Comprehensive Report of

VACANT DEVELOPMENT LAND

321 DEVINE STREET, SARNIA, ONTARIO

Prepared For:

MERIDIAN CREDIT UNION

Prepared By:

METRIX REALTY GROUP

March 7, 2025
File No: 57902

MERIDIAN CREDIT UNION
75 Corporate Park Drive
St. Catherines, Ontario
L2S 3W3

Attention: Ms. Amber Waheed, Senior Manager
Commercial Credit Recovery

Re: **VACANT DEVELOPMENT LAND**
321 DEVINE STREET, CITY OF SARNIA, ONTARIO

In accordance with your request, our firm has inspected the above captioned property for the purpose of estimating its Forced Sale Market Value as of March 01, 2025, as per the *Hypothetical Condition and Extraordinary Assumption*. The property was appraised in the ***"Fee Simple Interest"***, on an "all cash" basis, as if free and clear of any existing financing. The authorized user of this report is the authorized client, ***Meridian Credit Union.*** The property was inspected on March 01, 2025. More specifically, the site was appraised as a *forced sale* scenario, with an assumed market exposure time of 30-90 days.

The following Comprehensive Report was prepared in accordance with the *Canadian Uniform Standards of Professional Appraisal Practice* for the **APPRAISAL INSTITUTE OF CANADA.**

The subject property is situated within a residential area in the southern sector of the City of Sarnia. More specifically, the appraised subject site is located on the southeast corner of Devine Street and Brock Street South. The site has an area of 3.02 acres (131,664 sq. ft.) and is zoned ***Urban Residential 5 (UR5-27)***. According to the Official Plan for the City of Sarnia, the subject property is designated ***Strategic Growth Area – Mixed-Use Corridor 1 Designation***. As of the effective date, the site is currently vacant with its current Zoning By-Law designation permitting a retirement home/ long term care facility use.

The subject property's Highest and Best Use is for its development with uses permitted within the current land use controls when market forces dictate.

A more detailed description of the property, together with the reasoning leading to the valuation estimate reported herein, has been outlined in the accompanying report.

As a result of investigation, and after taking all pertinent factors into consideration, it is my opinion that the estimated Forced Sale Market Value of the subject property, appraised in the ***"Fee Simple Interest"***, as if free and clear of any financing and on an "all cash" basis, as of March 01, 2025, is:

TWO MILLION FOUR HUNDRED FIFTEEN THOUSAND DOLLARS
($2,415,000)

Hypothetical Condition and Extraordinary Assumption: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

The undersigned reserves the right to revise the opinions set out herein, including the final estimate of value, in light of any facts and conditions that become known subsequent to the date of the report, which have an impact on the conclusions reached.

The value reported above is subject to the qualifications, limiting conditions and underlying assumptions set out herein. This report contains 60 pages plus Addendums, and is not valid unless it contains an original signature.

Should you require any further information or clarification with respect to this matter, please contact the undersigned.

Respectfully submitted,

METRIX SOUTHWEST INC.

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Sam Van Houtte, BMOS, AACI, P.App
samvanhoutte@metrixrealty.com
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Fax: (519) 672-9321

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EXECUTIVE SUMMARY

PURPOSE OF APPRAISAL:	Forced Sale Value
AUTHORIZED USE OF APPRAISAL:	Asset Valuation
EFFECTIVE DATE:	March 01, 2025
INSPECTION DATE:	March 01, 2025
INTEREST APPRAISED:	Fee Simple
PROPERTY TYPE:	Development Land
ADDRESS/LOCATION:	321 Devine Street, Sarnia, Ontario
LEGAL DESCRIPTION:	Lots 8, 9 and 10 East Side Brock Street on Plan 16 ½ Sarnia; City of Sarnia, Lambton County
REPORTED OWNER:	2657977 Ontario Limited
OVERALL SITE AREA:	3.02 acres (131,664 sq. ft.)
OFFICIAL PLAN:	***Strategic Growth Area – Mixed-Use Corridor 1 Designation***
ZONING:	***Urban Residential 5 (UR5-27)***
ESTIMATED EXPOSURE TIME:	3-6 months
FORCED SALE EXPOSURE TIME:	Assumed 30 – 90 days
HIGHEST AND BEST USE:	For its development with uses permitted within the current land use controls when market forces dictate.

FINAL ESTIMATE OF VALUE:	**$2,415,000**

Hypothetical Condition and Extraordinary Assumption: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

OVERVIEW OF THE ASSIGNMENT

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the Forced Sale Market Value, as per the *Hypothetical Condition and Extraordinary Assumption*, of the subject property located at 321 Devine Street, Sarnia, Ontario

AUTHORIZED USE OF APPRAISAL

Asset Valuation

AUTHORIZED CLIENT

Meridian Credit Union

INTEREST APPRAISED

Fee Simple Interest

EFFECTIVE DATE OF APPRAISAL

March 01, 2025

INSPECTION DATE

Sam Van Houtte, BMOS, AACI, P.App inspected the property on March 01, 2025.

SCOPE OF VALUATION AND REPORTING PROCESS

An inspection of the property was conducted on March 01, 2025, by Sam Van Houtte, BMOS, AACI, P.App. The authorized user of the report is ***Meridian Credit Union***.

The findings and conclusions outlined in this report were based upon:

- an inspection of the surrounding neighbourhood;
- a review of the pertinent Official Plan guidelines, Zoning By-law and Regulations;
- a confirmation of all data relied upon in the valuation process;
- a determination of Highest and Best Use;
- a registry office search to confirm title details was not conducted;
- comparable property sales searched through MLS records and statistics, CoStar™, GeoWarehouse™, Realtrack™ and the records of the Land Registry Office. Photocopies of this data are available in the appraiser's file. Other published statistical data as relating to economic indicators was reviewed, and where necessary, has been discussed in some detail; and
- a detailed valuation analysis of the subject utilizing the Direct Comparison Approach.

The following Comprehensive Report was prepared in accordance with the *Canadian Uniform Standards of Professional Appraisal Practice* for the **APPRAISAL INSTITUTE OF CANADA.**

Hypothetical Condition and Extraordinary Assumption: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

APPRAISAL REQUIREMENTS

MARKET VALUE

"Market Value" is defined by ***The Canadian Uniform Standards of Professional Appraisal Practice***, Effective January 1st, 2024, Section 3.50 as: *"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.*[1]

FORCED SALE VALUE

"Forced Sale Value" is defined by ***The Canadian Uniform Standards of Professional Appraisal Practice***, Effective January 1st, 2024, within section 2.31. as: *Term synonymous with "liquidation value", "distress sale" or "power of sale"* ***implying a reduced selling period and compulsion to sell****. Forced sale value is not a concept separate from market value but* ***is a form of marketing conditions less favourable to the seller*** *than those set out in the definition of market value.*

DISTRESS SALE

"Distress Sale" is defined by ***The Canadian Uniform Standards of Professional Appraisal Practice***, Effective January 1st, 2024 as: *A sale involving a seller acting under* ***duress***."

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the ***"Fee Simple Interest"***, as if free and clear of any existing financing.

PROPERTY RIGHTS DEFINED

"*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power, and escheat.*" [2]

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[1], [3] (Canadian Uniform Standards of Professional Appraisal Practice, Appraisal Institute of Canada, January 1, 2024)
[2] The Appraisal of Real Estate, (Fourth Canadian Edition, 2023)

EXPOSURE TIME

"Exposure Time**"** is defined by ***The Canadian Uniform Standards of Professional Appraisal Practice***, Effective January 1st, 2024, Section 3.26 as *"The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking."*[3]

In addition to price, exposure time is a function of use and type of real estate. The subject comprises a parcel of vacant development land located in a predominantly residential area within the southern sector of the City of Sarnia. A review of vacant residential development land transactions throughout Southwestern Ontario obtained from the Toronto Real Estate Board (TREB) indicated the following:

FIELD	COUNT	MEAN (AVERAGE)	MEDIAN	MODE	LOW	HIGH
List Price	20	$1,632,685	$800,000	$1	$1	$7,500,000
Original Price	20	$1,686,630	$800,000	$1	$1	$7,500,000
Sold Price	17	$6,431,406	$1,050,000	n/a	$50,000	$82,000,000
%Difference	6	88	89	n/a	72	98
Taxes	17	$12,248	$3,509	n/a	$368.21	$125,281.45
Bedrooms	0	0	n/a	n/a	n/a	n/a
Washrooms	0	0	n/a	n/a	n/a	n/a
Days on Market	20	129	105	155	6	384

* Calculations are performed excluding zero and null values

Source: Toronto Real Estate Board

Based on the foregoing statistical data regarding days on market, it appears that an inventory of 20 residential land sales obtained from TREB indicated a typical market exposure averaging 129 days, or approximately 4 months. Discussions with brokers and information derived through analysis of comparable data, my opinion that a reasonable exposure time for the subject would be approximately 3-6 months. ***This appraisal assumes a market exposure time of 30-90 days or less, as per the request of the Client***.

HYPOTHETICAL LIMITING CONDITIONS & EXTRAORDINARY ASSUMPTIONS

For every Hypothetical Limiting Condition identified, an Extraordinary Assumption is invoked. According to ***The Canadian Uniform Standards of Professional Appraisal Practice*** (CUSPAP January 1, 2024):

- Hypothetical Conditions are defined as: *"a specific type of an Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal, or economic characteristics of the subject property or external conditions and are imposed for purposes of reasonable analysis"*.
- Extraordinary Assumptions are defined as: *"a hypothesis - either fictitious or unconfirmed - which, if not true, could alter the appraiser's opinions and conclusions"*.
- The following Hypothetical Conditions must be clear to the reader:
    - *The property condition does not in fact exist as at the date of appraisal;*
    - *The analysis performed to develop the opinion of value is based on a hypothesis, specifically, that the property condition is assumed to exist when, in fact, it does not;*
    - *Certain events need to occur, as disclosed in the report, before the property condition will, in fact, exist;*
    - *The appraiser does not consider unforeseeable events that could alter the value conclusion, and;*
    - *A different value conclusion would likely result but for the hypothesis.*

The following Hypothetical Limiting Conditions and Extraordinary Assumptions have been identified and invoked: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

TIMEFRAME OF VALUE OPINION

1. **Current Value Opinion** refers to an effective date contemporaneous with the date of the report, at the time of inspection or at some other date within a reasonably short period from the date of inspection when market conditions have not or are not expected to have changed.
2. **Retrospective Value Opinion** refers to an effective date prior to the date of the report. The use of clear language and consistent terminology in a retrospective report (i.e. past tense throughout) is necessary for the reader not to be misled and to understand market conditions as of the retrospective effective date. Data subsequent to the effective date may be considered as confirmation of trends evident at that date. It is up to the appraiser to determine an appropriate cut-off date. In the absence of such data, the effective date is the cut-off date.
3. **Prospective Value Opinion** refers to an effective date following the date of the report; it is a forecast. The use of clear language and consistent terminology in a prospective report (i.e. future tense throughout) is necessary for the reader not to be misled and to understand market conditions as of the prospective effective date. Prospective value opinions are intended to reflect the current perceptions of market participants as to the future. These opinions should be judged on the market support for the forecasts when made, not whether in hindsight they in fact occurred. An Extraordinary Assumption must be clearly stated in the report citing the market conditions from which the prospective value opinion was developed, and absolving the appraiser from responsibility for unforeseeable events that alter market conditions prior to the effective date.
4. **Updated Value Opinion** refers to an extension of an original appraisal, changing the effective date. In the update, any changes in the status of the subject, in market conditions or in any respect affecting value since the prior appraisal must be reported, with analyses of these changes in developing an updated opinion. The updated report must clearly show that it can only be relied upon by a reader familiar with the original.

The timeframe of the subject property appraisal was a Current Value Opinion.

