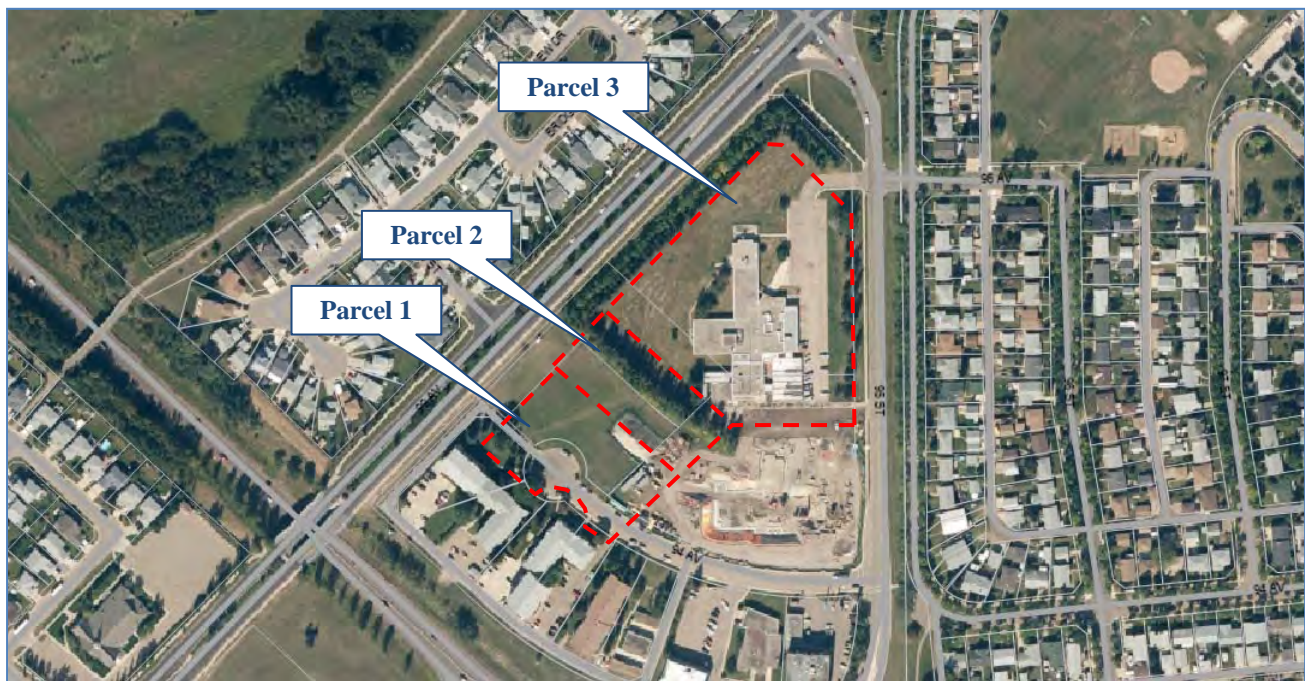


REAL ESTATE APPRAISAL

of

The 'Old Health Centre Site' in Fort Saskatchewan, AB
Located in the vicinity of 99th Avenue and 95th Street
(consisting of three parcels of vacant land)



Report prepared for:

City of Fort Saskatchewan
10005 – 102 Street
Fort Saskatchewan, AB T8L 2C5
Attention: Mr. Mike Erickson, Economic Development Officer

By:

Pat A. Woodlock, BMgt, AACI, P.App
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September 8, 2015

City of Fort Saskatchewan
10005 – 102 Street
Fort Saskatchewan, AB
T8L 2C5

Attention: Mr. Mike Erickson, Economic Development Officer

Dear Mr. Erickson:

Re: Real estate appraisal of three parcels of vacant land located at the Old Health Care Centre Site, in the vicinity of 99th Avenue and 95th Street, in the City of Fort Saskatchewan, AB. Legal descriptions are defined below.

Pursuant to your instructions, we have appraised the above referenced properties with the objective of determining their current market value. Based on our research and analysis, it is our opinion that the market value of the fee simple interest in the subject properties as of September 2, 2015 may be fairly stated as:

Final Values				
Parcel	Short Legal Description	Size	Value	Unit Value
1	Part of Lot 8/22/6180NY; Lot R1/22/3610RS (en bloc)	1.55 acres	\$1,125,000	\$725,000/acre
2	Lot 18, Block 11, Plan 1523644	1.24 acres	\$900,000	\$725,000/acre
3	Lot 17, Block 11, Plan 1523644	4.47 acres	\$2,905,000	\$650,000/acre

The enclosed narrative appraisal report was prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada. It contains data and analyses which, to the best of our knowledge and ability, are correct. Please review it for accuracy and completeness, and advise our office of any errors or omissions found.

The appraisal report is to be used only for the specific purpose stated in the report, and no person may rely on the report for any other purpose. You may show the report in its entirety to those third parties who have a need to review the information it contains.

Thank you for this opportunity to be of service.

Yours respectfully,

HARRISONBOWKER REAL ESTATE APPRAISERS LTD.



Pat A. Woodlock, BMgt, AACI, P.App
Appraiser

enclosure: Appraisal Report

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EXECUTIVE SUMMARY

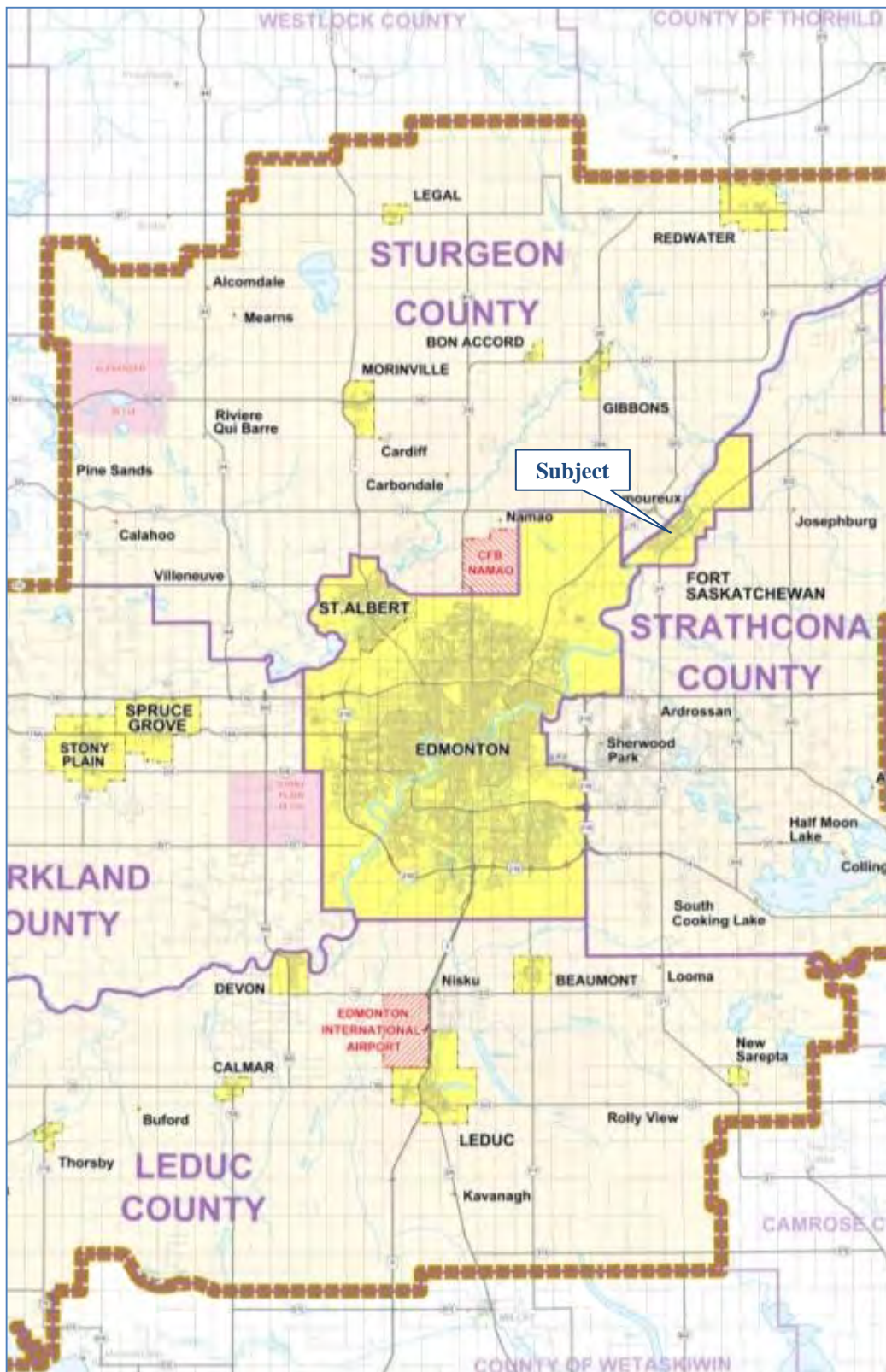
The subject of this appraisal is comprised of three contiguous parcels of vacant land at the Old Health Care Centre Site in the City of Fort Saskatchewan. This is a mature area, primarily characterized by mixed-density residential development, with some commercial development also in place. The DC-zoning of the property suggests mid to high density development would be appropriate. There is continued demand for higher density sites in the Edmonton CMA, recognizing the peripheral area and slower market. This has been reflected in the valuation.

The land valuation was completed without undue difficulty, recognizing that the property is not conventionally zoned and potential use and density factors are not completely defined. The Direct Comparison approach was applied for the valuation, based on ten primary Value Indicators, good secondary support, and extensive research and analysis into all sales within this market since 2010. The results are deemed adequately supported.

- Client:** City of Fort Saskatchewan.
- Property Description:** Portions of the 'Old Health Centre Site' lands, comprised of three parcels of bare redevelopment land in established Fort Saskatchewan
- Municipal Address:** Not yet assigned. Located in the vicinity of 99 Avenue and 95 Street.
- Legal Description:** Parcel 1: Part of Lot 8/22/6180NY; Lot R1/22/3610RS (en bloc)
Parcel 2: Lot 18, Block 11, Plan 1523644
Parcel 3: Lot 17, Block 11, Plan 1523644
- Purpose and Use:** Internal corporate purposes.
- Interests Appraised:** Fee simple estate.
- Effective Date:** September 2, 2015.
- Property Owner:** The City of Fort Saskatchewan.
- Improvements:** None of value.
- Site Area:** Parcel 1: 1.55 acres (0.627 ha)
Parcel 2: 1.24 acres (0.503 ha)
Parcel 3: 4.47 acres (1.809 ha)
- Zoning:** DC – Direct Control District.
- Property Use:** Vacant land.
- Highest and Best Use:** Development consistent with market forces and City approvals. An imminent to short term development horizon is market supported.
- Key Factors in Value:** **Pros:** (1) Well-located in an established area of Fort Saskatchewan. (2) Good access to arterial routes. (3) Servicing is reported to be available for full development of the site. (4) Longer term economic prospects for the Edmonton CMA are good.
Cons: (1) The parcels are subject to vague Land Use Controls, increasing perceived risk. (2) Fort Saskatchewan's economic development is strongly tied to petrochemical and industrial developments, the dynamics of which are constantly changing. (3) Uncertain macro market conditions have been underscored by the recent drop in world oil prices

Final Values				
Parcel	Short Legal Description	Size	Value	Unit Value
1	Part of Lot 8/22/6180NY; Lot R1/22/3610RS (en bloc)	1.55 acres	\$1,125,000	\$725,000/acre
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MAPS



Edmonton CMA Map: The subject property is located in the City of Fort Saskatchewan, which is located in the NE quadrant of the Edmonton CMA. Access to major transportation routes and the rest of the CMA is good.

PHOTOGRAPHS



Aerial Photos (Google maps above circa 2015, Fort Saskatchewan Webmap below circa 2013): Depicting subject site in the context of the Fort Saskatchewan (above) and immediate surroundings (below). Hospital has been demolished since photo.

PHOTOGRAPHS



Facing south into Parcel 3 from near to the north corner of the site. This property was previously improved with a hospital that has been recently demolished. The 2-storey building in the background is a new 90-unit senior's lodge known as Dr. Turner's Lodge. Parcels 1 and 2 extend beyond the south boundary of Parcel 3.



Facing towards the subject land from the north corner of Parcel 3 at the intersection of 99 Avenue and 95 Street. 99 Avenue (depicted) is a 4-lane arterial roadway. Access will not be possible from this roadway.

PHOTOGRAPHS



Facing into Parcel 3 from east-adjacent 95 Street, which provides access to Parcel 3.



Facing into Parcel 1 from south-adjacent 94 Avenue, which will provide access. Access to Parcel 2 will be through Parcel 1 by way of Registered Easement.

PHOTOGRAPHS



Facing Dr. Turner Lodge along 94th Avenue. This is a high quality development that benefits the area and should fit well into plans for the surrounding areas.



Street scene along 95 Street. This is a collector/arterial that junctions with 94 Avenue, which in turn will provide access to Parcel 1. Parcel 2 is accessed through Parcel 1. Parcel 3 will have direct access to 95 Street.

THE SUBJECT PROPERTY

The subject of this appraisal contains three vacant land parcel that comprise a re-development site located in the City of Fort Saskatchewan, AB. The civic address of the properties have not yet been assigned. The area is known as the 'Old Health Centre Site'.

Our client for this engagement is Mr. Mike Erickson, Economic Development Officer, City of Fort Saskatchewan. Fort Saskatchewan is the owner of the subject property.

PURPOSE AND USE OF THE APPRAISAL

The purpose of the appraisal is to estimate the current market value of the subject properties as of the effective date of the appraisal, September 26, 2104. The valuation is to be used for internal corporate purposes and possibly to assist in determining a reasonable disposition price for the properties.

No person other than our identified clients and intended users may rely upon this report for any purpose, including lending, without first obtaining written authorization (Transmittal Letter) from the appraiser. Without written permission, the appraiser shall not be held liable for any loss or damage that may occur to any person other than our clients by reason of their reliance on this report. The appraiser expressly disclaims legal liability for any un-authorized use of the report.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of an *estate in fee simple*, which has been defined in Canada as being:

An estate of absolute ownership unencumbered by any other interest or estate, subject only to the limitations by the four powers of government: taxation, expropriation, police power, and escheat.

(Source: The Appraisal of Real Estate, Third Canadian Edition 2010)

A *fee simple* interest represents the most complete form of land ownership. The real property appraised includes the land and any permanent improvements thereon. Specifically excluded items include trade fixtures, inventory items, chattels and personal property.

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the Assumptions and Limiting Conditions detailed in Annex A to the report, and any others as may be stated in the body of the report.

Extraordinary Assumptions, Hypothetical Conditions, Extraordinary Limiting Conditions

The CUSPAP defines an Extraordinary Assumption as 'an assumption, directly related to a specific assignment, which, if found false, could alter the appraiser's opinions or conclusions.'¹ The definition is further expanded by the application of the term Hypothetical Condition, which is defined as 'that which is contrary to what exists, but is supposed for the purpose of analysis'.² An Extraordinary Limiting Condition refers to a 'necessary

¹ CUSPAP Sec. 2.25.

² CUSPAP Sec. 2.31.

modification or exclusion of a Standard Rule ... (that) ... may diminish the reliability of the report'.³

Extraordinary Assumption: It has been assumed that the existing services in the area, including municipal water supply, sanitary sewer, and storm sewer will be sufficient for the re-development the subject lands in the capacity described within the report. City officials indicated that adequate services are probable, and that significant off-site costs would not be anticipated.

Extraordinary Assumption: 'Off-site Levies', which can be assigned to developers to upgrade off-site infrastructure can have a significant impact on the value of a development parcel. As per instructions from our client, we have assumed that there will be no additional costs that will accrue to the subject lands associated with the required upgrading and improvement of infrastructure on adjacent lands.

Extraordinary Assumption: It is assumed that the subject site will have 100% Gross Developable Acreage ('GDA'). It is noted that in previous planning documents, a 30% park dedication was referred to. If the site is not 100% developable, the value would be impaired and the appraised value would require adjustment.

This report is not subject to any other Extraordinary Assumptions, Hypothetical Conditions, or Extraordinary Limiting Conditions.

DEFINITION OF MARKET VALUE

Market value is defined by the Appraisal Institute of Canada as being:

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 the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

(Source: CUSPAP, effective April 1, 2014)

The final value estimate stated in this report is expressed in terms of Canadian dollars cash.

Exposure Time is a function of the market value definition. Exposure time refers to the estimated length of time the property 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. This is a retrospective estimate based upon an analysis of past events assuming a competitive and open market, and should not be confused with marketing time, which is a forecast of the future. The valuation is premised on a market exposure as detailed in the Analysis and Conclusions section of this report.

EFFECTIVE DATE OF THE APPRAISAL

The effective date of the appraisal is September 2, 2015, the date the property was physically inspected. The date of the report is September 8, 2015.

SCOPE OF THE APPRAISAL

The scope of the appraisal encompasses the research and analyses required to prepare the report in accordance with the CUSPAP of the Appraisal Institute of Canada. This entailed the following steps:

³ CUSPAP Sec. 2.26.

1. **Inspection:** The subject site was physically inspected on September 2, 2015 by the appraiser Pat Woodlock of HarrisonBowker Real Estate Appraisers Ltd. The purpose of the inspection was to view the functional and physical state of the property. The appraiser previously valued the property as of April 11, 2012 and September 24, 2014 in conjunction with a varied set of terms of reference.
2. **Type of Report:** This narrative appraisal report was researched and developed in compliance with the CUSPAP. We are qualified and competent to perform this type of appraisal assignment and have appraised a number of similar properties.
3. **Legal Descriptions and Related Matters:** Information to verify and confirm ownership of the property, any restrictions to Title, applicable land use regulations, and tax information was obtained from public records and other reliable sources.
4. **Market and Sales Analysis:** Regional and local market information was obtained from various reliable third party sources including: the offices of the municipality, the Realtors Association of Edmonton's Multiple Listing Service (MLS), the North-Central Real Estate Board, Government of Alberta Land Titles, the Network, Anderson Data On-Line, local property owners, developers, Realtors, and our own files. Due diligence regarding select sales and/or listings was conducted by the appraiser, which may have included site inspections; interviews with Realtors, parties to the transfer, and other knowledgeable individuals; as well as the analysis of Registered Documents, MLS records, and/or other pertinent data.
5. **Technical Investigations:** We did not complete technical site investigations of the property, such as: an environmental review or audit, or investigations into the composition and bearing qualities of the soils on the site. In the absence of information to the contrary, and subject to the environmental related assumptions stated in the report, we have assumed there are no related issues that might influence value.
6. **Property Description:** Information relating to the size, dimensions, and physical characteristics of the subject property was initially obtained by reference to the Legal Plan, aerial photographs, topographical maps, etc. No Real Property Report for the subject property was provided. In its absence, it is assumed that there are no offending easements or encroachments.
7. **Land Valuation:** In developing the bare land value of the property the Direct Comparison Approach was the primary valuation method. All pertinent sales and listings of vacant and deemed comparable lands in subject area and comparable neighbourhoods over the last three years were researched.
8. **Cost Approach to Value:** Since the subject property is vacant land, the Cost Approach was not used to value the property.
9. **Income Approach to Value:** The Income Approach can be used to capitalize net rental income to an indication of value. This type of analysis is not typically completed by the market for vacant lots. As such, the Income Approach was not used for the purpose of this valuation.
10. **Direct Comparison to Value:** The Direct Comparison Approach to value was developed on the basis of market transactions and/or listings of similar properties found in the comparable area.
11. **Authorization:** This report was prepared at the request of our stated client.

