Altus Group

APPRAISAL REPORT

Tabled by the Minister of Mental Health and Addictions
K Hawkins George
March 3, 2025 (2)

32.036 Ac Vacant Land

Outer Ring Road at Logy Bay Road
St. John's, NL

Effective Date: May 18, 2018

PREPARED FOR
Department of Transportation and Works
Mr. Mike Nolan NLS
Box 8700
St. John's, NL
A1B 4J6

AltusExpertServices

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June 5, 2018

Project No.: 28520.100987.000

Mr. Mike Nolan NLS

Department of Transportation and Works
Box 8700
St. John's, NL, A1B 4J6

Dear Mr. Nolan NLS

RE: 32.036 Ac Vacant Land

Outer Ring Road at Logy Bay Road, St. John's, NL

In accordance with your request by way of an email dated May 7, 2018 and as per the terms of reference (TOR) provided herein, I have provided an opinion of the current market value on an all-cash basis of the fee simple interest in the subject property as at the effective date of May 18, 2018. The intended user of this report is Department of Transportation and Works ("Client"). The intended use is to provide information for planning purposes and no other use. No additional intended users are identified or intended by the appraiser.

This Appraisal Report and Appendices must be read as a whole as sections taken alone may be misleading and lead the reader to an incorrect conclusion. Information provided by the client and collected through market research and analyses are stored in the working file. This assignment has been completed in accordance with the Scope of Work as outlined in Section 1.2.

Subject to the Ordinary Assumptions and Limiting Conditions in Appendix A, it is my opinion that the current market value of the fee simple of the subject property, effective May 18, 2018, is:

$160,000
One Hundred and Sixty Thousand Dollars

Based on this estimate of market value, the liquidity of the subject property is considered to be "Modest" as defined at Appendix A. I estimate that an exposure time of 6 to 9 months would have been required prior to the effective date to sell the subject property at its current market value. Should you have any questions, please contact Neil Hardy, B.Sc., AACI, MRICS at your convenience.

Respectfully submitted,

Altus Group

Altus Group Limited

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Table of Contents

1 **Introduction** 1
- 1.1 Terms of Reference 1
- 1.2 Scope of Work 1
- 1.3 Extraordinary Limiting Conditions 2
- 1.4 Extraordinary Assumptions 2
- 1.5 Hypothetical Conditions 2
- 1.6 Ownership and History 3

2 **Property Description** 4
- 2.1 Location Overview 4
  - 2.1.1 Position and Access 4
  - 2.1.2 Adjacent Land Uses 5
- 2.2 Site Description 6
  - 2.2.1 Site Survey / Plan 8
- 2.3 Land Use Controls 9
- 2.4 Municipal Assessment and Taxes 11
- 2.5 Property Commentary 11

3 **Market Overviews** 12

4 **Highest and Best Use** 14
- 4.1 Highest and Best Use 14

5 **Valuation** 15
- 5.1 Valuation Methodology Selected 15

6 **Direct Comparison Approach** 16
- 6.1 Comparable Property Sales Activity 16
- 6.2 Estimate of Market Value (Direct Comparison Approach) 22

7 **Reconciliation and Conclusion** 23
- 7.1 Final Value Conclusion 23

8 **Certification** 24

Appendices

Appendix A **Altus' Terms of Reference**

Appendix B **Visual Identification**

Appendix C **Comparable Sale Indices**

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32.036 Ac Vacant Land

Outer Ring Road at Logy Bay Road, St. John's, NL

Executive Summary

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Property Description

Building and Site Information			
Address	Outer Ring Road at Logy Bay Road	Site Area	32.036 ac
City, Province	St. John's, NL	Improvements	None
Property Type	Land	Municipal Services	Presently unserviced land
Topography	Gently undulating and sloping gently down to the south	Zoning	Residential Low Density, Open Space
Road frontage	No road access. Backland.	Highest and Best Use	Passive recreational use for the wetland portions and medium term speculative holding for the eastern portion dependent upon obtaining road access or for low utility use.
Valuation Reconciliation			
Effective Date	May 18, 2018	Liquidity	Modest
Direct Comparison Approach	$000,000	Unit Value	$4,994 / ac overall
Market Value			

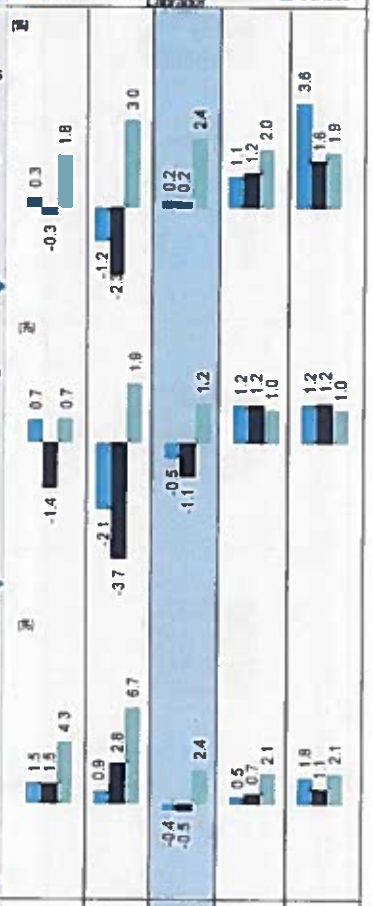
$160,000

One Hundred and Sixty Thousand Dollars

Economic Summary

#AltusEconomicFlash - St John's

	Expected Trend*	Snapshot	Analysis
GDP	▲ 2018 ▲ 2019		The unwinding of major projects and fiscal austerity dampened economic growth in 2017. Increased oil production and population growth are expected to lead to improved economic growth thereafter.
Employment	▲ 2018 ▲ 2019		Employment declined sharply in 2017, and is projected to decline in 2018. Modest employment growth is forecasted for the next four years as economic activity improves.
Retail Sales	▼ 2018 ▲ 2019		Retail sales were weak in 2017 and are expected to decline in 2018. Consumer confidence is not expected to improve much over the following four years.



Key Financial Trends

10 year bond yield to drift higher over longer-term amid sustained economic growth; higher oil prices, the cessation of sector-specific drags and stronger growth to result in accelerating inflation going forward; CAD to trend higher over the forecast horizon in tandem with higher oil prices and Bank of Canada policy rate increases.

	3-year Trend History	Last Year	This Year	Next Year	3-Year Trend Horizon
10 year bond yield (%)	1.97	1.73	2.08	2.28	2.83
Inflation Rate (%)	1.30	2.72	2.34	1.83	2.10
$ Canadian Dollar (per US$)	0.84	0.74	0.81	0.83	0.81
	2014-2016	2017	2018	2019	2020-2022

Sources
- Statistics Canada
- Conference Board of Canada

All Forecasts by Altus Group Economic Consulting (as of Q4)

Historical data / forecasts covers St John's Census Metropolitan Area (CMA), Newfoundland and Labrador and Canada

Key Takeaway:

Following weak economic performance in 2017, St. John's economy is expected to be flat in 2018 and return to modest growth in the years that follow.

* Expected Trend shows rise, steady or fall in rate of growth

Contact: economics@altusgroup.com

Source: Altus Group Economic Consulting

SWOT[1] Analysis

S	▼ The property is well located in the east end of the City of St. John's close to residential neighbourhoods. The Clovelly Power Centre is located only 1 km west which has a mixture of retail and commercial stores. ▼ Approximately 20 ac zoned for Low Density Residential (R1) use.
W	▼ There is no access to the land. This landlocked parcel was remainder land left over on completion of the Outer Ring Road. ▼ Some 12 ac of the land is wetland and zoned Open Space.
O	▼ If suitable access could be gained to the portion of the land zoned R1, and if municipal services could be extended to service the R1 lands, then the property may be worth developing with a low density residential subdivision. Alternately, other uses may be available depending upon access and possible change of zoning. Any future use is currently speculative.
T	▼ Obtaining suitable road access is the key to making use of the land for development purposes. There is no obvious access over adjacent land to the R1 zoned portion of the site.
AltusGroup	▼ The subject property is undeveloped, treed land consisting of Residential Low Density and Open Space zoning designations. ▼ The subject property is located close to residential neighbourhoods and retailing in the east end of the City. ▼ There is currently no access to the property from existing roadways, and municipal services would need to be extended from the western end of Snows Lane across portions of the site zoned OS making any future development highly speculative. ▼ The site would only be of interest to speculator investors

[1] *Strengths, Weaknesses, Opportunities, Threats*

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Appraisal

1 Introduction

1.1 Terms of Reference

The following table provides a summary of the terms of reference (TOR) guiding this appraisal assignment. The TOR were provided by Mike Nolan NLS of the Department of Transportation and Works. This report is subject to the TOR outlined below, as well as the Ordinary Assumptions and Limiting Conditions outlined in Appendix A. Please also refer to Appendix A of this report for definitions of Market Value, Liquidity, and Highest and Best Use.

