



***MARKET RENT STUDY***

***7251 Yonge Street  
Innisfil, ON***

***PREPARED FOR***

***Innisfil Hydro Distribution Systems Limited  
7251 Yonge Street  
Innisfil, ON L9S 6J3***

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February 12, 2015

Innisfil Hydro Distribution Systems Limited  
7251 Yonge Street  
Innisfil, ON L9S 6J3

Attention: Mr. George Shaparew, President & CEO

**Re: Market Rent Estimate for 7251 Yonge Street, Innisfil, ON**

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Dear Mr. Shaparew:

At your request, we provide this rental analysis summarizing our investigation of the above described property. We inspected the subject on January 8, 2015. The effective date of this appraisal is January 8, 2015. We understand the intended use of this report is to assist in the estimation of the market rent for the above described property. This report is to be relied upon by the client only unless otherwise stated.

As a result of our investigation we have concluded the following:

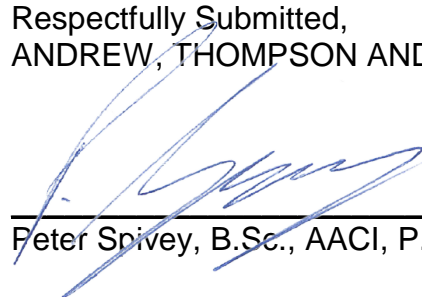
<b>Estimated Market Rent:</b>	<b>Years 1 to 5</b>	<b>\$17.50 per sq.ft. semi-gross</b>
	<b>Years 6 to 10</b>	<b>\$19.50 per sq.ft. semi-gross</b>

**\*The concluded market rents are applicable to the main level and second level office units.**

This current consulting report is provided in a format that is consistent with the Terms of Reference and in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (C-USPAP) adopted by the Appraisal Institute of Canada.

We trust the information provided meets with your approval and thank you for considering our firm.

Respectfully Submitted,  
ANDREW, THOMPSON AND ASSOCIATES LTD.



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Peter Spivey, B.Sc., AACI, P.App

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## 1.0 INTRODUCTION



Figure 1 Source: County of Simcoe GIS

This rent study addresses the market rent of two newly developed office units. The units are within the newly built Innisfil Hydro Headquarters, a large administration centre comprised of office space and a large truck parking garage. The subject office units include a 2,289 sq.ft. ground level unit and a 2,758 sq.ft. second level unit. Both units are accessed from the primary building entrance through an attractive lobby.

The units have no interior finish which is to be completed by the tenant as part of the leasehold improvements. Required interior finish includes interior drywall of external walls, flooring, ceilings, lighting and all interior demising walls. The HVAC systems and finished washrooms are in place.

The prospective lease is to be on semi-gross terms with the tenant paying hydro only. The tenant's hydro does not include HVAC which is connected through the main building systems. The property owner is to be responsible for the taxes, building insurance, heat and air conditioning for the space.

The subject is located near the southern limit of the Innisfil Town Campus which is a concentration of institutional uses including the Town Hall, a large recreational complex and a police station.

### 1.1 Exterior Photographs from Inspection



Front View of the Subject Property



Rear View of the Subject Property



Street View of Yonge Street Looking Northerly



Street View of Yonge Street Looking Southerly

**1.2 Interior Photographs from Inspection**



**View of Entrance Foyer**



**View of Main Level Unit**



View of Second Level Unit



View of Bathroom



## 2.0 EXECUTIVE SUMMARY

<b>Client &amp; Intended User</b>	Innisfil Hydro Distribution Systems Limited
<b>Address</b>	7251 Yonge Street, Innisfil, ON
<b>Legal Description</b>	Part of Lot 16, Concession 7, Part 1 on Plan 51R38921, Together with an Easement over Part 2 on Plan 51R38921, as in SC1063115, in the Town of Innisfil, County of Simcoe
<b>PIN #</b>	58064-0232
<b>Registered Owner</b>	Innisfil Hydro Distribution Systems Limited
<b>Lessee</b>	Perspective tenant
<b>Effective Date</b>	January 8, 2015

### 2.1 Leased Property:

<b>Present Use</b>	Currently 2 raw office units requiring interior finishing.
<b>Leased Area</b>	Main Level            2,289 sq.ft. 2nd Level            2,758 sq.ft.
<b>Proposed Term</b>	5 to 10 Years

### 2.2 Estimated Market Rent

**Purpose of the Appraisal** To estimate the market rent for two office units on a semi-gross basis for a 5 to 10 year term.

<b>Estimated Market Rent:</b>	<b>Years 1 to 5</b>	<b>\$17.50 per sq.ft. semi-gross</b>
	<b>Years 6 to 10</b>	<b>\$19.50 per sq.ft. semi-gross</b>

**\*The concluded market rents are applicable to the main level and second level office units.**

### **3.0 BASIS OF THE REPORT**

- This report is intended for use only by Innisfil Hydro Distribution Systems Limited.
- The purpose of this report is to complete a market rent study on a semi-gross basis for the prospective leased premises at 7251 Yonge Street, Innisfil, ON.
- The function of this report is to assist Innisfil Hydro Distribution Systems Limited in determining the market rent of the subject office units of the premises at 7251 Yonge Street, Innisfil, ON.
- Use of this report by others is not intended by the appraiser and any liability in this respect is strictly denied.
- We received our instructions to proceed and Terms of Reference from Mr. George Shaparew, with Innisfil Hydro Distribution Systems Limited.

### **4.0 TERMS OF REFERENCE**

The following describes the provided or agreed to Terms of Reference for this assignment:

- The market rent study is to address market rent on a semi-gross basis for a 5 to 10 year term for the subject ground level and second level office units at 7251 Yonge Street, Innisfil.
- The study is to be reported as a Consulting Report conforming to CUSPAP.

## 5.0 SCOPE OF WORK UNDERTAKEN

Each appraisal assignment is different. Depending on the size, type and use the complexity may vary and the significance and level of research may also vary. The level of investigation that is appropriate for each appraisal problem is that level of care that the reasonable appraiser would apply. In some cases based on the client's needs and the intended use the focus of the engagement may require greater detail or verification.

The following identifies the scope of our review of the subject property.

- *Inspection:* This analysis included an inspection of 7251 Yonge Street, Innisfil on January 8, 2015. We inspected the complete interior at the time of our visit. The enclosed pictures were taken on the date of inspection. We were accompanied by Mr. George Shaparew on the date of the inspection.
- *Data Research:* Sources of market evidence included reference to MLS records, registry records as reported by Geo Warehouse, MPAC, RealTrack and/or the Andrew, Thompson and Associates Ltd. Library. Publications produced by the local municipality have been relied upon for land use controls. We have not interviewed planning authorities unless expressly stated. We have not conducted a title search unless expressly stated.
- *Third Party Information:* The analysis set out in this report relied upon written and verbal information obtained from a variety of sources considered reliable. Unless otherwise stated we did not verify client-supplied information, which we believed to be correct.
- Where possible, rental information identified in this report has been confirmed with real estate agents active in the actual rental or listing.
- The research methods applied in this report arise from those determined to best address the specific type of property addressed in this analysis.
- We did not complete technical investigations such as detailed inspections or engineering review of the structure, roof or mechanical systems within various buildings identified; nor did we conduct any environmental reviews, site or building surveys of any buildings identified.

## **6.0 APPRAISAL FRAMEWORK**

### **6.1 Rights Appraised**

The value estimated is based on the leasehold interest.

### **6.2 Report Format**

The Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) outlines the standard rules as it relates to the development and communication of a formal opinion of value and identifies the minimum content necessary to produce a credible report that is not misleading.

The following reporting formats are available to the appraiser:

- **Types of Report** – An appraisal is a formal opinion of value that is: a) prepared as a result of a retainer; b) intended for reliance by identified parties; and c) for which the appraiser assumes responsibility. This type of report must incorporate the minimum content necessary to produce a credible report that will not be misleading. The types of appraisal reports include a *Narrative* – comprehensive and detailed; *Short Narrative* – concise and briefly descriptive; and *Form Report* – a standardized format combining check-off boxes and narrative comments.
- **Consulting** – The development and communication of a real property consulting service must incorporate the minimum content necessary to produce a credible result that is not misleading.

This current consulting report is provided with regard to the rules and regulations as outlined in CUSPAP.

### **6.3 Relevant Dates**

The subject units were inspected on January 8, 2015. The effective date of valuation is January 8, 2015.