Date Registered: Parcel 1: September 9, 2013 (Lot 8); June 16, 1970 (Lot R1).

Parcel 2: August 12, 2105.

Parcel 3: August 12, 2015.

Registrations: The Titles to the subject property were reviewed for Registrations that have the potential to affect value. The following are noted:

- **Reg. No. 152 241 929 -- Easement:** This interest is registered on all the Titles of three parcels. In essence, it requires all development on all three parcels to allow for the free flow of traffic across all three of the properties. All three parcels will require development to allow for this free flow of traffic, which may reduce development pockets.

No Title Registrations were noted. Nothing in this report is intended as a legal opinion as to the state of the subject title. This report was prepared on the premise that title to the land was free and clear.

Municipal Assessment and Taxes

Assessed values of commercial properties are based on the assessor's estimate of their market value as of July 1 of the previous year. Since the subject properties are municipally owned, a tax levy is not applicable for 2015.

Assessed Value: Parcel 1: \$565,200 (combined total of lot R1 @ \$105,300; and Lot 8 @ \$459,900).

Parcels 2 and 3: \$4,116,100 (combined total of Parcels 2 and 3, previously held as one property: Lot A, Plan 911NY).

Tax Levy: Not assigned, as these are municipally owned properties. Based on the appraised value contained herein, and the non-residential mill rate of 16.5953, the 2015 tax year, tax levies could be anticipated as follows:

Parcel 1: \$9,380.

Parcel 2 and 3: \$68,308

There are no observed trends or anticipated changes in the assessment policies that would indicate a significant change in the future taxes applicable to the subject property.

OWNERSHIP HISTORY

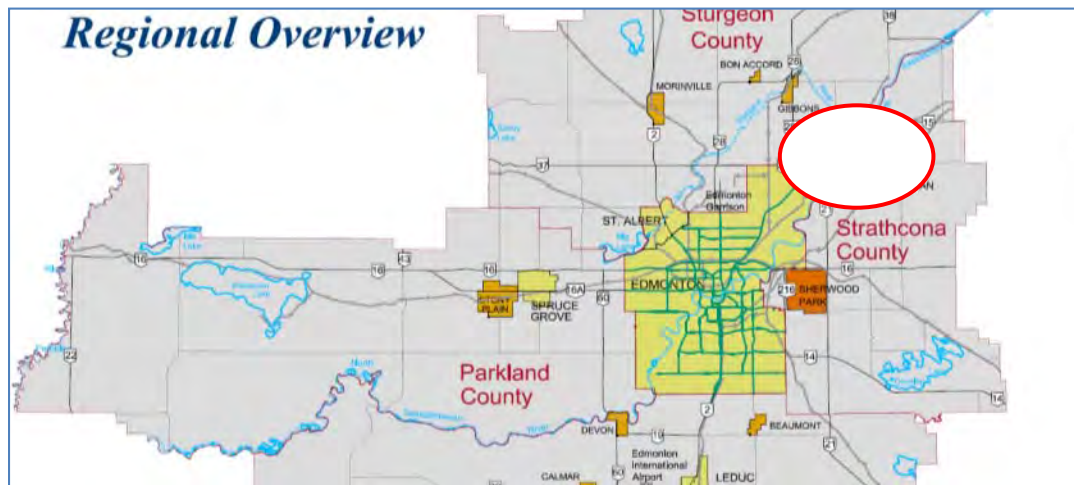
The Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) require the appraiser to analyze all agreements of sale, options, or listings of the subject property as of the effective date of the appraisal, and all sales or listings of the subject property that may have occurred within three years prior to the date of the appraisal.

The subject parcels that comprise the *parent* parcel from which the subject properties are to be subdivided from have been in ownership by the City of Fort Saskatchewan or Alberta Health Services for many years. There are no known pending Offers to Purchase any of the subject property. It is our understanding that the valuation is to be used for internal planning procedures.

REGIONAL AND NEIGHBOURHOOD DESCRIPTION

Fort Saskatchewan is a city of 24,040 inhabitants (2015 Municipal Census) situated in the north-central region of Alberta, immediately northeast of the city of Edmonton. Provincial Secondary Highways 15 and 21, and a Canadian National rail line intersect the city.

The city's primary trade area consists of Fort Saskatchewan itself. Its secondary trade area incorporates a surrounding geographic rural area of Sturgeon County and Strathcona County, as well as northeast Edmonton to the west. The primary and secondary trade area is estimated to be over 55,000 in population. Fort Saskatchewan lies to the south of 'Alberta's Industrial Heartland', a 317 km.² area designated for future heavy industrial development. In mid-2007, proposed investments in projects such as bitumen upgraders and petro-chemical plants numbered in the billions of dollars. The majority of these projects were put on hold since then.



In essence, Fort Saskatchewan is a satellite city of Edmonton that continues to experience strong population growth and strong growth in all sectors. The shape of the city has been influenced by the North Saskatchewan River, which defines the NW boundary of the city. Industrial development, including the 700-acre Dow Chemical complex, is concentrated in the north half of the city, with the south half being comprised of residential and commercial districts.

The downtown business district in Fort Saskatchewan is located towards the middle of the city, with development being restricted to businesses that are mostly local in nature. The majority of Fort Saskatchewan's recent commercial development has occurred along the Highway 21 and 15 corridors, with an ongoing trend towards larger, big box developments.

Residential development has traditionally been predominantly single-family in nature, with average values for the region. A critical element for the future of Fort Saskatchewan's growth is the newly activated Southfort subdivision and the continued development of the Westpark subdivision. The Southfort and Westpark Area Structure Plans indicate that the neighbourhoods will provide space to accommodate over twice the City's population. These areas will be a combination of residential developments with major commercial and institutional uses. The expected build-out timeframe for the subdivisions was 30-years in 2003. Existing commercial development in the Southfort subdivision includes a Wal-Mart Super Centre, the Fort Saskatchewan Correctional Facility, several new hotels, an office/medical building, and a the new Capital Health hospital.

The subject property is located in an area known as the 'Old Health Centre Site' within the Sherridon neighbourhood. Sherridon is comprised primarily of lower density residential development. The area was developed around a hospital starting in the late 1960's. Surrounding development includes several apartment building, an office building, and fitness centre; all of which are of older stock. Redevelopment includes a new

assisted living facility adjacent to the subject lands known as Dr. Turner's Lodge. This property enhances the area for the purpose of re-development.

DESCRIPTION OF THE SITE

The salient details of the three subject sites are summarized as follows:



Figures: Depicting aerial photo with cadastral overlay (source: Abacus Datagraphics, 2013).

Size/Configuration: Parcel 1: Irregular but basically rectangular shaped parcel comprised of two contiguous lots. The parcel is approximately 335' (102.16 m) long, with a depth ranging from about 203' (61.90m) to 223' (67.97 m). **Area is 1.55 acres**, 0.627 hectares, or 67,518 ft.².

Parcel 2: Rectangular shaped parcel comprised of one lot. The parcel is approximately 349' (106.48 m) long, with a depth ranging from about 151' (46.14 m) to 156' (47.71 m). **Area is 1.24 acres**, 0.503 hectares, or 54,014 ft.².

Parcel 3: Irregular shaped parcel comprised of one lot. Dimensions are contained on the Legal Plan, but the shape of the parcel would be considered conducive to development. **Area is 4.47 acres**, 1.809 hectares, or 194,713 ft.².

The lands are bordered to the NW by 99th Avenue, which junctions with 95th Street north of Parcel 3. 95th Street bounds the east side of Parcel 3 property and provides access to Highway 15. 94th Avenue defines the south limit Parcel 1.

Site coverage: Each site is undeveloped. Site coverage will be determined upon Development Approval. See Land Use Controls section of the report for discussion involving potential densities.

Adjacent Uses: The general area is defined by a mix of vacant and/or redeveloping land, including a new Seniors Lodge known as Dr. Turner Lodge. The complex was constructed to LEED certification, and contains 90 units for seniors 65 years and older that are functionally independent. Remaining surrounding development includes a medical/office building, walk-up apartment buildings, and a fitness centre, all being of older stock. Development across the arterial roadways is single-family residential in nature.

Topography: The property is level and appears to be adequately drained. There are no deemed topographical or drainage issues that would impair the potential development of the land. The parcels is believed to be geo-technically stable, which has been assumed for the purposes of this report.

Access / Exposure: Exposure to local traffic flows and potential driveway access to adjoining roadways are significant factors in the valuation of development sites.

The three contiguous properties are bounded by roadways on three sides:

- **95 Street** defines the east boundary of Parcel 3 and will provide access.
- **94 Avenue** bounds the south side of Parcel 1, and will provide access.
- **99 Avenue** bounds the west side of Parcels 1 to 3. This is a 4-lane arterial roadway that connects north and south portions of the city. No access will be possible from this roadway.
- **Intersection:** 99 Avenue and 95 Street intersect at the north point of the property.

The extension of municipal grade roadways throughout the property is not deemed to be required, as per terms of reference provided by our client. Thus, internal roadways should suffice for development purposes if required. From a development and valuation perspective, the property is considered to be well located with adequate access.

A mutual access agreement is will be Registered on each of the Titles. This agreement will allow for the passage of traffic through each of the sites, and will provide road access to otherwise land-locked Parcel 2.

Services / Street Improvements: The locations of municipal services (water, sanitary sewer, storm sewer lines) and shallow utilities are critical considerations in the valuation of development sites.

As of the effective date of the appraisal, all necessary deep and shallow services were reported to be at or near the lot lines of the property. We have been instructed to appraise the property as if the services will be sufficient for the redevelopment of the property, with no required off-site cost accruing to the developer. We note that typical hook-up fees would apply.

Easements / Encroachments: See the description above regarding the influence of the easement registered on each of the Titles. There are no known easements or encroachments that would be expected to influence the value or utility of the subject property.

Environmental / Considerations: The subject property has been appraised as if unaffected by contamination or hazardous substances. We did not observe any hazardous substances or conditions on or near the subject property that would be considered detrimental to its utility or value. Nothing in this report should be construed as an environmental audit, because such reporting is beyond the qualifications of the appraiser. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

DESCRIPTION OF THE SITE IMPROVEMENTS

Each property is a vacant land parcel. Mature shelterbelts define some of the borders of the site. These could

LAND USE CONTROLS

PORT SASKATCHEWAN LAND USE BYLAW C10-13 LAND USE DISTRICTS

R1	Residential - Large Lot Residential	EP	Environmental Protection
R2	Residential - Medium Lot Residential	PS	Public Service
R3	Residential - Small Lot Residential	PR	Park Recreation
R4	Residential - Large Lot Residential	PJ	Public Utility
R5	Residential - Semi-Attached & Duplex Residential	UR	Urban Reserve
RE	Residential - Estate Lot Residential	SH	Special Housing
RC	Residential - Comprehensive Planned Residential		
RML	Residential - Low Density Multiple Residential		
RHM	Residential - Medium Density Multiple Residential		
RMH	Residential - High Density Multiple Residential		

Direct Control Districts

DC	Direct Control (Council Approved)
DC(C)-01	Direct Control Commercial (Midpark North Side)
DC(A)-02	Direct Control Residential (South Gate - South Side)
DC(A)-04	Direct Control Industrial (100 Avenue Industrial)
DC(A)-05	Direct Control Multi-Attached Residential (Sierra)

City Corporate Limits

Subject

The map shows a grid of streets including HWY 15, 93 AVE, 94 AVE, 95 AVE, 96 AVE, 97 ST, 98 ST, 99 ST, 100 ST, 101 ST, 102 ST, 103 ST, 104 ST, 105 ST, 106 ST, 107 ST, 108 ST, 109 ST, 110 ST, 111 ST, 112 ST, 113 ST, 114 ST, 115 ST, 116 ST, 117 ST, 118 ST, 119 ST, 120 ST, 121 ST, 122 ST, 123 ST, 124 ST, 125 ST, 126 ST, 127 ST, 128 ST, 129 ST, 130 ST, 131 ST, 132 ST, 133 ST, 134 ST, 135 ST, 136 ST, 137 ST, 138 ST, 139 ST, 140 ST, 141 ST, 142 ST, 143 ST, 144 ST, 145 ST, 146 ST, 147 ST, 148 ST, 149 ST, 150 ST, 151 ST, 152 ST, 153 ST, 154 ST, 155 ST, 156 ST, 157 ST, 158 ST, 159 ST, 160 ST, 161 ST, 162 ST, 163 ST, 164 ST, 165 ST, 166 ST, 167 ST, 168 ST, 169 ST, 170 ST, 171 ST, 172 ST, 173 ST, 174 ST, 175 ST, 176 ST, 177 ST, 178 ST, 179 ST, 180 ST, 181 ST, 182 ST, 183 ST, 184 ST, 185 ST, 186 ST, 187 ST, 188 ST, 189 ST, 190 ST, 191 ST, 192 ST, 193 ST, 194 ST, 195 ST, 196 ST, 197 ST, 198 ST, 199 ST, 200 ST, 201 ST, 202 ST, 203 ST, 204 ST, 205 ST, 206 ST, 207 ST, 208 ST, 209 ST, 210 ST, 211 ST, 212 ST, 213 ST, 214 ST, 215 ST, 216 ST, 217 ST, 218 ST, 219 ST, 220 ST, 221 ST, 222 ST, 223 ST, 224 ST, 225 ST, 226 ST, 227 ST, 228 ST, 229 ST, 230 ST, 231 ST, 232 ST, 233 ST, 234 ST, 235 ST, 236 ST, 237 ST, 238 ST, 239 ST, 240 ST, 241 ST, 242 ST, 243 ST, 244 ST, 245 ST, 246 ST, 247 ST, 248 ST, 249 ST, 250 ST, 251 ST, 252 ST, 253 ST, 254 ST, 255 ST, 256 ST, 257 ST, 258 ST, 259 ST, 260 ST, 261 ST, 262 ST, 263 ST, 264 ST, 265 ST, 266 ST, 267 ST, 268 ST, 269 ST, 270 ST, 271 ST, 272 ST, 273 ST, 274 ST, 275 ST, 276 ST, 277 ST, 278 ST, 279 ST, 280 ST, 281 ST, 282 ST, 283 ST, 284 ST, 285 ST, 286 ST, 287 ST, 288 ST, 289 ST, 290 ST, 291 ST, 292 ST, 293 ST, 294 ST, 295 ST, 296 ST, 297 ST, 298 ST, 299 ST, 300 ST, 301 ST, 302 ST, 303 ST, 304 ST, 305 ST, 306 ST, 307 ST, 308 ST, 309 ST, 310 ST, 311 ST, 312 ST, 313 ST, 314 ST, 315 ST, 316 ST, 317 ST, 318 ST, 319 ST, 320 ST, 321 ST, 322 ST, 323 ST, 324 ST, 325 ST, 326 ST, 327 ST, 328 ST, 329 ST, 330 ST, 331 ST, 332 ST, 333 ST, 334 ST, 335 ST, 336 ST, 337 ST, 338 ST, 339 ST, 340 ST, 341 ST, 342 ST, 343 ST, 344 ST, 345 ST, 346 ST, 347 ST, 348 ST, 349 ST, 350 ST, 351 ST, 352 ST, 353 ST, 354 ST, 355 ST, 356 ST, 357 ST, 358 ST, 359 ST, 360 ST, 361 ST, 362 ST, 363 ST, 364 ST, 365 ST, 366 ST, 367 ST, 368 ST, 369 ST, 370 ST, 371 ST, 372 ST, 373 ST, 374 ST, 375 ST, 376 ST, 377 ST, 378 ST, 379 ST, 380 ST, 381 ST, 382 ST, 383 ST, 384 ST, 385 ST, 386 ST, 387 ST, 388 ST, 389 ST, 390 ST, 391 ST, 392 ST, 393 ST, 394 ST, 395 ST, 396 ST, 397 ST, 398 ST, 399 ST, 400 ST, 401 ST, 402 ST, 403 ST, 404 ST, 405 ST, 406 ST, 407 ST, 408 ST, 409 ST, 410 ST, 411 ST, 412 ST, 413 ST, 414 ST, 415 ST, 416 ST, 417 ST, 418 ST, 419 ST, 420 ST, 421 ST, 422 ST, 423 ST, 424 ST, 425 ST, 426 ST, 427 ST, 428 ST, 429 ST, 430 ST, 431 ST, 432 ST, 433 ST, 434 ST, 435 ST, 436 ST, 437 ST, 438 ST, 439 ST, 440 ST, 441 ST, 442 ST, 443 ST, 444 ST, 445 ST, 446 ST, 447 ST, 448 ST, 449 ST, 450 ST, 451 ST, 452 ST, 453 ST, 454 ST, 455 ST, 456 ST, 457 ST, 458 ST, 459 ST, 460 ST, 461 ST, 462 ST, 463 ST, 464 ST, 465 ST, 466 ST, 467 ST, 468 ST, 469 ST, 470 ST, 471 ST, 472 ST, 473 ST, 474 ST, 475 ST, 476 ST, 477 ST, 478 ST, 479 ST, 480 ST, 481 ST, 482 ST, 483 ST, 484 ST, 485 ST, 486 ST, 487 ST, 488 ST, 489 ST, 490 ST, 491 ST, 492 ST, 493 ST, 494 ST, 495 ST, 496 ST, 497 ST, 498 ST, 499 ST, 500 ST, 501 ST, 502 ST, 503 ST, 504 ST, 505 ST, 506 ST, 507 ST, 508 ST, 509 ST, 510 ST, 511 ST, 512 ST, 513 ST, 514 ST, 515 ST, 516 ST, 517 ST, 518 ST, 519 ST, 520 ST, 521 ST, 522 ST, 523 ST, 524 ST, 525 ST, 526 ST, 527 ST, 528 ST, 529 ST, 530 ST, 531 ST, 532 ST, 533 ST, 534 ST, 535 ST, 536 ST, 537 ST, 538 ST, 539 ST, 540 ST, 541 ST, 542 ST, 543 ST, 544 ST, 545 ST, 546 ST, 547 ST, 548 ST, 549 ST, 550 ST, 551 ST, 552 ST, 553 ST, 554 ST, 555 ST, 556 ST, 557 ST, 558 ST, 559 ST, 560 ST, 561 ST, 562 ST, 563 ST, 564 ST, 565 ST, 566 ST, 567 ST, 568 ST, 569 ST, 570 ST, 571 ST, 572 ST, 573 ST, 574 ST, 575 ST, 576 ST, 577 ST, 578 ST, 579 ST, 580 ST, 581 ST, 582 ST, 583 ST, 584 ST, 585 ST, 586 ST, 587 ST, 588 ST, 589 ST, 590 ST, 591 ST, 592 ST, 593 ST, 594 ST, 595 ST, 596 ST, 597 ST, 598 ST, 599 ST, 600 ST, 601 ST, 602 ST, 603 ST, 604 ST, 605 ST, 606 ST, 607 ST, 608 ST, 609 ST, 610 ST, 611 ST, 612 ST, 613 ST, 614 ST, 615 ST, 616 ST, 617 ST, 618 ST, 619 ST, 620 ST, 621 ST, 622 ST, 623 ST, 624 ST, 625 ST, 626 ST, 627 ST, 628 ST, 629 ST, 630 ST, 631 ST, 632 ST, 633 ST, 634 ST, 635 ST, 636 ST, 637 ST, 638 ST, 639 ST, 640 ST, 641 ST, 642 ST, 643 ST, 644 ST, 645 ST, 646 ST, 647 ST, 648 ST, 649 ST, 650 ST, 651 ST, 652 ST, 653 ST, 654 ST,



Centre (RMU) District. The RMU district is intended ‘to provide focal points for higher intensity residential and commercial uses envision(ing) residential development as the main underlying use.’

