



APPRAISAL OF REAL PROPERTY

**Student Housing Complex
2021-2023 Simcoe Street North
Oshawa, Ontario L1H 7K4**

PREPARED FOR:

**Dundee Acquisition Ltd.
1 Adelaide Street East, Suite 2100
Toronto, ON M5C 2V9**



**Prepared By:
Cushman & Wakefield Ltd.
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C&W File ID: 16-444-900076
CONFIDENTIAL**



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2021-2023 Simcoe Street North
Oshawa, Ontario L1H 7K4

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August 31, 2016

Mr. Jonathan Turnbull
Managing Director
Dundee Acquisition Ltd.
1 Adelaide Street East, Suite 2100
Toronto ON M5C 2V9

C&W Ltd. File ID: 16-444-900076

RE: Narrative Appraisal Report of 2021-2023 Simcoe Street North, Oshawa, Ontario

Dear Mr. Turnbull:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above-noted property in a narrative report dated August 31, 2016. Briefly, the Subject Property consists of two buildings which are currently under construction at 2021-2023 Simcoe Street North in Oshawa, Ontario. The buildings will comprise 93 beds and will operate as a student residence with a projected opening date as of September 2016. The student residence complex will operate on a per bed basis rather than a per unit basis.

This appraisal does not include Phase 1 and 2 of the development (2 Taylorwood Road and 2015-2019 Simcoe Street North). These developments have been completed and are operational. They comprise 6 buildings totaling 371 beds. The units are of similar configuration and offer similar amenities as the subject property.

This Appraisal Report was prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practices (CUSPAP). It contains an analysis of general and specific data deemed essential to support the estimate of value reported herein.

This appraisal was prepared for Dundee Acquisition Ltd. ("Dundee") and is to be used by Dundee and CHC Student Housing, and their auditors, Deloitte and PricewaterhouseCoopers, their financial advisor, TD Securities Inc. and their respective lenders and legal counsel. The appraisal will be used by the named parties and their lenders and legal counsel in preparing a prospectus in connection with a qualifying acquisition of a Special Purpose Acquisition Corporation ("SPAC"). The appraisal reports documents which will be mailed to security holders and posted on SEDAR.

As a result of this analysis, it is our opinion that the prospective market value of the “**as complete**” **fee simple interest** in the Subject property, subject to the assumptions, limiting conditions, certifications and definitions contained herein, as at September 1, 2016 will be:

ELEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS

\$11,800,000 or \$127,000 per bed

This estimate of market value is based on an exposure time of six to nine months.

Respectfully submitted,

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EXECUTIVE SUMMARY

SUBJECT PROPERTY

Address:	2021-2023 Simcoe Street North, Oshawa, Ontario
Owner:	2023 Simcoe Street North Ltd.; 2023 Simcoe Street North Ltd.
Legal Description:	LOT 12 PLAN 40M1570, SAVE & EXCEPT PART 2 ON 40R28876 CITY OF OSHAWA; PT N1/4 LT 12 CON 4 EAST WHITBY PT 2, 40R4233 CITY OF OSHAWA

VALUATION CONCLUSION

Rights Appraised:	Fee Simple
Effective Date of Appraisal:	September 1, 2016
Exposure Time:	Six to nine months

VALUATION

INCOME APPROACH – DIRECT CAPITALIZATION METHODOLOGY

Potential Gross Income:	\$885,132
Effective Gross Income:	\$858,578
Operating Expenses:	\$207,572
Net Operating Income:	\$651,006
Capitalization Rate:	5.50%
Final Value Conclusion:	\$11,800,000

DIRECT COMPARISON APPROACH

Unit Price Analysis Conclusion:	\$11,200,000
NOI Analysis Conclusion:	\$11,700,000
Indicated Value By Direct Comparison Approach:	\$11,500,000

SITE DESCRIPTION

Total Site Area:	0.61 acres
Frontage:	149.54 feet
Configuration:	Largely rectangular

BUILDING DESCRIPTION

Building Type:	Student Housing (Townhouse Complex)
Unit Mix:	One 3-bedroom unit, and 18 5-bedroom units for a total of 93 beds.
Year of Construction:	2016
Anticipated Quality:	Excellent
Anticipated Condition:	Excellent

LAND USE CONTROLS

Official Plan:	Part II Planning Area
Zoning:	Mixed Use MU-A(3) Zone

HIGHEST AND BEST USE

As If Vacant:	Multi-residential buildings built to a maximally permitted density
As Improved:	N/A

MUNICIPAL ASSESSMENT & TAXES*

Estimated Value Assessment <u>As Vacant Land</u> (2016):	\$549,000
Estimated Value Assessment <u>As Multi-Residential</u> (2016):	\$4,584,900
Estimated Property Taxes As a <u>Student Residence</u> (2016):	\$71,610

*The lot at 2021-2023 Simcoe Street North is currently assessed as a vacant multi-residential lot. We have assumed the property will be reassessed to reflect the constructed property as an operating student residence. Our discussions of the estimated assessment are presented further in the report.

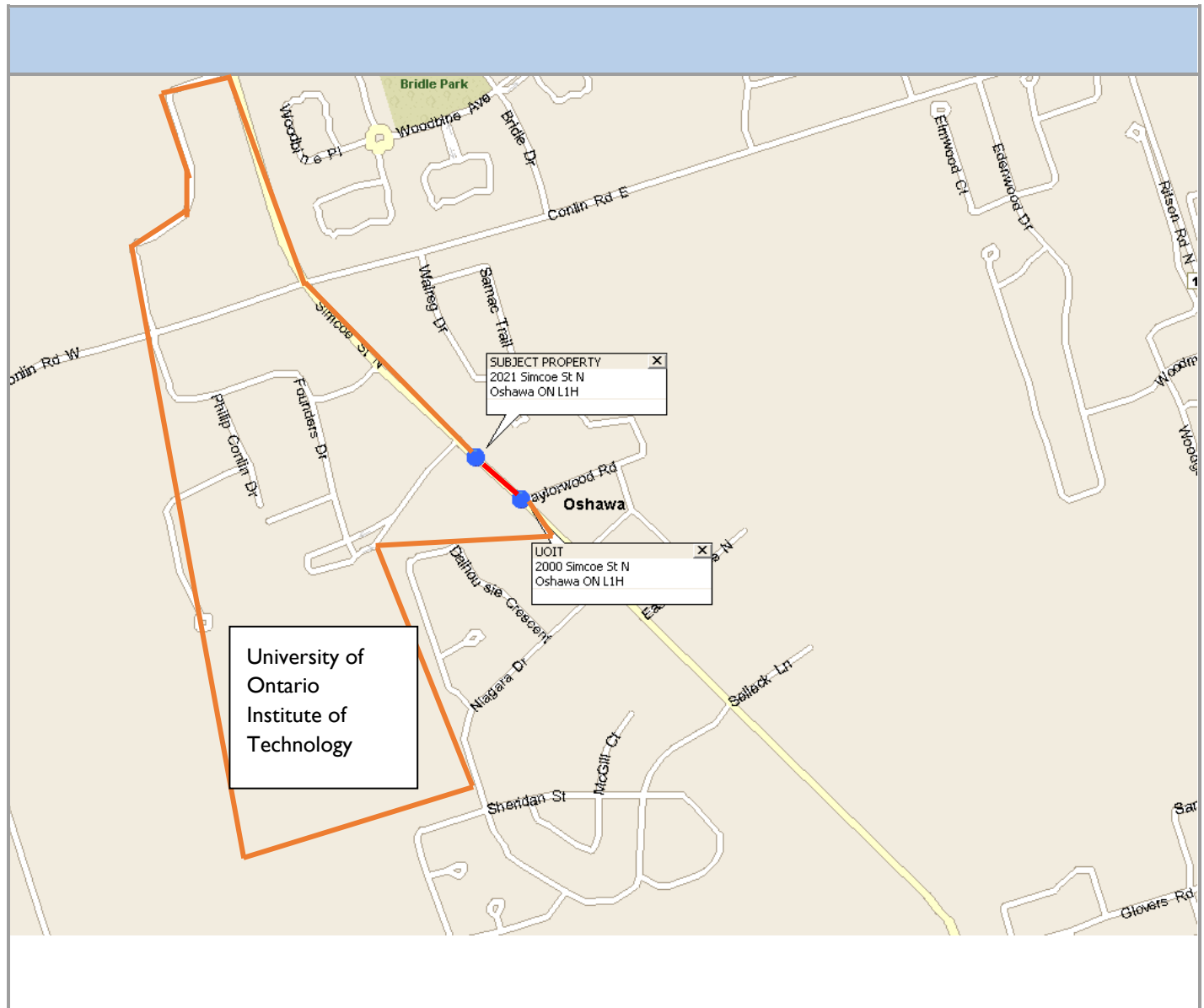
*According to the City of Oshawa, the subject property may be eligible for a grant called the Increased Assessment Grant which will reimburse the property owner, over a 10 year period, a portion of the City taxes attributable to the increased assessment resulting from the development of the property. However, the eligibility to receive this grant, and the amount of the grant itself will be established once the property is re-assessed as a constructed property. Thus, we have forecasted full property taxes but realize the potential of the taxes to be lower than projected.

REGIONAL MAP



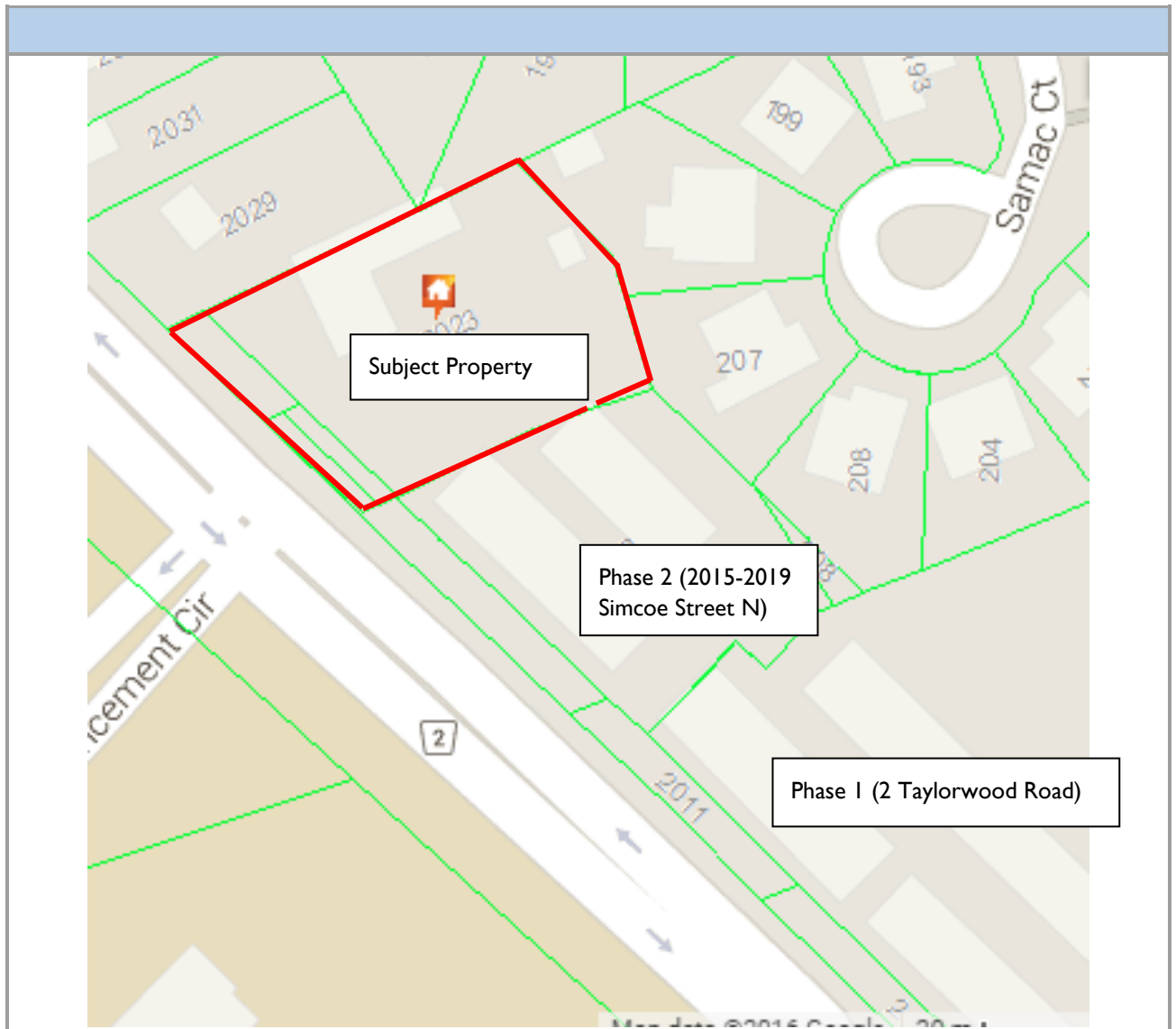
Source: Microsoft MapPoint

NEIGHBOURHOOD MAP



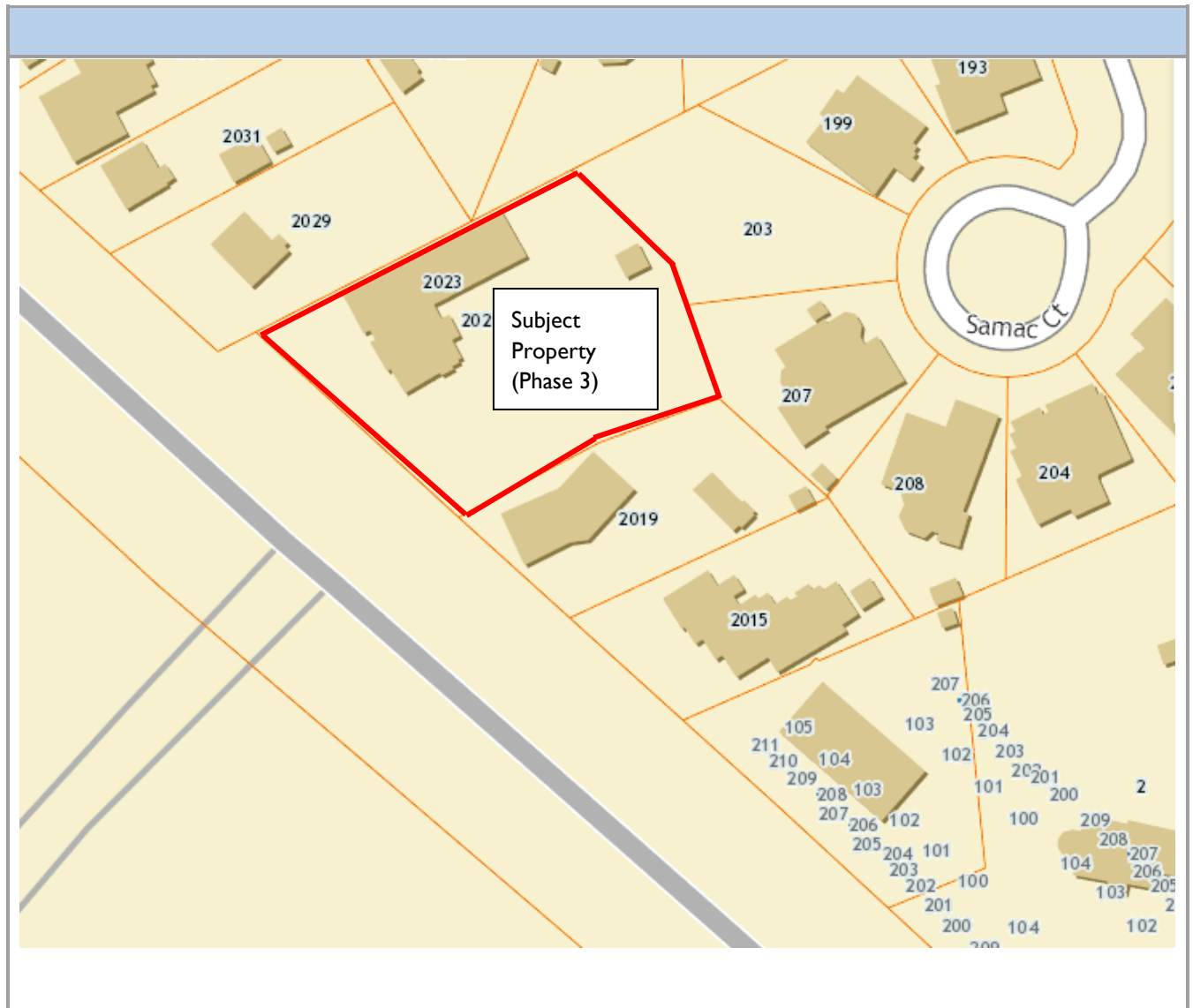
Source: Microsoft MapPoint

SURVEY



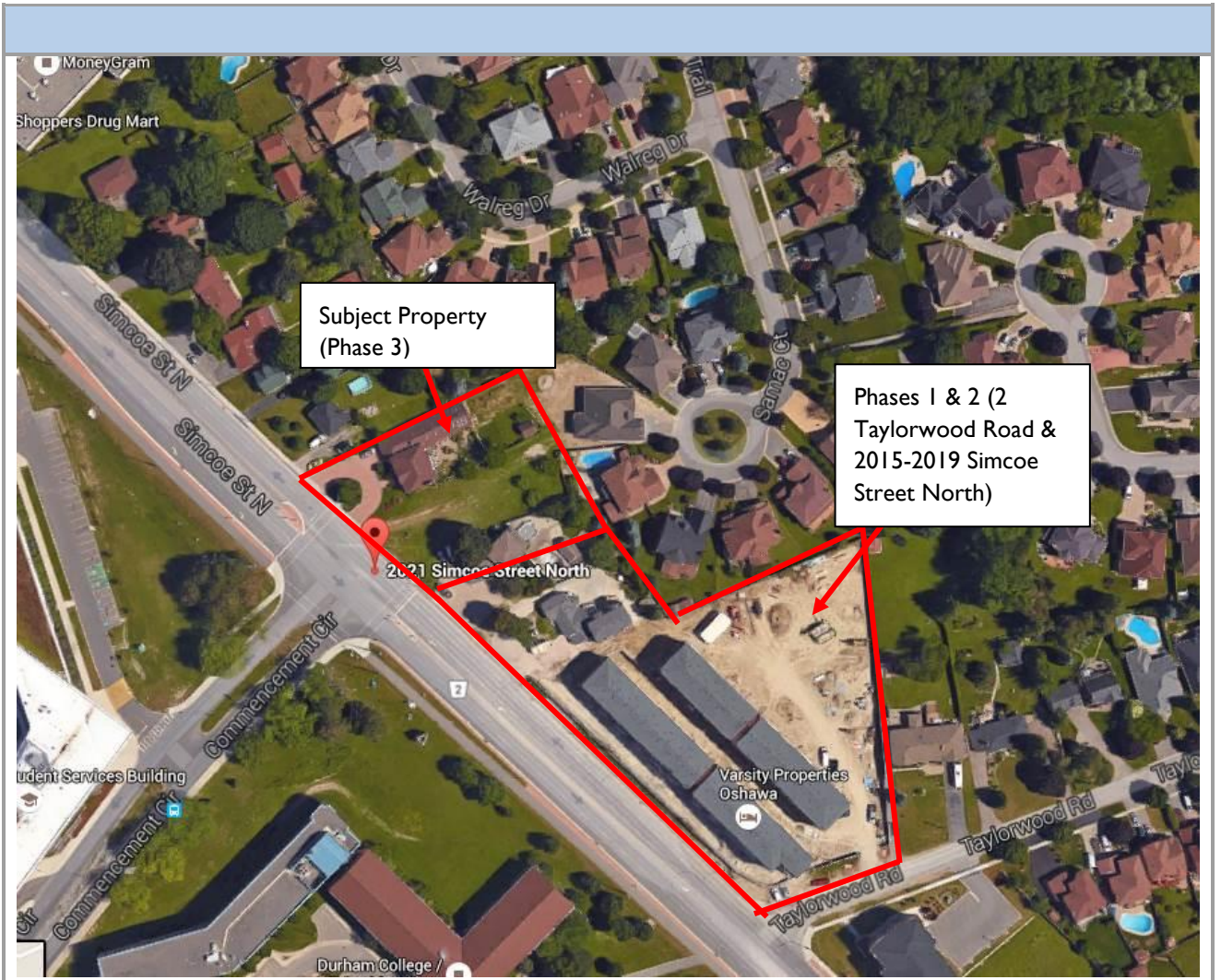
Source: GeoWarehouse

ZONING MAP



Source: City of Oshawa

AERIAL MAP



Source: Google Maps

PHOTOGRAPHS OF 2021-2023 SIMCOE STREET NORTH (TAKEN ON JULY 20, 2016)



Exterior



Exterior



Exterior



Residence Entrance



Residence Living Room and Stairwell



Residence Bedroom



Residence Washroom



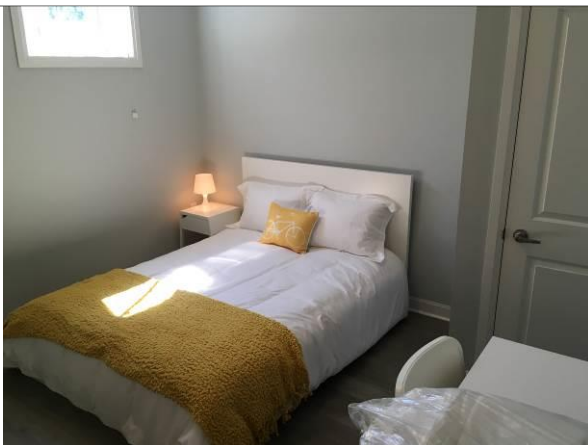
Residence Laundry



Residence Mechanical Room



Residence Balcony



Model Residence Bedroom



Model Residence Washroom



TABLE OF CONTENTS

EXECUTIVE SUMMARY ————— 1

TERMS OF REFERENCE ————— 1

REGIONAL ANALYSIS ————— 5

LOCAL AREA OVERVIEW ————— 17

STUDENT HOUSING MARKET OVERVIEW ————— 30

PROPERTY OVERVIEW ————— 51

DESCRIPTION OF SITE ————— 53

HIGHEST AND BEST USE ————— 56

PROPERTY VALUATION ————— 58

INCOME APPROACH ————— 59

DIRECT COMPARISON APPROACH ————— 77

RECONCILIATION & FINAL VALUE ESTIMATE ————— 83

CERTIFICATION OF APPRAISAL ————— 84

ADDENDA CONTENTS ————— 85

ASSUMPTIONS AND LIMITING CONDITIONS ————— 86

RENT ROLL ————— 89

QUALIFICATIONS OF APPRAISERS ————— 91

LETTER OF ENGAGEMENT ————— 93

TERMS OF REFERENCE

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this valuation is to estimate the prospective market value of the “as complete” fee simple interest of the Subject Property as at September 1, 2016 for Dundee and CHC Student Housing, and their internal auditors, Deloitte and PricewaterhouseCoopers, their financial advisor, TD Securities Inc. and their respective lenders and legal counsel in preparing a prospectus in connection with a qualifying acquisition of a Special Purpose Acquisition Corporation (“SPAC”). The appraisal reports will be included in the prospectus and/or proxy circular and related documents which will be mailed to security holders and posted on SEDAR.

This report is subject to the Assumptions and Limiting Conditions which form Addendum “A” to this report, in addition to specific assumptions which may be stated in the body of the report.

DEFINITION OF MARKET VALUE

For the purposes of this valuation, market value is defined as:

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

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

REASONABLE EXPOSURE TIME ESTIMATE

Exposure time is always presumed to precede the effective date of the appraisal. It may be defined as:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

On-going discussions with agents active within the investment real estate market have indicated that properties such as the subject typically require a marketing period of at least six to nine months, depending on a number of factors including leasing status, location, condition of the improvements, and motivation of the purchaser/vendor. It is therefore concluded that for the Subject Property to sell at the market value estimated herein, an exposure period of approximately six to nine months would be required.

REASONABLE MARKETING TIME ESTIMATE

Marketing time is an opinion of the time that might be required to lease or sell a real property interest at the concluded market value level. Marketing time is presumed to start during the period immediately after the effective date of an appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of developing a reasonable exposure time opinion as part of the appraisal process and it is not intended to be a prediction of a date of lease or sale or a one-line statement.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within six to nine months.

RELEVANT DATES

- Inspection Date: July 20, 2016
- Effective Date: September 1, 2016
- Report Date: August 31, 2016

REPORTING STANDARDS

The valuation analysis and the Appraisal conveying the estimate(s) of value have been prepared to comply with Appraisal Standard Rules and Appraisal Standard Comments of the Canadian Uniform Standards of Professional Appraisal Practice ("The Canadian Standards").

As such, all relevant material is provided in this narrative report, including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses used is retained in the Appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated. The appraiser is not responsible for unauthorized use of this report.

ASSUMPTIONS AND LIMITING CONDITIONS

Certain assumptions and limiting conditions have been made with respect to the appraisal of the Subject Property. These are included in the report's Addenda as Addendum A.

EXTRAORDINARY LIMITING CONDITIONS

An Extraordinary Limiting Condition refers to a necessary modification or exclusion of an Appraisal Institute Standard Rule. Such special circumstances include the inability to complete a property inspection, the purposeful exclusion of relevant valuation technique, etc.

Per our Letter of Engagement, the Client expressly agrees that its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential damages be made.

EXTRAORDINARY ASSUMPTIONS & HYPOTHETICAL CONDITIONS

An Extraordinary Assumption is an assumption, which if not true, could alter the appraiser's opinions and conclusions. They are required when a Hypothetical Condition is necessary due to circumstances that are not self-evident regarding the appraised property. Hypothetical Conditions include retrospective appraisals, significant renovations to the improvements, completion of proposed improvements, etc.

- The Subject Property is assumed to be fully constructed and operational as of September 2016 and as outlined in this report. It is also assumed that appropriate marketing initiatives and leasing efforts will be undertaken prior to opening.
- General practices and the market comparables do not indicate any allocations for a structural reserve or a furniture, fixtures and equipment reserve. Such spending is generally capitalized in balance sheets and excluded from operating statements. Therefore, we have not included any reserve in our valuation.
- According to management, upon opening in September 2016, the subject is offering tenants an 8 month lease (September 2016 – April 2017). Starting in May 2017, leases will be offered on a 12 month term. However, management projections use a 12-month lease period as a basis of calculation. We have assumed 12 month leases will be the norm after the start-up period and have been used in our projections of stabilized operations.

SCOPE OF THE REPORT

During the course of preparing this valuation, the appraiser:

- Inspected 2021-2023 Simcoe Street North;
- Reviewed available documents related to 2021-2023 Simcoe Street North;
- Reviewed available economic and real estate data regarding the local market;
- Reviewed and verified current land use regulations (Official Plan and Zoning By-law);
- Estimated the Highest and Best Use of 2021-2023 Simcoe Street North;
- Researched and analyzed relevant market and financial data of similar properties in the Subject's market area;
- Confirmed data relied upon in the valuation process, where possible; and
- Prepared a narrative valuation report in accordance with the Standards.

Additional supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated.

We were not given a title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.

REGIONAL ANALYSIS

CANADA - ECONOMIC OVERVIEW

Geographically, Canada is the second largest country in the world at almost 10.0 million km² (or 3.9 million square miles), and has the longest coastline and longest border with another country, the United States (U.S.). The Canadian economy is the eighth largest in the world.



Known to be rich in natural resources, Canada has vast stores of iron ore, nickel, zinc, copper, gold, lead, diamonds, silver, coal, petroleum, natural gas, and is a leading producer of hydropower. Notably, with 180.0 billion barrels of proven oil reserves, Canada has the second largest reserve in the world, next to Saudi Arabia.

CURRENT TRENDS

Despite a strong start to the year, the Conference Board of Canada and a few other financial institutions have downgraded projections for economic growth in 2016 due to two main reasons – wildfires in Fort McMurray and slower than expected economic growth in the U.S.. According to the Conference Board, the wildfires that engulfed much of Fort McMurray and the surrounding areas in May and June are expected to subtract 0.1 percentage points from overall economic growth this year. The U.S. economy got off to a slow start and the world economy is losing momentum as well, and these would hurt Canada's trade sector. In addition, the largest source of weakness in the economy remains the steep deterioration in business investment. While much of the weakness in business investment is due to the collapse in energy investment, there is still no sign of the long-awaited recovery in non-energy investment.

