Real Estate Investment Offering

Residential Development Lands
Cambridge, Ontario

The real estate brokerage activities of TD Securities are conducted through TD Cornerstone Commercial Realty Inc., registered real estate broker.
# Table of Contents

1. **Introduction** ......................................................................................................... 3  
2. **Executive Summary** .............................................................................................. 4  
3. **City of Cambridge** ................................................................................................ 5  
4. **Real Estate Profile** ................................................................................................ 6  
5. **Residential Development in Cambridge** ............................................................. 20  
6. **Appendix: City of Cambridge – Financial Incentives brochure** ......................... 22  

**CD Supplemental:**  
Surveys, Site Plans, Drawings  
Environmental and Remediation Reports  
Realty Tax Info

The statements contained in this package are based upon information furnished by the principal and sources, which we deem reliable - for which we assume no responsibility, but which we believe to be correct. This submission is made subject to prior sale, change in price, terms, or withdrawal with notice. Prospective purchasers or tenants should not construe this information as legal or tax advice. You should consult your counsel, accountant, or other advisor on matters related to this presentation. TD Securities Commercial Brokerage Realty Group.
Introduction

TD Securities Realty Group (“TDS”) has been retained by Alzor Investments Inc. to sell four residential development sites located in the core area known as Galt City Centre in Cambridge, Ontario. Each of the four properties is situated within minutes of each other in a busy, mixed community of commercial, retail and residential properties. The aggregate size of the properties is approximately 5.69 acres.

Cambridge is experiencing strong economic growth including employment, which is creating a strong demand for residential developments. The City is promoting development, and as part of the City’s Financial Incentives Program, property owners and developers in core areas are able to reduce up-front costs by being exempt from development charges and building permit fees, as well as having the opportunity to benefit from the Contaminated Sites Grant Program which provides a specific allowance per residential unit of development. As well, the Regional Municipality of Waterloo invites interested parties to submit Expressions of Interest to participate in the Federal/Provincial Housing Allowance Program under the Canada-Ontario Affordable Housing Program. Selected Landlords will receive up to $300 per month towards the market rent for each eligible unit.

This opportunity will allow a purchaser to take advantage of a growing community and lower development costs, for residential sites that are already in the site application and/or approval stages with the City.

The properties are being offered for sale at a price of $5,250,000

Sale Process

1. Interested parties will receive the Investment Memorandum (IM), including a CD containing available reports, surveys, site plans and drawings.
2. Parties may inspect the properties only by appointment with TDS.
3. After completing their review and analysis, parties are invited to submit an Agreement of Purchase and Sale to TDS.

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Executive Summary

Development Highlights

• 4 prime development sites, located in a core area of Cambridge allowing a developer to take advantage of the Financial Incentive Program for exemption of development and permit fees/charges.

• Proposed Development is a mix of low-rise apartments and townhouses comprising a total of 375 units across all 4 sites.

• Located within a flourishing economic area accompanied by continual growth in population and employment.

Location

The properties are located in the core area of Galt City Centre in close proximity to each other and several amenities. Easily accessible by Hwy 401 providing convenient links to several major city centres including Kitchener, Waterloo, Guelph, Brantford, Toronto, Mississauga, and Hamilton.

Planning Status

While site 1 is zoned and approved for development, site plan applications have been submitted for the remaining 3 sites and are under review by the City of Cambridge Planning Department. The sites all fall under a C1RM1 zoning designation, permitting a variety of commercial uses as well as residential.

Full surveys, site plans and drawings will be made available to prospective purchasers.

Environmental

Historical Environmental Reports and a Remediation Report have been completed and can be made available to prospective purchasers.
City of Cambridge

Cambridge has become one of the fastest growing and strongest economic areas in Canada. It is strategically located in the Region of Waterloo, along Hwy 401 with Hwy 24 and Hwy 8 traversing the City, is in the heart of Canada’s Technology Triangle (Website: www.techtriangle.com), and provides a consumer market of 1 million people within a 30 mile radius. The 2006 population is estimated at 122,000 and is forecasted to grow to 177,000 by 2031.

With a primary focus on new building construction, $200 million has been spent on average over the last 10 years, with about 50% going towards the residential sector. New residential construction in 2005 was valued at $141 million representing 983 housing starts. Population growth has been steady, averaging approximately 2% annually with an employment growth of approximately 3% over the past several years. In 2005, Cambridge’s estimated GDP was $5.28 billion and is expected to experience strong growth largely in part to the number of new businesses starting in Cambridge, which is growing at a rate of 6% annually.