In Fort Saskatchewan, higher intensity residential development is governed by the RMH – High Density Multiple Residential District within the Land Use Bylaw. The purpose of the RMH District is to “...provide for higher density housing forms ... accommodating multi-unit apartments between 5 and 12 storeys and development is intended to achieve a density of over 70 units per net developable hectare.” Other Discretionary Uses of these sites include multi-attached dwellings (town/row houses), assisted living facilities, several commercial uses. Overall, this bylaw provides a good baseline for the potential uses in the subject

Old Health Centre Site Redevelopment Brief

This document was prepared by Select Engineering in about 2013 and adopted by Council in June 2013. It provides a format for RFP’s, should Council request proposals for the re-development of the subject site. The purpose of the Brief is to “...present a unified vision and to provide guidance for the review and approval of potential development applications for the Old Health Centre Site area consistent with the County approved DC zoning for the area.” Overall, the Brief does not clarify what type of development would be preferred; rather it focuses on over-arching architectural and community factors. The Plan states that development could be retail, office, institutional, or residential; with mixed uses preferred. Density is not clarified, with the Brief stating that higher density development could be appropriate, as well as lower to mid-density development also.

From a valuation perspective, the result of the Brief is that the market would look to this property as requiring enhanced architectural and development controls. While the brief provides for plenty of opportunity; the lack of clarity also presents risk to a developer.

Other

It is noted that a previous planning document did exist that was referred to as the ‘Framework Plan, Old Health Centre Site, Redevelopment Plan’, which indicated that the subject property should be comprised of 4.72 acres of ground oriented residential development; 0.80 acres of medium density residential mixed use development, and 1.75 acres of park. **It is assumed that this planning document is no longer applicable to the subject property, which was valued based on higher under-lying use of multi-family residential and/or commercial development, with no Park dedication required.**

No Real Property Report or Compliance Certificate was provided since the property is vacant land. In their absence, it is assumed that there will be no offending easements or encroachments that might influence its value. Excerpts from the above documents have been included for reference in Annex C.

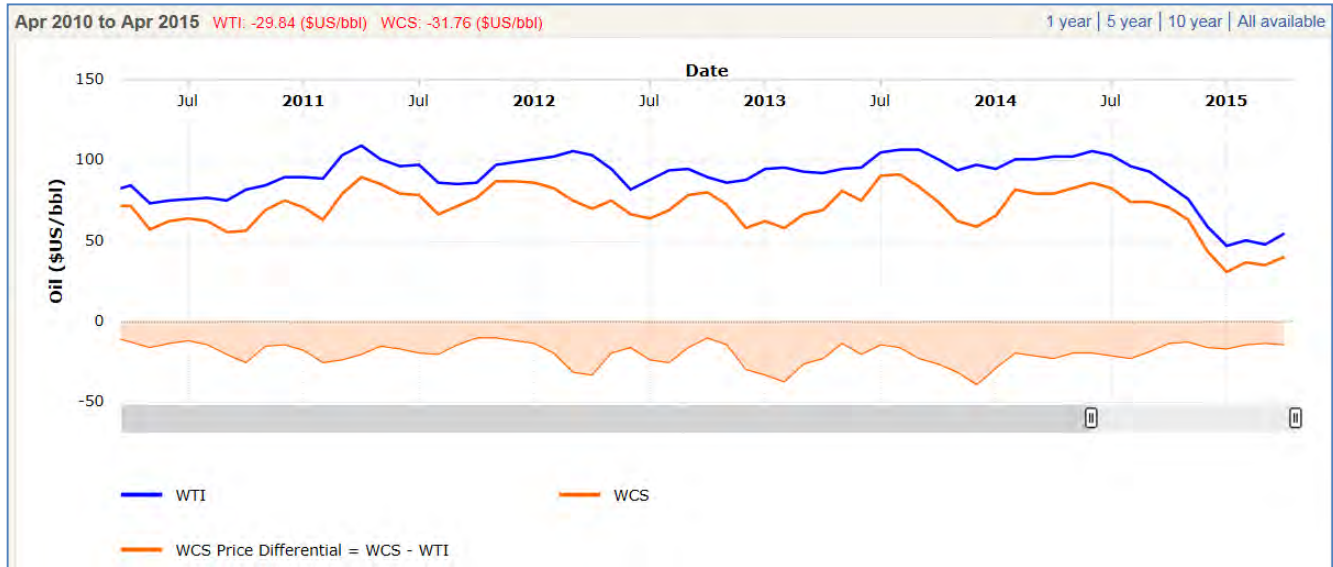
Conclusions

From a legal standpoint, the potential for the subject site is not well-established, since it has historically been an Institutional development. Available documentation would lead the market to believe that any number of uses could be approved, but that the primary underlying use should be multi-family residential in nature to support a mid to higher density of development. Commercial components would also be preferential. This will be reflected in the valuation of the land.

MARKET ANALYSES

City and Regional Indicators

Alberta (Q2 2015): Alberta's economy continues to exhibit its reliance on energy markets. The last decade has been eventful. Below compares West Texas Intermediate (WTI) and Western Canadian Select (WCS) crude oil prices:



(Source: Alberta Government – Economic Dashboard, Energy Prices)

- In 2006/2007, rampant land speculation drove real estate values and land development costs to unsustainable high levels.
- By mid-2008, the provincial economy was slowing dramatically due to tight credit, volatile oil prices and bearish economic forecasts for Alberta's resource industries. The Q4 2008 global financial crisis exacerbated the situation and in 2009 the province was in recession.
- Economic growth in the province re-ignited in 2011, led by the oil and gas industry, with the retail and service sectors also posting positive gains. Consumer spending, housing construction, business investment, energy production, exports, the labour market, and especially, demographics, was strong in 2013 and 2014.
- Weakness in global crude oil markets since June 2014 has had a growing and profound effect on the Province's energy sector, which will weigh on provincial economic growth in 2015 and 2016.

The following Table, extracted from the RBC Provincial Outlook – March 2015, summarizes the key economic trends in the province since 2012, and the forecast for 2014 to 2016. Note that Alberta's Real GDP growth was recently recorded at 4.4% for 2014, leading all Provinces, recognizing that the first half of the year reflected

Alberta forecast at a glance					
% change unless otherwise indicated					
	2012	2013	2014F	2015F	2016F
Real GDP	4.5	3.8	4.2	0.6	1.1
Nominal GDP	5.6	7.1	7.2	-10.5	10.8
Employment	3.5	2.5	2.2	-0.1	0.7
Unemployment rate (%)	4.6	4.6	4.7	5.7	5.4
Retail sales	7.0	6.9	7.6	1.0	3.2
Housing starts (units)	33,396	36,011	40,590	29,300	30,800
Consumer price index	1.1	1.4	2.6	0.8	2.6

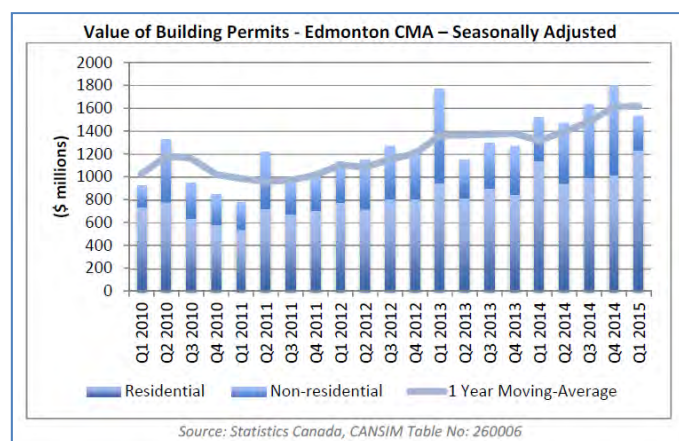
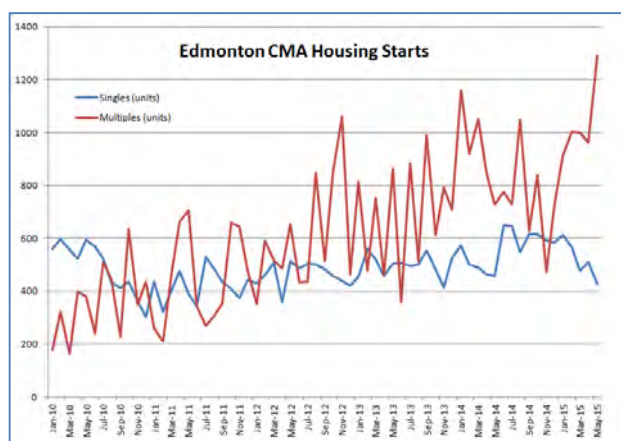
very strong economic conditions.

Alberta's energy sector has historically been the catalyst for economic growth throughout the province. Excess demand for skilled workers is typically met by interprovincial and international migration, which in turn drives the retail and construction sectors. However, these trends are cyclical and strongly related to the economics of oil extraction in the province. The recent downturn in energy markets has been primarily related to the collapse of crude oil prices in 2014 and concerns that low prices may be more systemic than in the previous downturn; continued difficulties in moving product out of land-locked Alberta; and most recently, caution in the industry due to political forces. In terms of the latter point, the 2015 election of the NDP in Alberta has overturned a 44-year political dynasty that encouraged the energy sector through low taxes and subsidies, items that may not be guaranteed for the industry in the future, particularly given a high provincial budgetary deficit and an up and coming royalty review.

The result of lower oil prices directly affects energy firms, who have announced widespread capital and spending cutbacks this year. These cutbacks result in weaker employment prospects: on October 1, 2014, Alberta's population reached 4,145,992, up 106,810 or 2.64 percent from a year earlier; however, in-migration plunged in 2014 Q3, a trend that if continues unabated through 2015, will affect the underlying consumer base that drives retail and construction growth. Deterioration in confidence across the Alberta populace should also play into housing markets. Initial reports in the City of Calgary indicate strong decreases in existing home sales, with a 23% year over year reduction in listings in March 2015 and a slowing of new home starts, typically precursors to value correction in re-sale markets. In the past, Calgary has been the first Albertan market to record depreciation in housing markets, with other cities and rural municipalities following suit.

HarrisonBowker appraisers are observing a hesitancy in all sectors of the market, as a large sub-sector of market participants adopts a 'wait and see' attitude. The effect on market values has been limited so far, and it should become apparent later this year if and how the real estate sector responds to wider spread macro-economic indicators. If the past is a predictor of the future, a longer-term drop in oil prices will likely translate into an eroding of real estate values in Alberta.

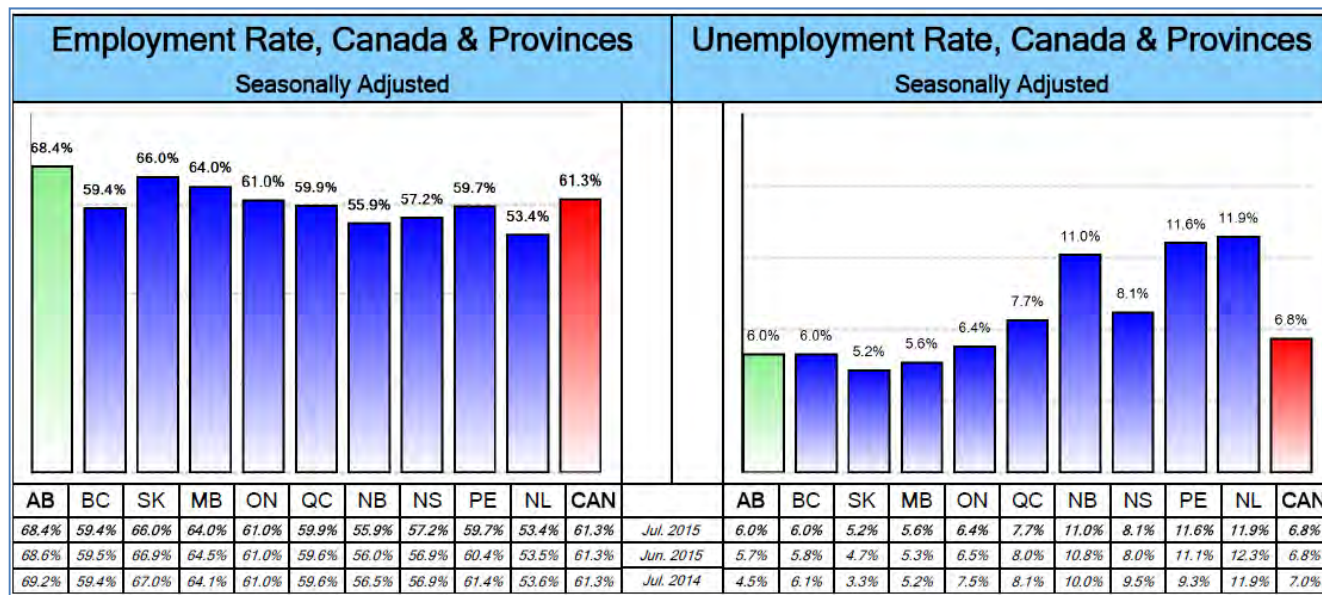
Edmonton Census Metropolitan Area (Q2 2015): Over the past several years, Edmonton's pivotal role as the service centre for central and northern Alberta has stimulated retail, service-commercial and industrial businesses in the Edmonton CMA and throughout the surrounding region. Due to recent uncertain macro market conditions, it is yet to be determined if there will continue to be a positive rate of population growth in the province.



(Source: Compiled with Statistics Canada CANSIM Data Set No. 260006)

While the region's economic well being remains sensitive to the cyclical nature of the petroleum industry and to some degree interest rates, increased economic diversification has served to stabilize the regional economy and to integrate the region's communities.

Retail (Q2 2015): Fundamental indicators suggest continued demand for retail property for the balance of 2015; however the recent downturn in the oil and gas sector threatens to put downward pressure on the overall Alberta economy.



(Source: Statistics Canada)

Alberta's economy remains relatively as stable, in part due to continued strong employment (highest in the Country), as evidenced by the chart above. Employment decreased modestly year over year in Alberta as of July 2015; however, between July 2014 and July 2015, employment increased by 21,000; full-time employment increased by 23,100 and part-time employment decreased by 2,100 over the same period. Alberta's seasonally adjusted unemployment rate was 6.0% in July 2015 (third lowest in the Country), up by 0.3% from June 2015 and up by 1.5% from July 2014. Retail trade continues to show positive growth despite the cooling of the overall Alberta economy. These indicators affect the retail real estate market because consumer expenditures ultimately drive demand for retail development. Market participants indicate the following trends:

- Retail sales in Alberta has remained relatively stable, with only a modest decline of 1.7% in May 2015 (to 6.3 billion) as compared to May 2014. This decline was largely due a steep decline of 18.7% in sales at gas stations as a result of lower gasoline prices.
- In 2014, Edmonton led the nation in terms of shopping centre supply per capita. The total square footage for shopping centres was 22,030,000 and power centres were 12,803,000. A total of 604,695 sq.ft. was added in the first quarter of 2015.
- In Edmonton there were a reported \$672,440,680 in commercial building sales in 2014, up from \$586,274,032 in 2013, but still down from \$998,714,531 in 2012 and \$1,161,934,850 for 2011¹. As evidenced by the continued construction in this sector, retail development remains a strong component of Edmonton's construction sector.
- Commercial real estate brokerages report increasing vacancy rates in all sectors of the retail market. An overall retail vacancy rate in the Edmonton CMA of 4.6% as of Q1 2015 is indicated; the highest recorded vacancy rate since 2009. For context, the Q4 2014 overall retail vacancy rate was 2.2% in Q4 2014². This increase was mainly due to largest areas of vacant space created by the departure of Target and Future Shop from the Edmonton market.

¹ Source: *The Network*, "2014 Market Overview".

² Source: *CBRE Global Research and Consulting* "Marketview, Edmonton Retail, Q1, 2015".