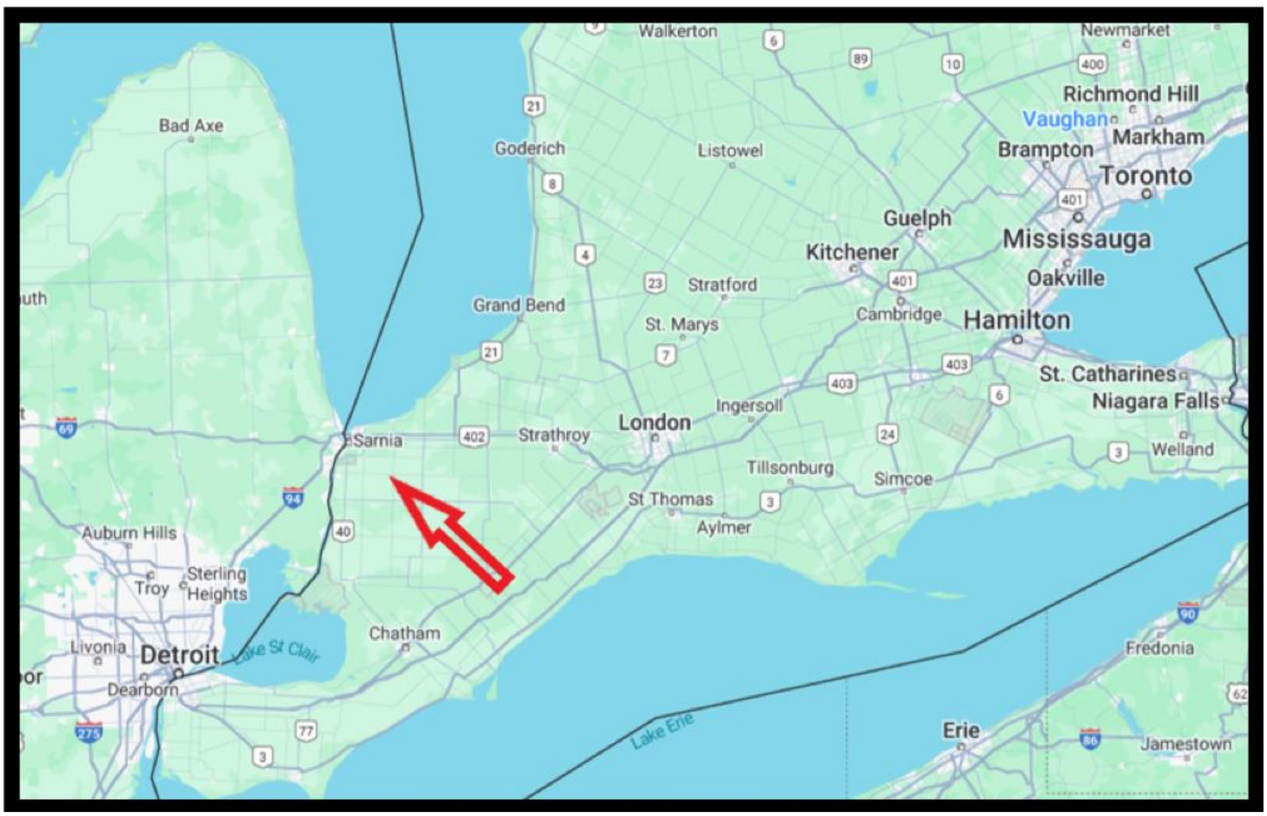
LOCATION OVERVIEW

CITY OF SARNIA ECONOMIC BASE

Location

- The City of Sarnia is located at the centre of the Great Lakes on the St. Lawrence Seaway System at the mouth of the St. Clair River and the international border between Port Huron, MI and Point Edward, ON.
- Sarnia is located approximately one-hour drive of major cities like Windsor ON, London ON and Detroit MI, approximately three hours from the Greater Toronto Area, and approximately five hours from Chicago.

REGION MAP



Population

- According to the 2021 *Census of Canada*, Sarnia CMA has a population of approximately 97,592 representing a 1.48% increase over the 2016 population of 96,151.
- On average, Ontario's population increased 5.8% and Canada's 5.2%.
- Sarnia is the largest city located on Lake Huron.

Employment

- Employment data for December 2024, indicates the jobless rate in the Sarnia-Lambton area increased to 6.9% from 7.3% in September 2024.
- Sarnai is a major petro-chemical centre, known as the "Chemical Valley" of Canada.
- Since WWII, the Sarnia-Lambton Petrochemical and Refining Complex has grown to include three refineries and more than thirty-five interrelated chemical facilities.
- The Sarnia-Lambton area now represents Canada's second largest cluster of companies in the petro-chemical and refining sector.
- The area is home to many well-known multinational companies including, Air Products, CF Industries, ARLANXEO, Cabot, Exxon-Mobil (through its Canadian affiliate Imperial Oil), Nova Chemicals, Plains Midstream, Praxair, Royal Dutch Shell, INEOIS, Styrolution, and Suncor.
- The Western Sarnia-Lambton Research Park, which is operated in partnership with Western University, is the location for the Bioindustrial Innovation Centre of Canada. Sarnia-Lambton is also home to world class research and development facilities at Lambton College.
- The Blue Water Bridge (connecting Sarnia, ON with Port Huron, MI) facilitates $42.2 billion in road trade annually.

Transportation

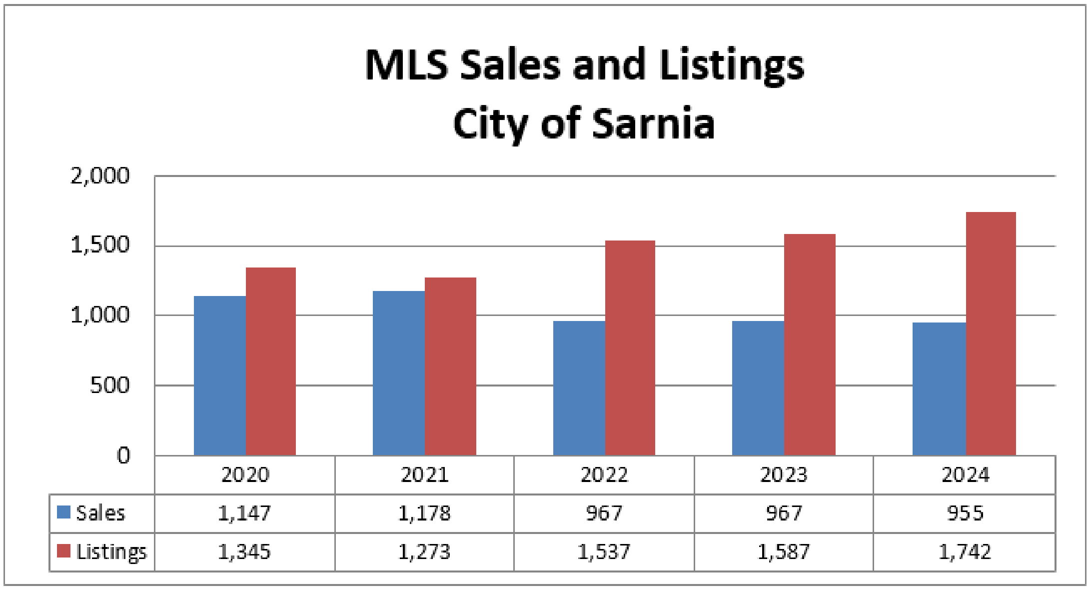
- Sarnia has an exceptional transportation infrastructure (water, highway, rail, and air) and is a hub for international trade.
- In 2021, Sarnia-Lambton was designated one of Canada's Foreign Trade Zone (FTZ) points which grows the area as a hub for international trade and investment, and strengthens market access for existing businesses.

- The Blue Water Bridge is Canada's second busiest crossing for commercial traffic. It connects Ontario's 400-series highways with U.S. Interstates I-69 and I-94 in Port Huron, MI.
- The Oversized Load Corridor (OLC) is a designated protected route on existing roadways connecting fabricators to the Port of Sarnia for the unimpeded import/export and trans-shipment of oversized product to and from fabricators' locations and Sarnia-Lambton's industrial base.
- Sarnia-Lambton is also connected to the U.S., through the St. Clair Railway Tunnel (which accommodates double stacked containers) and hosts CN's second largest international railway yard in Canada, carrying more freight than any other U.S.-Canada border crossing.
- The Sarnia-Lambton area is one of the busiest inland waterways in the world. Through the St. Lawrence Seaway System ships can navigate from the to the Atlantic Ocean. The Port of Sarnia provides seagoing access for supplies and project cargo and is a year-found berthing and repair facility for Great Lakes shipping.
- The area is home to the Sarnia Chris Hadfield Airport – a vital and proven link for trade between Canada and the U.S..
- Detroit Metropolitan Airport is just over a one-hour drive away, and provides service to major U.S. and international destinations.
- International traffic volume through the city has doubled within the last 10 years.

Education

- Home of Lambton College and the Western Sarnia-Lambton Research Park.
- Ten post-secondary institutions are located within a short distance of Sarnia-Lambton.

REAL ESTATE MARKET OVERVIEW- CITY OF SARNIA



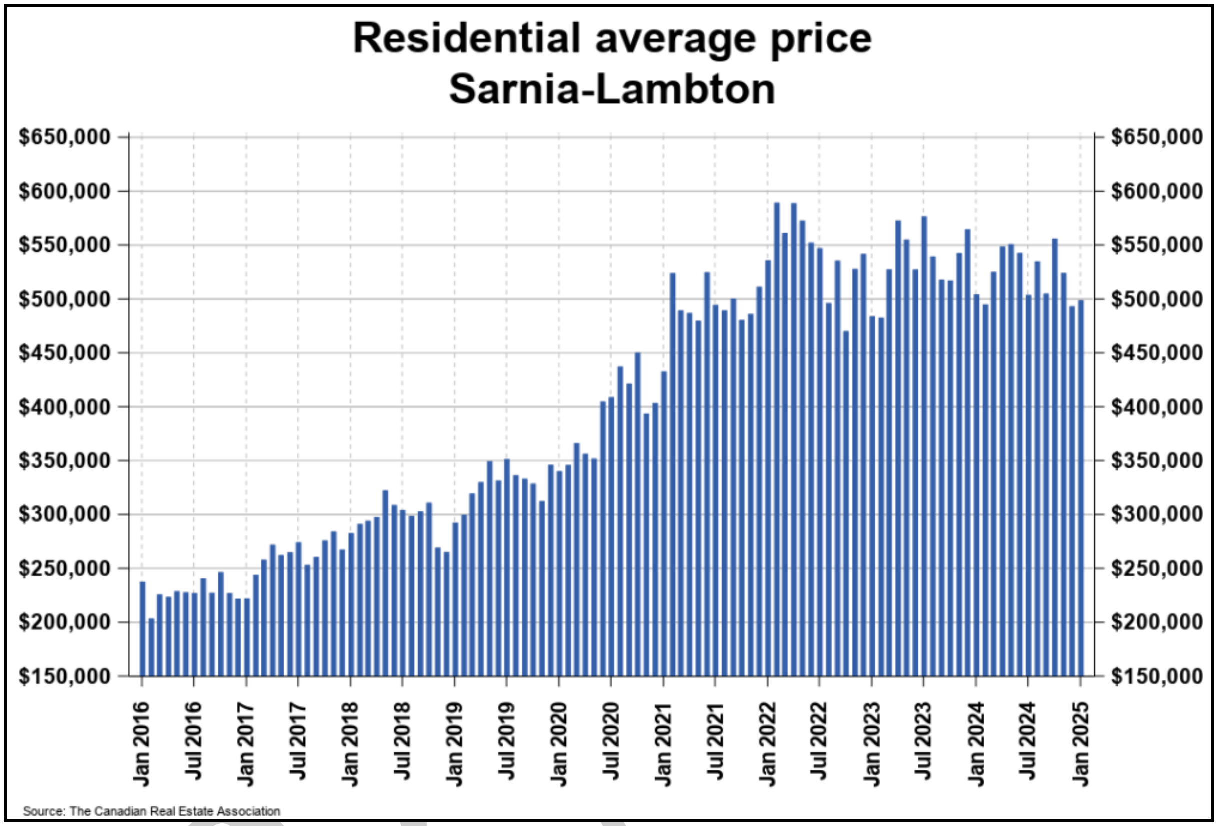
Chatham-Kent Association of Realtors - Q4 2024

Activity	2024	2023	Indicated Change
Sales Volume	**$492,222,509**	**$447,553,092**	**9.98 %**
Average Sale Price	**$434,505**	**$462,857**	**-6.13 %**

Chatham-Kent Association of Realtors - Q4 2024

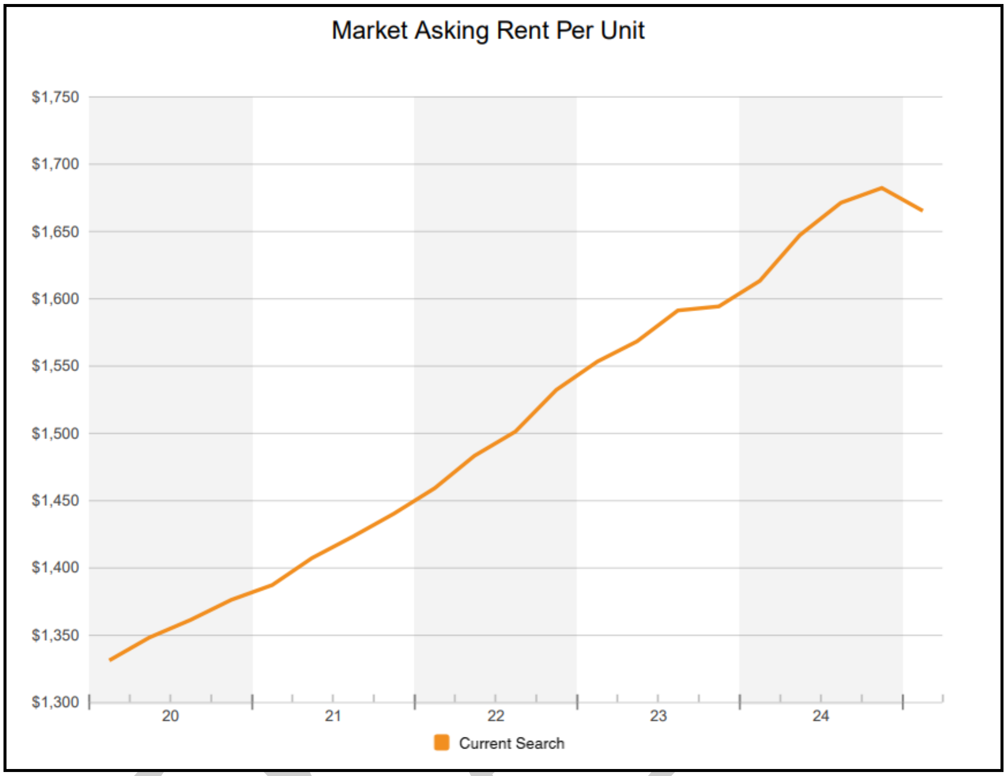
- There were 1,742 listings in 2024, compared to 1,587 listings in the year 2023.
- There were 955 sales in 2024, compared to 967 in the year 2023.
- The sales-to-listings ratio in 2024 was 55% compared to 61% in the year 2023.
- A sales-to-listings ratio of greater than 60% indicates a "sellers" market, whereas, a ratio less than 40% indicates a "buyers" market.

