dream Impact Trust units[1]	—	—	70,779	70,779
Dream Impact Fund units[1]	—	—	113,405	113,405
Deferred income taxes[1]	—	—	102,321	102,321
Total liabilities	$ 1,160,229	$ 642,298	$ 668,936	$ 2,471,463
Total equity	$ 989,648	$ 1,056,021	$ (641,610)	$ 1,404,059

[1] Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

36. Classification of items in consolidated statements of financial position

A summary of the classification of assets and liabilities to be recovered or settled within or over twelve months is presented below.

				2024
	Less than 12 months	Greater than 12 months	Non-determinable	**Total**
Assets				
Cash and cash equivalents	$ 83,881	$ —	$ —	**$ 83,881**
Accounts receivable	205,526	79,218	—	**284,744**
Other financial assets	30,810	27,810	—	**58,620**
Housing inventory	—	—	53,763	**53,763**
Condominium inventory	—	—	300,950	**300,950**
Land inventory	—	—	469,458	**469,458**
Investment properties	—	1,842,513	—	**1,842,513**
Recreational properties	—	84,707	—	**84,707**
Equity accounted investments	—	—	657,908	**657,908**
Capital and other operating assets	52,751	31,757	—	**84,508**
Total assets	$ 372,968	$ 2,066,005	$ 1,482,079	**$ 3,921,052**
Liabilities				
Accounts payable and accrued liabilities	$ 171,878	$ 2,041	$ 37,180	**$ 211,099**
Income and other taxes payable	19,322	—	—	**19,322**
Provision for real estate development costs	75,825	—	—	**75,825**
Debt[1]	760,294	1,110,072	—	**1,870,366**
Dream Impact Trust units[2]	—	—	43,711	**43,711**
Dream Impact Fund units[2]	—	—	126,375	**126,375**
Deferred income taxes	—	72,825	—	**72,825**
Total liabilities	$ 1,027,319	$ 1,184,938	$ 207,266	**$ 2,419,523**

(1) The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.
(2) Dream Impact Trust units and Dream Impact Fund units may be redeemed at the option of the holder with no expiry date.

(in thousands of Canadian dollars, except number of shares and per share amounts)

				2023
	Less than 12 months	Greater than 12 months	Non-determinable	Total
Assets				
Cash and cash equivalents	$ 60,203	$ —	$ —	$ 60,203
Accounts receivable	188,761	85,280	—	274,041
Other financial assets	49,914	49,908	—	99,822
Housing inventory	—	—	52,747	52,747
Condominium inventory	—	—	383,829	383,829
Land inventory	—	—	458,551	458,551
Investment properties	—	1,719,172	—	1,719,172
Recreational properties	—	82,898	—	82,898
Equity accounted investments	—	—	671,030	671,030
Capital and other operating assets	23,224	50,005	—	73,229
Total assets	$ 322,102	$ 1,987,263	$ 1,566,157	$ 3,875,522
Liabilities				
Accounts payable and accrued liabilities	$ 150,123	$ 12,360	$ 70,893	$ 233,376
Income and other taxes payable	79,964	—	—	79,964
Provision for real estate development costs	61,069	—	—	61,069
Debt(1)	224,763	1,585,786	—	1,810,549
Dream Impact Trust units(2)	—	—	70,779	70,779
Dream Impact Fund units(2)	—	—	113,405	113,405
Deferred income taxes	—	102,321	—	102,321
Total liabilities	$ 515,919	$ 1,700,467	$ 255,077	$ 2,471,463

(1) The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.
(2) Dream Impact Trust units and Dream Impact Fund units may be redeemed at the option of the holder with no expiry date.