- Despite high vacancy, base asking face rates appear to be static after increasing in 2014 in prime retail locations. Escalations in operating costs have also been observed, which serve to further increase gross rents. It is anticipated that for the balance of 2015, leasing activity will level off as the Target and Future Shop spaces are filled with new retailers.
- From an investment perspective, there continues to be good demand from investors, pension funds, and REIT's for well-located, strongly anchored retail space. That said, high levels of construction are evident in all peripheral areas of Edmonton, and large-scale re-development plans are underway for central Edmonton locations, which should contribute to a more balanced vacancy rate in the next year or two.

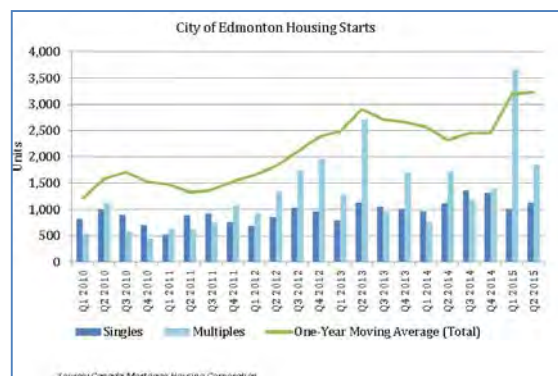
Office (Q2 2015): The following trends are reflected in the office sector of the Edmonton CMA:

- The Edmonton office space consists of approximately 24.4 million square feet. The majority of the office space is located in the central business district of Edmonton (14.6 M ft.²). Three new office towers are effectively in-progress, including the Kelley Ramsey building (29 stories, 500,000 ft.²) to open in 2016, the City of Edmonton tower (27 stories, 600,000 ft.²) to open in 2016, and the Stantec tower (62 stories, 600,000 ft.²) to open in 2018. Combined with the recent addition of the Epcor tower (625,000 ft.²), which has not yet fully absorbed, the addition of these towers will undoubtedly drive up vacancy rates over the next 1 to 3 years
- The negative effect has already commenced, with negative absorption in 2015 of approximately 100,000 ft.². Most negative absorption occurred in Class B and C space in downtown core with migration to newer, better quality product; as well as within the suburban areas, where absorption has not matched recent vacancies and new construction.
- The overall vacancy rate for Edmonton property was 11.9%, up from 10.60% in the last quarter, according to Colliers International. Vacancy rates are exceeding 20% in some of the suburban markets.
- Average rental rates for all asset classed in the downtown were stagnant or decreased slightly quarter-over-quarter. This trend is expected to continue throughout 2015.
- The gap between performance measures of newer Class A+ space versus older Class B and C space continues. This trend should accelerate as the older space is more affected by a migration of tenants to newer developments.

Overall, the Edmonton office market has deteriorated due to a combination of the high proportion of new construction, depressed energy markets, and an uncertain political climate. It is expected that lease rates will respond as tenants hold greater leverage, particularly in Class B and C product; and, in the suburban markets. Overall, capitalization rates are expected to inflate, resulting in de-valuation across the sector.

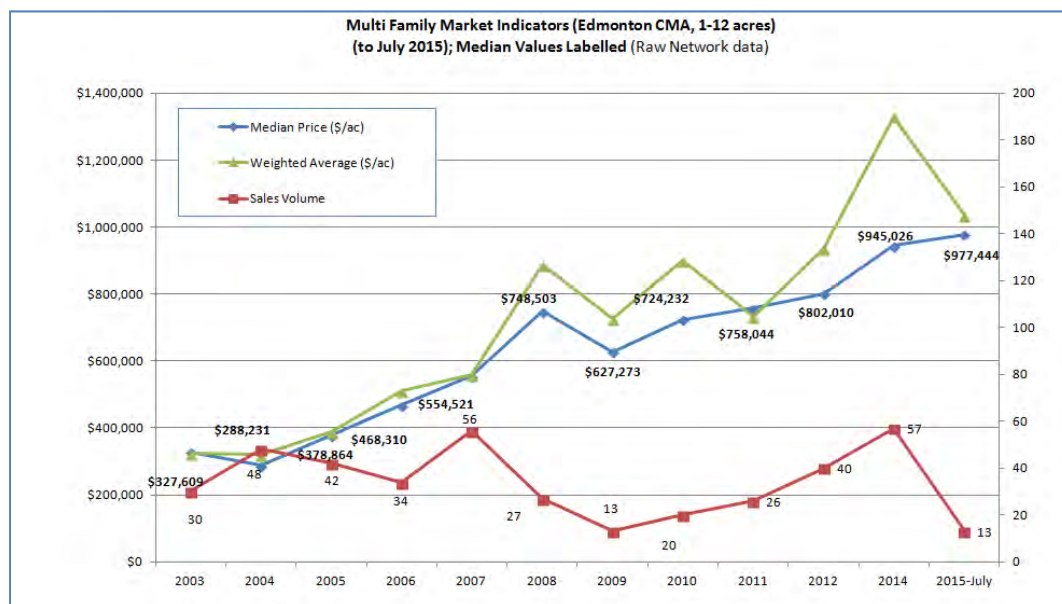
Edmonton CMA Multi-Family Land (Q2 2015): Multi-family housing starts have been strong over the past three years, driven by in-migration. As the provincial economy slows in response to low oil prices and the completion of large scale projects in the city, in-migration should slow, resulting in reduced demand for housing, which would return new construction activity to moderated levels. This trend is already occurring: multi-family housing starts in the Edmonton CMA have slowed by a margin of about 5% year-over-year 2015 to 2014, following a very strong Q1 2015. Housing start data is summarized on the inset Table.³

The Chart below, which was created by HB appraisers using raw Network data, trends key indicators in land values for multi-family lots within the Edmonton CMA. Note the spikes in the 'green' line, illustrating weighted averages for unit



³ Source: Economic Indicators: Housing Starts, Q2 2015 (City of Edmonton)

values – the spikes are typically due to sales of prime lands with erroneously high values that skew averages upwards. More illustrative of the actual market is the ‘blue’ line, which can be a more useful tool if a data set has outliers that can skew averages.



Median land values for multi-family lands are at historic highs. However, the drop in sales volumes should be noted illustrated in the ‘red’ line in the Chart. Typically, reduced sales volumes precede depreciation in values – note this same pattern in 2008 and 2009: values peaked in a year with the lowest sales volumes, followed by depreciation in the year following. Assuming continued economic instability, a retrenchment in values will be likely in the short term.

Edmonton CMA Multi-Family Investment Market: The majority of Q1 2015 new home construction activity in Edmonton was concentrated in the multi-family sector. While being historically volatile, this segment of the market was exceptionally strong since 2013 – supported by population and employment growth.

The following statistics provide an overview of trends in Edmonton’s rental apartment market⁴, and they highlight the volatility and subsequent stabilization in the market.

Rental Apartment Market Stats 2008 to 2014							
	2008	2009	2010	2011	2012	2013	2014
Sales Volume:	\$218M	\$138M	\$205M	\$186M	\$210M	\$325M	\$356M
# Buildings Sold:	60	50	67	63	87	71	78
Avg. Price/Unit:	\$116,318	\$99,570	\$111,791	\$107,978	\$117,023	\$130,850	\$156,125
Avg. Rent Rate:	\$930	\$916	\$917	\$917	\$965	\$1,028	\$1,103
Rent Trend:	+8.3%	-1.5%	0%	0%	3.7%	6.5%	7.3%
Vacancy Rate:	2.4%	4.5%	4.2%	3.3%	1.7%	1.4%	1.7%
Avg. Cap. Rate:	5.7%	6.7%	6.3%	6.5%	6.3%	6.1%	6.0%

⁴ Sources: CMHC’s [Rental Market Reports](#), Cushman & Wakefield’s [Edmonton Apartment Report](#), and Collier’s [Edmonton Multi-Family Report](#).

The preceding table reveals a number of significant value related trends:

- Sales volume in 2014 reached its highest level since 2007 (\$990M); an increase of 10% from 2013.
- Average selling price per unit in 2013 was \$156,125; up 19% from \$130,850 in 2013. However, the average is skewed by sales of newer product and institutional grade high-rises that sold at high prices. The average selling price per unit for a wood-frame walk-up apartment, built prior to 1990, with less than 50 units, was 117,427, which is up 6% from 2013 (\$110,317).
- The average rental rate increased 7.3% from 2013; the highest increase since 2007 and 2008.
- Average capitalization rate is at its lowest level (6.0%) since 2008.
- According to Cushman & Wakefield, the average price per unit for a wood-frame walk-up apartment, but prior to 1990, with less than 50 units, was \$117,427.

Conclusion: We conclude from our investigations and analyses that:

- Economic growth in the Edmonton CMA has continued into 2015. The benefits of this growth (albeit slower) will continue to favourably influence the multi-family sector due to low vacancy and rental rate inflation suggests multi-family remains an attractive investment.
- Rapid spikes in rents will likely be tempered by the addition of over 5,000 new rental units currently at different stages of construction. This should also help to ease the decreasing vacancy rate.
- Due to slight increases in mortgage rates, capitalization rates are expected to slightly increase.

Overall, it is expected that Edmonton's multi-family market will likely stabilize in 2015 as supply increases.

Fort Saskatchewan Indicators

Fort Saskatchewan's close proximity to Alberta's Industrial Heartland and to the Edmonton CMA has contributed to considerable growth in the region.

Population: Fort Saskatchewan has a relatively balanced demographic mix, with a median age of about 36 years. The City's median age, general distribution across age segments, school-aged cohort, and increasing numbers of seniors/retirees closely match the provincial averages. The table below indicates that Fort Saskatchewan has observed steady population growth from 2007-2015⁵. The most recent census in 2015 suggests a population change of 5.40% from the previous year which exceeds the Alberta growth of $\pm 3.5\%$.

Fort Saskatchewan Average Annual Population Increase –2003 to 2013								
	2007	2008	2009	2010	2012	2013	2014	2015
Population	16,146	16,793	17,469	18,653	20,745	21,795	22,808	24,040
Annual Increase	4.98%	4.01%	4.03%	6.78%	9.77%	6.45%	4.65%	5.40%

*Includes inmate population from Fort Saskatchewan Correctional Centre (FSCC)

It is instructive to note that other rural communities on the NE periphery of the Edmonton CMA and near Alberta's Industrial Heartland, such as the town of Redwater and Bruderheim actually decreased over the 2006/11 period (-13.0% and -4.9% respectively).

Commercial Land: The volume of commercial land transactions in Fort Saskatchewan is somewhat limited in the past five years. This likely due to the lack of product available in the market and that commercial land is at a premium. Research indicates that commercial land in the region is trending upwards in the past two years after a drop in 2010 and 2011, with values for prime retail sites in the \$15/ft.² to \$20/ft.² for larger format sites.

⁵ Source: City of Fort Saskatchewan.

Retail/Office Sectors: Similar to land prices, average lease rates for the retail and office sectors tend to be relatively similar to those being achieved in the Edmonton CMA. The average retail lease rate for new developments (with anchor tenants) ranges from \$25 to \$32/ft.², while older developments are ranging from \$10 to \$15/ft.².

Residential Sector: According to the most recent CMHC rental market report⁶ the Fort Saskatchewan rental vacancy rate was reported to be 2.5% in October 2014, lower than the 2013 vacancy rate of 3.0%. The Edmonton vacancy rate was at 1.7%. It is noted vacancy rates are likely higher currently, as the last study was completed in the fall of 2014 when economic conditions were more secure.

Average monthly rental rates for rental apartment units within Fort Saskatchewan were reported to range from \$764 (bachelor) to \$1,187 (2-bedroom). By comparison, Edmonton average monthly rental rates were reported to be \$844 to \$1,244, respectively. Fort Saskatchewan rental rates are generally comparable to those being achieved in the Edmonton market.

Building Permits: Evidently, growth has been strong in Fort Saskatchewan over the past five years, due to a good supply of development land, good prospects for employment in the local petrochemical sector, and affordable housing.

Building permits for Fort Saskatchewan are a good indicator of the economic trends in the local market. The Table below illustrates the city's annual (steady) population growth rates and the sector trends in annual building permit values since 2008.

Fort Saskatchewan Building Permit Values (\$,000's)							
	2009	2010	2011	2012	2013	2014	2015-Jun
Single-Family Residential	\$45,216	\$66,617	\$50,810	\$62,320	\$60,289	\$106,321	\$64,697
High Density MF Res.	\$20,605	\$18,110	\$15,023	\$13,816	\$21,766	\$0	\$5,500
Commercial	\$8,405	\$7,562	\$23,001	\$6,769	\$22,102	\$20,512	\$11,077
Industrial	\$8,427	\$2,152	\$5,300	\$9,361	\$5,301	\$13,836	\$25,160
Institutional	\$50,196	\$482	\$16,035	\$2,708	\$30,857	\$744	\$1,473
Value of Permits	\$132,848	\$94,922	\$110,169	\$94,974	\$140,314	\$141,414	\$107,433

(Source: City of Fort Saskatchewan)

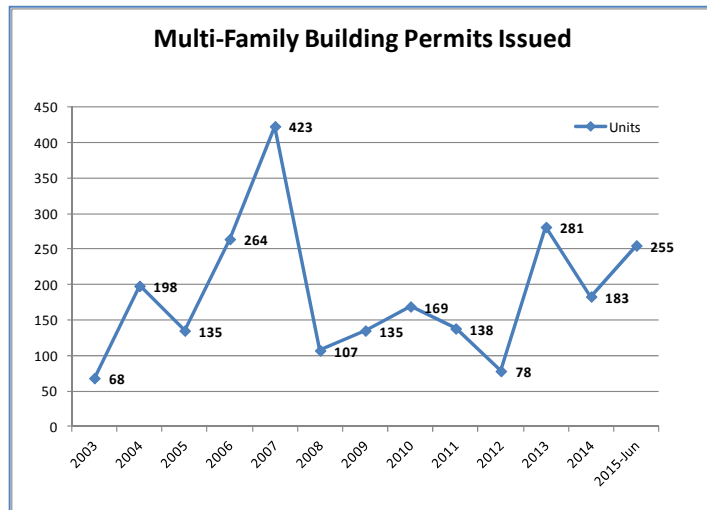
The Table illustrates the following trends:

- The overall value of building permits has remained relatively resilient since 2009, ebbing and flowing with construction cycles and external economic influences. Generally, these sustained levels of development are positive indicators for the community. These trends mirror those in the remainder of the region.
- Development through 2015 has continued to be relatively strong despite the softness in the overall economy.

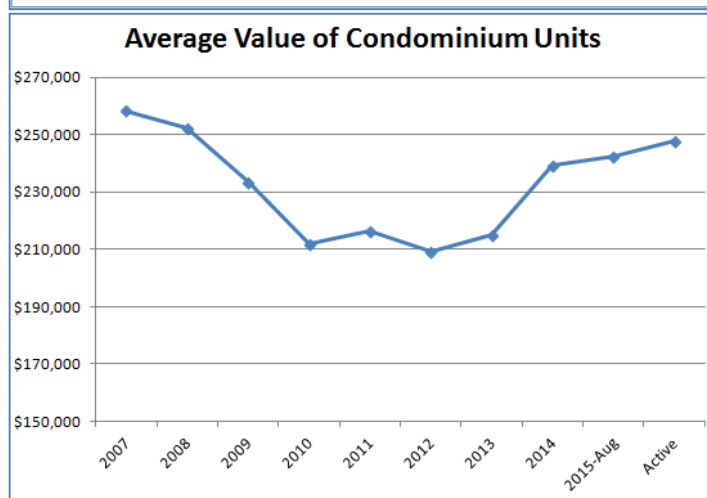
Overall development within Fort Saskatchewan is generally considered to follow the trends of the Edmonton CMA.

⁶ CMHC October 2013 Edmonton CMA Rental Market Report.

Multi-family: The multi-family market in Fort Saskatchewan is believed to have followed similar patterns as the overall Edmonton CMA market, and is current strong. Multi-Family statistics are amplified below:



This Chart was compiled from data obtained from the City, showing the trend in multi-family unit starts over the past twelve years. Data from 2003 to 2013 was obtained from the City, with 2014 and 2015-June data obtained from CMHC. Numbers represent all multi-family units including townhomes, etc. Note the cyclical nature of development, with a spike in 2007 followed by lower levels of development as new product was absorbed. Development in this sector has been strong and relatively stable since 2013.



This Chart compares the average value of all condominium properties sold in Fort Saskatchewan on a year-by-year basis. The Chart well-illustrates recessionary conditions that occurred after the 2007 'Boom'. Values began rebounding in 2013 in concurrence with the Edmonton CMA market. Like elsewhere in the CMA, values have not yet recovered to their 2007 highs for residential condominium properties. It remains to be seen how the new 'downturn' will affect values in Fort Saskatchewan.

The Fort Saskatchewan market has adequate supply of land for typical higher-density multi-family buildings, which has lead to strong levels of multi-family building starts in the past few years and modestly appreciating values. It remains to be seen how affected this sector will be by the downturn of the provincial economy – already multi-family housing starts are lower.

Conclusions: Overall, strength continues in most sectors of Edmonton's real estate markets; however most sectors should be affected by the energy industry, new construction coming on-line in coming months, and uncertainty over the political climate. While these influences are cyclical and underlying fundamentals appear to be strong, caution will be exhibited by most market participants in the near future, with real estate markets expected to be slow in 2015.

HIGHEST AND BEST USE

The Appraisal Institute of Canada defines the principle of *Highest and Best Use* as being:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

(Source: CUSPAP, effective April 1, 2014)

It is generally in the best interest of a landowner to maximize value by employing land to its highest and best use. The most profitable and probable use of land is typically market determined on the basis of location, land use classification, and development potential.

The development potential of an undeveloped or an underutilized parcel of land is a function of current economic conditions, market expectations, and the demand for a particular type of development in the area. These factors are generally imputed in the market value of the land.

When a site has been improved with a permanent structure, the concept of highest and best use takes a different perspective, as the land and improvements become a singular entity with the existing use usually the highest and best use, since economic pressures generally dictate use.

An analysis of the highest and best use definition suggests that for a parcel of land or a developed property to achieve its highest market value it should be:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

Legally Permissible: Parcels 1 to 3 are part of Direct Control Land Use District, requiring municipal approval of any new development on site. Other planning documents indicate that a wide range of development would be appropriate, with a focus on mid to higher density residential use. The final determination for development will be influenced by a collaborative process between the City and the identified (internal) requirements of the land owner.

Parcel 1 is comprised of two legal lots. While these lots are technically separately marketable, Lot R1 does not have road access; therefore it would be best suited amalgamated with an adjacent property.