Terms of Reference	
Client and Intended User	Mike Nolan NLS, Department of Transportation and Works.
Intended Use	To provide information for planning purposes and no other use.
Purpose	To provide an opinion of the current market value on an all-cash basis, of the fee simple interest in the property.
Ownership	Department of Transportation and Works, as detailed in Section 1.6.
Interest to be Valued	100% fee simple.
Effective Date	May 18, 2018.
Signing Date of the Report	June 5, 2018.
Current Use of the Property	Vacant land.
Property Identification	Outer Ring Road at Logy Bay Road, St. John's, NL.

1.2 Scope of Work

The scope of work has included the following:

- An inspection of the interior and exterior of the subject property, as well as the surrounding neighbourhood, was completed on May 18, 2018 and later dates. Identification of the property also involved a review of the legal description and legal plan. The photographs contained in Appendix B were taken on May 18, 2018.
- Review of publicly available physical, legal, social, political, economic and other factors that could affect the value of the subject property.
- Collection of municipal information pertaining to the subject property such as zoning, assessment and taxes.
- Review of documentation relating to the subject property provided by the client or their agent, including but not limited to the legal descriptions and survey plans.
- Research of transactional data on land comparable to the subject property.

- Estimation of the highest and best use of the land.
- Valuation of the interest in the subject property utilizing the most appropriate appraisal methodology; in this regard, the Direct Comparison Approach has been applied and later reconciled to a final estimate of value.
- Consideration of the possible effect on value of an assemblage, consideration of the possible effect on value of anticipated public or private improvements and there is deemed to be none.
- Completion of a narrative report outlining background, descriptions, analyses and value conclusion(s)
- The analysis set out in this report relied on written and verbal information obtained from a variety of sources that are considered to be reliable. Unless otherwise stated herein, client-supplied information was not verified and is believed to be correct. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration; full documentation or confirmation of all information by reference to primary sources was not completed.

The following was not included in the scope of work for this assignment:

- A title search was not conducted.
- Findings that may be discovered through more rigorous due diligence mandate
- A technical investigation such as the following was not completed:
  - an environmental review of the property
  - investigations into the bearing qualities of the soil

1.3 Extraordinary Limiting Conditions

An Extraordinary Limiting Condition, as defined in Section 2.20 of CUSPAP 2018, is a necessary modification or exception of a Standard Rule which may diminish the reliability of the report.

During the course of appraising the subject property, no Extraordinary Limiting Conditions were invoked.

1.4 Extraordinary Assumptions

An Extraordinary Assumption, as defined in Section 2.19 of CUSPAP 2018, is an assumption, directly related to a specific assignment, which, if found to be false, could materially alter the opinions or conclusions.

During the course of appraising the subject property, no Extraordinary Assumptions were invoked.

1.5 Hypothetical Conditions

A Hypothetical Condition, as defined in Section 2.27 of CUSPAP 2018, is that which is contrary to what exists, but is supposed to exist for the purpose of analysis.

During the course of appraising the subject property, no Hypothetical Conditions were invoked.

1.6 Ownership and History

The subject property is currently owned by the Provincial Government through the Department of Transportation and Works. There has been no sales activity for this property within the past three years. Based on research completed, it is understood that the subject property is not under an agreement of sale. The subject property is not currently listed for sale nor has it been listed in the last 12 months on the open market. The Department is presently considering a disposition of the property.

2 Property Description

2.1 Location Overview

The subject property is located in the east end of the City of St. John's adjacent to the boundary of the Town of Logy Bay - Middle Cove - Outer Cove. The primary land use in this area is residential. A map indicating the exact location of the subject property is contained below. Additional photographs of the subject property and maps are located in the Appendices.

Neighbourhood Map

Source: Google Maps. Subject property is outlined in red

2.1.1 Position and Access

Property Description – Position and Access	
Site Position	The site is landlocked. The no-access Outer Ring Road (eastern part of the TCH) lies alongside the entire southern boundary. The north-western boundary lies at the rear of residential properties fronting Snow's Lane in St. John's. The north-eastern boundary lies alongside largely vacant lands to the rear of properties fronting Logy Bay Road in the Town of Logy Bay-Middle Cove-Outer Cove.

Property Description – Position and Access	
Regional / Local Access	The subject property has no road access and is landlocked. The southern boundary is located adjacent to the eastern section of the Outer Ring Road and the west-bound on-ramp from Logy Bay Road. The closest roads are Logy Bay Road to the east and Snow's Lane to the north.
Public Transit	The City of St. John's offers a municipal bus service, Metrobus. Metrobus route 30 services Logy Bay Road up to the intersection of Logy Bay Road and Robin Hood Bay Road which is 0.35 km south of the subject.
Amenities	The Clovelly Power Centre retail / commercial area off Stavanger Drive and Aberdeen Avenue is 0.5 km west of the subject accessible by the Trans-Canada Highway or Snow's Lane and has a number of amenities including restaurants, retail stores, gas stations, financial institutions and grocery stores. There is a small garage located on Logy Bay Road.
Surrounding Land Use	The surrounding land use is primarily residential ribbon developments alongside Logy Bay Road, Snow's Lane and Marine Drive. There are residential sub division developments to the north and south which are not directly accessible from the subject property. There is residential use to the north west and industrial use to the south east.
Prominent Tenants in the Vicinity	The Clovelly Power Centre is located within a km to the west of the subject and tenants include Walmart, Winners, Princess Auto, Costco, Kent Building Supplies and Dominion amongst many other retailers and commercial tenants.

2.1.2 Adjacent Land Uses

Property Description – Adjacent Land Uses	
North-east	The north-eastern boundary lies alongside largely vacant lands to the rear of properties fronting Logy Bay Road in the Town of Logy Bay-Middle Cove-Outer Cove. In the eastern section, adjacent land is farmland used for small-scale vegetable cultivation. Logy Bay Road in this area comprises low density residential properties with the occasional commercial use. There is also much undeveloped wooded land, some of which is low lying and wet.
South	The Outer Ring Road (Trans-Canada Highway) runs along the entire southern boundary to the subject property. On the southern side of the highway are residential sub-divisions.
North-west	The north-western boundary lies at the rear of residential properties fronting Snow's Lane in St. John's. On the northern side of Snow's

Property Description – Adjacent Land Uses	
	Lane in this location is wooded open space land and north of that, new and existing housing estates in the Clovelly Subdivision.
West	There is a large electrical sub-station located close to the western boundary of the subject at the junction of Snow's Lane and Stavanger Drive. To the south and west of the sub-station is a block of vacant treed land. To the west of that are more housing estates, again part of the Clovelly Subdivision, and west of those is the Clovelly Power Centre.

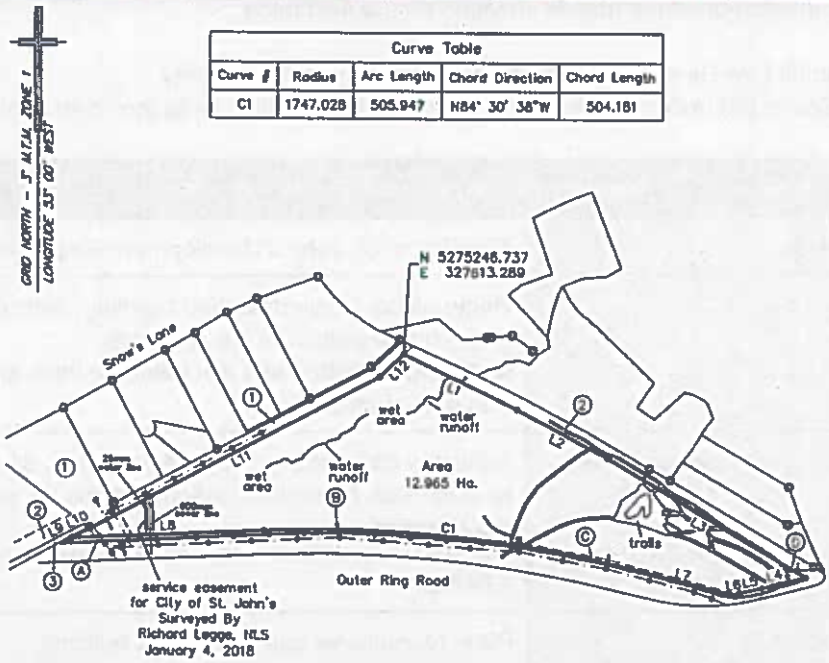
2.2 Site Description

Property Description - Site Description	
Site Area	32.036 ac (12.965 Ha).
Legal Description	A copy of the legal description and survey plan is contained in Appendix B.
Topography	The property has a gently undulating topography with a gentle overall downward slope from north to south. There is a slight lower ridge in the northern part of the property with open water flowing from the north-east to south-west. The highway was built up and the road surface lies some 20 feet above the height of the subject land to the immediate north.
Ground cover / water	The majority of the site is covered with fir and spruce stands. There is open water flowing parallel with and some 150 feet south of the north-west boundary. Most of the western half of the site is boggy with patches of open water, marsh grass and scrub bushes and trees.
Configuration	The property is roughly triangular shaped with a long southern boundary.
Frontage	The subject property is not accessible by road and has no road frontage.
Depth	The largest depth is in the centre of the site, approximately 780 feet north from the TCH.
Width	The southern boundary has a length bounding the highway of 3,357 feet.
Services	The closest municipal services are located at the very western end of the subject where there is a 600mm sewer line that crosses the site close to the electrical sub-station as well as a 25mm water line. All the residential subdivisions north and west of Snow's Lane are serviced.