The City of Cambridge offers affordable housing, 12 community centres, 4 public library branches, 100 parks covering more than 1,000 acres, 14 golf courses within driving distance, and a strong industrial and technology base for employment, all of which contribute to making Cambridge a destination of choice for many new residents.
Real Estate Profile

General Location

All four sites are situated in Galt City Centre in the southern portion of Cambridge and are located within minutes of each other. The sites are located within close proximity to several public parking lots, Historic City Hall, Regional and Municipal Offices, the Cambridge Farmers’ Market, the Galt Arena Gardens, the Cambridge Arts Theatre, the Grand River Transit (Bus) Terminal on Ainslie Street, School of Architecture and several parks.
Site 1: Shade Street/Kerr Street (south)

Located at the corner of Shade Street and Kerr Street on the south side of Kerr, west of Shade, the site occupies approximately 2.5 acres and is square in shape. The property is within walking distance of the downtown, Galt Arena Gardens, parks and there is an abundance of public parking nearby.

This site is approved for 169 condominium units, consisting of a mix of bachelor, one-bedroom and two-bedroom units, and can build up to 220 units if underground parking is provided. The Cambridge Planning Commissioner has recommended increasing the number of units from 169 to 200.
Site Plan for Shade Street & Kerr Street (south)
Typical Floor Plan - Shade Street & Kerr Street (south)
Site 2: Shade Street/Kerr Street (north)

Located at the corner of Shade Street and Kerr Street on the north side of Kerr, west of Shade, and adjacent to Galt Arena Gardens, the site occupies approximately 1.59 acres and is more or less L-shaped. The property is a short distance from downtown with several parks close by. There is a small rectangular piece of land at the south west portion of the site which is under separate ownership.

A site plan application and proposal has been submitted to the City for a condominium development consisting of 94 two-bedroom units.
Typical Floor Plan - Shade Street & Kerr Street (north)
Site 3: Wellington Street South/Warnock Street

Located along Wellington Street South fronting on the west side of Wellington, with access from the west via Warnock Street, the site occupies approximately 1.1 acres and is irregular in shape. The property enjoys excellent access to public transit being adjacent to the Grand River Transit (Bus) Terminal. The property is also just off of Main Street in the heart of Galt City Centre’s downtown. There are several public parking lots in the immediate vicinity.

The property is currently in the site plan application stage with a proposed condominium development of 75 units consisting of 11 one-bedroom and 64 two-bedroom units.
Typical Floor Plan - Wellington Street South/Warnock Street
Lower & Parking Plan - Wellington Street South/Warnock Street
Site 4: Bruce Street/Wellington Street South

Located just south of Site 3, the property fronts Wellington Street South and stretches between Bruce Street to the north and Walnut Street to the south. The property is irregular in shape and occupies approximately 0.5 acres. This site also enjoys convenient access to downtown, parks, public transit, public parking and several amenities.

A site plan application and proposal has been submitted to the City to develop 5 townhouse units complete with basement and 34 condominium units consisting of bachelor, one-bedroom and two-bedroom units.
Site Plan - Bruce Street/Wellington Street South
Town Plan - Bruce Street/Wellington Street South
Town Plan - Bruce Street/Wellington Street South
Residential Development in Cambridge

Over the past four years, residential construction values have been reasonably steady after a strong housing market in 2002 with construction values at level of $151.5M with 1,130 units receiving building permits. 2004 saw a dip in construction values down to $132.0M representing 911 units, but bounced back in 2005 to $140.9 with 983 units and statistics show a promising finish for 2006 with construction values at $82.3M over the first half of the year and 493 units for which building permits were issued.

The following chart illustrates the mix of residential housing units which received building permits and total construction values since the year 2000.