## **7.0 DEFINITIONS**

### **7.1 Definition of Market Rent**

The most probable rent which a premises should bring in a competitive and open market under all conditions requisite to a fair lease, the lessor and lessee each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus

## 8.0 AREA AND NEIGHBOURHOOD DESCRIPTION

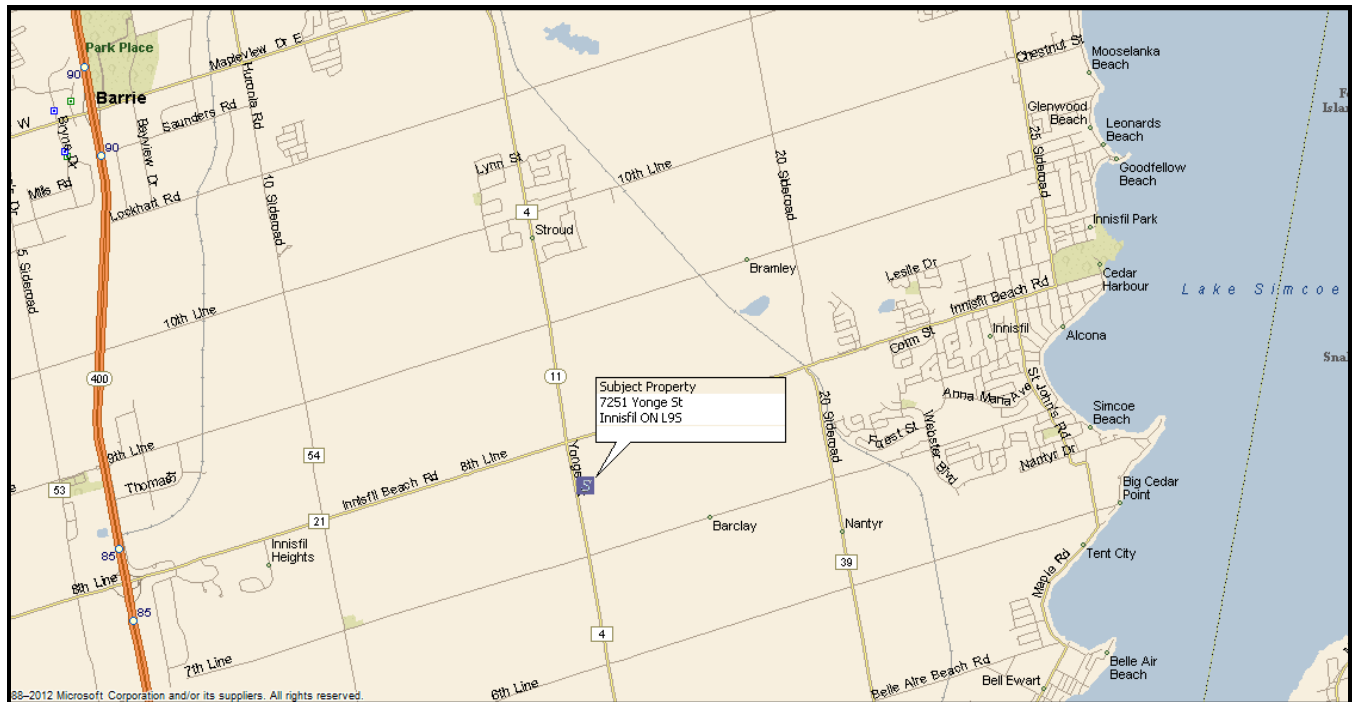


Figure 2 Source: Microsoft Streets & Trips

The Town of Innisfil is located in the southern region of Simcoe County, bounded by Lake Simcoe to the east, Barrie to the north, Essa to the west, Bradford-West Gwillimbury to the south and Lake Simcoe to the east. Major access to the area is provided via Highway 400, a six lane, north-south controlled access highway running through the western portion of the Town making the City of Toronto (80 km to the south) very accessible. The County and the Town also provide an excellent network of north-south and east-west arterial roads through the area.

The Town of Innisfil is primarily a rural municipality that benefits provides significant recreational amenity associated with Lake Simcoe while maintaining close proximity to commercial and employment amenity provided by Barrie and the GTA.

### Population Growth:

Table 1

Population Census	
Year	Population
1991 (census)	21,249
1996 (census)	24,711
2001 (census)	28,666
2006 (census)	31,175
2011 (census)	33,079

\*Source: 2011 Statistics Canada

Innisfil's population increased by 16.3% between 1991 and 1996, 16.0% between 1996 and 2001, 8.8% between 2001 and 2006 and 6.1% between 2006 and 2011. This represents steady population growth.

The County of Simcoe has projected Innisfil's 2031 population growth to reach 47,900.

**Employment:**

*List of Major Employers:*

**Table 2**

<b>Employer</b>	<b>No. of Employees (2012)</b>
<i>Georgian Downs</i>	180
<i>Simcoe County District School Board</i>	159
<i>Tempo Plastics</i>	150
<i>Town of Innisfil</i>	136
<i>Simcoe County District Health Unit</i>	125
<i>South Simcoe Police Services</i>	91
<i>Kempfenfelt Conference Centre</i>	75

\*Source: (2012) Ontario Investment and Trade Services

Innisfil has a variety of major employers in both the private and public sector. Major government employers for the area include the School Boards, the Town of Innisfil, and Police Services. The Georgian Downs Race Track represents a major private sector employer and is also the area's overall largest employer.

**Community Summary:**

- The Town of Innisfil has experienced modest growth in recent history with a majority of the growth occurring in the community of Alcona. Significant new home construction has promoted an expansion of commercial development within the community with a larger retail and service commercial presence.
- Although parts of Innisfil have experienced growth, a large portion of Innisfil remains rural with a number of small communities dispersed throughout. The Town as a whole benefits from the close connection with the nearby City of Barrie that provides substantial commercial and employment amenity. The Town of Innisfil is also within commuting distance to the GTA and benefits from the large scale commercial and employment amenity available within the GTA.
- The communities of Cookstown, Stroud and Lefroy would be considered the largest settlements after Alcona. These areas have some potential for some growth as full municipal services become available. A number of municipal infrastructure projects to expand the available services and provide for additional growth are underway, proposed or envisioned.
- The Towns primary industrial and service commercial base is situated within the Innisfil Heights Employment Area. The Innisfil Heights Employment Area runs along Highway 400 and is centred around the Innisfil Beach Road intersection. This area currently comprises of a mix of service commercial primarily having highway exposure and general industrial. Also within this area is the Georgian Downs Race Track. Future expansion within this area is expected to be primarily concentrated along the west side of Highway #400 from 9<sup>th</sup> Line at the north to the 7<sup>th</sup> Line at the south. The Town of Innisfil continues to push a further expansion extending to the 5<sup>th</sup> Line.

## 9.0 CHARACTERISTICS OF THE MARKET

### 9.1 Global Economic Overview

Persistent challenges continue to face most economies and growth remains reliant on policy stimulus. Private and public sector debt are reported to be at greater levels than prior to the global financial crisis. Energy prices have declined and are at their lowest levels in four years due to ongoing geopolitical uncertainties and reported oversupply. There has recently been a significant correction in global financial markets, resulting in lower government bond yields. Despite these concerns global GDP is expected to increase in 2015 and 2016 (see figure below).

	Share of real global GDP <sup>a</sup> (per cent)	Projected growth <sup>b</sup> (per cent)			
		2013	2014	2015	2016
United States	16	2.2 (1.9)	2.2 (1.6)	2.9 (3.1)	2.7 (3.0)
Euro area	12	-0.4 (-0.4)	0.8 (0.9)	0.8 (1.4)	1.0 (1.7)
Japan	5	1.5 (1.5)	0.8 (1.3)	0.7 (1.2)	0.8 (1.0)
China	16	7.7 (7.7)	7.4 (7.2)	7.0 (7.0)	6.9 (7.1)
Rest of the world	51	2.9 (2.9)	2.9 (2.9)	3.2 (3.7)	3.4 (3.8)
World	100	3.0 (3.0)	3.1 (3.0)	3.4 (3.7)	3.5 (3.8)

a. GDP shares are based on International Monetary Fund (IMF) estimates of the purchasing-power-parity (PPP) valuation of country GDPs for 2013 from the IMF's October 2014 *World Economic Outlook*. This update has increased the weight of China and the rest of the world, which in turn has revised up World GDP growth by approximately 0.1 percentage point relative to the July Report.

b. Numbers in parentheses are projections used for the July 2014 *Monetary Policy Report*, but world GDP growth is reweighted to reflect updated GDP shares.

