

File No.: 04-1000-20-2021-585 - Phased Release Part 3 of 3

May 19, 2022

s.22(1)

Dear s.22(1)

Re: **Request for Access to Records under the Freedom of Information and Protection of Privacy Act (the "Act")**

I am responding to your request of November 17, 2021 under the ***Freedom of Information and Protection of Privacy Act, (the Act)***, for:

Records of the sale, purchase price, and appraisal of the laneway reviewed during December 9, 2019 Development Permit Board meeting relating to application for 1489 West Broadway (1465 - 1489 West Broadway, DP-2019-00704), specifically regarding it stated that "Arrangements for the purchase of the lane are to be made between the City of Vancouver and the Developer". Date Range: January 1, 2017 to November 17, 2021.

All responsive records are attached. Some information in the records has been severed, (blacked out), under s.21(1) of the Act. You can read or download this section here: http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/96165_00

Please note, this is a phased release. Part one of three was sent to you on April 14, 2022 and part two of three was sent to you on April 27, 2022.

Under section 52 of the Act, and within 30 business days of receipt of this letter, you may ask the Information & Privacy Commissioner to review any matter related to the City's response to your FOI request by writing to: Office of the Information & Privacy Commissioner, info@oipc.bc.ca or by phoning 250-387-5629.

If you request a review, please provide the Commissioner's office with: 1) the request number (#04-1000-20-2021-585); 2) a copy of this letter; 3) a copy of your original request; and 4) detailed reasons why you are seeking the review.

Yours truly,

[Signed by Cobi Falconer]

Cobi Falconer, MAS, MLIS, CIPP/C
Director, Access to Information & Privacy
cobi.falconer@vancouver.ca
453 W. 12th Avenue Vancouver BC V5Y 1V4

If you have any questions, please email us at foi@vancouver.ca and we will respond to you as soon as possible. Or you can call the Acting FOI Case Manager at 604-871-6584.

Encl. (Phased release records package)

:ma

**Hypothetical Appraisal of a Potential
Mixed-Use Redevelopment Site**



located at:
**1431 & 1441 West Broadway,
Vancouver, BC**

effective date of valuation:
March 13, 2019

prepared for:
City of Vancouver

April 15, 2019

Our Reference Number: 14848-0219

City of Vancouver
Real Estate Services
Real Estate and Facilities Management
507 West Broadway, Suite 320
Vancouver, BC V5Z 0B4

Attention: Mr. Andrew Newman, Associate Director

**Re: Hypothetical Appraisal of a Potential Mixed-Use Redevelopment Site
Located at 1431 & 1441 West Broadway, Vancouver, BC**

As instructed, we have prepared a hypothetical appraisal of the above referenced properties with the objective of estimating current market value of the fee simple interest as if sold together in one transaction. We have also been instructed to provide an estimate of value assuming the subject properties have been assembled with the adjacent property at 1451 West Broadway. As assembly with the adjacent site has not occurred as of the effective date of this appraisal, the value of the subject properties as if assembled with 1451 West Broadway concluded in the report is "hypothetical". It is our understanding that the appraisal is required for internal decision-making and potential negotiation purposes.

The subject properties are situated on the north side of West Broadway, between Hemlock and Granville Streets, in the Fairview neighbourhood in Vancouver. The subjects comprise two adjacent rectangular-shaped legal lots with a combined gross site area of ±11,690 square feet and frontage of ±100 feet. The subject properties are each currently improved with a single-storey plus basement, commercial building. The building at 1431 West Broadway was constructed circa 1953 and the building at 1441 West Broadway was constructed circa 1937. There is no on-site parking at 1431 West Broadway; however, there is an asphalt-paved parking area with nine stalls at the rear of 1441 West Broadway.

The properties are currently fully leased to three tenants; however, as of the effective date of appraisal, termination notices were issued to all the tenants. Our client has indicated that the buildings will be demolished in the third quarter of 2020 to allow for the sites to be used for laydown space for the Broadway Subway Project. We have been instructed by our client to assume the subject sites will be leased to the Project for approximately five years, which will allow for holding income prior to redevelopment. As instructed by our client, we completed a physical inspection of the subject properties from the exterior only.

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The sites are zoned C-3A, which permits a conditional development floor space ratio (FSR) of up to 3.00; however, a higher FSR may be permitted with heritage density transfer or provision of amenity space to a maximum increase of 10% above the maximum permitted FSR. The subject properties are situated within the "Broadway: Choice of Use Areas" District of the City's Metropolitan Core Jobs and Economy Land Use Plan.

Our discussion with City of Vancouver Planning staff indicated that both residential and commercial development would be permitted on the subject properties. However, City of Vancouver Planning staff confirmed that rezoning of the subject site to a Comprehensive Development (CD-1) zone to allow for greater density than what is permitted under the existing C-3A zoning would not be considered until finalization of the new Broadway Plan, which is expected to be submitted to Council by December 2020.

Based on site characteristics, current market conditions and City planning guidelines, the Highest and Best Use of the subjects is as holding properties pending assembly with an adjacent site, completion of the Broadway Plan and rezoning to a Comprehensive Development CD-1 zone to allow for a mixed-use redevelopment. We note the subjects could be redeveloped on a standalone basis; however, a more optimal redevelopment would be achieved upon assembly with an adjacent site(s), providing economies with regards to construction costs and a greater West Broadway frontage with the potential for larger format retail space.

We note there may be potential after the new Broadway Plan is finalized to achieve a higher density on the subject properties through rezoning to a CD-1 zone. The potential density achievable on the subject properties in the future is unknown; therefore we have valued the properties on the basis of the 3.0 FSR permitted under the C-3A zoning. Any value associated with speculation for additional density has been internalized within our valuation conclusions. We recommend further planning and architectural advice regarding development potential on the subject properties.

Value "As Is"

After consideration of all factors pertinent to value, it is our opinion the current "as is" market value of the subject properties, as if sold together in a single transaction, subject to the Extraordinary Assumptions and Limiting Conditions herein, as of March 13, 2019, is as illustrated on the following page:

	LOW	MID	HIGH
Site Area (sq.ft.)	11,690	11,690	11,690
Density (C-3A)	3.0	3.0	3.0
Buildable Area (sq.ft.)	35,070	35,070	35,070
Value \$/Buildable Sq.Ft.	\$675.00	\$700.00	\$725.00
Estimated Value	\$23,672,250	\$24,549,000	\$25,425,750
Rounded	\$23,670,000	\$24,550,000	\$25,430,000
Price Per Sq.Ft. Site Area	\$2,025	\$2,100	\$2,175

Hypothetical Value Assuming Assembly with 1451 West Broadway

After consideration of all factors pertinent to value, it is our opinion the current “hypothetical” market value of the subject properties and 1451 West Broadway, as if assembled, subject to the Extraordinary Assumptions and Limiting Conditions herein, as of March 13, 2019, is as illustrated below:

	LOW	MID	HIGH
Site Area (sq.ft.)	17,535	17,535	17,535
Density (C-3A)	3.0	3.0	3.0
Buildable Area (sq.ft.)	52,605	52,605	52,605
Value \$/Buildable Sq.Ft.	\$700.00	\$725.00	\$750.00
Estimated Value	\$36,823,500	\$38,138,625	\$39,453,750
Rounded	\$36,820,000	\$38,140,000	\$39,450,000
Price Per Sq.Ft. Site Area	\$2,100	\$2,175	\$2,250

Our report, containing an addendum, is attached and forms the basis of these opinions. Your attention is directed to the assumptions and limiting conditions outlined in the report that may have impacted our opinion.

Our report was prepared for the exclusive use of City of Vancouver for internal decision making and potential negotiation purposes and may be used for negotiations between City of Vancouver and the current owner of the adjacent property at 1451 West Broadway. We are not aware of any third party (parties), other than our Client’s agents to assist in negotiations, that is likely to see or rely on the report; liability in this respect or for any other use is expressly denied.

This report was prepared to meet the Canadian Uniform Standards of Professional Appraisal Practice. Should any questions arise by reason of this report, please contact the undersigned at your convenience. Thank you for giving us the opportunity to prepare this report.

Yours truly,

CWPC Property Consultants Ltd.



Per: Reagan Stinson
B.Com (Hons), AACI, P. App, MBA



Megan McFarlane
B.Comm, AACI, P. App.

photographs of subject properties



View Looking West along West Broadway Across from Subjects



View Looking East along West Broadway Across from Subjects



Looking North at Subjects from West Broadway



Looking North at Adjacent Property from West Broadway



Western View of Rear Lane, 1431 West Broadway to the Left



Rear Parking Area of Subject Site at 1441 West Broadway

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Appendix "A"	Copy of the Subject Properties' Title Information
Appendix "B"	Copy of the C-3A Zoning District By-law
Appendix "C"	Copy of the Adjacent Property's Title Information
Appendix "D"	Qualifications of the Appraisers

1.0 SUMMARY OF FACTS AND CONCLUSIONS

Effective Date of Valuation: March 13, 2019

Type of Property: Potential Mixed-Use Redevelopment Site

Civic Addresses: 1431 & 1441 West Broadway, Vancouver

Legal Descriptions: Lots 14 & 15, Block 331, District Lot 526, Plan VAP590
PIDs: 015-201-261 & 013-709-712

Combined Gross Site Area: ±11,690 square feet (100 feet x 116.9 feet)

Current Zoning: C-3A (Commercial District)

Land Use Plan: Permitted commercial or mixed-use development under the Broadway Corridor Choice of Use Areas District of the City's Metropolitan Core Jobs and Economy Land Use Plan.

2019 Property Assessment:

1431 West Broadway:	
Land:	\$ 8,793,000
Improvements:	<u>\$ 26,500</u>
Total:	\$ 8,819,500
1441 West Broadway:	
Land:	\$ 8,793,000
Improvements:	<u>\$ 10,700</u>
Total:	\$ 8,803,700
Total:	\$ 17,623,200

2018 Property Taxes: \$0.00 (1431 West Broadway)
\$43.00 (1441 West Broadway)

SUMMARY OF FACTS AND CONCLUSIONS (continued)

SUMMARY OF IMPORTANT CONCLUSIONS

Highest and Best Use: Holding properties pending assembly with an adjacent site, completion of the Broadway Plan and rezoning to a Comprehensive Development CD-1 zone to allow for a mixed-use redevelopment. We note the subjects could be redeveloped on a standalone basis.

Estimated "As is" Value Range:

	LOW	MID	HIGH
Site Area (sq.ft.)	11,690	11,690	11,690
Density (C-3A)	3.0	3.0	3.0
Buildable Area (sq.ft.)	35,070	35,070	35,070
Value \$/Buildable Sq.Ft.	\$675.00	\$700.00	\$725.00
Estimated Value	\$23,672,250	\$24,549,000	\$25,425,750
Rounded	\$23,670,000	\$24,550,000	\$25,430,000
Price Per Sq.Ft. Site Area	\$2,025	\$2,100	\$2,175

Estimated Value Range as if Assembled with 1451 West Broadway:

	LOW	MID	HIGH
Site Area (sq.ft.)	17,535	17,535	17,535
Density (C-3A)	3.0	3.0	3.0
Buildable Area (sq.ft.)	52,605	52,605	52,605
Value \$/Buildable Sq.Ft.	\$700.00	\$725.00	\$750.00
Estimated Value	\$36,823,500	\$38,138,625	\$39,453,750
Rounded	\$36,820,000	\$38,140,000	\$39,450,000
Price Per Sq.Ft. Site Area	\$2,100	\$2,175	\$2,250

2.0 OVERVIEW AND TERMS OF REFERENCE

TERMS OF REFERENCE

CWPC Property Consultants Ltd. (CWPC) has been retained by City of Vancouver (the "Client") to prepare an appraisal report to estimate the market value of the fee simple interest in the subject properties legally described herein, as of March 13, 2019 (the "effective date of valuation"). The properties have been appraised free and clear of all encumbrances, except as noted otherwise herein. In completing an estimate of market value for the subject properties, we have assumed they are sold together in a single transaction to one buyer.

We have also been instructed to provide an estimate of value assuming the subject properties have been assembled with the adjacent property at 1451 West Broadway. As assembly has not occurred as of the effective date of this appraisal, the value of the subject properties, assuming assembly, concluded in the report is "hypothetical".

The purpose of this report is to provide the Client with an estimate of the current market value for the properties for internal decision making and potential negotiation with the owner of 1451 West Broadway.

SCOPE OF APPRAISAL

We have completed a narrative, self-contained appraisal report in accordance with the Canadian Uniform Standards of Professional Appraisal Practice ("The Standards") as adopted by the Appraisal Institute of Canada on August 1, 2018.

In the preparation of this appraisal, we have conducted a market analysis including the following:

- Megan McFarlane, B.Comm, AACI, P.App, inspected the subject sites and adjacent property at 1451 West Broadway from the property lines on the effective date of valuation. Reagan Stinson, B.Com (hons), AACI, P.App, MBA inspected the properties on March 22, 2019. The inspections were visual and completed solely for the purpose of observing the size and slope of the sites and general condition of the improvements. The interiors and roofs of the improvements were not inspected. The photographs contained herein reflect the status of the subject properties and adjacent property as of the date of first inspection (unless otherwise noted);

OVERVIEW AND TERMS OF REFERENCE (continued)

- Documented existing land uses, development trends and competitive properties in the surrounding neighbourhood;
- Searched the current title certificates and verified factual information relating to ownership, property taxes and assessments of the existing legal sites appraised herein;
- The site areas and dimensions were obtained for the subject properties and the adjacent property from BC Assessment records. Information is generally consistent with legal plan and City of Vancouver records. The BC Assessment records are assumed accurate. Other property data (i.e., land use policies and building ages) were compiled from public records at the City of Vancouver;
- Determined highest and best use of the subject properties from an analysis of the sites, comparable property values, land use trends and supply and demand forces affecting the existing market, as of the date of valuation.

Collecting, confirming, and reporting market data includes, but is not necessarily limited to, information obtained through:

- Property sales data provided by local real estate agents, Paragon Multiple Listing Service (M.L.S.) of the *Real Estate Board of Greater Vancouver* and vendors and purchasers of comparable properties;
- Record data maintained by the *BC Assessment Authority*;
- File data maintained by CWPC Property Consultants Ltd. may include, but is not necessarily limited to, information and details pertaining to: offers, rejected offers, option agreements, collapsed offers and assignment agreements;
- Discussions with realtors, developers, and persons knowledgeable of the market place.

HYPOTHETICAL ASSUMPTION

- We have been instructed to provide an estimate of assembled premium value that would be achievable if the subject properties were assembled with the adjacent property at 1451 West Broadway. As assembly has not occurred as of the effective date of this appraisal, the value of the subject properties assuming assembly concluded in the report is "hypothetical".

OVERVIEW AND TERMS OF REFERENCE (continued)**EXTRAORDINARY ASSUMPTIONS**

- The inspection does not constitute a technical inspection of the land or improvements and is not to be interpreted as such. We have not carried out nor reviewed any soil tests or environmental studies of the subject properties and make no representations in that regard other than those observations specifically noted in the body of the report. As a consequence, our estimates of market value are based on the assumption that there are no materials of an environmentally sensitive nature on the subject properties that would materially affect value. The inspection was from the property lines only and the improvements were not inspected;
- The subject properties at 1431 & 1441 West Broadway are currently fully leased to three tenants; however, as of the effective date of appraisal, termination notices were issued to all tenants. Our client has indicated that the buildings will be demolished in the third quarter of 2020 to allow for the sites to be used for laydown space for the Broadway Subway Project. We have been instructed by our client to assume the subject sites will be leased to the Project for approximately five years, which will allow for holding income prior to redevelopment. However, we note we have not been provided any details with regards to the amount of holding income during this time;
- Subsequent to the effective date of this appraisal, there was a fire on March 31, 2019 in the basement of the subject building at 1431 West Broadway, which is currently tenanted by Eat Your Cake!. Our client was unable to confirm if repairs will be made to the space and the lease will continue until the end of the termination notice period; however, we have assumed the holding income will remain the same until such time.

EFFECTIVE DATE OF VALUATION

The effective date of valuation is March 13, 2019, the date of inspection.

OVERVIEW AND TERMS OF REFERENCE (continued)**STATEMENT OF COMPETENCY**

The professional staff at CWPC Property Consultants Ltd., Megan McFarlane, B.Comm., AACI, P.App., and Reagan Stinson, B.Com (hons), AACI, P.App, MBA, the appraisers responsible for this valuation, have experience in the valuation of commercial and mixed-use development properties. In this regard, we have the knowledge and experience to complete this appraisal assignment and have appraised and analyzed this type of property before.

EXPOSURE TIME

Exposure time, as specified by "The Standards", means the estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at market value on the effective date of the appraisal. Based on our experience and interviews with market participants, an exposure time of three to nine months immediately prior to the date of appraisal is considered reasonable for development real estate similar to the subject. This timing is typical of similar investment real estate properties at this time.

3.0 DEFINITION OF TERMS

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the "fee simple" interest defined as:

"The greatest interest an individual can own in land, or complete ownership in law, subject only to the governmental powers of taxation, expropriation, escheat and police powers."

DEFINITION OF MARKET VALUE

The "Canadian Uniform Standards of Professional Appraisal Practice" (2018 Standards), defines Market Value as:

"The most probable price which a property should bring in a competitive and open market as of the specified date 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 is the consummation of a sale as of the specified date and the passing of title from seller to buyer under conditions whereby:

- 1. buyer and seller are typically motivated;*
- 2. both parties are well informed or well advised, and acting in what they consider their best interests;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto;*
- 5. 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.*

4.0 IDENTIFICATION OF THE SUBJECT PROPERTIES

CIVIC ADDRESSES

1431 & 1441 West Broadway, Vancouver, BC

LEGAL DESCRIPTIONS

Lots 14 & 15, Block 331, District Lot 526, Plan VAP590

PIDs: 015-201-261 & 013-709-712

Title Numbers: CA4314629 & CA4314628

REGISTERED OWNER

City of Vancouver

453 West 12th Avenue

Vancouver, BC

V5Y 1V4

LEGAL NOTATIONS AND CHARGES, LIENS AND INTERESTS

Perusal of the title certificates for the subject properties indicates the following legal notation, charges, liens and interests:

Legal Notation (PIDs: 015-201-261 & 013-709-712):

- Notice of Interest, Builders Lien Act (S.3(2)), See CA4314630 Filed 2015-04-01

Charges, Liens and Interests (PID: 015-201-261 only):

- Lease (BA590276) with Right of Renewal registered to Behnsen Graphic Supplies Ltd. Incorporation No. A63502 on December 19, 2006. This agreement was not reviewed; however, we assume it pertains to an expired lease of 1431 West Broadway.

Under the scope of this appraisal, it is assumed there are no legal notations, charges, liens or interests that will adversely affect the present or any future use of the subject properties, unless otherwise indicated herein. It is recommended that if further clarification or legal advice in regards to the registered charges and interests is required, a lawyer be retained. Copies of the Certificates of Title for the subject properties are included in the addenda as Appendix "A".

IDENTIFICATION OF THE SUBJECT PROPERTIES (continued)

PROPERTY HISTORY

According to BC Assessment records, the subject properties sold on April 1, 2015 to the City of Vancouver for a combined price of \$13,500,000. It is our understanding the properties were acquired to accommodate a potential future SkyTrain station.

To the best of our knowledge, the subject properties are not currently listed for sale. However, our client indicates it may consider the sale of the subject properties to the adjacent owner at 1451 West Broadway.

PROPERTY ASSESSMENT

The properties are located within the City of Vancouver, in the Fairview sub-area, administered by the Greater Vancouver Region office of BC Assessment. The 2019 'Actual Value' assessment and 2018 gross property taxes for the subject properties are provided below.

2019 Property Assessment:	1431 West Broadway:
	Land: \$ 8,793,000
	Improvements: \$ <u>26,500</u>
	Total: \$ 8,819,500
	1441 West Broadway:
	Land: \$ 8,793,000
	Improvements: \$ <u>10,700</u>
	Total: \$ 8,803,700
	Total: \$ 17,623,200
2018 Property Taxes:	\$0.00 (1431 West Broadway)
	\$43.00 (1441 West Broadway)

The "Actual Assessed Value" indicated above reflects the opinion of BC Assessment as to the market value of the fee simple interest in the subject properties as at July 1, 2018, on the basis of its physical condition as at October 31, 2018.

5.0 MARKET AREA DESCRIPTION

The subject is located within the Fairview neighbourhood of Vancouver, which is bordered by False Creek to the north, Burrard Street to the west, West 16th Avenue to the south and Cambie Street to the east. More specifically, the subject is situated on the north side of West Broadway, between Granville and Hemlock Streets. The location of the subject is identified on the neighbourhood map illustrated below.



Hemlock Street is a major north-south arterial road commencing at West 4th Avenue/West 2nd Avenue in the Fairview neighbourhood (just south of False Creek) and continuing to West 15th Avenue. West Broadway is a major east-west arterial in the City and extends from West Point Grey to just west of the Vancouver/Burnaby border where it becomes Lougheed Highway. Burrard, Granville and Cambie Streets are the main north/south traffic corridors and link Vancouver's downtown core to the southern suburbs. These streets experience heavy pedestrian traffic, as well as high vehicle traffic volumes.

MARKET AREA DESCRIPTION (continued)

The subject is situated approximately five and a half blocks northwest of Vancouver General Hospital, which is Canada's second largest hospital. At the Cambie Street and West Broadway intersection, nine and a half blocks east of the subject, is the Broadway-City Hall SkyTrain Station.

Just west of the subject properties is the South Granville shopping district that extends along Granville Street from West 6th Avenue to West 16th Avenue. On South Granville a variety of shopping, dining, lifestyle, and fine art venues can be found. Major vendors include: Cactus Club Café, Indigo, La Vie En Rose, Soft Moc Shoes, Urban Barn, and Town Shoes.

The Broadway Corridor's main occupiers are office users with retail on the ground floor. The Broadway Corridor comprises approximately 12.8% of the Metro Vancouver office inventory, according to Avison and Young. This is the third largest area after Downtown at 44.8% and Burnaby at 18.2%.