Physically Possible: The physical attributes of the property should not impose any significant restrictions in its development potential. There are no known topographical or geotechnical factors that would be expected to restrict development other than those stated within this report. In a physical sense, each property is ready for development. Municipal services are reported to be at or near the lot lines and access roadways are developed. It is assumed that each property is fully developable, with no park or other reserve areas required.

Financially Feasible: Market analysis indicates continuing demand for well-located re-development sites in the Edmonton CMA, recognizing that there is plenty of vacant land available. Market data indicates adequate demand for commercial and multi-family residential development sites. Demand also exists for holding property in peripheral locations as landowners wait for development of the surrounding areas to bring more clarity to

the potential of a particular site. As a vacant site, each property would be readily marketable.

Maximally Productive: The market will dictate the nature and timing of the development of each property. Currently, the development horizon for the subject land would be considered imminent to short term. The most productive use would require consistency with land use controls and approvals from the City, as well as the internal requirements of an owner/developer. While no one particular use exhibits the highest values at higher densities, the multi-family sector is active, with many peripheral sites used for high-density multi-family developments, or those with mixed uses.

It is noted that the two or three of the parcels could be amalgamated if a larger site was required by a particular land owner / developer. However, higher values are typically exhibited in smaller lots (Parcels 1 and 2) as compared to larger lots (Parcel 3). In the case of consolidation of Parcels, unit values typically remain the same despite and overall lot being larger.

Conclusion: Based on available information we conclude that the highest and best use of each parcel would be achieved through its development as per market forces and City approvals. The current market is believed to support imminent to short term development.

THE VALUATION PROCESS

The valuation process is the formal framework by which a single value estimate is determined through one or more independent tests of value, which measure the cost, income productivity, and/or salability of a property. These tests are known as: the *Cost*; the *Income*; and the *Direct Comparison* Approaches to value.

Since the subject of this appraisal is vacant undeveloped land, the *Cost* and *Income* Approaches were not used.

DIRECT COMPARISON APPROACH

In developing the Direct Comparison approach to value, the subject property is compared to similar parcels of vacant land (or Value Indicators) that have been sold recently, or for which listing prices or pending offers are known. While historical in nature, this method generally provides a reliable indicator of value in a relatively stable and active real estate market.

After evaluating all known sales and listings, each suitable sale is compared to the subject and adjustments are made for physical differences, as well as variances in market conditions over time, location, utility, and the terms of the sale (motivation, vendor financing, etc.) as applicable.

Multi-family and commercial lot sales are typically compared on a unit basis (ie: sale price/acre). The unit basis of comparison is utilized to provide a common reference point when comparing sales of different sized parcels. The adjusted sale prices of the comparables are subsequently reconciled to provide an indication of the subject's value.

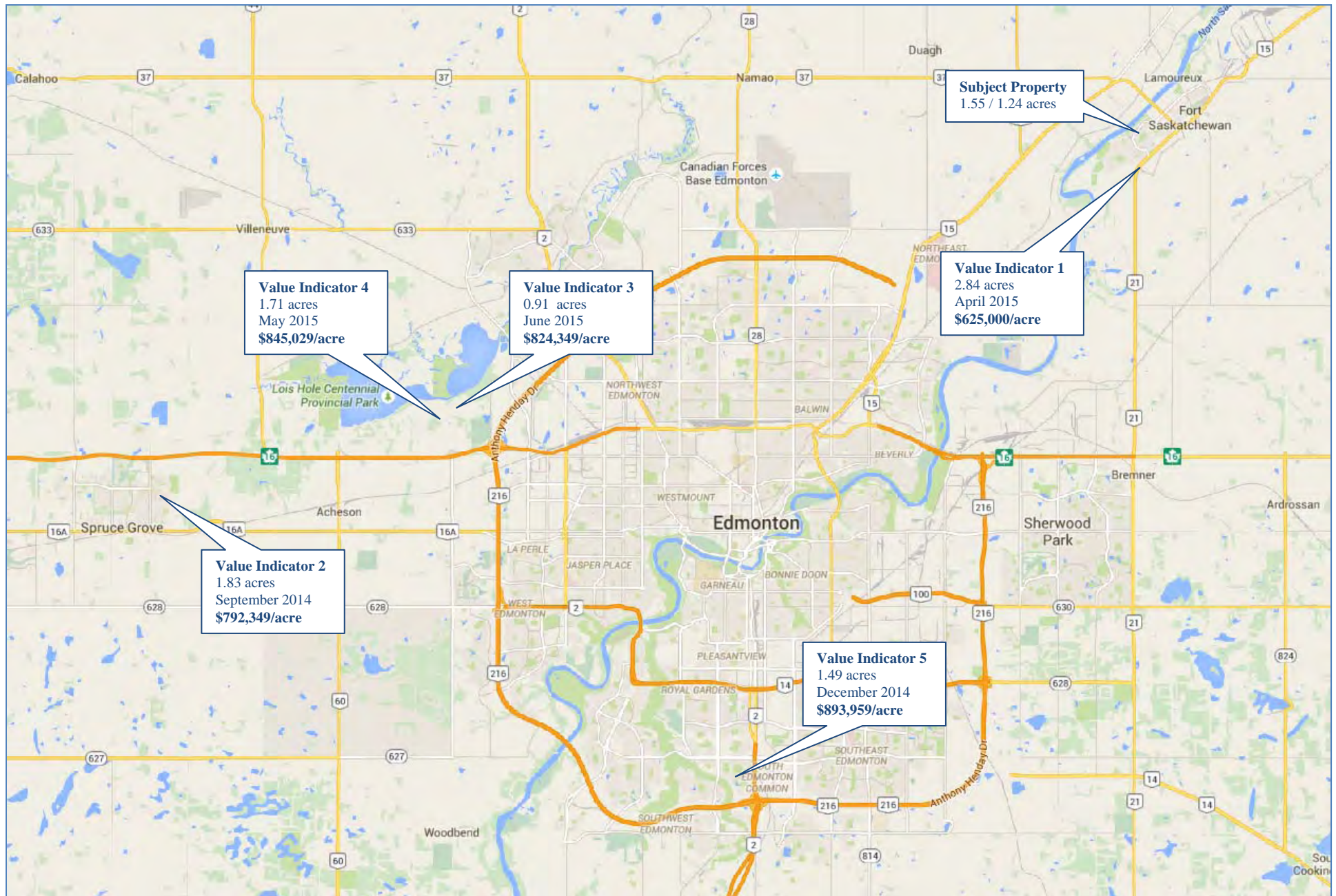
After an extensive review of recent and historical land sales, ten land sales were selected and compared to subject properties. Two categories of Value Indicators have been chosen; the first to reflect smaller sites of Parcels 1 and 2 at 1.55 acres and 1.24 acres respectively; and the second to reflect the larger site of Parcel 3 at 4.47 acres. Other sales were also analyzed and have been retained on file as secondary support and to assist in adjustment support. The following parameters were used in the selection process:

- Time: The analysis included sales of lands from December 2012 forward. This window of time is generally accepted as being reasonable for the purpose of analysis.
- Location: Preliminary analysis considered land sales within Edmonton proper, with all known larger development and re-development sites reviewed. In the final selection process, location was deemed to be a relevant factor. All Value Indicators are located north of the North Saskatchewan River in suburban areas of Edmonton.
- Land Use: Chosen land use zones were based primarily on density and potential use. Generally speaking, multi-family land sales were chosen for the analysis, recognizing that some have provisions for commercial components required. Excluded were high-density site in central Edmonton, which are typically significantly smaller and influenced by strong values for finished product. It is also noted that commercially-zoned sales were reviewed and tended to have values within similar ranges and the multi-family sites.

The descriptions for the Value Indicators, their respective unit selling prices per acre, the individual adjustments for differences, and the resulting adjusted unit selling prices for each are summarized on the Table on the following page. The relative locations of the Value Indicators 1 to 5 are shown on the maps and aerial photos following.

Summary of Value Indicators 1 to 5, as compared to Parcels 1 and 2

	Subject	Value Indicator 1	Value Indicator 2	Value Indicator 3	Value Indicator 4	Value Indicator 5
Legal Description	Parcels 1 and 2	Lot 96/5/1323880	Lot 12/99/1323570	Lot 87/8/1425609	Lot 41/1/1221444	Lot 40A/27/1425341
Address	Vic. 95 th St / 99 th Ave Fort Saskatchewan	8530 94 Street Fort Saskatchewan	Spruce Vlg Dr. & VanDerBilt Common. Spruce Grove	2230 Trumpeter Way Edmonton	480 Hawks Ridge Boulevard Edmonton	2735 109 Street Edmonton
Sale Price	N/A	\$1,793,750	\$1,450,000	\$750,000	\$1,445,000	\$1,332,000
Transaction Date	N/A	April 22, 2014	September 6, 2014	June 26, 2015	May 29, 2015	December 17, 2014
Terms of Sale	N/A	Cash	Cash	Cash	Cash	Cash
Vendor	N/A	Southpointe Estates Inc.	Beaverbrook Kenton Ltd.	United big Lake Corp.	Walton Big Lake Dev. Corp.	Southside Pentecostal Assembly of Edmonton
Purchaser	N/A	CLIO At Southpointe GP Ltd.	Centurion Townhomes (2014) Inc.	Alberta World Ventures Inc.	1357527 Alberta Ltd.	Shepards Gardens Inc.
Zoning	DC Direct Control	RMH - High Density Multiple Residential District Multi-family residential	R2 Mixed Medium to High Density Residential Multi-family residential	DC1 Direct Control (12923) Commercial & MF residential or MF residential	DC1 Direct Control (15830) Commercial & Multi-family residential	RA9 High Rise Apartment Zone Multi-family residential
Permitted Density	Set by Council	5-11 stories, >70 units/ha. >163 units required for this site.	Up to 4 stories, 40-150 units/ha. 29-111 units for this site.	Up to 4 stories, up to 125 units/ha. 46 units for this site.	Up to 4 stories, up to 125 units/ha. 86 units for this site.	Up to 15 stories, up to 325 units/ha. 196 units for this site.
Size	1.55 acres / 1.24 acres	2.87 acres	1.83 acres	0.91 acres	1.71 acres	1.49 acres
Description	Assumed vacant, ready for development	Vacant, ready for development	Vacant, ready for development	Vacant, ready for development	Vacant, ready for development	Vacant, ready for development
Improvements	None of material value.	None of material value.	None of material value.	None of material value.	None of material value.	None of material value.
Influences	Located in an established area. Highly visible, good access, services in area should be adequate for any number of uses. Relatively high-density is anticipated.	Interior lot on arterial next to newer subdivision. Re- zoned for lower density after purchase (townhomes)	Corner lot in newer subdivision in comparable community. Site suitable for townhouse (3-storey) or apartment (4-storey) development.	Corner lot at entrance to new subdivision. Higher density residential permitted on its own, any commercial use requires residential development above.	Corner lot at entrance to new subdivision. Commercial use is required on main floor, with high density residential above.	High density site in Heritage /Century Park area, in-filling near new LRT station. Pan- handle shape, reducing developable area.
Proposed Development		CLIO townhomes.	Future townhomes.	Future commercial / multi- family.	Future commercial / multi- family.	15 storey condo building and seniors home
Sale Price/Acre	N/A	\$625,000/acre	\$792,349/acre	\$824,175/acre	\$845,029/acre	\$893,595/acre
Summary: The Adjustment Process						
Terms	As described	-	-	-	-	-
Market Trends	As described	<i>Slight up</i>	-	-	-	-
Terms / Time Adjusted	As described	\$637,500	\$792,349	\$824,175	\$845,029	\$893,595
Location (Horizon)	As described	<i>Up</i>	-	<i>Down</i>	<i>Down</i>	<i>Down</i>
Site Size / Shape / Access	As described	<i>Up / - / Slight down</i>	<i>- / - / Slight down</i>	<i>- / - / Slight down</i>	<i>- / - / Slight down</i>	<i>- / Slight up / Slight down</i>
Land Use Controls	As described	-	-	-	-	-
Adjusted Price / Unit (rounded)		\$719,000	\$753,000	\$701,000	\$718,000	\$715,000



Map: Depicts the location of the Value Indicators within the Edmonton CMA.

The Value Indicators are further described as follows:

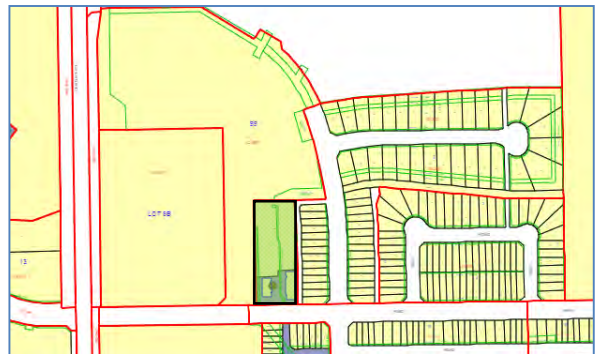
Value Indicator 1 (2.87 acres, \$625,000/acre): This is a recent sale of a larger multi-family development site within Fort Saskatchewan. The property is located in the Southfort neighbourhood, in a newly developing area across from the hospital. The property was zoned for RMH (High Density Multiple Residential District) use upon purchase, but was down-zoned to RML (Low Density Multiple Residential District) by the owner, with development currently in-progress on a townhouse complex (Clio). The down-zoning confirms the premise that strong demand exists for lower-density multi-family sites, and that there is a limited differential in unit values (\$/acre) for the lower-density site vs. the higher density sites.

This property sold from the land developer to a multi-family builder and property management company. Parcels 1 and 2 will each be a smaller lot, likely resulting in a higher unit value.



Value Indicator 2 (1.83 acres, \$792,349/acre): This is a comparably sized lot located in the City of Spruce Grove, about 15 minutes west of Edmonton's west boundary. Values in Spruce Grove are considered comparable to those in Fort Saskatchewan. The rectangular site was within a developing area, with services believed to be at/near the lot lines. Land use controls for this site provided for a range of potential uses from town-housing developments to low-rise apartment buildings.

This property sold from the land developer to a property management company. In 2014, permits were issued for a multi-building townhouse complex on this site. Note that this project has a lower density, yet a higher value was exhibited in the sale price, suggesting little to no differentiation based on potential densities in multi-family lands.



Value Indicator 3 (0.91 acres, \$824,175/acre): This property is located in the Trumpeter neighbourhood of west Edmonton, an area that generally has comparable demographics and rental rates as Fort Saskatchewan, but somewhat higher values for development sites and finished product. Trumpeter has been relatively slow to build out due to its location in peripheral Edmonton; however activity will likely accelerate as neighbouring subdivisions come on line and more amenities are added to the area. This lot was located on the corner on a collector route, and will be bounded by residential development. It is considered a mid-density site for an apartment building, although commercial uses are allowable on the main floor of a multi-storey structure.

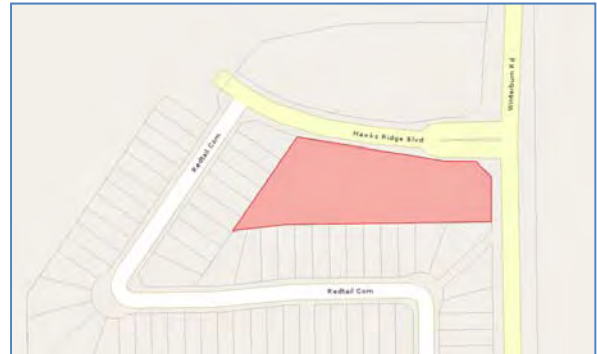
The property was purchased by a small developer from the land development company. A development permit has been approved for a mixed-use development having retail uses on the main floor with two stories of residential units above.



Value Indicator 4 (1.71 acres, \$845,029/acre): This property is located in the Hawk's Ridge neighbourhood of West Edmonton, a newly developing area. There is a general lack of commercial amenities in the immediate area (like Trumpeter), with most new development being low to mid-density residential dwellings.

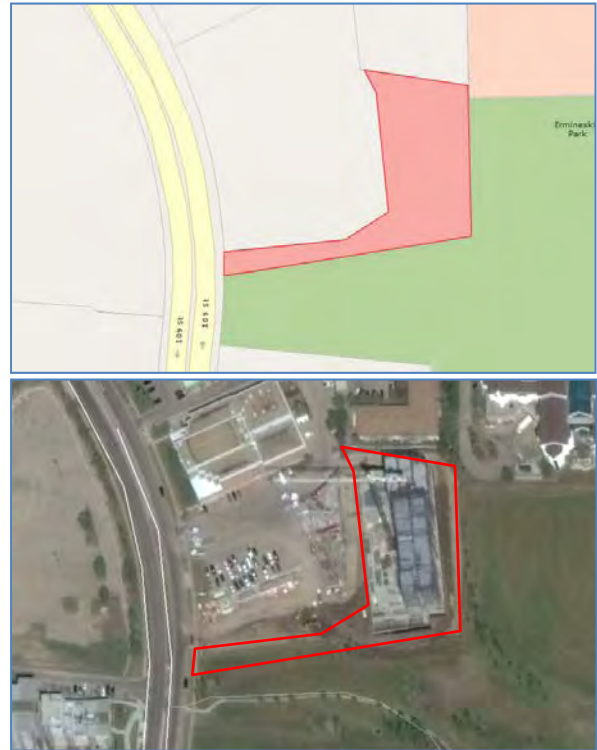
This property is very similar to Indicator 3, with the exception that Zoning required commercial development on the main floor of a multi-floor structure rather than allowing it if proposed. Density was comparable, as are the surrounding developments and overall values.

The property was purchased by a private owner directly from the land development company. No development permits have been issued. In comparing Indicators 3 and 4, it is evident that comparable values were exhibited despite variations in use (mixed residential/commercial vs. purely residential) and use in this category (0.91 acres vs. 1.71 acres).



Value Indicator 5 (1.49 acres, \$893,959/acre): This is the recent sale of a property in the Ermeskin neighbourhood of south Edmonton. This is a relatively established area that is characterized by mid-density residential and commercial uses. It has recently benefitted from the extension of the LRT, with the Century Station in relative close proximity. The property is an irregular-shaped parcel. The panhandle portion of the property results in higher development costs and a lower developable acreage. The property was bounded by a church and park land, resulting in an appealing location. Zoning allowed high-density (tower-style). Some commercial uses are also Discretionary Uses of the Bylaw.