CANADA ECONOMIC INDICATORS Q2 2016		
	2016f	Y/Y Change
GDP Growth	1.2%	↑
Unemployment Rate	7.0%	↑
Employment Growth	0.6%	↓
Retail Sales Growth	3.3%	↑
Housing Starts (000's)	195	↑

Additional details regarding Canada are as follows:

- According to the Canadian Real Estate Association (CREA), Canadian resale housing market trends that defined 2015 have intensified. National sales activity and average prices reached new heights in the first half of 2016 amid a growing supply shortage of single family homes in British Columbia (B.C.) and Ontario, particularly in B.C.'s Lower Mainland as well as in and around the Greater Toronto Area (GTA). Activity should begin to re-balance away from B.C. and Ontario, as supply shortages put upward pressure on home prices and constrain transactions even as housing demand remains strong in these provinces and interest rates remain low. Accordingly, sales activity over the second half of the year is expected to ease in B.C., Ontario and on a national level.
- According to Statistics Canada, in July 2016, the Canadian economy saw the biggest monthly drop in full-time work in nearly five years, as it shed a worse-than-expected 31,200 jobs from June to July. The unemployment rate was up 0.1 percentage point to 6.9 percent. It was the fourth straight month of contraction in the job market. While Ontario saw its first monthly employment decline in nearly a year, Alberta's unemployment rate rose to 8.6 percent, the province's highest since 1994, and it is the first time Alberta has a worse jobless rate than Nova Scotia, which was at 8.4 percent.
- According to TD Economics, Canadian retail sales advanced 0.2 percent in May 2016, with a slight downward revision to the previous month. However, in volume terms, retail sales were relatively flat in May, up only by 0.1 percent. Higher sales at food and beverage stores drove this month's sales at a 2.1 percent increase, the fourth increase in five months. Sales were up in seven of the ten Canadian

provinces, led by Quebec (+1.0 percent), Newfoundland & Labrador (+1.0 percent), and Manitoba (+0.5 percent).

DEMOGRAPHIC CHARACTERISTICS

According to the Conference Board of Canada, Canada had a total population of 35.8 million in 2015, and accounted for approximately 0.5 percent of the world's population. The population is expected to grow at an average rate of 1.0 percent over the next five years, reaching 37.7 million by the end of 2020. While Ontario is the most populous province in Canada with 13.8 million people, Toronto is the most populous city in the country with 6.1 million people.

Additional items of note are as follows:

- Canada welcomes thousands of immigrants every year. According to the 2011 Census/ National Household Survey (the latest national survey which is conducted every five years by Statistics Canada), Canada's immigrant population reported close to 200 countries as a place of birth. On a regional basis, Asia (including the Middle East) remained Canada's largest source of immigrants between 2006 and 2011, and approximately 661,600 or 56.9 percent came from that region. This proportion was down slightly from 60.0 percent among those who arrived between 2001 and 2005. In contrast, immigrants born in Asia accounted for 8.5 percent of the foreign-born population who settled in Canada prior to the 1970s.
- While the median age of Canadians is 40.6 years, majority or 68.7 percent of the population falls into the age group of 15-64 years. Canada's baby boomers who were born between 1946 and 1965, are quickly approaching retirement.
- Canada is one of the most diverse countries in the world. More than 200 ethnic origins were reported in the 2011 National Household Survey. In 2011, 13 different ethnic origins had surpassed the 1.0 million mark. According to Statistics Canada, in 2031, more than one in four or between 9.8 and 12.5 million Canadians could be foreign born.

HOUSEHOLDS

According to the Conference Board of Canada, Canada's housing market continues to be a regional story. Enormous price advances in Vancouver and Toronto, combined with moderate gains in most other parts of the country, have more than compensated for weaker housing markets, mainly in resource-based regions, such as Alberta. Overall, the national average resale price rose 16.1 percent on a year-over-year basis in the first quarter of 2016. This is the largest increase in six years and follows an annual gain of 8.3 percent in 2015, which was the biggest annual rise since 2007.

In a recent survey of housing costs around the world, *The Economist* magazine reported that Canada's housing prices are 35.0 percent overvalued when compared to Canadian incomes. The reason behind this is mostly the lower mortgage rates. Canada Mortgage and Housing Corporation (CMHC) expects that the mortgage rates will continue to be supportive of housing demand and will remain at or close to current levels over the near term. However, under the rule change announced last year, effective February 16, 2016, the minimum down payment for new insured mortgages rose to 10.0 percent from 5.0 percent for the portion of the house price above \$500,000. The 5.0 percent minimum for properties up to \$500,000 remains unchanged. While the effects of the new rule change did not significantly cool housing activity in Toronto and Vancouver, it may not likely in the future, as first-time buyers often aim for properties under \$500,000. In addition, those who purchase more expensive properties with help from their parents likely will not be deterred either. Prospective move-up buyers may not be affected as they usually have considerable equity built up in their homes.

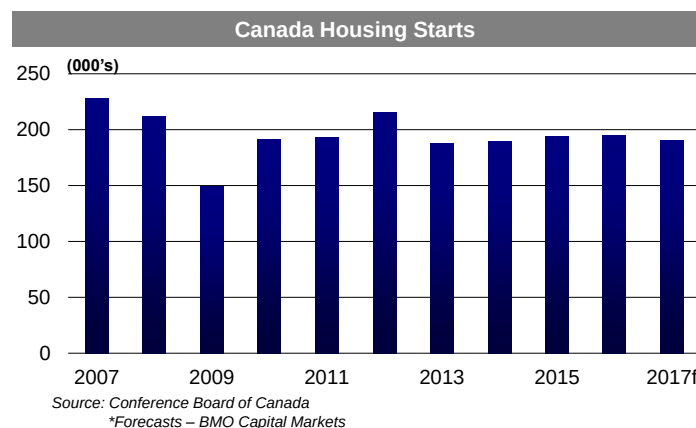
With sky-rocketing housing prices, attitudes about renting have changed and is changing among Canadians. Renting is no longer seen only as a temporary step on the road to homeownership, but as an alternative.

According to PWC's *Emerging Trends in Canada – 2016*, there is a rise of permanent renters – a new demographic in many Canadian markets, especially as a growing proportion of the population cannot save the down payment for a new home. This is not new in Montreal, but is relatively new in other cities.

Additional considerations include the following:

- According to BMO Capital Markets, Canadian housing starts will increase to 195,000 units in 2016, up from 194,000 units last year, before dropping to 190,000 units in 2017.
- According to the CMHC, housing activity is expected to slow down in oil-producing regions, particularly in Alberta, as a result of weakening economic conditions. On the other hand, this decline will be partly offset by increasing housing activity in other parts of the country, particularly in Ontario, where the economy should benefit from falling oil prices, lower interest rates, and lower Canadian dollar.
- Canada's housing market continues to be sharply divided regionally in terms of housing affordability. Because of their magnitude and size of the markets involved, developments in Vancouver and Toronto continue to dominate at the national level. According to the CMHC, foreign buyers, mainly Chinese, may be playing a role in overvaluation in the Vancouver and Toronto housing markets, especially in the luxury segment.
- Housing affordability issues in Canada affect and change urbanization trends in the country. Most homeowners sell their homes, particularly in Toronto, moving further out from the core to a less expensive house, and bank the remaining equity. Expansion of the regional transit systems across major urban areas support this trend.

The following graph presents historical and projected activity of housing starts in Canada:



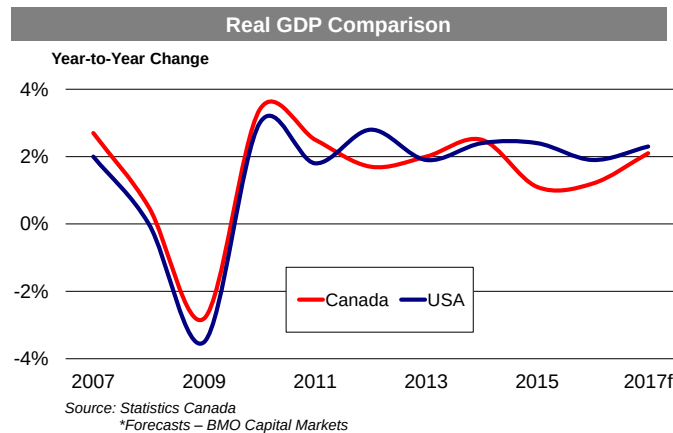
GROSS DOMESTIC PRODUCT (GDP)

Canada has a diverse economy and is dominated by the service industry, which employs about three quarters of Canadians. In addition, the country is one of the largest exporters of automobile equipment and goods due to its position within NAFTA. Leading equipment manufacturers and global automakers operate in Canada, including: General Motors, Toyota, and Ford. Leading bus and truck manufacturers have also located in Canada, including Volvo Bus, Motor Coach Industries, and Hino. In addition, a number of large original equipment suppliers operate in the country, including: Johnson Controls, Aisin Seiki, and Continental.

Additional items of note are as follows:

- The Canadian economy is currently undergoing a slow growth, following the collapse in commodity prices in mid-2014. Business investment has dried up as capital expenditure in Canada's oil producing regions has fallen sharply. Alberta, Canada's largest oil producing province, suffered a further setback in May 2016, when wildfires swept across the northern part of the province, interrupting oil production. The fires are forecast to cause a 0.1 percent cut to the country's economic growth this year. According to Canada's central bank governor Stephen Poloz, export activity and business investment slipped early this year. As a result, the overall economy has wobbled into the second quarter, and could end up negative overall along with inconsistent and often weak job creation.
- According to BMO Capital Markets, the real GDP in Canada slowed in 2015, grew only by 1.1 percent in 2015 compared to 2.5 percent a year earlier. The economic activity is expected grow in the next two years, growing at 1.2 percent and 2.1 percent in 2016 and 2017, respectively.

The following graph presents further details of historical and projected GDP activity:



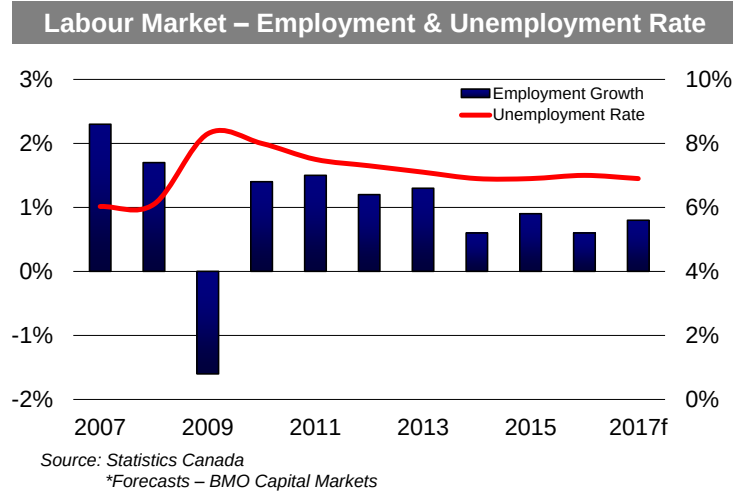
EMPLOYMENT AND UNEMPLOYMENT

According to BMO Capital Markets, Canadian employment grew at an estimated 0.9 percent in 2015, up from 0.6 percent in the previous year, however, the unemployment rate remained unchanged at 6.9 percent in 2015. The labour market growth is expected to slow to 0.6 percent in 2016, pushing up the unemployment rate to 7.0 percent.

Additional items of note are as follows:

- According to Statistics Canada, nationally, employment grew by 33,200 in the second quarter of 2016. As in Ontario, small job losses in April and June sandwiched a significant surge in employment in May. The national unemployment rate decreased to 6.9 percent over this three-month period, the first decline since the fourth quarter of 2014. The growth nationally was driven by stronger employment levels in B.C. and Ontario, which worked to more than offset the sharp quarterly decline in Alberta.
- According to Statistics Canada's Labour Force Survey, employment was unchanged in June 2016 (0.0 percent). The unemployment rate declined 0.1 percentage points to 6.8 percent, as the number of people searching for work edged down. In the second quarter of 2016, employment was little changed (+11,000 or +0.1 percent). This was the smallest quarterly change in employment in two years.

The following graph represents yearly historical and projected employment and unemployment rates for Canada:



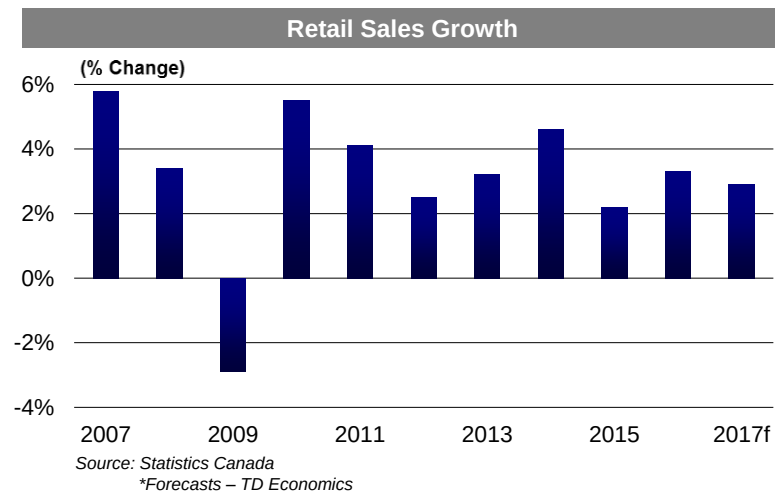
RETAIL SALES

The retail sector plays a key role in bridging production and consumption, and as a result, the sector has significant direct and indirect effects on the Canadian economy. According to TD Economics, Canadian retail sales recorded a growth rate of 2.2 percent in 2015, down from 4.6 percent last year. This was mainly due to slow economic growth in Canada in 2015 and the falling Canadian dollar. The rate is expected to pick up in 2016, reaching 3.3 percent.

Additional details regarding retail trade in Canada are as below:

- Canada's retail clothing sector is expected to slow in 2016 even though the battle for luxury shoppers is revving up. After two years of growth, Canadian retail clothing sales are forecasted to grow only by 2.4 percent in 2016 compared to 3.8 percent in 2015.
- The Edmonton-based Katz Group has recently agreed to sell the Rexall Health drugstore chain, including its 470 retail pharmacies, in a C\$3.0 billion deal with U.S. health care company McKesson. The San Francisco-based firm previously acquired Katz's independent outlets and franchise businesses for about C\$920.0 million in 2012. McKesson Canada, which was founded more than 100 years ago, would have approximately 13,000 employees after the Rexall deal closes in late-2016.

The following graph represents yearly historical and projected retail sales rates for Canada:



CONCLUSION

The Canadian economic growth was subdued in 2015 as a drop in oil prices led to a substantial decline in business capital investment. Strong economic growth forecast for the U.S. should have favorable effects on the Canadian economy in the near term. It should be noted that the U.S. economy was showing signs of faster growth last year, however, skeptical that it would be sustained. As it turned out, the first quarter of 2016 in the U.S. was softer than expected. U.S. energy companies were cutting back on investment - much like they were in Canada, and U.S. consumers slowed the growth of their spending. In addition, if the Canadian dollar continues to fall, it may raise prices for Canadian imports in sectors with high levels of trade integration, such as auto and aircraft parts manufacturing. The import costs may exceed the profits from exports, and will limit the anticipated benefits from the lower Canadian dollar; however, low oil prices may reduce manufacturing costs.

Final thoughts:

- According to the Conference Board of Canada, the depreciation of the Canadian dollar, combined with strong American demand, will make the trade sector one of the most important drivers of Canadian growth over the next few years.
- Changing commodity prices, lower interest rates, and softer Canadian dollar have different economic impacts on Canadian provinces. While Alberta faces negative results, B.C. and Ontario are emerging at the top, leading the country's economic growth in the near term.

ONTARIO - ECONOMIC OVERVIEW



Ontario is the most populous province in Canada, with a population of approximately 13.8 million in 2015, and accounted for roughly 38.5 percent of the national total. The Conference Board of Canada forecasts that the population in Ontario will continue to grow, reaching 14.4 million by 2020.

While approximately 77.0 percent of Ontario's GDP is generated by service sectors, the province is also Canada's leading manufacturing centre. The top five manufacturing industries include: transportation equipment, metal products, food processing, chemical & by-products, and electrical & electronic products.

Ontario's large and culturally diverse population, natural resources, and strategic location contribute to a vital economy. Toronto is the largest city in Canada and the country's main financial centre. Many people work in the service or manufacturing industries, which produce a large percentage of Canada's exports. The Niagara region is known for its vineyards, wines, and fruit crops. Ontario farmers raise dairy and beef cattle, poultry, and vegetable and grain crops. Ontario also has the largest French-speaking population outside of Quebec, with a proud history of preserving their language and culture. In addition, Ontario is home to the Toronto Stock Exchange - the largest stock exchange in Canada, the third largest in North America and the seventh largest in the world by market capitalization.

CURRENT TRENDS

Over the past few years, the Ontario government, along with many other provinces, has been dealing with one of the biggest challenges ever – a budget deficit. According to the latest budget released in February 2016, the 2015-2016 deficit is estimated to be \$5.7 billion, \$2.8 billion lower than originally forecasted. However, the government does expect to reduce the deficit to \$4.3 billion in 2016-17, and balance the books by 2017-18. One of the main highlights of this year's budget was the new Ontario Student Grant, which will begin in the 2017-18 school year, and money will be available upfront for needy families earning less than \$50,000 a year.

According to Statistics Canada, employment increased by 15,200 in Ontario in the second quarter of 2016. This was the fifth consecutive quarterly gain for the province, although it was only approximately half the increase of the previous quarter. A significant increase in employment in May 2016 more than offset losses in April and June.

However, the gains over this three-month period came almost exclusively from part-time employment growth. Both employment and participation rates edged lower, each by 0.1 percentage point, in the second quarter of 2016 and have remained relatively unchanged over the last six quarters. For youth aged 15 to 24, the unemployment rate slipped to 14.0 percent from the previous quarter. Employment for Ontario's youth saw its first quarterly increase (+11,700) in the second quarter of 2016, after several consecutive quarters of decline. This constituted a majority of the overall increase in the province, with employment for individuals aged 25 to 54 increasing by 4,800 for the quarter, and those aged 55 and over declining 1,100 for the quarter.

Additional items of note are as follows:

- According to the Conference Board of Canada, Ontario's tourism sector may prove to be one of the biggest winners from the Canadian dollar's change of fortune. According to the Board's Canadian

ONTARIO ECONOMIC INDICATORS Q2 2016		
	2016 (f)	Y/Y Change
GDP	2.6%	↑
Unemployment	6.6%	↓
Employment Growth	1.2%	↑
Retail Sales	4.9%	↑
Housing Starts (000's)	74.5	↑

Source: BMO Capital Markets, TD Economics

Tourism Research Institute, Ontario recorded an estimated increase of 4.5 percent in overnight visits from the United States (U.S.) to the province in 2015, and another 1.6 percent growth is expected in 2016.

- According to Statistics Canada's Labour Force Survey, employment in Ontario was virtually unchanged in June 2016. With fewer people participating in the labour market, the unemployment rate fell from 6.6 percent to 6.4 percent, the lowest rate since September 2008. On a year-over-year-basis, employment in the province grew by 63,000 (+0.9 percent).
- The external environment for Ontario should remain positive during the next two years due to a better performance in its largest export market - the U.S., a low Canadian dollar, low interest rates, and low oil prices.

DEMOGRAPHIC CHARACTERISTICS

With a population of 13.8 million, Ontario is home to about 2 in 5 Canadians. More than 85.0 percent live in urban centres, largely in cities on the shores of the Great Lakes. The largest concentration of people and cities is in the "Golden Horseshoe" along the western shore of Lake Ontario, including: the Greater Toronto Area (GTA), Hamilton, St. Catharines, and Niagara Falls. The "Greater Golden Horseshoe" describes the extended metropolitan area, including parts of central Ontario surrounding the core region. With more than 9.0 million people, this area is one of the fastest growing areas in North America. The wider region spreads inland in all directions away from the Lake Ontario shoreline, southwest to Brantford, west to the Kitchener-Waterloo area, north to Barrie and northeast to Peterborough. Population hubs in southwestern Ontario include: London, Kincardine, Windsor, and Sarnia. In eastern Ontario, Ottawa and Kingston are the predominant cities. In northern Ontario, key municipalities include: Greater Sudbury, Thunder Bay, Sault Ste. Marie, North Bay, Timmins, and Kenora.

Additional items of note are as follows:

- Ontario's population growth has depended on immigration ever since the American Revolution sent Loyalists north to Canada. Even today, 40.0 percent of the approximately 250,000 people who immigrate to Canada each year choose to settle in Ontario. Toronto has been called the most multicultural city in the world, where more than 100 languages and dialects are spoken.
- The median age for Ontarians is about 40 years. There are approximately 5.0 million households in Ontario and the life expectancy is about 79 years for men and 84 years for women.

HOUSEHOLDS

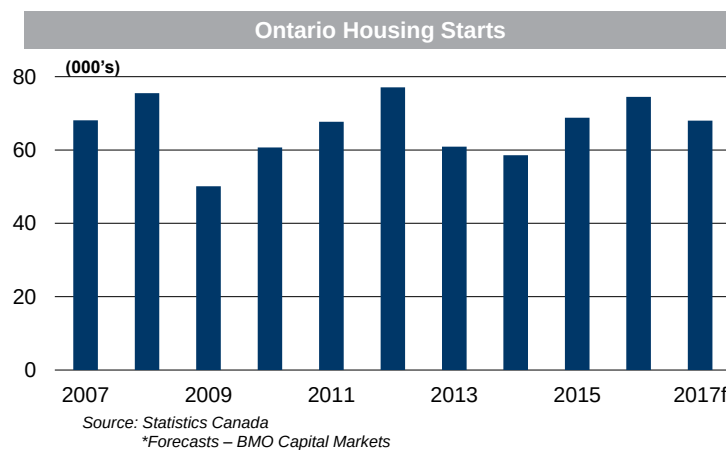
Ontario, together with British Columbia (B.C.) account for approximately 60.0 percent of Canadian housing activity. In Ontario, the ongoing shortage of single family homes for sale in and around the GTA continues to drive very strong price gains. Price growth in 2016 is forecast to be the strongest in Ontario (+2.8 percent) due to an ongoing supply shortage of listings for low rise homes in and around the GTA.

Additional considerations include the following:

- According to BMO Capital Markets, housing starts in Ontario will increase to 74,500 units in 2016, up from 68,800 units last year. In 2017, housing starts will drop to 68,000 units.
- Regional housing markets will continue on their expansion phase during the next two years. The low interest rate environment is a strong stimulus to all regional housing markets. According to the Ontario Chamber of Commerce, no recession in Ontario's housing market is foreseen until the next global economic recession and regional markets will expand reflecting their own local economic conditions.

Housing markets in stronger economies and with higher population growth outperform those with weaker demand conditions. Multiple Listing Services (MLS) residential sales growth is predicted to be most robust and above the provincial averages during the next two years in the Windsor-Sarnia and London regions. Another more active regional market is Muskoka-Kawartha. Residential sales are predicted well above provincial sales growth rate at 9.1 percent in 2016 and 6.7 percent in 2017. In this region, labour market performance is less of a housing driver than the influx of retiree migrants from other parts of the province, notably Toronto, in addition to low interest rates. Robust market conditions in Toronto and other regions facilitate and encourage migration.

The following graph presents historical and projected activity of housing starts in Ontario:



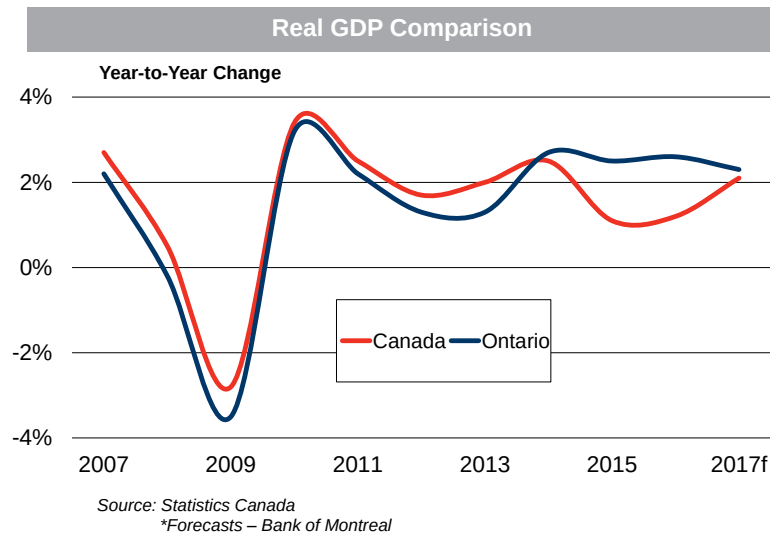
GROSS DOMESTIC PRODUCT (GDP)

Ontario is the largest economy in Canada, with a GDP nearly twice that of neighbouring Quebec - Canada's second largest economy. Ontario's industries range from cultivating crops, to mining minerals, to manufacturing automobiles, to designing software and leading-edge technology. Ontario generates 37.0 percent of the national GDP and is home to almost half of all employees in high tech, financial services and other knowledge-intensive industries.

Additional items of note are as follows:

- According to BMO Capital Markets, Ontario's economy grew by 2.5 percent in 2015, the second best rate in the country after B.C., although down by 20 basis points over last year. The economic growth is forecast to rise to 2.6 percent in 2016, continuing to record the second best provincial economic growth after B.C. in 2016. The rate will then drop to 2.3 percent in the following year. The GDP growth will be driven by the lower Canadian dollar and an improving U.S. economy, providing a further lift to manufacturing activity.
- Weak provincial business investment over the past decade means Ontario exporters might have insufficient capacity to meet the projected foreign demand increase.

The following graph presents further details of historical and projected GDP activity in Ontario:



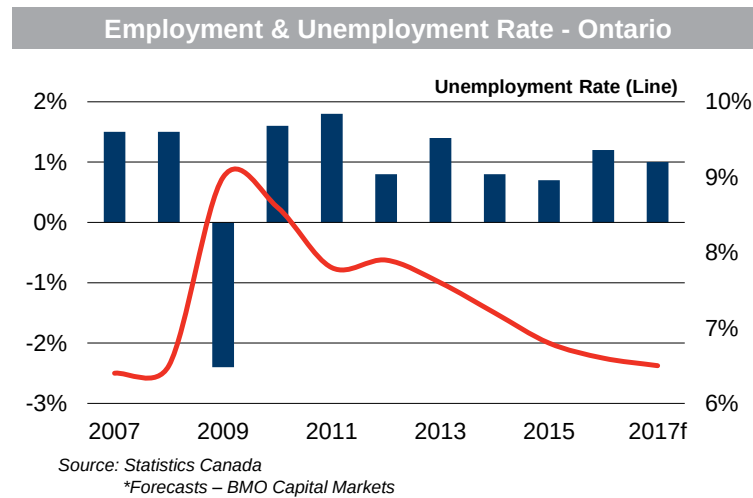
EMPLOYMENT AND UNEMPLOYMENT

Natural resources are still an important part of the economy in Northern Ontario, while Southern Ontario has become a manufacturing centre. Most Ontarians (70.0 percent), however, are employed in the service industries such as business, finance, tourism, and culture. Ontario's financial services sector generates approximately \$54.0 billion in GDP and employs about 350,000 people in over 12,000 financial services firms. Toronto, Ontario is the centre of Canada's financial services industry, and it is North America's third largest financial services hub after New York City and Los Angeles in terms of industry employment. Ontario is a leading North American jurisdiction for information technology (IT), only second to California. Apple, Facebook, Google, and Microsoft are some of the big names who have come to Ontario to recruit engineering talent. Ontario offers IT companies a distinct cost advantage over G7 countries, and business costs are 15.0 percent below the U.S.

Additional items of note are as follows:

- The labour force aged 25 and over exceeds 6.0 million people and approximately 64.0 percent of Ontario residents between 25 and 64 have completed post-secondary schooling.
- According to BMO Capital Markets, Ontario saw a slight drop in employment growth in 2015 to 0.7 percent from last year's 0.8 percent. The job market is expected to improve at 1.2 percent in 2016 and 1.0 percent in 2017. The unemployment rate dropped to 6.8 percent in 2015 and expected to drop to 6.6 percent and 6.5 percent in 2016 and 2017, respectively.
- According to Statistics Canada, employment grew by 79,000 in Ontario between the second quarters of 2015 and 2016, with most of the job gains coming from full-time work (+63,900). The unemployment rate inched up while the participation rate was unchanged over this period. Also, student summer employment decreased in Ontario compared to a year ago. Student employment decreased in June 2016 to 455,300; 4,400 lower (-1.0 percent) than in June 2015. The unemployment rate amongst returning students in June 2016 declined to 13.8 percent, 4.2 percentage points lower than June 2015. The provincial student unemployment rate has fallen below the national student rate of 14.4 percent, an improvement from this point last year. There were less returning students in the labour force in June 2016 compared to June 2015 which could imply more students continuing their studies into the summer months or simply opting not to work.