The adjacent Mount Pleasant Industrial Area, located between Cambie and Quebec Streets and West 8th and West 2nd Avenues, is currently transitioning from major industry towards modern and lighter industrial and office uses. There are a number of new office/warehouse redevelopments in the area and also a number of existing buildings undergoing retrofitting to accommodate new demographics. The transition has been spurred by various City land use policies and initiatives. This area is contributing to the Broadway Corridor office area.

New residential and commercial development under construction or proposed in the subjects' area includes:

- 2301 Granville Street – The Granville is a 41-unit, eight-storey condominium project with four retail units at grade by Aoyuan International located on the southwest corner of Granville Street and West 7th Avenue, approximately 290 metres from the subject. The development proposes a density of 3.33 FSR under the existing C-3A zoning, including a heritage density transfer. The development is scheduled for completion in 2021;

MARKET AREA DESCRIPTION (continued)

- 1495 West 8th Avenue – A 159-unit, 18-storey rental apartment (a mix of non-market and market) building by Colliers International that is currently under construction. This development is located on the north side of West 8th Avenue between Granville Street and Hemlock Street, approximately 280 metres from the subject. The property was rezoned in October 2017 from C-3A to CD-1 to support the development at a density of 5.96 FSR;
- 1555 West 8th Avenue – A 20-unit, eight-storey condominium development by Kenstone Properties located on the north side of West 8th Avenue between Fir Street and Granville Street, approximately 300 metres from the subject. This development is complete and is now selling available units;
- 1753 West 11th Avenue – Lilac Haus is a four-unit, three-storey condominium project by Dana Developments Inc. located on the north side of West 11th Avenue between Granville Street and Hemlock Street, approximately 400 metres from the subject. This development is currently under construction and is expected to be completed by spring of 2019;
- 2538 Birch Street (formerly 1296 West Broadway) – A 158-unit, 16-storey secure market rental apartment building by Jameson Development Corp. located on the east side of Birch Street between West 10th Avenue and West Broadway, approximately 650 metres from the subject. The project proposed a total density of 7.07 FSR under a new CD-1 zoning.

Directly west of the subjects is a two-storey, multi-tenant commercial building constructed circa 1975, with renovations completed circa 1989. Directly east of the subjects are older single-storey plus lower level commercial buildings. To the east of the subjects at the corner of West Broadway and Hemlock Street is an eight-storey office building constructed circa 1992.

Directly south of the subject across West Broadway is a two-storey, single tenant, commercial building constructed circa 2006 that was previously leased by Joeys Restaurants. Directly north to the subject is an asphalt-paved Impark parking lot constructed circa 1959. Northeast to the subject is a four-storey residential building constructed circa 1995.

MARKET AREA DESCRIPTION (continued)



RAPID TRANSIT LINE

The Millennium Line Broadway Extension (MLBE) Project, now known as the Broadway Subway Project, will extend from the existing VCC-Clark Station on an elevated guideway for 800 metres, then will travel beneath Broadway for approximately five kilometres to a new terminus station at Arbutus Street. In total there will be six new stations at approximately Main Street, Cambie Street, Laurel Street, Granville Street and Arbutus Street. A future phase of investment will connect rapid transit all the way to the University of British Columbia’s (UBC’s) Point Grey Campus. In the meantime a B-Line bus service will continue from the new Arbutus Station west to UBC.

MARKET AREA DESCRIPTION (continued)

On April 2, 2018, an estimated \$7 billion in regional, provincial and federal funding for the long-term transportation Vision (the Mayors' Council Vision) was announced. Translink's Investment Plan, which was required to implement the next phase of the transportation plan, including the Broadway Subway, was approved on June 28, 2018. According to the BC Government's website, the Project is budgeted at \$2.83 billion, and will be funded and delivered by the Province, with contributions from the Government of Canada and the City of Vancouver. The Province indicates that "Construction will begin in 2020 and the new extension will open in 2025."

It is our understanding that the subject properties were acquired by the City to assist with the construction of a future Granville Street station for the Millennium Line expansion along West Broadway. TransLink currently owns the adjacent properties to the east at 1409 and 1421 West Broadway. Our client indicates the station will be located on the north side of the 1400 block of West Broadway. To the west of the subject, a new station will be located at Arbutus Street and West Broadway and to the east of the subject a new station will be located near Laurel Street along West Broadway. On January 30, 2019, Vancouver City council endorsed a SkyTrain extension from Arbutus Street to UBC. On February 15, 2019, the Mayor's council announced that SkyTrain is the preferred technology for the Broadway extension from Arbutus Street to UBC.

6.0 PROPERTY DESCRIPTION

SITE CONFIGURATION/AREA

The subject properties comprise two adjacent legal parcels that are both rectangular in shape. The total combined site area is ±11,690 square feet, according to BC Assessment. According to the City of Vancouver's VanMap, both properties have a frontage of 50 feet for a total of 100 feet along the north side of West Broadway with a return depth of 117 feet. The Legal Plan VAP590 confirms the 50-foot frontage for both properties, but the return depth is uncertain as the plan appears to pre-date the existing rear laneway. BC Assessment also confirms the 50-foot frontage for each property, however BC Assessment indicated a return depth of 116.9 feet. We have relied upon the dimensions and therefore site area indicated by BC Assessment herein. An excerpt of the VanMap is illustrated below with the subjects outlined in green.



TOPOGRAPHY

The subject properties and the area in general have an upward slope from north to south of approximately four metres (approximately 13.12 feet), based on our inspection and VanMap data. The most significantly sloped area is over the front portion of the lot. The site is at grade with the adjacent roadways, and the parking area to the rear of the building is at grade with the rear lane.

PROPERTY DESCRIPTION (continued)**SOIL CONDITIONS**

We have not been provided with any geotechnical study or soil analysis, nor was one commissioned in conjunction with this assignment. It is assumed in this appraisal that soil conditions and the underlying geology are adequate to support development to the sites' highest and best use. No opinion is expressed by the appraisers with regard to actual soil conditions as this requires the services of a qualified engineer.

Our inspection of the properties indicates they are not presently used for storage of toxic or hazardous material. To the best of our knowledge, the properties have not been subject to such uses; however, the properties were not tested for any toxic substances and no opinion is expressed by the appraisers as to their absence or presence on the properties. No environmental studies or environmental assessments of the properties were provided, nor have we been authorized to commission any such studies. Therefore, it is assumed in this appraisal that the properties require no special preparation resulting from the presence of toxic fill or other environmentally sensitive waste products.

SERVICES

All services requisite for medium- to high-density mixed-use development are assumed to be available, including hydro, water, storm and sanitary sewers, natural gas, telephone and adequate fire and police protection. However, it is our understanding that for the sites to be developed, the developer would generally incur additional costs for servicing the sites. Detailed engineering cost estimates lie beyond the scope of this assignment.

STREET IMPROVEMENTS/ACCESS

West Broadway is a major arterial road with three lanes in each direction (plus turning lanes) extending east/west past the subject properties. The street is improved with concrete curbs, sidewalks and street lighting. There is restricted metered parking on both sides of West Broadway.

The rear lane is a two-way, asphalt paved lane running east/west past the rear of the subject properties. The north side of the lane is improved with street lighting and overhead power lines.

PROPERTY DESCRIPTION (continued)

Wiring for trolley buses is situated on West Broadway in front of the subject properties. A bus stop is located east of the subject at the northwest corner of Hemlock Street and West Broadway. A bus stop is also located just west of the properties on the south side of West Broadway, as well as to the west on the north side of West Broadway on the other side of Granville Street. Pedestrian access is available from West Broadway and the rear lane, while vehicular access to the subject is available from the rear laneway between Granville and Hemlock Streets.

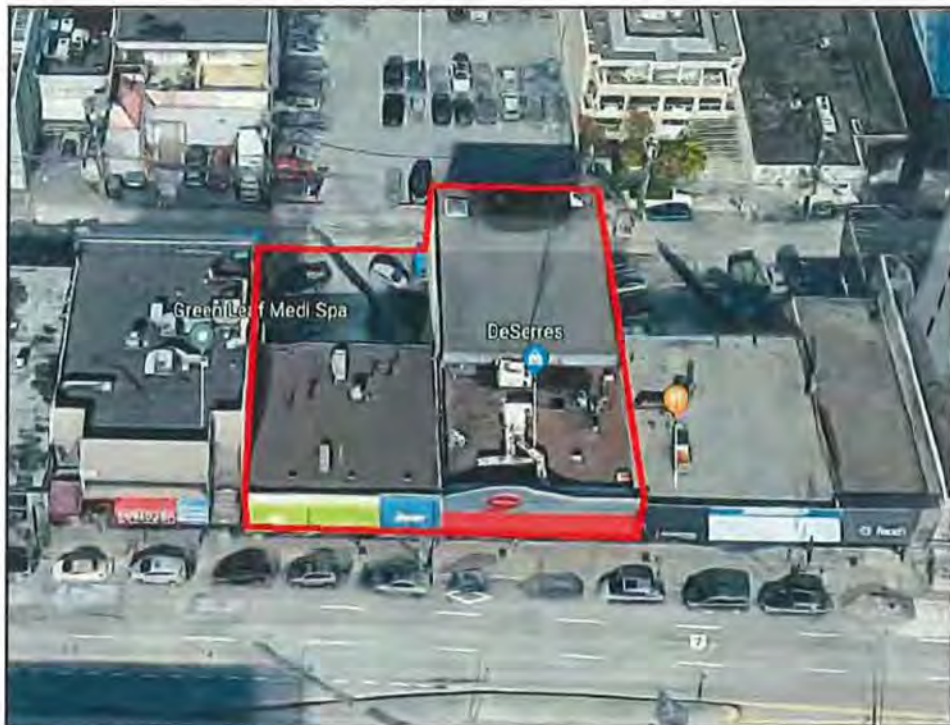


SITE IMPROVEMENTS AND EXISTING LEASE INFORMATION

As instructed by our client, we completed a physical inspection of the subject properties from the exterior only. The subject properties are currently improved with two, single-storey plus lower level commercial buildings. BC Assessment records indicate that the building at 1431 West Broadway was constructed circa 1953 and the building at 1441 West Broadway was constructed circa 1937.

PROPERTY DESCRIPTION (continued)

There is no parking to the rear of the building at 1431 West Broadway, but to the rear of 1441 West Broadway there is an asphalt paved parking area with parking for nine stalls. According to lease information provided by our client, which has been retained in our working file, the subject building at 1431 West Broadway has a net leasable area of ±5,677 square feet and the subject building at 1441 West Broadway has a net leasable area of ±4,862 square feet.



1431 West Broadway is fully leased to DeSerres and 1441 West Broadway is fully leased to Eat Your Cake! and Abonita Investment and Management Services Ltd.

The pertinent details of the leases are summarized on the following page. As illustrated in the lease summary (in bold), the current total partial gross annual rent is \$470,407 per annum.

PROPERTY DESCRIPTION (continued)

LEASE SUMMARY: 1431 & 1441 WEST BROADWAY									
Unit #	Leased Area (Sq.Ft.)	Parking	Tenant	Lease Term and Date	# of Months	Partial Gross Annual Rent*	Rent Per Sq.Ft.	Option to Renew	Termination Provisions
1431	5,677		Omer Deserres Inc.	Mar 1, 2017 to Feb 28, 2022	60			1 x 5 years	18 months reciprocal
				Mar 1, 2017 to Feb 28, 2018		\$289,981	\$51.08		
				Mar 1, 2018 to Feb 28, 2019		\$295,772	\$52.10		
				Mar 1, 2019 to Feb 29, 2020		\$301,676	\$53.14		
				Mar 1, 2020 to Feb 28, 2021		\$309,226	\$54.47		
				Mar 1, 2021 to Feb 28, 2022		\$316,947	\$55.83		
1441	873	2 Stalls	Abonita Investment and Management Services Ltd. (Assigned from International Remittance Canada Ltd.)	Nov 1, 2016 - Oct 31, 2021	60			1 x 5 years	6 months reciprocal
				Nov 1, 2016 - Oct 31, 2017		\$38,664	\$44.29		
				Nov 1, 2017 - Oct 31, 2018		\$39,380	\$45.11		
				Nov 1, 2018 - Oct 31, 2019		\$40,096	\$45.93		
				Nov 1, 2019 - Oct 31, 2020		\$40,812	\$46.75		
				Nov 1, 2020 - Oct 31, 2021		\$41,528	\$47.57		
1443	873	2 Stalls	Eat Your Cake! Personal Health Delivery Inc.	Jan 10, 2016 - Jan 31, 2020	48			None	12 months
				Jan 10, 2016 - Jan 31, 2018		\$46,269	\$53.00		
				Feb 1, 2018 - Jan 31, 2019		\$49,761	\$57.00		
				Feb 1, 2019 - Jan 31, 2020		\$50,634	\$58.00		
1445	760	2 Stalls	Eat Your Cake! Personal Health Delivery Inc.	May 1, 2016 - Jan 31, 2020	45	\$42,000	\$55.26	None	12 months
1445/ Basement	2,356	3 Stalls	Eat Your Cake! Personal Health Delivery Inc.	Feb 1, 2017 - Jan 31, 2020	36	\$36,000	\$15.28	None	12 months

* Tenant is responsible for payment of utilities (heat, electricity, gas, water, garbage collection, telephone and cablevision and all other expenses and outgoings relating to the Premises)

Subsequent to the effective date of this appraisal, there was a fire on March 31, 2019 in the basement of the subject building at 1431 West Broadway, which is currently tenanted by Eat Your Cake!. Our client was unable to confirm if repairs will be made to the space and the lease will continue until the end of the termination notice period; however, we have assumed the holding income will remain the same until such time.

7.0 LAND USE POLICIES

CURRENT ZONING

The subject sites are currently zoned C-3A (Commercial District) in the City of Vancouver Zoning & Development Bylaw (3575). The intent of the District Schedule is to allow a range of wide range of goods and services, maintain commercial activities, specialized services, and some light manufacturing, preserve the character and general amenity of the District, and allow dwelling uses designed to be compatible with commercial uses. An excerpt of the C-3A section of the zoning bylaw is attached as Appendix "B". A zoning map obtained from the City's online mapping program is provided below for illustration purposes; the subject is outlined in green.



The maximum FSR under the C-3A zoning is 1.00; however, the Development Permit Board may permit an increase in FSR up to 3.00. An FSR above 3.00 may be permitted with heritage density transfer or provision of amenity space to a maximum increase of 10% above the maximum permitted FSR.

LAND USE POLICIES (continued)

Setback requirements are specified within the C-3A zoning document. No front or side yards appear to be required for the subject (except for any parking area); however, rear yard setbacks are required as follows:

- A rear yard with a minimum depth of 3.1 metres shall be provided, except that where the rear of the site abuts a lane, this required minimum depth shall be decreased by the lane width between the rear property line and the ultimate centre line of the lane;
- Where any portion of a building contains residential uses, that portion shall be set back a minimum of 7.6 metres from the rear property line across the full width of the building, except that where the rear of the site abuts a lane, this required minimum setback shall be decreased by the lane width between the rear property line and the ultimate centre line of the lane.

Based on the City's Vanmap, the subjects' rear lane appears to be approximately six metres wide. Therefore, a building would require a rear setback of approximately 0.1 metres with a larger rear setback of approximately 4.6 metres for any portion of the building that contains residential uses.

The maximum building height within the subjects' C-3A zone is 9.2 metres (±30.18 feet); however, the Development Permit Board may permit an increase in the maximum height of a building up to 120 feet (as prescribed under the Central Broadway Urban Design guidelines) with respect to any development after certain considerations as specified within the C-3A zoning document.

View Cones & Flight Path Restrictions

Vancouver City Council has adopted view cones to protect selected threatened public views. Our discussion with the City of Vancouver (Mr. John Grottenberg, Lead Planner for the Broadway Plan), indicates the subject sites are not impacted by any view cone restrictions nor any flight path restrictions.

LAND USE POLICIES (continued)**Tower setbacks**

Our discussion with the City Planner indicates that an 80-foot separation between residential towers (above 70 feet) is required for the subjects' area. We note that the planner reported in special cases, the City may decrease the requirement to 75 feet; however, this is rarely approved. The City Planner also reported the distance requirement could be slightly less between a commercial to residential tower; however, he did not provide an estimate for this distance.

Parking

As per the City's parking bylaw, the number of required stalls under the C-3A zoning is:

- A minimum of 0.5 space for every dwelling unit that has less than 50 m² of gross floor area, and, for every dwelling unit that has 50 m² or more of gross floor area, at least 0.6 space for every dwelling unit plus one space for each 200 m² of gross floor area, except that, for every dwelling unit which has a gross floor area of 180 m² or greater, there need be no more than 1.5 spaces for every dwelling unit;
- Non-residential uses (except Hotel) in the Central Broadway and Mount Pleasant Industrial area shall provide:
 - (a) at least one parking space for each 145 m² of gross floor area for the first 290 m² of gross floor area, and one additional space for each additional 70 m² of gross floor area; and
 - b) not more than one space for each 40 m² of gross floor area.

The subject property at 1441 West Broadway currently includes nine surface parking stalls off of the rear lane providing additional parking stalls beyond what is permitted under the parking bylaw. 1431 West Broadway has no surface parking stalls.

METROPOLITAN CORE JOBS AND ECONOMY LAND USE PLAN

The goal of the Metro Core Jobs and Economy Land Use Plan is to ensure there is enough development and transportation capacity to accommodate future job growth and economic activity in the Metro Core. The subject properties are identified in the Broadway Corridor area, an area under review in the Metro Core Study.

LAND USE POLICIES (continued)

“The Broadway Corridor Choice-of-Use Areas are located on a major transportation and transit arterial across a significant portion of the Metro Core. These parts of the corridor provide opportunities for housing and significant retail and services for surrounding neighbourhoods. They currently play an important role in contributing to the diversity of office space in the Metro Core.

As with other choice-of-use areas in the Metro Core, new developments in the Broadway corridor are primarily residential with retail on the ground floor. These new developments are often replacing older office space, which has an impact on the diversity and amount of commercial capacity in the Metro Core.”¹

BROADWAY PLAN, INTERIM REZONING POLICY & DEVELOPMENT CONTRIBUTION EXPECTATIONS

A new Broadway area plan “Broadway Plan” is proposed for the Broadway Corridor generally from Clark to Vine Streets and 1st Avenue to 16th Avenue. The planning process, including public engagement, is expected to take approximately two years, with the final plan to be submitted to Council by December 2020.

The “Broadway Planning and Associated Interim Policies” report for the Broadway Planning area was presented to, and approved by, Council on June 18, 2018. The report includes the terms of reference for the Broadway Planning Program, the Interim Rezoning Policy for the Broadway area and a Development Contribution Expectations in Areas Undergoing Community Planning (DCE) policy.

Under the Interim Rezoning Policy, rezoning applications will generally not be considered in the Broadway Plan Study area while planning is underway; however, there are exceptions, which include:

- Active rezoning applications prior to the adoption of the Policy;
- Rezoning applications for projects involving 100% social and supportive housing, or community care facilities or group residences; and
- Rezoning applications under exceptional circumstances.

¹ <http://vancouver.ca/docs/planning/metro-core-jobs-and-economy-study.pdf>

LAND USE POLICIES (continued)

Our discussion with the City Planner indicated that an exceptional circumstance would include a scenario where the property is integrating a transit station.

In an effort to limit land speculation along the Broadway corridor, the City has established an interim Development Contribution Expectations (DCE) policy. The Policy provides buyers and sellers of land along the Broadway Corridor with clarity regarding the City's priorities for the area and expectations for contributions towards amenities and affordable housing. Following the completion of the planning program, the DCEs will be "revisited to reflect the densities, mix of uses and amenity needs in the planning area." The DCEs are then updated and incorporated into the CAC policy for the planning area.

DCE policies specific to the C-3A zoning (Outside Uptown) and C-2 zoning area are:

- Prioritize job space and affordable rental housing. Consider the potential for additional development rights for market strata residential in limited situations;
- DCE for commercial-only projects seeking additional density; per CAC policy;
- DCE for rental projects seeking additional density; maximize below market rental housing;
- Where additional density for strata is considered, a DCE of \$425 per buildable square foot of additional density above the existing zoning will be applicable for C-3A zoned sites west of Main Street. For C-2 zoned sites and C-3A zones sites east of Main Street, the DCE will be \$330 per buildable square foot.

The Interim Rezoning Policy and Development Contribution Expectations in Areas Undergoing Community Planning (DCE) Policy will be in effect until the new Broadway Plan has been completed and approved, estimated for December 2020.

The City Planner could not confirm the specific density that would be achievable on the subject properties. However, we note that in order to achieve above the maximum permitted density under the C-3A zoning, the subject properties would require rezoning to a CD-1 (Comprehensive Development) zone and Community Amenity Charges (CACs) may be required upon completion of the Broadway Plan.

8.0 HIGHEST AND BEST USE

INTRODUCTION

The definition of "Highest and Best Use" is as follows:

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

Source: Canadian Uniform Standards of Professional Appraisal Practice, 08/2018.

Many factors and appraisal principles become considerations in the determination of "Highest and Best Use". These include government regulations, supply, demand, anticipation, balance, surplus productivity, contribution, competition, etc. The definition also includes the presumption that the use is in keeping with zoning and legal requirements.

The concept of "Highest and Best Use" recognizes that land use patterns can change over a given period and that the optimum use of a site is determined by need or demand at any given point in time. Elements affecting value that are dependent upon events or a combination of occurrences that, while within the realm of possibility, are not shown to be reasonably probable, should be excluded from consideration. This is also the case if the intended use is dependent on the uncertain act of another person.

Location

The subject properties are located within the Fairview neighbourhood of the City of Vancouver and more notably, considered part of the Broadway Corridor area. Outside of Downtown Vancouver, the Broadway-Corridor comprises a large secondary office location within the City. The subjects' immediate area along West Broadway is generally improved with commercial/office properties and mixed-use retail/residential properties. The subject's block is mainly improved with older commercial developments ranging from single-storey plus basement to four-storey buildings with an eight-storey office building constructed in the early 1990s, located at the northwest corner of West Broadway and Hemlock Street.