This property sold from a local religious organization to a company that develops and operates seniors lodges (Sheperd's Gardens Inc.). The property is to be developed with 'Sheperd's Garden Heritage', a 15-storey condominium project attached to an 8-storey long term care facility known as 'Eden'. Construction is in-progress and set to complete in the fall of 2016.



Qualitative Analysis: Value Indicators 1 to 5 provide an unadjusted value range for the subject property of \$625,000/acre to \$893,959/acre. The overall range is relatively wide and is reflective of the unique attributes and potential of the subject property. The best support for value on an unadjusted basis is provided on the low end by Indicator 1, at \$625,000/acre, reflecting the location of this Indicator within the subject market. However, the micro-location of the subject property is considered somewhat superior, and Parcels 1 and 2 are smaller than this property, which typically denotes a somewhat higher unit value. Indicators 2 through 5 provide secondary support at a higher value range. Indicators 3 and 4 would define the upper limit of value at about \$825,000/acre. Based on a purely qualitative process, a value in the \$700,000/acre to \$800,000/acre is deemed appropriate.

Quantitative Analysis: Adjustments for differences: Adjustments applied to the unit selling prices (\$/acre) of Indicators 1 to 5 and are summarized at the bottom of the Summary Chart previous in the report. Adjustments were premised on the following considerations:

Terms: All Value Indicators are believed to be arm's length transactions, subject to relatively typical financing terms. No 'terms' adjustments have been applied.

Market Trends: Time" adjustments reflect changes in market conditions (values) that may have occurred over time. Renewed demand for development sites occurred in the 2012 period and demand is considered good currently. Multi-family land values for larger development sites in mainly peripheral locations appreciated between 2012 and mid-2014, at which time values appear to have stabilized. Since all of the land sales are relatively recent, no 'time' adjustments have been applied, with the exception of Indicator 1, which required a slight upwards adjustment.

Location: Relatively subjective adjustments were applied based on market trends (observed values in development sites, differences in rental rates, and finished unit values for condominium units. Adjustments were applied where deemed applicable.

Site size: Historically, smaller land parcels have sold at a slight per unit premium. This trend is somewhat muted for multi-family development site, where land value is only a margin of the total capital required to develop a site. A slight adjustment was applied to Indicator 1 to reflect its smaller size. No other adjustments are deemed to be warranted.

Site Shape: A relatively minor adjustment was required to Indicator 5 to reflect the high development cost and smaller development pocket that would be evident with the 'pan-handle' shape of the site, as compared to more conventionally shaped sites.

Access: A downwards adjustment of **5%** has been applied to the Value Indicators to reflect the access easement on the subject properties. In effect, the access easement presents some reduction in developable acreage and/or ability to maximize footprints or density. It is a relatively minor adjustment in terms of overall values.

Land Use Controls (Density): As discussed previously, the height and densities for the subject property are not defined, but it is reasonable to assume that higher-density development would be possible if so desired. In small sites (less than 1 acre) in areas of high density development (ie: Downtown Edmonton), higher allowable densities typically denote higher values. However, even within higher density neighbourhoods, maximum height is not typically attained due to market limitations.

In peripheral markets where multi-family development sites are larger, and surrounding developments are not typically dense, height is seldom maximized by developers. There is a definitive point in height where buildings typically move from wood framed (between 3 to 6 stories) to steel-framed and/or concrete structures (taller than 4 stories). The development cost of taller buildings is significantly higher per unit due to the steel-frame/concrete, and also due to the requirement of underground parkades in taller building to provide enough parking for residents. The higher cost of these taller buildings is generally un-tested in the peripheral Edmonton CMA markets; with those few buildings that have been constructed of steel/concrete (St. Albert, Spruce Grove) in the past five years not exhibiting correspondingly higher marginal finished unit values and/or requiring expanded absorption periods, effectively eroding profit margins.

With the exception of Indicator 5, none of the Value Indicators are planned to be developed with maximally dense or tall buildings. In terms of Indicator 5, which is considered peripheral Edmonton, it is interesting to note that the higher allowable defined density did not result in a significantly higher unit value. In DC-type zones where height and density are not well-defined, no premium appears to be attached to higher density. As such, no adjustments have been applied for this factor.

After considering the value-related differences between the five properties and the subject, adjustments were made to the unit selling prices (\$/acre) of each to provide an indication of value for the subject. The results of this process are summarized in the table found previously in the report.

Reconciliation: The adjusted selling prices of Indicators 1 to 5 suggest a unit value for each of the subject parcels in the range of **\$701,000/acre to \$753,000/acre**, with the average at approximately \$721,000/acre. Additional sales data has been retained on file that supports this final value range.

The quantification of the differences between the subject and the Value Indicators was necessary to illustrate the market and to provide a meaningful final value range. In the circumstances, the adjustments applied are based on a combination of empirical evidence and subjective opinion. It is recognized that this is an inherently

imperfect market sector with the resulting value range relatively wide. This wider range is deemed to be reflective of the current market, in which appreciation can tend to expand value ranges.

No one Indicator provides definitive support to value, with all corroborating the final value range. A final value at \$725,000/acre was selected, offsetting the current uncertainty in the market with the appeal of the smaller sites. This unit value yields final land values as follows (values rounded to the nearest \$5,000):

Parcel 1:	1.55 acres @	\$725,000/acre:	\$1,125,000
Parcel 2:	1.24 acres @	\$725,000/acre:	\$900,000

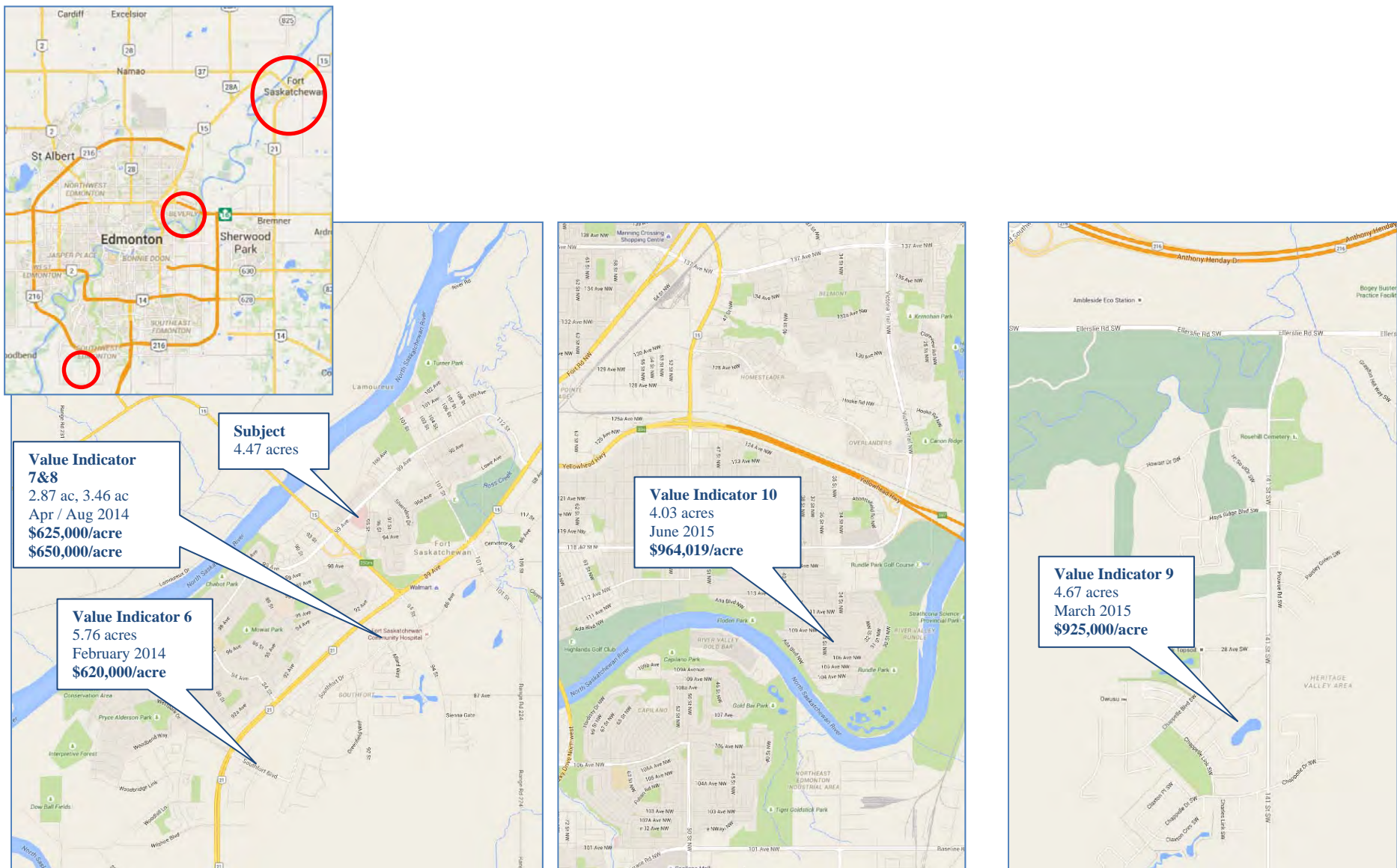
Valuation of Parcel 2

The valuation of Parcel 3 was completed in a similar manner to Parcels 1 and 2. A new set of Value Indicators, referred to as Indictors 6 to 10, was compiled for the purpose of this valuation in order to more accurately define differences in unit value due to site size.

Analysis is presented as follows:

Summary of Value Indicators 6 to 10, as compared to Parcel 3

	Subject	Value Indicator 6	Value Indicator 7	Value Indicator 8	Value Indicator 9	Value Indicator 10
Legal Description	Parcel 3	Lot 9/5/0825272	Lot 96/5/1323880	Lot 95/5/1323880	Lot 28/3/1520366	Lot 6/6/4592NY
Address	Vic. 95 th St / 99 th Ave Fort Saskatchewan	8401 Southfort Blvd Fort Saskatchewan	8530 94 Street Fort Saskatchewan	8520 94 Street Fort Saskatchewan	2950 141 Street Edmonton	11515 36 Street Edmonton
Sale Price	N/A	\$3,571,200	\$1,793,750	\$2,249,000	\$4,319,750	\$3,885,000
Transaction Date	N/A	February 20, 2014	April 22, 2014	August 25, 2014	March 30, 2015	June 26, 2015
Terms of Sale	N/A	Cash	Cash	Cash	Cash	Cash
Vendor	N/A	Southfort Development Corporation	Southpointe Estates Inc.	Southpointe Estates Inc.	Carma Ltd.	Lutheran Church - Canada.
Purchaser	N/A	Continental Capital Management Inc.	CLIO At Southpointe GP Ltd.	CLIO At Southpointe GP Ltd.	1830785 Alberta Ltd.	Beverly Heights Seniors Housing Ltd.
Zoning	DC Direct Control	RMH High Density Multiple Residential	RMH - High Density Multiple Residential District Multi-family residential	RMH - High Density Multiple Residential District Multi-family residential	RA7 Low Rise Apartment Zone Multiple family residential	RA7 Low Rise Apartment Zone Multiple family residential
Permitted Density	Set by Council	5-11 stories, >70 units/ha. >163 units required for this site.	5-11 stories, >70 units/ha. >163 units required for this site.	5-11 stories, >70 units/ha. >228 units required for this site.	Up to 4 stories, up to 125 units/ha. 236 units for this site.	Up to 4 stories, up to 125 units/ha. 203 units for this site.
Size	4.47 acres	5.76 acres	2.87 acres	3.46 acres	4.67 acres	4.03 acres
Description	Assumed vacant, ready for development	Vacant, ready for development	Vacant, ready for development	Vacant, ready for development	Vacant, ready for development	Vacant, ready for development
Improvements	None of material value.	None of material value.	None of material value.	None of material value.	None of material value.	None of material value.
Influences	Located in an established area. Highly visible, good access, services in area should be adequate for any number of uses. Relatively high-density is anticipated.	Interior lot in Southfort neighbourhood. Good access and exposure, services close-by.	Interior lot on arterial next to newer subdivision. Good access and exposure, re-zoned after purchase. Re-zoned for lower density after purchase.	Located next to Indicator 7, same purchaser. Re-zoned for lower density after purchase.	Interior lot in developing residential area. Backs storm pond (positive). Services at or near lot line.	Former school site in an established area of lower density residential development. School demolished, re-zoned to RA7.
Proposed Development		Holding.	CLIO townhomes.	CLIO townhomes.	3 apartment buildings, 188 units.	Unknown.
Sale Price/Acre	N/A	\$620,000/acre	\$625,000/acre	\$650,000/acre	\$925,000/acre	\$964,019/acre
Summary: The Adjustment Process						
Terms	As described	-	-	-	-	-
Market Trends	As described	<i>Slight Up</i>	-	-	-	-
Terms / Time Adjusted	As described	\$638,000	\$625,000	\$650,000	\$925,000	\$964,019
Location (Horizon)	As described	<i>Up</i>	<i>Up</i>	<i>Up</i>	<i>Down</i>	<i>Down</i>
Site Size	As described	-	-	-	-	-
Land Use Controls	As described	-	-	-	-	-
Adjusted Price / Unit (rounded)		\$669,000	\$656,000	\$683,000	\$601,000	\$675,000



Maps (Google): Left to right – depicts Fort Saskatchewan, east Edmonton, and south Edmonton. Inset map (top left) shows location of smaller maps.

The Value Indicators are further described as follows:

Value Indicator 6 (2.87 acres, \$620,000/acre): This is a recent sale of a large multi-family development site within Fort Saskatchewan. The property is located in the Southfort neighbourhood, in a newly developing area in a transition between commercial development and low density residential housing. The street is characterized by a mix of apartment buildings and townhouse developments. The property was zoned for RMH (High Density Multiple Residential District) use; however it is noted that the site is under development with townhouse structures. The down-zoning confirms the premise that stronger demand exists for lower-density multi-family sites.

This property sold from the land developer to a multi-family builder and property management company. It provides good support to value.



Value Indicator 7 (2.87 acres, \$625,000/acre): Also included as Value Indicator 1 in this report. This is a recent sale of a larger multi-family development site within Fort Saskatchewan. The property is located in the Southfort neighbourhood, in a newly developing area across from the hospital. The property upon purchase was zoned for RMH (High Density Multiple Residential District) use, but was down-zoned to RML (Low Density Multiple Residential District) by the owner, with development currently in-progress on a townhouse complex. The down-zoning confirms the premise that strong demand exists for lower-density multi-family sites.

This property sold from the land developer to a multi-family builder and property management company. Parcels 1 and 2 will each be a smaller lot, likely resulting in a higher unit value.

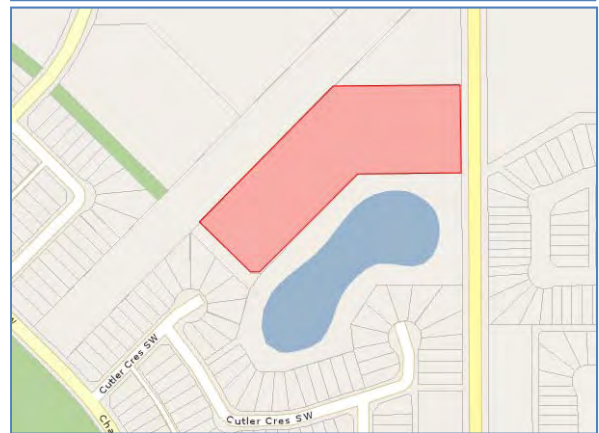


Value Indicator 8 (4.67 acres, \$824,175/acre): This property was located adjacent to Indicator 7. It sold four months subsequent to the sale of Indicator 7, from the same vendor to the same purchaser. The site was later down-zoned to accommodate a townhouse style development. A somewhat higher unit value is noted, reflecting the appreciating market in Q1 and Q2 2014. Since that time, values have stabilized. Note the similar value between the 2.87 and 4.67 acre sites.

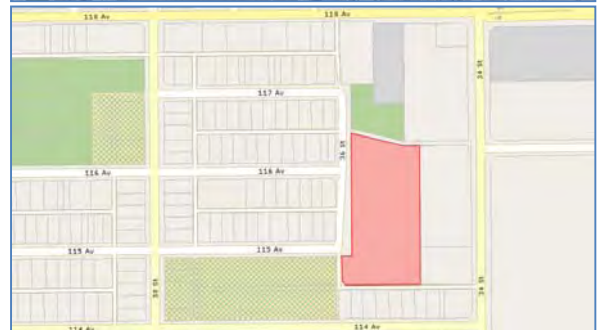


Value Indicator 9 (4.67 acres, \$925,000/acre): This property is located in the Chapelle neighbourhood of south Edmonton. This is a newly developing area at the extreme south edge of Edmonton. Rental rates, finished values, and land values are higher in the area. The property was located on an arterial route and backs a storm pond.

The property was purchased by a private owner directly from the land development company. Plans for a 3-building apartment complex are currently underway.



Value Indicator 10 (4.03 acres, \$964,019/acre): This is the recent sale of an in-fill property in the east Edmonton neighbourhood of Beverly. Beverly is considered a 'starter' neighbourhood in Edmonton, with comparatively lower rents, house, and land values. Although Fort Saskatchewan's demographics are superior, real estate values would be considered similar. This sale was chosen because it is an in-fill site, comparable to that of the subject property.



This property sold from a local religious organization to a company that develops and operates seniors lodges (Beverly Heights Seniors Housing Ltd.). There have been no applications for development permits as of yet.



Qualitative Analysis: Value Indicators 6 to 10 provide an unadjusted value range for the subject property of \$620,000/acre to \$964,019/acre. The best support for value on an unadjusted basis is provided on the low end of the range by Indicators 6 to 8 at \$620,000/acre to \$650,000/acre, reflecting the location of these Indicators within the subject market. However, the location of the subject property is considered somewhat superior to these Indicators within Fort Saskatchewan, suggesting a higher unit value range may be applicable. Indicators 9 and 10 are significantly superior to the subject property in terms of location, but are comparable in potential use and size. From a qualitative standpoint, a value in the \$650,000 to \$700,000/acre would be expected.

Quantitative Analysis and Reconciliation: Adjustments for differences: Adjustments were applied to the unit selling prices (\$/acre) of Indicators 6 to 10 as described previously in the valuation of Parcels 1 and 2. The adjusted selling prices of Indicators 6 to 10 suggest a unit value for Parcel 3 in the range of **\$601,000/acre to \$683,000/acre**, with the average at approximately \$647,000/acre. No one Indicator provides definitive support to value, with all corroborating the final value range. A final value at \$650,000/acre was selected, reconciling the qualitative and quantitative analyses. This unit value yields final land values as follows (values rounded to the nearest \$5,000):

Parcel 3: 4.47 acres @ \$650,000/acre: **\$2,905,000**

RECONCILIATION AND FINAL VALUATION

The estimated value of the subject properties was determined solely by the Direct Comparison approach because the Cost and Income approaches are not typically used to value this category of vacant land.