CREA- Sarnia Lambton Association of Realtors

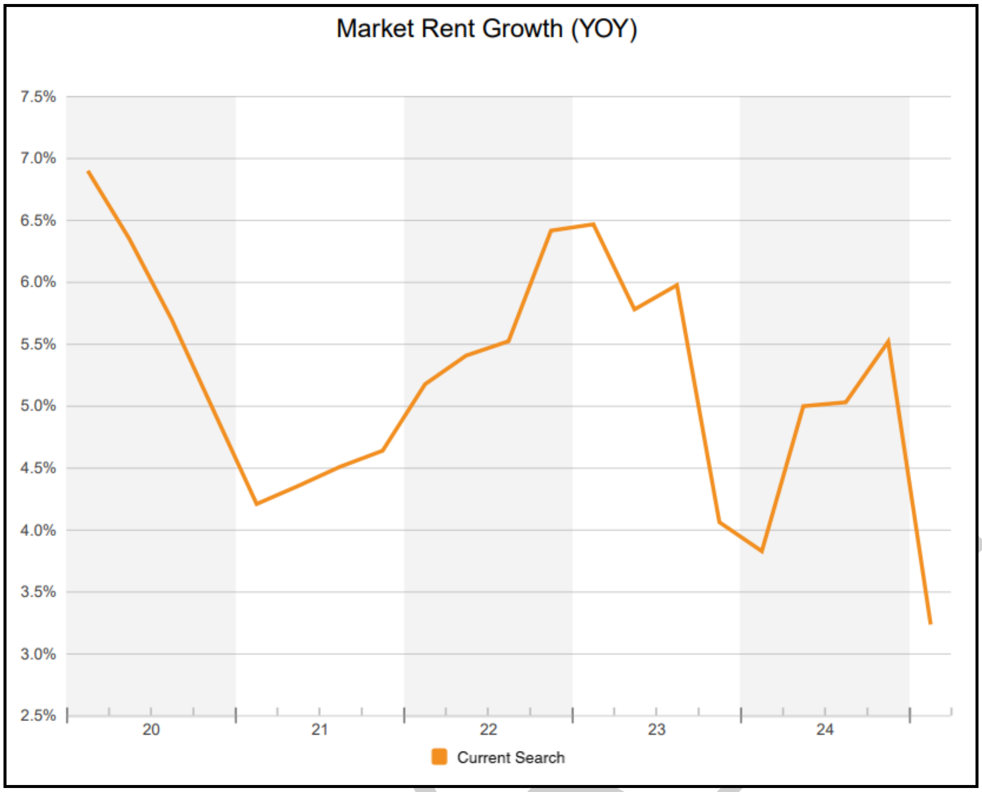


- The foregoing table provides average residential sale price statistics within the City of Sarnia over the previous nine (9) years. Average prices appeared to increased significantly before peaking in Q1/Q2 2022, and have since declined to levels similar to Q1 2021 – Q3 2021 as of Q4 2024. This trend is similar to most urban centres throughout Southwestern Ontario.

Historical Rental Market Statistics- CoStar



- According to CoStar, the average rental rate within the City of Sarnia as of Q4 2024 was $1,682 per unit, an increase from $1,594 in Q4 2023.

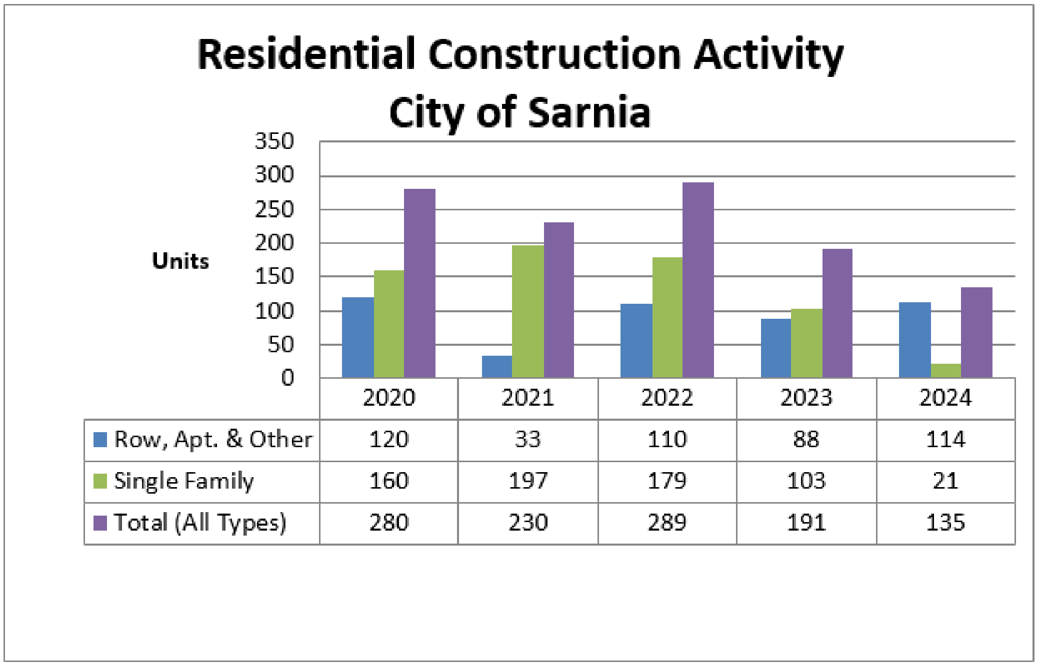


- The foregoing chart indicates rental growth was fluctuating between 3.2% - 6.9% year-over-year between 2020 and Q1 2025;
- Despite a recent decline in growth; rental growth appears to be strong within the City of Sarnia on a year-over-year basis.

Rental Units (CMHC Rental Market Report)

- The private apartment vacancy rate was reportedly 5.0% for 2024 which reflects an increase from the previous year's rate of 2.8%.
- The average rent for a two-bedroom apartment decreased by 7.4% to $1,193 per two-bedroom apartment in 2024 from $1,288 per two-bedroom apartment.
- The average rent for a one-bedroom apartment increased by 32.6% to $1,468 per one-bedroom apartment in 2024 from $1,107 per one-bedroom apartment.

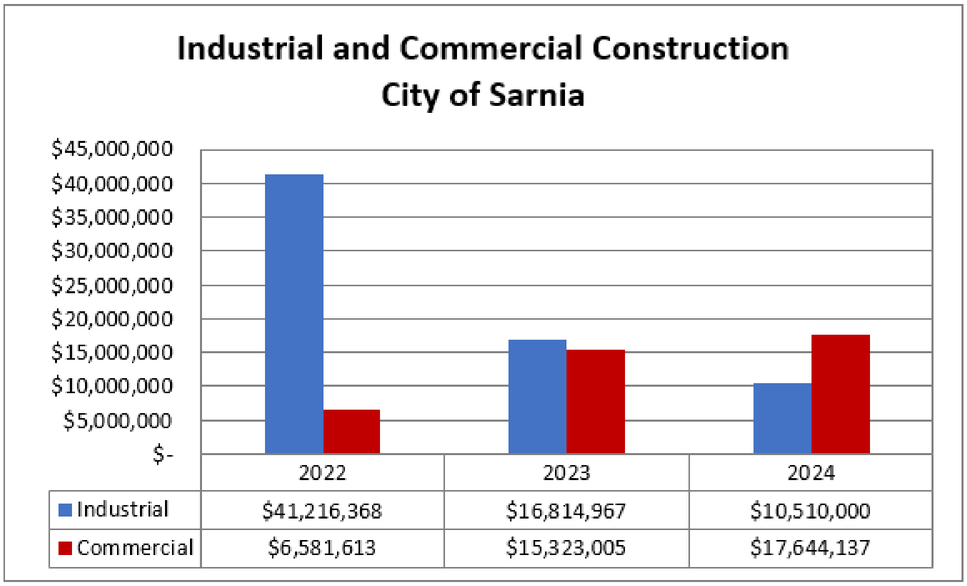
CMHC Housing Start Permits- Sarnia (City)



	2020	2021	2022	2023	2024
Row, Apt. & Other	120	33	110	88	114
Single Family	160	197	179	103	21
Total (All Types)	280	230	289	191	135

Canada Mortgage and Housing Corporation - Q4 2024

- There were 21 new home starts in 2024, compared to 103 new home starts in the year 2023.
- New single-family home construction is currently trending downward.
- There were 114 multi-family construction starts in 2024, compared to 88 in the year 2023.
- New multi-family construction is trending upward.



City of Sarnia Building Permit Statistics – Q4, 2024

- Due to the recent changes reflected within data collection reported by the City of Sarnia for Industrial and Commercial Permit Data, the graph above only reflects the most recently reported data available.
- There were $17,644,137 of commercial permits issued 2024, compared to $15,323,005 in the previous year.
- There were $10,510,000 of industrial in the year 2023, compared to $,16,814,967 in the previous year.

AREA/NEIGHBOURHOOD SUMMARY

The subject property is situated within a residential area in the southern sector of the City of Sarnia. More specifically, the appraised subject site is located on the southeast corner Devine Street and Brock Street South.

The subject neighbourhood is generally bounded by:

***North*:**	Wellington Street
***South*:**	Campbell Street
***West*:**	Christina Street South
***East*:**	Ontario Street

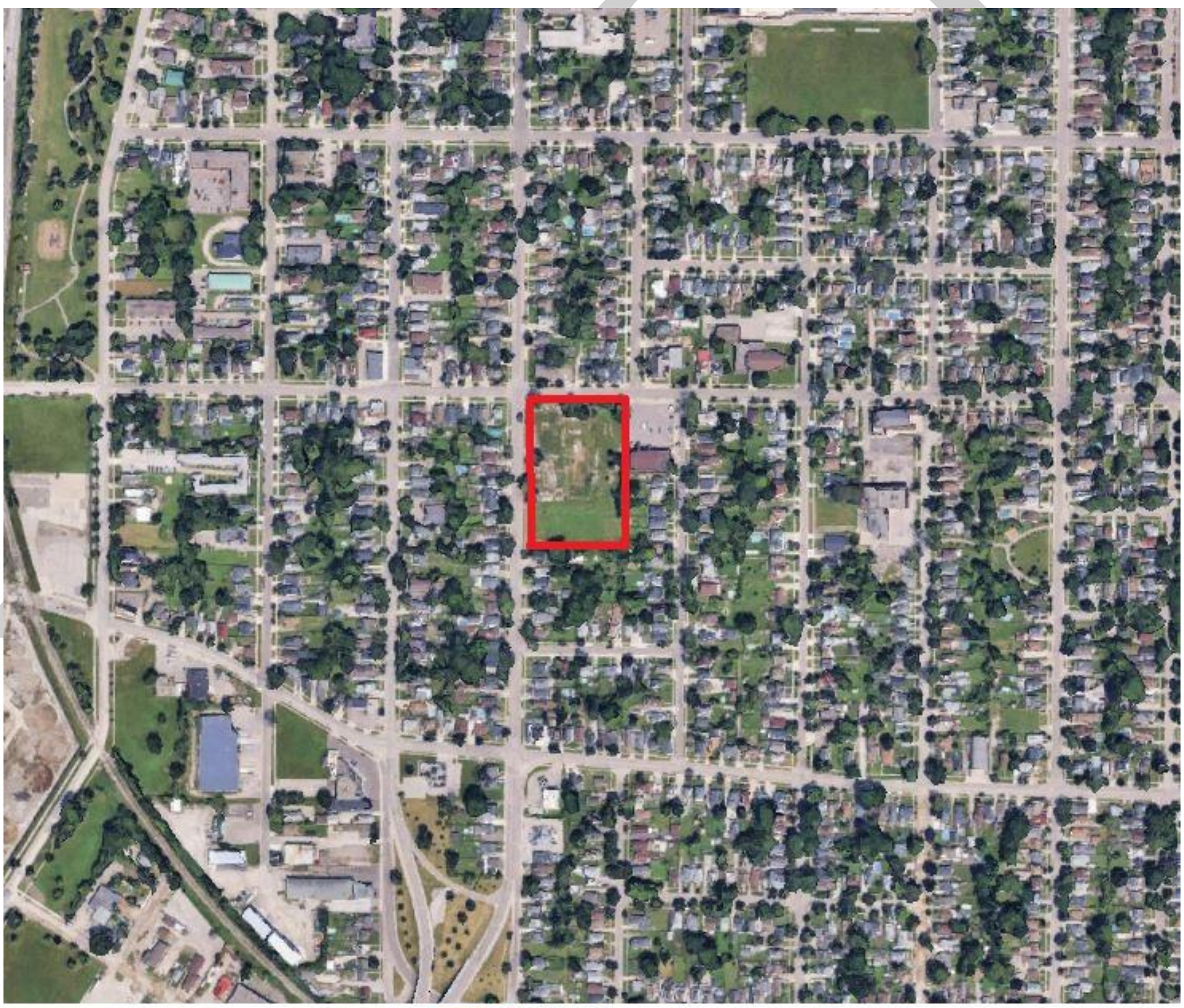
Neighbourhood Name:	
Age:	40-100 plus
Dominant Land Use in Area:	Low, Medium and High density residential
Additional Land Uses in Area:	Institutional
Public Transportation:	Available
Neighbourhood Appeal:	Average
Population Trends:	Stable
Development Trends:	Stable
General Value Trends:	Stable