The subject is located approximately 1.6 kilometres east of the existing Broadway-City Hall SkyTrain Station, and the Mount Pleasant Industrial Area, which has historically been oriented towards major industry; however, it is currently transitioning towards modern lighter industrial and office uses.

HIGHEST AND BEST USE (continued)

The subject properties have a central location within the City of Vancouver and benefit from their location just east of the intersection of West Broadway and Granville Street, which provides for easy access to Granville Island and Downtown. The subjects' location is expected to benefit from the future construction of the Broadway Subway, with a station expected to be constructed within close proximity.

Land Use

The subject properties are currently zoned C-3A (Commercial District), which permits a wide range of commercial and residential uses up to a density of 3.0 FSR, with a maximum increase of 10% above the 3.0 FSR with heritage density transfer or provision of amenity space. Rear building setbacks are required (similar to adjacent mixed-use developments to the west). The maximum conditional building height under the C-3A zoning is 120 feet. A tower setback of 80 feet would also be required for any new development on the subject properties. Based on approximate measurements using the City's Vanmap, it would appear that a tower could be accommodated on the subject properties.

The subject properties are situated within the "Broadway: Choice of Use Areas" District of the City's Metropolitan Core Jobs and Economy Land Use Plan. Our discussion with City of Vancouver Planning Staff indicated that both residential and commercial development would be permitted on the subject properties. We note that in order to achieve above the maximum permitted density under the C-3A zoning, the subject properties would require rezoning to a CD-1 zone and DCEs of \$425 per buildable square foot would be required for market strata residential use; however, until the new Broadway Plan is finalized (expected by December 2020), the City is not considering any rezoning applications unless for social or support housing, or under exceptional circumstances.

Discussions with Mr. Grottenberg have indicated that mixed-use development would be supported on the subject properties with active commercial required at grade with typically office on the second floor of a two-storey podium with office or residential uses within a tower component above. Mr. Grottenberg could not provide any indication what density or building heights would be supported at the subject site upon completion of the Broadway Plan as the process has just commenced.

HIGHEST AND BEST USE (continued)

While the market is speculating additional density will be provided for by the Broadway Plan, the amount and type of density is unknown. An article on DailyHive.com suggests that the “precise outcomes of this two-year-long planning process are not known, but additional density can be expected, particularly new market and below-market rental housing close to transit stations and new office and retail space.”²

Site Characteristics

The subject comprises two rectangular-shaped adjacent sites with frontage of ±100 feet along West Broadway and a return depth of ±116.9 feet. The total site area is ±11,690 square feet. The subjects and the area in general have a downward slope from south to north of approximately four metres (approximately 13.12 feet) based on our inspection and VanMap data. The sites are at grade with the adjacent roadways.

There appears to be potential to assemble the subject properties with the directly adjacent properties including 1451 and 1465 West Broadway to the west (with a total frontage of 125 feet) and 1409 and 1421 West Broadway to the east (with a total frontage of 75 feet). All of these lots are currently underdeveloped with older single and two-storey mixed-use buildings.

Market

We analyzed the Greater Vancouver Benchmark Prices for housing through statistics published by the REBGV as an indication of the residential market. In Greater Vancouver, the number of home sales (including single family, townhouse and apartment) was 1,727 for the month of March 2019, an increase from 1,484 sales in February 2019 and a decrease from 2,517 sales a year ago. The total number of active listings was 12,774 for March 2019, a 1,184-unit increase from the previous month and a 4,394-unit increase from a year ago. The sales to active listings ratio was 13.5% in March 2019, an increase from 12.8% in February 2019, indicating a balanced market. The Greater Vancouver Benchmark Price for a “typical property” in March 2019 was \$1,011,200, a 7.7% decrease compared with March 2018 at \$1,095,000, and a 0.5% decrease compared with February 2019 at \$1,016,600.

² <https://dailyhive.com/vancouver/vancouver-broadway-corridor-plan-consultation-march-2019>

HIGHEST AND BEST USE (continued)

In Greater Vancouver, the number of apartment sales was 873 for the month of March 2019, a 114-unit increase from 759 sales in February 2019 and a 476 unit decrease from 1,349 sales a year ago. The sales to active listings ratio was 17.2% in March 2019, a slight increase from 17% in February 2019, representing a balanced market. The Greater Vancouver Benchmark Price for apartments in March 2019 was \$656,900, illustrating a 5.9% decrease compared with March 2018 at \$698,000 and a 0.5% decrease from February 2019 at \$660,300.

While the Greater Vancouver market saw a flurry of activity from approximately 2015 to mid-2018, including significant price increases, given recent mortgage regulation changes, increasing interest rates and provincial government intervention, there has been a general cooling of the market.

Discussions with agents active in the marketplace suggest that there has been a general decline in values for multi-family or mixed-use development land of approximately 10% to 25% since the May 2018 peak on Vancouver's Westside given the reduced sales and downward pressure on end unit pricing as well as increasing construction costs. However, we note that some agents have suggested that values have not decreased for prime sites along West Broadway (i.e., sites located on the north side of the street and within close proximity to a future subway station and sites). It was also suggested that there are still buyers active in the marketplace; however, purchasers are seeking "good deals" and properties with holding income.

To provide evidence for the continued interest in prime mixed-use development sites along the West Broadway Corridor, a ±34,500-square-foot potential mixed-use redevelopment site located at the northeast corner of West Broadway and Yew Street, known as the Industrial Alliance property, recently sold in January 2019 (under contract in October 2018) for \$75 million, or \$725 per buildable square foot based on the permitted 3.0 FSR under the site's C-3A zoning. The listing agent indicated a higher density is anticipated in the range of a 5.5 FSR; however, the final form and type of development is unknown.

HIGHEST AND BEST USE (continued)

In terms of the commercial office market, the consensus, having reviewed several office research reports, is a positive forecast for the office market and a new office development cycle with positive changes being experienced in the Mount Pleasant Industrial Area, False Creek Flats (including Great Northern Way) and surrounding Broadway Corridor.

Mount Pleasant has seen tightening vacancy, increasing lease rates, and growing demand from a number of tech firms. Despite significant supply being developed or proposed to be developed, much of the space has already been pre-leased or sold. While the subject property is located in the Fairview neighbourhood in the more traditional Broadway-Corridor office area, similar results in declining vacancies and rising rental rates continue to highlight the strength of the current office market demand.

The confirmation of the Broadway SkyTrain construction has further enhanced investor interest along this corridor; though, it appears that a number of C-3A zoned properties along West Broadway are holding properties, awaiting future planning guidelines surrounding this future SkyTrain extension.

The British Columbia Real Estate Association (BCREA) has developed the "Commercial Leading Indicator (CLI)" that forecasts changes in broad commercial real estate activity. BCREA's research shows that the variables that compose the CLI reliably forecast BC commercial real estate activity at a lag of two to four quarters. The index is revised each quarter, due to revision in the underlying data. In its February 2019 CLI report, BCREA notes the following:

"The BCREA Commercial Leading Indicator (CLI) declined by 1.8 points to 134.5 from the third to the fourth quarter of 2018. Compared to this time one year ago, the index is about 1 per cent lower."

"Following several years of robust growth, the BC economy slowed in 2018 and the CLI is reflecting that slowdown" which "means the economic environment for commercial real estate activity will be less favourable in 2019."

HIGHEST AND BEST USE (continued)

Slowing provincial economic activity continued in the fourth quarter, led by weak retail sales and a fourth quarter drop in manufacturing shipments in the forestry sector. Adding to those declines were falling manufacturing employment and a jump in short-term credit risk spreads. As a result, each component of the CLI posted a decline in the fourth quarter. Recent volatility in the CLI has left the underlying trend in the CLI flat over the past two quarters, signaling a slower growth environment for commercial real estate activity."

Existing Improvements

When a site is improved, the integrated unit of land and improvement should be continued in the use for which the improvement was designed, adapted, or could readily be converted. This is the case so long as the land and improvement, in combination, has a higher market value than the vacant land alone and no better use is available for the vacant land. It follows, therefore, that provided the improvement contributes value to a property as a whole, over and above the value of the land alone, then the improvement represents the Highest and Best Use of a property for the remainder of the improvement's economic life.

The subject properties are each currently improved with an older, single-storey plus lower level building, one with rear surface parking. The current improvements are built to densities well below the permitted density under the C-3A zoning. The properties are currently fully leased; however, as of the effective date of appraisal, termination notices have been issued to all tenants. Our client has indicated that the buildings will be demolished in the third quarter of 2020 to allow for the sites to be used for laydown space for the Broadway Subway Project. We have been instructed by our client to assume the subject sites will be leased to the Project for approximately five years, which will allow for holding income prior to redevelopment.

Conclusion

As previously indicated, there is potential to assemble the subject properties with the adjacent ±5,845-square-foot lot to the west that is currently improved with an older, two-storey commercial building. The advantage would provide a large development site providing economies with regards to construction costs and a greater West Broadway frontage with the potential for larger format retail space.

HIGHEST AND BEST USE (continued)

With regards to the holding income, and for the purposes of this appraisal, we have been instructed by our client to assume that subsequent to the demolition of the buildings in 2020, the subject sites will have further holding income for a five-year period. This has been considered in our valuation herein.

Based on site characteristics, current market conditions and City planning guidelines, the Highest and Best Use of the subjects is as holding properties pending assembly with an adjacent site, completion of the Broadway Plan and rezoning to a Comprehensive Development CD-1 zone to allow for a mixed-use redevelopment. The redevelopment may include a mix of commercial retail, office and/or multi-family residential space. We note the subjects could be redeveloped on a standalone basis given their combined 100-foot frontage; however, as previously discussed, a more optimal redevelopment would be achieved upon assembly with an adjacent site or sites.

We note there may be potential after the new Broadway Plan is finalized to achieve a higher density on the subject properties than the current 3.0 FSR through rezoning to a Comprehensive Development (CD-1) zone. However, the potential density achievable on the subject properties in the future is unknown; therefore we have valued the properties on the basis of the 3.0 FSR permitted under the C-3A zoning. Any value associated with speculation for additional density has been internalized within our valuation conclusions. We recommend further planning and architectural advice regarding development potential on the subject properties.

9.0 APPRAISAL METHODOLOGY

There are six methods of valuing vacant land. These methods are identified as the Direct Comparison Approach, Abstraction Method, Extraction Method, Subdivision Development Method, Land Residual Technique, and Gross Rent Capitalization Method. In this report, we have utilized the Direct Comparison Approach to estimate the Market Value.

The Direct Comparison Approach may be used to value land that is actually vacant or land that is being considered as though vacant for appraisal purposes. Direct Comparison is the most common technique for valuing land and is the preferred method when comparable sales are available. To apply this method, sales and other data for similar parcels of land are analyzed, compared and adjusted to provide a value indication for the land being appraised.

Summary

Overall, the Direct Comparison Approach provides the best evidence of value for the subject in its current state and condition. The comparables detailed herein provide, in our opinion, an indication of the current Market Value of the subject properties.

As per our terms of reference, we have first been instructed to value the subject properties 'as is' based on their highest and best use. This valuation has been undertaken within the following section. Secondly, we have been instructed to value the subject properties 'as if assembled' with the adjacent property at 1451 West Broadway based on its highest and best use. Details of this adjacent property, analysis of highest and best use and the valuation under this scenario are included as Section 11.0 of this report.

10.0 DIRECT COMPARISON APPROACH

In this section, we will utilize the Direct Comparison Approach to estimate the value of the subject properties on a price per square foot of buildable basis. We have also analyzed the comparable properties on a price per square foot of site area. The sales analyzed are considered to provide a reasonable value indication for the subject properties after appropriate adjustments.

We considered a number of sales and listings of potential redevelopment sites in the subjects' Broadway Corridor area. A majority of the Broadway Corridor comparables have a similar zoning as the subjects' current zoning as C-3A, which permits up to 3.0 FSR and a mix of uses, depending on the location. A number of these properties were purchased as holding properties speculating additional density upon the completion of a City of Vancouver Broadway Plan in conjunction with the proposed SkyTrain extension along Broadway.

While there are purchasers who are speculating additional density above the C-3A density of 3.0 FSR, rezoning and likely Community Amenity Contributions (CACs) will be payable to achieve rezoning. CACs are in-kind or cash contributions provided by property developers when the City of Vancouver grants development rights through rezoning. The majority of the comparable sales were negotiated prior to the City's announcement or adoption of the interim rezoning and DCE policies.

Comparable data reflects a range of land values and since no two properties are identical, we considered necessary adjustments to equate each of these comparables to the subject site based on our research of commercial and residential development land transactions in the subject area and discussions with local real estate professionals.

The comparables indicate unadjusted values ranging from \$1,632 to \$2,395 per square foot of site area and from **\$544 to \$798 per buildable square foot**, based on existing zoning density. We have also analyzed the comparables based on proposed densities, which provides a narrower range from \$294 to \$395 per buildable square foot; however, we note not all of the comparables have been analyzed on this basis. Comparables range in size from ±5,500 square feet to ±34,500 square feet, effectively bracketing the size of the subject site.

DIRECT COMPARISON APPROACH (continued)

In order to equate the comparables with the subject, we have adjusted the selling prices to account for factors such as location, including the north versus south side of West Broadway and corner exposure, size, planning status and development potential. Further consideration has been made for the mixed-use potential of the subject, as some of the comparables are located within the Uptown Office District and have commercial redevelopment potential only.

Typically, smaller sites will sell for higher values on a per square foot basis when all other factors are equal. Further, sites capable of higher density development will frequently achieve lower values on a per buildable square foot basis, however, they typically achieve a higher value on per square foot of site area basis. Therefore, adjustments have been considered for differences in development potential, although they are not always relevant given other factors involved.

In determining our value of the subject properties, we have also given consideration to the holding income generated by the current tenants. We note that a number of comparables also have holding income. Therefore, the value of the holding income has been internalized within our value conclusions herein.

A map illustrating the location of each comparable in relation to the subject properties is illustrated on the following page and the comparables are described in greater detail following.

DIRECT COMPARISON APPROACH (continued)

COMPARABLES LOCATION MAP



DIRECT COMPARISON APPROACH (continued)

No.	Address	Sale Price Sale Date	Site Area (Acres) (Sq.Ft.)	Metro Core LUP	Price Sq.Ft. Site Area	Price/Sq.Ft. Buildable		Comments
						Existing Zoning FSR	Proposed Zoning FSR	
x	1431 & 1441 West Broadway Fairview SUBJECT	\$13,500,000 Apr-15	0.268 11,690	Mixed-Use	\$1,155	\$385	-	Located on the north side of West Broadway, between Granville and Hemlock Streets. Two adjacent rectangular-shaped lots with 100 feet of combined frontage. Zoned C-3A. Both lots are improved with one and a half storey commercial buildings with holding income. Potential to assemble with the adjacent sites.
BROADWAY CORRIDOR - C-3A ZONED SALES - MIXED USE AREA / OTHER MIXED USE SITES								
1	1451 West Broadway Fairview	\$14,000,000 s.21(1) (Negotiated) May-18 (Closed)	0.134 5,845	Mixed-Use	\$2,395	\$798	-	Located between Granville and Hemlock Streets, on the north side of West Broadway. Improved with a two-storey commercial building with ground floor retail and second floor offices that were reportedly fully leased at the time of sale providing holding income. The site includes 10 covered and 4 open parking stalls accessible by the rear lane. The property was listed for \$14.88M and discussions with the agent indicated offer: s.21(1) The agent reported the property was under contract as of the end of s.21(1) s.21(1)
2	1985 West Broadway Kitsilano	\$39,000,000 Sep-17 (Closed)	0.397 17,276	Mixed-Use	\$2,257	\$752	-	Located at the northeast corner of West Broadway and Maple Street. Improved with a five-storey, multi-tenant, office building constructed circa 1985. At the time of sale the building was fully leased to a mix of national and local tenants including Wawanesa Insurance Company (the Vendor). The reported net income was approximately \$1,270,500 at the time of sale. The selling agent reported the deal includes s.21(1) s.21(1)

DIRECT COMPARISON APPROACH (continued)

No.	Address	Sale Price Sale Date	Site Area (Acres) (Sq.Ft.)	Metro Core LUP	Price Sq.Ft. Site Area	Price/Sq.Ft. Buildable		Comments
						Existing Zoning FSR	Proposed Zoning FSR	
3	2145-2165 West Broadway Kitsilano	\$75,000,000 s.21(1) (Negotiated) Jan-19 (Closed) Share Sale	0.792 34,500	N/A	\$2,174	\$725	\$395	Located on the northeast corner of West Broadway and Yew Street, just west of Arbutus Street. Zoned C-3A and included within the Broadway Plan Area. Existing improvements include a two- and three-storey Class B office building with 63,345 sq.ft. of office space (reported by the listing agent to be in average to good condition) with 117 underground parking stalls. The listing agent reported that the property sold as a share sale for s.21(1). The property was owner occupied prior to sale and sold with vacant possession. s.21(1). Based on our discussion with the agent, s.21(1). Past discussion with the listing agent indicated s.21(1). s.21(1). s.21(1).
4	225 & 245 E 2nd Ave False Creek	\$18,750,000 Aug-18 (Closed)	0.225 9,801	N/A	\$1,913	\$638	\$294	Located at the northeast corner of East 2nd Avenue and Lorne Street in the False Creek Flats area. At the time of sale, the property was improved with a two-storey industrial building constructed circa 1959. Currently zoned IC-2 permitting a 3.00 FSR; however, the site is located within the "Creative Campus" sub area of the False Creek Flats Area Plan, which outright permits a 3.00 FSR and a conditional 6.5 FSR, which can be achieved by providing at least 3.0 FSR of job space. The additional 3.5 FSR can comprise rental residential or social housing through the offering of an amenity share contribution towards Community Centre space. The selling agent reported s.21(1) and the CAC payable will be \$120 per sq.ft.
5	1212 West Broadway Fairview	\$34,700,000 Feb-18 (Closed)	0.430 18,719	Mixed-Use	\$1,854	\$618	-	Located on the southwest corner of West Broadway and Alder Street. Vendor was Heart and Stroke Foundation of B.C. and Yukon and purchaser was 1212 West Broadway Nominee Ltd. The property was improved with a 48,024 sq.ft. five-storey office/retail building fully leased to health care and non-profit organizations including the vendor, the Heart & Stroke Foundation who entered into a sale lease-back agreement, terms of which were not disclosed. Property purchased as short term investment with future plans to redevelop.

DIRECT COMPARISON APPROACH (continued)

No.	Address	Sale Price Sale Date	Site Area (Acres) (Sq.Ft.)	Metro Core LUP	Price Sq.Ft. Site Area	Price/Sq.Ft. Buildable		Comments
						Existing Zoning FSR	Proposed Zoning FSR	
6	1946 West Broadway Kitsilano	\$11,380,000 Listing	0.143 6,250	N/A	\$1,821	\$607	-	Located on the south side of West Broadway, between Maple and Cypress Streets, just east of Arbutus Street. Single interior lot with 50' frontage to West Broadway. Improved with a two-storey commercial building with 4,392 sq.ft. of leasable area (2,080 sq.ft. ground floor) with a net income of \$161,325.96. Zoned C-3A. The agent indicated an offer s.21(1)
		s.21(1) s.21(1) Accepted Offer Subjects Not Removed			s.21(1)		-	s.21(1) C-3A 3.00 FSR
7	2096 West Broadway Kitsilano	\$16,895,000 s.21(1) (Negotiated) May-18 (Closed)	0.215 9,375 May-18 (Closed)	N/A	\$1,802	\$601	-	Located on the southeast corner of West Broadway and Arbutus Street. Purchased by TransLink. Improved with a single storey dry-cleaning site. Includes two hooked parcels with a total frontage of 75' along West Broadway and 125' along Arbutus Street. Adjacent to Arbutus Greenway on the east property line. Reportedly there were contamination issues estimated at \$400,000 to remediate.
							C-3A 3.00 FSR	
8	1564 West 6th Avenue Fairview	\$9,000,000 Listing	0.126 5,500	N/A	\$1,636	\$545	-	Located on the south side of West 6th Avenue between Fir and Granville Streets. Comprises a single legal interior lot with a 50' frontage. Improved with a two-storey commercial building with ground floor retail/office space and 2nd floor office space, constructed circa 1969 (renovated 2000 & 2007) with 5 surface parking stalls towards rear. Potential sale-leaseback opportunity with vendor for the 6,000 sq.ft. rentable building. Property was listed for "just under \$10 M" in October 2018. s.21(1)
							C-3A 3.00 FSR	s.21(1) s.21(1) Potential to assemble with the adjacent site to the west, Anthem owns the sites to the east. s.21(1) s.21(1)

DIRECT COMPARISON APPROACH (continued)

No.	Address	Sale Price Sale Date	Site Area (Acres) (Sq.Ft.)	Metro Core LUP	Price Sq.Ft. Site Area	Price/Sq.Ft. Buildable		Comments
						Existing Zoning FSR	Proposed Zoning FSR	
BROADWAY CORRIDOR - C-3A ZONED SALES - OFFICE DISTRICT								
9	480 West 8th Avenue Mount Pleasant	\$50,000,000 Bid Price Guidance	0.513 22,327	Uptown Office District	\$2,239	\$746	-	Located on the southeast corner of West 8th Avenue and Cambie. Currently improved with a Wendy's Restaurant and parking lot. Marketed as having potential for up to 4.7 FSR. Impacted by 7.6 metre setback from Cambie Street for wide walkway/sidewalk and view cones which are 25 metres at West 8th Avenue and decrease southwards to 17.6 metres at West Broadway. Listed in May 2018. Discussion with the listing agent indicates s.21(1) s.21(1)
10	901 West Broadway Fairview	\$22,500,000 Oct-17 (Closed)	0.269 11,700	Uptown Office District	\$1,923	\$641	\$352	Located on the northwest corner of West Broadway and Laurel Street. Currently improved with a two-storey commercial building occupied by Speakeasy of 12,390 sq.ft. constructed circa 1929. Residential uses are conditional, subject to Director of Planning approval. Located in the Broadway Uptown Office District of the Metro Core Jobs and Economy Land Use Plan where the intention is to increase height and density and to restrict residential use. Marketing brochure indicated "precedents in the neighbourhood to rezone the land and deliver increased density north of 54,000 SF" a density of 5.47 FSR. This would indicate a price per buildable of \$352/sq.ft.
11	564 West Broadway Mount Pleasant	s.21(1) Rejected Offer s.21	0.143 6,250	Uptown Office District	s.21(1)	-	-	Located on the south side of West Broadway, between Ash and Heather Streets. Improved with a two-storey commercial office building occupied by Scouts Canada and comprising 6,000 sq.ft. There are 11 surface parking stalls to the rear of the site. Building constructed late 1950s (renovated in 1994). The site has a 50' frontage along West Broadway and there is reportedly potential to acquire the adjacent 50' site. The listing agent reported there is no asking price and there was s.21(1) s.21(1) that was not accepted by the owner. The property is still listed for sale.

