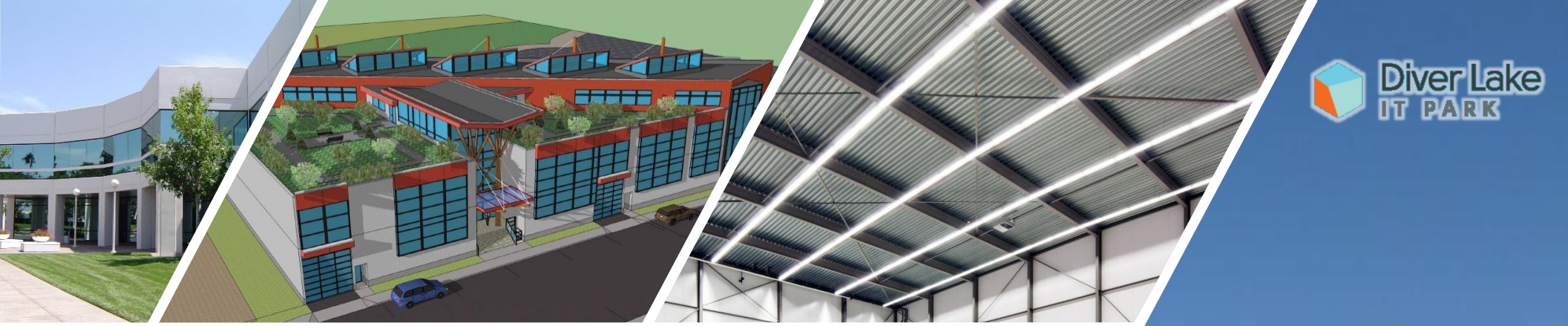


Diver Lake Innovation and Technology Park Development

Nanaimo, British Columbia | Confidential Information Memorandum



EXECUTIVE OVERVIEW



Cushman & Wakefield Ltd. ("Cushman & Wakefield; C&W") is pleased to offer the rare opportunity to acquire a 100% freehold interest in a zoned, serviced and permitted 2.88 acre site (with approximately 1.5 acres of usable area) approved and with partial lease commitments for an office development of 68,000 square feet located at 2589 Kenworth Road (the "Property") in Nanaimo, British Columbia.

The Property, located in the central neighbourhood of Diver Lake is traversed by the Island's two major transportation corridors, Nanaimo Parkway and Island Highway and provides access to amenities throughout the Greater Nanaimo area. This opportunity represents a chance to participate in the next frontier of Vancouver Island's technology boom - characterized by suburban office and technology parks located near an employee base.

All inquiries should be directed to Cushman & Wakefield Ltd. as Exclusive Agent of the Vendor:

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Diver Lake

Innovation and Technology Park

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PACIFIC OCEAN

DIVER LAKE

ISLAND HIGHWAY 1A

Country Club Centre

Rock City Centre

Shenton Road

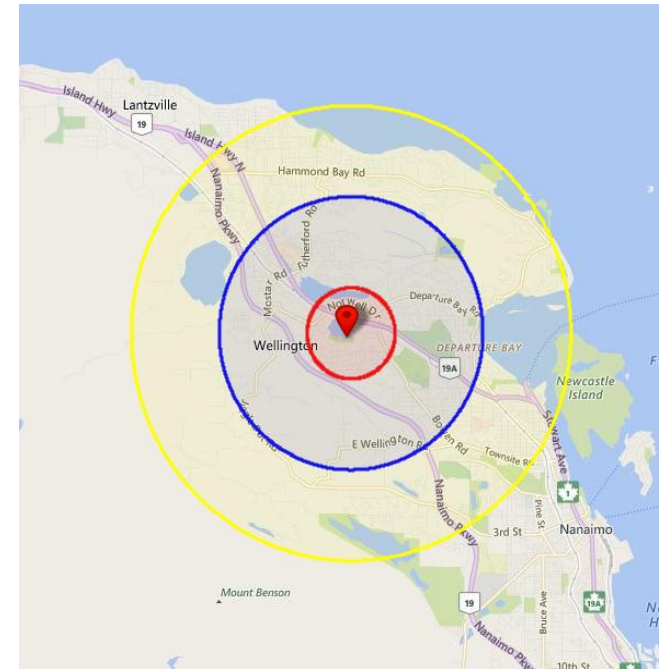
Kenworth Road

Bowen Road

LOCATION OVERVIEW

MARKET HIGHLIGHTS & DEMOGRAPHICS

- Nanaimo has undergone strong growth in most sectors of the economy over the last 5 years. This can be partially attributed to the population growth seen in Nanaimo, which has increased by 8% since 2011, according to the recent 2016 Census.
- Nanaimo's central location and access to Vancouver via Departure Bay (BC Ferries) has enabled the city to develop as a crucial retail service and transportation centre for Northern Vancouver Island.
- Historically, Nanaimo has been a resource community originating with coal mining, shifting to the forestry industry which has since been supplanted by the pulp industry. The largest single employer in Nanaimo is the provincial government with the retail and tourism industries being substantial contributors to the local economy.
- Retail is the largest employment sector in the city, supplying more than 6,000 local residents with jobs, accounting for 15% of the labour force.
- The sustained growth of Nanaimo coupled with steady economic dynamics has led to higher density development in Old City/Downtown. This growth is occurring in coordination with the expanding technology sector.



KEY TRENDS AND PROJECTIONS

Distance from Property	1 KM	3 KM	5 KM
Population (2016)	3,230	25,773	60,912
Population Growth (2011-2016)	-0.1%	2.9%	4.0%
Projected Population Growth (2016-2021)	0.9%	3.1%	4.0%
Owned (Rented) Dwellings	71.6% (28.4%)	76.7% (23.3%)	75.8% (24.2%)
Average Household Income	\$76,775	\$84,150	\$88,000
Median Age	39.7	43.5	46.5

Source: Tetrad Sitewise

Diver Lake

Innovation and Technology Park



LOCATION OVERVIEW

LOCATION DESCRIPTION

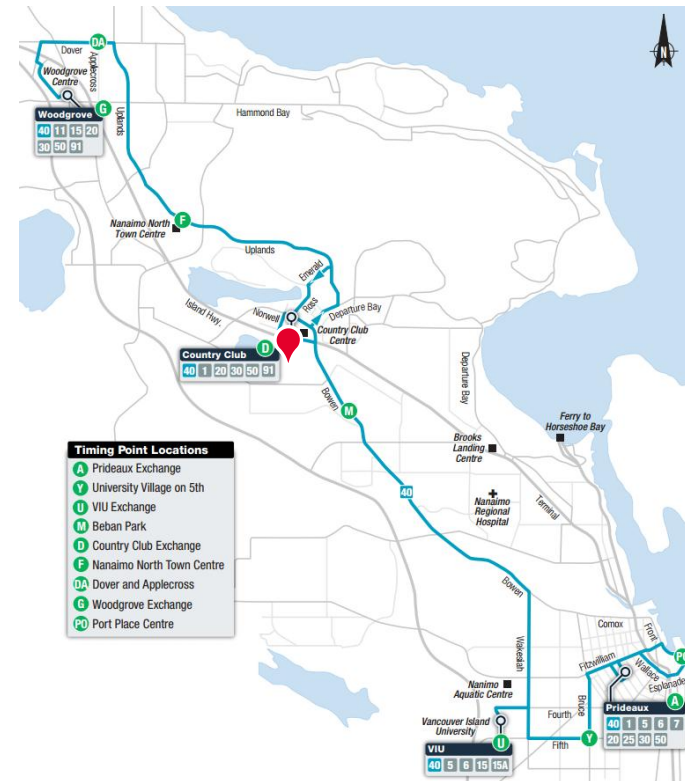
The Property is located in central Nanaimo, in the Diver Lake neighbourhood. Diver Lake delivers a unique setting for residents, providing a rich history and a plethora of amenities. The neighbourhood of Diver Lake offers attainable housing, with an average home price of \$438,557, making it ideal for young professionals and new homeowners. This relatively affordable and amenity rich neighbourhood lends itself naturally to a suitable source of employment, with a growing proportion of Nanaimo (and Vancouver Island) residents being employed in the burgeoning mid-island technology sector.

Diver Lake can be characterized as a location that lends itself well to those seeking an alternative office location from the traditional downtown urban core. In addition to being on nature's doorstep, the location represents Vancouver Island's largest retail node, with shopping amenities directly north at Country Club Centre, and just minutes further north at North Nanaimo Town Centre, and Woodgrove Centre.




LOCATION HIGHLIGHTS

- Central location in Nanaimo's sprawling landscape, providing ease of access to all areas of the City.
- A location that also bodes well for employees, being readily accessible from all significant residential nodes in Greater Nanaimo.
- The Property is unique in its serene positioning on the shores of Diver Lake, making for a pleasant office atmosphere.
- The location provides for excellent access off Island Highway with traffic light controlled intersections at Bowen Road and Jingle Pot Road leading to high accessibility from all directions.
- Diver Lake is home to an extensive trail network with proposed expansion for a boardwalk and fishing spots.