The strength of the Direct Comparison approach lies in the fact that it reflects actual market behavior of typical purchasers under current market conditions. Its weaknesses include the fact that each Value Indicator can vary widely in terms of potential use, size, location, etc. Additionally, the motivation behind each market transaction is not always apparent, which can lead to wider value ranges. In the circumstances, we believe that available market data was adequate for the valuation of the underlying land of the subject property. Thus, the final values are stated below.

The appraised value is based on a reasonable exposure time of up to nine (9) months, typical for a property of this type in the local market. The exposure time was estimated through analysis of market data, and assumes that the property was listed for sale at a reasonable asking price.

In our opinion, the current market value of the identified interests in the subject property as of September 2, 2015 may be fairly stated as:

Final Values				
Parcel	Short Legal Description	Size	Value	Unit Value
1	Part of Lot 8/22/6180NY; Lot R1/22/3610RS (en bloc)	1.55 acres	\$1,125,000	\$725,000/acre
2	Lot 18, Block 11, Plan 1523644	1.24 acres	\$900,000	\$725,000/acre
3	Lot 17, Block 11, Plan 1523644	4.47 acres	\$2,905,000	\$650,000/acre



September 8, 2015

Pat A. Woodlock, BMgt, AACI, P.App

ADDENDA

Annex A	Assumptions and Limiting Conditions
Annex B	Titles (4), Legal Plans (4)
Annex C	Select Planning Documents

APPRAISER'S CERTIFICATION

Re: Real estate appraisal of three parcels of vacant land located at the Old Health Care Centre Site, in the vicinity of 99th Avenue and 95th Street, in the City of Fort Saskatchewan, AB. Legal descriptions are defined below.

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

- The information contained in the above referenced report is true and correct;
- All factors affecting the value of the subject land were considered, and no important information was knowingly withheld or overlooked;
- The analyses, opinions, and conclusions stated in the report are unbiased, and subject only to the reported assumptions and limiting conditions;
- I have no present or prospective interest in the subject land, and I have no personal interest or bias with respect to the parties involved. I was retained as a real estate appraiser, and I have acted solely as a disinterested third party;
- My compensation is not contingent on the amount of the valuation reported, or the outcome of any action or event resulting from the analyses, opinions, or conclusions stated in the report;
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP of the AIC;
- I physically inspected the subject property the date noted in the report. Pat Woodlock, BMgt, AACI, P.App. provided significant professional assistance in the research, analyses and preparation of this report; and that; and that
- I hold an *Appraiser's* license to conduct fee-for-service real estate appraisal assignments in Alberta, pursuant to rules of the *Real Estate Act of Alberta*.

Based upon our research and analyses, we believe that the current market value (September 2, 2015) of the fee simple interests in the subject on an 'as is' basis, may be fairly stated as:

Final Values				
Parcel	Short Legal Description	Size	Value	Unit Value
1	Part of Lot 8/22/6180NY; Lot R1/22/3610RS (en bloc)	1.55 acres	\$1,125,000	\$725,000/acre
2	Lot 18, Block 11, Plan 1523644	1.24 acres	\$900,000	\$725,000/acre
3	Lot 17, Block 11, Plan 1523644	4.47 acres	\$2,905,000	\$650,000/acre



Pat A. Woodlock, BMgt, AACI, P.App

Appraiser

September 8, 2015

Date

Annex A***Pages Following:***

- Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

This report was prepared for our client for the purpose and use stated within this report. **It is not reasonable for any person other than our client or their assigned representatives to rely upon this appraisal without first obtaining written authorization from our client and the author of this report.** Without written permission, the appraiser shall not be held liable for any loss or damage that may occur to any person other than our clients by reason of their reliance on this report. The appraiser expressly disclaims legal liability.

The report is subject to the following Assumptions and Limiting Conditions and any others which may be stated elsewhere in the report:

1. We were instructed to appraise the subject real estate only, excluding from consideration chattels, personal property or intangible business interests.
2. Since market conditions, including economic, social, and political factors, change rapidly and, on occasion, without warning, the market value expressed as of the *effective date* (September 2, 2015) of this report cannot be relied upon as of any other date except with further advice from the appraiser.
3. The appraiser is not qualified in legal matters and does not purport to give legal advice. Except as expressly noted in the report, it is assumed that:
 - A. Title to the property is good and marketable;
 - B. The property is free and clear of all liens or encumbrances, with the exception of normal financing;
 - C. There are no unidentified encroachments, easements, restrictions, leases or covenants that would in any way affect the valuation; and that
 - D. Except as may be noted in the report, the existing use(s) of the property is a legally conforming use which may be continued by any purchaser from the existing owner(s).
4. The compensation for the research, analysis and preparation of this report does not include a provision for court preparation or court appearance. If consultations or further services are required, compensation must be negotiated separately.
5. Except as may be noted in the appraisal report, no hazardous substances or other adverse environmental conditions were observed, suspected, or called to the attention of the appraiser. However, nothing in this report should be construed as an environmental audit or a detailed property condition report, as such reporting is beyond the qualifications of the appraiser. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
6. The author is not qualified to give engineering advice. It is assumed that there are no hidden or unapparent defects in the subject improvements, soil or sub-soil conditions, or other technical matters which might render this property more or less valuable than as stated herein. No soil tests for either load bearing or contamination have been done, nor have tests of installed heating, plumbing, electrical, or other systems been performed by or on behalf of the appraiser.
7. The author is not a qualified surveyor. Any sketches, drawings, diagrams, photographs, etc. presented in this report are for the limited purpose of illustration and are not to be relied upon in themselves.
8. If the subject property is a condominium fee simple estate, it is assumed that there are no major costs currently required within the subject common area that cannot be covered by the existing contingency fund; that there are no legal actions outstanding or are contemplated against the subject complex; and, that there is a board of directors managing the affairs of the subject condominium association in a diligent manner. It is further assumed that monthly condominium fees and the balance contained in the

capital reserve fund will be adequate to cover all costs of maintaining the common property and any capital items that will be required. It is assumed that Reserve Fund Studies are completed as per Alberta's Condominium Act. The review of the Reserve Fund Study is beyond the Scope of this report. The appraiser will not be held liable if the balance in the reserve fund is inadequate to pay for required repairs and maintenance.

9. The information and opinions expressed in the report were based on sources believed by the appraiser to be reliable and correct. A reasonable attempt was made to verify all critical information through independent sources whenever practicable.
10. The contents of this appraisal report are considered confidential and will not be disclosed by the author or any other person from HarrisonBowker Real Estate Appraisers Ltd. without the prior approval of our clients, except as may be required pursuant to the Standards of the Appraisal Institute of Canada.

Annex B***Pages Following:***

- Certificates of Title (4)
- Easement
- Subdivision Plans
 - Plan 1523644 (Parcels 2 and 3)
 - Plans 6180NY and 3610RS (source Plans for Parcel 1)



LAND TITLE CERTIFICATE

S		
LINC	SHORT LEGAL	TITLE NUMBER
0035 795 666	6180NY;22;8	132 283 350 +2

LEGAL DESCRIPTION

PLAN 6180NY
 BLOCK TWENTY TWO (22)
 LOT EIGHT (8)
 CONTAINING THREE AND SIXTY SEVEN HUNDREDTHS (3.67)
 ACRES, MORE OR LESS
 EXCEPTING THEREOUT:

	HECTARES (ACRES)	MORE OR LESS
A) PLAN 3610RS - SUBDIVISION	0.14	0.34
B) PLAN 1323810 - SUBDIVISION	0.859	2.12

 EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;22;54;13;RL
 ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF FORT SASKATCHEWAN

REFERENCE NUMBER: 135W229

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION

132 283 350	09/09/2013	SUBDIVISION PLAN		

OWNERS

TOWN OF FORT SASKATCHEWAN.
 OF FORT SASKATCHEWAN
 ALBERTA

ENCUMBRANCES, LIENS & INTERESTS		

REGISTRATION		
NUMBER	DATE (D/M/Y)	PARTICULARS

152 241 929	12/08/2015	EASEMENT
		OVER AND FOR BENEFIT OF: SEE INSTRUMENT
TOTAL INSTRUMENTS: 001		

(CONTINUED)

PAGE 2
132 283 350 +2

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 1 DAY OF
SEPTEMBER, 2015 AT 12:45 P.M.

ORDER NUMBER: 29185398

CUSTOMER FILE NUMBER: 10439B



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM
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APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S
 LINC SHORT LEGAL TITLE NUMBER
 0018 998 948 3610RS;22;R1 101Y244

LEGAL DESCRIPTION

PLAN 3610RS
 BLOCK 22
 LOT R1 (RESERVE)
 CONTAINING 0.34 OF AN ACRE MORE OR LESS
 EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;22;54;13;RL
 ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF FORT SASKATCHEWAN

REGISTERED OWNER(S)			
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	CONSIDERATION
101Y244	16/06/1970		REF. 3610RS

OWNERS

TOWN OF FORT SASKATCHEWAN.
 OF P.O. BOX 89, FORT SASKATCHEWAN
 ALBERTA

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION		
NUMBER	DATE (D/M/Y)	PARTICULARS
NO REGISTRATIONS		

TOTAL INSTRUMENTS: 000

(CONTINUED)

PAGE 2
101Y244

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
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LAND TITLE CERTIFICATE

S
 LINC SHORT LEGAL TITLE NUMBER
 0036 787 620 1523644;22;18 152 241 928 +1

LEGAL DESCRIPTION
 PLAN 1523644
 BLOCK 22
 LOT 18
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 0.503 HECTARES (1.24 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
 ATS REFERENCE: 4;22;54;31;SE

MUNICIPALITY: CITY OF FORT SASKATCHEWAN

REFERENCE NUMBER: 132 283 350 +1

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
152 241 928	12/08/2015	SUBDIVISION PLAN		

OWNERS

THE CITY OF FORT SASKATCHEWAN.
 OF 10005 - 102 STREET
 FORT SASKATCHEWAN
 ALBERTA T8L 2C5

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
152 241 929	12/08/2015	EASEMENT OVER AND FOR BENEFIT OF: SEE INSTRUMENT

TOTAL INSTRUMENTS: 001

(CONTINUED)

PAGE 2

152 241 928 +1

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 1 DAY OF
SEPTEMBER, 2015 AT 12:45 P.M.

ORDER NUMBER: 29185398

CUSTOMER FILE NUMBER: 10439B



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OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S		
LINC	SHORT LEGAL	TITLE NUMBER
0036 787 612	1523644;22;17	152 241 928

LEGAL DESCRIPTION
 PLAN 1523644
 BLOCK 22
 LOT 17
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 1.81 HECTARES (4.47 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
 ATS REFERENCE: 4;22;54;31;SE

MUNICIPALITY: CITY OF FORT SASKATCHEWAN

REFERENCE NUMBER: 132 283 350 +1

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
152 241 928	12/08/2015	SUBDIVISION PLAN		

OWNERS

THE CITY OF FORT SASKATCHEWAN.
 OF 10005 - 102 STREET
 FORT SASKATCHEWAN
 ALBERTA T8L 2C5

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
152 241 929	12/08/2015	EASEMENT OVER AND FOR BENEFIT OF: SEE INSTRUMENT

TOTAL INSTRUMENTS: 001

(CONTINUED)

PAGE 2
152 241 928

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 1 DAY OF
SEPTEMBER, 2015 AT 12:49 P.M.

ORDER NUMBER: 29185448

CUSTOMER FILE NUMBER: 10439B



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OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



Annex C

Pages Following:

- *Excerpts from Land Use Bylaws (DC, RMH)*
- *Excerpt from Municipal Development Plan (RMU, map)*
- *Excerpts from Old Health Centre Site Redevelopment Plan*
- *Land Use Map*

PART 9 - DIRECT CONTROL LAND USE DISTRICTS

9.1 Purpose of Direct Control Land Use Districts

Direct Control Land Use Districts are intended to apply to sites or areas that are intended to be subdivided and/or developed under individually unique circumstances requiring site-specific controls, where the application of a conventional Land Use District would be inappropriate or inadequate.

9.2 General Application of Direct Control Land Use Districts

9.2.1 There are two means of application for Direct Control Land Use Districts:

- (a) With Regulations – The owner of a site may apply to amend this Land Use Bylaw to add a new Direct Control Land Use District that would apply to an area or site. As part of the Land Use Bylaw amendment, a Land Use District would be created which would detail uses, requirements and provisions that would apply to the subdivision and/or development of the site or area; or
- (b) Without Regulations – The owner of a site may apply to redistrict a site to Direct Control, without the creation of site or area specific uses, requirements, or regulations. In this case, an application for a Development Permit will be considered based upon the merits of the respective proposal that is brought forward by the owner of the site, and would rely on the guidance and policies of any applicable Statutory Plan.

9.2.2 The Land Use District shall only be applied where the following conditions are met:

- (a) The development is, in the opinion of Council, considered appropriate for the site, having regard to the policies and objectives of any plan, statutory or otherwise, this Bylaw and compatibility with the scale and character of surrounding development;
- (b) The use of any other Land Use District to accommodate the development would, in the opinion of Council, result in potential conflicts with existing or future surrounding development, should the full development potential of such a Land Use District be utilized; and
- (c) The development is of a unique form or nature not contemplated or reasonably regulated by another Land Use District.

9.3 Development Authority

9.3.1 There are two alternatives for assigning the responsibility of the Development Authority for Direct Control Land Use Districts:

- (a) DC (A) – Administration: a decision on an application for a Development Permit is made administratively, or
- (b) DC and DC(C) – Council: a decision on an application for a Development Permit is made by Council.

9.4 Statutory Plans

9.4.1 A Development Permit in a Direct Control Land Use District is not exempt from any Statutory Plan affecting the respective site or area.

9.5 DC - Direct Control District

9.5.1 Purpose

The general purpose of this Land Use District is to provide for detailed, sensitive control of use, development, siting and design of buildings and disturbance of land where this is necessary to establish, preserve or enhance:

- (a) Areas or sites of unique character or special environmental concern;
- (b) Areas or sites identified as requiring sensitive or special consideration by a Statutory Plan; and
- (c) Areas or sites of special historical, cultural, paleontological, archaeological, prehistorical, natural, scientific or aesthetic interest, as designated under the *Historical Resources Act*.

9.5.2 General Requirements

- (a) Council shall act as Development Authority on Development Permit applications in the DC (Direct Control) District and are not subject to appeal to the Subdivision and Development Appeal Board, with the exception of decisions regarding Development Permit applications for signs, which will be processed by Administration in accordance with the sign Regulations in the Land Use Bylaw.
- (b) In evaluating a proposed land use or development in a DC (Direct Control) District, Council shall have regard for, but not be limited to:

- i. The existing use of the lands;
 - ii. The general and special regulations as contained elsewhere in this Bylaw;
 - iii. The land use Regulations of adjoining Land Use Districts;
 - iv. Shall comply with the MGA, subdivision and development regulations, Municipal Development Plan and any Statutory Plan or Conceptual Scheme in effect specifically for the purpose of directing the implementation and administration of this Land Use District; and
 - v. All parcel regulations shall be as determined by Council, who, in determining such regulations, shall consider all information it obtains pursuant to the provisions of this Section and comply with any applicable provisions of any Statutory Plan in effect. This approach shall not be used for lands which require subdivision as there are no underlying uses in this District; and
- (c) The design, external finish, architectural appearance, siting, landscaping, screening and buffering of any building or structure shall be to the satisfaction of Council so that there shall be general conformity in such matters with respect to adjacent buildings, adequate protection afforded to the amenities of the adjacent residential properties and any objectionable aspects or potential incompatibility with other uses and developments in adjacent Land Use Districts is or can be minimized.

9.5.3 Uses

A Development Permit may be issued for any uses deemed appropriate by Council.

9.5.4 Information Requirements

- (a) Notwithstanding any Development Permit application requirements to the contrary in the Bylaw, and in addition to any requirements of the specified subdivision and development regulation or any policies of the City, Council (or the Development Authority) may specify the following additional application requirements in the case of an application within a Direct Control District:
- i. To determine if the lands in question are suitable for and can physically support the use or development in question, the Council or the Development Authority may require, before accepting an application as complete, geotechnical analysis or any other engineering, environmental or technical assessment and information it considers necessary to properly

evaluate the application. Council or the Development Authority will ensure that the information required is prepared or substantiated by qualified persons licensed to practice in the Province of Alberta;

- ii. To the level of detail determined by Council or the Development Authority, applicants shall fully disclose the precise nature and extent of the proposed use or development, including intended hours of operation, so that their applications can be thoroughly evaluated; and
- iii. To assist in the comprehensive evaluation of a Direct Control District application, Council or the Development Authority may undertake, or require that the applicant undertake in a manner satisfactory to Council or the Development Authority, a polling of the adjacent residential and other properties.