Property Description - Site Description	
	No land in the Town of Logy Bay has municipal services.
Access to the site	There is no road access to the site. Walking access can be gained from the corner of the junction of the TCH access road and Logy Bay Road. Also from the west from trails leading from the rear of the electrical sub-station.
Site Improvements	There are no built site improvements. There are several trails located in the eastern section of the property.
Legal and Title Limitations	A full search and interpretation of the title are beyond the scope of this appraisal and the report is based on the assumption that there are no material encumbrances that would affect value unless otherwise noted. However, as encumbrances can have a significant impact on the market value and / or marketability, legal advice should be obtained if this assumption is required to be verified.
Encumbrances / Easements	As can be seen from the site survey plan, there are four NL Power easements that run adjacent, but mostly just outside the boundaries of the subject land. There is a power line easement that runs along nearly the entire length of the southern boundary on the north side of the Outer Ring Road. Another power line easement runs from the western end of the subject half way along the north-western boundary. There is a municipal water and sewer line easement running in a north to south direction just inside and close to the western-most boundary. All easements are outlined on the survey plan shown on the following page.
Environmental Limitations	I am not an expert in environmental matters and make no representations regarding them. For the purpose of this report, it is assumed that there is no environmental contamination. In order to verify this assumption, an environmental assessment would be required. As a result of this assumption, the impact on value of contamination, if any, has not been taken into account in this appraisal. If contamination does exist, this could have a negative impact on value.

2.2.1 Site Survey / Plan

Site Survey / Plan



Curve Table				
Curve #	Radius	Arc Length	Chord Direction	Chord Length
C1	1747.028	505.947	N84° 30' 38"W	504.181

Ⓐ Ⓑ Ⓒ Ⓓ easement for NL Power Surveyed By Richard Legge, NLS January 4, 2018

① Newfoundland Light & Power Co. Limited Volume 2093 Frame 289

② Newfoundland Power Co. Limited Volume 1476 Frame 340

③ land surveyed for Govt. of NFLD Dept. of Public Works & Services by William Doyle, N.L.S. September 1985

Line Table		
Line #	Direction	Length
L1	S64° 18' 37"E	172.910
L2	S61° 58' 07"E	141.830
L3	S59° 21' 19"E	317.654
L4	S75° 25' 41"W	61.888
L5	S77° 44' 43"W	31.276
L6	S80° 49' 25"W	13.730
L7	N75° 53' 15"W	143.711
L8	S87° 14' 51"W	266.761
L9	N60° 43' 00"E	0.415
L10	N62° 56' 33"E	28.360
L11	N61° 54' 19"E	451.840
L12	N46° 25' 27"E	45.790

NOTE :
- Fenceline
- Iron Pin To Be Placed
- Found Iron Pin
- Utility Wires
- Utility Pole
- Fire Hydrant
- Manhole
- Catch Basin
- Guy Wire
- Utility Easement
- I.F.P. – Iron Fence Post
- W.F.P. – Wooden Fence Post

- Survey revised to add water runoff.
- All Distances are Horizontal Grid Distances and are in Metres.
- Coordinates based on NAD83.
- Reference Monuments : 029046 N 5275158.411 E 328140.862 029044 N 5274663.242 E 328228.073
- Scale factor used is: 0.999894

This plan and the accompanying description of Richard V. Legge, N.L.S., form an integral part of the whole and are not separable.

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LEGGE SURVEYS LIMITED
1288 TOPSAIL ROAD, UNIT C, PARADISE, NL, A1L 1N7
Tel: 709-782-5920 Fax: 709-782-5921

REVISED SURVEY FOR DEPARTMENT OF TRANSPORTATION AND WORKS
OUTER RING ROAD, ST. JOHN'S, NL

SCALE :	1 : 6000	JOB No. :	2018-6302-REV
DATE :	January 4, 2018	SURVEY :	G.C. \ A.O.

Richard V. Legge NEWFOUNDLAND LAND SURVEYOR PROVINCE OF NEWFOUNDLAND

Source: Survey provided by client

2.3 Land Use Controls

The subject property falls within two different land use zones on the City of St. John's Land Use Planning Map. A copy of the portion of the map is provided on the next page:

1. Residential Low Density (R1) covering the majority of the property.
2. Open Space (O) mainly in the western corner with a portion along the north eastern boundary.

Property Description – Land Use Controls	
Policy Plan Type	The City of St. John's Development Regulations.
(R1) Permitted Uses	Home office, single detached dwelling, subsidiary apartment, family home child care service, park. **Note**: the permitted and discretionary uses are only for lands with municipal services.
(R1) Discretionary / Accessory Uses	Adult day care facility, bed and breakfast, day care centre, heritage use, home occupation, parking lot, planned unit development.
(R1) Minimum Lot Area	4,844 sf.
(O) Permitted Uses	Park, recreational use, accessory building.
(O) Discretionary / Accessory Uses	Cemetery, place of assembly, private park, public utility, small scale wind turbine, uses accessory to agriculture, forestry and fishing.
Site Specific By-Law	None.
Land Use Limitations	For the purposes of this appraisal, it has been assumed the data obtained from others is correct and, except to the extent noted, the use of property either conforms to the applicable bylaws and regulations or is a legal non-conforming use. In order to verify this assumption legal and planning advice would be required.
Observed limitations within the subject R1 Zone	During my site inspection, I noted that much of the land in the western section of the site, including areas included in the R1 zone, had open water or were very boggy, were devoid of tree growth and only had bog grass and low shrub ground cover. In my experience, in such circumstances, the City would most likely re-designated areas of open water / bog from R1 to Open Space through a review of the zoning boundary. It is very doubtful that a developer would be able to clear and develop the portion of the site. On the following page I have included a plan showing the areas found within the existing zoning and a plan indicating the likely developable R1 land area of +/- 14 ac.

Zoning on the Subject taken from the City Land Use Map

Source: Altus Group GIS consultant

Observed area of R1 zoned land unaffected by open water / bog (in brown shading)

Source: City MapCentre

2.4 Municipal Assessment and Taxes

Based on information from the City of St. John's Assessment Division, no assessment has been undertaken for the subject property and there are no related property taxes. Property owned by the Province is exempt from municipal property tax.

2.5 Property Commentary

- The subject property has a good location within the east end of the City of St. John's, just north of the Trans-Canada Highway where it meets Logy Bay Road. It is close to relatively new residential subdivisions in the Clovelly area, retail and commercial outlets.
- There is no road access to the property, the closest road being Logy Bay Road to the north-east of the subject.
- Some areas designated R1 on the zoning map may not be suitable for development as it was observed land in the centre west of the site has open water and bog. It is estimated only about 14 ac may be suitable for future development if road access can be obtained.

3 Market Overviews

Economic Trends - St John's

Economic Conditions

- St. John's real GDP was anemic from 2014-2016 growing at an average annual pace of 0.3%. Economic activity declined in 2017 as economic growth was hampered by the winding down of large construction projects and by the provincial government fiscal austerity. Oil production should improve in 2018, owing to a full year of output from the Hebron oil platform, supporting economic growth. Additionally, provincial construction spending will be boosted by construction of the West White Rose offshore project, which began in late-2017, with positive implications for St. John's. The impact of fiscal austerity should lessen going forward, removing the drag on growth, while the economy should be boosted by increased oil production over the remainder of the forecast horizon.