The following graph represents yearly historical and projected employment and unemployment rates for Ontario:



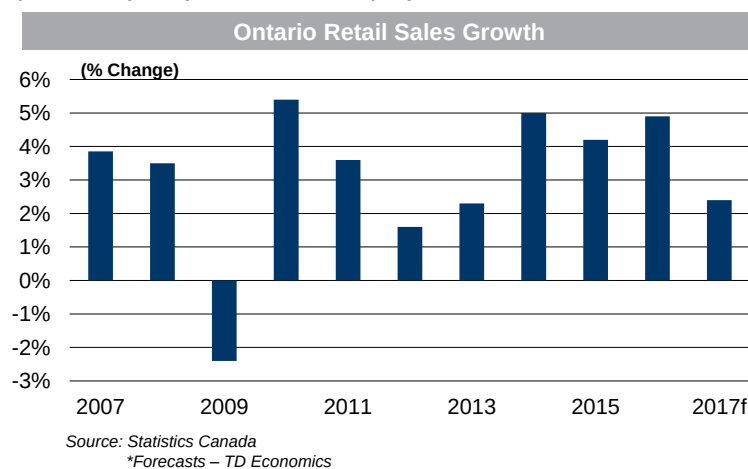
RETAIL SALES

The retail sector plays a key role in bridging production and consumption, and as a result, the sector has significant direct and indirect effects on the Ontario economy. According to TD Economics, retail sales in Ontario grew at 4.2 percent in 2015 although marginally down from 5.0 percent in the previous year. Retail sales growth is expected rise to 4.9 percent in 2016 before dropping to 2.4 percent in 2017.

Additional details regarding retail trade in Ontario are as below:

- In 2015, Ontario consumers saved approximately \$2.0 billion on their gasoline bills, which they were able to spend on other goods and services. Moreover, the federal government's increase in universal child care benefit payments to \$360.00 per child, further boosted disposable income. However, the growth in household consumption has been driven primarily by temporary factors and is not sustainable over the medium term. Over the next two years, household consumption growth is expected to slow, falling to 2.5 percent in 2016 and 1.3 percent in 2017.
- In 2016, the depreciation of the Canadian dollar will begin to significantly raise consumer prices and reduce Ontarians' purchasing power. In 2017, the introduction of the Ontario Retirement Pension Plan (ORPP) is expected to reduce the disposable income of approximately 3.5 million Ontario employees, which should reduce household consumption growth significantly.

The following graph represents yearly historical and projected retail sales rates for Ontario:



CONCLUSION AND FUTURE CONSIDERATIONS

Since the U.S. market accounts for nearly 80.0 percent of Ontario's total merchandise exports, demand from south of the border is critical to economic growth in Ontario. In the next two years, Ontario is set to benefit from strong economic growth in the U.S. and a weaker Canadian dollar. After growing by an estimated 1.9 percent in 2015, exports of goods and services are projected to grow by 4.3 percent in 2016 and 3.9 percent in 2017. However, Ontario's largest exporting industry - the auto sector - continues to suffer from supply constraints as it struggles to attract new capacity-expanding investments, the future is slightly brighter as plants resume production after unusually long retooling shutdowns in 2015 and past investments in parts manufacturing facilities pay off. Other exports in various categories will also benefit from a growing U.S. economy and a weaker Canadian dollar.

LOCAL AREA OVERVIEW

CITY OF OSHAWA

The City of Oshawa is located in Southern Ontario, on the northern shore of Lake Ontario. It is part of the Oshawa Census Metropolitan Area (CMA), which also comprises Whitby (town) and Clarington (municipality). It is the largest municipality of the Regional Municipality of Durham (or the Durham Region), which also consists of Ajax, Brock, Clarington, Pickering, Scugog, Uxbridge, Whitby and Mississaugas of Scugog Island (Indian reserve). It is also part of the Toronto Census Metropolitan Area (CMA) or Greater Toronto Area (GTA), which is the largest metropolitan area in Canada, along with the four regional municipalities that surround it: Durham, Halton, Peel, and York. The GTA is a commercial, distribution, and economic centre, and is the third largest financial centre in North America. The region generates about a fifth of Canada's GDP and is home to 40% of Canada's business headquarters. Oshawa is also situated in Ontario's Golden Horseshoe Region, a densely populated and industrialized region home to over 8.76 million people, making up more than 68% of Ontario's population and 26% of Canada's population. The City of Oshawa and the Oshawa CMA have a total land area of 145.68 km² and 903.51 km², respectively.

Oshawa is a central hub for business, education and entertainment in Durham Region. While Oshawa has traditionally been known for its automotive industry, it has also diversified into the advanced manufacturing, energy generation, health and bioscience, multimodal transportation and logistics, and information technology sectors. It is home to various institutions, organizations and facilities which provide products and services to the surrounding region and attract visitors to the area, including Lakeridge Health, Durham College, University of Ontario Institute of Technology, Trent University, and the HLEARN Centre, among others. Some top private employers include: Auto Warehousing Company, Cleeve Technology, EHC Global, Fresh Del Monte, General Motors of Canada, Mackie, Minacs, NuFlow Technology, Oshawa Clinic, Pival, among others. Oshawa also offers various attractions and activities which attract leisure travellers to the region, including the Oshawa Centre, the General Motors Centre, the Regent Theatre, the Robert McLaughlin Gallery, various museums, the Civic Recreation Complex, the Oak Ridges Moraine, as well as numerous parks and trails. In addition, Oshawa hosts several annual events and festivals which attract visitors year-round, including Fiesta Week, Peony Festival, Doors Open Oshawa, AutoFest, RibFest, and the Maple Syrup Festival, among others.

As the eastern gateway to the GTA, Oshawa is easily accessible via highways, transit, rail, water and air. The city is primarily served by Highway 2 and Highway 401, which run in an east-west direction through the city and connect to various cities in Southern Ontario and Quebec. Oshawa is located approximately 62 km from Downtown Toronto, 67 km from Vaughan, 82 km from Mississauga, 128 km from Hamilton, 153 km from Kitchener/Waterloo, 206 km from Kingston, 239 km from London, and 355 km from Ottawa. The extension of Highway 407 is also underway and will provide Oshawa with another point of access across the GTA in upcoming years. VIA Rail, GO Transit and Durham Region Transit offer passenger transit service to municipalities throughout the region and beyond. Oshawa is also located along the CN Railway and CP Railway systems. The Port of Oshawa connects the city to U.S. markets through the St. Lawrence Seaway. The region is also served by two airports - Oshawa Municipal Airport and Toronto's Lester B. Pearson International Airport.



GROSS DOMESTIC PRODUCT (GDP)

Oshawa's real gross domestic product expanded 2.1% in 2015, the second slowest pace of growth in the past six years. The region's economy experienced strong gains in the construction, transportation and warehousing, and finance, insurance and real estate sectors, which helped offset limited growth in the manufacturing sector (one of the region's biggest industries). The manufacturing sector contracted by 1.4% in 2015, the second decline in the past three years. General Motors' recent decision to move part of its production (the Chevrolet Camaro) to Michigan resulted in the loss of 1,000 manufacturing jobs and cut nearly one-third of the company's local workforce. The manufacturing sector continues to face challenges as investment and production in the automotive industry has been shifting to the U.S. and Mexico, as a result of factors such as lower wages, lower hydro rates, and tax incentives. The construction sector posted an average annual growth of 4.4% from 2009 and 2014 and a further 4.9% in 2015, and the growth has been supported by healthy residential and non-residential activity. The service sector grew 2.3% in 2015, with five of eight industries posting increases. Some service sectors with relatively strong growth included: transportation and warehousing (partly due to increased traffic at the Port of Oshawa); public administration; and finance, insurance and real estate. Other service sectors struggled due to a decline in employment and a slight decline in income, which lowered consumer confidence and in turn, consumer spending during 2015.

OSHAWA CMA - KEY ECONOMIC INDICATORS								
	2013	2014	2015	2016F	2017F	2018F	2019F	2020F
Real GDP (% Change)	1.9	2.9	2.1	2.0	2.2	2.3	2.4	2.6
Employment (000's)	194	201	194	202	205	208	212	216
% Change	2.4	3.6	-3.7	3.9	1.6	1.3	1.9	2.1
Unemployment Rate (%)	7.5	7.2	7.8	7.0	6.8	6.6	6.1	5.9
Personal Income Per Capita (\$)	40,364	41,960	41,635	43,084	44,174	45,218	46,560	47,995
Population (000's)	379	384	389	395	401	406	412	418
% Change	1.4	1.3	1.4	1.4	1.4	1.4	1.4	1.4
Retail Sales (% Change)	4.0	6.9	3.4	4.2	2.5	2.7	4.0	3.9
CPI (% Change)	1.1	2.3	1.4	2.4	2.3	2.1	2.6	2.0

Source: Conference Board of Canada, Winter 2016

The region's economy is forecast to expand 2.0% this year, supported by improvements in the manufacturing, wholesale and retail trade, business services, and personal services sectors. The manufacturing sector is forecast to grow 1.8% this year, supported by a lower Canadian dollar and a healthy U.S. economy. The construction sector is poised to slow and grow just 1.5% this year, as several large projects are finishing up and residential activity is expected to cool down. The service sector is forecast to grow 2.1% this year. The transportation and warehousing, public administration, and finance, insurance and real estate sectors are all expected to post slower rates of growth this year. Fortunately, some sectors will see improved performance, such as wholesale and retail trade, business services, and personal services, which will help offset declines in other sectors. These sectors are poised to benefit from a rebound in employment growth and faster income gains, which should help raise consumer confidence and consumer spending. Looking ahead, Oshawa's economy is forecast to show moderate growth in the medium-term and maintain an average annual growth of 2.4% from 2017 to 2020.

POPULATION

According to Statistics Canada, the City of Oshawa had a total population of 149,607 individuals in 2011, representing approximately 42% of the total population within the Oshawa CMA.

The Oshawa CMA has experienced modest population growth in recent years. According to Conference Board of Canada, the Oshawa CMA had a population of 389,000 in 2015, representing a 1.4% increase from the previous year. Looking ahead, the region's population is forecast to grow 1.4% per year in the medium-term.

LABOUR MARKET & INCOME

The Oshawa CMA has experienced healthy employment growth in recent years (with the exception of last year). The region employed approximately 194,000 individuals in 2015, representing a 3.7% decline from the previous year. The unemployment rate increase from 7.2% in 2014 to 7.8% in 2015, and this was higher than unemployment of 6.7% seen in Ontario and 6.9% in Canada. Of the total local workforce (194,000 individuals), 41,000 individuals worked in the goods sector and 153,000 individuals worked in the service sector. Dominant industries in terms of employment include retail trade, construction, primary and secondary schools, food and beverage services, and local government. Looking ahead, employment is forecast to grow 3.9% in 2016 and maintain an average annual growth of 1.7% from 2017 to 2020, which will help lower the unemployment rate moderately in the medium-term.

Oshawa residents have reported a personal income per capita that is slightly lower than provincial and national figures. Residents in Oshawa had an estimated personal income per capita of \$41,635 in 2015, representing a 0.8% decrease from the previous year, and this was lower than in Ontario and Canada (\$42,479 and \$44,962, respectively). Looking ahead, personal per capita income in the region is forecast to rebound and grow 3.5% in 2016 and maintain an average annual growth of 2.8% from 2017 to 2020.

MAJOR INDUSTRIES & EMPLOYERS

As the 'Automotive Capital of Canada,' Oshawa has traditionally been known as an automotive manufacturing powerhouse and the automotive industry has always been at the forefront of the city's economy. The manufacturing sector in Oshawa has gone through big changes over the past 10 years. From 2005 to 2009, the manufacturing sector contracted by nearly 40% and employment fell by 36%, as the industry was crippled by a strong Canadian dollar, high energy prices, increasing foreign competition, and falling demand for autos and parts. Since 2010, the industry has been slowly recovering with output growing every year (except 2013). Over this time, Oshawa's manufacturing sector was helped by the introduction of the Cadillac XTS to the General Motors production line in 2012 and the Chevrolet Impala in 2013. The automotive industry is currently performing well and there has been strong demand for vehicle sales in both Canada and the United States. While sales have

recovered, vehicle-manufacturing output in Ontario (and Oshawa) remains significantly below its pre-recession peak. There is some concern about the automotive industry in upcoming years, as automotive investment and production has been shifting toward the southern U.S. and Mexico due to inexpensive labour and free trade agreements. As well, General Motors recently announced it plans to finish production on one of its two lines at its Oshawa plant in 2016, and the second line may also be shut down in the near term. The impact of these closures will affect over 3,500 employees.

Oshawa has also diversified its economy with key sectors focused in advanced manufacturing, energy generation, health and bioscience, multimodal transportation and logistics, and information technology. While Oshawa has traditionally been known for its automotive industry, the city's advanced manufacturing sector is growing and creating products to serve a variety of industry needs. Oshawa is home to various prominent companies, including General Motors (CAN HQ), the Autoplex and Canadian Regional Engineering Centre, EHC Global, Premier Elevator, Cimetrix Solutions Inc., UOIT's Automotive Centre of Excellence (ACE), BRIC Engineering, Cleeve Technologies, Halendas Meets, Northwind Solution, NuFlow Technologies, and more. Overall, Oshawa's prime location, with access to the 400-series highway system, air, and rail systems, and proximity to a number of Canada-US borders, provides convenient access for companies.

The table highlights major public and private employers in Oshawa.

OSHAWA - MAJOR EMPLOYERS (2015)	
PUBLIC SECTOR	PRIVATE SECTOR
Canada Revenue Agency	Auto Warehousing Company
Children's Aid Society	Cleeve Technology (HQ)
Durham College	EHC Global (HQ)
Durham District School Board	Fresh Del Monte
Durham Region Provincial Courthouse	General Motors of Canada (CDN HQ)
Lakeridge Health Oshawa	Mackie
Ministry of Finance	Minacs
Ontario Power Generation	NuFlow Technology (CDN HQ)
Region of Durham	Oshawa Clinic
University of Ontario Institute of Technology	Pival

Source: City of Oshawa, Community Profile 2015

BUILDING PERMITS

The Oshawa CMA has experienced fluctuations in building permit values within recent years. The region recorded over \$982 million in building permit values in 2014, representing a 47.0% increase from the previous year. The increase was attributable to more residential (+19.8%), industrial (+157.6%) and commercial developments (+224.1%). Some major projects that began in 2014 include: the \$230 million Oshawa Centre expansion; a new six-storey \$21+ million Holiday Inn Express and Oshawa Conference Centre in the city's downtown; a \$25 million City of Oshawa consolidated operations depot; and a new Catholic elementary school. The following table summarizes building permit values within the region from 2009 to 2014.

OSHAWA CMA - VALUE OF BUILDING PERMITS (\$ 000'S)						
BUILDING PERMITS	2009	2010	2011	2012	2013	2014
Residential	337,495	530,324	628,703	521,988	491,046	588,413
Industrial	10,296	12,762	54,830	89,850	21,806	56,165
Commercial	79,403	82,956	134,336	105,938	83,869	271,838
Public Admin. & Non-Comm.	196,053	117,068	51,965	137,532	72,034	66,330
Total	623,247	743,110	869,834	855,308	668,755	982,746
% Change	-	19.2	17.1	-1.7	-21.8	47.0

Source: Conference Board of Canada, Winter 2016

HOUSING STARTS

The Oshawa CMA has experienced fluctuations in housing starts within recent years. The region had 2,587 housing starts in 2015, representing a 54.8% increase from the previous year. The significant increase was attributable to more single-detached (+24.3%), row/townhouse (+6.2%) and apartment/other developments (+570.0%). Year-to-date May 2016 figures revealed 997 housing starts in the region, representing an 8.6% increase from the same time last year, due to more semi-detached (+366.7%), row/townhouse (+38.3%) and apartment/other developments (+20.9%). The following table summarizes housing starts in the region from 2011 to present.

OSHAWA - HOUSING STARTS							
	2011	2012	2013	2014	2015	YTD MAY 2015	YTD MAY 2016
Single	1,384	1,155	887	1,141	1,418	425	351
Semi-Detached	40	50	66	32	20	6	28
Row/Townhouse	361	296	168	388	412	167	231
Apartment/Other	74	302	263	110	737	320	387
Total	1,859	1,803	1,384	1,671	2,587	918	997
% Change	-	-3.0	-23.2	20.7	54.8	-	8.6

Source: Conference Board of Canada (CMHC)

MAJOR DEVELOPMENTS

Oshawa has several recent, current and planned projects. These are described as follows:

GO Transit/Metrolinx Bus Service Facility - In late 2012, GO Transit opened a new \$52-million, 160,000 square-foot, LEED-certified bus services facility. This development improved GO bus service across the GTA by centralizing service, reducing operating costs, and allowing the storage and maintenance of up to 68 buses.

Durham Highway 2 Bus Rapid Transit (BRT) project - Beginning in June 2013, DRT Pulse launched enhanced BRT service along Highway 2 from the University of Toronto campus on Military Trail in Scarborough to Downtown Oshawa. DRT Pulse enhanced bus service was made possible through \$82.3 million in Metrolinx Quick Wins funding.

Del Monte Fresh Produce - In 2014, Del Monte opened its first Canadian operations in Oshawa. The 108,000-square-foot facility is a hub for the processing of fresh-cut fruit and vegetables, as well as distribution across Ontario and Quebec. As part of construction, Del Monte installed a new wastewater treatment system, System HydroKleen™, ALTECH Technology System's innovative Membrane Bioreactor (MBR). The plant is located at 940 Thornton Road South in Oshawa.

Oshawa Operations Depot - The City of Oshawa recently wrapped up a \$25 million project to build a new consolidated operations centre. The project included renovating a recently purchased building and adjacent property located at 199 Wentworth Street East, moving staff from a variety of locations, as well as the demolition and site redevelopment of the Ritson Depot. The depot unites roughly 230 staff from the Ritson, Conant, City Hall and Wilson location. The operational savings from the new depot are estimated to range from \$250,000 per year to \$1.4 million. The new depot was completed and became operational in 2015.

The Grand Vista - Avidus Property Management recently completed a \$30 million residential development featuring two eight-storey buildings with fitness centres, a library, a terrace, and multi-purpose rooms. It is dedicated to adults who are looking to downsize and live in a luxury community with an active lifestyle. The south tower offers 72 suites and the north tower offers 72 suites. The development is located at 1300 and 1320 Benson Street in Oshawa.

Holiday Inn Express and Oshawa Conference Centre - On March 29, 2016, InterContinental Hotels Group (IHG) announced the opening of the new-build 125-room Holiday Inn Express & Suites Oshawa Downtown hotel in Oshawa. The Holiday Inn Express Oshawa Downtown hotel is adjacent to the Oshawa Convention Centre, Durham Region's newest building, which offers 8,000 square-feet of meeting space. The hotel features an indoor pool, hot tub, 24-hour fitness center and 24-hour business center. The hotel is located at 67 Simcoe Street North in Oshawa.

Oshawa Centre Redevelopment - The Oshawa Centre is currently undergoing a \$230 million expansion and renovation project which will add 260,000 square-feet of new retail space, up to 60 new stores, two full service restaurants, an expanded 1,000 seat food court, and aesthetic upgrades to the existing centre's common area, washrooms and entrances. Upon completion, the Centre will offer a retail mix of more than 250 retailers (up from its existing 230). The entire project is scheduled for completion fall of 2016.

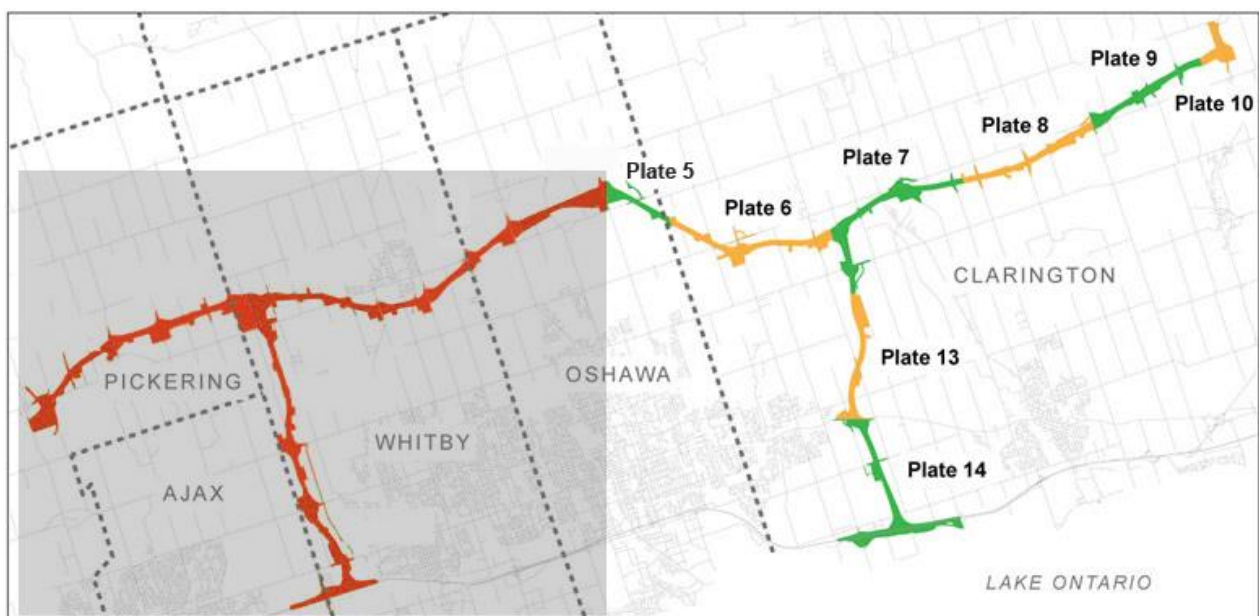
Oshawa Gateway - Rice Group has been working on a new 33-acre urban development in the midtown area, situated at Ritson Road and Adelaide Avenue. The project will feature over 300,000 square-feet of commercial space upon completion. In 2013, the development had already completed the Costco store and added 156,000 square-feet of adjacent commercial space. Tenants include a 150,000 square-foot Costco Wholesale store, BMO bank, No Frills, Beer Store, Marks Work Warehouse, Dollarama, Panera Bread Company and Panda Express.

Highway 407 East Project - This project is currently under construction and will consist of two phases. It is comprised of three highways: Highway 407, Highway 412 (formerly known as the West Durham Link) and Highway 418 (formerly known as the East Durham Link).

Phase 1 is a \$1-billion project that will extend Highway 407 by 20.3 kilometres between Brock Road in Pickering to Harmony Road in Oshawa; connect Highway 407 East to Highway 401 with the West Durham Link, a 10-kilometre, four-lane divided highway to be built east of Lake Ridge Road in Whitby; and require a five-kilometre realignment of Highway 401 to accommodate the West Durham Line. Construction began in 2012 and was scheduled for completion in spring of 2016.

Phase 2 will extend Highway 407 about 22 kilometres from Harmony Road in Oshawa to Highway 35/115 in Clarington; connect Highways 401 and 407 East with a 10-kilometre East Durham Link that will serve as a north-south freeway; and provide eight new interchanges, as well as, three freeway-to-freeway connections to Highway 407 East and Highway 401 from the East Durham Link and Highway 35/115. The Highway 407 East Phase 2 will be a toll road owned by the Ontario government. The initial portion, from Harmony Road in Oshawa to the Taunton Road / Highway 418 interchange in Clarington is scheduled to open to traffic in late 2017. The remainder of the mainline (from Taunton Road / Highway 418 to Highway 35/115 in Clarington); and Highway 418 are scheduled to open to traffic by late 2020.

The following diagram shows the Highway 407 East Extension Project: Phase 1 (greyed area) and Phase 2.



Durham York Energy Centre Facility - The Regional Municipality of Durham and Regional Municipality of York is currently working on a \$289-million garbage incinerator and energy-from-waste plant to serve the region. When operating at maximum capacity, it will burn 140,000 tonnes of trash annually, generating 20 MW of energy - enough to power 10,000 homes. The facility is located in the in Clarington Energy Park (on Osbourne Road, in the Courtice Road and Highway 401 area) in Clarington. The new facility is scheduled to become operational in September 2016.

Bond Street - Bond & Mary Development Inc. and Atria Development Corporation are currently constructing a 12-storey mixed-use, rental apartment building consisting of 239 luxury residential suites and 6 commercial units. The development is scheduled to be completion fall of 2016. It will be located at 100 Bond Street East.

New Train Station - Metrolinx has announced it will be partnering up with VIA Rail for the construction of a new \$12-million train station. The project will include a canopy which will connect the station with the VIA Rail train platforms and improve the area to make it easier for passengers to be dropped off and picked up. In the meantime, while the new station is under construction, the current one will remain in use. This is one of the busiest stations on the Lakeshore East line, with approximately 7,850 passengers – or about 16% of the line's commuters – using the station every day. The station will sit on the same site as the current one and is slated for completion in 2017.

Raleigh Bus Maintenance and Storage Facility - In November 2015, the Government of Ontario, the Regional Municipality of Durham and Metrolinx announced the start of construction for the new Raleigh Bus Maintenance and Storage Facility that will support improved public transit in the Durham Region. The new 62,100-sq. ft. maintenance facility will be able to maintain approximately 85 buses and will include a Transit Control Centre that will serve as the focal point of communications for the region. The total cost of the new facility project is approximately \$31 million, with a provincial contribution of more than \$26 million. The new facility is part of the Durham Highway 2 Bus Rapid Transit (BRT) project. The facility is scheduled for completion in summer of 2017. It will be located at 715 Farewell Street in Oshawa.

Kingmeadow - is a new 160-acre housing and townhouse development by Minto currently under construction at Simcoe Street North and Britannia Avenue. The residential community currently has a total of 200 units and sales for available units start at \$445,990. The community is planned to have more than 850 homes including townhouses and detached homes, 22 acres of green space and a 6.2 acre park which will include a baseball diamond and soccer field upon completion.

Student Housing Canada Inc. is currently working on a new student housing development at 1569 Simcoe Street North. This two phase development is expected to consist of a 2-tower student residence combining for 236 units or 920 beds. Phase 1 is currently under construction and is expected to be completed by 2017 - consisting of 452 beds. Phase 2 (468 beds) has had a site plan approved but no announced construction date.

University Studios is a new condo development by Podium Developments and Building Capital currently in preconstruction at 1900 Simcoe Street North, next to the UOIT / Durham College campus. The development features 308 SmartStudios in three sizes; 274, 366, and 376 square-feet. Amenities include: social lounge, concierge, four meeting rooms, fitness facility, party room, and a BBQ area. The units will be fully-managed by Varsity Properties. The development is expected to be complete in 2018.

University Towns is another new condo development by Podium Developments and Building Capital currently in preconstruction at 1800 Simcoe Street, next to the UOIT / Durham College campus. The development will feature 112 three-bedroom townhouses and 22 three-bedroom condos. Units range in size from 334 to 1,092 square-feet. Amenities include: social lounge, fitness facility, study rooms, party room, and a BBQ area.

General Motors - While General Motors has been an integral part of Oshawa's automotive industry for the past few decades, the current plan points to the end of vehicle production in the city by 2019. The Oshawa facility has already seen the closure of its truck assembly plant and the consolidation of its two car assembly plants in recent years. In return for a multibillion-dollar bailout by the province and federal government which made during the auto industry collapse, the automotive giant agreed in 2009 to keep 16% of its continental production in Canada through to 2016. In November 2015, GM moved production of the Chevrolet Camaro to a plant in Lansing (Michigan), resulting in 1,000 job losses. The company is planning to stop producing three other cars on the assembly line - the Chevy Impala, Buick Regal and Cadillac XTS – this year (2016). While GM has said it will extend the life of its Oshawa assembly plant until at least 2017 with the production of its Chevy Equinox SUVs, the plant has an uncertain future past the next two years.

Some analysts and production forecasting firms don't foresee any vehicles being built in Oshawa after 2017, and others believe there will be some production through 2019. GM appears undecided on Oshawa and is waiting on making a final decision in 2016. LMC Automotive tentatively forecasts a new Cadillac SUV could be built in the city in late 2017 - if GM decides to stay. The financial decision in whether GM will pull out of Oshawa or put additional investment into its plants will depend on various factors, including negotiations with the local union (Unifor), market conditions, and government incentives, among others. The closure is expected to eliminate about 3,600 unionized jobs at the two assembly plants.