DIRECT COMPARISON APPROACH (continued)

Comparable One (1451 West Broadway) is a ±5,845-square-foot lot with ±50 feet of frontage



situated adjacent to the subject properties to the west. The property sold for \$14,000,000, or \$798 per buildable square foot, based on the current C-3A zoning. The sale price was negotiated s.21(1)

s.21(1) The property is located within a Broadway Corridor: Choice-of-Use Area permitting both commercial office and multi-family uses and is in close proximity to a future SkyTrain station. While the current zoning permits a 3.0 FSR, there are developers in the area who are speculating much greater density upon rezoning and redevelopment, in conjunction with the future Broadway Corridor Plan.

It is our understanding that s.21(1)

s.21(1) Therefore, the price paid appears to have been reflective of an assembled site with good frontage and ability to accommodate underground parking. In comparing to the subject properties, downward adjustments are warranted for the changes in market conditions since the sale was negotiated s.21(1). Overall, a lower value is anticipated for the subject after consideration of the above.

We note that we are aware of s.21(1)

s.21(1) which were rejected by the vendor. While we are not clear on the details of the offers, given s.21(1)

s.21(1)

Comparable Two (1985 West Broadway) comprises the dated September 2017 sale of a ±17,276-square-foot site located on the northeast corner of West Broadway and Maple Street, west of the subject. The property was purchased for \$39,000,000, or \$752 per buildable square foot, based on the 3.0 FSR of the current C-3A zoning. At the time of sale the property was fully leased to a mix of national and local tenants including Wawanesa Insurance Company (the vendor).

DIRECT COMPARISON APPROACH (continued)



The reported net income was approximately \$1,270,500 at the time of sale, indicating a capitalization rate of 3.26% on the sale price. The selling agent reported the deal included s.21(1)

s.21(1)

s.21(1)

The property has 150

feet of frontage along West Broadway, a corner orientation and superior holding income compared to the subject property, warranting downward adjustments. However, the subject property is located in a superior location, adjacent to a future Broadway SkyTrain line, and in an area speculated for higher density than other locations in the Broadway Plan. Overall, after consideration of the above and the changes in market conditions, a lower value per buildable square foot is warranted for the subject.

Comparable Three (2145-2165 West Broadway) comprises one of the most recent West Broadway

corridor sales. The ±34,500-square-foot site was purchased as a share sale in January 2019 for \$75,000,000, or \$725 per buildable square foot, based on the current C-3A zoning density. Discussions with the agent indicated that the sale price was negotiated in s.21(1). At the time of sale, the property was improved with a two- and three-storey Class B office building with ±63,345



square feet of rentable area, plus underground parking for 117 vehicles. The property was sold with vacant possession, though it is our understanding that the property will be marketed for lease for a ten-year period; however, this could not be confirmed. We have projected a stabilized net income that suggests a 2.13% capitalization rate on the sale. Recent discussions with the listing agent indicated s.21(1)

s.21(1)

s.21(1)

Overall, the final form and density of

development is unknown at this stage.

DIRECT COMPARISON APPROACH (continued)

In comparing to the subject property, this site is considered superior in terms of its corner orientation, extensive 300-foot frontage to West Broadway, and for its holding income potential. However, the subject property is superior in terms of its location adjacent to a future SkyTrain station and proximity to Granville Street, an area speculated for higher density upon completion of the future Broadway Plan. After consideration of the above, as well as the changes in market conditions since the date of sale, a slightly lower value per buildable square foot is warranted for the subject property.

Comparable Four (225 & 245 East 2nd Avenue) is the August 2018 sale of a ±9,801-square-foot site



located at the northeast corner of East 2nd Avenue and Lorne Street in the False Creek Flats area. The site sold for \$18,750,000, or \$638 per buildable square foot, based on the IC-2 zoning's permitted density of 3.0 FSR. However, an additional 3.5 FSR can comprise rental residential or social housing through the offering of an amenity share contribution towards Community Centre space. The agent indicated that s.21(1) and the CAC payable for rezoning

the subject to achieve the 6.50 FSR is \$120 per buildable square foot on the lift in density. Including the CAC estimate, the purchase price equates to \$359 per buildable square foot, based on the maximum potential for 6.50 FSR. While the comparable has more immediate, or rather a known development potential for higher density, above the existing 3.0 FSR, the use for rental residential or social housing is considered inferior to market housing or commercial uses warranting consideration. However, we note there is uncertainty in the redevelopment potential of the subject not only in terms of density, but also in terms of use. While current market conditions are inferior to when the comparable was negotiated, the subject location and proximity to a future SkyTrain station warrant a higher value per buildable square foot than \$638 per buildable square foot.

DIRECT COMPARISON APPROACH (continued)

Comparable Five (1212 West Broadway) is a ±18,719-square-foot site with ±150 feet of frontage on West Broadway that sold in February 2018 for \$34,700,000. This site is located on the southwest corner of West Broadway and Alder Street, two blocks west of the subject. At the time of sale, the property was improved with a five-storey retail/office building fully leased to health care and non-profit organizations including the vendor (Heart & Stroke Foundation) as a sale-leaseback arrangement. While we were unable to confirm the details of the sale and



leaseback arrangement, we understand the property was purchased as an investment with a future view of redeveloping. The property is located within a Broadway Corridor: Choice-of-Use Area permitting both commercial office and multi-family uses. Based on the current permitted density of 3.0 FSR, the sale price equates to \$618 per buildable square foot. The sale provides good market evidence for the subject given its West Broadway frontage, close proximity to a future SkyTrain station (within two blocks), and holding income. However, in comparing to the subjects, this site has a larger frontage (150 feet compared to 100 feet) and a corner orientation and current market conditions compared to early 2018 warrant downward adjustments. However, the subject is located near Granville Street, in an area speculated for higher density upon completion of the Broadway Plan, and adjacent to a future SkyTrain station, warranting greater offsetting upward adjustments. Overall, a higher price per buildable square foot is warranted for the subject.

Comparable Six (1946 West Broadway) is currently listed for sale for \$11,380,000, or \$607 per buildable square foot, based on the existing C-3A zoning. The property comprises a ±6,250-square-foot site with 50-foot frontage along the south side of West Broadway. The property is situated a block and a half east of Arbutus Street, the location of a future SkyTrain station. The property is improved with a two-storey commercial building providing holding income of \$161,326 per annum, indicating a capitalization rate of 1.42%.



DIRECT COMPARISON APPROACH (continued)

Discussions with the agent indicated s.21(1)

s.21(1)

This listing provides evidence of the state of the current development market as there appears to be decreased interest in holding properties along the West Broadway corridor. However, we note that this site is small, with only 50 feet of frontage, which will require assembly prior to redevelopment to achieve highest and best use, and it is an interior lot located further west from the subject location and one and a half blocks from a future SkyTrain station. Further, the capitalization rate of 1.49% appears lower than that achieved by other recent sales. It is our opinion that the subject property offers a superior holding site with 100 feet of frontage, in close proximity to Granville Street, an area speculated for higher density, and is adjacent to a future SkyTrain Station. Overall, a higher value per buildable square foot is warranted for the subject properties.

Comparable Seven (2096 West Broadway) sold in May 2018 for \$16,895,000, or \$601 per buildable square foot, based on the current C-3A zoning. It is our understanding that the sale was negotiated in s.21(1). The smaller ±9,375 square foot site has ±75 feet of frontage on the south side of West Broadway and ±125 feet of frontage on the east side of Arbutus Street. The property also backs onto the Arbutus Greenway corridor. The property was acquired by TransLink. We are unclear if the SkyTrain station will be on this site or the City-owned site opposite. At the time of sale, the property was improved with a single-storey commercial building used as a drive-thru dry-cleaners. There was reportedly contamination issues with remediation costs reportedly estimated at \$400,000. While this site has corner exposure, the subject has superior West Broadway frontage, a superior location and is speculated for higher density. A further upward adjustment is indicated for the comparable's remediation costs. Overall, a higher price per buildable is warranted for the subject.



DIRECT COMPARISON APPROACH (continued)

Comparable Eight (1564 West 6th Avenue) is currently listed for sale for \$9,000,000 or \$545 per



buildable square foot. The ±5,500-square-foot site has a frontage of 50 feet to the south side of West 6th Avenue, just east of a Granville Bridge off-ramp and west of Granville Street, northwest of the subject. The property is currently zoned C-3A and identified as within the Broadway Plan. The property is improved with a two-storey commercial building currently used as office space. Discussions with the listing agent have indicated that

s.21(1)

s.21(1)

s.21(1) There is potential to assemble with the adjacent site to the west and Anthem owns the sites to the east. s.21(1)

s.21(1) Overall, given the subject's superior location, frontage and proximity to a SkyTrain station, a much higher value per buildable square foot is indicated.

Comparable Nine (480 West 8th Avenue) is currently listed for sale and it is our understanding that

the bid price guidance is \$50,000,000, which equates to \$746 per buildable square foot based on the existing C-3A zoning. The site is located at the southeast corner of West 8th Avenue and Cambie Street and comprises ±22,327 square feet. The site is currently improved with a ±7,788-square-foot Wendy's Restaurant and a parking lot. The current lease in place provides an annual net income of \$573,280, and expires on April 30, 2020. The tenant has a five-year option to renew. The development potential of the site will be impacted by the existing lease, though it is possible a purchaser may negotiate a release with the tenant.



DIRECT COMPARISON APPROACH (continued)

The property is currently zoned C-3A, permitting up to 3.0 FSR; however, the property is marketed as having potential for up to 4.70 FSR for non-residential uses. However, according to City planning staff, due to view cones and setbacks, a higher density than 4.70 FSR is unlikely. The redevelopment potential of this site is impacted by existing view cones that may limit development to six to eight storeys depending on the floor-to-ceiling height of any development on site. However, we note that City planning staff are reviewing view cones as part of the Broadway Plan. We also note that our latest discussion with the listing agent indicates **s.21(1)**

s.21(1)

While the subject property is not impacted by view cone corridors, the form and density of the subject property upon completion of the Broadway Plan is unknown. Nevertheless, a higher density is being speculated for the subject properties warranting consideration. The comparable site will only have redevelopment potential for commercial uses, whereas the subject property currently has redevelopment potential for a mix of uses, including residential. Overall, after consideration of the above, as well as the fact that this comparable reflects only the asking price guidance, a lower value per buildable is warranted for the subject.

Comparable Ten (901 West Broadway) is an ±11,700-square-foot corner parcel located



approximately five blocks east of the subject with ±100 feet of frontage on the north side of West Broadway. The property sold in October 2017 for \$22,500,000, though it was negotiated much earlier than the closing date. The building is currently tenanted by the India Gate Restaurant. The sale price equates to \$641 per buildable square foot based on the current C-3A density of 3.0 FSR. While we do not know the motivation of the purchaser, we are aware that several properties along the Broadway Corridor

were being speculated for additional density upon rezoning. At the time of sale, the listing agent had speculated a density of approximately 5.47 FSR. This site was likely purchased as a holding property pending future rezoning and redevelopment. It appears the purchaser was speculating a higher density would be attainable.

DIRECT COMPARISON APPROACH (continued)

While the comparable has a superior corner orientation, the subject is located adjacent to a future SkyTrain station and is located in a superior Granville Street location, an area speculated for higher density along the Broadway Plan. Overall, a higher value per buildable square foot is warranted for the subject.

Comparable Eleven (664 West Broadway) is currently marketed for sale with no set list price. The



property comprises a ±6,250-square-foot site located on the south side of West Broadway with 50 feet of frontage. Reportedly, there is potential to assemble with an adjacent 50-foot site. The property is currently improved with a two-storey commercial office building occupied by Scouts Canada comprising ±6,000 square feet. Discussions with the listing agent indicated s.21(1)

s.21(1) Given that the offer was rejected by the vendor, the smaller size of the property, the subject's superior location and proximity to a future SkyTrain station, a higher value per buildable is warranted for the subject property.

SUMMARY AND CONCLUSIONS

The comparables indicate unadjusted values ranging from s.21(1) to \$2,395 per square foot of site area and from s.21 to \$798 buildable square foot, based on existing zoning density. Comparables range in size from ±5,500 square feet to ±34,500 square feet, effectively bracketing the size of the subject site. We considered location, potential development density, potential use, holding income, planning status, date of sale and physical characteristics, etc. of the comparable properties and the subject site.

In regards to site size adjustments, the general consensus previously held was that "as site size increases, the price per square foot decreases, everything else held equal." However, the shrinking supply of development land in Vancouver has led to "premiums" being placed on larger parcels for development, due to their scarcity in the marketplace and the economies and efficiencies of developing larger sites.

DIRECT COMPARISON APPROACH (continued)

Further, smaller sites with narrower frontages have challenges accommodating the required underground parking for higher density developments; therefore, larger sites with wider frontages appear to be transacting for higher values.

The following factors regarding the subject properties were considered:

- The subject sites have a good commercial and mixed-use location, on the north side of West Broadway between Granville and Hemlock Streets, and are in close proximity to major transportation networks as well as Downtown Vancouver;
- The subject sites' topography and location on the north side of West Broadway provide the potential for views of Downtown and the North Shore mountains from higher floors of a redevelopment;
- TransLink owns the adjacent properties to the east, and there is good indication that a station will be located on the north side of the 1400 Block of West Broadway;
- The subjects comprise a combined area of ±11,690 square feet and benefit from 100 feet of total frontage on West Broadway as well as rear lane access;
- The subject properties are currently zoned C-3A permitting up to 3.0 FSR, with approval from the Development Permit Board;
- The sites are located within a Broadway: Choice of Use Area permitting mixed-use or commercial development;
- There appears to be potential to assemble the subject properties with adjacent properties to create a larger development site with greater frontage;
- The subject property is identified as being within the Broadway Plan, currently in its planning stages. Upon completion of the plan, there may be potential to rezone the subject property for additional density beyond what is permitted under the existing C-3A zoning; however, the final density and form of development is unknown at this early stage;
- The subject buildings are currently fully leased, providing holding income; however, termination notices have been issued to all tenants. Our client has indicated that the subject buildings will be demolished in the third quarter of 2020 to allow for the sites to be used for laydown space for the Broadway Subway Project. We have been instructed by our client to assume the subject sites will be leased to the Project for approximately five years, which will allow for further holding income prior to future redevelopment;

DIRECT COMPARISON APPROACH (continued)

- The retail and office markets in the Broadway Corridor and general Vancouver area are strong, as evidenced by the recent escalations in end unit strata pricings as well as lease rates and declining vacancies;
- While the Greater Vancouver market saw a flurry of activity from approximately 2015 to mid-2018, including significant price increases in multi-family product, given recent mortgage regulation changes, increasing interest rates and provincial government intervention, there has been a general cooling of the market. According to the GVREB, while the benchmark price of an apartment in Vancouver West increased by 14.6% in the year leading up to the peak of the market in May 2018, since then the benchmark price has decreased by 9.01% to March 2019.

Comparables One to Eight (excluding Comparable Four) provide market evidence of 2017 to 2019 sales and current listings of C-3A zoned holding properties located along West Broadway with mixed-use development potential. Speculation for additional density has been internalized and we have analyzed sales based on the 3.0 FSR under the C-3A zone. The comparables illustrate a value range from \$545 to \$798 per buildable square foot.

After adjustments for those reasons previously indicated, Comparables One to Three provide higher evidence of value for the subject properties, between \$725 and \$798 per buildable square foot, and Comparables Four to Eight provide lower evidence of value, between \$545 and \$638 per buildable square foot.

Comparables Nine to Eleven provide market evidence of a 2017 sale, a s.21 offer and a listing price for three C-3A zoned holding properties with potential for commercial-only redevelopment. These comparables range in value from s.21 to \$746 per buildable square foot. The only completed sale is illustrated by Comparable Ten, which sold in October 2017 for \$641 per buildable square foot. After adjustments, previously indicated, a higher value per buildable square foot is warranted for the subject properties. A higher value than Comparable Eleven at s.21 per buildable square foot is also warranted, as this was a rejected offer price. Conversely the asking price of Comparable Nine, at \$746 per buildable square foot, warrants a lower value after considering its listing status.

DIRECT COMPARISON APPROACH (continued)

Comparable One is situated adjacent to the subject properties to the west, providing good market evidence for the subject properties. While this site has only a 50-foot frontage, as previously indicated, it is our understanding the price paid reflected a relationship between the purchaser and the adjacent owner to assemble, which would create a 125-foot frontage. Given the negotiation time in s.21(1), a downward adjustment is warranted for the change in market conditions, suggesting a lower value than \$798 per buildable square foot.

Comparable Three, which sold for \$725 per buildable square foot provides the most recent evidence of a large site with a good location on the north side of the West Broadway corridor. While this site has superior holding income, a corner orientation and much larger frontage, the subject is located in a superior location, anticipated for higher density. As indicated, a lower value is warranted after consideration of the above, as well as the changes in market conditions since the s.21(1) negotiation date.

After appropriate adjustments to the comparable sales, it is our opinion that the market value of the subject properties 'as is', is between **\$675.00 and \$725.00 per buildable square foot**, based on the 3.0 FSR under the existing C-3A zoning.

It is therefore our opinion that the estimated "as is" market value of the subject properties, as at the effective date of valuation, March 13, 2019, subject to the underlying Contingent and Limiting Conditions set out herein, is as set out below.

	LOW	MID	HIGH
Site Area (sq.ft.)	11,690	11,690	11,690
Density (C-3A)	3.0	3.0	3.0
Buildable Area (sq.ft.)	35,070	35,070	35,070
Value \$/Buildable Sq.Ft.	\$675.00	\$700.00	\$725.00
Estimated Value	\$23,672,250	\$24,549,000	\$25,425,750
Rounded	\$23,670,000	\$24,550,000	\$25,430,000
Price Per Sq.Ft. Site Area	\$2,025	\$2,100	\$2,175

DIRECT COMPARISON APPROACH (continued)

The above estimated market value range indicates a value of \$2,025 to \$2,175 per square foot of site area. This is in line with the comparable evidence analyzed herein between s.21(1) and \$2,395 square feet of site area. Although consideration has been given to current market conditions, the subject has a strong location along the north side of the West Broadway corridor just east of Granville Street and has potential for higher density, which warrants a price per square foot towards the upper end of the comparable range.

The estimate of Market Value of the subject properties is based on an exposure time of three to nine months immediately prior to the date of appraisal.

**11.0 HYPOTHETICAL VALUE OF SUBJECT PROPERTIES ASSUMING ASSEMBLY WITH
1451 WEST BROADWAY**

We have been instructed by our client to provide an estimate of value assuming the subject properties have been assembled with the adjacent property at 1451 West Broadway. As assembly has not occurred as of the effective date of this appraisal, the value of the subject properties, assuming assembly, concluded in the report is "hypothetical".

SUMMARY OF SALIENT FACTS (1451 WEST BROADWAY)

Legal Description:	Lot 13, Block 331, District Lot 526, Plan VAP590 PID: 009-180-036						
Site Area and Dimensions:	±5,845 square feet (50 feet x 116.9 feet), according to BC Assessment records Total Area of Land Assembly Appraised Herein ±17,535 square feet (150 feet x 116.9 feet)						
Topography:	Similar to the subject and the area in general, the lot has a gradual downward slope from south to north of approximately 3.5 metres (approximately 11.48 feet) based on our inspection and Vanmap data. The site is at grade with the adjacent roadways and rear lane.						
2019 Property Assessment:	<table border="0" style="margin-left: 20px;"> <tr> <td>Land:</td> <td style="text-align: right;">\$ 8,793,000</td> </tr> <tr> <td>Improvements:</td> <td style="text-align: right;"><u>\$ 25,500</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">\$ 8,818,500</td> </tr> </table>	Land:	\$ 8,793,000	Improvements:	<u>\$ 25,500</u>	Total:	\$ 8,818,500
Land:	\$ 8,793,000						
Improvements:	<u>\$ 25,500</u>						
Total:	\$ 8,818,500						
2018 Property Taxes:	\$74,596.46						
Current Zoning:	C-3A (Commercial District)						
Land Use Plan:	Located within a "Broadway Corridor Choice-of-Use Area" under the City's Metropolitan Core Jobs and Economy Land Use Plan, allowing for commercial or mixed-use development.						

HYPOTHETICAL VALUE OF SUBJECT PROPERTIES ASSUMING ASSEMBLY (continued)

Improvements:

The lot is improved with a two-storey plus lower level commercial building demised into three retail units with a second-storey office component on the second floor, constructed circa 1975. According to the property's past marketing brochure prepared by Colliers International, the building area is approximately 6,500 square feet. There is an asphalt-paved surface parking area with four stalls located at the rear of the building. There is also a parking garage with reportedly ten stalls on the lower level that can be accessed through the rear lane. Based on our inspection and a summary rent roll provided by our client, the building appears to be fully leased. Lease commencement, term and area information for each unit was not available. Realnet reported that at the time the property sold on May 31, 2018, the building was fully leased to four tenants.

Property History:

According to BC Assessment records, the property sold on May 31, 2018 to Shato Holdings Ltd. (S1451 Properties Ltd.) for a price of \$14,000,000.

The VanMap plan below illustrates the subject properties (outlined in green) and the adjacent property at 1451 West Broadway (outlined in yellow).



HYPOTHETICAL VALUE OF SUBJECT PROPERTIES ASSUMING ASSEMBLY (continued)**HIGHEST AND BEST USE**

Upon assembly with 1451 West Broadway, the subject assembly will comprise a ±17,535-square-foot lot with ±150 feet of frontage.