IMMEDIATE AREA

Abutting use to the North:	Residential
Abutting use to the South:	Residential
Abutting use to the East:	Residential/ Shelter (The Inn of the Good Shepherd
Abutting use to the West:	Residential

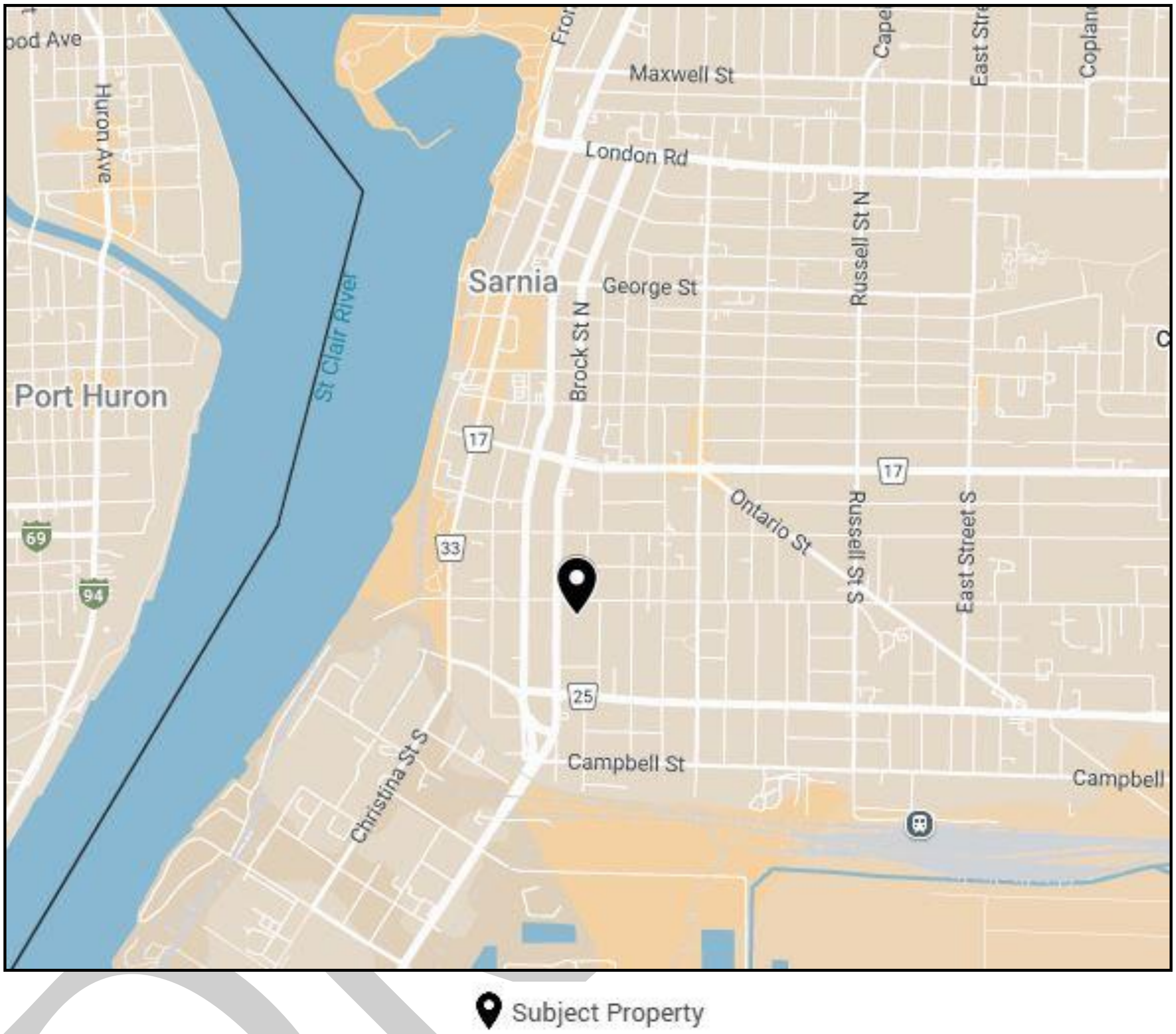
The subject is situated within an area immediately southeast of the Downtown area of the City of Sarnia. The subject area contains a mix of single-family homes, duplexes, and smaller multi-unit residences as well as various neighbourhood commercial and institutional uses. The subject immediately abuts *The Inn Of The Good Shepherd* to the east, which reflects a shelter and soup kitchen that has been established for over 40 years. The subject area is considered to reflect a lower socio-economic area within the City of Sarnia, and as a result, has a relatively lower market appeal when compared to the broader surrounding area, with lower average residential sale prices and market rental rates.

NEIGHBOURHOOD AERIAL MAP



Subject Property

LOCATION MAP



PROPERTY DATA

LEGAL INFORMATION

Address/Location	321 Devine Street, Sarnia, Lambton County, Ontario
Legal Description	Lots 8, 9 and 10 East Side Brock Street on Plan 16 ½ Sarnia; City of Sarnia, Lambton County
PIN	432540192
Current Owner	2657977 Ontario Limited

ASSESSMENT AND TAXES

According to Municipal Officials, the subject property is assessed and taxed as follows:

Roll Number	382940000711100
Assessed Value	$600,000
Phased In Assessed Value	$600,000
Tax Year	2024
Assessment Code	105 – Vacant commercial land

Currently, the assessed value is based on a January 1, 2016 valuation date. Market increases in assessed value between the January 1, 2012 and January 1, 2016 legislated valuation dates will be phased in over four years (2017-2020). The phased-in values for the property are indicated on the Property Assessment Notice. The phase-in program does not apply to decreases in assessed value, which are applied immediately. As part of the Ontario Government's *Ontario Economic Outlook and Fiscal Review* on November 4, 2021, Peter Bethlenfalvy, Minister of Finance and President of the Treasury Board announced the Province's decision to once again postpone a province-wide property assessment update due to the pandemic. Property assessments for the 2024 property tax year will continue to be based on January 1, 2016 current values.

SALES HISTORY

According to Geowarehouse (Land Registry), the subject property most recently transferred on a registration date of February 21, 2020, for a total consideration of $3,060,000, between 2333600 Ontario Inc. (seller) and 2657977 Ontario Limited (purchaser).

As of the effective date, the subject owner reported that the subject is not under a Purchase Agreement or option.

As of the effective date, the subject owner reported that the subject is not listed for sale on the open market.

Physical Characteristics of The Site

The following site information is based on a physical viewing of the property and site characteristics on March 01, 2025. The property was inspected by Sam Van Houtte, BMOS, AACI, P.App.

Total Site Area:	3.02 acres (131,664 sq. ft.)
Frontage / Street:	292.59 feet along Devine Street 459.54 feet along Brock Street South
Shape of Tract:	Rectangular
Topography:	Level
Site Comments:	The subject property is currently vacant with perimeter chain-link fencing. At the time of sale in 2020, it is reported that the site comprised of a two-storey elementary school that closed in 2010. The building has since been razed and a site plan was developed for a 100 unit long term care facility.
Landscaping:	Maintained grass areas, no significant plantings
Fencing:	The entirety of the property is currently bounded by a chain link fence.
Easements/Restrictions:	None noted
Environmental Issues:	None noted
Subsurface Conditions:	No on-site soil investigations were conducted by designated soil/geotechnical engineers, nor is the appraiser aware of any test results obtained in the past by others. The appraiser assumes there are no unusual subsurface conditions or hazardous contaminants which would adversely affect the existing building improvements or any future expansion on, or use of this site, and no warranty or representation is made as to the environmental integrity of the property.

AERIAL MAP


Devine St
Devine St
Brock St S
321
299
285
287
313
317
316
318
320
329
119
121
125
129
131
135
137
143
Subject Property

SERVICES/UTILITIES

Electric:	Bluewater Power
Natural Gas:	Enbridge Gas
Sanitary Sewer:	Sanitary sewers
Water:	Municipal water
Storm Water Management:	Stormwater Management Sewers

MUNICIPAL ROADS

DEVINE STREET

Road Type:	Collector
Road Surface:	Asphalt paved
# of Lanes:	Two
Type of Access:	Full ingress/egress
Quality of Access:	Poor
Street Lighting:	Yes
Sidewalks:	Yes
Curbs & Gutters:	Yes

BROCK STREET SOUTH

Road Type:	Local (One-Way Northbound)
Road Surface:	Asphalt paved
# of Lanes:	Two
Type of Access:	Full ingress/egress
Quality of Access:	Good
Street Lighting:	Yes
Sidewalks:	Yes
Curbs & Gutters:	Yes

STREET VIEWS


Looking north along Brock Street South


Looking south along Brock Street South


Looking east along Devine Street


Looking west along Devine Street

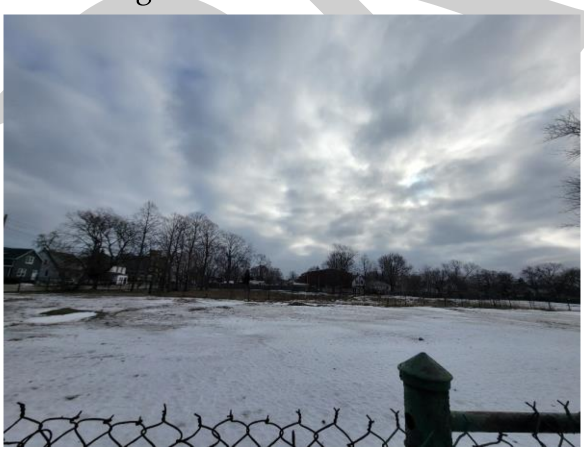
SITE PHOTOS

Looking southeast from Devine Street

Looking southwest from Devine Street

Looking east from Brock Street South

Looking northeast from Brock Street South



Looking east from Brock Street South

Looking southeast from corner

LAND USE CONTROLS

OFFICIAL PLAN

According to the Official Plan for the City of Sarnia, as amended, the subject property is designated as ***Strategic Growth Areas – Mixed-Use Corridor I Designation.***

Strategic Grown Areas include the areas of the City that are expected to intensify over time and include a mixture of residential, retail and service commercial uses as well as offices. The Strategic Growth Areas are to be the focus for intensification and are to accommodate mixed-use forms of development that include a mixture of uses within each Designation, a mixture of uses on individual development blocks and a mixture of uses within buildings. The Strategic Growth areas are expected to be supportive of an enhanced transit system throughout the City. The Strategic Growth Areas in Sarnia include:

i. The Downtown Core Designation;
ii. ***The Mixed-Use Corridor I Designation****; and*
iii. The Mixed-Use Corridor II Designation.

The Mixed-Use Corridor I Designation

It is the intent of this Plan to facilitate the ongoing evolution of the primary road corridors that serve the City. The lands within the Mixed-Use Corridor I Designation are the connective spines of the City and are envisioned to develop as mixed-use and transit supportive corridors, where the development of Mid-Rise to High-Rise mixed-use buildings that include opportunities for retail and service commercial uses, and restaurants, as well as a full range of residential, office, recreational, cultural, entertainment, and community uses and facilities. The lands within the Mixed-Use Corridor I Designation are intended to strengthen existing and future transit routes, and to be connected to the Active Transportation Network.