In other news, in June 2016, GM announced it plans to hire up to 750 engineers, nearly quadrupling its existing research and development workforce to about 1,000, over the next few years. The jobs will focus on self-driving software, safety and connected-vehicle technology. The hires will fill its existing tech centre in Oshawa to capacity and GM also plans to open a new software development centre in Markham and invest \$10 million to upgrade its cold-weather testing facility in Kapuskasing.

Windfields Farm - RioCan and Tribute Communities have formed a joint venture with the purpose of developing a residential project on an approximately 30 acre portion of RioCan's Windfield Farms development property. Tribute will provide development, construction, sales and marketing services to the venture for the residential component of the site. It is expected that Tribute will commence presales for the site in the summer of 2016. RioCan continues to explore various retail and mixed-use development options for the remaining 82 acres of the approximately 112 acres of developable land at site. RioCan has announced plans for a large shopping centre, located at Simcoe Street and the Highway 407 extension interchange that will ultimately connect to Highway 35/115 by 2020. It will be designated as a regional retail site and will be able to accommodate up to 1.5 million square-feet of development. Phase I of the development is scheduled to be fully completed by 2021 and Phase II of the development is scheduled to be fully completed by 2031.

The Kedron Part II Planning Area is a large, planned community that will be located in northeast Oshawa, and will feature residential, commercial and industrially zoned areas, and an estimated population of 22,000 upon completion. The Kedron Part II Plan was approved in 2014. According to the City of Oshawa Development Insider 2015 report, eight subdivision applications from a variety of developers have been received for the Kedron area. These subdivisions propose approximately 1,900 single-detached, 78 semi-detached, 338 townhouse, and 317 back-to-back townhouse and an additional 1,321 dwellings within medium density blocks that could be developed as a combination of townhouses or low-rise apartments. Also proposed are a total of 7 new schools and a number of new parks throughout these developments. The area begins at the intersection of Ritson Road North and Conlin Road East, and extends to the north and east, past Harmony Road North to Townline Road, and stops short of the planned Highway 407 east extension to the north.

MAJOR DEMAND GENERATORS

Oshawa has various organizations, institutions and attractions, which provide products and services to residents as well as attract visitors to the region. These are described as follows:

Lakeridge Health is one of Ontario's largest community hospitals and serves people across Durham Region and beyond. It operates four hospital sites located in Bowmanville, Oshawa, Port Perry and Whitby. Consisting of three acute hospitals, one specialty hospital and various off site locations, Lakeridge Health manages over 540 inpatient beds and employs 4,000+ staff and physicians along with nearly 1,200 volunteers. Lakeridge Health Oshawa (LHO) is a 370-bed, acute-care hospital and is the largest of the four hospitals. LHO offers various advanced care services and is also home to the Durham Regional Cancer Centre. LHO is located at 1 Hospital Court in Oshawa, approximately 4.9 km southeast of the subject property.

Durham College (DC) - Since opening its doors in 1967, DC has been providing post-secondary education within the Durham Region and contributing an economic impact of more than \$800 million. The college has 11,000+ full-time students and apprenticeship students, 1,670 staff and faculty (770 full-time and 900 part-time), and more than 73,000 alumni. DC has campuses in Oshawa and Whitby and a Pickering Learning Site. DC offers more than 140 programs as well as customized corporate training solutions. Its Oshawa campus is located at 2000 Simcoe Street North in Oshawa, adjacent to the subject property.

University of Ontario Institute of Technology (UOIT) - Opened in 2002, this is a relatively new university with two campuses in Oshawa (North Oshawa and Downtown Oshawa). The university has 10,000+ undergraduate and graduate students, 1,494 faculty and staff, and 10,000+ alumni. It offers seven faculties, 46 undergraduate programs, 30 graduate programs, and 19 diploma-to-degree pathways. The university also houses more than 70 specialized research laboratories and facilities. It is home to unique and game-changing research facilities, including the General Motors of Canada Automotive Centre of Excellence (ACE) and the new Energy Research Centre (ERC), both opened in 2011. Its North Oshawa campus (main campus) is located at 2000 Simcoe Street North in Oshawa, adjacent to the subject property.

Trent University has research and teaching facilities located on a 1,450-acre riverfront campus in Peterborough, with a graduate college campus in downtown Peterborough, and a satellite campus in Durham (Oshawa). Trent has been offering courses for over 40 years in the Durham Region, and in 2010, it opened a new campus in Oshawa. The Durham (Oshawa) campus is home to approximately 1,000 full- and part-time students and offers a variety of degree programs. These programs include Business Administration; Business and Arts; Anthropology; Child and Youth Care/Studies; Communications and Critical Thinking, English Literature; History; Human Resource Management; Media Studies; Physiology; Social Work; Sociology; and a Teacher Education Stream. There are also additional programs planned for 2016 and 2017. Trent's Durham (Oshawa) campus is located at 55 Thornton Road in Oshawa, approximately 8.8 km south of the subject property.

LHEARN Centre (Lakeridge Health Education and Research Network) is a hub for cutting edge training, education and research, which welcomes more than 1,600 students annually across a broad range of health disciplines. Lakeridge Health has partnered with more than 80 post-secondary institutions, including Queen's University (as a training site for Queen's Family Medicine residents), Durham College, the University of Ontario Institute of Technology (UOIT) and the University of Toronto. The LHEARN Centre is unique for a community hospital in Canada, blending education directly into the delivery of health care. It provides up-to-date information and training on advances in clinical care through continuing education programs, high-fidelity simulation labs, and has hosted nearly 600 research studies and clinical trials across nearly every clinical program at Lakeridge Health. The LHEARN Centre plays a pivotal role in training the next generation of physicians and health care providers

Oak Ridges Moraine is an ecologically important geological landform in the Mixedwood Plains of south-central Ontario. The moraine is 150 m deep and extends 160 kilometres from the Niagara Escarpment in the west to the Trent River system in the east, and is on average 13 kilometers wide. It is characterized by rolling hills and river valleys and a high number of plant and animal species. It is also home to various adventure activities, such as the Treetop Eco-Adventure Park, the GTA's newest zip-line and outdoor adventure park featuring five zip lines, aerial obstacle course, and archery games, all with unique views of the moraine.

Parks & Trails - Oshawa's parks and trail system encompasses almost 410 hectares of parkland, nearly 60 km of bike lanes/routes, and more than 27 km of paved surface. The city offers over 130 parks and various trail systems for walking, running, and cycling. Lakeview Park is the scenic location of the Oshawa Community Museum's century homes, several picnic areas, playgrounds, sports fields, a waterfront pier and sandy beaches. Some trail systems include: Joseph Kolodzie Oshawa Creek Bike Path (7 km); Michael Starr Trail (5 km); Harmony Creek Trail (4 km); and the Waterfront Trail (11 km).

Parkwood Estates and Gardens - This National Historic Site was the home of R.S McLaughlin, a Canadian auto baron who would eventually oversee the operations of General Motors of Canada in the early 1900s. Parkwood Estate offers unique architectural, garden and landscape designs and original furnishings. It is open to the public for tours and private events such as weddings. Several feature films have also been filmed at this location, including Amelia, Fever Pitch, Chicago and X-Men. It is located at 270 Simcoe Street North in Oshawa, approximately 5.0 km southeast of the subject property.

The Oshawa Centre is known as the largest shopping centre in Durham region offering more than 230 retailers and over 1.2 million square-feet of retail space. The centre attracts over 8.4 million visitors annually. It is located at 419 King Street West in Oshawa, approximately 7.0 km south of the subject property.

General Motors Centre (GMC) - Owned by the City of Oshawa, and managed by Spectra Venue Management, the General Motors Centre opened in 2006 and is Durham region's premier sports and entertainment facility. The GMC is home to the Oshawa Generals of the Ontario Hockey League, the Durham TurfDogs of the Canadian Lacrosse League and the Oshawa Sports Hall of Fame. The main ice pad in the General Motors Centre is flexible in seating capacity, and can host events which require seating from 1,500 to 7,600. The Centre hosts various major concerts and special events. The GMC hosted a total of 322,449 guests throughout 2014 which attributed to \$9,290,723 in gross ticket sales. The facility also hosted the weightlifting and boxing competitions during the 2015 Pan Am Games (held in Toronto). The venue is located at 99 Athol Street East in Oshawa, approximately 6.1 km southeast of the subject property.

The Oshawa Community Museum is three restored 19th century homes that highlight early settlement in Oshawa. Each home contains furnishings and objects that illustrate Oshawa's past while temporary exhibits explore specific topics and themes. The museum is located in Lakeview Park, approximately 10.8 km southeast of the subject property.

The Civic Recreation Complex is a premier sporting destination and features five outdoor fields (two with artificial turf), a FIFA sized indoor Fieldhouse, indoor and outdoor tracks, swimming pool, fitness centre and indoor courts for tennis, badminton and squash. It is located at 99 Thornton Road South in Oshawa, approximately 8.5 km south of the subject property.

The Regent Theatre is used as a large lecture theatre for UOIT students and for community and cultural events/performances during the evenings and on weekends throughout the year. The Ontario Philharmonic, one of the most highly respected professional regional orchestras in Canada, also performs at the theatre. It is located at 50 King Street East in Oshawa, approximately 5.5 km southeast of the subject property.

The Robert McLaughlin Gallery (RMG) is the largest public art museum/gallery in Durham region and occupies 36,000 square feet. The Gallery features a permanent collection of over 4,500 works and five galleries of diverse and changing contemporary and historical exhibitions. It offers public and educational programs, a volunteer program, a gallery shop, event spaces, an art archive and library, an artist-in-residence lab, and art studio. It is located at 72 Queen Street in Oshawa's civic centre, approximately 6.3 km southeast of the subject property.

The Ontario Regiment (RCAC) Museum holds Canada's largest display of operational military vehicles and also houses a variety of military medals, uniforms, manuscripts, and photos. It is located at 1000 Stevenson Road North in Oshawa, approximately 6.2 km south of the subject property.

Canadian Automotive Museum was established in 1961 and contains more than 65 vehicles dating from 1898 to 1981, housed in an authentic 1920s car dealership. It is located at 99 Simcoe Street South in Oshawa, approximately 6.1 km southeast of the subject property.

Festivals - Oshawa hosts several annual events and festivals, including Fiesta Week, Peony Festival, Doors Open Oshawa, AutoFest, Canada Day, RibFest, Purple Woods Conservation Area's Maple Syrup Festival, and the Space Invaders event, among others.

ACCESS

As the eastern gateway to the GTA, Oshawa offers convenient connections to an advanced transportation network and is accessible highways, rail, transit, water and air.

HIGHWAY

Oshawa is primarily served by Highway 2 and Highway 401, which run in an east-west direction through the city and connect to various cities in Southern Ontario and Quebec. Highway 401 connects Oshawa to Windsor, Chatham-Kent, London, Kitchener, Cambridge, Mississauga, Toronto, Pickering, Ajax, Whitby, Clarington, Belleville, Kingston, and beyond. Highway 2 connects Oshawa to Windsor, Chatham, London, Woodstock, Brantford, Hamilton, Burlington, Oakville, Toronto, Whitby, Bowmanville, Belleville, Kingston, Cornwall, and beyond. Oshawa is located approximately 60 km from Downtown Toronto, 70 km from Vaughan, 80 km from Mississauga, 130 km from Hamilton, 150 km from Kitchener/Waterloo, 200 km from Kingston, 240 km from London, and 355 km from Ottawa. The extension of Highway 407 is also underway and will provide Oshawa with another point of access across the GTA in upcoming years.

RAIL & TRANSIT

Oshawa is located along both the CN Railway and CP Railway systems. VIA Rail and GO Transit is available at the city's train station located at 915 Bloor Street West, and provides transportation to surrounding cities and beyond. As well, Durham Region Transit provides local bus service throughout the region.

WATER

The Port of Oshawa is Durham Region's gateway to U.S. markets through the St. Lawrence Seaway. The deep-sea port has handled over 500 vessels and shipped more than 3 million tonnes of cargo over the past decade. On average, the port handles \$23 million worth of cargo annually, from salt and steel products to asphalt and grain. The movement of cargo through the Port of Oshawa supports 294 jobs. In addition, the Port has continued to expand its facilities and infrastructure through projects such as the recently completed rail spur and the ongoing East Wharf Consolidation project, which will provide additional berth for ships and more cargo handling space.

AIR

Oshawa is served by two airports – Oshawa Municipal Airport and Toronto's Lester B. Pearson International Airport.

Oshawa Executive Airport is an executive-level regional airport and the only full-service commercial and general aviation facility in Durham Region. The airport can accommodate a variety of aircraft ranging from small recreational aircraft to 20 passenger business jets and 70 passenger turbo-prop commuter aircraft. The modern terminal, up-to-date runways and taxiways support more than 20 businesses based at the airport, including FBO Services. The airport is also a port of entry, providing Customs Canada service for freight and passenger clearance. Corporate travel and just-in-time freight also continue to play an important role in the growth of Oshawa and Durham Region. Oshawa airport officials are predicting significant growth in corporate traffic in the next five years, primarily due to the planned closure of the Buttonville airport in Markham (in 2017/18). It is located at 1200 Airport Boulevard, approximately 3.6 km south of the subject property.

Toronto's Lester B. Pearson International Airport (YYZ) is the busiest airport in Canada and one of the top 30 worldwide with respect to daily aircraft departure and arrival volumes. The airport provides service to all provinces and territories in Canada and hosts 68 airlines offering non-stop and same-plane service to 183 international destinations throughout the United States, Mexico, the Caribbean, Central America, South America, Europe, Asia, the Middle East and Oceania. The airport welcomed more than 41 million passengers in 2015, representing a 6.4% increase from the previous year. Year-to-date April 2016 figures reveal over 12.6 million passengers have utilized the airport, up 4.9% from the same time last year. The airport is located at 6301 Silver Dart Drive in the Mississauga, approximately 74 km southwest of the subject property. The following chart illustrates total passenger activity at the airport over the past six years.

LESTER B. PEARSON INTERNATIONAL AIRPORT - PASSENGER TRAFFIC (000'S)								
YEAR	DOMESTIC	% CHANGE	TRANSBORDER	% CHANGE	INTERNATIONAL	% CHANGE	TOTAL	% CHANGE
2010	12,668	-	8,463	-	10,315	-	31,446	-
2011	12,756	0.7	8,685	2.6	10,661	3.4	32,103	2.1
2012	13,646	7	9,465	9	11,801	10.7	34,912	8.7
2013	14,385	5.4	9,838	4	11,884	0.7	36,107	3.4
2014	15,192	6.3	10,506	6.8	12,874	7.5	38,572	6.8
2015	15,859	4.4	11,154	6.2	14,023	8.9	41,037	6.4
YTD APR 2015	4,483	-	3,677	-	4,515	-	12,675	-
YTD APR 2016	4,705	5.0	3,831	4.2	4,761	5.4	13,296	4.9

Source: Greater Toronto Airports Authority

In 2015, the \$456-million Union Pearson Express Project was completed, which connects Toronto Pearson International Airport with Union Station in Downtown Toronto. The Union Pearson Express serves four key stations: Terminal 1 at Toronto Pearson, Union Station in downtown Toronto, and the Bloor and Weston GO Stations. At Bloor, Weston and Union, travellers can connect to other regional destinations easily and quickly. It is estimated to remove 1.2 million airport-related car journeys from GTHA roads in 12 months of operation and serve 1.8 million passengers.

STUDENT HOUSING MARKET OVERVIEW

INTRODUCTION

Student-housing properties are primarily apartment complexes that are located near college campuses, cater exclusively to students, and rent by the bed. The demand for student housing is directly related to the enrollment trends of a university rather than general population trends. The off-campus student-housing facilities are designed specifically for those students who have the option of living off campus. Many universities require the freshmen and sophomore class to live in on-campus dormitories, if space permits. The purpose of this section of the report is to analyze the national enrollment trends as well as historical and current patterns of student-housing properties. A general overview regarding investment opportunities within this niche market is also presented. The following analysis is based on the student housing industry in Canada, supported by United States data where applicable given Canada's limited published data about this industry.

A developing niche in the multi-family housing arena is the student housing market. The student housing projects are being built off campus by private developers since the universities, due to high costs, have been unable to keep up with mounting demand. As universities try to attract and retain paying students, more establishments are turning to private investors to build housing on campuses. Turning to private companies allows universities to spend more money on academic programs and helps to turn student housing into an estimated \$4 billion to \$5 billion industry.

Off-campus housing typically has become more upscale, as students require extra amenities that offer an apartment lifestyle with increased privacy that does not exist in most dormitory environments. Recent trends in the market include increased development in urban student housing, and mixed-use student housing projects that merge administrative offices, classrooms, health clinics, and ground-level retail space with students' living and dining space. Luxury, student-focused apartments are growing in university towns, with many boasting amenities that exceed those of traditional dormitories.

A recent trend in student housing development is the divergent nature of off-campus and on-campus housing design. Student Housing Business reported that off-campus, the demand for luxury amenities keeps growing, with "indoor racquetball courts, tanning salons, yoga studios, spas [and] valet trash services" among the conveniences being offered in new projects coming online over the next few years. Conversely, on-campus housing projects are focused more on creating community and a fulfilling college experience. Some of the extras at on-campus housing include "community gardens, teaching kitchens, classroom space, rain collection devices, and double-occupancy rooms," according to the Student Housing Business report from the U.S.

As schools compete for students and respond to a new level of student expectations, institutions are looking at residence halls as a means of attracting students, just as much as housing them. When it comes to attracting new students, the residence hall plays a significant role in a student's decision. According to the APPA Center of Facilities Research (CFaR), residential facilities ranked second in importance during pre-enrollment visits, second only to the facilities related specific majors. Additionally, residential facilities that weren't satisfactory were more important in the decision process. "Poorly maintained or inadequate residential facilities" was the number one reason for rejecting enrollment at an institution, while "an unsatisfactory housing experience" was found to be a major reason for first and second-year students to leave an institution. The top priorities for choice of current housing, according to Sightlines Student Housing, were: distance from class, opportunity to live with friends,

building and unit amenities, area safety, housing quality, safety and security of the building, laundry in building or unit, overall cost, and sense of independence.

Furthermore, there is growing recognition that when upper-year students move off campus, the community as a whole tends to suffer, as they contribute to the social and academic health of the school. Therefore, in order to retain upper-year students, who generally look for off-campus housing, institutions are looking increasingly at developing independent-living, seniors-only residence halls, which includes perks and privileges unique to the senior residents. Many of these developments are also including faculty residential and office facilities, with the aim of blending the living and learning experiences and further support a community of learning.

It is sometimes the case that schools, especially those located in more urban settings, seek to expand and secure their perimeter so as to ensure an adequate amount of contiguous land for future expansion. Purchasing existing housing in this area of future institutional growth has also service to provide graduate students with affordable living accommodations, while helping to define the projected campus edge.

Another growing movement in student housing is the use of “green design” in planning and operating student housing facilities. In fact, Student Housing Business reports, many localities now require that new state buildings be built to LEED certification guidelines. In addition to the use of specialty light and water fixtures, other techniques are being utilized to make student housing projects more environmentally friendly, such as the use of solar and geothermal energy for heating, the use of renewable materials, and the reduction of construction waste through off-site wall fabrication and other construction techniques. A number of recently-completed projects have received LEED silver or gold certification in the U.S. Additionally, the 516-bed on-campus Charles David Keeling Apartments at the University of California-San Diego earned LEED Platinum certification in 2012. In Canada, The West Village Suites in Hamilton is a LEED Platinum-certified, purpose-built student housing property with 449 beds and an on-site restaurant. It is within walking distance of McMaster University. The Village Suites in Oshawa, is a LEED Gold-certified student housing property within walking distance of Durham College and the University of Ontario Institution of Technology. It has 587 beds and features a fitness centre, games room, TV rooms and on-site laundry facilities.

Modern student-housing properties rent by the bedroom (rather than by the unit), offer individual leases by the bedroom, are generally all-bills-paid (where all utilities are included in the rent) and feature large clubhouses with game rooms, study areas, computer labs, and other amenities required by students. Most developers seek out developable sites that are located within walking distance of the campus. The aim of these new developments is to offer the comforts that students have become accustomed to while living at home (i.e. privacy, amenities, entertainment, internet access, etc.) and the popularity of these projects has grown significantly over the past five to ten years or so.

Sightlines Student Housing outlines four models for new student housing. One model provides inexpensive housing, targeting first-year and international students living alone. The goal is to help them integrate into life and culture in the school and its surrounding area. In this model, students might be housing in more traditional dormitories with communal bathrooms. Eating options are provided as shared floor kitchens, a small shop, café or dining hall. The lower cost associated with this model means smaller rooms, basic interior finished, and few building common spaces other than study rooms.

The second model provides housing for students with families, often in older apartment buildings. Communal spaces include a laundry room and recreation room. Adjacent child care centres are often available where residents' children are given preferential admission. Typically, apartments have on larger master bedroom and smaller second or third bedrooms.

The third model involves older medium-sized multi-family houses or apartment buildings close to the campus. These buildings will typically provide very few common spaces other than a laundry room in the basement and communal kitchen. Modern housing developments allow students to review and reserve apartments online before arriving, rent for the academic year instead of the calendar year, and pay by term using student billing. At university-owned properties, some schools subsidize the cost of apartment housing, particularly in areas where the market rents are steep, while others price housing at more reasonable market rates. Utilities and internet are often included.

The fourth model focuses on new apartment developments, involving purpose-built student housing as opposed to re-purposed older buildings. These buildings may include mixed-use occupancy, with first-floor retail and residential on the top floors, and an underground parking garage. These buildings often have a wide array of common spaces, including facilities for both students and faculty. In addition to study spaces, common spaces may include patios, fitness rooms, kitchens, meeting rooms, and a reception desk. Such new-style residences may also house residential-life staff with a budget to either provide or facilitate social programming. However, as mentioned previously, these types of developments have begun to shift, increasingly taken up by private developers. Schools will usually develop working relationships or partnerships with private developers to build and manage student housing.

The following is a list of typical interior and exterior amenities being built within the most modern student-housing projects, according to the Student Housing Business report:

BEDROOMS:

- Basic bedroom furniture (i.e. bed, end tables and dresser)
- Private phone line in each bedroom with separate billing
- Dedicated Internet phone line with access to the university system
- Private bathroom
- If bathroom is shared, each tenant has direct access from his or her adjoining room. Shared bathrooms typically feature extended counters as well as individual sinks, mirrors and medicine cabinets
- Cable (often satellite) connections for private television
- Built-in shelving and desk areas
- Walk-in closets with built-in closet organizer shelving
- Mirrored sliding closet doors
- Locks for all bedrooms with either key or card-key access

COMMON UNIT AREAS:

- Living room furniture (i.e. sofa, coffee table and flat-screen television)
- Larger common areas such as kitchens and living rooms
- Large shelving/pantry space to accommodate individual tenant food storage
- Larger refrigerators to accommodate individual tenant food storage

- Built-in microwave ovens
- Full-size washer/dryer
- Complete kitchen appliance package (stove, dishwasher, oven and refrigerator)
- Common storage area

BUILDING FEATURES:

- Exercise facilities
- Large clubhouse areas typically with large satellite television, game room, lounge, sitting area and kitchen facilities
- Study room with computers, desks etc.
- Above average amenities such as multiple oversized pools and Jacuzzis, sand volleyball courts, basketball courts and extensive landscaping
- Individual parking spaces for each bedroom within the complex

The emphasis of the new projects is on providing privacy and sufficient living space to the individual student. As such, individual unit sizes are often larger than the unit space offered at conventional apartment communities. Unit sizes at student-housing properties can range from about 600 sq. ft. (for a 1-bedroom unit) to over 2,500 sq. ft. (for a 4-bedroom unit). The common space within a unit is shared, while the bedroom space is completely private (often including a separate lock and key for access).

In a shared unit, the tenants generally have the option of either pairing with their own roommates or being paired up with other students selected and pre-qualified by the property's management team. However, each tenant must qualify individually for his or her own bedroom lease. In many cases, property owners require the parents to be guarantors of the lease since most students are first-time renters and do not have a qualifying rental history.

Given the specialized features, these types of developments are more expensive to build than typical multi-family communities. Cost comparables show total development costs ranging from \$70,000 to more than \$150,000 per unit, depending on location and the complexity of the project. The median cost for a residence hall being constructed in the U.S. is approximately \$20 million, or about \$171 per sq. ft. However, the investment returns on these projects are also much higher versus conventional developments. In 2013, American student housing pricing trends, on a per bed basis, reached a record high of \$48,479. On average, properties built within the last 10 years traded for \$70,500 per bed, with pricing exceeding \$197,000 per bed for urban core assets. Older product traded for an average of \$40,600 per bed in 2013 and ranged from \$16,000 to \$114,000 per bed. Net operating income growth was the primary factor driving the overall increase, as cap rates for transactions in both 2012 and 2013 hovered around 6.7% and similar bed-to-unit ratios of 2.79 and 2.75, respectively. The student housing asset class continues to perform exceptionally well under recessionary pressures and proves to be a recession resistant property type in comparison to many other investment grade real estate types.

As campuses compete with off-campus, amenity-filled residences, they are finding that amenities are essential to the appeal a campus has for prospective students. Providing these features as well as upgrading the infrastructures of aging dorms come with a hefty price tag. Nearly 60% of housing officers indicated that upgrading dorms is a major issue.

An important feature that makes student-housing developments a more appealing prospect for a developer is the virtual lack of year-round leasing activity. Students generally sign one-year leases at the beginning of the fall school year. In most cases, developers hire temporary leasing agents (who are often students that live on the property) during peak leasing periods, thereby reducing the need for full-time year-round leasing agents and, in turn, reducing payroll costs. Additionally, advertising costs (which are primarily incurred during leasing periods) are much lower at student-housing properties versus conventional apartments. However, administrative costs can be slightly higher due to the additional paper work required for negotiating and tracking multiple leases per unit.

NATIONAL AND PROVINCIAL DEMAND FOR STUDENT HOUSING

As illustrated below, Canadian post-secondary enrolments have been increasing annually since 2005-06. Although the growth slowed down to 1.7% in 2008-2009 due to the global recession, it bounced back and reached nearly 9.0% the following year (2009-10). Such significant growth was supported by the strong growth in international students' in 2009, a trend which continued into 2012-13. One should note that the overall growth rates of international students' enrolments at both university and college in Canada have been surpassing the local students since 2006.

CANADA - POST-SECONDARY ENROLMENT										
INSTITUTION	STATUS	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
College	Canadian Students	544,680	571,173	603,276	591,750	655,056	674,685	683,202	681,447	695,727
	% Change	-	4.9	5.6	-1.9	10.7	3.0	1.3	-0.3	2.1
	International Students	37,830	38,580	39,615	42,486	49,113	50,871	54,870	58,158	50,469
	% Change	-	2.0	2.7	7.2	15.6	3.6	7.9	6.0	-13.2
	Total	605,637	611,823	644,790	634,233	704,169	725,559	738,363	739,917	747,576
	% Change	-	1.0	5.4	-1.6	11.0	3.0	1.8	0.2	1.0
University	Canadian Students	969,183	984,945	989,274	1,026,084	1,102,056	1,128,231	1,141,713	1,151,265	1,155,555
	% Change	-	1.6	0.4	3.7	7.4	2.4	1.2	0.8	0.4
	International Students	80,874	81,822	83,628	87,420	99,006	107,685	120,198	131,973	144,498
	% Change	-	1.2	2.2	4.5	13.3	8.8	11.6	9.8	9.5
	Total	1,050,057	1,066,770	1,072,902	1,113,507	1,201,062	1,235,916	1,261,911	1,283,241	1,300,440
	% Change	-	1.6	0.6	3.8	7.9	2.9	2.1	1.7	1.3
Total	Canadian Students	1,513,863	1,556,118	1,592,547	1,617,837	1,757,112	1,802,916	1,824,915	1,832,715	1,851,285
	% Change	-	2.8	2.3	1.6	8.6	2.6	1.2	0.4	1.0
	International Students	118,707	120,402	123,243	129,906	148,119	158,559	175,065	190,128	194,964
	% Change	-	1.4	2.4	5.4	14.0	7.0	10.4	8.6	2.5
	Total	1,655,697	1,678,593	1,717,692	1,747,740	1,905,231	1,961,475	2,000,274	2,023,158	2,048,019
	% Change	-	1.4	2.3	1.7	9.0	3.0	2.0	1.1	1.2

Note: Sum may not add up due to unreported students.