**Figure 3 Source: Bank of Canada Monetary Policy Report October 22, 2014**

The recoveries in the euro area and Japan have lost momentum and employment in both regions has not yet returned to pre-recession levels. Momentum in the U.S. economy is strengthening after a negative first quarter. China has also picked up steam due to increased exports, but growth performance continues to moderate against a declining housing market. Growth prospects have diverged across other major emerging market economies. India and Indonesia have seen successful political transitions and growth is robust in Mexico while the economies of Brazil, Russia and Turkey are much weaker, partly as a result of political tension.

### 9.2 National Economic Overview

On January 21st, 2015 the Bank of Canada announced that it would lower its target for the overnight rate by 0.25% to 0.75% to protect the economy from the sharp drop in oil prices. This was the first Canadian interest rate change in four years. There has been speculation that the Bank of Canada will cut rates by a further 0.25% to 0.50% at the next meeting in March. The Bank of Canada revised their estimates downward and now projects that the economy will grow 2.1 per cent in 2015, and 2.4 per cent in 2016.



The Bank of Canada suggested that Canadian oil sands are the single most expensive source of oil production indicating that any supply cut should come in Canada. The Bank of Canada forecasts a 30% reduction in oil and gas investment in 2015, which is significant as oil and gas investment represent nearly one-third of all non-residential private investment in Canada and is capable of reducing GDP growth by half a point. Operating costs tend to be lower than initial investment costs indicating that production at existing facilities may continue despite new projects not being viable.

The strong U.S. recovery is good news for Canadian manufacturers, which benefited from a lower Canadian dollar and stronger demand for exports. Stalled growth nearly everywhere else in the world means reduced demand and lower prices for oil. Lower oil prices help demand from the U.S. as a trading partner.

Stronger than expected activity in the housing market, with the exception of Alberta recently, has been buoyed by continued low mortgage rates. Talk of a soft landing has dissipated as existing home prices have continued to rise at a faster pace than disposable income with price growth particularly strong in Vancouver and Toronto.

Commercial real estate in new development cycle and a total of six million square feet of new office space was expected to have come onto the market by the end of 2014. This is at a time when many office tenants are reducing their space per employee. Office vacancy rates edged up to 6.3% overall in Toronto and 9.6% overall in Vancouver while the Calgary office market had been heading in the opposite direction until the recent decrease in oil prices. In addition to development in industrial markets across the country, multi-family rental housing construction is on the rise for the first time in decades. Toronto represents over half of the total retail space under construction across the country and the GTA remains a top location for foreign and domestic retailers. The Union Station revitalization is expected to be positive across sectors.

Demand for Canadian real estate is expected to remain strong for foreign and local investors. Competition for prime commercial real estate assets is expected to increase as domestic pension funds increase their real estate allocation.

### 9.3 Provincial Economic Overview

In their December 2014 provincial report RBC reported that there have been encouraging developments on the economic front in Ontario including stronger exports, the strong housing market and higher household spending. Lower gas prices are expected to continue to offer favourable conditions for increased household spending.

Ontario forecast at a glance					
% change unless otherwise indicated					
	2012	2013	2014F	2015F	2016F
Real GDP	1.7	1.3	2.3	3.1	2.3
Nominal GDP	3.2	2.4	4.1	5.2	3.9
Employment	0.8	1.4	0.8	1.4	1.1
Unemployment rate (%)	7.8	7.5	7.2	6.6	6.3
Retail sales	1.6	2.3	4.1	4.2	3.9
Housing starts (units)	76,742	61,085	58,700	60,500	59,500
Consumer price index	1.4	1.1	2.2	1.4	2.2

Figure 4 RBC Provincial Outlook December 2014

Ontario's housing market is expected to remain strong in 2015 after a strong 2014 with an increase in housing starts from 58,700 units in 2014 to 60,500 units in 2015. RBC increased their growth forecast to 3.1% for 2015 to account for the increase to Ontario's economy from lower oil prices<sup>1</sup>

<sup>1</sup> Provincial Outlook December 2014 - Ontario, RBC Economics, December, 2014.

## 9.4 Neighbourhood Description



Figure 5 Source: County of Simcoe GIS

The subject property is located centrally within the Town of Innisfil, within an area known as Barclay. Barclay is concentrated at the intersection at Innisfil Beach Road (County Road 21) and Yonge Street (County Road 4), roughly mid way between Highway #400 and Alcona. The intersection of Innisfil Beach Road and Yonge Street experiences significant traffic volume with Innisfil Beach Road being the primary route connecting Alcona with Highway #400 to the west and Yonge Street providing north-south movement and access to the City of Barrie to the north or Bradford to the south.

The subject neighbourhood is primarily occupied by a number of large municipal uses including the Public Works Yard, South Simcoe Police Station, municipal offices and a large recreation complex. These municipal facilities are known as the “Civic Campus” and represent a major concentration of institutional uses. Other development is minimal at this intersection and is limited to a small number of modest rural residences, a gas station at the southwest corner and a few small scale service commercial/rural industrial properties.

From a private sector perspective this location is remote to Barrie, Stroud and Alcona.

## **10.0 FACTUAL INFORMATION**

### **10.1 Identification of the Property**

Address	7251 Yonge Street, Innisfil, ON
Existing Use	Office units within an institutional building
Legal Description	Part of Lot 16, Concession 7, Part 1 on Plan 51R38921, Together with an Easement over Part 2 on Plan 51R38921, as in SC1063115, in the Town of Innisfil, County of Simcoe
PIN #	Part of: 58064-0232
Registered Owner	Innisfil Hydro Distribution Systems Limited

### **10.2 Assessment (MPAC)**

Roll #	431601002114210
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The subject property is not currently assessed due to its new construction.

### **10.3 Subject History/Current Rent Analysis**

The subject property is a newly constructed institutional building that is to be the headquarters for Innisfil Hydro. The subject office units represent future expansion space that is intended to be leased until a need for this space by Innisfil Hydro arises. The subject units are vacant & unfinished.

## **11.0 SITE DESCRIPTION**

### **11.1 Land Area**

The site is reported to contain an area of 3.56 acres having an approximate frontage of 645 feet along a newly created laneway along the south side of the property and approximately 250 feet of frontage along Yonge Street. The site has an irregular shape.

### **11.2 Easement, Right of Way or Other Restrictions**

According to Instrument #SC1063115 the property has an easement for access over the adjoining property identified as Part 2 on Plan 51R-38921.

### **11.3 Topography and Soil Conditions**

The subject site is generally level over majority of the property. There are no known soil or drainage problems associated with the site, however, soil tests have not been made. We assume no responsibility for matters relating to the soil quality or any contaminants that may or may not be present.

Unless otherwise noted, at the time of our inspection we did not observe any obvious signs of contamination or environmental concerns. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.

### **12.4 Services**

The subject property offers a full complement of municipal services including:

Hydro; Paved Roads; Open Ditch Storm Drainage; Municipal Water; Municipal Sewers; Natural Gas; Telephone and Fire Service.

### **11.4 Road Improvements/Access**

The site fronts on the east side of Yonge Street, a paved two lane arterial road and on the north side of a newly constructed secondary road. Access to the site comes from two entrances from the newly constructed road along the south property limit.

### **11.5 Site Improvements**

The subject property is improved with a large paved parking lot with light standards. The parking lot will provide adequate parking to the two subject office units.

## 12.0 DESCRIPTION OF IMPROVEMENTS

Unit Size:   Main Level           2,289 sq.ft.  
                   Second Level       2,758 sq.ft.

The subject office units represent open concept space that still require interior finishing. The units feature large windows along the exterior wall, two finished washrooms and installed HVAC. The space currently has no floor covering, ceiling, lighting or interior walls. A sub-panel is present in the space. Doors are outfitted with scan pass lock systems.

Access to the units is provided by a large foyer area that is the main entrance for the larger building. This foyer provides an attractive entrance-way for the office units. The second level unit is accessed via a large staircase or an elevator. A secondary access is provided by a stairwell at the side of the building.

Overall the building is high quality and attractive. Once outfitted with interior finishing the subject units will be very good quality office space.