Permitted Uses

(a) Unless otherwise identified by this Plan, all permitted uses within the Mixed-Use Corridor I Designation shall be developed within Mid-Rise, or High-Rise Buildings

(b) Permitted uses on lands within the Mixed-Use Corridor I Designation, as identified on Schedule 2, may include: retail and service commercial uses; restaurants; artisan studios

and maker spaces; autofocused uses such as automotive service centres and repair shops, and automobile dealerships; hotels, including ancillary uses; convention/conference facilities; private clubs; office uses; cultural, entertainment and recreational uses; public service facilities; institutional uses, including secondary and elementary schools, post-secondary education facilities and places of worship; day care facilities; residential apartments, including special needs housing; and commercial and/or accessory parking facilities at-grade and/or in structures.

(c) In addition to the identified list of permitted uses, uses accessory to any of the identified permitted uses may also be permitted within the Mixed-Use Corridor I Designation.

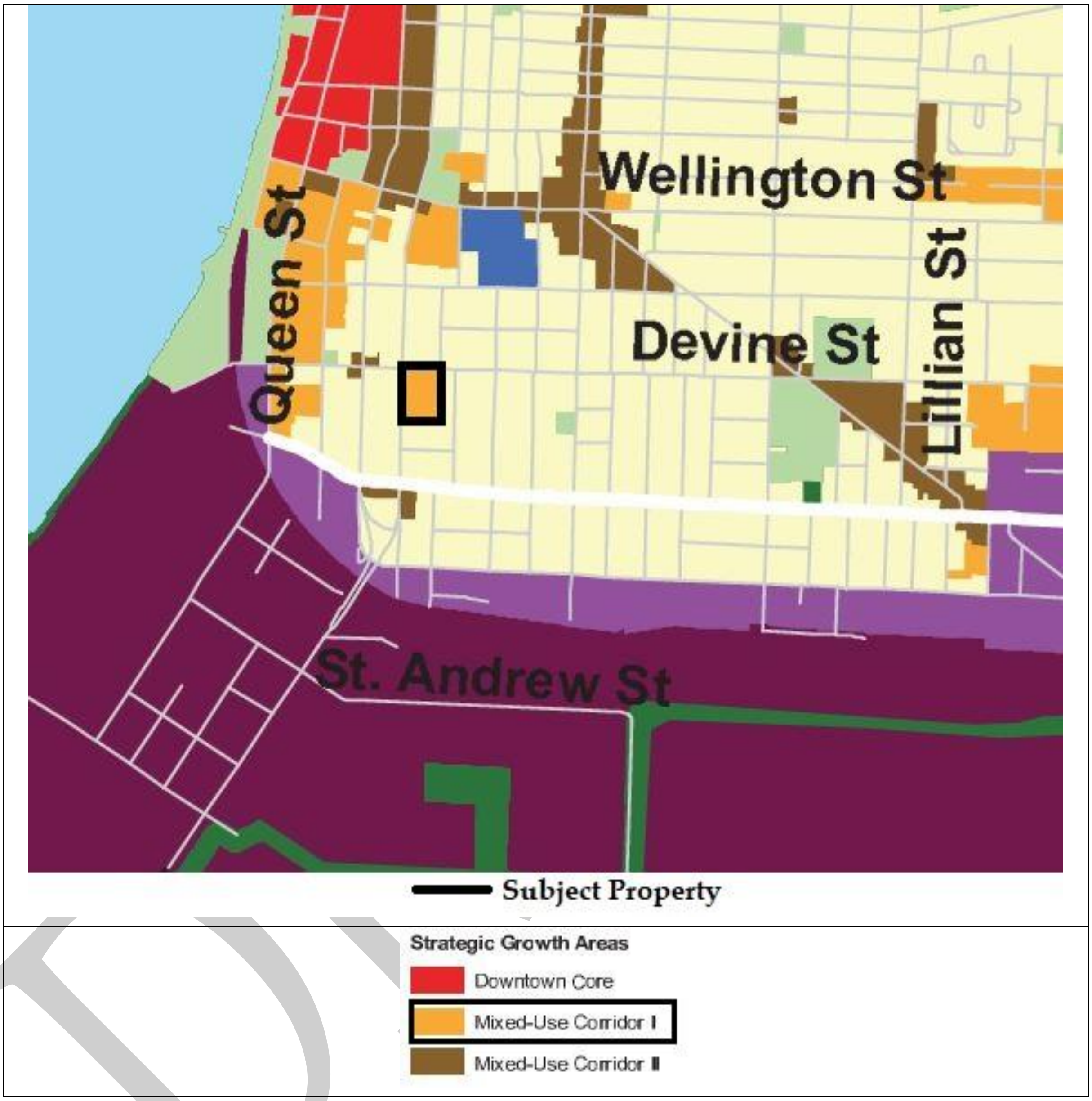
(d) Where residential uses in a Low-Rise Building exist within the Mixed-Use Corridor I Designation, additional residential units, home based businesses and bed and breakfast establishments are also permitted within any Low-Rise Building.

(e) Permitted auto-focused uses such as automotive service centres and repair shops, and automobile dealerships may be permitted within a Low-Rise Building.

(f) Permitted office uses shall generally not exceed 4,000 square metres of Gross Floor Area per buildings.

(g) The list of permitted uses, and/or specifically not permitted uses may be further refined in the zoning by-law to ensure that new development is compatible with the context of the adjacent and surrounding community in terms of the size, type, and/or phasing of uses.

OFFICIAL PLAN MAP



ZONING CLASSIFICATION

According to the Zoning By-Law for City of Sarnia, as amended, the subject property is zoned ***Urban Residential 5 (UR5-27)***.

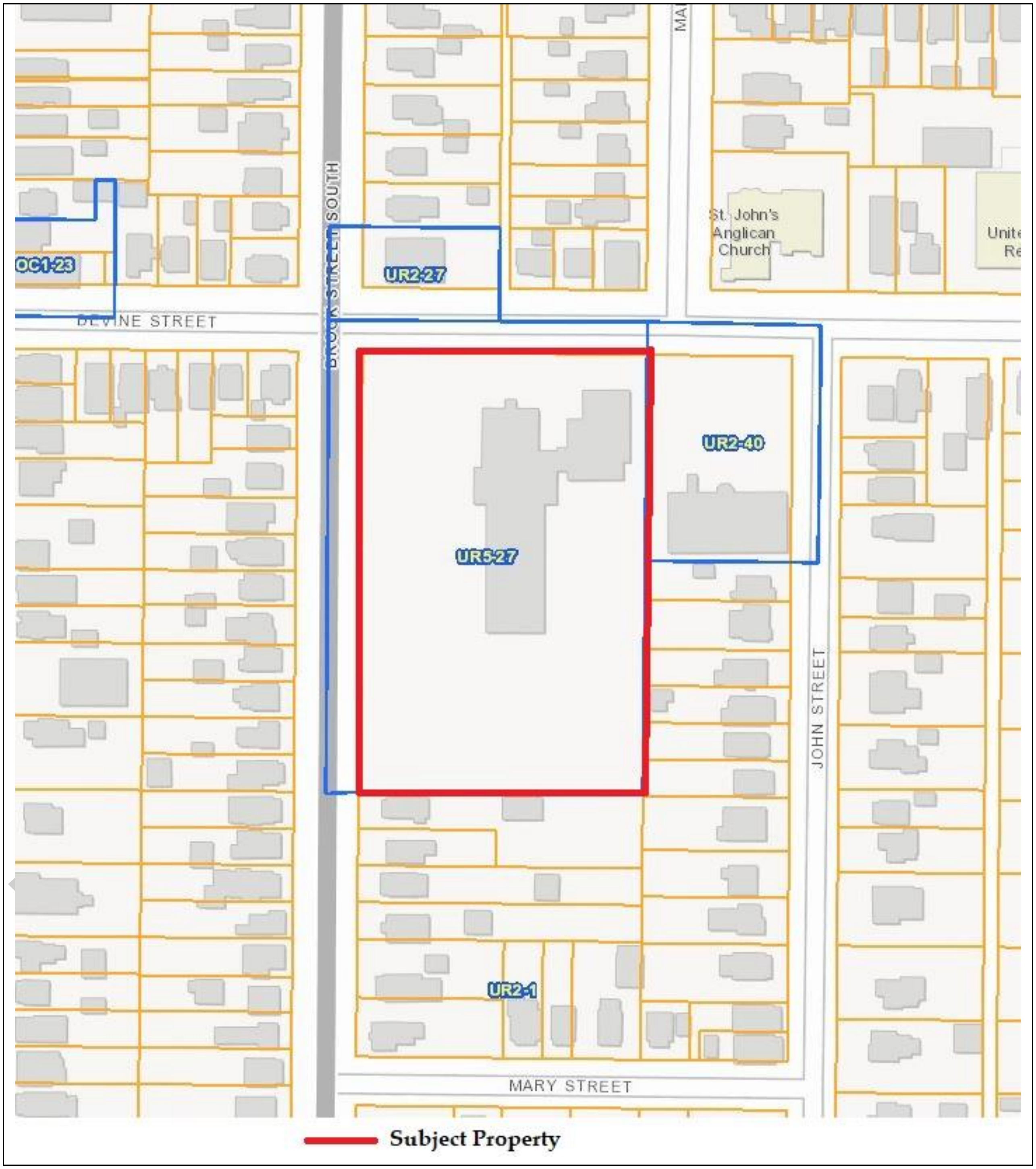
Permitted uses within this category include: *accessory uses and buildings; homes for the aged or rest home; long-term care facility; nursing home; residential care facility; and retirement home.*

Regulations

(1) Lot Frontage (minimum)	*85 metres*
(2) Lot Area (minimum)	*11,500 sq. m.*
(3) Front Yard Depth (minimum)	*13 metres*
(4) Interior Side Yard Width (minimum)	*10 metres*
(5) Exterior Side Yard Width (minimum)	*One Storey Building – 3 metres* *2-5 Storey Building – 5 metres* *6-8 Storey Buildling – 14 metres*
(6) Rear Yard Depth (minimum)	*16 metres*
(7) Lot Coverage (maximum)	*35%*
(8) Landscaped Open Space (minimum)	*45%*
(9) Height (maximum)	*28 metres*
(10) Parking Spaces (minimum)	*166*

The relevant sections of the Zoning By-law are in the appraiser's work file and available upon request.

ZONING MAP


DEVINE STREET
BROCK STREET SOUTH
JOHN STREET
MARY STREET
St. John's Anglican Church
OC1-23
UR2-27
UR2-40
UR5-27
UR2-1
Subject Property

HIGHEST AND BEST USE

The Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), Appraisal Institute of Canada, Effective January 1st, 2024, Section 3.35, defines Highest and Best Use as:

"The reasonably probable use of Real Property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value."[4]

The Highest and Best Use of land must meet the four aforementioned criteria. Of the uses that satisfy the first three tests, the use that produces the highest price or value consistent with the rate of return warranted by the market is the maximally productive use.

LEGALLY PERMISSIBLE

- With the subject site being vacant and available for development, the current zoning and Official Plan designations would be the legal restraint on what improvements could be placed on the site.
- According to the Official Plan, the subject site is designated ***Strategic Growth Area – Mixed-Use Corridor I Designation***.
- According to the Zoning By-Law, as amended, the subject property is zoned ***Urban Residential 5 (UR5-27)***.
- The subject's current Zoning By-Law desgination limits the subject's ultimate development to: *homes for the aged or rest home; long-term care facility; nursing home; residential care facility; and retirement home.*

PHYSICALLY POSSIBLE

- Analysis of the site characteristics and nearby improvements in the area indicates the subject site could adequately support physical development.
- The property is clearly visible, and accessibility to the site is considered to be good.
- Based on investigations with the local planning department, the subject site size

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[4] [4] (Canadian Uniform Standards of Professional Appraisal Practice, Appraisal Institute of Canada, January 1, 2024)

3.02 acres is sufficient to allow physical development of the site. The subject site's physical aspects do not impose limitations on development for the aforementioned legally permissible uses.

- Anticipated public or private improvements do not effect value.
- According to the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), assemblage is defined as "*the value of the whole may be less than, equal to or more than the sum of the components of the various states or parcels. Assemblage establishes the effect on value, if any, of the "larger parcel"*.[5] Assemblage is not considered applicable in this instance.

FINANCIALLY FEASIBLE

- Once the physically possible and legally permissible potential land uses have been determined, the next step in estimating the highest and best use is to determine which of these uses is likely to produce an income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. Financially feasible essentially refers to legal uses that are physically possible and have a sufficient demand to produce a positive return.
- The subject property is located in an area characterized by residential uses.
- As discussed, the subject's underlying Official Plan designation permits a range of high-density residential and commercial uses. The current Zoning By-Law designation restricts development to retirement home/ long-term care facilities.
- Discussions with brokers and information derived through analysis of comparable data, my opinion that a reasonable exposure time for the subject would be approximately 3-6 months. ***This appraisal assumes a market exposure time of 30-90 days or less, as per the request of the Client***.
- A review of building permit reports obtained from CMHC revealed new multi-family construction is currently trending upward.
- Historically low interest rates in the early 2020s resulted in an increase in residential land values across Ontario, however as rates began to rise, there was a notable impact on land values with some areas providing evidence of a notable decline.