Source: Statistics Canada, CANSIM Table 477-0031 - Postsecondary enrolments, by student status, country of citizenship and sex, annual (number)

The same trend was observed for Ontario as the growth rate of international students at post-secondary institutions is outpacing the Canadian students since 2007-08. The province saw a significant growth within international students during 2009-10 (+9.0%), 2011-2012 (+10.8%) and 2012-13 (+8.2%).

ONTARIO - POST-SECONDARY ENROLMENT

INSTITUTION	STATUS	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
College	Canadian Students	173,052	186,657	198,723	208,656	242,718	245,919	250,944	254,184	270,561
	% Change	-	7.9	6.5	5.0	16.3	1.3	2.0	1.3	6.4
	International Students	27,237	27,999	29,505	30,675	33,777	32,691	35,991	37,545	30,912
	% Change	-	2.8	5.4	4.0	10.1	-3.2	10.1	4.3	-17.7
	Total	217,302	216,414	230,040	239,334	276,492	278,610	287,223	292,044	301,794
	% Change	-	-0.4	6.3	4.0	15.5	0.8	3.1	1.7	3.3
University	Canadian Students	402,540	412,044	417,330	418,761	436,806	448,986	457,122	461,598	464,256
	% Change	-	2.4	1.3	0.3	4.3	2.8	1.8	1.0	0.6
	International Students	28,500	28,560	28,866	29,709	32,028	34,791	38,787	43,371	48,453
	% Change	-	0.2	1.1	2.9	7.8	8.6	11.5	11.8	11.7
	Total	431,040	440,607	446,196	448,470	468,834	483,780	495,906	504,972	512,712
	% Change	-	2.2	1.3	0.5	4.5	3.2	2.5	1.8	1.5
Total	Canadian Students	575,592	598,698	616,050	627,417	679,521	694,908	708,066	715,785	734,820
	% Change	-	4.0	2.9	1.8	8.3	2.3	1.9	1.1	2.7
	International Students	55,740	56,562	58,371	60,384	65,808	67,482	74,778	80,919	79,368
	% Change	-	1.5	3.2	3.4	9.0	2.5	10.8	8.2	-1.9
	Total	648,342	657,018	676,236	687,801	745,329	762,390	783,129	797,013	814,506
	% Change	-	1.3	2.9	1.7	8.4	2.3	2.7	1.8	2.2

Note: Sum may not add up due to unreported students.

Source: Statistics Canada, CANSIM Table 477-0031 - Postsecondary enrolments, by student status, country of citizenship and sex, annual (number)

Based on past labour-market trends and projected population changes, Association of University and College of Canada (AUCC) expects that there will be close to 1.3 million more jobs for university graduates in 2020 than there were in 2010. In addition, there will be approximately 700,000 to 900,000 more jobs for university graduates to replace those graduates who will retire over the coming decade. To meet this demand, the number of new graduates would need to grow by about 1.3% per year over the course of the decade. An increase of 1.3% in the number of graduates will likely require very similar increases in enrolment levels. By 2020, that kind of growth would generate an increase of 125,000 full-time students in addition to the current enrolled students.

Part of the growth in enrolment and participation would come from increases in international students. For example, if Canadian universities were to maintain their current global market share of the projected increase in international students, that would generate an increase of 30,000 international students by 2020 – an annual increase of about three percent. Growing by five percent per year would mean that universities would attract 45,000 more students in 10 years' time, driving a small increase in Canadian market share of international students. This growth in international student numbers would also help Canada address some of the expected increase in labour-market demand for graduates by the end of the decade.

Spiking enrolment trends at universities and colleges are creating opportunities for developers in Canadian markets. Of these million students enrolled every year, 55% attended university outside of the communities they grow up in and 10% of full-time university students come from outside of Canada. All of these students are in need of places to live. They are financially backed by parents and grandparents who want their children to be housed in accommodations that are safe and conducive to their educational experience. This results in a high demand for quality accommodations and rewards those who provide quality supply. However, in terms of realizing the opportunities that exist, the Canadian student housing market is about 10 years behind the American student housing market. Today, there are only 20,000 privately operated purpose-built off-campus student housing beds available in Canada, compared to more than 400,000 students across Canada who are looking for accommodations. Half of all off-campus beds are found in Waterloo, Ontario. Another 2,000 beds are in London, Ontario. The rest are grouped among major centres such as Toronto, Montreal and Halifax, leaving the rest of the country virtually underserved. Such a shortage will provide more opportunities for private equity firms to partner with schools to construct condominium-style buildings to fill the need for student living.

OSHAWA DEMAND FOR STUDENT HOUSING

Oshawa is home to three post-secondary institutions - University of Ontario Institute of Technology (UOIT), Durham College (DC), and Trent University - which attract students to live and study within the region. The main campuses for these institutions are located at the southwest and northwest corners of Simcoe Street North and Conlin Road West in north Oshawa. These are described as follows:

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY (UOIT)

- This university officially came into being on June 27, 2002, with the legislature's passage of Bill 109, Schedule O, the University of Ontario Institute of Technology Act, 2002. Administrators had 14 months to prepare for opening day in September 2003. The university welcomed its first class of 947 students on September 4, 2003, ushering in a new era of post-secondary in Durham Region and Ontario.
- The university has 10,000+ undergraduate and graduate students, 1,494 faculty and staff, and 10,000+ alumni.
- Undergraduate faculties include: Business and Information Technology; Education: Energy Systems and Nuclear Science; Engineering and Applied Science; Health Science; Science; and Social Science and Humanities.
- UOIT offers 46 undergraduate programs, 30 graduate programs, and 19 diploma-to-degree pathways.
- The university also houses more than 70 specialized research laboratories and facilities and 11 Canada Research Chairs. UOIT focuses on research in six areas: advanced manufacturing for 21st-century innovation; education for the 21st century; energy and the environment; human health and community wellness; information and communication technology and informatics; and life sciences and biotechnology.
- UOIT has two campuses in Oshawa: North Oshawa and Downtown Oshawa.
- UOIT's North Oshawa campus is home to various buildings, including ACE; Business and IT; the Campus Library; Blean Energy Research Laboratory; Energy Systems and Nuclear Science Research Centre; OPG Engineering Building; Science Building; and the U5 Building; among others. The General Motors of Canada Automotive Centre of Excellence (ACE) and the new Clean Energy Research Centre (ERC) are unique and game-changing research facilities, both opened in 2011.
- UOIT also has a significant presence in downtown Oshawa. In 2008 the Faculty of Education moved to a refurbished building at 11 Simcoe Street North. In September 2010, the Faculty of Social Science and Humanities moved into Bordessa Hall, a new five-storey building at 55 Bond Street East. Now more than 1,900 students and staff attend class and work in downtown Oshawa. UOIT's footprint includes Bordessa Hall, 11 Simcoe Street North, 2 Simcoe Street South, 61 Charles Street, the Regent Theatre at 50 King Street East and the UOIT-Baagwating Indigenous Student Centre (opened in 2014) at 151 Athol Street East.
- The North Oshawa campus (main campus) is located at 2000 Simcoe Street North in Oshawa.

The following table summarizes enrolment at University of Ontario Institute of Technology (UOIT) in recent years.

UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY (UOIT)											
STATUS	LEVEL OF STUDY	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Full-Time	Undergraduate Students	2,922	4,152	4,829	5,164	5,883	6,515	7,472	8,139	8,601	8,748
	% Change	-	42.1	16.3	6.9	13.9	10.7	14.7	8.9	5.7	1.7
	Graduate Students	7	15	63	121	260	308	294	333	376	398
	% Change	-	114.3	320.0	92.1	114.9	18.5	-4.5	13.3	12.9	5.9
	Total	2,929	4,167	4,892	5,285	6,143	6,823	7,766	8,472	8,977	9,146
	% Change	-	42.3	17.4	8.0	16.2	11.1	13.8	9.1	6.0	1.9
Part-Time	Undergraduate Students	156	145	184	236	361	456	433	464	502	594
	% Change	-	-7.1	26.9	28.3	53.0	26.3	-5.0	7.2	8.2	18.3
	Graduate Students	5	8	27	46	85	105	148	181	218	265
	% Change	-	60.0	237.5	70.4	84.8	23.5	41.0	22.3	20.4	21.6
	Total	161	153	211	282	446	561	581	645	720	859
	% Change	-	-5.0	37.9	33.6	58.2	25.8	3.6	11.0	11.6	19.3
Total Students	Undergraduate Students	3,078	4,297	5,013	5,400	6,244	6,971	7,905	8,603	9,103	9,342
	% Change	-	39.6	16.7	7.7	15.6	11.6	13.4	8.8	5.8	2.6
	Graduate Students	12	23	90	167	345	413	442	514	594	663
	% Change	-	91.7	291.3	85.6	106.6	19.7	7.0	16.3	15.6	11.6
	Total	3,090	4,320	5,103	5,567	6,589	7,384	8,347	9,117	9,697	10,005
	% Change	-	39.8	18.1	9.1	18.4	12.1	13.0	9.2	6.4	3.2

Source: Ontario Ministry of Training, Colleges and Universities (MTCU)

DURHAM COLLEGE				
ENROLMENT	2011-12	2012-13	2013-14	2014-15
GPOG Funded	7,488	8,354	9,181	9,337
Second Career Program	161	153	127	103
International Students	151	297	344	453
Collaborative Nursing	532	545	553	567
Total	8,332	9,349	10,205	10,460
% Change	-	12.2	9.2	2.5
Apprenticeship	1,375	1,320	1,219	1,190
% Change	-	-4.0	-7.7	-2.4

Source: UOIT, Business Plan

DURHAM COLLEGE (DC)

- Since opening its doors in 1967, DC has been providing post-secondary education within the Durham Region and contributing an economic impact of more than \$800 million.
- The college has 11,000+ full-time students and apprenticeship students, 1,670 staff and faculty (770 full-time and 900 part-time), and more than 73,000 alumni.
- DC has campuses in Oshawa and Whitby and a Pickering Learning Site. DC also has Community Employment Services locations in Bowmanville, Oshawa, Port Hope, Uxbridge, and itinerant services in Port Perry, Beaverton and Cannington.
- DC's Oshawa campus is home to the Student Services Building (SSB), the Integrated Manufacturing Centre, Centre for Integrated Studies, state-of-the-art dental and biotechnology labs, the Interprofessional Centre of Excellence in Simulation, the Campus Library, the Campus Recreation and Wellness Centre (CRWC), the Campus Health Centre, among other buildings.
- The College offers more than 140 programs through the schools of Business, IT & Management; Centre for Food; Continuing Education; Health & Community Services; Interdisciplinary Studies & Employment Services; Justice & Emergency Services; Media, Art & Design; Science & Engineering Technology; and Skilled Trades, Apprenticeship & Renewable Technology.
- The School of Continuing Education (part-time and OntarioLearn study) offers more than 1,500 courses, 50 certificate programs, 14 diploma programs and three post-graduate programs and one apprenticeship certificate in a wide variety of career and personal interest subject areas.

- The college's Corporate Training Services (CTS) department provides customized training to individuals and businesses that are designed to meet industry needs.
- DC's Oshawa campus is located at 2000 Simcoe Street North in Oshawa.

TRENT UNIVERSITY

- Trent University has research and teaching facilities located on a 1,450-acre riverfront campus in Peterborough, with a graduate college campus in downtown Peterborough, and a satellite campus in Durham (Oshawa).
- The Durham (Oshawa) campus (located at 55 Thornton Road) opened in 2010, building on Trent's presence in the region over 40 years.
- According to Trent's 2016 Viewbook, the Peterborough campus is home to 6,815 undergraduate students, 1,409 part-time students, and 718 international students from 79 countries.
- Trent's Durham (Oshawa) campus is home to approximately 1,000 full- and part-time students and offers a variety of degree programs. Programs include Business Administration; Business & Arts; Anthropology; Child and Youth Care/Studies; Communications & Critical Thinking, English Literature; History; Human Resource Management; Media Studies; Physiology; Social Work; Sociology; and a Teacher Education Stream. There are also new programs planned for 2016 and 2017.

The following table summarizes enrolment at Trent University (all campuses) in recent years.

TRENT UNIVERSITY											
STATUS	LEVEL OF STUDY	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Full-Time	Undergraduate Students	6,588	6,688	6,137	6,007	6,104	6,187	6,334	6,409	6,498	6,540
	% Change	-	1.5	-8.2	-2.1	1.6	1.4	2.4	1.2	1.4	0.6
	Graduate Students	198	220	283	325	345	354	370	415	417	379
	% Change	-	11.1	28.6	14.8	6.2	2.6	4.5	12.2	0.5	-9.1
	Total	6,786	6,908	6,420	6,332	6,449	6,541	6,704	6,824	6,915	6,919
	% Change	-	1.8	-7.1	-1.4	1.8	1.4	2.5	1.8	1.3	0.1
Part-Time	Undergraduate Students	1,334	1,362	1,409	1,341	1,308	1,230	1,124	1,165	1,139	1,100
	% Change	-	2.1	3.5	-4.8	-2.5	-6.0	-8.6	3.6	-2.2	-3.4
	Graduate Students	50	57	62	61	60	69	63	61	63	73
	% Change	-	14.0	8.8	-1.6	-1.6	15.0	-8.7	-3.2	3.3	15.9
	Total	1,384	1,419	1,471	1,402	1,368	1,299	1,187	1,226	1,202	1,173
	% Change	-	2.5	3.7	-4.7	-2.4	-5.0	-8.6	3.3	-2.0	-2.4
Total Students	Undergraduate Students	7,922	8,050	7,546	7,348	7,412	7,417	7,458	7,574	7,637	7,640
	% Change	-	1.6	-6.3	-2.6	0.9	0.1	0.6	1.6	0.8	0.0
	Graduate Students	248	277	345	386	405	423	433	476	480	452
	% Change	-	11.7	24.5	11.9	4.9	4.4	2.4	9.9	0.8	-5.8
	Total	8,170	8,327	7,891	7,734	7,817	7,840	7,891	8,050	8,117	8,092
	% Change	-	1.9	-5.2	-2.0	1.1	0.3	0.7	2.0	0.8	-0.3

Source: Ontario Ministry of Training, Colleges and Universities (MTCU)

FUTURE ENROLMENT PROJECTIONS

The following section highlights future enrolment strategies at UOIT, Durham College and Trent University in Oshawa. This information is based on two sources: the City of Oshawa's 2010 Student Accommodation Strategy (updated in 2015) and UOIT/DC's Campus Master Plan (approved in 2015). Please note, these figures may vary from previous estimates of enrolment and in enrolment projections due to differences in scope (e.g., which campuses are included), data collection methods (e.g., date of data collection), and classification. For this reason, these figures should be used as a general guide for understanding trends.

THE STUDENT ACCOMMODATION STRATEGY (2015)

In 2015, the City of Oshawa updated its 2010 Student Accommodation Strategy, which outlines student enrolment, housing and other related information regarding post-secondary institutions in the city for planning purposes. The following table summarizes actual and future enrolment projections at post-secondary institutions in Oshawa.

ACTUAL & FUTURE ENROLMENT PROJECTIONS						
INSTITUTION	2014-15	2015-16 (F)	2016-17 (F)	2017-18 (F)	2018-19 (F)	2019-20 (F)
Durham College (Main Campus)	8,095	8,822	9,395	9,768	10,032	10,293
UOIT (North Campus)	7,460	7,500	7,820	7,950	8,050-8,235	8,095-8,575
UOIT (Downtown Campus)	2,231	2,270	2,365	2,400	2,430-2,485	2,450-2,575
Trent University Durham	823	892	1,134	1,399	1,564	1,690

Source: City of Oshawa, Student Accommodation Strategy Update 2015

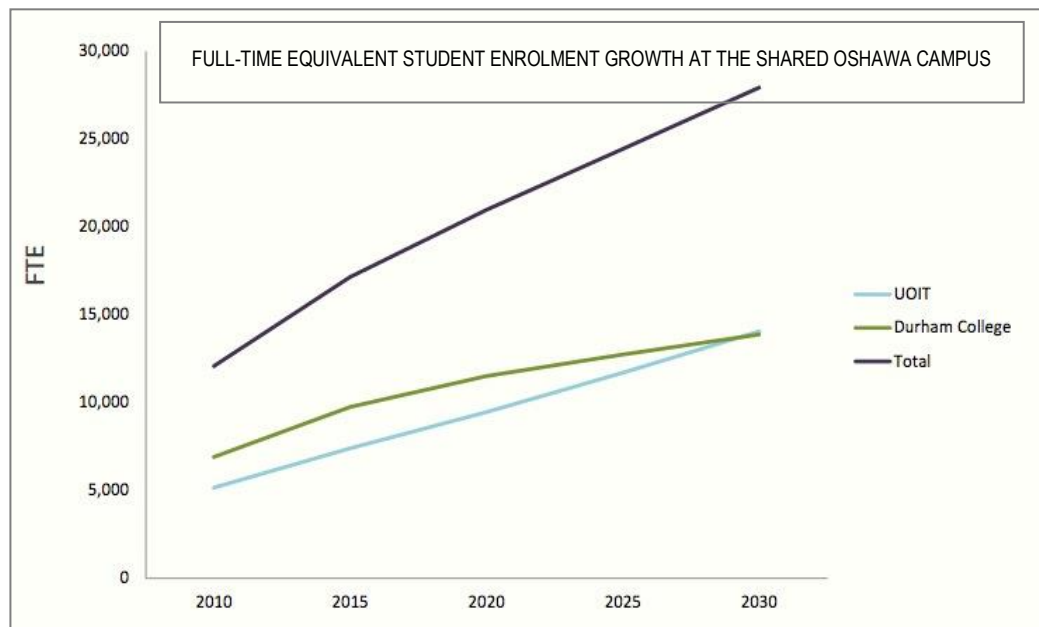
According to this strategy, UOIT and Trent University Durham estimate that 22% of the full time enrolment will require off campus housing. Durham College estimates that between 5% and 7% of the full time enrolment will require off campus housing.

Please note, the table above does not include any other potential enrolment increases that may be realized if the joint application submitted by UOIT, Durham College and Trent University Durham under the Major Capacity Expansion R.F.P. is approved by the Province. Durham College has advised that if the joint application is successful, cumulative enrolment at the three post-secondary institutions may increase by as much as another 5,900 students by 2020 and possibly another 7,100 students by 2030.

THE CAMPUS MASTER PLAN (CMP)

University of Ontario Institute of Technology (UOIT) and Durham College (DC) own a section of Windfields Farm lands, 355 acres of real estate north of the campus and the Simcoe Street/Conlin Road intersection. Based on projected enrolment growth for UOIT and DC over the next 15 years, both institutions have developed a joint Campus Master Plan (CMP) that envisions new classrooms, research labs, libraries and collaborative student spaces. The CMP will guide the future land use and infrastructure development for the shared Oshawa campus, with particular focus on enrolment growth and associated space needs to 2030. The table (right) illustrates existing campuses and the scope of the project.

According to the CMP, over the next 15 - 20 years, student enrolment at all DC and UOIT campuses is expected to grow by over 16,700 full-time equivalent (FTE) students, of which approximately 12,500 additional FTE students will be accommodated at the shared Oshawa campus. As such, it is expected that the majority of the growth will occur on the shared Oshawa campus. The following table illustrates enrolment projections at OUIT and Durham College (2010-2030).



OSHAWA EXISTING SUPPLY FOR STUDENT HOUSING

UOIT & DURHAM COLLEGE RESIDENCES

UOIT, Durham College and Trent University share residences in the Simcoe Street North corridor. These include the Simcoe Village and South Village residences, which are located at the shared campus (2000 Simcoe Street North) and provide accommodations for approximately 1,360 students.

These residence include: 24-hour security; controlled building access; furnished lounges; a games room, meeting room and common study areas; individually controlled air conditioning/heating; light housekeeping every two weeks; a movie lounge with a large-screen TV and theatre-style seating; on-site laundry, additional kitchen facilities and storage space; on-site management; and TV, cable, phone and Internet access.

THE SIMCOE VILLAGE RESIDENCE

The Simcoe Village residence (built in 1992) provides 328 units able to accommodate 656 students. It includes three halls: Central hall, South hall and North hall.

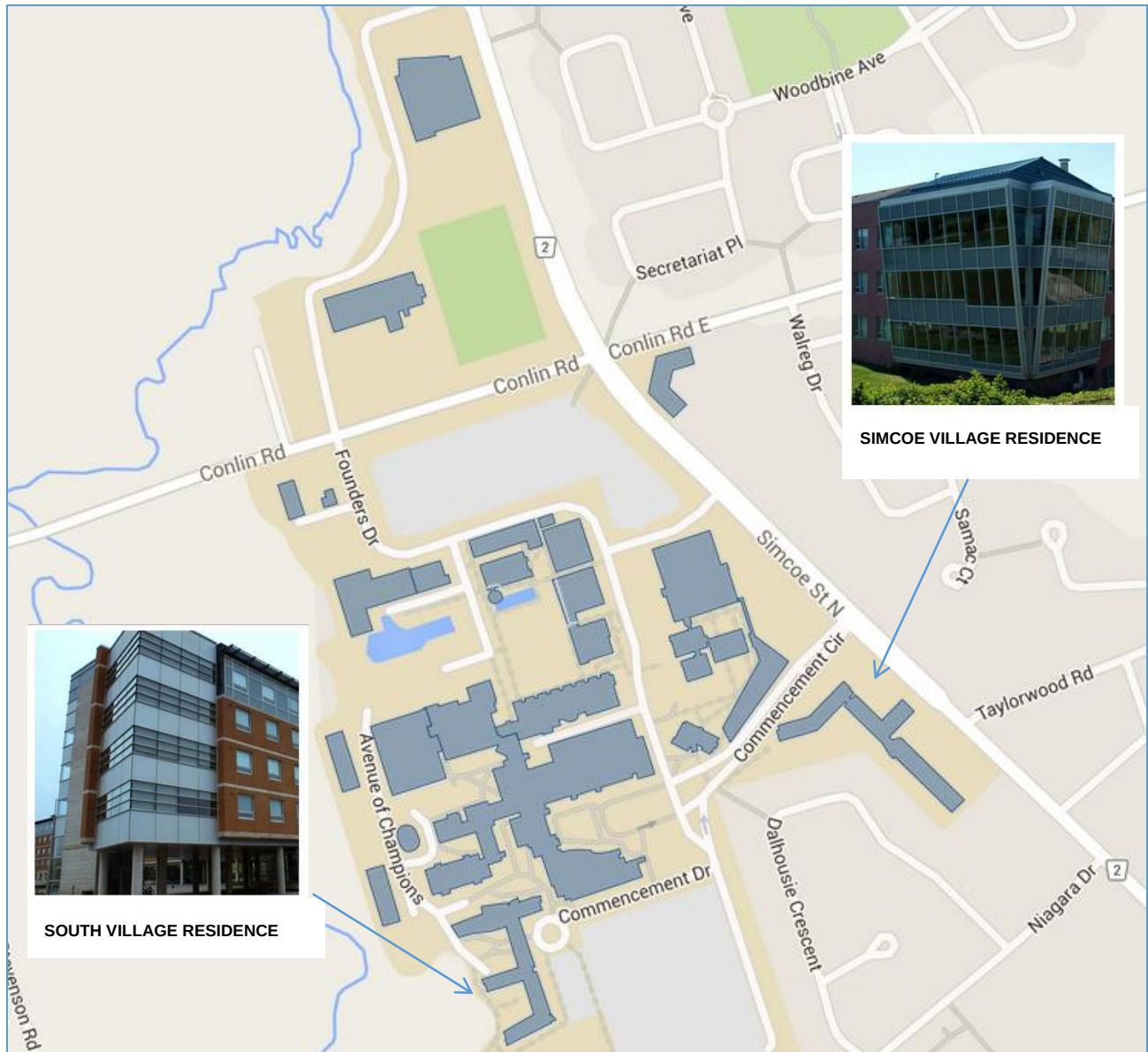
- The Central hall and South hall offer open concept, fully furnished suites. These include two double beds separated by a partial wall; a kitchenette; a private, three-piece bath; and a workspace.
- The North hall offers fully furnished suites. These include: two private bedrooms; a three-piece bath; a large kitchenette; and a workspace.

The Simcoe Village residence is located at 1910 Simcoe Street North in Oshawa.

THE SOUTH VILLAGE RESIDENCE

The South Village residence (built in 2003/04) is a five-storey building providing 355 units and is able to accommodate 709 students. The residence provides common areas for studying, recreation and socializing. Full food services are provided in a 'Marché' style 350-seat facility. Additional facilities include a convenience store, laundry, business centre and bicycle storage areas.

- The residence features fully furnished suites. These include two private bedrooms; a three-piece bath; a small kitchenette; a workspace; and a small seating area.
- Students living in South Village residence must purchase a mandatory meal plan.
- The South Village residence is located at 32 Commencement Drive in Oshawa.
- The following map illustrates residence buildings on the North Oshawa campus.



OTHER RESIDENCES

The following highlights existing purpose-built student-housing residences in Oshawa.



THE WEST VILLAGE RESIDENCES

Owned and managed by London Properties Corporation, the West Village residences (built in 2008/09) are apartment-style residence suites ideal for upper-year students looking for the independence of apartment living with the convenience of residing on campus.

The residence is comprised of stacked townhouses with 54 units able to 216 students in total - including: 27 units with 4 bedrooms each; 18 units with 3 bedrooms each; and 9 units with 6 bedrooms each.

Units include: five appliances; parking; networked Internet; and large bedrooms with spacious closets.

The West Village residences are located at 10 and 20 Avenue of Champions.



33 TAYLORWOOD

Opened in September 2012, 33 Taylorwood is a student residence offering 14 units (apartments) able to accommodate 70 students in total.

All units are 5 bedrooms with 2 full washrooms and large shared kitchen and common area.

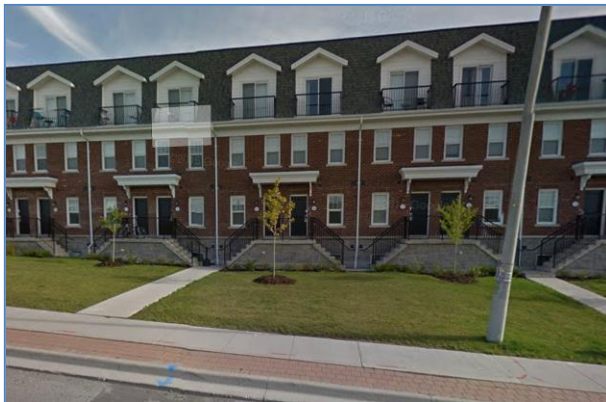
Property features include: secured entrance; coin laundry; large common area; security cameras 24/7; vending machines; 1 parking spot per unit; bike racks; utilities (water, gas, hydro and air conditioning).



CHC VILLAGE SUITES

This residence offers 133 units (apartments) able to accommodate 588 students. It offers 2, 3, 4 & 5 bedroom apartments (unfurnished or furnished).

Property features include: professional on-site maintenance and management; available on-site parking; bike storage; 24-hour fitness centre; yoga room; theatre room; recreation centre (with billiards, foosball and ping pong); group and private study lounges; utilities (water, gas, electricity, internet). It is located at 1700 Simcoe Street North.



2011 SIMCOE STREET NORTH

This residence comprises stacked townhouses offering 59 units able to accommodate 260 students.



EASTWOOD HEIGHTS STUDENT SUITES

This relatively new residence offers 48 units able to accommodate 238 students. It offers spacious 4 & 5 bedroom apartments with 2 bathrooms in each suite.

Property features include: study rooms; on-site laundry (every floor); parking; utilities.

The building is professionally managed by Kingsley Management. It is located at 1805 Simcoe Street North.



THE GRADUATE VILLA

This residence offers 20 units able to accommodate 85 students.

It serves students attending OUIT's Downtown Oshawa campus. It is located at 71 Emma Street.

FUTURE SUPPLY

Our fieldwork revealed the following off-campus student housing developments in the city.



University Studios is a new development by Podium Developments and Building Capital Inc., located at 1900 Simcoe Street N, across the street from the subject property. The off-campus student residence consists of 308 studio units. The development is currently in pre-construction and units had sold out within months of the project's launch. Amenities include social lounge, concierge, 4 meeting rooms, fitness facility, party room, and barbeque area. The development is expected to be completed in 2018. These studio units are approximately 274 sq. ft. in size.