The Highest and Best Use of the subject properties (assuming assembly with 1451 West Broadway) is a holding property pending completion of the Broadway Plan and rezoning to a Comprehensive Development (CD-1) zone to allow for redevelopment with a higher-density, mixed-use project.

We recognize additional density may be possible under a rezoning to a Comprehensive Development (CD-1) zone; however, the final density achievable on the subject properties (assuming assembly) is unknown at this early stage and therefore we have valued the assembly on the basis of the 3.0 FSR permitted under the C-3A zoning. Any value associated with speculation for additional density has been internalized within our valuation conclusions. We recommend further planning and architectural advice regarding development potential on the subject assembly.

VALUE CONCLUSIONS

In considering the estimated market value of the subject properties, assuming assembly with 1451 West Broadway, and any potential lift in value in the context of the assembly, we have considered the items listed below and on the following page:

- The subject will comprise a ±17,535-square-foot lot that could accommodate a larger mixed-use redevelopment;
- The subject will have 150 feet of West Broadway frontage providing good retail opportunities and exposure for the building in a redevelopment scenario.

As per our previous section, the comparable properties analyzed provided a wide range in value from **s.21** to \$798 buildable square foot, based on existing zoning density. We considered location, potential development density, potential use, holding income, planning status, date of sale and physical characteristics, etc. of the comparable properties and the subject site in determining our value conclusion.

HYPOTHETICAL VALUE OF SUBJECT PROPERTIES ASSUMING ASSEMBLY (continued)

After appropriate adjustments to the comparable sales, it was concluded that the market value of the 'as is' value of the subject properties at 1431 & 1441 West Broadway, ranged from \$675 to \$725 per buildable square foot, based on the 3.0 FSR under the existing C-3A zoning. Upon assembly with the adjacent property, the highest and best use as a holding property pending completion of the Broadway Plan remains the same.

In considering the estimated market value of the subject properties, which includes the addition of 1451 West Broadway and any potential lift in value to 1431 & 1441 West Broadway, in the context of the assembly, we have considered the items listed below:

1. Additional frontage along West Broadway;
2. Superior retail opportunities provided by the larger format space attracting grocery store and other large format tenants;
3. Economies of scale in a larger development format resulting in a possible reduction in development costs, including providing greater efficiencies within the underground parking; and,
4. Possible superior building layout with the larger site area compared to sites with less frontage.

After consideration of the above, a slightly higher value range is warranted for the subject assembly. With the limited amount of market evidence available, the determination of the lift in value is to a large degree a matter of judgement; nevertheless, it is necessary to consider the factors above. Overall, it is our opinion that the estimated market value of the subject properties assuming assembly with 1451 West Broadway, would range from **\$700 to \$750 per buildable square foot**, based on the 3.0 FSR under the existing C-3A zoning. This value range is supported by the upper end of our comparable range.

It is therefore our opinion that the estimated "hypothetical" market value of the subject properties and 1451 West Broadway, as if assembled, as at the effective date of valuation, March 13, 2019, subject to the underlying Contingent and Limiting Conditions set out herein, is as set out on the following page.

HYPOTHETICAL VALUE OF SUBJECT PROPERTIES ASSUMING ASSEMBLY (continued)

	LOW	MID	HIGH
Site Area (sq.ft.)	17,535	17,535	17,535
Density (C-3A)	3.0	3.0	3.0
Buildable Area (sq.ft.)	52,605	52,605	52,605
Value \$/Buildable Sq.Ft.	\$700.00	\$725.00	\$750.00
Estimated Value	\$36,823,500	\$38,138,625	\$39,453,750
Rounded	\$36,820,000	\$38,140,000	\$39,450,000
Price Per Sq.Ft. Site Area	\$2,100	\$2,175	\$2,250

The above estimated market value range indicates a value range of \$2,100 to \$2,250 per square foot of site area. This is in line with the comparable evidence analyzed herein between **s.21(1)** and \$2,395 square feet of site area.

The estimate of market value of the subject assembly is based on an exposure time of three to nine months immediately prior to the date of appraisal. **Furthermore, the above value is "hypothetical" as it assumes the subject properties have been assembled with adjacent property at 1451 West Broadway; however, this has not yet occurred.**

12.0 CERTIFICATION

April 15, 2019

We certify that, except as otherwise noted in the preceding analysis, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal impartial, and unbiased professional analyses, opinions and conclusions;
3. We have no present or prospective interest in the subject properties or adjacent property at 1451 West Broadway and no personal interest with respect to the parties involved;
4. We have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment;
5. Our 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;
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards;
7. We have the knowledge and experience to complete the assignment competently;
9. As of the date of this report the undersigned have fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for designated members and candidate members;
10. Megan McFarlane, B.Comm, AACI, P.App, and Reagan Stinson, B.Com (hons), AACI, P. App, MBA, inspected the subject properties and adjacent property at 1451 West Broadway on March 13, 2019 and March 22, 2019, respectively;
11. Based upon the data, analyses and conclusions contained herein, the market value of the subject properties, as at March 13, 2019, subject to the assumptions and limiting conditions contained herein, is estimated at between \$23,670,000 and \$25,430,000; and
12. Based upon the data, analyses and conclusions contained herein, the "hypothetical" market value of the subject properties and 1451 West Broadway, as if assembled, as at March 13, 2019, subject to the assumptions and limiting conditions contained herein, is estimated at between \$36,820,000 and \$39,450,000.

CWPC Property Consultants Ltd.



Per: Reagan Stinson
B.Com (hons), AACI, P. App, MBA



Megan McFarlane
B.Comm, AACI, P. App.

13.0 ASSUMPTIONS AND LIMITING CONDITIONS

The estimates of value contained in this report are based on an analysis of information obtained from various sources. Some of this data has required subjective interpretation and our terms of reference have, in some instances, required us to make assumptions in arriving at our value conclusions. As a result, the opinions and conclusions contained in this report are subject to the following Assumptions and Limiting Conditions:

Exposure Time: Under "The Standards", the following estimate of Market Value is based on an exposure time of three to nine months immediately prior to the date of appraisal. This marketing timing is typical of development real estate in the Greater Vancouver area.

Payment Terms: The estimated Market Value for the subject properties is based on the assumption that it would be sold on payment terms consistent with common practices in the real estate market and subject to the encumbrances outlined in this report, unless otherwise stated.

Legal: We are not qualified and do not purport to give legal advice. It is assumed that:

- a. the legal descriptions of the properties appraised, confirmed by the Certificates of Title obtained from MyLTSA, are correct;
- b. the titles are good and if there are any liens or encumbrances, they have been disregarded and the properties appraised as though free and clear except as otherwise discussed herein;
- c. the existing use is a legally conforming use, which may be continued by any purchaser from the existing owner;
- d. property rights appraised exclude mineral rights, if any;
- e. there are no encroachments, encumbrances, restrictions, leases or covenants that would in any way affect the valuation, except as expressly noted herein;
- f. rights-of-way, easements or encroachments over other real property and leases or other covenants noted herein are legally enforceable.

Surveys: The appraisers are not qualified land surveyors and no legal survey concerning the subject properties has been provided by our client. The appraisers have not surveyed the subject sites or adjacent site. Site and lot areas have been based on BC Assessment data. It is assumed that the areas are correct and no responsibility is accepted for any errors contained therein. Maps, plans, drawings, and photographs appearing in this report are included for the sole purpose of visual reference and should not be construed as legal surveys. The appraisers assume no responsibility for their accuracy.

ASSUMPTIONS AND LIMITING CONDITIONS

(continued)

Engineering:

We are not qualified to give engineering advice and we have not given opinions with regard to the actual soil bearing capacity of the Properties. We have assumed that the overall site does not suffer from any soil stabilization or contamination problems.

We assume that there are no hidden or unapparent conditions of the land, subsoil, or structures, which would render it more or less valuable. We assume no responsibility for such conditions or for engineering, which may be required for such factors.

It is assumed that the Properties require no special site preparation resulting from the presence of toxic fill or other environmentally sensitive waste products. The Properties have not been tested for any such substances and no opinion is expressed by the appraiser as to their absence or presence on the Properties. We have assumed that the Properties have not been used for the storage or production of contaminants or hazardous materials. We have no knowledge of the existence of such materials on or in the Properties. Neither the appraiser nor CWPC Property Consultants Ltd. are qualified to detect such substances, the presence of which could materially affect the value of the Properties.

No environmental assessment has been provided for the Properties. No responsibility is assumed for any specialized expertise or engineering knowledge required to discover, remove, or remediate the Properties should contaminants be proven to exist. It is recommended that the reader of this report obtain an environmental assessment if there is any doubt regarding the quality of the lands or soils in question. Our value estimates are predicated on the assumption that there are no such materials on or near the Properties that would cause a loss in value.

Existing Buildings:

We have inspected the subjects' improvements from the exterior only, no internal inspection was completed. It does not constitute a technical inspection of the properties and is not to be interpreted as such. Measurements and areas relied upon herein for the subject buildings were provided by our client. The appraisers are not qualified building surveyors and accept no responsibility as to the accuracy of the building areas.

Government Regulations:

No investigation has been undertaken with the local fire department, building inspector, health department, or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report.

ASSUMPTIONS AND LIMITING CONDITIONS

(continued)

The subject properties must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary. Unless otherwise stated, we assume that there are no governmental orders or directives outstanding, which require upgrading of the subjects' improvements or limiting their occupancy.

Possession:

Possession of this appraisal or copy does not carry with it the right for publication, nor may it be used for any purpose other than *City of Vancouver* without the prior written consent of the appraisers and our client. The report is valid only if it bears the original signature of the authors. All copyrights are reserved to the authors and the report is considered confidential between the authors and client. It shall not be disclosed, quoted from or referred to, in whole or in part, or published in any manner without the express written consent of the appraisers.

Information Sources:

Both documented and hearsay evidence of market transactions and other data contained in this report have been obtained from sources considered reliable and have been verified where possible. Where verification has not been possible it is assumed that the information obtained is correct.

Compensation:

The appraisers are not required to give testimony in court by reason of this appraisal because the fee as accepted for this report does not include any court proceedings, arbitration hearings, or professional consulting that may occur at a later date.

Client:

This report is prepared at the request of *City of Vancouver* for the purpose of an appraisal of market value for internal decision-making and potential negotiation purposes. It is not reasonable for any other person, with the exception of our Client's agents to assist in potential negotiation purposes, to rely upon this appraisal without first obtaining written authorization from *City of Vancouver* and the appraisers. There may be qualifications, assumptions or limiting conditions in addition to those set out below relevant to that person's identity or his intended use. The report is prepared on the assumption that no other person will rely on it for any other purpose and that all liability to all such persons is denied.

Unforeseeable events:

The values reported herein are based upon data collected and reviewed up to and as of the effective date of appraisal unless otherwise discussed in the report. The appraisers assume no responsibility for unforeseeable events that may alter market conditions after the effective date of this report.

Appendix "A"

Copy of the Subjects Properties' Title Information

TITLE SEARCH PRINT

File Reference: 1441 W.Broadway
Declared Value \$13500000

2019-02-13, 15:49:34
Requestor: Nichola McMenamin

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District VANCOUVER
Land Title Office VANCOUVER

Title Number CA4314628
From Title Number BT366841

Application Received 2015-04-01

Application Entered 2015-04-16

Registered Owner in Fee Simple
Registered Owner/Mailing Address: CITY OF VANCOUVER
453 WEST 12TH AVENUE
VANCOUVER, BC
V5Y 1V4

Taxation Authority Vancouver, City of

Description of Land
Parcel Identifier: 013-709-712
Legal Description:
LOT 14, EXCEPT PART IN PLAN 4379, BLOCK 331 DISTRICT LOT 526 PLAN 590

Legal Notations
NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA4314630
FILED 2015-04-01

Charges, Liens and Interests NONE

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

File Reference: 1431 W.Broadway

2019-02-13, 15:50:09

Requestor: Nichola McMenamin

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District VANCOUVER
Land Title Office VANCOUVER

Title Number CA4314629
From Title Number BA170013

Application Received 2015-04-01

Application Entered 2015-04-16

Registered Owner in Fee Simple
Registered Owner/Mailing Address: CITY OF VANCOUVER
453 WEST 12TH AVENUE
VANCOUVER, BC
V5Y 1V4

Taxation Authority Vancouver, City of

Description of Land
Parcel Identifier: 015-201-261
Legal Description:
LOT 15, EXCEPT PART IN PLAN 4379, BLOCK 331 DISTRICT LOT 526 PLAN 590

Legal Notations
NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA4314630
FILED 2015-04-01

Charges, Liens and Interests
Nature: LEASE
Registration Number: BA590276
Registration Date and Time: 2006-12-19 11:44
Registered Owner: BEHNSEN GRAPHIC SUPPLIES LTD.
INCORPORATION NO. A63502

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Appendix "B"

Copy of the C-3A Zoning District By-law

C-3A District Schedule

1 Intent

The intent of this Schedule is to provide for a wide range of goods and services, to maintain commercial activities, specialized services and some light manufacturing enterprises while preserving the character and general amenity of the area and its immediate surroundings, and to provide for dwelling uses designed compatibly with commercial uses.

2 Outright Approval Uses

2.1 Subject to all other provisions of this By-law and to compliance with section 2.3 and the regulations of this Schedule, the uses listed in section 2.2 shall be permitted in this District and shall be issued a permit.

2.2 Uses

2.2.A • Accessory Buildings customarily ancillary to any of the uses listed in this Schedule, provided that:

- (a) no accessory building exceeds 3.7 m in height measured to the highest point of the roof if a flat roof, to the deck line of a mansard roof, or to the mean height level between the eaves and the ridge of a gable, hip or gambrel roof, provided that no portion of an accessory building may exceed 4.6 m in height;
- (b) all accessory buildings are located in the rear yard and in no case are less than 3.1 m from the ultimate centre line of any rear or flanking lane;
- (c) the total floor area, measured to the extreme outer limits of the building, of all accessory buildings is not greater than 15 percent of the total area of the site;
- (d) not applicable; [Maximum width]
- (e) not applicable; [Proximity to residential dwelling]
- (f) no accessory building obstructs the horizontal daylight access prescribed in this Schedule for residential use.

- Accessory Uses customarily ancillary to any of the uses listed in this section, provided that unless permitted as an outright approval use pursuant to section 2 of this Schedule, the total floor area of all accessory uses is not greater than 25 percent of the gross floor area of the principal use.

2.2.C [Cultural and Recreational]

- Arts and Culture Indoor Event.
- Bowling Alley.
- Club.
- Community Centre or Neighbourhood House.
- Fitness Centre.
- Hall.
- Library.
- Museum or Archives.
- Rink.
- Swimming Pool.
- Theatre.

2.2.I [Institutional]

- School - University or College.

- 2.2.0 [Office]
- Financial Institution.
 - General Office.
 - Health Care Office.
- 2.2.R [Retail]
- Furniture or Appliance Store.
 - Grocery or Drug Store except for Small-scale Pharmacy.
 - Retail Store.
- 2.2.S [Service]
- Auction Hall.
 - Barber Shop or Beauty Salon.
 - Beauty and Wellness Centre.
 - Catering Establishment.
 - Laboratory.
 - Laundromat or Dry Cleaning Establishment.
 - Photofinishing or Photography Studio.
 - Print Shop.
 - Repair Shop - Class B.
 - Restaurant - Class 1.
 - School - Business.
 - School - Vocational or Trade.
 - Sign Painting Shop.

2.3 Conditions of Use

- 2.3.1 All commercial uses and accessory uses listed in this section shall be carried on wholly within a completely enclosed building except for the following:
- (a) parking and loading facilities;
 - (b) restaurant;
 - (c) display of flowers, plants, fruits and vegetables.

3 Conditional Approval Uses

- 3.1 Subject to all other provisions of this By-law, compliance with section 3.3 and the provisions and regulations of this Schedule, the Director of Planning or the Development Permit Board may approve any of the uses listed in section 3.2 of this Schedule, with or without conditions, provided that the Director of Planning or the Development Permit Board first considers:
- (a) the intent of this Schedule and all applicable policies and guidelines adopted by Council; and
 - (b) the submission of any advisory group, property owner or tenant.

3.2 Uses

- 3.2.A • Accessory Uses to any of the uses listed in this Schedule, subject to the same provisions as section 2.2.A of this Schedule.
- 3.2.AG [Agricultural]
- Urban Farm - Class B, subject to the provisions of section 11.30 of this By-law.

3.2.C [Cultural and Recreational]

- Arcade.
- Artist Studio, subject to the provisions of section 11.18 of this By-law.
- Billiard Hall.
- Bingo Hall.
- Casino - Class I.
- Park or Playground.
- Zoo or Botanical Garden.

3.2.D • Deposition or extraction of material so as to alter the configuration of the land.

3.2.DW [Dwelling]

- Dwelling units in conjunction with any of the uses listed in this schedule except that no portion of the first storey of a building to a depth of 10.7 m from the front wall of the building and extending across its full width shall be used for residential purposes except for entrances to the residential portion and provided that before making a decision the Director of Planning shall consider the design and livability of the dwelling units.
- Multiple Dwelling, provided that the Director of Planning is of the opinion that the site is suitable for residential use.
- Multiple Conversion Dwelling, resulting from the conversion of a building which was in existence prior to June 18, 1956, provided that:
 - (a) before making a decision the Director of Planning shall consider the quality and livability of the resulting units, the suitability of the building for conversion in terms of age and size, and the effect of the conversion on adjacent properties and the character of the area; and
 - (b) building additions shall not be permitted.
- Principal Dwelling Unit combined with a Lock-off Unit in conjunction with any of the uses listed in this schedule, except that no portion of the first storey of a building to a depth of 10.7 m from the front wall of the building and extending across its full width may be used for residential purposes unless the purpose is for entrances to the residential portion, and, with respect only to the C-3A District Schedule, the Director of Planning, before making a decision, considers the design and livability of the dwelling units.
- Principal Dwelling Unit combined with a Lock-off Unit in a Multiple Dwelling if the Director of Planning is of the opinion that the site is suitable for residential use.
- Residential Unit associated with and forming an integral part of an artist studio, subject to the provisions of section 11.19 of this By-law.
- Seniors Supportive or Assisted Housing, subject to section 11.17 of this By-law.

3.2.I [Institutional]

- Ambulance Station.
- Child Day Care Facility.
- Church.
- Detoxification Centre.
- Hospital.
- Public Authority Use.
- School - Elementary or Secondary.
- Social Service Centre.
- Community Care Facility – Class B, subject to the provisions of section 11.17 of this By-law.
- Group Residence, subject to the provisions of section 11.17 of this By-law.

- 3.2.M [Manufacturing]
- Clothing Manufacturing.
 - Dairy Products Manufacturing.
 - Food or Beverage Products Manufacturing - Class B.
 - Ice Manufacturing.
 - Jewellery Manufacturing.
 - Miscellaneous Products Manufacturing - Class B.
 - Printing or Publishing.
 - Textiles or Knit Goods Manufacturing.
- 3.2.O [Office]
- Health Enhancement Centre.
- 3.2.P [Parking]
- Parking Uses.
- 3.2.R [Retail]
- Farmers' Market, subject to the provisions of Section 11.21 of this By-law. *Compatibility with nearby sites, parking, traffic, noise, hours of operation, size of facility, pedestrian amenity.*
 - Adult Retail Store.
 - Cannabis Store, subject to the provisions of section 11.28 of this By-law.
 - Gasoline Station - Full Serve, subject to the provisions of section 11.10 of this By-law.
 - Gasoline Station - Split Island, subject to the provisions of section 11.10 of this By-law.
 - Grocery Store with Liquor Store.
 - Liquor Store.
 - Pawnshop.
 - Public Bike Share.
 - Secondhand Store.
 - Small-scale Pharmacy, subject to the provisions of section 11.22 of this By-law.
 - Vehicle Dealer.
- 3.2.S [Service]
- Animal Clinic.
 - Bed and Breakfast Accommodation, subject to the provisions of section 11.4 of this By-law.
 - Cabaret.
 - Drive-through Service.
 - Funeral Home.
 - Hotel.
 - Motor Vehicle Repair Shop.
 - Motor Vehicle Wash.
 - Neighbourhood Public House.
 - Photofinishing or Photography Laboratory.
 - Production or Rehearsal Studio.
 - Repair Shop - Class A.
 - Restaurant - Class 2.
 - Restaurant - Drive-in.
 - School - Arts or Self-Improvement.
 - Short Term Rental Accommodation, subject to the provisions of section 11.32 of this By-law.
 - Wedding Chapel, subject to section 11.20 of this By-law.

- 3.2.T [Transportation and Storage]
- Mini-storage Warehouse.
 - Storage Warehouse.
 - Taxicab or Limousine Station.
- 3.2.U [Utility and Communication]
- Public Utility.
 - Radiocommunication Station.
 - Recycling Depot.
- 3.2.W [Wholesale]
- Lumber and Building Materials Establishment.
 - Wholesaling - Class A.
 - Wholesaling - Class B.
- 3.2.Z • Any other use which is not specifically listed and defined as a use in section 2 of this By-law but which the Director of Planning considers comparable in nature to the uses listed in this Schedule, having regard to the intent of this District Schedule.

3.3 Conditions of Use

- 3.3.1 All commercial uses listed in this section shall be carried on wholly within a completely enclosed building, except for the following:
- (a) parking and loading facilities;
 - (b) full serve and split island gasoline station, except that section 11.10.2 of this By-law continues to apply;
 - (c) vehicle dealer;
 - (d) drive-in restaurant;
 - (e) drive-through service;
 - (f) lumber store;
 - (g) taxicab or limousine station;
 - (h) neighbourhood public house;
 - (i) farmers' market;
 - (j) public bike share; and
 - (k) Urban Farm - Class B.

4 Regulations

All uses approved under sections 2 and 3 of this District Schedule shall be subject to the following regulations.

4.1 **Site Area** -- Not Applicable.

4.2 **Frontage** -- Not Applicable.