[5] (Canadian Uniform Standards of Professional Appraisal Practice, Appraisal Institute of Canada, January 1, 2024)

- Despite relief rates currently decreasing, additional economic factors (labour/ material cost increases, an increase in unemployment rates, trade policies etc.), demand for residential/ retirement home development land does not appear to be increasing since its peak in early 2022
- The subject market for those uses that are Legally Permissible is average.

MAXIMALLY PRODUCTIVE

- Of the financially feasible uses, the use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

COMMENTARY

- It is my opinion that the Highest and Best Use of the subject property is for with its ultimate development with uses permitted within the current land use controls when market forces dictate.

Hypothetical Condition and Extraordinary Assumption: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

VALUATION

VALUATION PREMISE

The market for any real estate consists of those entities that can benefit from the highest and best use of a particular property and, accordingly, are willing and able to pay a competitive price. In most cases, for any particular property, the market is represented by a fairly clearly defined group of individuals or financial entities. In the case of the subject property, the purchaser profile would likely be an owner acquiring the property in accordance with its Highest and Best Use. The valuation contained in this document attempts to replicate the analysis that a prospective purchaser would likely use.

APPRAISAL PROCESS

In order to estimate the Forced Sale Market Value of the subject property in accordance with the Highest and Best Use, the applicable techniques for vacant land valuations, namely the Direct Comparison, Abstraction, Extraction, Subdivision Development, Land Residual and Ground Rent Capitalization procedures were considered.

As sufficient market transactions have occurred, the Extraction and Abstraction Methods were not applied. As the subject parcel is not proposed for subdivision development, an analysis by the Subdivision Development Method is not applicable. As the subject property is not capable of generating any significant income, the use of the Ground Rent Capitalization Method was not applicable. This method is typically used where insufficient sales exist. Since there are sufficient comparable sales, an analysis by the Land Residual Method is not warranted. As sufficient Comparable Sales have occurred, the Direct Comparison Approach was utilized.

Details of the estimate of value are summarized on the following pages of this report.

DIRECT COMPARISON APPROACH

The Direct Comparison Approach is the process in which a market value estimate is derived by analyzing the market for similar properties and comparing the properties to the subject property. Through this process of adjustment for any differences that are determinants of value, the comparables provide a basis or benchmark for indicating the market value of the property appraised.

UNIT OF COMPARISON

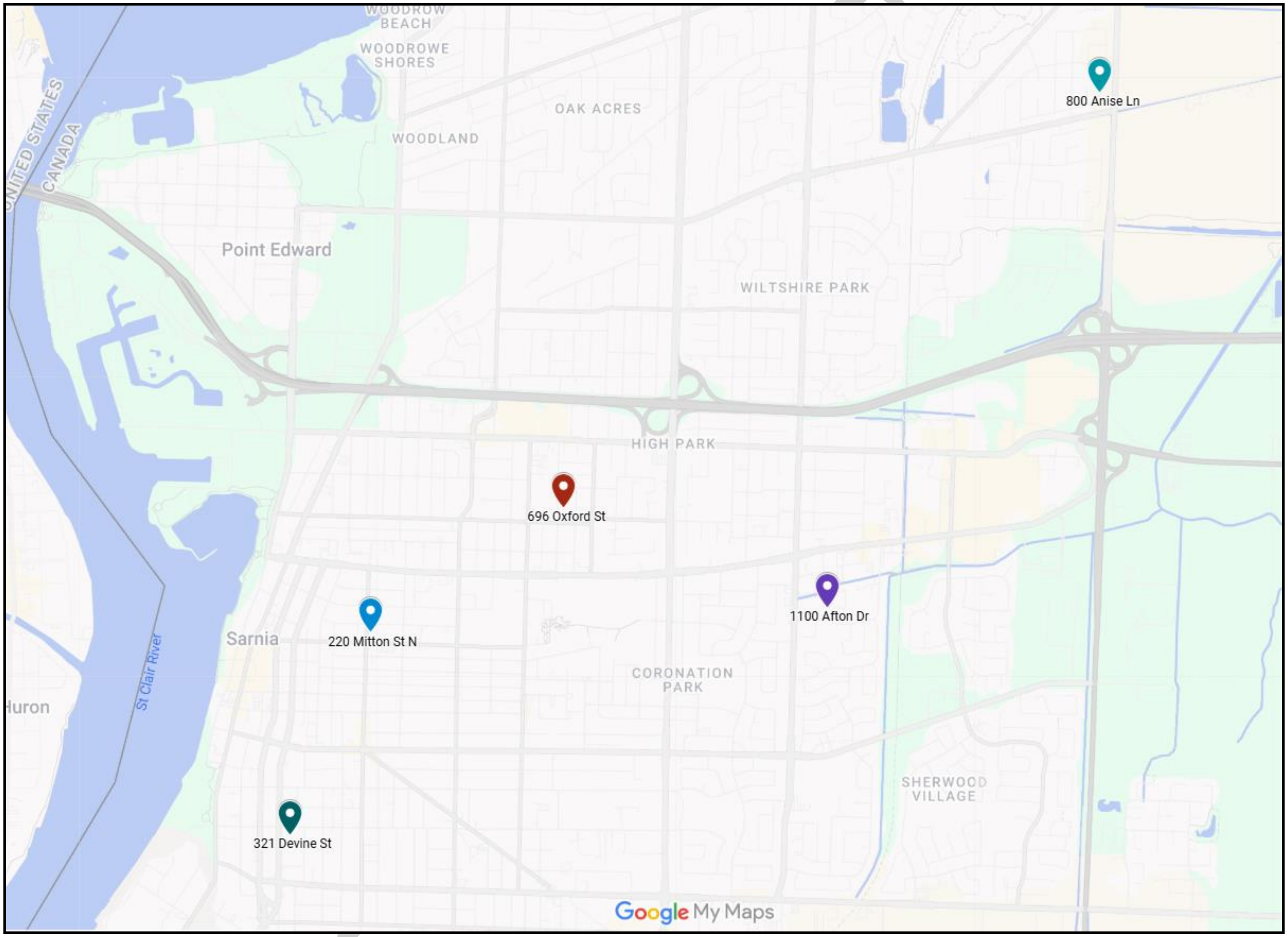
Vacant development land is typically analyzed on a sale price per acre basis. This measurement generally minimizes the dispersion in selling prices that can result from differences between the properties being compared. The subject property was therefore analyzed on a sale price per acre basis.

IDENTIFICATION OF COMPARABLE PROPERTIES

A thorough search for recent sales and listing activity revealed limited transactions of commercial/ residential development land within the City of Sarnia. Therefore, an emphasis was placed on an array of four of the most recent and relevant comparable transactions that shared similar uses within their underlying land use and Zoning By-Law designations within the City of Sarnia within the previous three years. The following properties were considered to be a sufficient sample to adequately prepare a market value estimate for the subject property. Details of the individual properties are outlined on the following pages, and analyzed thereafter.

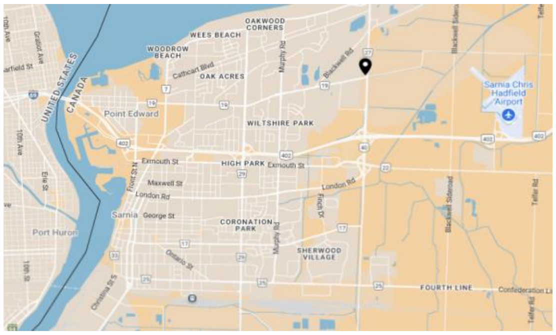
COMPARABLE DEVELOPMENT LAND PROPERTIES- CITY OF SARNIA						
#	Address	Sale Date	Sale Price	Site Size (Acres)	Price/ Acre	Zoning/ Official Plan
1	800 Anise Lane, Sarnia	28-Dec-2023	$1,400,000	1.97	**$710,660**	*Community Commercial (COC1-31)* *Strategic Growth Area – Mixed-Use Corridor II Designation*
2	1100 Afton Drive, Sarnia	18-Jul-2024	$1,650,000	1.91	**$863,874**	*Community Area – Existing Neighbourhood;* *Urban Residential 5 (UR5-9); Sarnia Hazard Area*
3	220 Mitton Street North, Sarnia	30-May-22	$2,975,000	3.32	**$896,084**	*GC1-11(2) -General Commercial-11(2)* *Urban Residential Site Specific Policy No. 10*
4	696 Oxford Street, Sarnia	23-Aug-2024	$2,950,000	2.32	**$1,271,552**	*Community Area – Existing Neighbourhood* *Urban Residential 5 (UR5-28)*
		Range-Low	**$1,400,000**	**1.91**	**$710,660**	
		Range-High	**$2,975,000**	**3.32**	**$1,271,552**	
		Averages	**$2,243,750**	**2.38**	**$935,543**	

COMPARABLE SALES MAP



COMPARABLE #1

800 ANISE LANE, SARNIA



Sale Information

Sale Price:	**$1,400,000**	**Sale Price/Acre:**	**$710,660**
Sale Date:	12/28/2023	Sale Date Information:	RealTrack
Vendor:	Sifton Properties Ltd.	PIN:	434830419
Purchaser:	1234 Michigan Avenue Inc.	Sale Status:	Closed
Financing Description:	Cash		
Legal Description:	Block 23 on Plan 25M80; Together with an Easement over Part Block 22 on Plan 25M80; designated as Part 1 on Plan 25R-10992, as in LA265341; Together with an Easement over Part Block 22 on Plan 25M80; designated as Part 2 on Plan 25R-10992, as in LA265341; Subject to an Easement for entry, as in LA306466; City of Sarnia, Lambton County		

Location Information

Located in the east sector of the City of Sarnia; on the northwest corner of Michigan Avenue and Modeland Road.

Property Information

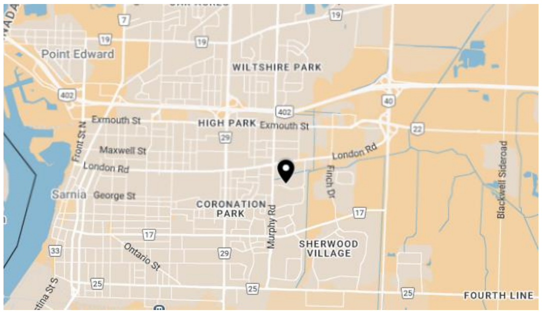
Site Size (Acre):	1.97	Shape:	Irregular
Land Area Source:	Geowarehouse	Topography:	Level
Access:	Full ingress and egress	Encumbrances:	See legal description
Services:	Full Municipal Services		
Official Plan:	Strategic Growth Area – Mixed-Use Corridor II Designation		
Zoning:	Community Commercial (COC1-31)		
Zoning Description:	Permitted uses include accessory uses, animal hospitals, bake shops, convenience stores, social or service club, commercial recreation establishments, commercial schools, convenience stores, day care centres, financial institutions, medical centres/clinics, offices, personal service establishments, pharmacies, retail establishments including shopping centres but excluding department stores and studios		

Comments

This sale reflects a transaction of a vacant parcel within northeast Sarnia zoned to permit commercial development. The site is bounded by Anise Lane to the west, Michigan Avenue to the south and Modeland Road to the east. The site sold with a conceptual Site Plan proposing an "L" shaped multi-tenant retail building that will extend along both Michigan Avenue and Modeland Road and contain 22,489 sq.ft. of gross building area. The site is within an area regulated by the St. Clair Region Conservation Authority (SCRCA).

COMPARABLE #2

1100 AFTON DRIVE, SARNIA



Sale Information			
Sale Price:	**$1,650,000**	**Sale Price/Acre:**	**$863,874**
Sale Date:	7/18/2024	Sale Date Information:	RealTrack
Vendor:	Homestead Land Holdings Ltd.	PIN:	432090031
Purchaser:	Vensuris Comm Two Inc.	Sale Status:	Closed
Financing Description:	Cash		
Legal Description:	Part Block C on Plan 629; Part 1 and 3 on Plan 25R-3516; Subject to L815774; Subject to L596093; City of Sarnia, Lambton County		
Location Information			
Located in the south-central sector of the City of Sarnia; on the northside of Afton Drive, east of Murphy Road.			
Property Information			
Site Size (Acre):	1.91	Shape:	Rectangular
Land Area Source:	Geowarehouse	Topography:	Level
Access:	Full ingress and egress	Encumbrances:	See legal description
Services:	Full Municipal Services		
Official Plan:	Community Area – Existing Neighbourhood;		
Zoning:	Urban Residential 5 (UR5-9); Sarnia Hazard Area		
Zoning Description:	Permitted uses include: accessory dwellings, apartment dwellings, converted dwellings, group homes, homes for the aged, nursing homes, retirement homes, rooming or boarding house, women's shelters and lawfully existing dwellings with site specific regulations regarding height and lot area.		
Comments			
The property was acquired for high-density residential development by a developer that has recently constructed a 70 unit apartment building situated at 1250 Afton Drive. The approximate northern 1/3rd of the property is within a *Sarnia Hazard Area*. The property has a site specific zoning that permits 10-storeys for a new apartment dwelling and 5-storeys for the two existing apartment dwellings (abutting the property to the east) with a maximum of 270 units permitted between the two properties. According to a Planning Official, the Purchaser reportedly submitted for a development application for a 6-storey apartment building containing 90 dwelling units. This would result in a yield of 47.12 units per acre or $18,333 per unit.			