<table>
<thead>
<tr>
<th>Year</th>
<th>New Residential Construction Value ($ Millions)</th>
<th>Total Units</th>
<th>Single Family Units</th>
<th>Semi-Detached Units</th>
<th>Row House Units</th>
<th>Apartment Units And Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 (1st Half)</td>
<td>$82.3</td>
<td>493</td>
<td>273</td>
<td>50</td>
<td>157</td>
<td>13</td>
</tr>
<tr>
<td>2005</td>
<td>$140.9</td>
<td>983</td>
<td>403</td>
<td>12</td>
<td>101</td>
<td>467</td>
</tr>
<tr>
<td>2004</td>
<td>$132.0</td>
<td>911</td>
<td>556</td>
<td>34</td>
<td>273</td>
<td>48</td>
</tr>
<tr>
<td>2003</td>
<td>$154.1</td>
<td>1136</td>
<td>931</td>
<td>14</td>
<td>156</td>
<td>35</td>
</tr>
<tr>
<td>2002</td>
<td>$151.6</td>
<td>1130</td>
<td>937</td>
<td>32</td>
<td>54</td>
<td>107</td>
</tr>
<tr>
<td>2001</td>
<td>$100.4</td>
<td>893</td>
<td>723</td>
<td>64</td>
<td>98</td>
<td>8</td>
</tr>
<tr>
<td>2000</td>
<td>$92.6</td>
<td>888</td>
<td>702</td>
<td>26</td>
<td>158</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: City of Cambridge - Economic Development Division

Recent Developments in the Area

Wellington Square [www.wellingtonsquare.ca](http://www.wellingtonsquare.ca)

There are a few notable competitive developments in the area which are a mix of both townhomes, condominiums and rental apartments. The first is located in between Wellington Street South and Harris Street just off of Main Street. The project was developed by The Lancer Group and consists of 2 phases, the first of which is comprised of 52 one and two bedroom rental apartments while the second phase will have 77 one and two bedroom condominium units. Prices for the condominiums range from $119,000 to $185,000 with sizes ranging from 545 to 945 square feet ($218 psf - $196 psf).
Recent Developments in the Area

Millcreek  [www.winzen.on.ca/millcreek.htm]

The second development is located a short distance to the south below Concession Street in between Ainslie Street South and Water Street South. The site was developed by Winzen Homes and was completed 6 months ago and consists of 73 townhomes. Size ranges are between 1,385 and 1,783 square feet with four different model styles. There are only 7 units left which consist of 1,435 square feet each and are 3-bedroom, 3-bathroom models with 5 appliances and no A/C. Prices for these remaining models are between $189,000 and $196,000 ($132 psf - $137 psf).

Waterscape  [www.waterscape.ca]

The third development site is located in the northern portion of Galt at Ainslie Street North and Water Street North. Haastown Group of Companies plans to develop two luxury condominium towers consisting of approximately 100 and 125 units each. Retail and office space will be available on the main floor of each building. Prices range from around $160,000 to over $1,000,000 for suites ranging in size from 590 to over 2,800 square feet.

Mattamy Homes  [www.mattamyhomes.com/communities/uppercountry]

Mattamy Homes is developing a large site into a mixed community of town, semi-detached, and single-family detached homes in the a little further to the north in Cambridge at Townline Road, a short distance south of the 401. The project is completely sold out which illustrates the strong demand for housing within the growing Cambridge community. Prices range from $167,990 to $298,990.
Appendix

Financial Incentives Program

The City of Cambridge offers a Financial Incentives Program to developers to reduce costs for development projects and improvements to vacant sites as well as existing buildings. Residential developers will be exempt from development charges, development application fees, sign permit fees, and building permit fees. Developers also benefit from a Contaminated Sites Grant Program covering up to $1,500 per new residential unit.

Refer to the appendix for the City of Cambridge Financial Incentives brochure which illustrates the guidelines and example scenarios showing potential savings.
Core Area Programs

FEE EXEMPTION PROGRAMS

Development Charges Exemption

All new development and redevelopment projects in the core areas are automatically exempt from City of Cambridge and Regional Municipality of Waterloo Development Charges. Renovations and additions are included.

City of Cambridge Rates
- Apartment: $4,529 per unit
- Detached Dwelling: $7,549 per unit

Region Rates
- Apartment: $3,706 per unit
- Detached Dwelling: $6,444 per unit
- Town House: $4,885 per unit
- Lodging Unit: $1,837 per unit

City Development Charges rates are indexed twice per year, January and July. Region rates are indexed once per year in January.

Development Application Fee Exemption

All new development and redevelopment projects in the core areas are automatically exempt from all Development Application Fees under the Planning Act (e.g. site plan, zone change, official plan amendment, condominium, subdivision, severance/variance).