4.3 **Height**

4.3.1 The maximum height of a building shall be 9.2 m.

4.3.2 The Director of Planning or the Development Permit Board may permit an increase in the maximum height of a building with respect to any development, provided that the Director of Planning or the Development Permit Board first considers:

- (a) the intent of this Schedule, all applicable policies and guidelines adopted by Council and the relationship of the development with nearby residential areas;
- (b) the height, bulk, location and overall design of the building and its effect on the site, surrounding buildings and streets and existing views;
- (c) the amount of open space, including plazas, and the effects of overall design on the general amenity of the area;
- (d) the provision for pedestrian needs;
- (e) the preservation of the character and general amenity desired for the area; and
- (f) the submission of any advisory group, property owner or tenant.

4.4 Front Yard and Setback

- 4.4.1 No front yard shall be required.
- 4.4.2 A setback of 1.2 m from the front property line shall be required for any parking area.

4.5 Side Yards and Setback

- 4.5.1 No side yard shall be required, except that where the site adjoins, without the intervention of a lane, a site located in an R district, in which case the following side yard requirements apply:
 - (a) where the adjoining site is in an RM district, a side yard with a minimum width of 1.5 m shall be provided adjoining the RM district;
 - (b) in all other cases, a side yard with a minimum width of .9 m shall be provided, except in the case of a corner site in which case an exterior side yard need not be provided.
- 4.5.2 Where a side yard is provided, although not required, the minimum provisions of section 4.5.1 shall apply.
- 4.5.3 In the case of a corner lot, a setback of 1.2 m from the side property line abutting the flanking street shall be required for any parking area.

4.6 Rear Yard and Setback

- 4.6.1 A rear yard with a minimum depth of 3.1 m shall be provided, except that where the rear of the site abuts a lane, this required minimum depth shall be decreased by the lane width between the rear property line and the ultimate centre line of the lane.
- 4.6.2 Where any portion of a building contains residential uses, that portion shall be set back a minimum of 7.6 m from the rear property line across the full width of the building, except that where the rear of the site abuts a lane, this required minimum setback shall be decreased by the lane width between the rear property line and the ultimate centre line of the lane.

4.7 Floor Space Ratio

- 4.7.1 The floor space ratio shall not exceed 1.00, except that:
 - (a) the Director of Planning or the Development Permit Board may permit an increase in floor space ratio to a maximum of 3.00, if the Director of Planning or the Development Permit Board first considers:
 - (i) the intent of this Schedule, all applicable Council policies and guidelines and the relationship of the development with nearby residential areas,
 - (ii) the height, bulk, location and overall design of the building and its effect on the site, surrounding buildings and streets, and existing views,
 - (iii) the amount of open space, including plazas, and the effects of overall design on the general amenity of the area,

- (iv) the effect of the development on traffic in the area,
 - (v) the provision for pedestrian needs, and
 - (vi) the design and livability of any dwelling uses; and
- (b) despite the provisions of subsection 4.7.1(a), if the Director of Planning or the Development Permit Board first considers the intent of this district schedule, all applicable Council policies and guidelines and the submissions of any advisory groups, property owners or tenants, and there is no heritage density available for transfer, the Director of Planning or the Development Permit Board may permit an additional increase in permitted floor area of one m² for each amenity share provided to the city at no cost to the city, to a maximum increase of 10% above the maximum permitted floor space ratio.
- 4.7.2 In this district schedule, amenity means conservation of protected heritage property.
- 4.7.3 For the purposes of this district schedule, the cost of an amenity share is the amount specified per m² in the Heritage Amenity Share Cost Schedule G.
- 4.7.4 Notwithstanding the provisions of subsection 4.7.1, the maximum floor space ratio achievable as a result of the provision of amenity shares must otherwise comply in all respects with this district schedule and this by-law.
- 4.7.5 The following shall be included in the computation of floor space ratio:
- (a) all floors of all buildings including accessory buildings, both above and below ground level, to be measured to the extreme outer limits of the building; and
 - (b) in dwelling units and artists studios, where the distance from a floor to the floor above, or where there is no floor above, to the top of the roof rafters or deck, exceeds 3.7 m, an additional amount equal to the area of the floor below the excess height, except that the Director of Planning may exclude additional height in combination with:
 - (i) an undeveloped floor area beneath roof elements which are, in the opinion of the Director of Planning, solely for decorative purposes and to which the only means of access is a hatch, residential lobby or mechanical penthouse, or
 - (ii) venting skylights, opening clerestory windows or other similar features which, in the opinion of the Director of Planning, reduce energy consumption or improve natural light and ventilation.
- 4.7.6 The following shall be excluded in the computation of floor space ratio:
- (a) open residential balconies and any other appurtenances which, in the opinion of the Director of Planning, are similar to the foregoing, provided that the total area of all exclusions does not exceed eight percent of the residential floor area being provided;
 - (b) amenity areas for the social and recreational enjoyment of residents and employees, or providing a service to the public, including facilities for general fitness, general recreation and child day care, provided that:
 - (i) the total area being excluded shall not exceed the lesser of 20 percent of the permitted floor space or 1 000 m²; and
 - (ii) in the case of a child day care centre, the Director of Planning, on the advice of the Director of Social Planning, is satisfied of the need for the facility in the immediate neighbourhood.
 - (c) where floors are used for off-street parking and loading, the taking on or discharging of passengers, bicycle storage, heating and mechanical equipment, or uses which in the opinion of the Director of Planning are similar to the foregoing, those floors or portions thereof so used, which:
 - (i) are at or below the base surface, provided that the maximum exclusion for a parking space shall not exceed 7.3 m in length; or

- (ii) are above the base surface and where developed as off-street parking are located in an accessory building situated in the rear yard, provided that the maximum exclusion for a parking space shall not exceed 7.3 m in length; and
- (d) all residential storage space above or below base surface, except that if the residential storage space above base surface exceeds 3.7 m² per dwelling unit, there will be no exclusion for any of the residential storage space above base surface for that unit.

4.7.7 The Director of Planning may permit the following to be excluded in the computation of floor space ratio:

- (a) enclosed residential balconies, provided that the Director of Planning first considers all applicable policies and guidelines adopted by Council and approves the design of any balcony enclosure, subject to the following:
 - (i) the total area of all open and enclosed balcony or sundeck exclusions does not exceed eight percent of the residential floor area being provided; and
 - (ii) no more than fifty percent of the excluded balcony floor area may be enclosed;
- (b) interior public space, including atria and other similar spaces, provided that:
 - (i) the excluded area shall not exceed the lesser of 10 percent of the permitted floor area or 600 m²;
 - (ii) the excluded area shall be secured by covenant and right of way in favour of the City of Vancouver which set out public access and use; and
 - (iii) the Director of Planning first considers all applicable policies and guidelines adopted by Council.

4.7.8 The Development Permit Board may increase the allowable floor space ratio by a maximum of 10 percent where the increase results from a transfer of heritage density, except that this provision shall not apply to a development where there has been an increase in floor space ratio pursuant to section 4.7.1(b).

For the purposes of this section "heritage density" means density provided as compensation for a heritage designation, which is transferred from the site of the designated heritage property to another site in accordance with Council's Transfer of Density Policy and Procedure.

4.9 [Deleted -- see Parking By-law.]

4.10 Horizontal Angle of Daylight

4.10.1 Each habitable room must have at least one window on an exterior wall of a building.

4.10.2 Each exterior window must be located so that a plane or planes extending from the window and formed by an angle of 50 degrees, or two angles with a sum of 70 degrees, will encounter no obstruction over a distance of 24.0 m.

4.10.3 The plane or planes referred to in section 4.10.2 must be measured horizontally from the centre of the bottom of each window.

4.10.4 The Director of Planning or Development Permit Board may relax the horizontal angle of daylight requirement, if:

- (a) the Director of Planning or Development Permit Board first considers all the applicable policies and guidelines adopted by Council; and
- (b) the minimum distance of unobstructed view is not less than 3.7 m.

4.10.5 An obstruction referred to in section 4.10.2 means:

- (a) any part of the same building including permitted projections; or
- (b) the largest building permitted under the zoning on any adjoining site.

- 4.10.6 A habitable room referred to in section 4.10.1 does not mean:
- (a) a bathroom; or
 - (b) a kitchen whose floor area is the lesser of:
 - (i) 10% or less of the total floor area of the dwelling unit, or
 - (ii) 9.3 m².

4.15 Acoustics

- 4.15.1 A development permit application for dwelling uses shall require evidence in the form of a report and recommendations prepared by persons trained in acoustics and current techniques of noise measurement demonstrating that the noise levels in those portions of the dwelling units listed below shall not exceed the noise levels expressed in decibels set opposite such portions of the dwelling units. For the purposes of this section the noise level is the A-weighted 24-hour equivalent (Leq) sound level and will be defined simply as the noise level in decibels.

Portions of dwelling units	Noise levels (Decibels)
bedrooms	35
living, dining, recreation rooms	40
kitchen, bathrooms, hallways	45

5 Relaxation of Regulations

- 5.1 The Director of Planning may relax the maximum height, floor area and location regulations for accessory buildings and accessory uses except that the relaxed height shall not, in any event, exceed the maximum prescribed in section 4.3.1 nor the floor space exceed 33-½ percent of the gross floor area of the principal use.
- 5.2 Where a need for any public, social, cultural or recreational facility has been demonstrated to the satisfaction of the Development Permit Board, the Board may permit for any one building, which includes one or more of such facilities, an increase in the maximum floor space ratio or density of a building and may require that any such facility be preserved in the public domain by way of a registered agreement and operated by the City or its delegates.

In determining the amount of the increase in floor area or density that may be permitted, the Development Permit Board shall consider:

- (a) the construction cost of the facility;
 - (b) any costs to the developer of continuing maintenance required for the facility;
 - (c) the rental value of the increased floor area;
 - (d) the value of any authorized relaxation of other restrictions; and
 - (e) the opinion of City Council.
- 5.3 The Director of Planning may relax the use conditions of sections 2.3.1 and 3.3.1 to permit the outdoor display of retail goods, and may include such other conditions as the Director of Planning deems necessary, having regard to the type of merchandise, the area and location of the display with respect to adjoining sites, the hours of operation and the intent of this Schedule.

Appendix "C"

Copy of the Adjacent Property's Title Information

TITLE SEARCH PRINT

File Reference: 1451 W.Broadway
Declared Value \$14000000

2019-02-13, 15:05:17
Requestor: Nichola McMenamin

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District
Land Title Office

VANCOUVER
VANCOUVER

Title Number
From Title Number

CA6835001
BB165708

Application Received

2018-05-31

Application Entered

2018-06-06

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

S1451 PROPERTIES LTD., INC.NO. BC1165011
300 - 4088 CAMBIE STREET
VANCOUVER, BC
V5Z 2X8

Taxation Authority

Vancouver, City of

Description of Land

Parcel Identifier:

009-180-036

Legal Description:

LOT 13, EXCEPT THE NORTH 8 FEET NOW LANE, BLOCK 331 DISTRICT LOT 526
PLAN 590

Legal Notations

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA6835002
FILED 2018-05-31

Charges, Liens and Interests

NONE

Duplicate Indefeasible Title

NONE OUTSTANDING

Transfers

NONE

Pending Applications

NONE

Appendix "D"

Qualifications of the Appraisers

Reagan Stinson, B.Com. (hons), AACI, P.App, MBA

PROFESSIONAL EXPERIENCE

CWPC Property Consultants Ltd.
Vancouver, BC
2015 to Present

Director of Consulting Services at CWPC Property Consultants Ltd. (formerly Carmichael Wilson Property Consultants Ltd.). Experience in diverse properties related roles. Strong background in management, negotiations and valuation including: property leasing, acquisition and sales, property portfolio management, property negotiations and consultation, and commercial property valuation.

BC Hydro
Vancouver, BC
2012-2015

Manager, Property Leasing & Sales Services. Responsible for leading and managing a team of 16 employees and contractors. The team negotiated major facility leases, licenses and acquisitions, telecommunication agreements and surplus property dispositions throughout BC.

BC Hydro
Vancouver, BC
2009-2012

Senior Property Negotiator, Transmission Acquisition Services. Responsible for the negotiation and acquisition of statutory rights-of-way, fee-simple land and other property interests.

Carmichael Wilson Property Consultants
Vancouver, BC
2004-2009

Senior Appraisal Consultant. Involved in all aspects of commercial appraisal and consulting work in British Columbia, with a specialization in office, retail and single-room occupancy properties in Downtown Vancouver and the Downtown Eastside.

PROFESSIONAL LIABILITY INSURANCE

Since 2005

Appraisal Institute of Canada (Claim Free)

PROFESSIONAL QUALIFICATIONS

2012

Completed Master's in Business Administration at Queens University, Kingston, Ontario

2006

Co-instructed Real Estate Investment Analysis and Advanced Income Appraisal at Langara College

2005

Awarded use of the professional designations AACI (Accredited Appraiser Canadian Institute) and P.App (Professional Appraiser) in December 2005 by the Appraisal Institute of Canada

2004

Completed Bachelor of Commerce (Urban Land Economics) degree at University of British Columbia

VOLUNTEERING & MEMBERSHIPS

Since 2012

Vancouver CREW - Commercial Real Estate Women

Since 2010

Salvation Army Harbour Light – Lunchtime Volunteer

2009-2011

Appraisal Institute of Canada - Vancouver Chapter Executive

Megan J. McFarlane, B.COMM., AACI, P.App

PROFESSIONAL EXPERIENCE

CWPC Property Consultants Ltd.
Vancouver, BC
2005 to 2012; 2015 to Present

Employed as an Appraiser/Consultant with CWPC Property Consultants Ltd. (formerly Carmichael Wilson Property Consultants Ltd.). Involved in all aspects of commercial appraisal and consulting work in British Columbia, with a focus on the Sea to Sky corridor.

Darroch Ltd.
Wellington, New Zealand
2013 to 2015

Employed as a Valuer/Appraiser with Darroch Ltd. Involved in all aspects of commercial valuation and consulting work in Wellington and around New Zealand.

2002 to 2004

Employed as a Lease Administrator at Bastion Development Corporation in Vancouver.

2001 to 2002

Employed as a Course Specialist at the University of British Columbia (UBC) Sauder School of Business Real Estate Division.

EDUCATION

University of British Columbia
Vancouver, BC
2006 to 2009

Graduated from the Post Graduate Certificate Program in Real Property Valuation (PGCV) at the University of British Columbia (UBC) Sauder School of Business Real Estate Division. Completed Business 300, 330, 331, 401, 442 and 452 and 499.

1998-2002

Completed Bachelor of Commerce degree program at the UBC Sauder School of Business. Major in Urban Land Economics / Real Estate.

Fall 2001

Participated in the UBC Study Abroad and Exchange Program at the Erasmus University of Rotterdam, the Netherlands. Completed Certificate of International Business.

PROFESSIONAL LIABILITY INSURANCE

2006 to Present

Appraisal Institute of Canada: Practice: Fee Appraiser (Claim Free)

PROFESSIONAL QUALIFICATIONS AND MEMBERSHIPS

September 2009

Awarded AACI (Accredited Appraiser Canadian Institute - Certificate # 4209) and the use of the professional designation P.App. (Professional Appraiser) by the Appraisal Institute of Canada

January 2016 to Present

Member of Squamish Off-Road Cycling Association (SORCA)

March 2013 to September 2015

Affiliate Member of the Property Institute of New Zealand

**Letter of Addendum to our
Appraisal of a Potential
Mixed-Use Redevelopment Site**

located at:

**1431 & 1441 West Broadway,
Vancouver, BC**

effective date of valuation:

July 15, 2019

prepared for:

City of Vancouver

August 27, 2019

Reference Number: 15059-0819

City of Vancouver
Real Estate Services
507 West Broadway, Suite 320
Vancouver BC V5Z 0B4

Attention: Mr. Andrew Newman, Associate Director

**RE: Letter of Addendum to our Appraisal of a Potential Mixed-Use Redevelopment Site
Located at 1431 & 1441 West Broadway, Vancouver, BC**

The purpose of this addendum letter is to provide an updated estimate of market value of the subject properties identified above, as of July 15, 2019, the effective date of this letter of addendum. This letter must be read in conjunction with our original appraisal report (Reference Number: 14848-0219) dated April 15, 2019. This addendum letter can only be properly understood by readers familiar with the original report. We direct your attention to the Assumptions and Limiting Conditions and Special Assumptions contained in our original report, which may further limit the scope of this letter.

Reagan Stinson, B.Com (hons), AACI, P. App, MBA, inspected the subject properties and the adjacent property at 1451 West Broadway from the surrounding streets on July 15, 2019 and March 22, 2019 and Megan McFarlane, B.Comm, AACI, P.App, inspected the properties on March 13, 2019.

The effective date of valuation of our original appraisal report was March 13, 2019. Our client has instructed us to provide an updated estimate of market value as of July 15, 2019 given recent changes in market conditions.

In conjunction with this letter of addendum we have researched recent sales of similar redevelopment properties along the West Broadway corridor which may have occurred since our original appraisal in March 2019. We are aware of one recent sale, one reported accepted offer and two revised listings which are summarized in the chart and described in greater detail on the following pages.

Stuart Carmichael B.Bus, AACI
Alysdair Gordon Dipl. Surv.
Megan McFarlane B.Comm, AACI
Shannon Horne BGS, DULE, AACI
Ghalib Tung BMOs
Lauren Czuba

Darla Saylor AACI
Chris Dutton B.Sc, AACI
Susan Alford BA, AACI
Kristy Cote
Troy McGee B.Comm.
Melissa Nestoruk, B.Comm., BA

Fred Mussett B.Comm.
John Ho B.Comm, AACI
Reagan Stinson, B.Com(hons) AACI, MBA
Hayley Wilkie B.Bus (Econ)
Leanne Ross

VANCOUVER
201-958 W 8th Ave.
Vancouver BC V5Z 1E5
T 604 730 8889

SURREY
203-5455 152nd St.
T 604 583 8889

TORONTO
101-300 Coxwell Ave.
Toronto ON M4L 3B6
T 416 607 5545

www.cwpc.com
CWPC Property

No.	Address	Sale Price Sale Date	Site Area (Acres) (Sq.Ft.)	Price Sq.Ft. Site Area	Price/Sq.Ft. Buildable		Comments
					Existing Zoning FSR	Proposed Zoning FSR	
A	3651 West 4th Avenue Kitsilano	\$12,800,000 Listing	0.220 11,919	\$1,074	\$430	-	Located midblock on the north side of West 4th Avenue between Alma and Dunbar Street in Kitsilano. Improved with a mixed concrete and wood-frame two-storey retail/office building constructed circa 1931. There are 15 surface parking stalls at the rear of the building. The building is reported to be fully occupied by seven month-to-month tenants. The reported net income has been stabilized for vacancy and collection loss indicating approximately \$281,988 per annum. The property was under contract in s.21(1) for an amount s.21(1) though subjects were not removed s.21(1). The property is now listed again and there have been enquiries and a rejected offer was received in the first week of s.21(1).
		s.21(1) Approximate Rejected Offer Price		s.21(1)			
		s.21(1) Approximate Contract Price Based On s.21(1)s Indicated by Agent		s.21(1)			
		s.21(1) Accepted Offer Subjects Not Removed					
B	1946 West Broadway Kitsilano	\$9,800,000 Listing	0.143 6,250	\$1,568	\$523	-	Located on the south side of West Broadway, between Maple and Cypress Streets, just east of Arbutus Street. Single interior lot with 50' frontage to West Broadway. Improved with a two-storey commercial building with 4,392 sq.ft. of leasable area (2,080 sq.ft. ground floor) with a gross income of \$161,325.96. Property taxes are \$17.35/sq.ft. Zoned C-3A. The agent indicated an offer of s.21(1) was accepted in late 2018 s.21(1) in the second quarter of 2019, the listing was reduced to \$9.8 M. The agent indicated an offer was received s.21(1).
		\$7,000,000 Spring 2019 Rejected Offer		s.21(1)			
		\$10,500,000 Late 2018 Accepted Offer Subjects Not Removed		s.21(1)			
C	2993 Granville Street Fairview	\$14,000,000 Jun-19 Closed	0.149 6,480	\$2,160	\$720	-	Located on the northwest corner of Granville Street and West 14th Avenue. Comprises 2 lots with a 54' frontage on Granville and 120' on West 14th Ave. Improved with a 2-storey retail building of 11,070 sq.ft. leasable area. Occupied by DECIUM, Lift Furniture & Decor, Kyo Korean BBQ & Sushi House, Le Creuset, and Blo Blow Dry Bar. The site was listed by CBRE for \$14.8 M and the agent indicated a cap rate on the asking price of 2.76%. The property was then sold by MacDonald Commercial for a reported \$14.0 M near a 3.0% cap rate.
D	664 West Broadway Mount Pleasant	Undisclosed s.21(1) Under Contract	0.143 6,250	-	-	-	Located on the south side of West Broadway, between Ash and Heather Streets. Improved with a two-storey commercial office building occupied by Scouts Canada and comprising 6,000 sq.ft. There are 11 surface parking stalls to the rear of the site. Building constructed late 1950s (renovated in 1994). The site has a 50' frontage along West Broadway and there is reportedly potential to acquire the adjacent 50' site. The listing agent reported there is no asking price and there was an offer s.21(1). The property is still listed for sale. Recent discussions have indicated that the property is now under contract however the details were not disclosed by the agent.
		s.21(1) s.21(1) Rejected Offer		s.21(1)			

As illustrated on the previous page, 3651 West 4th Avenue (Comparable A) is currently listed for sale. This C-2C-zoned site, permitting a 2.5 FSR, is located midblock on the north side of West 4th Avenue, between Alma and Dunbar Streets in Kitsilano. While this property is not included as part of the Broadway Plan, an area speculated for additional density, and is located in an inferior location to the subject, it does provide evidence of vendor and buyer pricing expectations in the current market. The ±11,919-square-foot property is improved with a two-storey retail/office building constructed circa 1931 and currently provides holding income of \$281,998 per annum.