COMPARABLE #3

220 MITTON STREET NORTH, SARNIA

Sale Information			
Sale Price:	**$2,975,000**	**Sale Price/Acre:** **Sale Price/Dev. Unit:**	**$896,084** **$25,212**
Sale Date:	30-May-2022	Sale Date Information:	RealTrack
Vendor:	GFive Inc.	PIN:	432440185, 4324401865
Purchaser:	Skyline Real Estate Holdings Inc.	Sale Status:	Closed
Financing Description:	Cash		
Legal Description:	432440185: Block 12, Plan 25M77 Subject To An Easement As In L338719 City Of Sarnia, Lambton County 432440186: Block 13, Plan 25M77 City Of Sarnia, Lambton County		

Location Information

Located in southeast Sarnia; on the north side of George Street partially backing onto Essex Street, bounded by Mitton Street North and MacKenzie Street North.

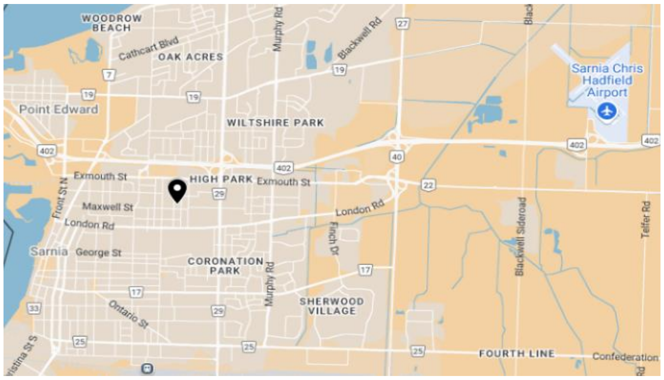
Property Information			
Site Size (Acre):	3.32	Shape:	L
Land area Source:	Geowarehouse	Topography:	Level
Access:	Full ingress and egress	Encumbrances:	See legal description
Services:	Available at or near lot line		
Official Plan:	Urban Residential Site-Specific Policy No. 10 (Pertains to the 'Former Sarnia General Hospital Lands' that permit parking areas on the lands to be leased to Bluewater Health Staff for parking.)		
Zoning:	GC1-11(2) - General Commercial - 11(2)		
Zoning Description:	Permits a variety of commercial, retail, personal service and residential uses.		

Comments

This sale is comprised of part of the former Sarnia General Hospital (SGH) site which was demolished in 2018-2019. The site was Site Plan Approved in 2023 for the construction of a four-storey 128 unit apartment building. The approved plan results in a yield of 38.55 units per acre at a rate of $23,242 per developable unit.

Comparable #4

696 Oxford Street, Sarnia



Sale Information			
Sale Price:	**$2,950,000**	**Sale Price/Acre:**	**$1,271,552**
Sale Date:	8/23/2024	Sale Date Information:	RealTrack
Vendor:	Nelmar Developments Inc.	PIN:	432340156
Purchaser:	2743360 Ontario Inc.	Sale Status:	Closed
Financing Description:	Cash		
Legal Description:	Lots 3 to 5 and 7 to 8 on Plan 290; Part Lot 2 on Plan 290, as in SP28985; save and except Parts 5 and 6 on Plan 25R-9691; City of Sarnia, Lambton County		
Location Information			
Located in the central sector of the City of Sarnia; on the eastside of Oxford Street, north of Maxwell Street and south of Alexander Street.			
Property Information			
Site Size (Acre):	2.32	Shape:	L-Shaped
Land Area Source:	Geowarehouse	Topography:	Level
Access:	Full ingress and egress	Encumbrances:	None noted
Services:	Full Municipal Services		
Official Plan:	Community Area – Existing Neighbourhood		
Zoning:	Urban Residential 5 (UR5-28)		
Zoning Description:	This zoning designation has a site specific permitted use of a retirement home and site specific regulations.		
Comments			
This sale reflects the former St. Peter's Elementary School. The Seller reportedly had plans to develop the site with a seniors' housing complex. The existing building is reportedly over 38,000 sq.ft. and will reportedly be utilized within the site's redevelopment in addition to the construction of an addition for a 102 unit senior housing complex. The property has a Site Specific Zoning By-Law designation permitting a maximum density of 43.97 units per acre. The original plan would result in a rate of $28,922 units per unit.			

Elements of Comparison

The elements of comparison represent the characteristics of properties that cause prices to vary. These represent component parts of a transaction that may require adjustment for the differences between the comparable and the subject property. The more common elements of comparison to be considered include property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, economic characteristics, zoning/land use designations, and non-realty components of value.

In this analysis, the following critical elements of comparison have been addressed:

Property Rights Conveyed: The subject property was appraised in the "*Fee Simple*". Any comparable transactions that also sold in the "*Fee Simple*" did not warrant adjustments for property rights conveyed. Any properties that did not sell with the same rights as the subject property warranted the appropriate adjustment.

Financing Terms: The sale price of one property may differ from that of an identical property due to the financial arrangements provided. In some cases, buyers pay higher prices for properties to obtain below market financing. Conversely, interest rates at above-average market levels often result in lower sale prices. Most sales generally involve terms by which the seller received cash or its equivalent at a typical market interest rate and term mortgage. The subject property's value estimate is free and clear of any financing and on an all cash basis. Adjustments to comparable sales are therefore appropriate where financing may have influenced the sale price.

Conditions of Sale: Adjustments for conditions of sale usually reflect the motivation of the buyer and seller. Although conditions of sale are often perceived as applying only to sales that are not arm's length transactions, some arm's length sales may reflect atypical motivation or sale conditions due to unusual tax considerations, lack of exposure on the open market, or the complexity of expropriation proceedings.

As previously discussed, this report assumes the subject property has a market exposure of 30 – 90 days. The previous Exposure Time section of this report indicated that relevant vacant development land transactions typically sell within approximately 129 days; indicating an estimated exposure time for the property of 3 – 6 months. As none of the comparables reportedly sold with *forced sale* conditions; all of the comparables warranted a downward adjustment for having superior conditions of sale.

Market Conditions: The date of sale identifies market conditions prevailing at the time the transaction occurred. Market conditions may change between the date of sale of the comparable, and the date at which the appraisal of the subject property is being completed.

The sales relied upon in this analysis are the most recent, relevant sales available. Comparable properties that sold under different market conditions than those applicable to the subject on the effective date of this report may require adjustments for any differences that have a significant impact on value. The degree of adjustment should reflect the change in market conditions since the date of the comparable property sale.

Since March 2, 2022, the *Bank of Canada* has increased the policy interest rate a total of 10 times, raising the interest rate from 0.25% to 5.00% as of July, 2023. Interest rate increases and associated bond yield rises have applied upward pressure on Capitalization Rates across all real estate investment classes. Notwithstanding the foregoing, the Bank of Canada begin cutting the policy rate between June – January 2025, reducing the policy rate a total of 6 times, reducing it to 3.00% as per the effective date of this report. Similarly, long term Canada Bond Yields have also have generally declined since peaking in Q3 of 2023.

Historically low interest rates in the early 2020s resulted in an increase in residential land values across Ontario, however as rates began to rise, there was a notable impact on land values with some areas providing evidence of a notable decline. Despite relief rates currently decreasing, additional economic factors (labour/ material cost increases, an increase in unemployment rates, trade policies etc.), demand for residential development land does not appear to be increasing since its peak in early 2022. As a result, downward adjustments were applied to comparables that occurred prior to 2023, with no adjustment warranted for sales occurring between Q1 2023- YTD 2025.

Location: Market value is highly sensitive to location. An adjustment may be required for locational characteristics of comparable properties that are significantly different from those of the subject. The relationship is relative, because the location of a property can be judged only in relation to that of others. The location of a comparable property is considered to be inferior, equal, or superior to the subject.

The subject is located within a residential area within the southern sector of the City of Sarnia, with good access to arterial routes to the United States and London and Toronto to the east. Notwithstanding the subject's location relatively to arterial connections, the subject's immediate area is considered to have a relatively low desirability when compared to several areas throughout the City. Comparables situated within more desirable areas were adjusted downward for having a superior location.

Physical Characteristics: This item includes the physical differences between the comparables and the subject property. The features of comparison considered are those that influence buyer behaviour and include variables such as size, shape, frontage, access, depth, topography, drainage, servicing, easements or restrictive covenants of the site.

With respect to size adjustments when valuing the subject lands, it was concluded that larger properties would generally only be affordable to larger developers capable of handling significant development costs, and as a result, slightly lower prices on a per unit of comparison (eg. per acre or square foot of site area) is typically paid due to the restricted marketplace. Smaller parcels typically do not offer the economies of scale desired by larger development companies. Smaller sites, however, are generally more affordable to a wider range of smaller developers and builders. As a result, a larger marketplace will often achieve a higher selling price per unit than that for larger parcels. The comparable properties are selected for similar size, shape, topography, and availability of municipal services compared to the subject property.

Additionally, comparables that sold with existing improvements that have a contributory value to the redevelopment of the site warranted a downward adjustment.

Economic Characteristics: As the subject property is not an income producing property, economic characteristics do not apply.

Zoning/Land Use Designations: Properties may exhibit similar locations and physical attributes and be designated for similar uses, but carry different zoning designations or land use classes. Adjustments will therefore be required to account for factors such as varying uses. Generally speaking, greater flexibility of use results in greater value.

The subject has a current Official Plan designation of *Strategic Growth Area- Mixed-Use Corridor II*. The current official plan emphasis high-density residential and commercial uses. The current zoning is ***Urban Residential 5 (UR5-27).*** Comparable sales with superior or inferior zoning designations were adjusted accordingly. The comparable properties are selected for similar zoning and permitted uses. The subject property was reportedly historically rezoned to with Site Specific Zoning to permit the development of a 100 unit retirement facility, reflecting a density yield of 33.11 units per acre. The current Zoning By-Law designation does not appear to permit residential apartment uses and is restricted to nursing homes/ long term care facilities. Comparables with residential zoning designations that permitted a wider array of high-density uses (apartment buildings etc.) were therefore adjusted downward. Conversely comparables that sold with permitted limited/ restricted to commercial development were adjusted upward for having an inferior zoning designation.

Non-Realty Components of Value: This item includes chattels, business concerns, or other items that do not constitute real property, but are included in the sale price of either the comparable or subject property. These items should be analyzed separately from the actual real estate. In most cases the economic lives, associated investment risks, rate of return criteria, and collateral security for such non-realty components differ from those of the real estate. Comparable sales which include non-realty components of value were adjusted accordingly.

THE ADJUSTMENT PROCESS

The underlying principle in terms of which adjustments are made is the Principle of Contribution or Marginal Productivity. In relating this principle, the appraiser must acknowledge the influence of the presence or absence of a factor being considered, on the probable sale price. It is also necessary to raise the question, *"what difference does a varying amount of the factor make in the probable sale price or value?"* The actual sale price of each comparable is known. The element being sought in each adjustment is the estimated price at which the comparable would have sold if it was identical to the subject property.

Various analytical techniques may be used to identify and measure adjustments when relating the surveyed properties to the subject. The techniques of comparative analysis can be grouped into two categories: *Quantitative* and *Qualitative*.

When the *Quantitative Technique* is applied, mathematical processes are used to identify which elements of comparison require adjustment, and to measure the amount of these adjustments. The *Paired Data Set Analysis* is a process in which two or more market properties are compared to derive an indication of the size of the adjustment for a single characteristic. Ideally, the properties being compared will be identical in all respects except for the element being measured. Although *Paired Data Set Analysis* is a theoretically sound method, it is sometimes impractical because only a narrow sampling of sufficiently similar properties may be available and it is difficult to quantify the adjustments to all the variables present.

The *Qualitative Technique*, utilizing a method called the *Relative Comparative Analysis*, is often used because it reflects the imperfect nature of real estate markets. Moreover, a *Qualitative Technique*, utilizing a greater degree of narrative explanation, is often more effective in deriving a value rate estimate when analyzing a number of comparable properties. For the purpose of this analysis, a *Qualitative Technique* was utilized.