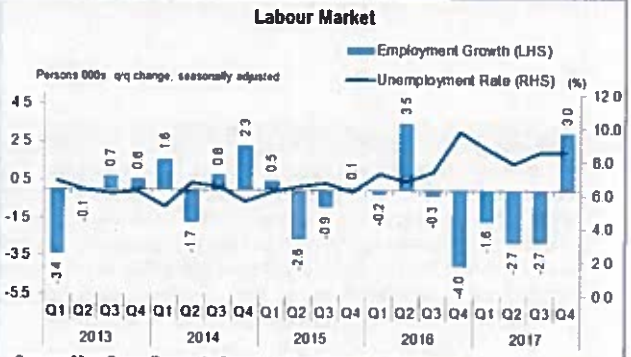
Income Growth

- Personal income growth is likely to have declined in 2017, owing to falling employment. Personal income growth is expected to gradually increase from 2018 onwards, in tandem with improved economic fortunes.

Source: Altus Group Economic Consulting based on Conference Board and Statistics Canada

Labour Market

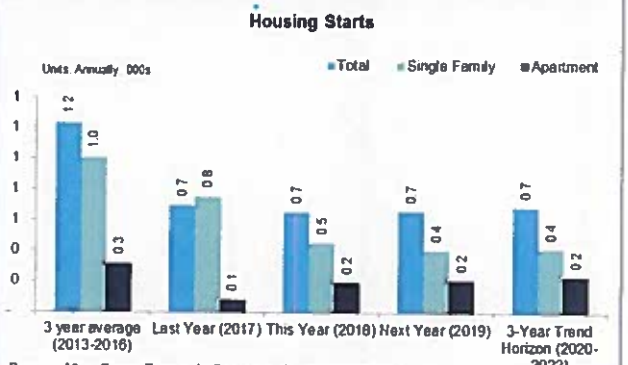
- In the fourth quarter of 2017, employment increased in St. John's for the first time in six quarters. On a year-over-year basis, employment growth was weighed down by the wholesale trade and construction sectors. Employment totalled 110,000 workers in the fourth quarter.
- The unemployment rate was unchanged at 8.6% in the fourth quarter.
- Employment growth is likely to decline this year before improving from 2019 onwards, supported by strengthening economic growth. Overall, employment is expected to decrease by about 880 jobs between 2018-2022.



Source: Altus Group Economic Consulting based on Statistics Canada

Housing Market

- In the fourth quarter of 2017, work started on 274 new homes, 9% higher than the same period in 2016. Housing starts are expected to remain flat in 2018 and throughout the forecast horizon.
- Unit sales increased by 31% in the third quarter compared to the previous quarter, however unit sales fell 9% lower year-to-date compared to the same period in 2016.



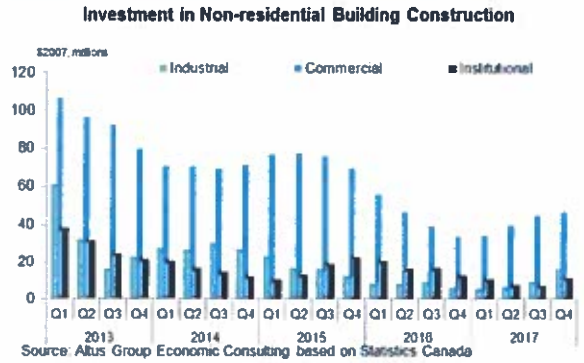
Source: Altus Group Economic Consulting based on CMHC

Source: Altus Group Economic Consulting

Economic Trends - St John's (Continued)

Non-residential Construction

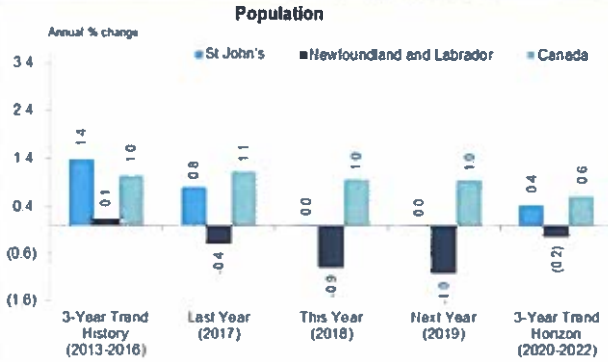
- In the fourth quarter of 2017, non-residential investment advanced 21% to $74 million (seasonally adjusted).
- Despite the gain, non-residential investment was still well below recent levels. Commercial and industrial investment both increased modestly for the third period in a row which could signal a brighter forecast horizon.
- Looking ahead, the ongoing expansion and improvement of St. John's International Airport should provide support to non-residential construction spending. ongoing upgrades to Avalon Mall, valued at $55 million, will also lift spending until their completion in 2019.



Source: Altus Group Economic Consulting based on Statistics Canada

Population Growth

- Moderate population growth in 2017 can be attributed to international migration.
- Population growth is expected to slow significantly in 2018, as extremely weak economic conditions dampen international migration. An improving economy should lead to stronger population growth by attracting migrants to St. John's.



Source: Altus Group Economic Consulting based on Statistics Canada

National Economic Context

- Canadian economic growth advanced at a 1.2% average annual pace from 2014-2016, slower than the long-term average. Growth then advanced at a 3.0% rate in 2017 thanks in part to strong migration and employment. In 2017, stabilization in the oil and gas sector contributed to recovering growth in the oil-levered provinces. This, combined with solid nation-wide consumer spending, ongoing government expenditures and positive residential investment contributed to very strong growth in 2017. Economic growth will likely moderate from its robust 2017 pace thereafter, but still remain relatively firm, supported by improved investment, ongoing U.S. demand and government spending. Forecast risks include potential negative impacts from a renegotiation of trade terms with the U.S. and potentially lower than expected business investment.

Source: Altus Group Economic Consulting

4 Highest and Best Use

The reader is referred to Appendix A for the definition of highest and best use.

4.1 Highest and Best Use

The subject forms a remnant parcel of provincially owned land left over from the development of the Outer Ring Road. The land is triangular in shape with a broad southern boundary alongside the Ring Road of some 3,357 feet (1.023 km), a depth from the Ring Road of approximately 780 feet, and a total area of 32.034 ac. There is no existing road access to the land. The site is landlocked.

The land comprises gently sloping and undulating undeveloped and treed land for the most part. Fairly large sections of the site are affected by open water and bog.

The site falls within two planning zones. The existing zone boundaries indicate some 20 ac fall within the R1 zone and 12 ac within the Open Space zone. However, from observation from my site inspection as well as reviewing aerial photography, the area currently zoned R1 lying between the two OS zones appears to have much open water and bog. In my opinion, only about 14 ac located in the eastern portion of the site is suitable for future development.

Municipal services actually cross the very western portion of the site, but capacity to connect and extend these services is not known at the present time. Nevertheless, any municipal servicing from this area would require a major extension to reach the developable portion of the site and feasibility is in doubt. The Town of Logy Bay is unserviced so there is no servicing available from the east.

The major problems with potential development of the land are lack of road access and lack of municipal servicing. Road access could possibly be found from Snows Lane, but this would hit the OS zoned portions of the site and would not be helpful. Better access to the potentially developable portion of the site could be gained from Logy Bay Road through acquiring private lands. But even if access could be obtained, there is no municipal servicing close-by.

If the land cannot be feasibly developed with residential subdivision, there is possibility that if road access can be gained, alternate uses may be found for the eastern 14 ac portion of the site subject to possible change of zoning. If R1 use is not practical, the City may consider alternate uses. Adjacent land to the north-east includes agriculture and pasture for horses. These uses are a possibility for the eastern portion of the site. Alternate uses may be proposed for low intensity development or for agricultural or recreational purposes.

In conclusion, it is my opinion that the highest and best use of the subject property is broken into two sections. The western portion of the site has little or no potential for future development and can only be held for open space use. The eastern 14 ac presently zoned R1 has little present potential for a residential subdivision due to lack of road access and municipal servicing, and the highest and best use would be for speculative long term holding for future residential or alternately for shorter term low intensity agricultural or recreational use.

5 Valuation

There are typically three approaches used to estimate market value: the Income Approach, the Direct Comparison Approach and the Cost Approach.

Income Approach

The Income Approach recognizes the principle of anticipation, where the anticipation of future benefits creates value. The Income Approach is usually used as the primary method of valuation when a property is expected to be acquired by an investor. The Income Approach is comprised of two primary methods:

> **Direct Capitalization**: This procedure involves dividing the stabilized net annual operating income (NOI) by a singular rate that takes into account the investment characteristics of the subject property.
>
> **Discounted Cash Flow (DCF):** This method calculates the present value of the future cash flows over a specified time period, including the potential proceeds of a deemed disposition, to determine market value.