Site Plan Fee
Official Plan Amendment Fee
Zone Change Fee
Draft Plan of Proposed Subdivision Fee

Draft Plan of Proposed Condominium Fee: The fee is $1,000 per application.

The minimum fee is $2,000
and the maximum fee is $5,000.

Sign Permit Fee Exemption

All new signs in the core areas will automatically be exempt from paying the Sign Permit Fee.

Stationary Sign: $35.00 per sign + $35.00 for every $1,000 value
Note: Temporary/Mobile Signs are not included in this program.

Building Permit Fee Exemption

All development and redevelopment projects in the core areas will automatically be exempt from paying the Building Permit Fee when you apply for your building permit. Renovations and additions are included.

The minimum charge for a Building Permit is $62.40. The total value of your Building Permit will depend on the class of permit.

Programs, policies, rates, and fees are subject to change.
LOAN AND GRANT PROGRAMS

DesignGuide Program

If you want to improve the look of the outside of your building but aren’t sure where to start, the DesignGuide Program can help!

Through this program, we provide you with a grant to cover the costs of working with a design professional to develop a design for your building.

Through this program, you can work with a registered Design Professional to develop a new design for the outside of your building. The City of Cambridge provides a grant of up to $1,750 (up to 4 facades) to cover the costs of hiring a Design Professional from our pre-selected list. The Design Professional will provide you with a package including a design concept along with suggestions for building materials, signage and other items.

The City of Cambridge will give you the grant after receiving a copy of the design professional’s concept for your building and a copy of the paid invoice for the design professional’s fee.

All properties in the core areas are eligible for one DesignGuide grant.

Pick up an application form from the Planning Services Department or email ccar@city.cambridge.on.ca

Galt City Centre
Building Revitalization Program (BRP)

Are you planning on repainting your building? Replacing some windows? Adding a new sign? Replacing the storefront? The Building Revitalization Program (BRP) can help you to finance all of these items and more by providing interest-free loans for up to half of the cost. Consideration can even be given to including fire code work like installing a sprinkler system or fire separations between commercial units and apartments if you are doing exterior work at the same time.

Through the BRP, the City of Cambridge will match your investment in renovating your building. We will provide interest-free and partially forgivable loans for improvements to core area properties. You can enter into a 3, 4, or 5 year interest-free loan agreement with the City of Cambridge, or take 35% of the approved loan as a grant.

The City of Cambridge will provide the funds after all of the work has been completed and inspected by a City of Cambridge representative.

The minimum project amount is $4,000, which equals a minimum loan amount of $2,000. The maximum loan amount is $20,000 per building (up to $60,000 per owner).

Pick up an application form from the Planning Services Department or email ccar@city.cambridge.on.ca

Preston Towne Centre

[Images of buildings and streetscape]
Contaminated Sites Grant Program

To encourage the restoration and redevelopment of contaminated sites, the City of Cambridge offers a grant of up to 100% of restoration costs for all new development projects on restored contaminated properties in the core areas. This grant covers up to a maximum of $1,500 per new residential units and/or $10 per square meter of gross floor area for non-residential developments.

Studies, consultant costs and adapted re-use projects are eligible for program funding, provided that activities and restoration result in:

1. A Record of Site Condition acknowledged by the Ministry of the Environment, and
2. Approval of the final construction inspection by the City of Cambridge.

Payment of the grant is received after approval of the final construction inspection by the City of Cambridge.

Pick up an application form from the Planning Services Department or email ccar@city.cambridge.on.ca
If you would like further information about these programs, or to discuss how these programs apply to your property or specific project, please contact:

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Core Areas Projects Manager
Planning Services Department
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Fax: 519.622.6184
ccar@city.cambridge.on.ca
www.city.cambridge.on.ca
**City Wide Programs**

**Contaminated Sites: Realty Tax Policy**

There is opportunity for a portion or all outstanding municipal taxes to be forgiven on contaminated sites. Eligibility criteria must be met and the purchaser must enter into an agreement with the City of Cambridge.

**Designated Heritage Buildings: Development Charges Allowance**

An allowance towards Development Charges for development or redevelopment of an existing building designated under the Ontario Heritage Act is available. The existing designated building must be retained and remain an integral part of the development or redevelopment of the property. The maximum allowance amount is based on the floor area of the existing building.