### 12.1 Main Level Floor Plan

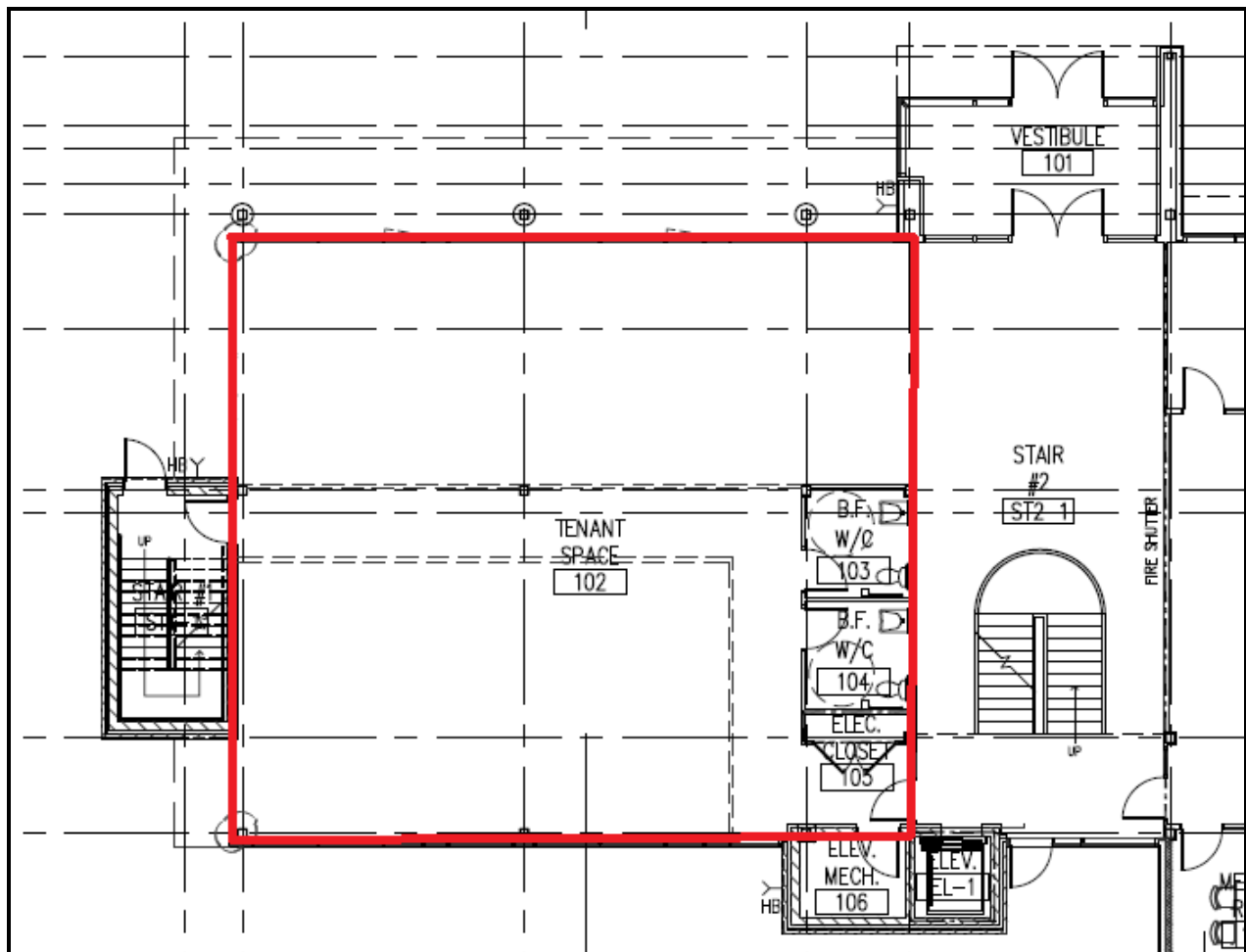


Figure 6 Source: Client

### 12.2 Second Level Floor Plan and Interior Concept

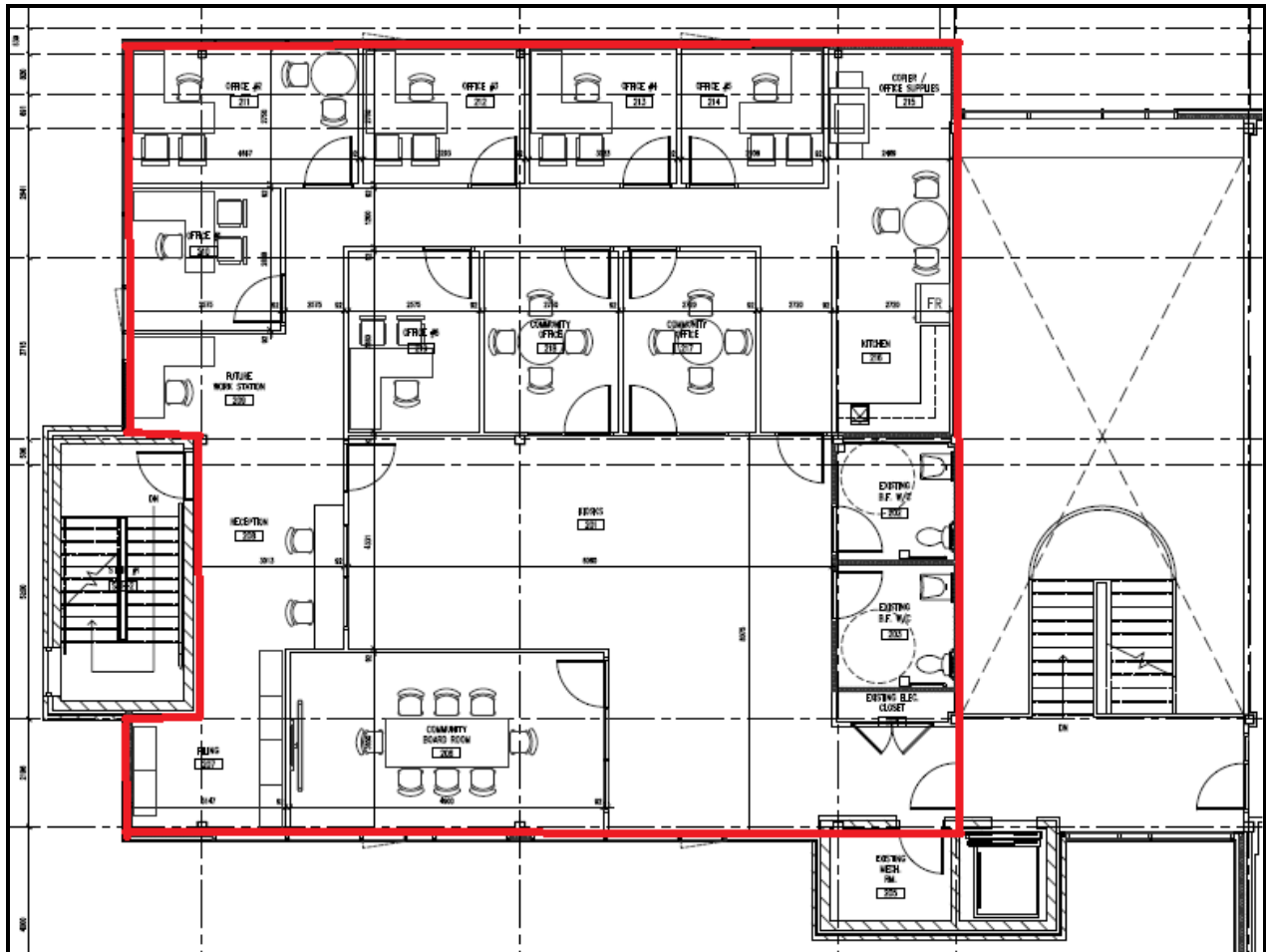


Figure 7 Source: Client



### 13.0 LAND USE REGULATIONS

#### 13.1 Town of Innisfil Official Plan

The subject property is designated as **“Institutional Area”** in the prevailing Official Plan for the Town of Innisfil.