Direct Comparison Approach

The Direct Comparison Approach recognizes the principle of substitution, according to which a buyer will not pay more for one property than for another that is equally desirable. By this approach, an opinion of value is developed by applying a comparative analysis of properties that are similar to the subject property that have recently sold, are listed for sale or are under contract, by focusing on the similarities and differences that affect value.

Cost Approach

The Cost Approach recognizes the principle of substitution, according to which a knowledgeable purchaser would not pay more for a property than it would cost to construct a property of similar design and utility, assuming no unreasonable delays. The Cost Approach involves adding the market value of the land to the depreciated value of the building and site improvements.

5.1 Valuation Methodology Selected

The only reliable method of valuing the subject land is by the direct comparison approach.

6 Direct Comparison Approach

The Direct Comparison Approach has as its basis the comparison of the subject property with recent sales of properties that have similar characteristics in terms of location and building type. Where good, recent comparable property sales evidence is available, the approach can provide a dependable value estimate.

The Direct Comparison Approach is considered useful not only in terms of estimated value, but also in demonstrating that the final value estimate concluded in the appraisal falls within a reasonable range of value evident in the marketplace.

The typical procedure for undertaking the Direct Comparison Approach involves:

- researching the market for data from sales, contracts, offers and listings of competitive properties;
- verifying that the data is accurate and representative of arm's-length transactions;
- determining relevant units of comparison;
- comparing the subject with the comparable property sales and adjusting the comparable property sales for differences; and
- reconciling the multiple value indications into a single value or range of values for the subject property.

6.1 Comparable Property Sales Activity

The direct comparison approach has been undertaken for the lands divided into the two highest and best uses, those being:

1. Eastern 14 acres for speculative long term holding or shorter low intensity or recreational use, and
2. The remaining central and western portions of the site having only open space use

The first value to determine is that of the 14 acres holding land. After that, I have estimated the value of the open space lands that make up the majority of the site.

14 ac zoned R1

I have conducted a survey of market evidence for properties having similar characteristics to the subject 14 acres. The characteristics that we have searched for include:

- No immediate development potential.
- Lack of municipal services.
- Medium term holding.
- Low intensity use potential if any during the sort to medium term.

From my research, it is apparent that there have been no transactions of land with exactly the same characteristics as the subject in terms of R1 zoning but with lack of road frontage and servicing. I was able to locate sales of unserviced lands acquired either for medium term holding and assembly, or for low

intensity development. The most appropriate in terms of comparable property sales evidence for the Direct Comparison Approach is contained at Appendix C and are summarized below.

Index # 1

Address	684 Main Road
Location overview	Fronting on to Main Road, Goulds
Sale Date	13-Mar-17
Vendor	Cannew Investments Limited
Purchaser	Susan Quigley and Brad Gosse
Interest	Fee Simple
Zoning	Rural Residential
SALE PRICE	$209,000
Land area (acres)	46.93
Overall price / acre	$4,453.44
LandDescription	Wooded land on the Main Road in the Goulds running along Raymond's Brook. Purhcased for the development of a house and horse riding facility.

Index # 2

Address	490-496 Back Line
Location overview	Fronting on to Back Line and backing on Goulds Bypass Road
Sale Date	23-Dec-15
Vendor	Norman Frederick Williams
Purchaser	76181 Newfoundland and Labrador Inc.
Interest	Fee Simple
Zoning	Agricultural
SALE PRICE	$80,000
Land area (acres)	16.36
Overall price / acre	$4,889.98
LandDescription	Land on the Back Line in the Goulds consisting of approximately 50% wooded and 50% productive agricultural land.

Index # 3

Address	Forest Pond Road
Location overview	No road frontage, backing on Third Pond
Sale Date	23-Dec-15
Vendor	Norman Frederick Williams
Purchaser	76181 Newfoundland and Labrador Inc
Interest	Fee Simple
Zoning	Agricultural
SALE PRICE	$40,000
Land area (acres)	9.58
Overall price / acre	$4,175.37
LandDescription	Mostly cleared productive agricultural land off Forest Pond Road in the Goulds with a small section of wooded land facing Third Pond.

Index # 4

Address	487A Thorburn Road, St. John's
Location overview	Located on the south side of Thorburn Road, 0.5 km east of the TCH interchange.
Sale Date	11-Jul-12
Vendor	DemCon Construction Limited & Ron Franey
Purchaser	David R Woolridge
Interest	Fee Simple
Zoning	Rural Residential, Rural and Open Space Reserve
SALE PRICE	$35,000
Land area (acres)	7.08
Overall price / acre	$4,944
LandDescription	Acquired for speculative holding. The land could not be developed on its own. The land has tree cover for the most part.

Index # 5

Address	No road frontage, north-east of White Hills Road
Location overview	Located east of the East White Hills Industrial Park development
Sale Date	21 March, 2013
Vendor	Vivienne and Patrick Kennedy
Purchaser	Baine Johnston Properties Limited
Interest	Fee Simple
Zoning	Rural and Open Space Reserve
SALE PRICE	$280,140
Land area (acres)	20.12
Overall price / acre	$13,923
LandDescription	Wooded land with no road access. Sloping backland. Acquired as medium term holding land for future assembly with the Industrial Park. Required change of zoning.

Index # 6

Address	1000A Trans-Canada Highway, St. John's
Location overview	Landlocked parcel of land north of Duffett's Road
Sale Date	30 September, 2014
Vendor	Gov't of NL
Purchaser	10718 NFLD Inc
Interest	Fee Simple
Zoning	Industrial General
SALE PRICE	$114,000
Land area (acres)	7.6
Overall price / acre	$15,000
LandDescription	Vacant unserviced land, wooded, adacent to no-access highway. Acquired for holding for future industrial land assembly.

Index # 7	
Address	1000B Trans-Canada Highway, St. John's
Location overview	Landlocked parcel of land north of Duffett's Road
Sale Date	30 September, 2014
Vendor	Gov't of NL
Purchaser	10718 NFLD Inc
Interest	Fee Simple
Zoning	Rurual and CDA Southlands
SALE PRICE	$40,000
Land area (acres)	3.78
Overall price / acre	$10,582
LandDescription	Vacant unserviced land, wooded, close to no-access highway. Acquired for holding for future industrial land assembly.

In order to find sale transactions with similar characteristics to the subject, I have had to research sales over a span of some 6 years. In my opinion, due to the nature of the sale properties and slow demand for holding lands, there has been no significant change in market values and no time adjustments are required.

Index #1 - 684 Main Road, Goulds.

This sale is of a large parcel of land lying in a Rural Residential Infill zone (RRI) at its frontage although for the most part being zoned Rural Residential (RR). The frontage is too small for residential development in the RRI portion of the property. The site was acquired for the development of a house and future equestrian stables and small business. This sale equates to a price of $4,453 per ac for 46.93 acres.

The comparable property is considered reasonably similar to the subject in terms of potential low impact short to medium term use. The size of the site is larger than the 14 usable acres on the subject land and an upward adjustment would be needed. Furthermore, in my opinion, the subject may have a greater development potential if access can be gained to it due to there being a greater demand for land in the east end of St. John's.

Indexes #2 & 3 - Agricultural Lands, Goulds.

These two sales represent the price paid for agricultural land in the Goulds Agricultural Development Area. Good quality agricultural land is at a premium in the Goulds area for the growing of forage crops for dairy farmers. The land areas for the two sales range from 9.58 to 16.36 acres and the value paid per acre ranges from $4,175 to $4,890.

In my opinion, these sales are relevant as they provide an indication of the value of land for low intensity, that is, non-development use. The only difference between these sales and the subject is that if road access could be gained in the future to the subject land, there is a greater longer term possibility of a higher intensity built development. Consequently, in my opinion, the subject would have a somewhat higher unit value than represented by these sales.

Index #4 - 487A Thorburn Road.

This is the sale of a parcel of land having a narrow width but deep length south from Thorburn Road. The neighbouring properties along Thorburn Road in this area comprise ribbon development of mainly older intermittent housing either side of the road. Lands to the rear are undeveloped raw wooded lands. The site was acquired for speculative holding purposes. The zoning on the property was varied, being Rural Residential, Rural and Open Space. There is a possibility that serviced residential subdivision development from the south of this land may expand north to the point that this land would be included in future phases.

In my opinion, the subject land shows a little more speculative potential than the comparable land and an upward adjustment would be required.

Index #5 - back land to the rear of East White Hills and Sugarloaf Road, east end.

This land was acquired by Baine Johnston Properties as holding land for future assembly with other lands for industrial use. The purchase was somewhat speculative as when acquired the site was landlocked and for development would require a change of zoning. The price paid equated to $13,923 per acre for 20.12 acres. The site was tree covered and sloping.