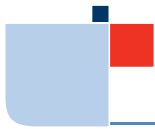


University Towns is a new development by Podium Developments and Building Capital Inc., located at 1800 Simcoe Street N, 350 metres south of the subject property. The off-campus student residence consists of 112 three-bedroom townhouses and 22 three-bedroom condos. The development is currently in pre-construction. Amenities include social lounge, fitness facility, study rooms, party room, and barbeque area. Units range in size from 334 sq. ft. up to 1,092 sq. ft.

There is also a planned development at **1569 Simcoe Street N**, 1 km southeast of the subject. This two phase development is expected to consist of a 2-tower student residence combining for 236 units. Phase 1 is currently under construction and is expected to be completed by 2017, adding 452 beds to the market. Phase 2 (468 beds) has had a site plan approved but no announced construction date. The developers of this project are Student Housing Canada and Strategic West Capital Inc. (Rollington Equity Ltd.). No unit size information has been reported at the time of writing.

George Lynsky & Sons Ltd. is also looking to develop an 18 unit student residence at **1909 Simcoe Street N**, adjacent to the subject property. The 4-storey apartment building is expected to consist of 3 and 5-bedroom units – totaling 64 beds. This residence has not been indicated to offer any additional amenities. A site plan and zoning amendment have been approved and completion is slated for 2018. No unit size information has been reported at the time of writing.

Although there is an influx of incoming supply into the market, it will be well absorbed by growing enrolment at UOIT and Durham College. Enrolment is expected to continue to grow annually with the numerous strategies put in place by the university and college. In addition UOIT estimated that 22% of its enrolment will require off-campus accommodation and Durham College estimated 5%-7% will require off-campus accommodation, numbers that are currently not met with the lack of purpose-built student housing developments in Oshawa.



PROPERTY OVERVIEW

MUNICIPAL DATA

ADDRESS OF PROPERTY UNDER VALUATION

2021-2023 Simcoe Street North, Oshawa Ontario

LEGAL DESCRIPTION

LT 12 PL 40M-1570 SAVE AND EXCEPT PT 2 PL 40R-28876; PT LT 12 CON 4 EAST WHITBY DESPT 1 PL 40R-28980 SUBJECT TO AN EASEMENT OVER PT 2 PL 40R-28977 IN FAVOUR OF PT LT 12 CON E EAST WHITBY DES PT 2 PL 40R-28816 AS IN DR1418994 TOGETHER WITH AN EASEMENT OVER PART LOT 12, CONCESSION 4, BEING PART 3 ON PLAN 40R-28977 AS IN DR1418993 SUBJECT TO AN EASEMENT AS IN DR1464801 CITY OF OSHAWA

PROPERTY IDENTIFICATION NUMBER (PIN)

2021 Simcoe Street North: 162701022

2023 Simcoe Street North: 162700024

OWNERSHIP AND HISTORY

As per the Ontario Land Registry, 2021 Simcoe Street North was transferred to 2023 Simcoe Street North Ltd. for \$300,000 on April 29, 2015 from the Regional Municipality of Durham. 2023 Simcoe Street North was transferred to 2023 Simcoe Street North Ltd. for \$1,400,000 on April 29, 2015.

ENCUMBRANCES

The investigation of easements, nuisances, hazards and encroachments for this assignment did not include a title search or detailed investigation beyond the data sources presented in the report. If undisclosed easements, nuisances or hazards are present, their impacts on the value have not been considered within this report. Any easements are assumed to be typical.

LAND USE ANALYSIS

Land use in Ontario may be controlled or directed by provincial restrictions through legislation such as the Planning Act, the Planning and Development Act, etc. Land use is also controlled by municipal restrictions such as Official Plans and Zoning By-Laws and /or other restrictive By-Laws.

OFFICIAL PLAN

The Subject Property is designated Part II Planning Area.

There appears to be no conflict between the proposed use of the property and the current Official Plan.

ZONING

The Subject Property is designated Mixed Use MU – A (3) Zone.

This zoning allows for apartment buildings, block townhouses, nursing homes, offices, private schools and retirement homes. Special Condition (3) states the following “Street townhouse buildings and townhouse dwellings are not permitted in any MU-A3 Zone. Balconies are permitted for any buildings in the zone only if they face Simcoe Street North”.

There appears to be no conflict between the proposed use of the property and the current Zoning By-law.

ASSESSMENT DATA

The subject property is assessed under one roll number: 1813070003034500000. The property has not yet been assessed as a multi-residential property as it is still under construction. In 2016, it is assessed as Multi-Residential Vacant Lot at \$549,000. According to the City of Oshawa, the 2016 property tax rate for Residential properties is 1.561085%.

We have analyzed 2016 assessments for the subject's primary competitive set as illustrated below:

- Village Suites Oshawa (1700 Simcoe Street N) was assessed at \$31,225,000, or \$53,194 per bed (587 beds). \$30,140,000 is assessed under Residential and \$1,085,000 is assessed under Commercial New Construction.
- Eastwood Heights (1805 Simcoe Street N) was assessed at \$11,347,000, or \$35,459 per bed (320 beds). It is a newly built property and was reassessed from Multi-Residential Vacant Land to Residential in 2013.
- 33 Taylorwood Road (1915 Simcoe Street N) was assessed at \$4,120,000, or \$68,666 per bed (60 beds).
- 2 Taylorwood Road has not yet been reassessed as a constructed property. Based on the City of Oshawa Public Report dated February 20, 2013, regarding the development of the subject, the City estimates the assessment for 2 Taylorwood Road to be approximately \$10,000,000 upon completion, or \$38,462 per bed (260 beds).
- 2015-2019 Simcoe Street North has not yet been reassessed as a constructed property. In a report dated March 24, 2014, the City estimates the assessment of 2015-2019 Simcoe Street North to be approximately \$4,500,000 upon completion, or \$40,541 per bed (111 beds).

The subject property is most similar to Village Suites Oshawa (1700 Simcoe Street N), 2 Taylorwood Road and 33 Taylorwood Road (1915 Simcoe Street N). Furthermore, Eastwood Heights (1805 Simcoe Street North) is a newly built property and was recently reassessed from vacant land to a Residential property. We have assumed a tax assessment of \$49,300 per bed for the subject property, within the range of the competitive set, for a total assessment of \$4,584,900. We have then applied the 2016 Residential tax rate of 1.561085% to arrive at estimated property taxes of \$71,574 or \$770 per bed.

DESCRIPTION OF SITE

Location:	Located on the east side of Simcoe Street North, directly across from Commencement Circle and entrance to the University of Ontario Institute of Technology campus.	
Configuration:	Largely rectangular	Frontage: Approximately 149.54 feet
Site Area:	0.61 acres (26,603.94 sq. ft.)	MPAC (Assessor)
Parking:	N/A (surface parking is available at the Phase 1 and 2 site of the subject property located at 2 Taylorwood Road, and 2015-2019 Simcoe Street North)	
Easements:	We are unaware of any easements of rights-of-ways relating to the subject property. The investigation of easements, nuisances, hazards and encroachments for this assignment did not include a title search or detailed investigation beyond the data sources presented in this report. If undisclosed easements, nuisances or hazards are present, their impacts on value have not been considered within this report. Any easements are assumed to be typical.	
Services Summary:	The site is fully serviced including water, sewer, natural gas, electricity and telephone.	
Access:	Very Good Site is accessible via Simcoe Street North.	
Topography:	The topography of the site is at grade with the street frontage.	
Landscaping:	Paving, trees, shrubs, sodding.	
Environmental:	For the purposes of this report, we have assumed there are no contaminants affecting the site. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capabilities to support the existing development.	

DESCRIPTION OF BUILDING IMPROVEMENTS

GENERAL OVERVIEW

Type:	Multi-Residential Student Housing
Style:	Low-rise Townhouse Complex
Year Built:	2016
Effective Age:	New build
Remaining Economic Life:	60 years
Anticipated Quality:	Excellent
Anticipated Condition:	Excellent

AREA STATISTICS

Number of Storeys:	4
Unit Mix:	One 3-bedroom unit, and 18 5-bedroom units for a total of 93 beds.

CONSTRUCTION DETAIL

Foundation:	Concrete
Floors:	Concrete
Framing:	Wood
Exterior Walls:	Brick
Roof:	Asphalt shingle
Windows:	Double-paned

BUILDING INTERIOR

Unit Amenities:	- Fully furnished units - Private bedrooms - Private en-suite washrooms - Full-sized kitchen granite kitchen countertops and island - Full-sized refrigerator - Oven/range - Dishwasher - Microwave - En-suite laundry - Private balconies - Dining/living room combination - Individually locking RFID bedroom doors - Common social lounge and kitchen
Unit Finish:	Floor finish is a combination of hard wood and radiant heated floors. Walls and ceilings are drywall.

Lighting:	Incandescent lighting (energy efficient)
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Anticipated Quality:	Excellent
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Anticipated Condition:	Excellent
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MECHANICAL DETAIL

Heating/Cooling:	High efficiency furnace and air conditioning. On-demand hot water tank.
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Plumbing:	Standard, assumed adequate.
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Electrical Service:	Standard, assumed adequate.
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Fire Protection:	Standard, assumed adequate.
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SITE IMPROVEMENTS

Parking Description:	N/A (surface parking is available at the Phase 1 and 2 site of the subject property located at 2 Taylorwood Road, and 2015-2019 Simcoe Street North)
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Onsite Landscaping:	Paving, trees, shrubs, sodding.
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CAPITAL EXPENDITURES

Recent Expenditures:	None
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Planned Expenditures:	None
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SUMMARY

Overall, the building is expected to be in excellent condition.

HIGHEST AND BEST USE

INTRODUCTION

The principal of the “Highest and Best Use” of a property is fundamental to the concept of market value. Highest and best use is defined by the Appraisal Institute of Canada as:

“The reasonably probable and legal use of vacant land or an improved property; which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.”

PHYSICALLY POSSIBLE

The pertinent physical factors affecting the highest and best use of the subject site fall under two categories: site characteristics and location characteristics. The site characteristics include size, dimensions, topography, soil conditions, and the availability of adequate utilities. Location factors include access to transportation, availability of labour and materials, proximity to markets, the impact of the surrounding neighbourhood, and conditions of the market within which the property will operate.

The subject’s physical features, its frontage onto Simcoe Street North, and site configuration, would support a development and density as currently proposed.

LEGALLY PERMISSIBLE

Legal factors influencing the highest and best use of the subject site are primarily related to governmental restrictions in the form of official plan regulations and zoning by-laws.

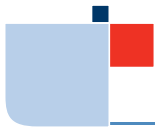
The subject site is currently designated Mixed Use MU–A (3) Zone in the Zoning by-law. This designation would permit the proposed use.

FINANCIALLY FEASIBLE

Of the permitted and conditional uses, the proposed development would support a financially viable use.

MAXIMALLY PRODUCTIVE

The final determination in the highest and best use analysis is the maximally productive use of the site. Based upon immediate area uses, it is reasonable to conclude that the proposed use would be maximally productive for the Subject Property.



HIGHEST AND BEST USE

VACANT

The highest and best use of the site as though vacant is considered to be that of a multi-residential building built to a maximally permitted density.

IMPROVED

N/A

CONCLUSION

Based upon the above analysis, the property will be appraised on the basis of its proposed use.

PROPERTY VALUATION

VALUATION APPROACHES

The market value of the subject property is contingent upon a number of factors such as location, replacement cost, physical condition and utility of the improvements, the market climate and general economic conditions. In the valuation process, these factors are incorporated into several approaches to value. The selection of the relevant methodology depends on the characteristics of the real estate being analyzed.

Traditionally, the three most common approaches to the valuation of real property are:

The **Cost Approach** to value is based on the economic principle of substitution, which states that the value of a property should not be more than the amount by which one can develop (by purchase of a site and construction of a building without undue delay) a property of equal desirability and utility.

The **Direct Comparison Approach** considers the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

The **Income Approach** to value is used to estimate real estate value based on property income generating capabilities using the Direct Capitalization Method or the Discounted Cash Flow method.

There are two traditional methods to income valuations.

- **Direct Capitalization Method** - division of a required yield (inverse of a required income multiple) into Net Operating Income to yield a value.
- **Discounted Cash Flow Method** is a method that accounts for the anticipated growth or decline in income over the term of a prescribed holding period.

SELECTION OF VALUATION APPROACHES

The subject property will be an income producing/investment property for which the Income Approach to value is considered to be appropriate. As the building is believed to reach stabilization within the first year of operations, the Direct Capitalization Method is utilized as the primary method of value. The Direct Comparison Approach is also developed in this report and is considered to add valuable insight into the final value estimate.

INCOME APPROACH

METHODOLOGY

The Income Capitalization Approach is a method of converting the anticipated economic benefits of owning property into a value through the capitalization process. The principle of “anticipation” underlies this approach in that investors recognize the relationship between an asset’s income and its value.

The two most common methods of converting net income into value are the Direct Capitalization Method and Discounted Cash Flow Method. In the Direct Capitalization Method, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the Discounted Cash Flow Method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return). Purchasers acquiring this type of asset typically look at year one returns, but also consider longer-term strategies. Given the nature of this property, the Direct Capitalization Method is considered appropriate and thereby developed in this analysis.

The projections presented have been prepared by CHC earlier in 2016 and received on August 2, 2016. On August 14, 2016, CHC advised us updates to their estimates, which we have included in the following projections.

REVENUE ANALYSIS

BASE RENTAL REVENUE

The estimation of Base Rental Revenue is based upon analysis of current market rents and statistics.

CLIENT’S PROJECTIONS

The subject’s units are to be rented on a per bed basis, net of utilities. The information summarized in the following table represents the Client’s projections:

CLIENT'S PROJECTIONS - 12 Months Commencing September 2016								
No.	Unit Type	Unit Count	Bed Count	Beds Occupied	Client's Projected Monthly Rent	Quoted Monthly Rent	Client's Projected Annual Rent	Quoted Annual Rent
1	3-Bedroom	1	3	3	\$887	\$912	\$10,646	\$10,944
2	5-Bedroom	18	90	90	VACANCY	\$851	\$9,204	\$10,212
Total		19	93	93	0%	\$71,692	\$79,326	\$860,298

The Client’s projected potential monthly base rental revenue is \$71,692 or \$860,298 annually.

MARKET RENTAL RATE ANALYSIS

In order to arrive at estimates of potential market rent for the Subject Property, we have analyzed:

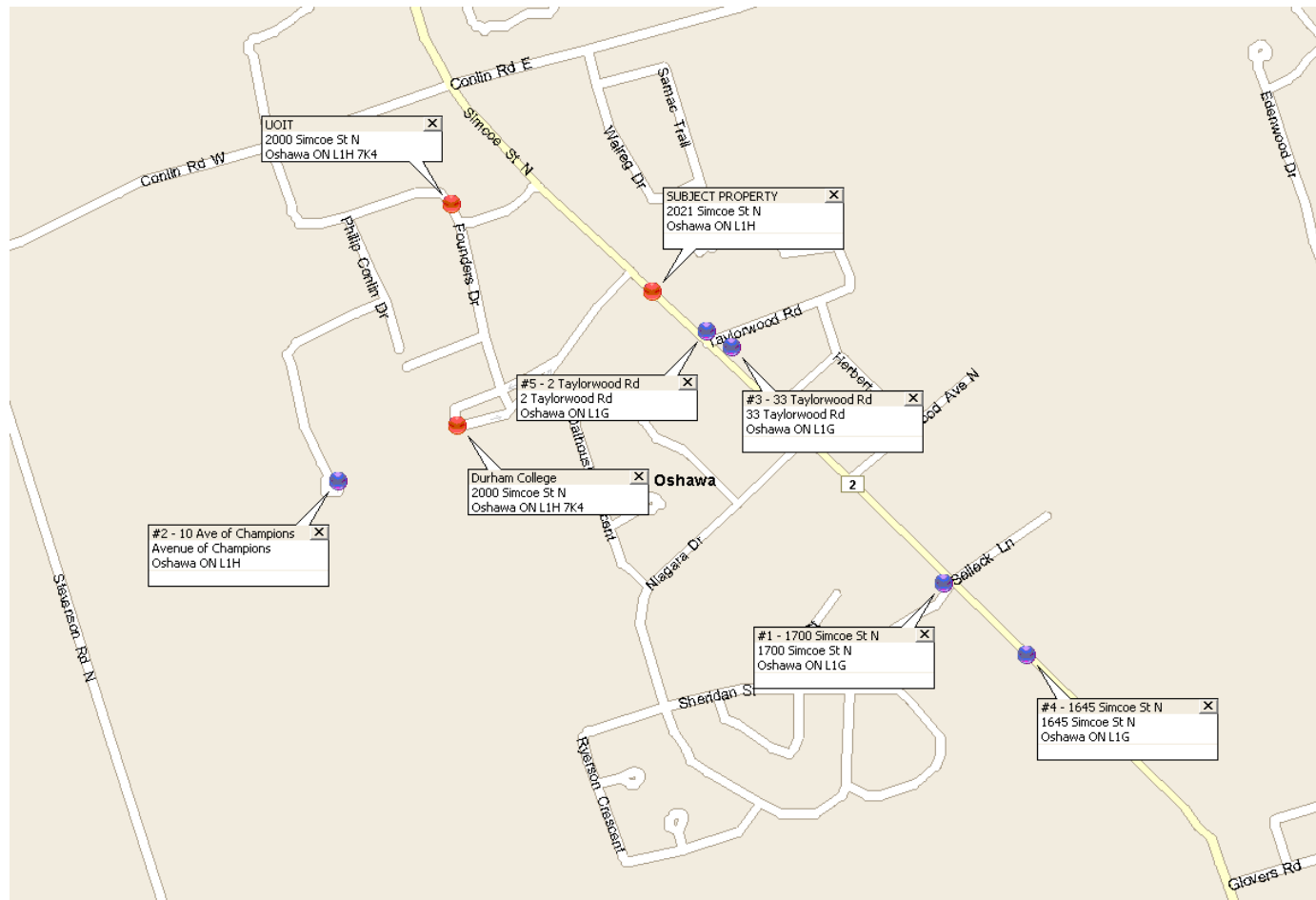
- Rents being achieved in comparable properties in Oshawa; and
- CMHC Rental Market Report statistics.

MARKET RENT COMPARABLES

The market rent analysis represents an important element in the valuation of an investment asset, as the market rent is the key in determining the long-term income potential of the subject property. A lease survey was undertaken to determine a reasonable market rent for the Subject Property. The following table is a survey of quoted rates in competing buildings considered to be comparable to the Subject Property. It is followed with a map and photographs of competing buildings.

OSHAWA STUDENT HOUSING RENTAL RATE SURVEY				
Index	Address	Building Type	Average Quoted Rents (per bedroom)	
			3 Bedroom	5 Bedroom
1	1700 Simcoe Street North (<i>CHC Student Housing</i>)	Mid-rise	\$690.00	\$515.00
2	10-40 Avenue of Champions (<i>London Property Corp.</i>)	Townhouse	\$625.00	
3	33 Taylorwood Road (<i>Schembri Property Management</i>)	Low-rise		\$565.00
4	1645 Simcoe Street North (<i>Excelsior Rentals</i>)	Low-rise	\$750.00	\$625.00
5	2 Taylorwood Road (<i>Varsity Properties</i>)	Townhouse	\$912.00	\$851.00
		Minimum:	\$625	\$515
		Maximum:	\$912	\$851
		Average:	\$744	\$639

RENT COMPARABLES MAP



Source: Microsoft MapPoint

Index #1 - 1700 Simcoe Street North (CHC Student Housing)



Index #2 - 10-40 Avenue of Champions (London Property Corp.)



Index #3 - 33 Taylorwood Road (Schembri Property Management)



Index #4 - 1645 Simcoe Street North (Excelsior Rentals)



Index #5 - 2 Taylorwood Road (Varsity Properties)



Index #1 - 1700 Simcoe Street North (CHC Student Housing)

- This student housing apartment features 2 to 5-bedroom units.
- Apartment options for furnished or unfurnished, FOB keyless entry, and some units have balconies.
- Building amenities include on-site laundry facilities, theatre, study rooms, games room, fitness centre, and yoga studio.
- Rent includes internet, electricity, water, and gas.

Index #2 - 10-40 Avenue of Champions (London Property Corp.)

- Townhouse complex that features 3 and 6-bedroom units.
- Building Amenities: Common kitchen, coin-operated laundry on-site, bi-weekly housekeeping, and lounges.
- Rent includes all utilities and internet and a furnished suite.

Index #3 - 33 Taylorwood Road (Schembri Property Management)

- All units are 5 bedrooms with 2 full washrooms and large shared kitchen and common area.
- Building Amenities: Coin-operated laundry on-site, 1 parking spot per unit, security surveillance, vending machines.
- Rent includes all utilities and internet.

Index #4 - 1645 Simcoe Street North (Excelsior Rentals)

- Student housing apartment building featuring 2, 3, and 5-bedroom units.
- Unit amenities: en-suite washrooms, air conditioning, and stainless steel kitchen appliances.
- Building amenities: laundry facilities, lounge/study room, video surveillance, and bike storage.
- Rent includes all utilities and internet.

Index #5 - 2 Taylorwood Road (Varsity Properties)

- This student housing complex is Phase 1 of the development of the subject property. It features 5-bedroom townhouses, and 3-bedroom apartments.
- The suites are fully furnished, with en-suite bathrooms. Living room includes a couch, coffee table and a wall mounted 42' TV, Apple TV, and internet. There is in-suite laundry, and stainless steel kitchen appliances.
- Rent includes internet and housekeeping service.

ANALYSIS

- The high end of the range, as well being considered most comparable to the subject property, is represented by Index #1. The Index is Phase 1 of the client's development and is identical in construction to the subject. However, although the quoted rents are obtained from their official website, it does not accurately reflect the actual rent they receive according to their rent roll.
- The lower end of the range is represented overall by Indexes #1 and #2. These properties are slightly older in construction, and therefore, do not have the same quality of appeal.
- Overall, the subject rents as quoted (\$912 for a 3-bedroom unit, and \$851 for a 5-bedroom unit) and achieved (\$887 for a 3-bedroom unit, \$761 for a 5-bedroom unit) are within the range suggested by the comparable market rents reviewed above.

CMHC MARKET RENT SURVEY

While the subject property is being used as a student housing development, we have included the Oshawa CMA Rental Market Report to reflect the current rental market in the area.

OSHAWA CMA RENTAL MARKET

The following table details vacancy, availability and rental rate statistics as of October 2015 according to the Canadian Mortgage and Housing Corporation (CMHC) Oshawa CMAs Rental Market Report.

OSHAWA ZONE 1					
	Bachelor	1 Bedroom	2 Bedroom	3+ Bedroom	Total
Total Inventory	55	961	2,101	289	3,406
Vacancy %	**	0.3%	1.9%	**	1.4%
Availability %	**	0.3%	2.4%	**	1.7%
Avg Price	\$773	\$925	\$1,099	\$1,252	\$1,057

The vacancy rates for rental apartments in the Oshawa CMA was not statistically significant. The vacancy rate edged higher due to growth in the supply of rental housing stock.

The rental apartment vacancy rate for Oshawa CMA was 1.7%, relatively unchanged from the previous year. In the subject's specific Zone 1-Oshawa North, this rate increased slightly from 1.1% to 1.4%.

Although mortgage rates in the housing market were low within the GTA, residents remained in their rental lodgings rather than owning a home due to inactive wage growth and rising house prices. Therefore, this alludes to the low vacancy rates as renters are delaying entry into the homeownership market. Nonetheless, rental demand has primarily been driven by millennials aged 20 to early 30s for reasons that they are likely to move out and live on their own.

Increasing prices were reflected in apartment rentals as well, where in Oshawa the overall average rent increased to \$1,001 from \$978 of last year, while the overall average rent in Zone 1-Oshawa North increased to \$1,057 for 2015 from \$1,049 in the previous year.

Total inventory of rental units in Oshawa revealed an increase from 11,269 in 2014 to 11,356 in 2015. Of this, inventory in Zone 1-Oshawa North also increased from 3,317 units to 3,406 units.

Similar to the vacancy rate, the availability rate provides further insight in that it takes into account rental units that are soon to be vacant. This rate for Oshawa CMA declined by 50 basis points from last year, though this is not statistically significant. In addition, the availability rate for Zone 1-Oshawa North remained unchanged.

Migration in the GTA continues to be a small factor in rental demand growth for this year due to weaker inflow, as immigrants turn to other cities surrounding the GTA and other provinces.

MARKET RENTAL RATE CONCLUSION

Based on the aforementioned reviews, market rental rates are in line with current contracted rates and are therefore considered reasonable to factor into this analysis.

MARKET RENT ANALYSIS						
No.	Unit Type	No. of Beds	Quoted Monthly Rent	Client's Projected Monthly Rent	Market Comps Monthly Rent	CMHC Survey Monthly Rent
1	3-Bedroom	3	\$912	\$887	\$744	\$417
2	5-Bedroom	90	\$851	\$767	\$639	N/A
Total		93	\$79,326	\$71,692		

ANALYSIS

- The subject's rates are above the median of market comparables which range from \$515 per bed to \$912 per bed.
- The above table shows the subject's pre-leased (Client's Projected) rental rates are above the quoted market and CMHC Survey rents. However, this is due to the subject property being a newly constructed property.

GROSS POTENTIAL RENTAL REVENUE – CW FORECAST

The building is of new construction and is 100% pre-leased. According to management, upon opening in September 2016, the subject is offering tenants an 8 month lease (September 2016 – April 2017). Starting in May 2017, leases will be offered on a 12 month term. However, management projections use a 12-month lease period as a basis of calculation. We have assumed 12 month leases will be the norm after the start-up period and have been used in our projections of stabilized operations.

As illustrated below, Potential Gross Rent Revenue for the 12-month period beginning in September 2016 is estimated at \$885,132. This assumes a fully-occupied building rented at market rates.

POTENTIAL GROSS RENT REVENUE FORECAST						
Unit Type	No. of Beds	Quoted Monthly Rent	Client's Projected Monthly Rent	Market Comps Monthly Rent	C&W Projected Monthly Rent	C&W Projected Annual Rent
3-Bedroom	3	\$912	\$887	\$744	\$887	\$31,932
5-Bedroom	90	\$851	\$767	\$639	\$790	\$853,200
Total	93	\$79,326	\$71,692		\$73,761	\$885,132

ANALYSIS

- As the subject is 100% pre-leased, we have projected a stabilized monthly rent more in line with quoted rates – indicating a base monthly rent revenue of \$73,761 or an average of \$793 per bed.

VACANCY & COLLECTION LOSS

An integral step in property income forecasting is accurately estimating the potential revenue which will be lost as the result of vacancy and bad debt. A survey of the market and conversations with local market participants indicate a market vacancy rate of 2% to 5%. As the subject is 100% occupied prior to opening, a vacancy rate of 3.0% on a stabilized basis is considered reasonable for the subject project.

OPERATING INCOME – C&W PROJECTIONS

There is no operating history as the Subject is currently under development. We were provided with projections from the Client. This is presented below together with C&W's projections for the stabilized 12-month period. We have estimated the Potential Gross Revenue to be \$858,578.

REVENUE AND EXPENSE ANALYSIS						
POTENTIAL GROSS REVENUE	Client's Projections			C&W Projections - 12 months (Stabilized)		
	Total	Per Bed	% PGR	Total	Per Bed	% PGR
Rent	\$853,656	\$9,179	100.0%	\$885,132	\$9,518	100.0%
TOTAL POTENTIAL GROSS REVENUE	\$853,656	\$9,179	100.0%	\$885,132	\$9,518	100.0%
Vacancy & Collection Loss	\$21,341	\$229	2.5%	\$26,554	\$286	3.0%
EFFECTIVE GROSS REVENUE	\$832,315	\$8,950	100.0%	\$858,578	\$9,232	100.0%

EXPENSE ANALYSIS

SURVEY OF MARKET EXPENSES COMPARABLES

A survey of market expenses was conducted for projects similar to the subject. A summary of our findings is presented below.