9.5.5 Application Process and Decision

- (a) Upon receipt of a completed application pursuant to a Direct Control District, Council or the Development Authority may, prior to a decision being made, refer the application to any municipal department or any other external agency for comment and may require a Surveyor's Certificate or Real Property Report, signed by an Alberta Land Surveyor, relating to the building that is the subject of the Development Permit application.
- (b) Council will consider but shall not be bound by the comments it receives from the referrals;
- (c) At some point, as determined by Council (or the Development Authority), prior to deciding upon the application before it, the Council (or the Development Authority) shall provide public notice, through means and to whom it considers necessary, that a decision on a development permit pursuant to a Direct Control District is to be made and the Council will afford an opportunity to any interested person to make representations on the application and shall take into account any such representations made when giving final consideration to the application.
- (d) Council may approve, with or without conditions, or refuse the application, giving reasons for the refusal;
- (e) Council may also:

- i. As a condition of approval, require that the applicant enter into a development agreement with the City pursuant to the MGA and the Land Use Bylaw. To ensure compliance with the conditions in the agreement, the City may be protected by caveat registered in favor of the City;
 - ii. Set a time period for which the Development Agreement is to remain in effect;
 - iii. As a condition of approval, require financial guarantees, in a form and amount acceptable to the City, from the applicant to secure performance of any of the conditions of the approval;
 - iv. Revoke an approval in the case where satisfactory arrangements have not been made by a developer for the supply of water, sewer, storm water and road access, or any of them, including payment of the costs of installing or constructing any such utility by the developer; or
 - v. In the case of new construction, Council or the Development Authority may require, as a condition of approval, that a Surveyor's Certificate or Real Property Report, signed by an Alberta Land Surveyor, relating to the building that is the subject of the development permit application, be submitted by the owner/developer upon completion of the building foundation, or siting in the case of mobile or portable units on permanent foundations, and prior to commencement of framing or further structural construction to ensure that the building is sited according to the provisions of the development permit and this Bylaw.
- (f) Council may stipulate the times of day or week during which an approved use or development may operate as well as the length of time its approval remains in effect;
- (g) As a condition of approval, Council or the Development Authority may require, to their satisfaction, that an approved use or development be screened from public thoroughfares and adjacent residential uses by a solid wall, fence or other means;
- (h) When part of the site is to be used for outdoor display of goods or products for sale, lease or hire, such display shall be arranged and maintained in a neat and tidy manner;
- (i) Council may approve a temporary Development Permit where Council is of the opinion that the proposed use is of a temporary nature; and

- (j) If at any time, in the opinion of Council or the Development Authority, any of the provisions of this Bylaw have not been complied with, the Council or the Development Authority may utilize the enforcement mechanisms available under the MGA and this Bylaw.

City of Fort Saskatchewan
Land Use Bylaw C10-13
"Schedule A"

183

City of Fort Saskatchewan Office Consolidation

5.23 RMH - High Density Multiple Residential District

5.23.1 RMH Purpose

This District is intended to provide for higher density housing forms with close access to a range of complementary and supporting neighbourhood level commercial and service uses. This District accommodates multi-unit developments including apartments between five and 12 storeys and development is intended to achieve a density target of over 70 dwelling units per net developable hectare.

5.23.2 RMH Permitted and Discretionary Uses

RMH Permitted Uses:

- Accessory development
- Apartment dwelling
- Fascia sign
- Home office
- Identification sign
- Multi-attached dwelling
- Projecting sign
- Show suite in an apartment dwelling

RMH Discretionary Uses:

- Assisted living facility
- Community garden
- Day care facility
- Eating and drinking establishment (limited)
- Group home (limited)*
- Home business*
- Personal service
- Professional, financial and office service
- Retail store (convenience)
- Show home
- Temporary sales centre

* Home business and group home (limited) uses may not occur within an apartment dwelling.

5.23.3 RMH Site Subdivision Regulations for Multi-Attached Dwellings

	Internal Unit	External Unit
Site Area	207.0m ² (2,228.1ft ²) minimum	360.0m ² (3,875.0ft ²) minimum
Site Width	6.1m (20.0ft) minimum	10.6m (34.8ft) minimum
Site Depth	34.0m (111.5ft) minimum	

5.23.4 RMH Site Development Regulations for Multi-Attached Dwellings**

	Interior or Corner Site	
Front Yard Setback	Front Yard	3.0m (9.8ft) minimum with a lane
		4.5m (14.8ft) maximum with a lane
		6.0m (19.6ft) minimum without a lane
	Flanking Yard	7.0m (23.0ft) maximum without a lane
		3.0m (9.8ft) minimum on a corner site
		4.5m (14.8ft) maximum on a corner site
Rear Yard Setback	8.0m (26.3ft) minimum	
Side Yard Setback	1.5m (4.9ft) minimum	
Principal Building Height	Three storey not to exceed 11.0m (36.1ft) maximum. A maximum differential of one storey shall be allowed between adjacent sites.	
Site Coverage	60% maximum for All buildings and structures	
Density	A minimum of 70 dwelling units per net developable hectare	

5.23.5 RMH Site Subdivision Regulations for Apartment Dwellings

	Interior or Corner Site
Site Area	1,360.0m ² (14,638.9ft ²) minimum
Site Width	40.0m (131.2ft) minimum
Site Depth	34.0m (111.5ft) minimum

5.23.6 RMH Site Development Regulations for Apartment Dwellings**

	Interior Site	Corner Site	
Front Yard Setback	7.0m (23.0ft) minimum	Front	7.0m (23.0ft) minimum
		Flanking	6.0m (19.7ft) minimum
Rear Yard Setback	7.0m (23.0ft) minimum		
Side Yard Setback	6.0m (19.7ft) minimum		
Principal Building Height	12 storeys not to exceed 40.0m (131.2ft) maximum. Buildings over three storeys shall provide appropriate transitions in height, scale and massing to adjacent sites.		
Site Coverage	60% maximum for All buildings and structures		
Density	A minimum of 70 dwelling units per net development hectare		

** Internal site setbacks for condominium sites may be reduced and shall be determined at the discretion of the Development Authority.

5.23.7 Additional Development Regulations for RMH

- (a) All development and uses within this Land Use District are subject to the applicable provisions of Part 4 - General Regulations for all Land Use Districts, Sections 5.1 to 5.13 of Part 5 - Residential Land Use Districts, Part 11 - Parking and Loading, and Part 12 – Signs;

- (b) Notwithstanding the above site development regulations, where a dwelling constructed prior to the adoption of this Bylaw has a 1.2m (3.9ft) minimum side yard setback, it shall be considered to be in conformity with the Land Use Bylaw; and
- (c) (c) Notwithstanding the above site development regulations, where a dwelling is to be constructed on a site located in a subdivision with an application received and deemed complete prior to the adoption of this Bylaw, it may be constructed with a 1.2m (3.9ft) side yard.
- (d) Development shall achieve a density of over 70 dwelling units per net developable hectare;
- (e) Where the boundary of the development site is over 800 metres from the boundary of the nearest C2 – Vehicle Oriented Retail and Service District or C3 – Commercial Shopping Centre District site, the development shall include a site designated for C1 – Neighbourhood Retail and Service District development;
- (f) Personal service, retail store (convenience) uses, professional, financial and office service uses and eating and drinking establishment (limited) shall not exceed 1,000.0 m² (10,763.9ft²) in gross floor area or 10% of the gross floor area of the apartment dwelling building in which they are located, whichever is less. These uses are not permitted as a freestanding use in a stand-alone building and shall only be located in the ground floor of an apartment dwelling building;
- (g) No secondary suite dwellings shall be permitted in this District; and
- (h) Notwithstanding the site development regulations above, front yard setbacks for multi-attached dwellings may be reduced to 0.0m (0.0ft) to address internal streets, at the discretion of the Development Authority.



neighbourhood commercial uses.

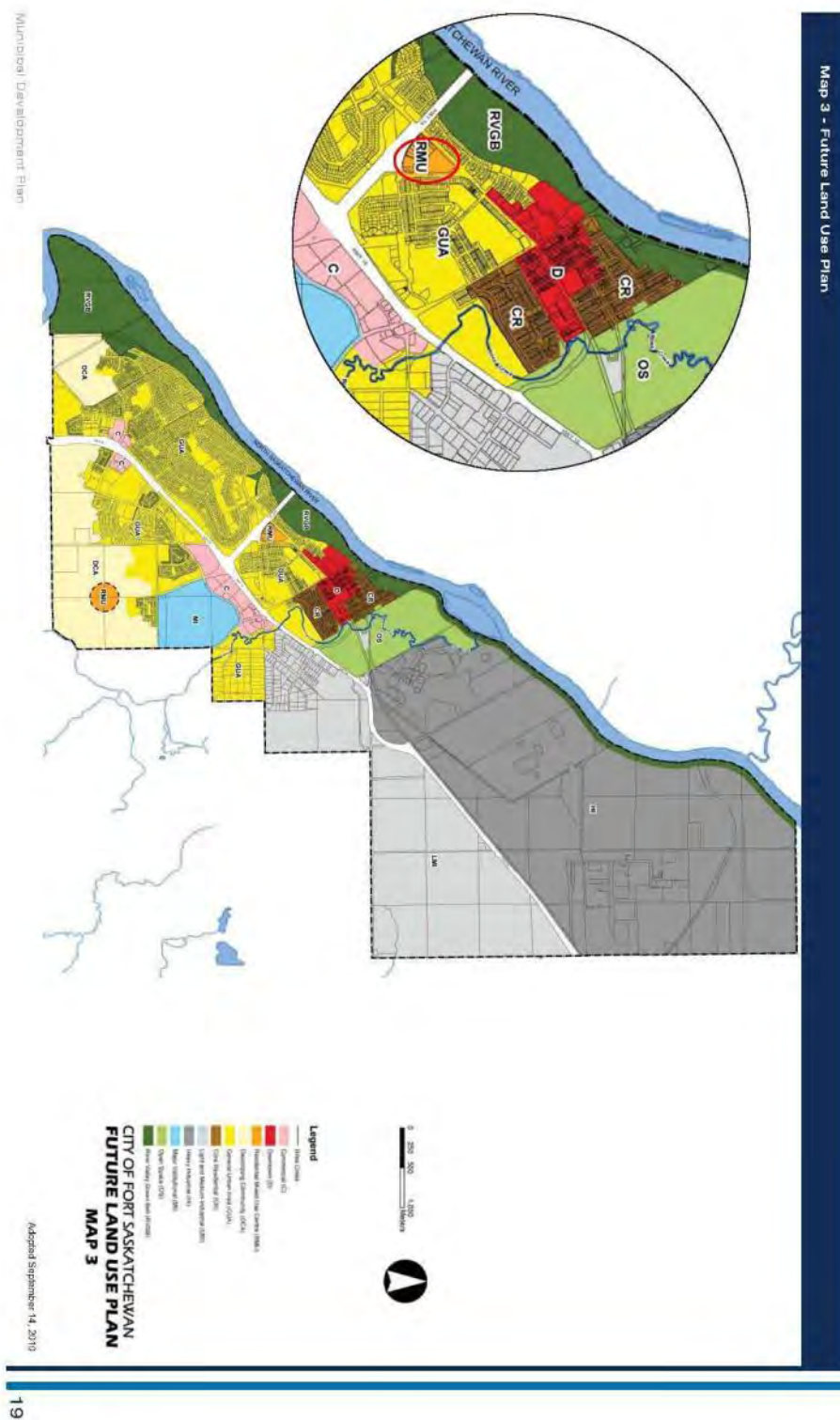
- 6.4.9 Ensure that all new commercial uses have an orientation towards the surrounding neighbourhood, with emphasis on access by pedestrians, cyclists, and transit. These uses should be of a size and scale that is consistent with the surrounding residential uses.
- 6.4.10 Encourage commercial and professional uses oriented towards local neighbourhood markets to locate within the Developing Community Area, and consider residential land uses as part of these developments.

6.5 Residential Mixed Use Centre

Residential Mixed Use Centres are intended to provide focal points for higher intensity residential and commercial uses, outside the Downtown area. While the General Urban Area designation permits a wide variety of residential uses and neighbourhood commercial uses, Residential Mixed Uses areas are specifically designated for higher density residential developments. Within this designation, the City envisions residential development as the main underlying use; however, mixed use buildings, with commercial uses on the ground floor, are encouraged, and there may also be opportunities for a limited number of commercial-only buildings (e.g. for professional services).

For the Residential Mixed Use Centre designation, the City's policies are as follows:

- 6.5.1 Encourage the development of neighbourhood-oriented residential and commercial buildings, or mixed-use buildings with commercial uses on the ground floor.
- 6.5.2 Ensure that new development is oriented to the street, with active frontages and parking to be located below, behind, or to the side of buildings.
- 6.5.3 Consider opportunities to reduce parking requirements, similar to the Land Use Bylaw's Downtown Parking Overlay, if it can be demonstrated that the lack of parking will support alternative modes of transportation and not present a source of inconvenience to the surrounding area.
- 6.5.4 Encourage the development of Residential Mixed Use areas as major transit nodes within the City.
- 6.5.5 Initiate the completion of an Area Redevelopment Plan (ARP) for the hospital site and the remainder of the Residential Mixed Use Centre at the corner of 99 Ave and 95 Street.
- 6.5.6 Support amendments to the Southfort Area Structure Plan (ASP) to facilitate the development of higher density residential and commercial uses in the location generally identified as a Residential Mixed Use Centre in the MDP Future Land Use Plan (Map 2).
- 6.5.7 Consider additional areas for the Residential Mixed Use Centre designation as market demand warrants it.



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APPENDIX B



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IN ASSOCIATION WITH:**EIDOS****G3 DEVELOPMENT**
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Arndt Tkalcic Bengert**REPORT PREPARED FOR:****CITY OF**
FORT SASKATCHEWAN**DISCLAIMER**

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3.0 REDEVELOPMENT GUIDELINES

These redevelopment guidelines are included to aid designers in meeting the objectives and principles identified in the previous section, as well as to assist Council in evaluating redevelopment proposals. They are intended to provide a selection of ideas which could be considered for incorporation into a proposal for redevelopment of the subject area not as regulations which must be met.

3.1 LAND USE

A mix of uses including residential (including a variety of densities and ownership forms), commercial retail and office uses integrated with public and private open spaces are appropriate for the site.

Residential built forms including apartment buildings, town houses, and duplexes may be considered appropriate for the area. Consideration should be given to the potential to create an "aging in place" development which complements the City's new senior's lodge on the adjacent site.

If included in a redevelopment proposal for the site, commercial and/or office uses may be located at the ground floor of residential buildings to create vertically integrated mixed-use development or be located in stand-alone buildings to provide horizontally mixed-use development. A mix of residential, commercial and office uses at the ground floor of buildings may be acceptable.

Locations for proposed land uses and transitions in building massing and density should be provided with consideration given to the neighbourhood context of the subject area.

3.1.1 LAND USE GUIDELINES

Considerations related to land uses and densities proposed for the Plan area should include:

- + providing housing choice to establish a complete community representative of a wide range of age groups, family types and income levels including seniors, active adults and families;
- + providing logical transitions in height and density between land uses;
- + maximizing opportunities for views into the North Saskatchewan River Valley and downtown;
- + creating a landmark entry feature to the City and the downtown area
- + supporting new businesses within the subject area as well as existing businesses in surrounding neighbourhoods;
- + encouraging activity during and outside of regular business hours;
- + concentrating any proposed commercial and/or office uses to create an activity centre or "main street" within the redevelopment area;
- + supporting compact development and minimize land consumption;
- + providing cost-efficient and sustainable infrastructure; and
- + minimizing land use conflicts by taking advantage of the separation space from adjacent neighbourhoods provided by the Highway 15, 99 Avenue and 95 Street road rights-of-way.

3.7 ARCHITECTURAL DESIGN

The architectural design for the redevelopment should reflect an "urban" neighbourhood as a beautiful, unique and exciting place within the City and the downtown. Architectural design for redevelopment in the subject lands must be compatible / complimentary with the design of the Seniors Lodge.

The Architectural Design Guidelines provide a flexible, non-prescriptive, approach to exploring form, material and architectural expression. They are non-prescriptive to allow evolution over the years of build out and with ever-changing technologies and design techniques to support community and building sustainability.

Images included provide visual examples of architectural and open space treatments which are encouraged for the Plan area. The images are in no way all inclusive or intended to be prescriptive as to the specific architectural detailing or colour. Captions describe the positive elements of each image. The images are provided to support the text descriptions of the Architectural Design Guidelines and to represent the overall theme, articulation, street treatment, rhythm, scale and massing of the architecture. Every building expression should have "contemporary" overtones. Style expressions should be current and consistent with current building methods, materials and technologies to avoid direct mimicking of historic precedents. Every building, installation and landscape initiative should be sensitive to its scale and context.



roof articulations, public / private interface,
material distribution

3.7.1 GENERAL ARCHITECTURAL DESIGN GUIDELINES

3.7.1.1 BUILDING TYPES

RESIDENTIAL

- + Residential uses should be characterized by a strong and generally continuous street edge condition.
- + Apartment buildings should provide a consistent, multi-storey, base element. Upper floors should be stepped back above the floors within the base element.
- + The materials used in the building should be timeless. Brick, masonry, or stone should be used where durability and formality are desired (i.e. at grade / main floor levels, surrounding building entries, etc.). Stucco or alternative siding products may be considered for the balance of building (vinyl siding is allowed except for mid-rise and commercial applications.)
- + Strong detailing and accents should be provided and frivolous decoration should be avoided. Because many buildings are equally accessible from both sides, the detailing and materials should be consistent for all sides of buildings.
- + Where possible, ground floor units should be provided individual entrances to the street. Finished ground floor surfaces could be elevated above the sidewalk to provide a superior amenity space for residents. At grade finished floor surfaces could be provided to support accessibility.
- + Unobstructed access to apartment elevators and lobbies should be provided from the public sidewalk to support visibility and universal design.
- + Separation of, and interface between, private property and the public realm should be provided using an appropriate and attractive combination of grade separation, landscaping, lighting, permeable fencing (including board and rail fencing) and art. Solid screens including wood or masonry fences should not be considered.

OLD HEALTH CENTRE
REDEVELOPMENT BRIEF

CITY OF FORT SASKATCHEWAN | 2013.05.02
Redevelopment Guidelines

9



street separation, private / public interface, accent materials, brick / stone, landscape, detailing

RESIDENTIAL MIXED USE

- + Where the ground floor of residential buildings are developed for commercial and / or office uses, architectural design should complement and generally follow the Guidelines provided in the residential building type category, described above.
- + Buildings adjacent to the public open space should address and interact with the public to encourage suitable edges and uses which contribute to and help enclose and define the space.

COMMERCIAL / OFFICE MIXED USE

- + Building form and massing should complement surrounding residential development by providing a strong, durable, building base of brick, masonry or stone. A market experience should be provided through a colour scheme focused on vibrant accents, signage, banners, etc. Building materials should integrate with those used within public open spaces and walkways. Vinyl siding should not be allowed for commercial/office development.
- + Landscape elements and the public realm through and around a retail center, should inform visitors about this area and allow passersby to experience the spirit of the place even when the shops are closed.

3.7.2 SPECIFIC ARCHITECTURAL DESIGN GUIDELINES

3.7.2.1 BUILDING FORM

STREET RELATIONSHIP

- + Buildings should relate directly to the streets or open spaces to which they front. In the case of retail frontages, storefronts should be permeable and building form should respond to opportunities for patios, benches and passive meeting spaces.

URBAN SCALE

- + Mid-rise developments should incorporate the classic principles of base / middle / top and the building massing and materials should set back and transition in scale, material palette and detailing.

materials, detail roof, articulation, shading.
base / middle / top, material and transition