The characteristics of this sale are considered similar to the subject, although the purchase was motivated to some extent as the purchaser already had plans for the industrial park and this land would tie in with future phases if zoning could be changed. Overall, in my opinion, the price paid would be slightly higher than I would expect for the subject due to the motivational factor.

Indexes #6 and 7 - back lands off the TCH near Galway Business Centre

These two sales represent acquisitions by the company responsible for the assembly of land and development of the Galway Business Centre (industrial park) located off the TCH just south of the Pitts Memorial Drive intersection. The lands both represented back land with no road access and with no services. The lands were acquired along with other sites for assembly for future phases of the industrial / business park development. There was some motivation to acquire these lands due to an ongoing assembly to enlarge the area already acquired for the early phases of the park development. The price pad ranged from $10,582 to $15,000 per acre for land sizes of between 3.78 and 7.6 acres. We are aware of a further acquisition at the higher value level.

In my opinion, the two sites have similar characteristics in terms of being holding lands with no road access and being unserviced. There is a motivational reason for acquiring the lands and I would expect the value range to be slightly higher than for the subject.

We are familiar with several other sales that have taken place over the years of medium term holding lands. Over the last few years, there have been few transactions due to developers in the current economic climate not wanting to acquire speculative medium to longer term holding land. An example of an older sale is that of the Galway developer acquiring 195 acres of long term holding land zoned mostly Rural with frontage on Cochrane Pond having no road access in October 2007. The price per acre paid was approximately $4,500.

Based on the discussion on the previous page and what sales evidence is available, it is my opinion that the 14 ac of potentially developable land have a market value in the range of $7,500 to $15,000 per acre and I have used the mid-point of this range at $10,000 per acre in my valuation. The value of this portion of the site is shown below:

Land area	14.00 acres
Value per acre	$10,000
Value	$140,000

Remainder parcel zoned Open Space and undevelopable R1

The remainder of the site occupying the central and western portions is zoned Open Space or alternately R1, although the R1 zoned land in the central portion of the site is largely bog and with standing water. In my opinion, on any development proposal for the site as a whole, this central R1 zone would be amended not to allow development as it represents wet land.

This block of undevelopable land represents approximately 18.034 ac, or some 56% of the site. Under normal circumstances, where the percentage of non-developable land is under roughly 20%, the land can have some value to the developer as part of their open space requirement for subdivision development. I have sale evidence showing lands being acquired for open space requirement where developers have paid approximately 10% to 15% of the value of developable land for open space land that can cover their development requirement, but such a large portion of wetland as found on the subject site is of very little value, especially where the developable portions are not serviceable at the present time.

In terms of servicing, the current municipal services do extend to the western portion of the site. There is a slight possibility that if the developable portion of the site were to have services extended to it, these would need to be extended through the edges of the wetland. This is a highly speculative possibility but one that may result in a purchaser being willing to acquire the whole site.

There are very few examples of sales of wetland, as developers and individuals do not purchase these as a matter of course. The City of St. John's has acquired land in watershed areas of the City for prices under $1,000 per acre. I am also familiar with organisations such as the Nature Conservancy of Canada and Ducks Unlimited acquiring wetlands and recreational forested land for prices ranging from $250 to $1,500 per acre.

With very little sale evidence on which to base my value, based on my experience with wetland and passive recreational land acquisitions, it is my opinion that the wetland portion of the subject property would have a value of between $500 and $1,500 per acre, and I have used the mid-point of this range at $1,000 per acre if sold with the higher use 14 acres in the eastern section of the property. The value based on this unit rate is as follows:

Land area	18.03 acres
Value per acre	$1,000
Value	$18,030
Rounded to	$18,000

6.2 Estimate of Market Value (Direct Comparison Approach)

The value of the overall site is obtained by adding together the values of the wetland and more developable 14 acre eastern portion of the site. The resultant value estimate is:

14.00 acre portion	$140,000
18.03 acre portion	$ 18,000
Total	$158,000
Rounded to	**$160,000**

7 Reconciliation and Conclusion

The direct comparison approach has been undertaken for the lands divided into the two highest and best uses, those being:

3. Eastern 14 acres for speculative long term holding or shorter low intensity or recreational use, and
4. The remaining central and western portions of the site having only open space use.

The total of these two value estimates provides the overall market value of the land.

7.1 Final Value Conclusion

Further to the analysis of the subject property and of the market data outlined in this report, the current market value of the property located at Outer Ring Road at Logy Bay Road, St. John's, as at May 18, 2018, subject to the Ordinary Assumptions and Limiting Conditions in Appendix A, is:

Market Value Conclusion
$160,000
One Hundred and Sixty Thousand Dollars

Based on this estimate of current market value, the liquidity of the subject property is expected to be "Modest". An estimated exposure time of 6 to 9 months would have been required prior to the effective date to sell the subject property at its current market value.

8 Certification

Effective Date: **May 18, 2018**
Property Appraised: **Outer Ring Road at Logy Bay Road, St. John's, NL**

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

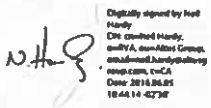
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. I am therefore an independent and external professional.
- I am not in a conflict of interest to undertake this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in and compensation for this assignment was not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client.
- My analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice, Valuation - Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards.
- I have the knowledge and experience to complete this assignment competentlyCanadian Uniform Standards of Professional Appraisal Practice, Valuation - Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards..
- The subject property was inspected by on **May 18, 2018.** The inspection was considered sufficient to describe the real estate, develop an opinion of highest and best use and make meaningful comparisons with other market dataNo one provided professional assistance or third-party professional assistance to the undersigned.
- As of the date of this report, Neil Hardy, B.Sc., AACI, MRICS has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for designated and candidate members, and is a member in good standing of the Appraisal Institute of Canada.

In my opinion, the current market value of the fee simple interest in the subject property, subject to the specific and extraordinary assumptions and limiting conditions as laid out clearly starting on page 2 of this report and the Ordinary Assumptions contained in the Appendices under Appendix A, as at May 18, 2018, is:

$160,000

One Hundred and Sixty Thousand Dollars

Appraiser



Neil Hardy, B.Sc., AACI, MRICS
AIC Member #: 2252

Signing Date: June 5, 2018
Attachments and Appendices

AltusGroup

Appendix A - Altus' Terms of Reference
Appendix B - Visual Identification
Appendix C - Comparable Sales Indices

Appendices

Appendix A Altus' Terms of Reference

Ordinary Assumptions and Limiting Conditions

Definitions

Ordinary Assumptions and Limiting Conditions

The following Ordinary Assumptions and Limiting Conditions apply to **real estate appraisals** prepared by Altus Group ("Altus"). Any Special Conditions have been added as required.

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP"), Professional Standards of the Royal Institute of Chartered Surveyors (RICS), International Valuation standards (IVS), published by the International Valuation Standards Council and any other Appraisal Organization to which the appraiser is a member and the following conditions.

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the authors, subject to the qualification below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.

2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.

3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. No consideration is given to liens or encumbrances against the property. Where title information is provided within the report, it is presented for information purposes only. No opinion is rendered as the property title, which is assumed to be good and marketable. The property is appraised on the basis of it being under responsible ownership. The appraisal assumes that the property will be competently managed, leased and maintained by financially sound owners over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's or owner's effectiveness, nor is/are the appraiser(s) or Altus responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

4. The subject property is presumed to comply with government regulations including zoning, and health regulations and, if it doesn't comply, its non-compliance may affect market value.

5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property. Further maps, photographs or any other graphic aids included in this report are only intended to assist the reader in visualization of the property, and are not intended for technical purposes.

6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.

7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The bearing capacity of the soil is assumed to be adequate.

8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, water, groundwater or air. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.

9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.

10. The term "inspection" refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.

11. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.

12. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.

13. Written consent from the author must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report.

14. This appraisal report, its content and all attachments/appendices and their content are the property of the AIC member(s) signing the report and all copyright is reserved to the author(s). The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, appendix, all attachments and the data contained within for any commercial, or other, use.

15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.

16. Where the intended use of this report is for financing or mortgage lending, it is a condition of reliance on this report that the authorized user has or will conduct loan underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, Liability is expressly denied to those that do not meet this condition.

17. It is assumed that legal, engineering, or other professional advice, as may be required, has been or will be obtained from properly qualified legal professional sources and that the appraisal report will not be used for guidance in legal or technical matters such as, but not limited to, the existence of encroachments, easements or other discrepancies affecting the legal description of the property. It is assumed that there are no concealed or dubious conditions of the subsoil or subsurface waters including water table and flood plain, unless otherwise noted.