EXPENSE ANALYSIS BY EXPENDITURE PER BED											
Market Comparables		No. of Beds	Effective Gross Revenue	Repairs & Maintenance	Utilities	Insurance	Salaries	Advertising & Other	Management Fee	Realty Taxes	Total Expenses
951-961 Wonderland Rd	London	333	\$7,640	\$532	\$1,631	\$99	\$261	\$375	\$1,051	\$1,419	\$5,368
380 Gibb St	Oshawa	277	\$5,172	\$404	\$906	\$51			\$120	\$891	\$2,372
740-758 Kipps Lane	London	666	\$9,270	\$834	\$1,483	\$93	\$417	\$93	\$324	\$1,145	\$4,389
333 King St N	Waterloo	536	\$8,214	\$315	\$350	\$44	\$317	\$117	\$267	\$908	\$2,318
1700 Simcoe Street North	Oshawa	588	\$6,752	\$816	\$711	\$55	\$527	\$138	\$313	\$247	\$2,807
505 & 513 Albert Street	Kingston	110	\$7,839	\$729	\$67	\$185		\$7	\$627	\$621	\$2,278
326 Afred Street	Kingston	69	\$8,403	\$950	\$13	\$251		\$30	\$664	\$1,092	\$3,000
1 Mack Street	Kingston	72	\$8,807	\$3,110	\$190	\$268		\$44	\$693	\$1,346	\$5,651
335 Barrie Street	Kingston	18	\$14,084	\$794	\$248	\$304	\$783	\$102	\$1,061	\$2,203	\$5,514
673-677 Richmond Street	London	384	\$9,348	\$481	\$791	\$161	\$637	\$188	\$282	\$1,251	\$4,089
Minium		110	\$5,172	\$315	\$13	\$44	\$261	\$7	\$120	\$247	\$2,278
Maximum		666	\$14,084	\$3,110	\$1,631	\$304	\$783	\$375	\$1,061	\$2,203	\$5,651
Median		435	\$8,308	\$762	\$530	\$130	\$472	\$102	\$476	\$1,119	\$3,544

Compiled by Cushman & Wakefield Ltd.

SUBJECT PROPERTY EXPENSES

Operating expense ratios for student housing buildings generally tend to be relatively consistent as a percentage of Effective Gross Income (EGI). As operating expenses represent a key element in determining the profitability of a property, this is an important consideration in the valuation of an investment asset. Stabilized operating expenses were estimated for the subject property based on a survey of operating expense ratios in similar-sized buildings recently traded in the market.

SALARIES

This category includes all wages and benefits associated with the day to day on-site operation of the project.

Salaries					
	Total	Per Bed	% EGI	Market Summary (Per Bed)	
Client's Projections	\$50,945	\$548	6.1%	Minimum	\$261
C&W Projections - 12 Months (Stabilized)	\$51,150	\$550	6.0%	Maximum	\$783
				Median	\$472

ANALYSIS

- Six of the ten comparables have salaries expenses - which range from \$261 to \$783 per bed.
- Salaries Expense has been stabilized at \$51,150, or \$550 per bed. This is in line with the client's projections and market comparables' performance.

REPAIRS & MAINTENANCE

This expense category typically includes preventative maintenance such as common area repairs, roof and garage repairs of a non-capital nature, and turn-over maintenance on vacant units (painting, refinishing floors, etc.). While spending less on this category of expense can reduce overall expenses, long term thriftiness in this category can often lead to more expensive capital repairs in a few years and quick deterioration of a building.

Repairs & Maintenance					
	Total	Per Bed	% EGI	Market Summary (Per Bed)	
Client's Projections	\$13,398	\$144	1.6%	Minimum	\$315
C&W Projections - 12 Months (Stabilized)	\$20,460	\$220	2.4%	Maximum	\$3,110
				Median	\$762

ANALYSIS

- The Repairs & Maintenance expenses on a per bed basis are below the market data as the subject property will be a new and modern build – as opposed to the older, established comparables.
- Repairs & Maintenance Expenses are stabilized at \$20,460 (\$220 per bed) or 2.4% of Effective Gross Income.

UTILITIES

Utility expenses generally include electricity/hydro, heating & gas, water & sewer and trash disposal.

Utilities					
	Total	Per Bed	% EGI	Market Summary (Per Bed)	
Client's Projections	\$9,135	\$98	1.1%	Minimum	\$13
C&W Projections - 12 Months (Stabilized)	\$14,415	\$155	1.7%	Maximum	\$1,631
				Median	\$530

ANALYSIS

- The subject's tenants will pay for their own utilities. This category refers to common area utility expenses.
- The Utilities Expense for the subject is stabilized at approximately 1.7% of EGI or \$155 per bed – within the market range.

ADVERTISING & OTHER

This category reflects the costs associated with the promotion of the subject property and other related expenses.

Advertising & Other					
	Total	Per Bed	% EGI	Market Summary (Per Bed)	
Client's Projections	\$4,860	\$52	0.6%	Minimum	\$7
C&W Projections - 12 Months (Stabilized)	\$9,300	\$100	1.1%	Maximum	\$375
				Median	\$102

ANALYSIS

- The subject property is currently 100% pre-leased and management has indicated that it will no longer be using print advertising – shifting to a more social media focused strategy.
- A stabilized figure of \$9,300 (\$100 per bed) or 1.1% of EGI has been estimated. This includes advertising, and other related expenses – reflecting management projections and comparables performance.

MANAGEMENT FEE

Larger investment properties require the expertise and infrastructure of a professional management company for adequate and effective administration.

Management Fee					
	Total	Per Bed	% EGI	Market Summary (Per Bed)	
Client's Projections	\$24,969	\$268	3.0%	Minimum	\$120
C&W Projections - 12 Months (Stabilized)	\$25,757	\$277	3.0%	Maximum	\$1,061
				Median	\$476

ANALYSIS

- Management fees have been stabilized at approximately 3.0% of EGI – in line with client's projections, and industry standards.

INSURANCE

While insurance is a relatively important cost in the operation of any commercial or residential real estate, its overall cost is generally insignificant when compared to some of the larger costs such as realty taxes and utilities.

Insurance					
	Total	Per Bed	% EGI	Market Summary (Per Bed)	
Client's Projections	\$13,642	\$147	1.6%	Minimum	\$44
C&W Projections - 12 Months (Stabilized)	\$14,880	\$160	1.7%	Maximum	\$304
				Median	\$130

ANALYSIS

- Insurance Expense has been stabilized at 1.7% of Effective Gross Income – in line with client's projections and within the range of comparables analyzed.

REALTY TAXES

The subject property's tax assessment and our projection of property taxes was presented previously in the report. We have projected taxes based on the estimated 2016 assessment as an operating student residence.

Realty Taxes					
	Total	Per Bed	% EGI	Market Summary (Per Bed)	
Client's Projections	\$85,260	\$917	10.2%	Minimum	\$247
C&W Projections - 12 Months (Stabilized)	\$71,610	\$770	8.3%	Maximum	\$2,203
				Median	\$1,119

RESERVE FOR REPLACEMENT & STRUCTURAL RESERVE

General practices and the market comparables do not indicate any allocations for a structural reserve or a furniture, fixtures and equipment reserve. Such spending is generally capitalized in balance sheets and excluded from operating statements. Therefore, we have not included any reserve in our valuation.

COMPARISON TO MARKET SUMMARY

The following table presents a comparison between market operating expenses and subject expenses as budgeted/forecast.

EXPENSE ANALYSIS SUBJECT COMPARISON TO MARKET COMPARISON										
Market Comparables	No. of Beds	Effective Gross Revenue	Repairs & Maintenance	Utilities	Insurance	Salaries	Advertising & Other	Management Fee	Realty Taxes	Total Expenses
EXPENDITURE PER BED										
Market Minimum	110	\$5,172	\$315	\$13	\$44	\$261	\$7	\$120	\$247	\$2,278
Market Maximum	666	\$14,084	\$3,110	\$1,631	\$304	\$783	\$375	\$1,061	\$2,203	\$5,651
Market Median	435	\$8,308	\$762	\$530	\$130	\$472	\$102	\$476	\$1,119	\$3,544
Subject (As Projected)	93	\$9,232	\$220	\$155	\$160	\$550	\$100	\$277	\$770	\$2,232
PERCENTAGE OF EFFECTIVE GROSS REVENUE										
Market Minimum	110	100%	3.8%	0.2%	0.5%	0.0%	0.0%	2.3%	3.7%	28.2%
Market Maximum	666	100%	35.3%	21.3%	3.0%	7.8%	4.9%	13.8%	18.6%	70.3%
Market Median	435	100%	9.0%	4.3%	1.3%	3.4%	0.7%	7.5%	13.0%	41.6%
Subject (As Projected)	93	100%	2.4%	1.7%	1.7%	6.0%	1.1%	3.0%	8.3%	24.2%

Compiled by Cushman & Wakefield Ltd.

ANALYSIS

- The subject property's expenses per bed are generally projected to be at the lower end of or lower than market comparables. This is because the subject will be a new and modern build expected to incur lower maintenance and utility costs. Furthermore, we expect some operational synergies to exist between the subject (Phase 3) and Phase 1 and 2 of the client's development.

TOTAL OPERATING EXPENSES – CW FORECAST

A detailed analysis worksheet and forecast of subject property expenses is presented below.

REVENUE AND EXPENSE ANALYSIS						
OPERATING EXPENSES	Client's Projections			C&W Projections - 12 months (Stabilized)		
	Total	Per Bed	% EGR	Total	Per Bed	% EGR
Repairs & Maintenance	\$13,398	\$144	1.6%	\$20,460	\$220	2.4%
Utilities	\$9,135	\$98	1.1%	\$14,415	\$155	1.7%
Insurance	\$13,642	\$147	1.6%	\$14,880	\$160	1.7%
Salaries	\$50,945	\$548	6.1%	\$51,150	\$550	6.0%
Advertising & Other	\$4,860	\$52	0.6%	\$9,300	\$100	1.1%
Management Fee	\$24,969	\$268	3.0%	\$25,757	\$277	3.0%
Realty Taxes	\$85,260	\$917	10.2%	\$71,610	\$770	8.3%
TOTAL OPERATING EXPENSES	\$202,209	\$2,174	24.3%	\$207,572	\$2,232	24.2%

NET OPERATING INCOME ANALYSIS

REVENUE AND EXPENSE ANALYSIS						
	Client's Projections			C&W Projections - 12 months (Stabilized)		
POTENTIAL GROSS REVENUE	Total	Per Bed	% PGR	Total	Per Bed	% PGR
Rent	\$853,656	\$9,179	100.0%	\$885,132	\$9,518	100.0%
TOTAL POTENTIAL GROSS REVENUE	\$853,656	\$9,179	100.0%	\$885,132	\$9,518	100.0%
Vacancy & Collection Loss	\$21,341	\$229	2.5%	\$26,554	\$286	3.0%
EFFECTIVE GROSS REVENUE	\$832,315	\$8,950	100.0%	\$858,578	\$9,232	100.0%
OPERATING EXPENSES	Total	Per Bed	% EGR	Total	Per Bed	% EGR
Repairs & Maintenance	\$13,398	\$144	1.6%	\$20,460	\$220	2.4%
Utilities	\$9,135	\$98	1.1%	\$14,415	\$155	1.7%
Insurance	\$13,642	\$147	1.6%	\$14,880	\$160	1.7%
Salaries	\$50,945	\$548	6.1%	\$51,150	\$550	6.0%
Advertising & Other	\$4,860	\$52	0.6%	\$9,300	\$100	1.1%
Management Fee	\$24,969	\$268	3.0%	\$25,757	\$277	3.0%
Realty Taxes	\$85,260	\$917	10.2%	\$71,610	\$770	8.3%
TOTAL OPERATING EXPENSES	\$202,209	\$2,174	24.3%	\$207,572	\$2,232	24.2%
NET OPERATING INCOME	\$630,106	\$6,775	75.7%	\$651,006	\$7,000	75.8%

INCOME PROFORMA

The results of the above income and expense analysis are summarized in the pro forma presented below.

INCOME PROFORMA - 2021-2023 SIMCOE STREET NORTH, OSHAWA ON			
C&W Projections - 12 Months (Stabilized)			
	<u>Total</u>	<u>% PGR</u>	<u>Per Bed</u>
POTENTIAL GROSS REVENUE			
Rent	\$885,132	100.0%	\$9,518
TOTAL POTENTIAL GROSS REVENUE	\$885,132	100.0%	\$9,518
Vacancy & Collection Loss	3.0%		
	\$26,554	3.0%	\$286
EFFECTIVE GROSS REVENUE	\$858,578	97.0%	\$9,232
OPERATING EXPENSES		<u>% EGR</u>	<u>Per Bed</u>
Repairs & Maintenance	\$20,460	2.4%	\$220
Utilities	\$14,415	1.7%	\$155
Insurance	\$14,880	1.7%	\$160
Salaries	\$51,150	6.0%	\$550
Advertising & Other	\$9,300	1.1%	\$100
Management Fee	\$25,757	3.0%	\$277
Realty Taxes	\$71,610	8.3%	\$770
TOTAL OPERATING EXPENSES	\$207,572	24.2%	\$2,232
NET OPERATING INCOME	\$651,006	75.8%	\$7,000

CAPITALIZATION RATE ANALYSIS

In estimating the Overall Capitalization Rate (OCR) applicable to the subject property, we have analyzed recent sales of investment properties within Oshawa. However, due to a limited number of student housing sales in Oshawa with reported Capitalization Rates and the subject's projected performance above that of the Oshawa student housing market, we have included sales of student residence properties in London and Waterloo. Full details with respect to the sales have been retained in our files. Pertinent details are briefly summarized below.

OVERALL CAPITALIZATION RATE ANALYSIS							
Index	Address	Municipality	No. of Beds	Sale Date	Sale Price	Net Operating Income	Overall Capitalization Rate
1	321 & 349 Marland Avenue	Oshawa	248	Nov-13	\$11,125,000	\$592,963	5.33%
2	560 Bloor Street East	Oshawa	68	Sep-14	\$3,500,000	\$192,500	5.50%
3	318 Malaga Road	Oshawa	35	Oct-14	\$1,932,000	\$107,999	5.59%
4	505 Simcoe Street South	Oshawa	30	Feb-15	\$2,600,000	\$143,000	5.50%
5	1011 Simcoe Street North	Oshawa	208	Jan-15	\$7,500,000	\$435,000	5.80%
6	675 Richmond Street	London	490	Nov-14	\$55,000,000	\$2,750,000	5.00%
7	205 Oxford Street East	London	220	Sep-15	\$20,250,006	\$1,113,750	5.50%
8	333 King Street North	Waterloo	536	Feb-13	\$56,025,000	\$2,924,505	5.22%
9	168 King Street North	Waterloo	168	Oct-14	\$15,000,000	\$825,000	5.50%
SUMMARY							
Minimum						5.00%	
Maximum						5.80%	
Median						5.50%	

Compiled by Cushman & Wakefield Ltd.

ANALYSIS

The above presented sales indicate a capitalization rate range of 5.00% to 5.80% - a median of 5.50%. The low end of the range is represented by Index #6, an apartment building that generated over \$2.7 million in NOI at the time of transaction. The high end of the range is represented by Index #5, an older apartment complex with no building amenities. Given the subject property's quality and condition, its location proximate to the University of Ontario Institute of Technology, as well as market demand, a rate of **5.50%**, is considered appropriate for the subject property, and is in line with the market median.

FINAL ESTIMATE OF VALUE

Based on the above analysis, the following table below represents our estimate of proposed market value via the Direct Capitalization Method.

DIRECT CAPITALIZATION METHOD			
Overall Capitalization Rate	Net Operating Income	Estimate of Value (Rounded)	Value Per Bed (Rounded)
5.00%	\$651,006	\$13,000,000	\$140,000
5.25%	\$651,006	\$12,400,000	\$133,000
5.50%	\$651,006	\$11,800,000	\$127,000
5.75%	\$651,006	\$11,300,000	\$122,000
6.00%	\$651,006	\$10,900,000	\$117,000

The value of \$11,800,000 was concluded based on the capitalization rate of 5.50%.

Income Approach Summary	
Net Operating Income	\$651,006
Overall Capitalization Rate	5.50%
Value Estimate	\$11,836,467
Final Value Estimate (Rounded)	\$11,800,000
Number of Beds	93
Price Per Bed	\$127,000

DIRECT COMPARISON APPROACH

INTRODUCTION

The Direct Comparison Approach is based on the Principle of Substitution which maintains that a prudent purchaser would not pay more for a property than the cost to purchase a suitable alternative property which exhibits similar physical characteristics, tenancy, location, etc. Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the subject property. Typically, a unit of comparison (i.e. sale price per unit) is used to facilitate the analysis. In the case of properties similar to the subject, the sale price per bed is the most commonly used unit of comparison.

SELECTION OF COMPARABLE SALES

As one sale is not necessarily indicative of market value, an appraiser examines a number of market transactions. When properly reconciled, trends emerge, leading to the estimate of market value of the property being appraised. To that end, the sales selected are considered to be similar to the subject and deemed to provide the most reliable evidence of value.

We have selected student housing sales from London and Waterloo, which were introduced in the Overall Capitalization Rate Analysis section. Comparable student residence transactions in the local Oshawa market are limited – given the subject's new construction and projected performance. As such, we have also included student housing transactions in London and Waterloo, which are active major investment markets in Ontario.

COMPARABLE SALES MAP



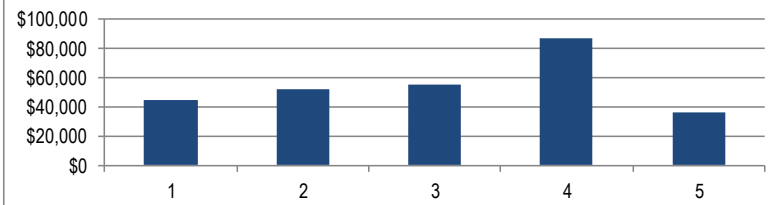
Local Comparable Sales



London & Waterloo Student Residence Comparable Sales

UNIT PRICE ANALYSIS

The search yielded the following sales presented below. It is acknowledged that sellers and buyers do not actually apply plus or minus adjustments by percentage or by lump sum dollar amounts for individual differences between comparable properties and a Subject Property. They do, however, weigh the advantages and disadvantages of a property they may sell or buy compared to others which have sold or are listed, and make at least an overall adjustment to reflect all of the differences.

UNIT PRICE ANALYSIS													
Index	Address	Municipality	No. of Beds	Sale Date	Sale Price	Price Per Bed	Comparability to Subject						
							Time	Location	No. of Beds	Quality/ Appeal	Age/ Condition	Amenities	Overall
1	321 & 349 Marland Avenue	Oshawa	248	Nov-13	\$11,125,000	\$44,859	Inferior	Similar	Inferior	Inferior	Inferior	Inferior	Inferior
2	560 Bloor Street East	Oshawa	68	Sep-14	\$3,500,000	\$51,471	Inferior	Similar	Similar	Inferior	Inferior	Inferior	Inferior
3	318 Malaga Road	Oshawa	35	Oct-14	\$1,932,000	\$55,200	Inferior	Similar	Superior	Inferior	Inferior	Inferior	Inferior
4	505 Simcoe Street South	Oshawa	30	Feb-15	\$2,600,000	\$86,667	Inferior	Similar	Superior	Inferior	Inferior	Inferior	Inferior
5	1011 Simcoe Street North	Oshawa	208	Jan-15	\$7,500,000	\$36,058	Inferior	Similar	Inferior	Inferior	Inferior	Inferior	Inferior
6	675 Richmond Street	London	490	Nov-14	\$55,000,000	\$112,245	Inferior	Superior	Inferior	Similar	Inferior	Similar	Inferior
7	205 Oxford Street East	London	220	Sep-15	\$20,250,006	\$92,045	Inferior	Superior	Inferior	Similar	Inferior	Similar	Inferior
8	333 King Street North	Waterloo	536	Feb-13	\$56,025,000	\$104,524	Inferior	Superior	Inferior	Similar	Inferior	Similar	Inferior
9	168 King Street North	Waterloo	168	Oct-14	\$15,000,000	\$89,286	Inferior	Superior	Inferior	Similar	Inferior	Similar	Inferior
Subject	2021-2023 Simcoe Street North	Oshawa	93	-	-	-	-	-	-	-	-	-	-
SUMMARY													
					Minimum	\$1,932,000	\$36,058						
					Maximum	\$56,025,000	\$112,245						
					Median	\$3,500,000	\$51,471						
MARKET VALUE ESTIMATE													
					Estimated Price Per Bed	\$120,000							
					Number of Beds	93							
					Final Value Estimate	\$11,200,000							

ANALYSIS

A “Comparability Analysis” is summarized in the preceding table. The sales indicate a range of sale rates on a per bed basis of \$36,058 to \$112,245. Based upon the analysis, the Subject Property is superior to all the above comparables - considering the subject property’s new construction, proximity to University of Ontario Institute of Technology, and amenities offered. Index #6 (675 Richmond Street, London) and Index #8 (333 King Street North, Waterloo) are recent student housing sales. However as just stated, the subject is superior to both as it is a brand new build and its location close to the University of Ontario Institute of Technology provides high appeal to students looking for off-campus housing.

In conclusion, it is considered reasonable for the subject property to command a higher price per bed compared to the sales range above. For this reason it is our opinion that a market rate of \$120,000 per bed is reasonable for the Subject Property.

Unit Price Analysis	
Number of Beds	93
Price Per Bed	\$120,000
Value Estimate	\$11,200,000

NET OPERATING INCOME (NOI) ANALYSIS

The NOI effectively takes into account the various physical, location and operating aspects of the sale. When the subject's NOI is compared to the sale NOI, a percent adjustment can be ascertained. The following table illustrates this analysis, as well as the concluding estimated rate of \$126,000 per bed. Emphasis was placed on the median of the comparables analyzed.

NET OPERATING INCOME ANALYSIS											
Index	Address	Municipality	No. of Beds	Sale Date	Sale Price	Price Per Bed	NOI	NOI Per Bed	Subject NOI Per Bed	Adjustment Factor	Indicated Value/Bed
1	321 & 349 Marland Avenue	Oshawa	248	Nov-13	\$19,750,000	\$79,637	\$1,052,676	\$4,245	\$6,958	1.64	\$130,545
2	560 Bloor Street East	Oshawa	68	Sep-14	\$3,500,000	\$51,471	\$192,500	\$2,831	\$6,958	2.46	\$126,510
3	318 Malaga Road	Oshawa	35	Oct-14	\$1,932,000	\$55,200	\$107,999	\$3,086	\$6,958	2.25	\$124,473
4	505 Simcoe Street South	Oshawa	30	Feb-15	\$2,600,000	\$86,667	\$143,000	\$4,767	\$6,958	1.46	\$126,510
5	1011 Simcoe Street North	Oshawa	208	Jan-15	\$7,500,000	\$36,058	\$435,000	\$2,091	\$6,958	3.33	\$119,967
6	675 Richmond Street	London	490	Nov-14	\$55,000,000	\$112,245	\$2,750,000	\$5,612	\$6,958	1.24	\$139,161
7	205 Oxford Street East	London	220	Sep-15	\$20,250,006	\$92,045	\$1,113,750	\$5,063	\$6,958	1.37	\$126,510
8	333 King Street North	Waterloo	536	Feb-13	\$56,025,000	\$104,524	\$2,924,505	\$5,456	\$6,958	1.28	\$133,296
9	168 King Street North	Waterloo	168	Oct-14	\$15,000,000	\$89,286	\$825,000	\$4,911	\$6,958	1.42	\$126,510
SUMMARY											
									Minimum	\$119,967	
									Maximum	\$139,161	
									Median	\$126,510	
									MARKET VALUE ESTIMATE		
									Estimated Price Per Bed	\$126,000	
									Number of Beds	93	
									Final Value Estimate	\$11,700,000	

DIRECT COMPARISON CONCLUSION

The two valuation Methods utilized in the Direct Comparison Approach are shown below. The overall value by the Direct Comparison Approach is estimated at \$11,500,000.

Direct Comparison Approach Summary	
<u>Unit Price Analysis</u>	
Number of Beds	93
Price Per Bed	\$120,000
Value Estimate (Rounded)	\$11,200,000
<u>NOI Analysis</u>	
Number of Beds	93
Price Per Bed	\$126,000
Value Estimate (Rounded)	\$11,700,000
Final Value Estimate (Rounded)	\$11,500,000

RECONCILIATION & FINAL VALUE ESTIMATE

The subject property will be an income producing/investment property for which the Income Approach to value is considered to be a good indicator of value. The Direct Comparison Approach was also considered to add further insight into the final value estimate as the two methodologies utilized in this approach factored income ratios into the analysis. The value estimates for the subject property, utilizing the two approaches and methodologies to value, are as follows:

VALUATION SUMMARY	
Income Approach Summary	
Net Operating Income	\$651,006
Overall Capitalization Rate	5.50%
Value Estimate	\$11,836,467
Final Value Estimate (Rounded)	\$11,800,000
Number of Beds	93
Price Per Bed	\$127,000
Direct Comparison Approach Summary	
<u>Unit Price Analysis</u>	
Number of Beds	93
Price Per Bed	\$120,000
Value Estimate (Rounded)	\$11,200,000
<u>NOI Analysis</u>	
Number of Beds	93
Price Per Bed	\$126,000
Value Estimate (Rounded)	\$11,700,000
Final Value Estimate (Rounded)	\$11,500,000
FINAL VALUE ESTIMATE (ROUNDED)	\$11,800,000

Having considered the data and analysis of the foregoing valuation approaches, and all other factors that may affect value, it is our opinion that the estimated "as complete" prospective market value of the subject, as at September 1, 2016, will be:

ELEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS

\$11,800,000 or \$127,000 per bed

This estimate of market value is based on an exposure time of six to nine months.

CERTIFICATION OF APPRAISAL

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- The Appraisal Institute of Canada reserves the right to review this report.
- Jeremy Ip (AIC Candidate) inspected the property on July 20, 2016,
- Charles Suddaby, MRICS, CMC, Jeremy Ip, and Gaith Saqqa provided significant professional assistance to this report,
- The value estimate contained in this report applies as at September 1, 2016. This date may be referred to as the *effective date of valuation*.
- The Appraisal Institute of Canada has a Mandatory has Recertification Program for designated members. As of the date of this report, **Peter Chan** has fulfilled the requirements of the program.

FINAL VALUE ESTIMATE

Having regard to all the information contained in this report, it is our opinion that the **prospective market value “as complete” of 2021-2023 Simcoe Street North, Oshawa, Ontario** as at the effective date of valuation, September 1, 2016 will be:

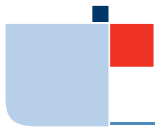
ELEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS

\$11,800,000 or \$127,000 per bed

This estimate of market value is based on an exposure time of 6 to 9 months.



Peter Chan, AACI, P.APP.
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ADDENDA CONTENTS

ADDENDUM A: ASSUMPTIONS AND LIMITING CONDITIONS

ADDENDUM B: RENT ROLL

ADDENDUM C: APPRAISERS QUALIFICATIONS

ADDENDUM D: LETTER OF ENGAGEMENT

Assumptions and Limiting Conditions



ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield Ltd. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- This report has been prepared at the request of **Dundee Acquisition Ltd.** for the purpose of providing an estimate of the market value of **2021-2023 Simcoe Street North, Oshawa, Ontario**. It is not reasonable for any person other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.
- This report has been prepared at the request of **Dundee Acquisition Ltd.** and for the exclusive (and confidential) use of the recipients as named herein and for the specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference.
- In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential damages be made.
- Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
- The estimated market value of the real property which is appraised in this report pertains to the value of the fee simple interest in the real property. The property rights appraised herein exclude mineral rights, if any.
- The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value; especially if there was no reason to doubt its accuracy. Other empirical data

required interpretive analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate.

- The property has been valued on the basis that title to the real property herein appraised is good and marketable.
- The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.
- The legal description of the property and the area of the site were obtained from Teranet Geowarehouse.ca, & MPAC ICI Industrial Report. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.
- The property has been valued on the basis that the real property is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as any be noted in this report and that there are no pledges, charges, lien or social assessments outstanding against the property other than as stated and described herein.
- The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.
- The interpretation of the leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation.
- The property has been valued on the basis that the real property complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such possible circumstances have not been accounted for in the appraisal process.)
- Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.

- The property has been valued on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the attendant leases, agreements to lease or other contractual agreements.
- Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated, or inflated to reflect extraordinary circumstances, and are fully enforceable notwithstanding that such documentation may not be fully executed by the parties thereto as at the date of this appraisal, unless such conditions have been identified and noted in this report.
- The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.
- The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise there from, have been described and measured in this report.
- Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.
- In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real property, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
- Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made therefore, including provisions for additional compensation to permit adequate time for preparation and for any appearances which may be required. However, neither this nor any other of these contingent and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.
- Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as any other date without subsequent advice of the author of this report.
- The value expressed herein is in Canadian dollars.
- This report is only valid if it bears the original signature(s) of the author(s).