In this instance, an array of sales, indexed in ascending order by sale price per unit, are adjusted for the elements of comparison. The adjustments are identified as **Upward** for an inferior characteristic or **Downward** for a superior characteristic. The degrees of adjustment are considered, and weighted accordingly, with a Net Upward or Net Downward adjustment being applied. Ultimately, a value range is bracketed between a transaction with a Net Upward adjustment and a transaction with a Net Downward adjustment. Emphasis is then placed on the analysis of those two properties, to estimate where the market value estimate lies within the two value rates.

Occasionally, an ideal comparable sale will result in an "Offsetting" adjustment, and is considered a "benchmark" transaction. Conversely, an array of sale transactions may all be inferior or superior to a subject property, thus warranting particular attention to those elements deemed inferior or superior.

ADJUSTMENT ANALYSES:

In relating the foregoing properties to the subject property, adjustments were applied to recognize the various differences. The individual adjustments are itemized below:

- **Upward Adjustment -** is warranted if an element of the comparable sale is inferior relative to the Subject Property.
- **Downward Adjustment –** is warranted if an element of the comparable sale is superior to the Subject Property
- **Offsetting –** should the foregoing Upward and Downward adjustments balance, or "offset", no Net adjustment is warranted for the comparable sale.

Adjustment Summary						
#	Address	Area (acres)	Price/ Acre	Adjustments		
				Upward	Downward	Net Adjustment
1	800 Anise Lane, Sarnia	1.97	**$710,660**	Inferior zoning designation 100% within Sarnia Hazard Area	Superior sale conditions Smaller site size	**Upward**
2	1100 Afton Drive, Sarnia	1.91	**$863,874**	Hazard lands component	Superior sale conditions Superior location Smaller site size Superior zoning designation	**Downward**
3	220 Mitton Street North, Sarnia	3.32	**$896,084**	Slightly larger site size	Superior sale conditions Superior market conditions Superior zoning designation	**Downward**
4	696 Oxford Street, Sarnia	2.32	**$1,271,552**	None noted	Superior sale conditions Smaller site size Superior existing improvements Higher retirement unit density yield per acre	**Downard**
	321 Devine Street	3.02 acres				
Range-Low		**1.91**	**$710,660**			
Range-High		**3.32**	**$1,271,552**			
Averages		**2.38**	**$935,543**			

ADJUSTMENT SUMMARY

The selected Comparable Sales ranged from $710,660 to $1,271,552 on a selling price per acre basis, averaging $935,543 per acre. The site sizes ranged from 1.91 to 3.32 acres, averaging 2.38 acres. Economies of scale adjustments were warranted for smaller or larger sites, as typically, larger properties will sell for a lower selling price per acre compared to smaller properties, a trend which is generally reflected by the selected comparables.

As previously discussed, the subject property contains approximately 3.02 acres and reflects vacant land with Site Specific Zoning permitting a long-term care/ retirement home uses. The site had historically been proposed for a 100 unit, 6-storey independent seniors' facility. The site had most recently transacted in what appeared to be an arm's length transaction on February 21, 2020 for a total purchase price of $3,060,000. Details with regards to the transaction were not provided, however it did not appear to have exposure on the Sarnia-Lambton Real Estate Board prior to the sale. As discussed, this appraisal is assuming *forced sale* conditions, with an exposure time of 30 – 90 day; which is below the typical exposure time of approximately 30 – 180 days (3 – 6 months), as observed for development land property types throughout Southwestern Ontario.

Comparable #1 ($710,660 per acre) reflects transaction from December 2023 for of a parcel of vacant commercial land with corner exposure along two major road allowances within the northeastern sector of the City of Sarnia. This comparable was considered to share similar permitted uses to the subject with respect to the underlying Official Plan Land use designations. Upward adjustments were warranted for inferior Zoning By-Law designation with permitted uses limited to local/ neighbourhood commercial development and for being within a *Natural Hazards* area requiring conservation approvals prior to development. Downward adjustments were warranted for superior conditions of sale and having a smaller overall site size resulting in a lower rate paid per acre due to economies of scale. **The net adjustment was ultimately upward on a rate per acre basis.**

Comparable #2 ($863,874 per acre) reflects the sale of a parcel of vacant land that transacted in an arm's length sale with no exposure on the Sarnia-Lambton Real Estate Board. The transaction reportedly closed on July 18th, 2024. The site appeared developable despite the approximate northern 1/3rd having a Hazard Land Overlay. According to a Planning Official with the City of Sarnia, the Purchaser has reportedly submitted an application to develop the site with a 6-storey apartment building containing 90 dwelling units. An upward adjustment was warranted for having a hazard overlay on a portion of the property. Downward adjustments were warranted for superior conditions of sale, a superior location within a more desirable area of the City, smaller site size and a superior zoning designation permitting a wider array of high-density residential uses and permitting a higher density yield per acre. **The net adjustment was ultimately downward on a rate per acre basis.**

Comparable #3 ($896,084 per acre) reflects a portion of the former Sarnia General Hospital site, with the property selling vacant subsequent to the demolition of the improvements. The property is situated approximately 1.5 kilometres north of the subject property within an area with a similar overall market appeal. The site was originally listed on the Sarnia-Lambton Real Estate Board in September 9th, 2021 for an asking price of $3,950,000, and eventually 'Conditionally Sold' on March 1st, 2022 after 173 days on market with an ultimate registered sale date of May 30, 2022. The property was Site Plan Approved in 2023 to permit a four-storey, 128 unit apartment building. An upward adjustment was warranted for having a slightly larger site size. Downward adjustments were warranted for superior conditions of sale, superior market conditions (sold in Spring of 2022) and a superior zoning designation permitting a wide array of residential/ commercial/ retirement home uses with a higher unit density yield per acre. **The net adjustment was ultimately downward on a rate per acre basis.**

Comparable #4 ($1,271,552 per acre) reflects a site improved with a 38,000 sq.ft. vacant former public school. The property has a Site Specific Zoning permitting a retirement home use and reportedly allows for the development of a 102 unit seniors housing complex that will utilize the existing building within the site's redevelopment plan. The property was originally listed on the Sarnia-Lambton Real Estate Board on May 27, 2022 for an asking price of $3,600,000; with the asking price decreased to $3,400,000 on June 5th, 2024, and eventually selling on August 23, 2024 for a purchase price of $2,950,000 after a total exposure of 627 days. No upward adjustments were warranted. Downward adjustments were warranted for superior conditions of sale, smaller site size, having a contributory value of the existing 38,000 sq.ft. former school and for having a higher unit yield per acre with respect to proposed retirement home units. **The net adjustment was ultimately downward.**

Based on the foregoing adjustment analysis, an adjusted range of $775,000 to $825,000 per acre, or roughly bracketed by the unadjusted rates indicated by Comparable #1 and Comparable #2.

After considering the available comparables and making the necessary weighted adjustments for the various influencing factors, it is concluded that an adjusted value rate of $800,000 per acre, or the median of the adjusted range was considered reasonable for the subject property. As the subject property has a total site area of 3.02 acres, the Forced Sale Value of the subject property, by the Direct Comparison Approach, as of March 01, 2025, assuming a typical exposure period, in the *"Fee Simple Interest"*, is **$2,415,000 (rounded).**

Hypothetical Condition and Extraordinary Assumption: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

FINAL ESTIMATE OF VALUE

After careful consideration of the foregoing, and after taking all pertinent factors into consideration, it is our opinion that the estimated Forced Sale Market Value of the subject property, in the ***"Fee Simple Interest"***, on an "all cash" basis, as if free and clear of any existing financing, as of March 01, 2025 is:

TWO MILLION FOUR HUNDRED FIFTEEN THOUSAND DOLLARS
($2,415,000)

Hypothetical Condition and Extraordinary Assumption: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

The final estimates of value indicated above are subject to the limiting conditions and underlying assumptions as outlined herein.

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY

The certification that appears in this report is subject to compliance with the ***Personal Information and Electronics Documents Act (PIPEDA)***, ***Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)*** and the following conditions:

1. This report is prepared only for the authorized client and authorized users specifically identified in this report and only for the specific authorized use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.

2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).

3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is

for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.

4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.

5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.

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

7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no

guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.

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

10. The term “inspection” refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.

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

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

14. This report, its content and all attachments/addendums and their content are the property of the author. The authorized client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any

other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.

16. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.

17. Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the *Office of the Superintendent of Financial Institutions (OSFI)*, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

Hypothetical Condition and Extraordinary Assumption: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

CERTIFICATION

RE:	**VACANT DEVELOPMENT LAND** **321 DEVINE STREET, SARNIA, ONTARIO**

LEGAL DESCRIPTION:	*Lots 8, 9 and 10 East Side Brock Street on Plan 16 ½ Sarnia; City of Sarnia, Lambton County*

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions and conclusions;
- I have no past, present or prospective interest in the property that is the subject of this report, and have no personal and/or professional interest or conflict with respect to the parties involved with this assignment;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in and compensation for this assignment is not contingent upon the development or reporting of a predetermined result, the amount of the value estimate, or a conclusion favouring the client, or the occurrence of a subsequent event;
- The analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Canadian Uniform Standards Professional Appraisal Practice*. The Appraisal Institute of Canada retains the right to review this report;
- I have the knowledge and experience to complete the assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;

  Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
- As of the date of this report, the undersigned has fulfilled the requirements of the Appraisal Institute of Continuation Professional;
- Sam Van Houtte, BMOS, AACI, P.App, inspected the property on March 01, 2025;
- The undersigned is a member in good standing of the Appraisal Institute of Canada.

Based upon the data, analyses and conclusions contained herein, the Forced Sale Market Value of the subject property appraised in the ***"Fee Simple Interest"***, as if free and clear of any financing and on an "all cash" basis, as of March 01, 2025, is:

TWO MILLION FOUR HUNDRED FIFTEEN THOUSAND DOLLARS
($2,415,000)

Hypothetical Condition and Extraordinary Assumption: *This report has estimated the Forced Sale Market Value of the subject property assuming it is marketed as a forced sale with an assumed market exposure time of 30-90 days as per the request of the Client.*

The undersigned reserves the right to revise the opinions set out herein, including the final estimate of value, in light of any facts and conditions that become known subsequent to the date of the report, which have an impact on the conclusions reached.

METRIX SOUTHWEST INC.

Sam Van Houtte, BMOS, AACI, P.App
samvanhoutte@metrixrealty.com
Phone: (519) 672-7550 ext. 228
Fax: (519) 672-9321

Dated: March 7, 2025

ADDENDUM "A" – PRIVACY STATEMENT

METRIX SOUTHWEST INC. – PRIVACY STATEMENT

Metrix Southwest Inc. has initiated a privacy policy in accord with legislation as it affects the **Personal Information Protection and Electronic Documents Act (PIPEDA)**. In general, the firm deals with the collection, use, and distribution of commercial rather than personal information. In the event that personal or sensitive data may be required to properly complete an assignment, the policy recognizes that consent is required for information that:

1. permits someone to learn sensitive, private information;
2. relates to a natural person; and
3. permits the identification of that person.

In accord with corporate policy, therefore, information provided by our clients will be used, secured and maintained based on criteria which includes:

- limited use, only the data needed to complete the assignment is required.
- obtaining consent with respect to use of sensitive personal information about an identifiable individual (does not include the name, title, business Street#, Street Name or telephone number of an employee of an organization).
- non-disclosure of files, (subject to Law, or review by authorized representative of *Appraisal Institute of Canada*, the Courts, Provincial or Federal agencies that have appropriate jurisdiction).
- the use of facts in the public domain as part of the appraisal process.
- information retained in the Metrix Southwest Inc. database that is relevant only to the subject property.
- tight control in the production of reports, and distribution only as authorized by the Client.

ADDENDUM "B" – APPRAISER'S QUALIFICATIONS

SAM VAN HOUTTE, BMOS, AACI, P. App
METRIX SOUTHWEST INC.
A620 Richmond Street, Suite 203
London, Ontario N6A 5J9

Membership
AACI, P.App - Accredited Appraiser Canadian Institute, #910788

Educational Background
Diploma of Business- Fanshawe College, 2011
Bachelor of Management and Organization Studies- Consumer Behaviour Specialization – Western University, 2016
Minor in Geography- Western University, 2016
Post Graduate Certificate in Valuation – University of British Columbia, 2018

Professional Experience
Data and Research Technician- Metrix Southwest Inc. - 2010 – 2016
Fee appraiser, Metrix Southwest Inc. - 2016 - Present

Duties and Responsibilities
- Preparation of comprehensive appraisal reports for vacant land, investment, mixed use, commercial ground leases, residential, industrial and commercial properties;
- Completion of market rental studies for various property types;
- Subdivision Development Analysis;
- Discounted Cash Flow Analysis using Argus Financial software;
- Utilization of *Marshall & Swift* costing manual;
- Market feasibility studies;
- Experience acting as expert witness in arbitration/ legal proceedings;
- Data & Research - computerization of data system, title searching, and M.L.S Information

Memberships and Affiliations
- Member of the Appraisal Institute of Canada, 2016 to Present