18. It is assumed that any and all liabilities that might accrue against the real estate such as taxes, hypothecs, contracts or services of any kind, are paid when due. Taxes and other fees (e.g. broker commissions) incurred during the hypothetical sale of the real estate are not addressed in this report.

19. The value is based on the purchasing power of the Canadian dollar as of that date.

Definitions

Altus InSite Investment Trends Survey

Altus InSite undertakes a survey of the Canadian real estate industry to determine the informed consensus opinion on investment performance trends and valuation parameters from Canada's key investors, lenders and other opinion leaders. The results of this quarterly survey are presented online as a series of data reports and charts for the Office, Retail, Industrial and Multiple Unit Residential asset classes for seven major markets across Canada.

Highest and Best Use

Highest and best use may be defined as:

> "The reasonably probable use of a property, that is physically possible, legally permissible, financially feasible and maximally productive, and that results in the highest value."[1]

The highest and best use of both land as though vacant and the property as developed must meet four criteria. The highest and best use must be:

> **Physically Possible:** The size, shape, terrain and soil conditions of a parcel of land affect its physical utility and adaptability. The size, design and condition of an improved property may suggest that rehabilitation, conversion or demolition is in order
>
> **Legally Permissible:** Depends on public restrictions such as zoning, building codes, historic preservation regulations and environmental controls, as well as the private or contractual restrictions found in deeds and long-term leases
>
> **Financially Feasible:** Uses that should produce returns that exceed the income required to satisfy operating expenses and debt service (interest and amortization)
>
> **Maximum Return:** Among financially feasible uses, the use that produces the highest price or value consistent with the rate of return warranted by the market.

Fee Simple[2]

An interest consisting in absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.

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[1] *Canadian Uniform Standards of Professional Appraisal Practice, Appraisal Institute of Canada. 2018. Section 2.26*

[2] *The Appraisal of Real Estate: 3rd Canadian Edition. Vancouver. University of British Columbia Real Estate Division. 2010. Section 6.2*

Leased Fee[3]

An ownership interest held by the landlord with the rights of use and occupancy conveyed by the lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained with the lease.

Leasehold[4]

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

Liquidity

I have provided my opinion on the liquidity of the subject property if it were placed on the open market for sale. The summary shows a single-word description from Excellent through Poor, explained as follows:

Excellent Liquidity

May achieve a price above market value and within a brief marketing period

- High competition among buyers, keen and able to make an acquisition
- Rare availability of similar assets
- A high availability of both debt and equity
- Brief marketing period is possible
- Evidence of similar properties achieving price above a common view of market value
- Overwhelming strengths of investment character

Good Liquidity

Likely to achieve market value within a reasonable marketing period

- Buyers, keen and able to make an acquisition
- Restricted availability of similar assets
- A good availability of both debt and equity
- Reasonable marketing period and brokerage effort required in order to achieve market value
- High confidence of brokers able to achieve market value estimate
- Similar properties demonstrate pricing at a common view of market value
- Investment character strengths outweigh the weaknesses

Modest Liquidity

Value may be difficult to achieve; a more extensive marketing period may be required

- Selective and few buyers
- Demand/supply of investment opportunities is in balance
- A good availability of debt but at higher margins
- More cautious sources of equity
- Strengths and weaknesses of investment character offset each other
- More extensive marketing effort required in order to achieve value
- Similar properties demonstrate pricing at a common view of market value

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[3] *The Appraisal of Real Estate: 3rd Canadian Edition. Vancouver. University of British Columbia Real Estate Division. 2010. Section 6.4*

[4] *Ibid.*

Poor Liquidity

Value is difficult to gauge and achieve notwithstanding an extensive marketing period

- Very few buyers and limited to a speculative nature only
- Unusual assets, or high, or potentially high availability of similar assets
- Poor availability of debt even at higher margins
- Very cautious sources of equity
- Limited trading activity
- Extensive marketing period required
- Overwhelming weaknesses of investment character
- Low broker confidence

Market Value

Market Value is defined by the Appraisal Institute of Canada in the *Canadian Uniform Standards of Professional Appraisal Practice*[5] *as:*

> "The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Implicit in this definition are the consummation of a sale as of a specified 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 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 terms of 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.

Exposure Time

Exposure Time is an estimate of the length of time that the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the effective date of the appraisal.

Exposure Time is a retrospective estimate based upon experience and the opinions gathered from real estate brokers active in the field. The estimate of time period for reasonable exposure is not intended to be a prediction, but is an estimate of the amount of time that the property would have required to be exposed for sale on the open market in an appropriate manner, and using an experienced broker.

[5] *Canadian Uniform Standards of Professional Appraisal Practice, Appraisal Institute of Canada. 2018. Section 18.8.4.i.*

Appendix B Visual Identification

Photographs of Subject Property

Municipal Map

Photographs of Subject Property

Property Interior close to eastern boundary

Eastern point of the subject looking west. The TCH access ramp is shown on the left of the photo

Property Interior, mid-eastern section

Property Interior, confluence of paths

Typical interior tree growth

Central portion near TCH showing typical wetland

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Photographs of Subject Property

Sewer manhole at sewer line easement

Western boundary looking north showing sub-station in the background next to Snow's Lane

Logy Bay Road taken in the vicinity of the subject, looking south

Looking south from Snow's Lane with the subject lands in the background

Snow's Lane

The electrical substation of Snow's Lane

Municipal Map

Source: Google Maps

Appendix C Comparable Sale Indices

684-690 MAIN RD, St. John's, NL

TRANSACTION DATA

Listing Date	n/a	Reference Number	66321
Listing Price	n/a	Registration Number	806881
Firm Date	n/a	Interest Transferred	100%
Closing Date	3/13/2017	Tenure	Fee Simple
Vendor	Cannew Investments Limited		
Purchaser	Susan Quigley and Brad Gosse		
Vendor Broker	n/a		

PRICE ANALYSIS

Sale Price	$209,000	Adj. Price ($/buildable GFA)	n/a
Adj. Sale Price	$209,000	Adj. Price ($/buildable units)	n/a
Adj. Price ($/acre)	$4,453	Adj. Price ($/frontage)	$1,148
Adj. Price ($/sq. ft.)	$0.10		

LAND USE REGULATION

Official Plan	Development Regulations
Zoning Designation	RR
Zoning Description	Rural Residential
Permitted Uses	Accessory building, bed and breakfast in a single detached dwelli...

SITE DESCRIPTION

Frontage	182.00	Land Area (sq.ft.)	2,044,271
Depth	n/a	Land Area (acre)	46.93
Nearest Intersection	n/a		
Municipal Services	Unavailable		
Legal Description	n/a		

INVESTMENT CHARACTERISTICS

Location: Located on the west side of Bay Bulls Road approximately 100 yards south of Lakeview Drive. The land borders on the north side of Raymond's Brook. There is only small frontage onto the road but opens up some 100 feet back from the road. The rear of the site backs onto a right of way known as Goulds Back Line.

Physical: The property is relatively flat and for the most part treed. Some areas had been cleared in the central portion of the site.

Market: The purchaser acquired to build a single family residence near the front of the site and to develop a horse stables and equestrian business at the rear over a period of time.

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Land

AltusGroup

490-496 BACK LINE, St. John's, NL

TRANSACTION DATA

Listing Date	n/a	Reference Number	66322
Listing Price	n/a	Registration Number	756598
Firm Date	n/a	Interest Transferred	100%
Closing Date	12/23/2015	Tenure	n/a
Vendor	Norman Frederick Williams		
Purchaser	76181 Newfoundland and Labrador Inc.		
Vendor Broker	n/a		

PRICE ANALYSIS

Sale Price	$80,000	Adj. Price ($/buildable GFA)	n/a
Adj. Sale Price	$80,000	Adj. Price ($/buildable units)	n/a
Adj. Price ($/acre)	$4,890	Adj. Price ($/frontage)	$988
Adj. Price ($/sq. ft.)	$0.11		

LAND USE REGULATION

Official Plan	Municipal Plan
Zoning Designation	Agricultural
Zoning Description	Agriculture and Open Space
Permitted Uses	n/a

SITE DESCRIPTION

Frontage	81.00	Land Area (sq.ft.)	712,642
Depth	2,699.00	Land Area (acre)	16.36
Nearest Intersection	n/a		
Municipal Services	n/a		
Legal Description	n/a		

INVESTMENT CHARACTERISTICS

Location:	Located north of Power's Road with frontage onto Back Line. Lies within the Goulds agricultural area.
Physical:	The land is relatively flat. Some 50% has been cleared and is under agricultural use, the remainder is treed land. The road frontage has an Open Space zone, to the rear of that is Agriculture zone.
Market:	The property was acquired for agricultural use.