The property was originally listed in September 2018 for \$15,000,000 or \$503 per buildable square foot. In s.21(1), the property was under contract for an undisclosed s.21(1) s.21(1). The listing price was reduced in March 2019 to \$13,800,000 or \$463 per buildable square foot (an 8.7% reduction). It is our understanding that the property was again under contract in s.21(1) for an amount indicated to be s.21(1) s.21(1). In late April 2019, the list price was reduced again to \$12,800,000 or \$430 per buildable square foot (a further 7.2% reduction). We are s.21(1) rejected offer at s.21(1). This recent offer is a s.21(1) reduction from the s.21(1) contract price. While the offer was rejected by the vendor this does provide some indication of the sentiment in the market for holding properties with redevelopment potential.

Comparable B (1946 West Broadway), also Comparable Six in our original appraisal report, was



listed for \$11,380,000 or \$607 per buildable square foot, based on its C-3A zoning permitting a 3.0 FSR. The property is now listed for \$9,800,000 or \$523 per buildable square foot, a reduction of 13.9%. At the time of our original report, the listing agent had indicated s.21(1). Since then the agent indicated that an offer was received in s.21(1).

It is our understanding that some of the difficulties in selling this property are due to declining market conditions, uncertainty around development potential upon completion of the Broadway Plan, the current interim rezoning policy along the Broadway Corridor, the low holding income on the property and its requirement to assemble prior to redevelopment.

Similar to Comparable A, this listing provides evidence of the state of the current development market as there appears to be decreased interest in holding properties along the West Broadway corridor, especially those with lower income. However, we note that this site is small, with only ± 50 feet of frontage, which will require assembly prior to redevelopment to achieve its highest and best use. It is our opinion that the subject properties, as a ± 100 -foot wide redevelopment site and assembled with 1451 West Broadway as a ± 150 -foot wide redevelopment site, are superior to the comparable. Further, the location of the subject properties is considered superior within close proximity Granville Street and a future SkyTrain station, which is speculated for greater density.

Comparable C (2993 Granville Street) sold recently in June 2019 for \$14,000,000 equating to \$720 per buildable square foot, based on its C-3A zoning (3.0 FSR). This property comprises $\pm 6,480$ square feet and is situated on the northwest corner of Granville Street and West 14th Avenue, five blocks south of the subject



The property is currently improved with a two-storey retail building with $\pm 11,070$ square feet of leasable area fully occupied by DECIUM, Lift Furniture & Decor, Kyo Korean BBQ & Sushi House, Le Creuset, and Blo Blow Dry Bar. The property was listed by CBRE for \$14,800,000, and the agent indicated the property had a capitalization rate of 2.76%. The property was later sold by MacDonald Commercial at an indicated capitalization rate of 3.0%. We are unclear of the motivation of the purchaser, though based on the significant holding income, strong South Granville retail location, and higher price per buildable square foot, we anticipate that it was purchased as an investment property with a longer view for redevelopment. Overall, while the subject property has West Broadway exposure and is situated in closer proximity to major transportation routes, the comparable is considered to have a superior retail location and superior holding income warranting consideration.

Comparable D (664 West Broadway) was included in our original appraisal report as Comparable



Eleven. At the time of our original report, we were aware of an offer to purchase which was rejected by the vendor at **s.21(1)**

s.21(1) based on its C-3A zoning (3.0 FSR). Recent discussions with the agent have indicated that the property is currently under contract; however, the details have not been disclosed. An upward adjustment is warranted for the smaller size of the comparable warranting assembly upon redevelopment. While the comparable property is located within a commercial only location along West

Broadway, the office market in Vancouver is currently strong. While the **s.21(1)** offer was rejected, suggesting a below market offer, market conditions have declined over the past few months and the details of the current contract price is unknown. We also note, that agents have indicated that vendor expectations are changing to be more in line with current market conditions. Overall, after consideration of the above, a higher buildable square foot than the **s.21(1)** offer is warranted for the subject.

SUMMARY AND CONCLUSIONS

The original appraisal report provided comparable evidence ranging from \$544 to \$798 buildable square foot, based on existing zoning density. The new comparable evidence ranges from **s.21(1)** to \$720 per buildable square foot, with the lower end of the range far below the previously analyzed comparables. However, we note that the low end of the range is indicated by Comparable A, an inferiorly located, C-2C-zoned development site, and a rejected offer of Comparable B. Excluding Comparable A and the rejected offer, the comparables indicate a narrower range from \$523 to \$720 per buildable square foot.

We note that the lower value range illustrated by the comparables (A and B) are representative of two inferior listings to the subject, though were included to illustrate the declining vendor expectations due to the lack of interest or ability to sell the properties since fall 2018. Comparable B in particular illustrates the difficulties in selling a narrow ±50-foot wide Broadway Corridor lot with minimal holding income which will likely require assembly upon redevelopment. While Comparable C at the upper end of the range illustrates that properties with good holding income are still in demand in the current market and still hold value on a price per buildable basis.

In terms of the subject properties, they provide a 100-foot wide redevelopment site which will not require assembly prior to redevelopment. Further, upon assembly with the adjacent 1451 West Broadway (as discussed in Section 11.0 of our original report), the subjects will comprise a ±150-foot wide redevelopment property, providing good economies upon redevelopment.

In terms of the holding income of the subject properties, our client has indicated that as of July 31, 2019, the only tenant remaining is Omer Deserres Inc. providing a reduction in holding income. However, as per our original terms of reference, we have been instructed by our client to assume the subject sites will be leased to the Broadway Subway Project as laydown space for approximately five years, which will allow for holding income prior to redevelopment. Therefore, the assumption is that there has been no change in holding income from our original appraisal report.

The subject properties have redevelopment potential for both mixed-use commercial/residential as well as for retail/office uses. While the office market is considered strong, the multi-family residential market has continued to soften since our original appraisal in March 2019. Evidence of this is illustrated by recent statistics published by the Real Estate Board of Greater Vancouver (REBGV). In July 2019, the housing price index for all properties in Greater Vancouver was \$995,200, a decrease of 1.6% since March 2019 at \$1,011,200. In terms of apartments, the benchmark price in Greater Vancouver was \$653,200 in July 2019, a decrease of 0.6% from March 2019 at \$656,900. Within the subjects' Vancouver West area, the benchmark price of apartment units in July 2019 was \$752,300, a decrease of 2.2% from March 2019 at \$769,200.

In addition, we have had recent discussions with agents active in the Broadway Corridor. Based on our discussions in the market we believe that the residential and mixed-use development markets have continued to soften since our original appraisal in March 2019, which has been supported by some of the recent comparable sales/listing evidence. Previously our discussions pointed to a decrease from the peak in approximately mid-2018 of about 10% to 25% depending on the site characteristics, location and construction/product type. However, our most recent discussions now suggest a decrease in the range of about 15% to 30% depending on the same factors. Also, our discussions (with support from the latest MLS stats) suggest the residential and mixed-use land markets are still decreasing and have not bottomed.

Further, it is our opinion that the uncertainty around various municipal rental policies have further contributed to the softening in the market. While it is our understanding that there are still deals being negotiated in the marketplace; generally they are taking a longer time to complete, and in a number of cases, are collapsing as the pro-forma numbers become prohibitive during the subject period. Generally speaking, while vendor's expectations appear to be softening, they are still not in line with current market conditions.

Overall, it is our opinion that the market value of the subject properties have declined since our original appraisal date of March 13, 2019. After appropriate adjustments to the comparable sales and after considering REBGV statistics and our discussions with agents active in the marketplace, it is our opinion that the market value of the subject properties 'as is', as of July 15, 2019, is between **\$650.00 and \$700.00 per buildable square foot**, based on the 3.0 FSR under the existing C-3A zoning.

It is therefore our opinion that the estimated "as is" market value of the subject properties, as at the effective date of valuation, July 15, 2019, subject to the underlying Contingent and Limiting Conditions set out herein, is as set out below.

	LOW	MID	HIGH
Site Area (sq.ft.)	11,690	11,690	11,690
Density (C-3A)	3.0	3.0	3.0
Buildable Area (sq.ft.)	35,070	35,070	35,070
Value \$/Buildable Sq.Ft.	\$650.00	\$675.00	\$700.00
Estimated Value	\$22,795,500	\$23,672,250	\$24,549,000
Rounded	\$22,800,000	\$23,670,000	\$24,550,000
Price Per Sq.Ft. Site Area	\$1,950	\$2,025	\$2,100

Further, it is our opinion that the estimated market value of the subject properties assuming assembly with 1451 West Broadway, as of July 15, 2019, would range from **\$675 to \$725 per buildable square foot**, based on the 3.0 FSR under the existing C-3A zoning. It is therefore our opinion that the estimated "hypothetical" market value of the subject properties and 1451 West Broadway, as if assembled, as at the effective date of valuation, July 15, 2019, subject to the underlying Contingent and Limiting Conditions set out herein, is as set on the following page.

	LOW	MID	HIGH
Site Area (sq.ft.)	17,535	17,535	17,535
Density (C-3A)	3.0	3.0	3.0
Buildable Area (sq.ft.)	52,605	52,605	52,605
Value \$/Buildable Sq.Ft.	\$675.00	\$700.00	\$725.00
Estimated Value	\$35,508,375	\$36,823,500	\$38,138,625
Rounded	\$35,510,000	\$36,820,000	\$38,140,000
Price Per Sq.Ft. Site Area	\$2,025	\$2,100	\$2,175

The estimates of market value of the subject assembly are based on an exposure time of three to nine months immediately prior to the date of appraisal. Furthermore, the above value is "hypothetical" as it assumes the subject properties have been assembled with the adjacent property at 1451 West Broadway; however, this has not yet occurred.

This letter of addendum has been prepared in conformance with the Canadian Uniform Standards of Professional Appraisal Practice (Standards). Should you have any questions regarding this letter or the original appraisal report, please contact the undersigned at your convenience.

Our letter of addendum has been prepared for the exclusive use of the City of Vancouver and is considered to be of a confidential nature. Anyone else using the letter of addendum or original report is considered an unintended user.

Yours truly,

CWPC Property Consultants Ltd.

DRAFT

Per: Megan J. McFarlane
B.Comm., AACI, P. App.

Reagan Stinson
B.Com (hons), AACI, P. App, MBA

CERTIFICATION

August 27, 2019

**RE: Letter of Addendum to the Appraisal of a Potential Mixed-Use Redevelopment Site
Located at 1431 & 1441 West Broadway, Vancouver, BC**

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this addenda letter are true and correct;
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal impartial, and unbiased professional analyses, opinions, and conclusions;
3. We have no present or prospective interest in the subject properties or adjacent property at 1451 West Broadway and no personal interest with respect to the parties involved;
4. We have no bias with respect to the property that is the subject of this addenda letter or to the parties involved with this assignment;
5. Our 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;
6. Our analyses, opinions, and conclusions were developed, and this addenda letter has been prepared in conformity with the Canadian Uniform Standards;
7. We have the knowledge and experience to complete the assignment competently;
8. As of the date of this report the undersigned has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for designated members and candidate members;
9. Reagan Stinson, B.Com (hons), AACI, P. App, MBA, inspected the subject properties from the surrounding streets on July 15, 2019 and March 22, 2019 and Megan McFarlane, B.Comm, AACI, P.App, inspected the subject properties from the surrounding streets on March 13, 2019;
10. Based upon the data, analyses and conclusions contained herein, the market value of the subject properties, as at July 15, 2019, subject to the assumptions and limiting conditions contained herein, is estimated at between \$22,800,000 and \$24,550,000; and
11. Based upon the data, analyses and conclusions contained herein, the "hypothetical" market value of the subject properties and 1451 West Broadway, as if assembled, as at July 15, 2019, subject to the assumptions and limiting conditions contained herein, is estimated at between \$35,510,000 and \$38,140,000.

Respectively submitted,
CWPC Property Consultants Ltd.

DRAFT

Per: Megan J. McFarlane
B.Comm., AACI, P. App.

Reagan Stinson
B.Com (hons), AACI, P. App, MBA

SALE CONTRACT

Effective Date: August 30, 2019

Parties: City of Vancouver and 1489 West Broadway Nominee Corp, Inc. No. BC0780795

Consideration: In return for the Deposit and the Buyer's agreements, the receipt and sufficiency of which the Seller acknowledges, and in return for the Seller's agreements, the receipt and sufficiency of which the Buyer acknowledges, the Seller and Buyer agree to be bound by the terms and conditions of this Contract.

Contract terms and conditions: The Seller and Buyer represent and agree that:

SECTION 1 INTERPRETATION

1.1 Definitions. In this Contract:

- 1.1.1 "Additional Land" means that certain land in Vancouver, British Columbia described as Parcel Identifiers: 015-201-171, 015-201-180 and 015-201-210, that being Lots 11, West ½ of Lot 12, and East ½ of Lot 12, all except Parts in Plan 4379, Block 331, District Lot 526, Plan 590, and having a civic address of 1465 West Broadway, Vancouver, BC;
- 1.1.2 "Application to Deposit" mean the Land Title Office forms Application to Deposit for the Consolidation Plan;
- 1.1.3 "Approving Officer" means the person appointed to approve subdivisions within the City of Vancouver;
- 1.1.4 "Buyer" means 1489 West Broadway Nominee Corp, Inc. No. BC0780795;
- 1.1.5 "Buyer's Land" means certain land in Vancouver, British Columbia described as Parcel Identifiers: 015-201-121, 015-201-139, 015-201-147 & 015-201-155, that being Lots 6, 7, 8 & 9, Block 331, District Lot 526, Plan 590 and PID 015-201-163, that being Lot 10, Except Part in Explanatory Plan 10757, Block 331, District Lot 526, Plan 590, and having a civic address of 1489 West Broadway, Vancouver, BC.;
- 1.1.6 "Buyer's Representatives" mean the firm of lawyers or notaries public the Buyer appoints to represent it in the purchase of the Lane;
- 1.1.7 "City's Legal Director" means the Director of Legal Services for the City of Vancouver;
- 1.1.8 "Closing Date" means 14 calendar days after the latest of that date upon which the Seller notifies the Buyer that:
 - (i) the Consolidation Plan has been approved;
 - (ii) the Seller's Council approves this transaction; and
 - (iii) the Seller's Council approves the stopping of and closing of the Lane,

or such earlier date as may be agreed to by the Buyer and Seller in writing, or, if the LTO is not open on the applicable day, the first following day that the LTO is open for business but in no event will the Closing Date be later than **March 26, 2020**, subject to the Buyer's right to extend the Closing Date in accordance with Section 6.3;

- 1.1.9 "Consolidation Plan" means a subdivision plan prepared by a British Columbia Land Surveyor that consolidates the Lane with the Buyer's Land and the Additional Land to create one legal parcel and dedicates the north 0.610 meter portion of the Additional Land to the City for lane purposes, and that is in a form acceptable for deposit in the LTO upon approval by the Approving Officer;
- 1.1.10 "Contaminants" mean any deleterious, dangerous, hazardous, corrosive, or toxic substances, pollutants, goods, waste or contaminated material, including underground storage tanks, urea formaldehyde insulation, asbestos and PCB transformers, the manufacture, storage, handling, treatment, generation, use, or transport, or release, disposal or discharge into the Environment of which is controlled, regulated, licensed, or prohibited by any Environmental Laws, or which are or may be deleterious, dangerous, or hazardous to human, animal or plant health or life or the Environment;
- 1.1.11 "Contract" means this document and attached schedules;
- 1.1.12 "Deposit" means \$193,000 in accordance with Section 2.3 of this Sale Contract;
- 1.1.13 "Effective Date" means the date set out at the start of this Contract;
- 1.1.14 "Environment" means land including soil, sediment deposited on land, fill and land submerged under water, air including all layers of the atmosphere, and water including oceans, lakes, rivers, streams, ground water, and surface water;
- 1.1.15 "Environmental Laws" mean all laws, statutes, regulations, rules, bylaws, orders, directives, standards, guidelines, and other lawful requirements of any government body including the Environmental Management Act of British Columbia and its regulations, and all principles of common law and equity concerning the quality of the Environment, that apply to the Lane and its surrounding Environment;
- 1.1.16 "GST" means any value-added taxes levied under the *Excise Tax Act* (Canada), including the goods and services tax or the harmonized sales tax, as each may be in effect from time to time;
- 1.1.17 "including" means "including, without limitation";
- 1.1.18 "Lane" means that portion of lane adjacent to the Buyer's Land consisting of 2,340 square feet more or less as shown in bold on Schedule "A" attached hereto;

- 1.1.19 “LTO” means the New Westminster Land Title Office;
- 1.1.20 “Permitted Charges” mean reservations, exceptions, conditions, restrictions, and provisos contained in any Crown grant or Crown disposition of the Lane, unregistered rights of way, easements, or restrictive covenants in favour of government bodies or public utilities;
- 1.1.21 “Person” means any legal entity including any individual, firm, corporation, or government body;
- 1.1.22 “Purchase Price” means \$3,795,000 exclusive of GST, provincial sales tax, property transfer tax, or other like charges, which for clarity is based upon a post-dedication area of the Lane being 2,300 square feet multiplied by 3 FSR;
- 1.1.23 “Reference Plan” means a reference plan prepared, at the cost of the Buyer, by a British Columbia Land Surveyor, in form and substance satisfactory to the City Engineer and the City’s Legal Director for registration at the LTO, to accompany a resolution of the Seller’s Council closing and stopping up (and required to raise title to) the Lane;
- 1.1.24 “Road Closure Fee” means \$10,460.00, plus applicable taxes, as per the Miscellaneous Fees By-Law and in accordance with Section 2.4 of this Sale Contract;
- 1.1.25 “Seller” means the City of Vancouver;
- 1.1.26 “Temporary SRW” has the meaning set out in section 5.3; and
- 1.1.27 “Transfer” means the Form A transfer of estate in fee simple conveying the Lane from the Seller to the Buyer;
- 1.1.28 “Turning SRW” has the meaning set out in section 5.3
- 1.2 **Interpretation.** The following provisions will apply to this Contract:
- 1.2.1 sections and headings are for convenient reference, and are not to affect the meanings of provisions, and use of the singular or masculine includes the plural, feminine, or body corporate, and vice versa;
- 1.2.2 if a court of competent jurisdiction finds any provision invalid, illegal, or unenforceable, and severs it from this Contract, the remaining provisions are to remain in force and effect;
- 1.2.3 the Seller and Buyer will interpret the language of this Contract simply, fairly, and not strictly for or against either of them;
- 1.2.4 time will be of the essence, and if the Buyer or Seller expressly or impliedly waives that requirement, the Buyer or Seller may reinstate it by delivering notice to the other;

- 1.2.5 this Contract represents the entire agreement between the Buyer and Seller regarding the matters set out in it, and supersedes all prior agreements, understandings, letters of intent, negotiations, or discussion about those matters, and no amendment is to have any force or effect unless the Buyer and Seller have signed it;
- 1.2.6 references to statutes and bylaws are to them as they exist on the Effective Date, and to later amendments or replacements of them; and
- 1.2.7 if there is more than one Buyer, the Buyer's representations and agreements will be joint and several.

SECTION 2 SALE AND PURCHASE

- 2.1 **Sale and purchase.** The Seller will sell the Lane to the Buyer free from all liens, charges, or encumbrances except for Permitted Charges, and the Buyer will purchase the Lane from the Seller, subject to the terms and conditions of this Contract.
- 2.2 **Purchase price.** The Buyer will pay the Purchase Price to the Seller for the Lane.
- 2.3 **Deposit.** The Buyer shall provide the Deposit to the Seller within ten (10) business days after the Buyer's acceptance of the Sale Contract. The Seller acknowledges the receipt and sufficiency from the Buyer of the Deposit on account of the Purchase Price. If the transaction completes, the Deposit will be a credit against the Purchase Price. If the transaction does not complete because the Seller defaults in complying with the Seller's obligations under this Contract, the Seller does not waive any unfulfilled condition under section 4.1, or the Buyer does not waive any unfulfilled condition under section 4.2, the Seller will return the Deposit to the Buyer on demand. If the transaction does not complete because the Buyer defaults in complying with the Buyer's obligations under this Contract, the Seller may retain the Deposit on account of damages and not as a penalty and without prejudice to the Seller's other rights or remedies under this Contract or at law or equity.
- 2.4 **Road Closure Fee.** The Buyer shall provide the Road Closure Fee to the Seller within ten (10) business days after the Buyer's acceptance of this Sale Contract. In the event the sale of the Lane does not complete in accordance with the term and conditions of this Sale Contract, the Road Closure Fee shall be retained by the Seller and will not be refunded.
- 2.5 **Closing.** The completion of the sale and purchase of the Lane will occur on the Closing Date.

SECTION 3 REPRESENTATIONS

- 3.1 **Seller's representations.** Regardless of any independent investigations the Buyer may make, the Seller represents to the Buyer, as representations that are true and correct on the Effective Date and will be true and correct on the Closing Date, that:

- 3.1.1 in response to the Buyer's inquiry under section 116 of the *Income Tax Act* (Canada) and under Part IX of the *Excise Tax Act* (Canada), the Seller is a resident of Canada within the meaning of those Acts, and, in the case of the *Excise Tax Act*, the Seller is resident in Canada by reason other than subsection 32(2) which deems a non-resident to be resident in Canada if that non-resident has a permanent establishment in Canada;
- 3.1.2 the Seller is the registered and beneficial owner of the Lane, has good, safeholding, and marketable title to the Lane, free from all liens, charges, or encumbrances, except for Permitted Charges, and has sufficient, power, authority, and capacity to execute and deliver this Contract to the Buyer;
- 3.1.3 by completing the sale of the Lane to the Buyer, the Seller will not be in breach of any statute or bylaw or of any agreement by which the Seller is bound;
- 3.1.4 on the Effective Date, except for Permitted Charges, the Seller will not owe money to any Person which will constitute a lien, charge, encumbrance, or claim against the Lane; and
- 3.1.5 the Seller has no knowledge that any government body intends to expropriate all or part of the Lane, or that any government body has issued or intends to issue any order or notice regarding the Lane.