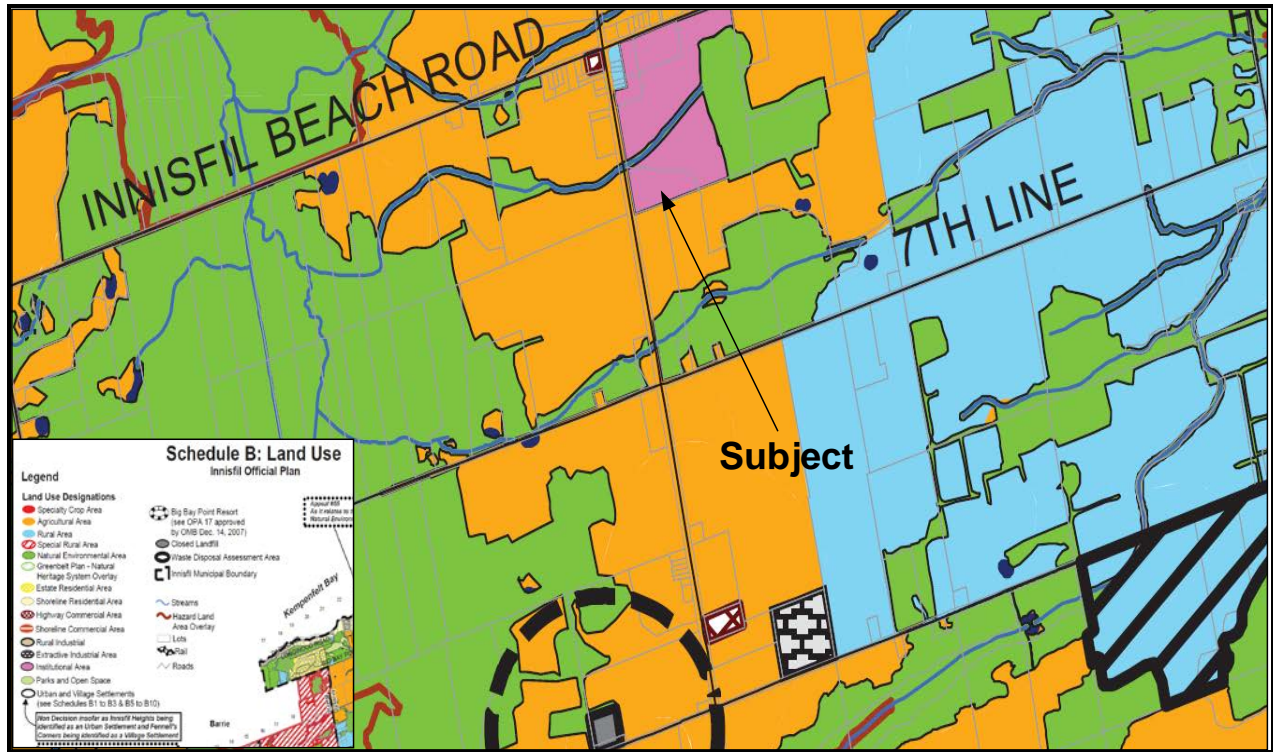
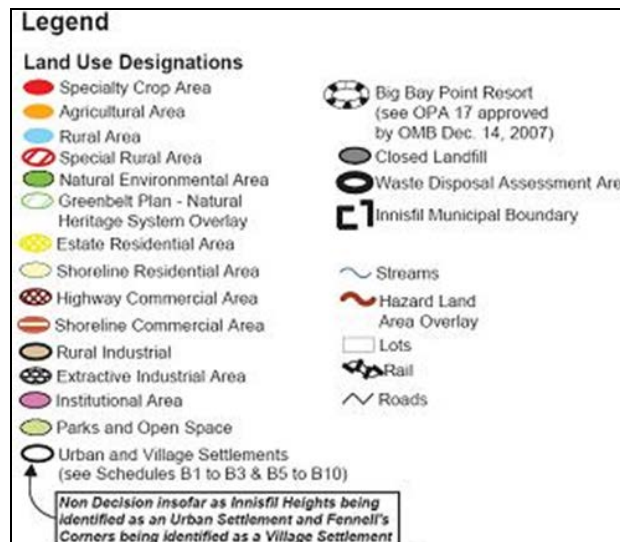


Figure 8 Source: Town of Innisfil Official Plan Schedule B



The following is an excerpt from the Town of Innisfil Official Plan describing the permitted uses and general policies for properties located within the “*Institutional*” designation:

### **3.9 INSTITUTIONAL AREAS**

***Permitted Uses:***

3.9.1 Within the Institutional Area designation, permitted uses shall include schools, places of worship, government offices, utilities, municipal works yards, police stations, fire halls, ambulance stations, cemeteries, nursing homes and long term care facilities, libraries, day care facilities and museums and cultural facilities.

***General Policies:***

3.9.2 All new institutional uses shall have sufficient lot area to accommodate all parking requirements forecast for the proposed use.

3.9.3 Elementary schools should be permitted, in addition to this designation, within all residential designations. Secondary Plans shall schematically identify the preferred location of elementary school sites, but they can be moved without amendment to this plan or a Secondary Plan at the time of draft plan of subdivision approval with the consent of the applicable school board.

3.9.4 Other smaller scale institutions and government services such as libraries, post offices, places of worship, are also permitted in the Core Commercial and Village Commercial designations.

3.9.5 All institutional designations shall be designated as a site plan control area subject to the policies of Section 9.4 of this Plan.

3.9.6 Where lands have been designated for a specific institutional use in the Official Plan or a secondary plan, the lands shall be reserved for that use for a specific period of time unless an alternative site is designated. The time period of reservation shall not be less than five years and shall be set out in the secondary plan and implementing subdivision agreement. The time period will not begin until the first building permit within the plan of subdivision is obtained. In the case of school sites, this reservation will be established in consultation with the applicable school board and such reservation shall expire if the site were declared surplus or not required by the school board.

**Figure 9 Source: Town of Innisfil Official Plan**

### 13.2 Zoning

Zoning By-laws are a set of regulations governing land uses that implement the policies in the Official Plan. A Zoning By-law contains specific requirements that provides a way of managing land use and future development that is legally enforceable. It also protects property owners from conflicting land uses. Zoning By-laws cover such items as the use of land, where buildings and other structures may be located, the types of buildings that are permitted and how they may be used, lot sizes and dimensions, parking requirements, landscape and buffer requirements, building heights and setbacks from property lines.

According to Zoning By-law 124-13, which amends Zoning By-law 080-13, the subject property is zoned “**Community Service (CS-9)**”.

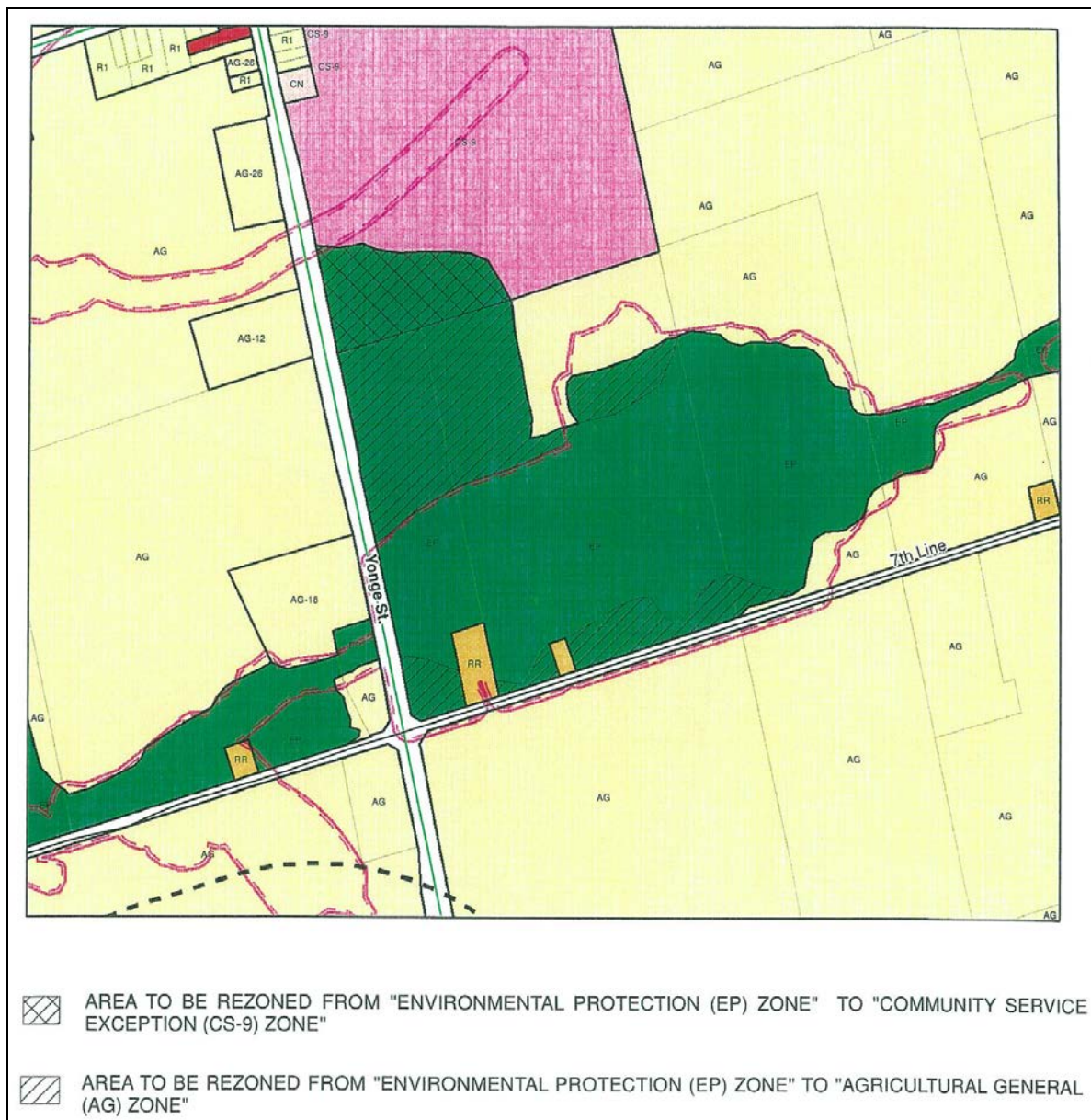


Figure 10 Source: Town of Innisfil Zoning By-law 124-13 Schedule A – Map 2

The following is an excerpt from the Town of Innisfil Zoning By-law describing the permitted uses and restrictions associated within the “**Community Service (CS-9)**” designation:

The Community Service, Open Space and Environmental Protection Zones consist of the following zones:

<b>Community Service, Open Space and Environmental Protection Zones</b>	
<b>ZONE</b>	<b>SYMBOL</b>
Community Service Zone	CS
Open Space	OS
Environmental Protection	EP

### 7.1 Permitted Uses

Uses permitted in the Community Service, Open Space and Environmental Protection Zones are identified with a “•” in the column applicable to that zone and corresponding with the row for a specific permitted use in Table 7.1 – Permitted Uses. Where an “E” is identified in the column, only uses which legally existed on the date of passing of this By-law shall be permitted. All permitted uses shall be subject to the applicable zone regulations provided in Section 7.2 and the General Provisions provided in Section 3.0, where applicable.

**Table 7.1 – Permitted Uses**

	<b>CS</b>	<b>OS</b>	<b>EP</b>
<b><i>Principal Use</i></b>			
<b>Agricultural use</b>		<b>E</b>	<b>E</b>
<b>Cemetery</b>	•		
<b>Community centre</b>	•		
<b>Conservation use</b>	•	•	•
<b>Government facility</b>	•		
<b>Hospital</b>	•		
<b>Indoor recreational centre</b>	•		
<b>Library</b>	•		
<b>Long term care home or nursing home</b>	•		
<b>Medical office</b>	•		
<b>Outdoor recreation use</b>	•	•	

	CS	OS	EP
Park	•	•	
Passive recreation	•	•	•
Place of worship	•		
Public uses	•	•	•
Religious retreat or camp	•		
Retirement home	•		
School	•		
University or college	•		
<b>Accessory Uses, Buildings and Structures</b>			
Accessory buildings and structures (1)	•	•	•
Accessory dwelling unit (1)	•		

### 7.3.1.9 CS-9 - Map No. 19

A fruit and vegetable produce market shall be an additional permitted use.

**Table 7.2 – Zone Regulations**

<b>Principal Use</b>	<b>CS</b>	<b>OS</b>	<b>EP</b>
Minimum Lot Area	1,000 m <sup>2</sup>	N/A	N/A
A: Minimum Lot Frontage	15 m	15 m	N/A
B: Minimum Front Yard	6 m	6 m	10 m
C: Minimum Interior Side Yard	5 m	5 m	10 m
D: Minimum Exterior Side Yard	6 m	6 m	10 m
E: Minimum Rear Yard	8 m	8 m	10 m
Maximum Lot Coverage	40%	40%	N/A
F: Maximum Building Height	12 m	11 m	N/A
Minimum Landscaped Open Space	20%	N/A	N/A

Figure 11 Source: Town of Innisfil Zoning By-law 080-13

### 13.3 Summary

The subject zoning is somewhat restrictive as it allows for institutional and medical office uses only. The subject units would be well suited for an institutional user.

## **14.0 MARKET RENT ANALYSIS – OFFICE SPACE**

### **14.1 Preamble**


The subject office units are to be leased on a semi-gross basis with the tenant paying Hydro only. The tenant hydro will exclude any air conditioning which is part of the larger office building. Office leases are typically marketed on a net basis with an additional MIT (Maintenance, Insurance & Tax) expense which may or may not include utilities.

The following analysis identifies 6 Indexes that have been adjusted to represent the subject prospective leases which are on a semi-gross basis with the tenant paying limited Hydro only. For adjustment purposes we have estimated the subject Hydro costs will equate to approximately \$1.00 per sq.ft.. For Indexes that do not have MIT which is inclusive of heat, we have utilized a cost of \$2.00 per sq.ft. which is considered reasonable for newer office space.

The subject space currently requires interior finishing which we have been informed is expected to cost approximately \$25 per sq.ft.. The referenced leases are for mostly finished office space that would not require this considerable expense. Given the need to finish the interior a tenant inducement, likely in the form of a reduced rent, would be expected given the current office market within the larger area. The inducement for interior finishing would be applied over a reasonable period which in our opinion would be 10 years equating to \$2.50 per sq.ft. per annum.


The following analysis will estimate the semi-gross rent of the subject space “as if” finished with a reduction applied for tenant improvements in the conclusion.


**14.2 Comparable Leases**

Index No. 1					
Location - Innisfil	Status	Lease Date	Area (Sq.Ft.)	Semi-Gross Rent Indication	Comments
8034 Yonge Street, Innisfil	Active Listing	n/a	4,263	\$18.85 / SF	Semi-Gross Rent Indication: Base Rent \$10.00 M.I.T. \$ 5.85 Heat \$ 2.00 Hydro \$1.00 <b>Semi-Gross \$18.85 / SF</b>
					<p>Listing for professional office space within the community of Stroud, to the north of the subject.</p> <p>The building was the former head office of the People's Credit Union. The unit was comprised of 12 offices, a board room, a reception area, a lunch room and a mechanical room. The building is considered to be well maintained with an average to good quality interior finish. The site provides for on-site parking.</p>

Index No. 2					
Location - Innisfil	Status	Lease Date	Area (Sq.Ft.)	Semi-Gross Rent Indication	Comments
990 Innisfil Beach Road, Innisfil	Leased	06/15/2011	1,399	\$20.00 / sq.ft.	Semi-Gross Rent Indication: Base Rent \$10.00 M.I.T. \$7.00 (est) Heat \$2.00 Hydro \$1.00 <b>Semi-Gross \$20.00</b>
					<p>Lease of upper level office / commercial space located in a newly constructed building in Alcona.</p> <p>The brick clad building had an attractive facade. It is our understanding that the interior required finishing by the tenant.</p>