**Contaminated Sites: Development Charges Allowance**

For any development or redevelopment project where the site must be restored as per the Environmental Protection Act Regulations, an amount will be credited against the development charge payable (not to exceed the total Development Charges payable to the City of Cambridge). Written estimates of the cost of assessment and restoration must be approved by the City of Cambridge.

*Note: This allowance is not applicable if Development Charges have already been exempted.*

Galt City Centre, Preston Towne Centre, & Hespeler Village are the Cambridge Core Areas. These unique areas within the City of Cambridge feature historic architecture, public services, parks, riverside settings and people-friendly spaces.

The City of Cambridge offers a number of **FINANCIAL INCENTIVE PROGRAMS** which help building and property owners and developers to reduce the costs of development projects and building & site improvements in the City of Cambridge.

**Benefits of Financial incentives Programs:**

- Reduce up-front costs by waiving fees such as Development Charges
- Apply to residential, commercial, institutional, and industrial projects of all sizes
- Help fund a wide range of improvements including windows, doors, exterior cleaning/ painting, and signage
### Scenarios

(Within the core areas)

The following three scenarios are examples of funds saved and granted through the City of Cambridge Financial Incentive Programs.

#### 1. A 1.5-acre contaminated site, with a proposal to construct 15 townhouses, 1420 square feet per unit.

<table>
<thead>
<tr>
<th>INCENTIVE</th>
<th>SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption from Development Charges (City and Region)</td>
<td>$186,510</td>
</tr>
<tr>
<td>15 units x ($7,549 + $4,885)/unit</td>
<td></td>
</tr>
<tr>
<td>Contaminated Sites Grant Program</td>
<td>$22,500</td>
</tr>
<tr>
<td>15 units x $1,500.00/unit (max.)</td>
<td></td>
</tr>
<tr>
<td>Building Permit Fee Exemption</td>
<td>$18,744</td>
</tr>
<tr>
<td>15 units x .88/sq.ft. x unit size</td>
<td></td>
</tr>
<tr>
<td>Site Plan Fee Exemption</td>
<td>$2,000 (min.)</td>
</tr>
<tr>
<td>Total Savings</td>
<td>$229,754</td>
</tr>
</tbody>
</table>

#### 2. A 1.5-acre site (vacant land, contaminated), with a proposal to build a 40-unit apartment building, 900 sq.ft. per unit.

<table>
<thead>
<tr>
<th>INCENTIVE</th>
<th>SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption from Development Charges (City and Region)</td>
<td>$329,400</td>
</tr>
<tr>
<td>40 units x ($4,529 + $3,706)/unit</td>
<td></td>
</tr>
<tr>
<td>Contaminated Sites Grant Program</td>
<td>$60,000</td>
</tr>
<tr>
<td>40 units x $1,500.00/unit (max.)</td>
<td></td>
</tr>
<tr>
<td>Building Permit Fee Exemption</td>
<td>$26,640</td>
</tr>
<tr>
<td>40 units x .74/sq. ft. per unit</td>
<td></td>
</tr>
<tr>
<td>Site Plan Fee Exemption</td>
<td>$2,000 (min.)</td>
</tr>
<tr>
<td>Total Savings</td>
<td>$418,040</td>
</tr>
</tbody>
</table>

#### 3. Proposal to construct a new office building, 20,000 sq. ft., on a 1.5 acre contaminated site.

<table>
<thead>
<tr>
<th>INCENTIVE</th>
<th>SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption from Development Charges</td>
<td>$102,400</td>
</tr>
<tr>
<td>City: $1.28/sq. ft.</td>
<td></td>
</tr>
<tr>
<td>Region: $3.84/sq. ft.</td>
<td></td>
</tr>
<tr>
<td>Contaminated Sites Grant Program</td>
<td>$18,580</td>
</tr>
<tr>
<td>1,858 sq.meters x $10.00/sq.meter</td>
<td></td>
</tr>
<tr>
<td>Building Permit Fee Exemption</td>
<td>$24,400</td>
</tr>
<tr>
<td>$1,22/sq. ft. (including interior finish)</td>
<td></td>
</tr>
<tr>
<td>Site Plan Fee Exemption</td>
<td>$2,000 (min.)</td>
</tr>
<tr>
<td>Sign Permit Fee Exemption</td>
<td>$70 (minimum)</td>
</tr>
<tr>
<td>Total Savings</td>
<td>$147,450</td>
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</table>