3.2 No other representations. The Seller is not giving to the Buyer, and the Buyer is not requiring from the Seller, any express or implied representation regarding the dimensions or area of the Lane or that, before or after the Effective Date or Closing Date:

- 3.2.1 the Lane and its surrounding Environment complies or does not comply with Environmental Laws;
- 3.2.2 the Lane and its surrounding Environment is or is not free from Contaminants;
- 3.2.3 any Contaminants have or have not been released, spilled, leaked, pumped, poured, emitted, emptied, discharged, dumped or disposed of, or have or have not escaped, leached, or migrated, from the Lane and its surrounding Environment to, on, or under adjacent lands or their surrounding Environment; or
- 3.2.4 the Lane will or will not be environmentally or otherwise suitable for any purpose including occupancy, development, or derivation of revenue.

3.3 Buyer's representations. Regardless of any independent investigations the Seller may make, the Buyer represents to the Seller, as representations that are true and correct on the Effective Date and will be true and correct on the Closing Date, that:

- 3.3.1 if the Buyer is a corporation, it is in good standing under the laws of British Columbia, and it has sufficient power, authority, and capacity to deliver this Contract to the Seller and to buy the Lane from the Seller;

- 3.3.2 the Buyer has no knowledge that any person associated with the Seller has any direct or indirect interest in this sale and purchase; and
- 3.3.3 the Buyer has had or will have prior to the date referred to in section 4.2, full opportunity to make all appropriate inquiries into the previous ownership and uses of the Lane, and to undertake all other investigations consistent with good commercial or customary practice, in order to determine the condition, state of compliance with Environmental Laws, and fitness for purpose of the Lane.

SECTION 4 CONDITIONS

4.1 **Seller's conditions.** Despite anything to the contrary in this Contract, the Seller's obligation to complete the sale of the Lane to the Buyer will be subject to the following conditions being satisfied or waived as follows:

- 4.1.1 on or before December 12, 2019, the Seller's City Council will have approved this transaction and the Purchase Price, and the City's Legal Director and Director of Real Estate Services will have approved the terms and conditions of this Contract;
- 4.1.2 on or before December 12, 2019, the Seller's City Council will have passed a resolution approving the stopping up and closing of the Lane;
- 4.1.3 concurrently with the completion of the purchase of the Lane pursuant to this Contract, the Lane will be consolidated with the Buyer's Land and the Additional Land according to the requirements of this Contract;
- 4.1.4 on or before December 1, 2019 the Buyer will have obtained and provided to the Seller written confirmation from all affected utility owners including BC Hydro, Shaw and Telus that existing utilities within the Lane and at the southwest corner of 1476 W 8th Avenue have been or will be relocated or removed to their satisfaction, at no cost to the Seller, including removal of the H-Frame at the southwest corner of 1476 W 8th Avenue, but in the event that it is determined that this cannot be relocated, registration of a statutory right of way in favour of the City over the north 2 m of the Lane to be closed as well as over the Additional Land as shown hatched on Schedule "A" to facilitate truck turning in the lane on the City's standard terms (the "Turning SRW");
- 4.1.5 on or before the Closing Date, the Province of British Columbia will have provided confirmation to the Seller, satisfactory to the Director of Legal Services and Director of Real Estate Services, that all necessary land use agreements for the Broadway Subway Project (the "Project") have been secured on the Buyer's Land;
- 4.1.6 on or before the Closing Date, the Buyer will make arrangements to the satisfaction of the General Manager of Engineering Services and the Director of Legal Services for abandoning or removing the existing storm and sanitary mains and connections from within the Lane to be closed and installing new manholes on the existing storm and sanitary mains in the laneway north of the

proposed Lane to be closed, including undertaking a review of the existing storm and sanitary sewer systems to ensure sufficient capacity to convey the added flow from the lane and upgrade the sewer main downstream of the site if required. For clarity, any new sewer service connections must be installed in the lane east of Granville Street (For more information contact Dan Dingwall in the Sewer Design Branch at 604-829-4362).

4.2 Effect of Seller's Conditions. The conditions in Section 4.1 are for the Seller's benefit and the Seller may satisfy or waive those conditions in whole or in part at any time on or before the applicable date noted in Section 4.1. If the Seller does not notify the Buyer on or before 5:00 p.m. on the applicable date noted in Section 4.1 that it has satisfied or waived the applicable condition in Section 4.1, then the Buyer and Seller will be deemed to have terminated this Contract, and it will have no further force or effect except that the Seller will return the Deposit to the Buyer.

4.3 Buyer's conditions. Despite anything to the contrary in this Contract, the Buyer's obligation to complete the purchase of the Lane from the Seller will be subject to the following conditions:

4.3.1 on or before the Closing Date, the Buyer will be the registered owner of the Additional Land;

4.3.2 on or before October 31, 2019, the Buyer will have obtained, at the Buyer's cost, such investigations and reports regarding the Lane and its surrounding Environment as it considers necessary, and that such investigations and reports are satisfactory to the Buyer, in its sole discretion.

4.4 Effect of Buyer's Conditions. The conditions in Section 4.3 are for the Buyer's benefit and the Buyer may satisfy or waive those conditions in whole or in part at any time on or before the applicable date noted in Section 4.3. If the Buyer does not notify the Seller on or before 5:00 p.m. on the applicable date noted in Section 4.3 that it has satisfied or waived the applicable condition in Section 4.3, then the Buyer and Seller will be deemed to have terminated this Contract, and it will have no further force or effect except that the Seller will return the Deposit to the Buyer on demand.

SECTION 5 AGREEMENTS

5.1 Transfer of title. The Seller will transfer good, safeholding, and marketable title to the Lane to the Buyer on the Closing Date according to the requirements of this Contract, provided that the Buyer has obtained approval for the Consolidation Plan from the Approving Officer and City's Legal Director.

5.2 Consolidation Plan, Reference Plan. The Buyer, at the Buyer's cost, will arrange for preparation of the Consolidation Plan and the Reference Plan. At least 30 days prior to the Sellers City Council passing a resolution approving the stopping up and closing of the Lane, the Buyer will submit the Reference Plan and at least 30 days prior to the Closing Date, the Buyer will submit the Consolidation Plan to the City's Legal Director for approval as to compliance with the requirements of this Contract, and will apply to the Seller's Approving

Officer for approval of the Consolidation Plan, and will use best efforts to cause the Approving Officer to approve the Consolidation Plan. The Buyer will be responsible, at the Buyer's cost, for registration of the Consolidation Plan and the Reference Plan at the LTO and for all documents and the LTO fees required to complete this transaction.

5.3 Temporary Statutory Right of Way. The Buyer shall register a temporary statutory right of way agreement in favour of the City over the Lane to be closed for public utility purposes and for temporary public access until the project construction commences (the "Temporary SRW") on the City's standard terms, to be discharged once all utilities affected by the Lane closure have been abandoned, relocated or otherwise protected, as necessary, and any associated lane or street construction works have been completed to the satisfaction of the General Manager of Engineering Services. The Buyer agrees to execute the Temporary SRW on terms and conditions satisfactory to the City's Legal Director and the City Engineer to be registered at the LTO on the Closing Date in accordance with section 6.2 in priority to all financial encumbrances registered or to be registered against the land shown in the Consolidation Plan.

5.4 Turning Statutory Right of Way. Should it be required under Section 4.1.4 of this agreement, the Buyer shall register a statutory right of way agreement in favour of the City over the north 2 m of the Lane to be closed as well as over part of the Additional Land as shown in dotted outline on Schedule "A" to facilitate truck turning in the lane on the City's standard terms (the "Turning SRW"). The Buyer agrees to execute the Turning SRW on terms and conditions satisfactory to the City's Legal Director and the City Engineer to be registered at the LTO on the Closing Date in accordance with section 6.2 in priority to all financial encumbrances registered or to be registered against the land shown in the Consolidation Plan.

5.5 Encumbrances. The Buyer will conduct a complete review of all charges registered against title to the Buyer's Land in favour of the City and will prepare any extensions, modifications and/or releases required as a result of this transaction and will submit each document to the City's Legal Director for review at least thirty (30) days prior to the Closing Date.

5.6 Property Condition Disclosure Statement. The Seller will have no obligation to deliver to the Buyer any disclosure statements regarding the condition of the Lane or a site profile pursuant to the *Environmental Management Act* of British Columbia.

5.7 Investigation. The Buyer, and its employees, agents, and contractors, may enter the Lane at any time before the Closing Date to carry out, at its cost, such inspections, investigations, tests, and surveys as it considers necessary or desirable. The Buyer will restore the surface of the Lane, and repair any damage it causes in doing so.

5.8 Condition of Lane and Environmental Responsibility. The Buyer will:

5.8.1 buy the Lane from the Seller "as is, where is";

5.8.2 not rely on any environmental reports or investigations from or supplied by the Seller, and will conduct its own investigations and satisfy itself, at its cost, regarding the matters set out in subsections 5.9.1 to 5.9.4;

5.8.3 waive any requirement for the Seller to provide to the Buyer a site profile for the Lane under the *Environmental Management Act* of British Columbia or any regulation pursuant to that Act; and

5.8.4 assume full responsibility for the matters set out in subsections 5.9.1 to 5.9.3 and for any remediation of the Lane required under any Environmental Laws.

5.9 Indemnity. The Buyer, from and after the Closing Date, will release the Seller, and will also indemnify the Seller and save it harmless from all liabilities, suits, actions, obligations, statutory or other proceedings, judgements, investigations, demands, claims, losses, damages, consequential damages, remediation cost recovery claims, remediation costs, fines, penalties, expenses, and legal costs on a solicitor-client basis, which the Seller may suffer or incur, arising out of or in connection with anything concerning Contaminants or Environmental Laws including:

5.9.1 the non-compliance of the Lane or its surrounding Environment with any Environmental Laws;

5.9.2 any investigation or claim of such non-compliance by any Person;

5.9.3 the presence within the Lane or its surrounding Environment of Contaminants; or

5.9.4 the leaching, escaping, or migrating of Contaminants from the Lane or its surrounding Environment to other lands or their surrounding Environment;

5.9.5 whether or not any such event, happening, or condition arose or arises before or after the Effective Date or Closing Date, and whether or not caused in whole or in part or directly or indirectly by the Seller or its officers, employees, agents, or contractors.

5.10 Risk. The Lane will be at the risk of the Seller until the date and time of submission of the Transfer for registration in the LTO, and, after that, will be at the risk of the Buyer.

5.11 Possession. The Buyer will have the right to vacant possession of the Lane, subject to Permitted Charges, on the Closing Date after payment of the Purchase Price.

5.12 Utilities and services. If, before or within eighteen (18) months of the Closing Date, the Seller learns of the existence of any pipes, wires, or other utilities or services below, on, or above the Lane surface that are then in use or that the Seller or any other public authority or utility wishes to use, the Buyer, promptly on request by the Seller, will execute and deliver to the Seller, in form acceptable for registration in the LTO, a statutory right of way satisfactory to the Seller and such instruments of priority for that statutory right of way over other registered charges as the Seller may reasonably require.

5.13 Adjustments. The Seller and Buyer will adjust all items customarily the subject of adjustment in the sale and purchase of property similar to the Lane at the Closing Date.

5.14 Costs, fees, and taxes. The Buyer will pay any land title transfer fees and LTO application and registration fees. If the Buyer is a GST registrant and delivers to the Seller,

prior to the Closing Date, its GST registration number and such certificate as the Seller may require, the Buyer will remit directly to the Receiver General of Canada any GST payable by the Buyer on the purchase of the Lane, promptly after the Closing Date, and will confirm to the Seller that it has done so. If the Buyer is not a GST registrant, the Buyer will pay to the Seller, on the Closing Date, along with the adjusted Purchase Price, any GST payable by the Buyer on the purchase of the Lane. The Buyer and Seller will each pay their own legal costs. The Buyer and Seller will pay such costs, fees, and taxes when due.

5.15 Commissions. The Seller will pay when due all fees and commissions of real estate brokers, real estate agents, and other like Persons with whom the Seller contracted to pay such fees and commissions in connection with the sale of the Lane.

SECTION 6 CLOSING

6.1 Documents. Before the Closing Date:

- 6.1.1 the Buyer will cause the Buyer's Representatives to prepare the Transfer, statements of adjustments, the Application to Deposit, the Temporary SRW, the Turning SRW (if required) and other conveyance documents required pursuant to this Contract, and to deliver them to the City's Legal Director along with any other documents or evidence the Seller requires from the Buyer under this Contract; and
- 6.1.2 the Seller will sign the documents, and cause the City's Legal Director to return them to the Buyer's Representatives along with a certified resolution of the Seller's City Council approving the stopping up and closing of the Lane and the transfer of the Lane to the Buyer for consolidation with the Buyer's Land and the Additional Land.

6.2 Closing. The Buyer will:

- 6.2.1 on the Closing Date, provide the Buyer's Representatives with the adjusted Purchase Price and other money necessary to complete the transaction;
- 6.2.2 on the Closing Date, cause the Buyer's Representatives to submit the certified resolution, the Reference Plan, the Transfer, the Application to Deposit, the Consolidation Plan, the Temporary SRW, the Turning SRW (if required) and any other documents required to effect the objectives of this Contract (the "Registration Documents") for registration as a single package so that the LTO will accept or reject all the documents, supporting applications and to give to the City's Legal Director such undertakings as the City's Legal Director may require regarding submission for registration of the Consolidation Plan and the documents referred to herein;
- 6.2.3 cause the Buyer's Representatives, promptly after the LTO accepts the Registration Documents for registration and notes up the registration particulars for the Registration Documents, to conduct a post-application index search of the Lane, and, if the search indicates that good, safeholding, and marketable title to the Lane, except for Permitted Charges, will vest in the

Buyer in the normal course of the LTO's routine registration process, to pay the adjusted Purchase Price promptly to the Seller by notifying the City's Legal Director that the adjusted Purchase Price is available for pick up; and

- 6.2.4 if it is unable to comply, or to cause the Buyer's Representatives to comply, with such registration and payment requirements, other than by reason of default by the Seller, to cause the Buyer's Representatives to return the Transfer and the Application to Deposit to the City's Legal Director or, if the Buyer's Representatives have then submitted the Transfer for registration, to apply immediately to withdraw the Transfer from the LTO and, upon receipt, to return it to the City's Legal Director.

The Seller and Buyer instruct the City's Legal Director and Buyer's Representatives respectively to otherwise conduct the closing according to the customary practices of reputable lawyers having experience in such matters, except that the Buyer's Representatives will not require the City's Legal Director to provide any undertaking.

6.3 **Purchaser's Right to Extend Closing Date.** Notwithstanding anything to the contrary herein, in the event that the Buyer is unable to complete the purchase of the Additional Land prior to March 26, 2020, the Buyer shall have the right to extend the Closing Date from time to time for a period of up to ninety (90) days in total. The Buyer shall notify the Seller at least two (2) business days prior to the Closing Date (or the then extended Closing Date, as the case may be), which notice shall state a new Closing Date chosen by the Buyer. In the event of any extension under this Section 6.3, any reference to "Closing Date" herein, shall be deemed to mean the Closing Date as extended hereunder.

6.4 **Tender.** The Buyer may tender documents or money upon the Seller or the City's Legal Director, and the Seller may tender documents on the Buyer or the Buyer's Representatives.

6.5 **Payments.** The Buyer will, or will cause the Buyer's Representatives to, pay all money owing to the Seller under this Contract including the Deposit by Solicitor's trust cheque, wire transfer or bank draft drawn on a Canadian chartered bank or on a trust company or credit union acceptable to the Seller.

SECTION 7 GENERAL PROVISIONS

7.1 **Survival.** All representations, agreements, and indemnities in this Contract will survive closing, registration of the Transfer, and payment of the adjusted Purchase Price.

7.2 **Assignment.** The Buyer will not assign all or any of its rights or obligations under this Contract unless the Seller gives its prior written consent. Notwithstanding the foregoing, the Seller acknowledges that from and after closing the Buyer will hold registered title as nominee for and on behalf of Broadway and Eighth Limited Partnership and PCI Broadway Eight Developments Inc. (together, the "Beneficial Owners"). The Seller agrees that it will transfer its beneficial interest in the Property to the Beneficial Owners on closing.

7.3 **Notice.** Any notice, approval, consent, request, confirmation, or demand required or permitted under this Contract must be in writing, and the sender must deliver it by prepaid registered mail from any post office in British Columbia, by fax or by personal service addressed to the Seller as follows:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia V5Y 1V4
Fax: (604) 873-7064
Attention: Director of Real Estate Services

with a copy to:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia V5Y 1V4
Fax: (604) 873-7445

Attention: Director of Legal Services

or to the Buyer as follows:

PCI Developments
Suite 300 - 1030 West Georgia Street
Vancouver, BC
V6E 2Y3

Ph: 604-331-5271
Email: nshuttleworth@pci-group.com

Attention: Mr. Nathan Shuttleworth, Development Manager

with a copy to:

Koffman Kalef LLP
885 W Georgia St.,
Vancouver, British Columbia V6C 3H4
Fax: (604) 891-3788

Attention: Patrick Julian

or to such other address or fax number in the Province of British Columbia of which either party may notify the other according to the requirements of this section 7.2. Service will be deemed complete, if made by registered mail 72 hours after the date and hour of mailing; if made by faxed transmission on the first business day after the date of transmission; and if made by personal service upon the effecting of such service.

7.4 **Effect of Contract.** This Contract will ensure to the benefit of and bind the Seller and Buyer and their respective heirs, executors, administrators, successors, and permitted assigns.

7.5 **Acceptance.** This Contract is open for acceptance by the Seller until 5:00pm PST on September 20, 2019, after which date, if not accepted, shall become null and void.

[Signature Page Follows]

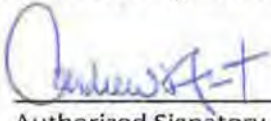
TO EVIDENCE THIS CONTRACT the Seller and Buyer have signed it as of the Effective Date.

City of Vancouver by
its authorized signatory:

per: 
Authorized Signatory

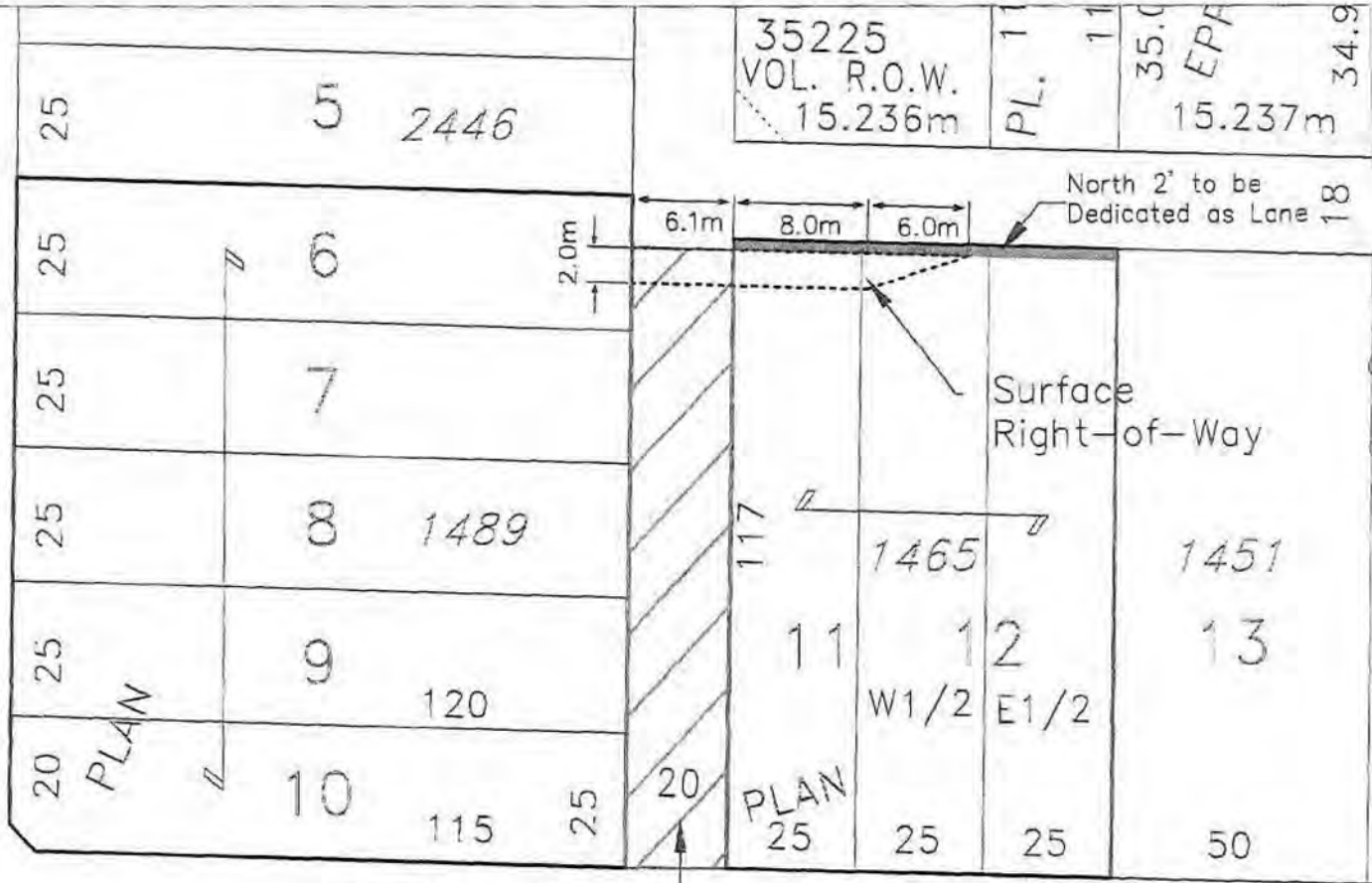
ANDREW NEWMAN
Real Estate Services

1489 West Broadway Nominee Corp.,
by its authorized signatories:

per: 
Authorized Signatory

per: _____
Authorized Signatory

GRANVILLE ST



Portion of Lane to be Closed

W BROADWAY

SCHEDULE A

ATTACH PLAN SHOWING LANE.

<p>CITY OF VANCOUVER ENGINEERING SERVICES</p> <p><small>THE CITY OF VANCOUVER ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF INFORMATION SHOWN ON THIS MAP</small></p>		SCALE		DATE	1465, 1489 W Broadway THIS DIGITAL MAP WAS PRODUCED BY THE LAND SURVEY BRANCH
		N.T.S.		Feb 28, 2019	