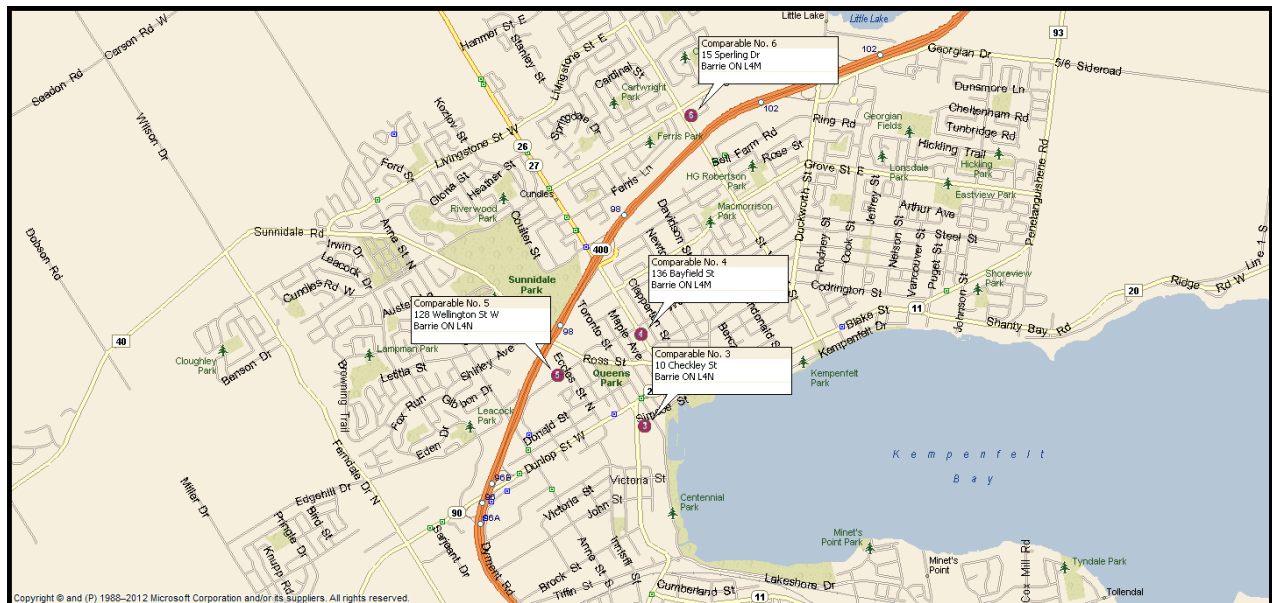
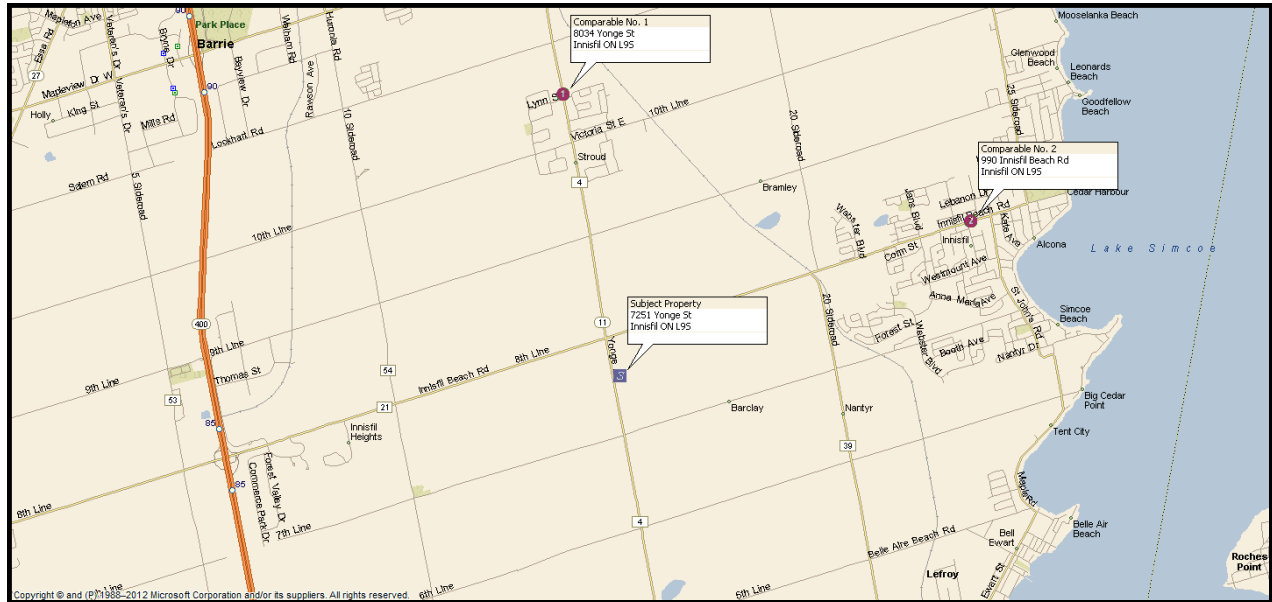
Index No. 3					
Location - Barrie	Status	Lease Date	Area (Sq.Ft.)	Semi-Gross Rent	Comments
10 Checkley Street, Barrie	Leased	03/28/2014	7,500	\$23.00 / SF	Semi-Gross Rent Indication: Base Rent \$12.00 M.I.T. \$8.00 Heat \$2.00 Hydro \$1.00 <b>Semi-Gross \$23.00</b>
					<p>Lease of a 2 storey professional office building located in the downtown core of the City of Barrie.</p> <p>The building has an open concept fully finished interior considered to be of overall average quality. The site provides for 35 on-site parking spaces.</p>

Index No. 4					
Location - Barrie	Status	Lease Date	Area (Sq.Ft.)	Semi-Gross Rent	Comments
Unit #110 136 Bayfield Street, Barrie	Leased	07/15/2013	2,040	\$20.06 / SF	Semi-Gross Rent Indication: Base Rent \$12.00 M.I.T. \$9.06 Hydro -\$1.00 <b>Semi-Gross \$20.06</b>
					<p>Lease of a fully finished office unit located in a professional office building within the downtown core of the City of Barrie.</p> <p>The building is considered to be in overall average condition. The site provides for good on-site parking. It is our understanding that the MIT included utilities.</p>

Index No. 5					
Location - Barrie	Status	Lease Date	Area (Sq.Ft.)	Semi-Gross Rent	Comments
Unit #304 128 Wellington Street West, Barrie	Leased	06/04/2013	2,527	\$24.18 / SF	Semi-Gross Rent Indication: Base Rent \$12.50 M.I.T. \$12.68 Hydro -\$1.00 <b>Semi-Gross \$24.18</b>
					<p>Lease of a fully finished office unit located in a professional office building within the northerly portion of the City of Barrie. The building has visual exposure to Highway 400.</p> <p>The unit was comprised of 6 offices, an open work area and a kitchenette. The building is reported to have a good quality interior finish. The M.I.T. included utilities. The site provides for good on-site parking.</p>

Index No. 6					
Location - Barrie	Status	Lease Date	Area (Sq.Ft.)	Semi-Gross Rent	Comments
Unit #203 15 Sperling Drive, Barrie	Leased	05/08/2012	4,381	\$19.70	Semi-Gross Rent Indication: Base Rent \$13.70 M.I.T. \$7.00 Hydro -\$1.00 <b>Semi-Gross \$19.70</b>
					<p>Lease of a fully finished office unit located in a professional office building within the northerly portion of the City of Barrie. The building has visual exposure to Highway 400.</p> <p>The building is considered to be well maintained with an average quality interior finish. The M.I.T. included utilities. The site provides for on-site parking.</p>

### 14.3 Comparable Office Lease Location Maps:



#### 14.4 Office Space Analysis:

Table 3

Office Leases				
Index	Address	Lease Date	Rentable Area (sf)	Semi-Gross Rent Indication
1	8034 Yonge Street, Innisfil	Asking	4,263	\$18.85
2	990 Innisfil Beach Road, Innisfil	15/06/2011	1,399	\$20.00
3	10 Checkley Street, Barrie	28/03/2014	7,500	\$23.00
4	Unit #110 - 136 Bayfield Street, Barrie	15/07/2013	2,040	\$20.06
5	Unit #304 - 128 Welington Street W, Barrie	04/06/2013	2,527	\$24.18
6	Unit #203 - 15 Sperling Drive, Barrie	08/05/2012	4,381	\$19.70

The subject consists of a 2,289 sq. ft. main level unit and a 2,758 sq.ft. second level unit within a newly constructed institutional office building. The building will be the Innisfil Hydro Headquarters which will occupy a majority of the building.

The subject units are somewhat unique being that they are good quality units with a rural location within the Municipal Campus. Office demand within these areas is not as strong as would be present within a larger urban area.

Our market rental survey identified 2 Indexes from within Innisfil and 4 Indexes from within the City of Barrie. These leases were marketed on a net basis and provide a range of \$10.00 to \$13.70 per sq.ft. net. All leases have been adjusted to provide a comparable indication of a semi-gross lease basis with relatively low hydro costs to represent the subject's conditions. Once adjusted to a semi-gross basis the Indexes provide a range of \$18.85 to \$24.18 per sq.ft..

The subject space is best suited for an institutional user. A review of institutional leases in the City of Barrie indicate rents in the general range of \$10 to \$13 per sq.ft. net.

**Index #1** is the listing of average to good quality office space located slightly north of the subject, within the community of Stroud. This is a more dated building but features a slightly superior location. Given the superior quality of the subject building but accounting for the location we would expect a subject semi-gross lease slightly above the asking rate of \$18.85 per sq.ft..

**Index #2** is a smaller second storey unit located in Alcona. This is a newly built building with some onsite parking. Once adjusted to semi-gross basis this lease suggests a rate of \$20.00 per sq.ft..

**Index #3**, is a 7,500 sq. ft. building located on the fringe of the Barrie downtown. The building has an attractive exterior and average to good interior. This is a freestanding building with a better location. Once adjusted to semi-gross basis this lease demonstrates a rate of \$23.00 per sq. ft..

**Index #4**, is the lease of a unit within a large office building located in the Barrie downtown. This is an older building in average condition. The MIT is inclusive of utilities which once adjusted suggests a semi-gross lease rate of \$20.06 per sq.ft.. This building is considerably inferior to the subject's but in a better location.

**Index #5**, adjusted to \$24.18 per sq.ft semi-gross is a fully finished office unit with a high quality office building. This Index is superior to the subject.

**Index #6** adjusted to \$19.70 per sq.ft semi-gross is a good quality professional office unit with some exposure to Highway #400.

#### **14.5 Conclusion:**

The referenced Indexes provide a range of \$18.85 to \$24.18 per sq.ft. on a semi-gross basis. The lower end of this range is indicative of space in an older and larger building. The upper end is indicative of high quality office buildings in a better location.

The subject space is very good quality but situated within the Civic Campus in a relatively rural location. Demand for office space in rural locations is not typically strong. The space is well suited for institutional users that would look to be located within the Civic Campus.