Rent Roll



Last Name	First Name	Length	Lease Start	Lease End	2016 Rent
McCullogh	Melissa	8	1-Sep-16	30-Apr-17	694
Brown	Chris	8	1-Sep-16	30-Apr-17	694
Hassan	Amna	8	1-Sep-16	30-Apr-17	694
Jagjait	Sumandeep	8	1-Sep-16	30-Apr-17	694
Arvanitis	Angelina	8	1-Sep-16	30-Apr-17	694
Leo	Cayton	8	1-Sep-16	30-Apr-17	718
Wong	Alex	8	1-Sep-16	30-Apr-17	718
Lee	Connor	8	1-Sep-16	30-Apr-17	718
Kirkwood	Michelle	8	1-Sep-16	30-Apr-17	694
Runzer	Jason	8	1-Sep-16	30-Apr-17	706
Jeramiah	Sharon	8	1-Sep-16	30-Apr-17	694
Lusk	Erin Sachi	8	1-Sep-16	30-Apr-17	706
Gowthorpe	Morgan	8	1-Sep-16	30-Apr-17	706
Bible	Danielle	8	1-Sep-16	30-Apr-17	706
Shah	Benita	8	1-Sep-16	30-Apr-17	706
Mcdonald	Braeden	8	1-Sep-16	30-Apr-17	706
Vonkalckreuth	Zowie	8	1-Sep-16	30-Apr-17	706
Bailin	Jiang	8	1-Sep-16	30-Apr-17	706
Stypulkowski	Matthew	8	1-Sep-16	30-Apr-17	706
Chau	Lily	8	1-Sep-16	30-Apr-17	706
Cheng	Pauline	8	1-Sep-16	30-Apr-17	718
Girish	Sabari	8	1-Sep-16	30-Apr-17	718
Kemanathan	Rigekes	8	1-Sep-16	30-Apr-17	718
Abdi	Mahdi	8	1-Sep-16	30-Apr-17	718
Lai	Ryan	8	1-Sep-16	30-Apr-17	718
Khan	Mariam	8	1-Sep-16	30-Apr-17	718
Ho	Ivan	8	1-Sep-16	30-Apr-17	718
Nolan	Isaac	8	1-Sep-16	30-Apr-17	718
Hassan	Asma	8	1-Sep-16	30-Apr-17	718
Trickey	Kendall	8	1-Sep-16	30-Apr-17	862
Best	Trevor	8	1-Sep-16	30-Apr-17	718
Mohamed	Sameer	8	1-Sep-16	30-Apr-17	718
Ross	Chelsea	8	1-Sep-16	30-Apr-17	738
Turley	Ryan	8	1-Sep-16	30-Apr-17	738
Cuaresma	Sharmaine	8	1-Sep-16	30-Apr-17	738
Pabla	Pardeep	8	1-Sep-16	30-Apr-17	738
Stadinsky	Robert	8	1-Sep-16	30-Apr-17	738
Colucci	Joshua	8	1-Sep-16	30-Apr-17	738
de Vries-Thomas	Shea	8	1-Sep-16	30-Apr-17	748
Auston	Veronica	8	1-Sep-16	30-Apr-17	748
Doose	Kurt	8	1-Sep-16	30-Apr-17	748
Greenwood	Cole	8	1-Sep-16	30-Apr-17	748
Lee	Uni Yau Ching	8	1-Sep-16	30-Apr-17	748
She	Xu Ting "Pamela"	8	1-Sep-16	30-Apr-17	748
O'Donnell	Christian	8	1-Sep-16	30-Apr-17	748
Albayati	Refka	8	1-Sep-16	30-Apr-17	748
Ma	Toby	8	1-Sep-16	30-Apr-17	748

Manning	Tyler	8	1-Sep-16	30-Apr-17	748
Bowry	Annelisa	8	1-Sep-16	30-Apr-17	748
Cornect	Murielle	8	1-Sep-16	30-Apr-17	767
Hill	Monica	8	1-Sep-16	30-Apr-17	767
Picarro	Gabriel	8	1-Sep-16	30-Apr-17	748
Hinsperger	Coreen	8	1-Sep-16	30-Apr-17	767
Lee	Sarah	8	1-Sep-16	30-Apr-17	767
Thompson	Anthea	8	1-Sep-16	30-Apr-17	767
Smith	Claire	8	1-Sep-16	30-Apr-17	767
Lamers	Rachel	8	1-Sep-16	30-Apr-17	767
Lawson	Samantha	8	1-Sep-16	30-Apr-17	767
Hing	Samantha	8	1-Sep-16	30-Apr-17	767
Harding	Emma	8	1-Sep-16	30-Apr-17	767
Santiago	Lauren Kimberly	8	1-Sep-16	30-Apr-17	748
O'Dwyer	Ryan	8	1-Sep-16	30-Apr-17	786
Bandy	Bradley	8	1-Sep-16	30-Apr-17	786
Doyle	Joseph	8	1-Sep-16	30-Apr-17	786
Swain	James	8	1-Sep-16	30-Apr-17	786
Brugger	Courtney	8	1-Sep-16	30-Apr-17	786
Bruce	Jacob	8	1-Sep-16	30-Apr-17	786
Magee	Darryl	8	1-Sep-16	30-Apr-17	786
Morris	Hunter	8	1-Sep-16	30-Apr-17	786
Mansoor	Madiha	8	1-Sep-16	30-Apr-17	786
Seward	Taylor	8	1-Sep-16	30-Apr-17	799
Fuller	Amanda	8	1-Sep-16	30-Apr-17	799
Krmec	Matt	8	1-Sep-16	30-Apr-17	799
Dymowski	Michael	8	1-Sep-16	30-Apr-17	799
Teno	Sarah	8	1-Sep-16	30-Apr-17	799
McBride	Mackenzie	8	1-Sep-16	30-Apr-17	799
Beckett	Andrew	8	1-Sep-16	30-Apr-17	799
Oluatosin	Taiwo	8	1-Sep-16	30-Apr-17	847
Kingston	Nicole	8	1-Sep-16	30-Apr-17	847
Leonard	Kate	8	1-Sep-16	30-Apr-17	847
Leguard	Sydney	8	1-Sep-16	30-Apr-17	847
Stepanow	Sean	8	1-Sep-16	30-Apr-17	847
Kennedy	Christopher	8	1-Sep-16	30-Apr-17	847
Ho	Kenneth	8	1-Sep-16	30-Apr-17	912
Ghorpade	Nikhil	8	1-Sep-16	30-Apr-17	847
Siddique	Salwa	8	1-Sep-16	30-Apr-17	847
Lamarche	Julie	8	1-Sep-16	30-Apr-17	847
Lynch	Evan	8	1-Sep-16	30-Apr-17	847

Qualifications of Appraisers





CHARLES SUDDABY

HOSPITALITY & GAMING PRACTICE LEADER | VALUATION & ADVISORY

CUSHMAN & WAKEFIELD LTD.

ROLE & RESPONSIBILITIES

Charles Suddaby has provided advisory and valuation services to the hospitality industry for 30 years and now leads the Hospitality & Gaming Group at Cushman & Wakefield Ltd. in Canada. His consulting practice includes market and feasibility studies, valuations and appraisals, development strategies, operational reviews, asset management, litigation support and other services associated with the tourism and hospitality industries. He has completed projects across Canada and the United States, throughout the Caribbean and in Europe, Russia, Africa and South America.

WORK EXPERIENCE

Mr. Suddaby commenced his career in the hotel industry in management positions in hotels in London, Bermuda and Toronto. He joined Laventhol & Horwath, one of the leading hospitality consulting firms, in 1982 and was admitted to partnership in 1989. In 1990, he joined Price Waterhouse as a partner, and for the next 5 years he led the firm's national Hospitality Consulting Services group, overseeing advisory and valuation assignments throughout much of the world.

Mr. Suddaby left Price Waterhouse in 1995 to establish his own hospitality consulting firm. He joined Cushman & Wakefield in 2008 to lead the firm's Hospitality & Gaming Group, again with a very specific focus on advisory and valuation of hospitality enterprises.

EDUCATION & QUALIFICATIONS

Charles Suddaby received his formal education in the U.K., graduating from Ealing College's hotel school. Mr. Suddaby is also a member of the Canadian Association of Management Consultants, and a member of the Royal Institution of Chartered Surveyors.

As a result of his expertise and reputation in the hotel industry, Mr. Suddaby is a frequent speaker at industry events. He has been a regular guest speaker, panellist or moderator at the Canadian Hotel Investment Conference, the Caribbean Hotel Investment Conference and many other similar industry events across Canada and the U.S., as well as in the Caribbean. He is also a frequent guest lecturer at Ryerson University's Ted Rogers School of Management.

Mr. Suddaby is regularly quoted in the national media on matters relating to the hotel industry, and is a member of the Advisory Board of 'Hotelier' magazine, the leading hospitality publication in Canada. He has written numerous articles on matters relating to the industry, with these articles having been published in various national and international trade publications.



PETER CHAN, AACI, P.APP.

VICE PRESIDENT | VALUATION & ADVISORY

CUSHMAN & WAKEFIELD LTD.

Peter Chan is a Vice President in the Valuation and Advisory group of Cushman & Wakefield Ltd. based in our Toronto head office. The Valuation & Advisory group provides services including appraisals, highest and best use analysis, and rental analysis, along with specialized expertise in various industry sectors.

EXPERIENCE

Peter joined Cushman & Wakefield Ltd. in 2008, after coming from one of the top commercial real estate companies. His work has made him experienced in valuation, consulting, market rental study/analysis and financial modeling of various asset types.

With close to 10 years of experience, Peter has been involved in a number of notable valuation assignments and has provided valuation/consulting services for purposes of financing, financial reporting, litigation/arbitration, and expropriation.

EDUCATION

- University of British Columbia
 - Post Graduate Certificate in Real Property Valuations
- University of Guelph (Guelph, ON)
 - Degree: Bachelor of Commerce - Housing & Real Estate Management

APPRAISAL EDUCATION

Peter received his accreditation from the Appraisal Institute of Canada in 2009 and is currently a member in good standing.

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

- Currently, Peter sits on the Leadership Development & Nominations Committee and Public & Government Relations Committee.

Letter of Engagement





Cushman & Wakefield Ltd.
33 Yonge St., Suite 1000
Toronto, ON M5E 1S9
Tel 416 862 0611
Fax 416 359 2602
cushmanwakefield.com

July 19, 2016

Mr. Jonathan Turnbull
Managing Director
Dundee Acquisition Ltd.
1 Adelaide Street East, Suite 2100
Toronto, ON M5C 2V9

Re: Appraisal of Student Housing Properties

Dear Mr. Turnbull:

Thank you for requesting our proposal for appraisal services. This proposal letter details our approach to this assignment, and also discusses our fees and the timing to complete the appraisal process; it will also become, upon your acceptance, our letter of engagement to provide the services outlined herein.

Terms of Engagement

The Parties To This Agreement:

Cushman & Wakefield Ltd and/or its designated affiliate (hereinafter at times referred to as "C&W") and Dundee Acquisition Ltd. (herein at times referred to as "Dundee" or "Client").

Confidentiality

All information, analysis and opinions pertaining to this will be conducted on a "Private and Confidential" basis.

The appraisal reports will be prepared by an accredited appraiser of C&W. The accredited appraiser is a professional appraiser and is not a broker nor represents to be a broker of C&W or any other brokerage type firm.

Intended Users:

The appraisal will be prepared for Dundee and CHC Student Housing, and their auditors, Deloitte and PricewaterhouseCoopers, their financial advisor, TD Securities Inc. and their respective lenders and legal counsel. The Client agrees that there are no other Intended Users.

Intended Use:

The appraisal will be used by Dundee and CHC Student Housing, as well as their auditors, Deloitte and PricewaterhouseCoopers and their financial advisor TD Securities Inc. and their lenders and legal counsel in preparing a prospectus in connection with a qualifying acquisition of a Special Purpose Acquisition Corporation ("SPAC"). The appraisal reports will be included in the prospectus and/or proxy circular and related documents which will be mailed to security holders and posted on SEDAR.

Type of Opinion and Rights Appraised:

Market value of the Fee Simple Interest. Additional rights; going concern value.

Date Of Value:

June 30, 2016, or a date yet to be determined



Properties to be Appraised:

The properties to be appraised and the type of appraisals are:

Update Appraisals (updates to appraisals dated either January 27 or February 3, 2015)

1. West Village Suites located at 1686 Main Street West in Hamilton, Ontario
2. Village Suites located at 1700 Simcoe Street North in Oshawa, Ontario
3. Luxe 1 located at 333 King Street North in Waterloo, Ontario
4. Luxe II located at 339 King Street North in Waterloo, Ontario

Full Narrative Appraisals (new)

5. 2021 – 2023 Simcoe Street North in Oshawa, Ontario
6. 136 James Street in St. Catharines, Ontario
7. 51 Lake Street in St. Catharines, Ontario
8. 306 – 318 Georgian Drive in Barrie, Ontario
9. 45 Mann Street in Ottawa, Ontario
10. 1266 Pine Avenue in Montreal, Quebec.

Assignment Conditions:

The appraisals are to be on an 'as is' basis for the Update appraisals (for existing residences) and 'as complete' for the Full Narrative appraisals (for residence developments under construction).

The assignment is based upon the following assignment conditions:

Extraordinary Assumption—(to be determined, if any)

The Standards Compliance:

C&W will develop an appraisal in accordance with the Canadian Uniform Standards of Professional Appraisal Practice ("The Standards" or CUSPAP), the Code of Ethics, and the Code of Professional Conduct of the Appraisal Institute of Canada.

General Scope of Work:

- Research relevant market data, in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results
- Consider and develop those approaches relevant and applicable to the appraisal problem. Based on our discussions with the Client, we anticipate developing the following valuation approaches:
 - Income Capitalization Approach
 - Sales Comparison Approach

Scope of Work Disclosure:

The actual Scope of Work will be reported within the reports.

Reporting Option:

The appraisal value and all the necessary supporting information will be communicated in individual Update Appraisal Reports or Full Narrative Appraisal reports (see above).

Fee:

Our professional fee for this assignment will be \$55,500 (4 x \$3,750 per Update Appraisal reports PLUS 6 x \$6,750 per Full Narrative Appraisal Report). The total fees quoted above are subject to adjustment should Dundee elect to add or remove a property/properties for appraisal on the same basis as the individual Update Appraisals and Full Narrative



Appraisals are priced above. In addition, we are to be reimbursed for all expenses (not to exceed \$3,000 without the prior written consent of Dundee) and taxes.

All invoices are due and payable within 45 days. Interest will be charged at a rate of 1.5% per month on outstanding accounts, which will be calculated from the date of the invoice. The Client shall be solely responsible for C&W's fees. Acknowledgement of this obligation is made by the countersignature to this agreement by an authorized representative.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Additional Expenses:

If during the preparation of the report any outside architectural, engineering, soil tests, legal or other professional inputs become desirable and necessary adjuncts to our reports, you will be notified immediately. However, no expenditure or contractual agreement will be incurred or entered into without your prior written permission.

Retainer:

A retainer is not required for this assignment.

Report Copies:

The final reports will be addressed to Dundee and will be delivered in electronic format. Up to three hard copies of each report will be provided upon request. Any additional copies will be charged at applicable rates.

Start Date:

The appraisal process will initiate upon receipt of the signed agreement and the property-specific data.

Acceptance Date:

This proposal is subject to withdrawal if the engagement letter is not executed by the Client within fourteen (14) business days.

Draft and Final Report Delivery:

We expect to be able to commence providing you with a draft version of the Update reports within approximately twenty-eight (28) days of your written authorization to proceed, assuming prompt receipt of all necessary property data. The draft Full Narrative Appraisal Reports will follow the draft Update reports.

The Client will have 10 days after delivery of the draft reports within which to comment, after which final reports will be submitted and the fee will be due and payable within 45 days of receipt of invoice.

Changes to Agreement:

The identity of the Client, intended users, or intended use; the date of value; type of value or interest appraised; or property appraised cannot be changed without a new agreement.

Prior Services Disclosure:

The engaging or principal appraiser has performed a previous appraisal of four of the subject properties within the three years prior to this assignment (the four properties identified for Update reports). The appraiser has not previously appraised those properties identified for Full Narrative Appraisal Reports.

Conflicts of Interest:

C&W adheres to a strict internal conflict of interest policy. If we discover in the preparation of our appraisal a conflict with this assignment we will advise you and we reserve the right to withdraw from the assignment without penalty.



Further Conditions of Engagement: The Conditions of Engagement attached hereto are incorporated herein and are part of this letter of engagement.

Additional Conditions:

Any consent to the Intended Use is subject to the following:

1. C&W's approval of the reference to the appraisal, such approval not to be unreasonably withheld or delayed. Client agrees to pay the reasonable fees of C&W's legal counsel for the review of the form and content of the Consent Letter, a summary of the reports contained in the Offering.
2. Receipt of a duly executed indemnity agreement from an entity acceptable to C&W and in the form attached hereto from the Client with the Exhibit A thereto appropriately completed to the satisfaction of C&W acting reasonably.

Thank you for calling on us to render these services and we look forward to working with you.

Sincerely,

CUSHMAN & WAKEFIELD LTD.

Charles Suddaby, MRICS, CMC
Vice President, Hospitality Services
Valuation & Advisory
charles.suddaby@ca.cushwake.com
Office 416.359.2407 Fax 416.359.2602

AGREED:
CLIENT: DUNDEE ACQUISITION LTD.

By:

Title:

Stephen Turnbull
Managing Director

Name

Carl Catalano
VP - Legal

Date:

July 19, 2016

E-mail Address/Phone & Fax Nos.:

CC. Mr. Mark A. Hansen
President & CEO
CHC Student Housing
53 Yonge Street, 5th Floor
Toronto, ON M5E 1J3



Information Needed to Complete the Assignment

As part of the assignment, the following items are required, as applicable.

- Site plan with dimensions, and also site plan showing location of key features and buildings.
- Legal description of the property (Property Identifier #, Plan #, Lot # etc.).
- Name of registered titleholder.
- List of easements, encumbrances and charges on title.
- Size of building footprints - sq. ft.
- Floor plans for each floor of the building.
- Property Inspection report (showing type of construction, HVAC systems, fire control, elevators etc.) if available.
- Room configuration showing each type of residence room and typical room sizes.
- Details of furnishings and amenities provided in residence rooms and common areas.
- Capital expenditure plans.
- Copies/details of all major leases and contract for services (concessions, maintenance, major equipment leases etc.)
- Summary of major physical/operational changes
- Historical capital expenditures 2015 and budget 2016
- Copy of 2016 operating/marketing plan
- Copy of new tenant leases
- Copy of final tax bill for 2015
- January 2016 rent roll
- Detailed Profit & Loss statement for calendar year 2015, including occupancy rate
- Profit & Loss budget for calendar year 2016, including occupancy rate



Conditions of Engagement

- 1) Each Intended User identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than the Intended User(s) identified herein for the Intended Use described herein.
- 2) Federal banking regulations require banks and savings and loan associations to employ appraisers where a FIRREA compliant appraisal must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions, including mortgage bankers/brokers. Because of that requirement, an appraisal, if ordered independent of a financial institution or agent, may not be accepted by a federally regulated financial institution. The appraisal prepared pursuant to this engagement will be prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice, and the Code of Professional Conduct of the Appraisal Institute of Canada.
- 3) The appraisal report will be subject to our standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand the standard Assumptions and Limiting Conditions as well as any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the appraisal.
- 4) Other than in the Prospectus and related Management Information Circulars, the appraisal report or our name may not be used in any offering memoranda or other investment material without the prior written consent of C&W, which may be given at the sole discretion of C&W. Any such consent, if given, shall be conditioned upon our receipt of an indemnification agreement from a party satisfactory to us and in a form satisfactory to us. Furthermore, Client agrees to pay the fees of C&W's legal counsel for the review of the material which is the subject of the requested consent. C&W disclaims any and all liability with regard to the appraisal prepared pursuant to the engagement to any party other than the Intended User(s). Under no circumstances will C&W consent to the quote, reference or inclusion of the appraisal in connection with crowd funding activities. Further, crowd funding investors are specifically excluded from any class of Intended Users.
- 5) In the event the Client provides a copy of the appraisal to, or permits reliance thereon by, any party not identified herein as an Intended User, Client hereby agrees to indemnify and hold C&W, its affiliates and the respective shareholders, directors, officers and employees, subject to the Waiver and Release (attached) harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal by any such party.
- 6) The balance of the fee for the appraisal will be due and payable within 45 days of receipt of invoice. Payment of the fee is not contingent on the appraised value, a loan closing, or any other prearranged condition. Additional fees will be charged on an hourly basis for any work, which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party, which exceed the time allotted by C&W for an assignment of this nature. If we are requested to stop working on this assignment, for any reason, prior to our completion of the appraisal, C&W will be entitled to bill the Client for the time expended to date at C&W's hourly rates for the personnel involved.
- 7) If C&W or any of its affiliates or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable efforts to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to these proceedings, Client agrees to compensate C&W or its affiliate for the professional time and reimburse C&W or its affiliate for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.



- 8) By signing this agreement Client expressly agrees that its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential damages be made.
- 9) C&W disclaims any and all liability to any party with regard to the appraisal report other than an Intended User identified herein.
- 10) C & W will provide the Ontario Securities Commission and any other regulatory authorities with consents, as required, and if the report must be filed with the Ontario Securities Commission, C & W agrees to permit the report to be filed on SEDAR.
- 11) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) Client agrees to pay all fees and expenses including attorneys' fees incurred by C&W in connection with the collection or attempted collection there



Indemnity Agreement

To induce Cushman & Wakefield, Inc. or one or more of its subsidiaries or affiliates to consent to the reference to the appraisal report described in the annexed Exhibit "A" (the "Report") in the materials also described in Exhibit "A," the undersigned indemnitor(s) ("Indemnitor") agrees to the provisions of this Indemnity Agreement.

1. Indemnitor agrees to indemnify and hold harmless Cushman & Wakefield, Inc., its subsidiaries and affiliates and their respective directors, officers, employees, agents, contractors and controlling persons (each an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, to which any Indemnified Party may become subject in connection with or arising out of or relating to the reference to, or inclusion of, the Report, or portions thereof, or to Cushman & Wakefield, Inc. or one or more of its subsidiaries or affiliates, in the materials described in Exhibit "A," or any actions taken or omitted, services performed or matters contemplated by or in connection with the such inclusion or reference, and to reimburse each Indemnified Party promptly upon demand for expenses (including fees and expenses of legal counsel) as they are incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim, or any litigation, proceeding or other action in respect thereof, including any amount paid in settlement of any litigation or other action (commenced or threatened), to which the Indemnitor shall have consented in writing (such consent not to be unreasonably withheld), whether or not any Indemnified Party is a party and whether or not liability resulted; provided, however, that the Indemnitor shall not be liable under the foregoing indemnity agreement in respect of any loss, claim, damage or liability to the extent that a court having competent jurisdiction shall have determined by a final judgment (not subject to further appeal) that such loss, claim, damage or liability resulted from the willful misconduct or gross negligence of such Indemnified Party.

2. An Indemnified Party shall have the right to retain separate legal counsel of its own choice to conduct the defense and all related matters in connection with any such litigation, proceeding or other action. The Indemnitor shall pay the reasonable fees and expenses of such legal counsel and such legal counsel shall to the fullest extent consistent with its professional responsibilities cooperate with the Indemnitor and any legal counsel designated by the Indemnitor.

3. In the event that the indemnity provided for herein is unenforceable, then the Indemnitor shall contribute to amounts paid or payable by an Indemnified Party in respect of such Indemnified Party's expenses, losses, claims, damages and liabilities as to which the indemnity provided for herein is unavailable (i) in such proportion as appropriately reflects the relative benefits received by the Indemnitor, on the one hand, and Indemnified Party, on the other hand, in connection with the matters as to which such losses, claims, damages or liabilities relate, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as appropriately reflects not only the relative benefits referred to in clause (i) but also the relative fault of the Indemnitor, on the one hand, and the Indemnified Party, on the other hand, as well as any other equitable considerations. The amount paid or payable by the party in respect of losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees and expenses incurred in defending any litigation, proceeding or other action or claim. Notwithstanding the provisions hereof, the Indemnified Party shall not be required to contribute any amount in excess of the amount of fees actually received by the Indemnified Party in connection with the Report.

4. All notices under this Agreement shall be in writing and shall be deemed to have been given when sent by certified mail, return receipt requested, postage prepaid, or when personally delivered.

5. The liability of the Indemnitor hereunder, if more than one party, shall be joint and several, but subject to the Waiver and Release (attached).

6. Any provision of this Agreement which is prohibited or unenforceable shall not affect or invalidate the remaining provisions hereof which shall continue in full force and effect.



7. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario applicable to contracts executed in and to be performed in that province.

This Agreement dated as of the ____ day of _____, 20__ shall inure to the benefit of each Indemnified Party, its successors and assigns, and be binding upon Indemnitor and its successors and assigns.

Indemnitor(s):

By 
CHC Student Housing

Exhibit "A"

to

Indemnity Agreement given by

CHC Student Housing ("Indemnitor")

in favor of

**Cushman & Wakefield, Inc., its subsidiaries and affiliates and their respective directors,
officers, employees, agents and controlling persons**

Appraisal, as of report date August 31, 2016 of property described as follows:

2021-2023 Simcoe Street North, Oshawa

issued by Cushman & Wakefield Ltd.

To be referenced in the following material:

In preparing a prospectus in connection with a qualifying acquisition of a Special Purpose
Acquisition Corporation ("SPAC"). The appraisal reports will be included in the prospectus and/or
proxy circular and related documents which will be mailed to security holders and posted on
SEDAR.



Sample Appraisal Report Reference Language

The (name of Client entity involved) and the issuer of such term sheet, offering circular, private placement memorandum, registration statement, proxy circular or prospectus shall take full responsibility for the reference to this report and for any summary or quote from the report or partial inclusion and any reference to the report shall be accompanied by the following statement:

"An appraisal is only an estimate of value, as of the date stated in the appraisal, and is subject to the Assumptions and Limiting Conditions, as well as any Extraordinary Assumptions and Hypothetical Conditions, stated in the report. Changes since that date in external and market factors or in the property itself can significantly affect the conclusions. As an opinion, it is not a measure of realizable value and may not reflect the amount which would be received if the property were sold. Reference should be made to the entire appraisal report because relying solely on excerpts or portions of a report do not necessarily convey all of the limitations, conditions, assumptions or qualifications of the report that influenced the opinion of value."



WAIVER AND RELEASE

TO: Dundee Acquisition Ltd. (the "Company")

AND TO: Dundee Corporation

Reference is made to the engagement letter for the appraisal of student housing properties (the "Agreement").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Cushman & Wakefield Ltd. hereby irrevocably waives and releases, and will cause any related party or affiliate of the undersigned in connection with the Agreement to waive and release, any and all right, title, interest, causes of action and claims of any kind (each, a "Claim") in or to, and any and all right to seek payment of any amounts due to it in connection with the Agreement, out of, the escrow account established by Computershare Trust Company of Canada, as the escrow agent (as it may be replaced or succeeded, the "Escrow Agent"), into which substantially all of the proceeds of the initial public offering of the Company of its Class A restricted voting units were deposited (as it may be supplemented or assigned from time to time, the "Escrow Account"), and hereby irrevocably waives and releases any Claim it may have in the future, as a result of, or arising out of, this Waiver and Release, which Claim would reduce, encumber or otherwise adversely affect the Escrow Account or any monies or other assets in the Escrow Account, and further agrees not to seek recourse, reimbursement, payment or satisfaction of any Claim against the Escrow Account or any monies or other assets in the Escrow Account for any reason whatsoever or to bring any proceedings against the Escrow Account or the Escrow Agent in connection therewith.

This Waiver and Release shall be binding upon and enure to the benefit of the parties and their respective successors, heirs, executors, legal representatives and permitted assigns.

The undersigned acknowledges that (i) it has been advised to obtain independent legal advice with respect to this Waiver and Release, (ii) it has obtained independent legal advice or has expressly determined not to seek such advice, and (iii) it is entering into this Waiver and Release of its own free will with full knowledge and understanding of the contents of this Waiver and Release and its obligations under this Waiver and Release.

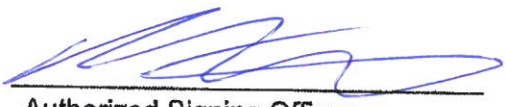
This Waiver and Release shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[Signature page follows]



IN WITNESS WHEREOF the undersigned has executed this Walver and Release as of
the 14th day of September, 2016.

CUSHMAN & WAKEFIELD LTD.

By: 

Authorized Signing Officer