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AltusGroup

Land

AltusGroup

FOREST POND RD, St. John's, NL

TRANSACTION DATA

Listing Date	n/a	Reference Number	66317
Listing Price	n/a	Registration Number	756590
Firm Date	n/a	Interest Transferred	100%
Closing Date	12/23/2015	Tenure	Fee Simple
Vendor	Norman Frederick Williams		
Purchaser	76181 Newfoundland and Labrador Inc.		
Vendor Broker	n/a		

PRICE ANALYSIS

Sale Price	$40,000	Adj. Price ($/buildable GFA)	n/a
Adj. Sale Price	$40,000	Adj. Price ($/buildable units)	n/a
Adj. Price ($/acre)	$4,175	Adj. Price ($/frontage)	n/a
Adj. Price ($/sq. ft.)	$0.10		

LAND USE REGULATION

Official Plan	Municipal Plan
Zoning Designation	AG
Zoning Description	Agriculture
Permitted Uses	Agriculture - Livestock, Bed and Breakfast in a single detached d...

SITE DESCRIPTION

Frontage	n/a	Land Area (sq.ft.)	417,305
Depth	n/a	Land Area (acre)	9.58
Nearest Intersection	n/a		
Municipal Services	n/a		
Legal Description	n/a		

INVESTMENT CHARACTERISTICS

Location:	The property is located between Forest Pond Road and Forest Pond in the Goulds. There is no frontage. The land is located close to Williams Farm and is adjacent to other lands owned / leased by the farm.
Physical:	The land is nearly all cleared and used as meadowland. Only a portion of the land close to Forest Pond is wooded. The land lies each side of the brow of a hill,gently sloping.
Market:	The land was acquired for agricultural use in conjunction with adjacent lands.

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Land

487A THORBURN RD, St. John's, NL

TRANSACTION DATA

Listing Date	n/a	Reference Number	39834
Listing Price	n/a	Registration Number	541681
Firm Date	n/a	Interest Transferred	100%
Closing Date	7/11/2012	Tenure	Fee Simple
Vendor	DemCon Construction Limited & Ronald Franey		
Purchaser	David R. Woolridge		
Vendor Broker	n/a		

PRICE ANALYSIS

Sale Price	$35,000	Adj. Price ($/buildable GFA)	n/a
Adj. Sale Price	$35,000	Adj. Price ($/buildable units)	n/a
Adj. Price ($/acre)	$4,944	Adj. Price ($/frontage)	$700
Adj. Price ($/sq. ft.)	$0.11		

LAND USE REGULATION

Official Plan	Urban Expansion, Open Space
Zoning Designation	RR, R & O
Zoning Description	Rural Residential, Rural & Open Space
Permitted Uses	Single detached dwelling, agriculture, recreational use

SITE DESCRIPTION

Frontage	50.00	Land Area (sq.ft.)	308,405
Depth	1,965.00	Land Area (acre)	7.08
Nearest Intersection	THORBURN RD & EVELYN PL		
Municipal Services	Unavailable		
Legal Description	n/a		

INVESTMENT CHARACTERISTICS

Location: The property is located off Thorburn Road; it has frontage on Thorburn Road; this area of Thorburn Road is developed in ribbon fashion with good quality detached residential homes on large lots.

Physical: This is a rather elongated, irregular shaped site which runs from Thorburn Road to an older road reserve at the rear. The site is located within a mixture of zoning designations, but lacks sufficient frontage to be developed on its own merit.

General: Comparable property was purchased by the adjacent land owner for land banking purposes.

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Land

SUGARLOAF RD, St. John's, NL

TRANSACTION DATA

Listing Date	n/a	Reference Number	40814
Listing Price	n/a	Registration Number	589037
Firm Date	n/a	Interest Transferred	100%
Closing Date	3/21/2013	Tenure	Fee Simple
Vendor	Vivieene & Patrick Kennedy		
Purchaser	Baine Johnston Properties Limited		
Vendor Broker	n/a		

PRICE ANALYSIS

Sale Price	$280,140	Adj. Price ($/buildable GFA)	n/a
Adj. Sale Price	$280,140	Adj. Price ($/buildable units)	n/a
Adj. Price ($/acre)	$13,923	Adj. Price ($/frontage)	n/a
Adj. Price ($/sq. ft.)	$0.32		

LAND USE REGULATION

Official Plan	Open Space & Rural
Zoning Designation	OR & R
Zoning Description	Open Space Reserve & Rural
Permitted Uses	OR:Recreational, Park. R:Residential, Argriculture, etc.

SITE DESCRIPTION

Frontage	0.00	Land Area (sq.ft.)	876,427
Depth	547.20	Land Area (acre)	20.12
Nearest Intersection	n/a		
Municipal Services	Unavailable		
Legal Description	n/a		

INVESTMENT CHARACTERISTICS

Location: The property is located between Sugarloaf Road to the north and East White Hills Road to the south. This area is being developed as the East White Hills Industrial Park. Roadways to the property has yet to be developed.

Physical: The property is currently undeveloped treed land with a gradient that is sloping from north to south. The property currently has 0 ft. of frontage due to no roadways currently accessing the property. The depth is listed as 547.2 ft. by viewing the property from a north to south orientation.

General: The property is currently zoned almost entirely as Open Space Reserve (OR) with a small portion being zoned Rural (R). This is likely to be changed to Industrial zoning as the Industrial Park in the surrounding area continues development.

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1000A TRANS-CANADA HIGHWAY, St. John's, NL

TRANSACTION DATA

Listing Date	n/a	Reference Number	52995
Listing Price	n/a	Registration Number	n/a
Firm Date	n/a	Interest Transferred	100%
Closing Date	9/30/2014	Tenure	Fee Simple
Vendor	Government of Newfoundland and Labrador		
Purchaser	10718 NFLD. Inc		
Vendor Broker	n/a		

PRICE ANALYSIS

Sale Price	$114,000	Adj. Price ($/buildable GFA)	n/a
Adj. Sale Price	$114,000	Adj. Price ($/buildable units)	n/a
Adj. Price ($/acre)	$15,000	Adj. Price ($/frontage)	n/a
Adj. Price ($/sq. ft.)	$0.34		

LAND USE REGULATION

Official Plan	n/a
Zoning Designation	IG
Zoning Description	Industrial General
Permitted Uses	General idustrial / commercial

SITE DESCRIPTION

Frontage	n/a	Land Area (sq.ft.)	331,056
Depth	n/a	Land Area (acre)	7.60
Nearest Intersection	Trans-Canada Highway & Duffetts Road		
Municipal Services	n/a		
Legal Description	NA		

INVESTMENT CHARACTERISTICS

Location:	Property is located near the Trans Canada Highway and Duffetts Road within the city limits of the City of St. John's
Physical:	The land is rectangular in shape and was vacant undeveloped treed land at the time of sale. No municipal services were available to the site.
General:	Property was purchased through crown lands by the developers of the Galway / Glencrest development as part of land assemble for the overall development

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1000B TRANS-CANADA HIGHWAY, St. John's, NL

TRANSACTION DATA

Listing Date	n/a	Reference Number	52996
Listing Price	n/a	Registration Number	n/a
Firm Date	n/a	Interest Transferred	100%
Closing Date	9/12/2014	Tenure	Fee Simple
Vendor	Government of Newfoundland and Labrador		
Purchaser	10718 NFLD. Inc		
Vendor Broker	n/a		

PRICE ANALYSIS

Sale Price	$40,000	Adj. Price ($/buildable GFA)	n/a
Adj. Sale Price	$40,000	Adj. Price ($/buildable units)	n/a
Adj. Price ($/acre)	$10,582	Adj. Price ($/frontage)	n/a
Adj. Price ($/sq. ft.)	$0.24		

LAND USE REGULATION

Official Plan	n/a
Zoning Designation	R & CDA-Southlands
Zoning Description	Rural & Comprehensive Development Area
Permitted Uses	Residential, agriculture, park, existing uses.

SITE DESCRIPTION

Frontage	n/a	Land Area (sq.ft.)	164,657
Depth	n/a	Land Area (acre)	3.78
Nearest Intersection	Trans-Canada Highway & Duffetts Road		
Municipal Services	n/a		
Legal Description	NA		

INVESTMENT CHARACTERISTICS

Location:	Property is located near the Trans Canada Highway and Duffets Road within the city limits of the City of St. John's
Physical:	The parcel of land is L-shaped and was vacant treed land at the time of sale.
General:	Property was purchased through crown lands by the developers of the Galway / Glencrest development as part of land assemble for the overall development.

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