Considering the available Indexes and taking into account the subject location and building quality, it is our opinion that a market lease rate of **\$20 per sq.ft. semi-gross** is reasonable for the subject space. We have not observed any market evidence to suggest main level office obtains a premium above second level office when good stairway and elevator access is present. A premium does occur when greater commercial / retail potential is present on the main level however this is not the case in this instance.

There is mixed market evidence for annual escalations (step-ups) to base market rental rates in the current market. It appears as though prime space and often renewals are attracting escalations at least in the amount of the cost of living index, i.e. 2 to 3% per annum. Newly established leases in non-prime space do not appear to have the ability to attract annual escalations.

In the case of the subject office space, we cannot find justification from recent leases in the community to support an annual increase. It is reasonable that on a longer term lease of 10 years an escalation would occur after the initial 5 years. An escalation of up to 10% (2 to 3% per annum cost of living over 5 years) would be reasonable for a second 5 years of a 10 year term.

As previously indicated the subject space will require interior finishing by the tenant. We determined a tenant inducement in the form of reduced rent would be necessary due to the considerable cost of interior finish. Factoring for an inducement of \$2.50 per sq.ft. over 10 years we conclude the following market rental rates.

**Main Level & Second Level Market Rent Conclusion:**

<b>Years 1 to 5</b>	<b>\$20.00 per sf - \$2.50 per sf</b>	<b>\$17.50 per sq.ft. semi-gross</b>
<b>Years 6 to 10</b>	<b>\$22.00 per sf - \$2.50 per sf</b>	<b>\$19.50 per sq.ft. semi-gross</b>



## 15.0 SUMMARY OF QUALIFICATIONS

### **PETER SPIVEY, B.Sc., AACI, P.App**

*Peter Spivey obtained his honours degree in biology with a minor in geography from the University of Guelph. Upon completion of his university degree, Peter Spivey entered the appraisal field and achieved his AACI (Accredited Appraiser Canadian Institute) designation, in 2009.*

#### **RELATED WORK HISTORY**

2006 – Andrew, Thompson and Associates Ltd.

#### **QUALIFICATIONS**

AACI – Accredited Appraiser Canadian Institute

This designates a fully accredited membership in the Institute and indicates a high level of competence in a wide range of real estate appraisal.

B.Sc. – Bachelor of Science

- Honours Marine and Freshwater Biology Major (University of Guelph)
- Geography Minor (University of Guelph)

#### **CERTIFICATES AND COURSES**

Standards Seminar – 2006

UBC - Real Estate Appraisal Course Stream (15 Courses)

Completion of the Eco Gift Seminar – 2010

#### **VALUATION EXPERIENCE**

<i>Land</i>	Residential Subdivision; Industrial Subdivisions; Rights of Way; Easements; Highway Widening; Institutional Sites; Waterfront; Recreation Lands; Agricultural, Wood Lot, Escarpment Lands, etc.
<i>Commercial</i>	Downtown; Strip Plaza; Special Use; Freestanding Office Buildings; Converted Dwellings; Restaurants; Service Stations, etc.
<i>Institutional</i>	Airports; Federal; Provincial and Municipal Assets; School Sites; Utility Easements and Right of Ways; Utility Buildings; Transportation Facilities; Dump Sites; Transmission Tower Sites; Well and Water Tower Sites, etc.
<i>Agricultural</i>	Hobby Farm; Land.
<i>Unique</i>	Large Tracts; Large Institutional Buildings; Education Development Charges.
<i>Consulting</i>	Expropriation; Peer Review; Education Development Charges; Alternative - Valuations
<i>Government Consulting</i>	Road Widening and Easement Projects; Sale of Municipal or Surplus Land; Land Acquisition; Conservation Easements, Eco Gift Valuations, Environmental Acquisition's, etc.

## **16.0 CONTINGENT AND LIMITING CONDITIONS**

1. This report has been prepared at the request of Innisfil Hydro Distribution Systems Limited for the purpose of providing an estimate of the market rent of 7251 Yonge Street, Innisfil, ON. It is not reasonable for any other person than the (person) (those) to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.

2. This report has been prepared at the request of, Innisfil Hydro Distribution Systems Limited and for the exclusive (and confidential) use of, Innisfil Hydro Distribution Systems Limited the recipient as named herein and for the specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.

3. The estimated value of the real estate which is the object of this appraisal pertains to the value of the hold interest in the real property

4. The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value; especially if there was no reason to doubt its accuracy. Other empirical data required interpretive analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to the following assumptions and limiting conditions.

- The property has been valued on the basis that title to the real estate herein appraised is good and marketable.

- The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, soil or sub-soil conditions, engineering or other technical matters which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis, that certain problems may exist, a cautionary note has been entered in the body of this report.

- The legal description of the property was obtained from Geowarehouse and the area of the site was provided. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.

- The property has been valued on the basis that the real estate is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described herein.

- The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any contract or agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.

- The interpretation of the leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, the summaries of the contractual agreements, were included, are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
  - The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respect, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirement of law preventing occupancy of the real estate as described in this report. However such possible circumstances have not been accounted for in the appraisal process.)
  - The property has been valued on the basis that, prior to any advance of the loan, all municipal and public utility services including, without limitation, sanitary sewers, water, private wells and septic systems, electricity, telephone and gas shall have been installed, connected and shall be operating satisfactorily and full payment for all of the said services shall have been made, whether or not chargeable against the site or the project by way of local improvement charges payable before or after the date of any advance of the loan.
  - The property has been valued on the basis that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate herein appraised.
  - The property has been valued on the basis that all construction was (will be) carried out in accordance with properly executed plans and specifications; that proper workmanship and supervision was (will be) employed in the building process; that the property was (will be) occupied and in operation within a reasonable period of time following completion of the construction and that the property is (will be) managed in a manner which is typical for the property being appraised.
  - The property has been valued on the basis that all leases, agreements to lease, or other contractual agreements relating to the terms and conditions of the tenants' occupation of space within the subject property are fully enforceable, notwithstanding that such documentation may not be fully executed by the parties thereto as at the date of this appraisal.
  - The property has been valued on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the attendant leases, agreement to lease or other contractual agreements. Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated, or inflated to reflect extraordinary circumstances, unless such conditions have been identified and noted in this report.
  - The property has been valued on the basis that that, save and except for encumbrances as may be permitted there are no easements, rights-of-way, building restrictions or other restrictions so affecting the site as to prevent or adversely affect the operation of the property or so as to materially and adversely affects its market value.
  - The date and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.
5. The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the shares could be affected by other considerations.

Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.

6. Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.

7. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as of any other date without subsequent advice of the author of this report.

8. The distribution of value between land, buildings and other improvements applies only in regard to the purpose and function of this appraisal, as outlined in the body of this report.

9. The estimated market value of the property referred to herein is predicated upon the condition that it would be sold ( on a cash basis to the vendor)(on the basis of cash over the balance of the known financing) (on the basis of cash over the amount of proposed financing) and subject to any contractual agreements and encumbrances as noted in this report ( as-is and where-is, without any contingency agreements or caveats). Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.

10. This report is only valid if it bears the original signature(s) of the author(s).

11. The value expressed herein is in Canadian dollars.

12. The appraiser, is not qualified to test such hazardous substance which are known to be on the site. The value herein is estimated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such condition, nor for any expertise or engineering knowledge required to discover them.

13. Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this report, prior arrangements shall be made therefore, including provisions for additional compensation to permit adequate time for preparation and for any appearances that may be required. However, neither this nor any other of these assumptions and limiting conditions is an attempt to limit the is that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.

These Contingent and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or the particulars of this mandate.

## 17.0 CERTIFICATE OF THE APPRAISER

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions and conclusions.
- I/we have no present or prospective interest in the property that is the subject of this report, and I/we have no personal interest or bias with respect to the parties involved.
- I/we have no bias with respect to the property that is the subject of this report or to the parties included with this assignment.
- our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- our analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards.
- I/we have the knowledge and experience to complete the assignment competently.
- As of the date of this report, the undersigned has fulfilled the requirements of the Appraisal Institute of Canada mandatory recertification program for designated members.
- the certificate pertains to the property described as 7251 Yonge Street, Innisfil, ON.
- The estimated market rental range is as follows:

<b>Years 1 to 5</b>	<b>\$17.50 per sq.ft. semi-gross</b>
<b>Years 6 to 10</b>	<b>\$19.50 per sq.ft. semi-gross</b>

**\*The concluded market rents are applicable to the main level and second level office units.**

  
\_\_\_\_\_  
Peter Spivey, B.Sc., AACI, P.App