TRANSIT ROUTES & TRAVEL TIMES



TRAVEL TIMES

Destination			
Downtown Nanaimo	11 Minutes	35 Minutes	25 Minutes
Old City Quarter	12 Minutes	31 Minutes	22 Minutes
Nanaimo North	6 Minutes	20 Minutes	13 Minutes
Departure Bay Ferry Terminal	10 Minutes	45 Minutes	22 Minutes

PROPERTY OVERVIEW



PROPERTY HIGHLIGHTS

- Approved Development Permit No. DP000869 in place for a 68,000 square foot, three-storey IT and R&D office facility.
- Wetland setbacks approved.
- Centrally located, making the amenities of North Nanaimo and Downtown Nanaimo equally accessible.
- Office setting in a developed area with a serene lakefront backdrop.
- Superior access from both Island Highways.
- Well located to nearby shopping and retail amenities including Vancouver Island's largest shopping centre, Woodgrove Centre.
- Website: <http://itpark.ca/>
- Architect: Ian A. Niamath of Nanaimo

2589 Kenworth Road, Nanaimo, BC

PHYSICAL DESCRIPTION	A state-of-the-art three storey office building with secured underground parking and solar panel roofing.
LOT SIZE	2.88 Acres
ZONING	I2 Light Industrial
OCP DESIGNATION	Light Industrial
APPROVED DENSITY	68,000 SF
APPROVED HEIGHT	12 m (39.4 ft)
APPROVED PARKING	80 underground stalls
LOADING	2 grade-level loading bays
GROSS TAXES (2016)	\$9,598
PROJECTED NOI	\$952,000 (assumes \$14 NNN per annum psf, with additional rent estimated at \$4.50 psf)

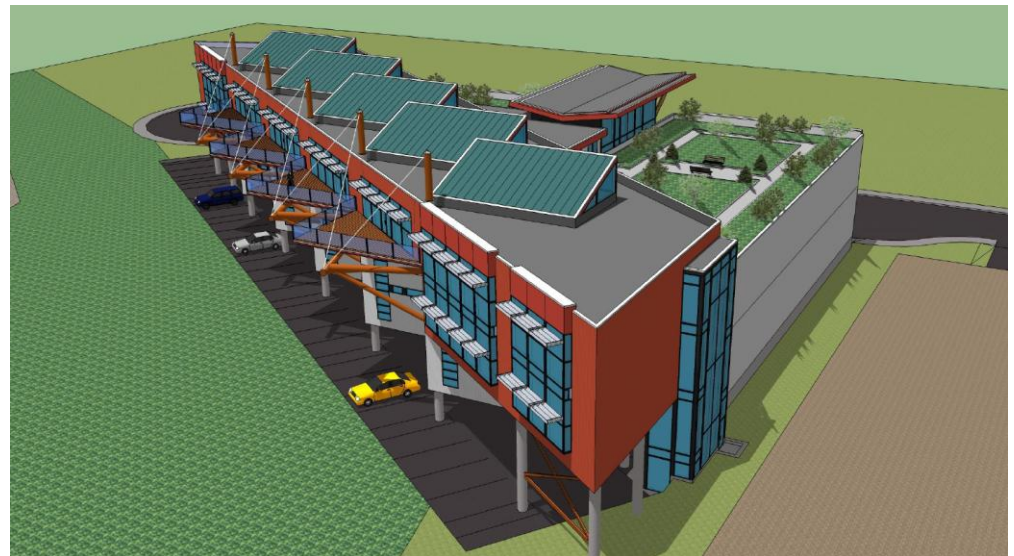
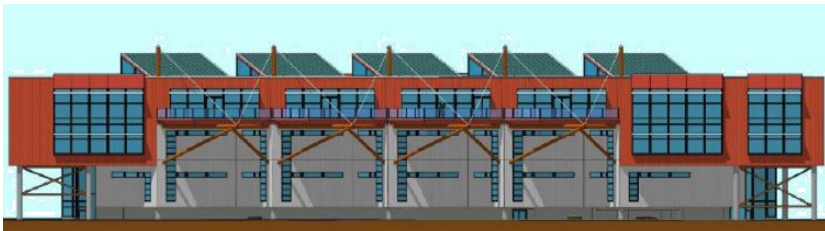
Diver Lake

Innovation and Technology Park



Diver Lake

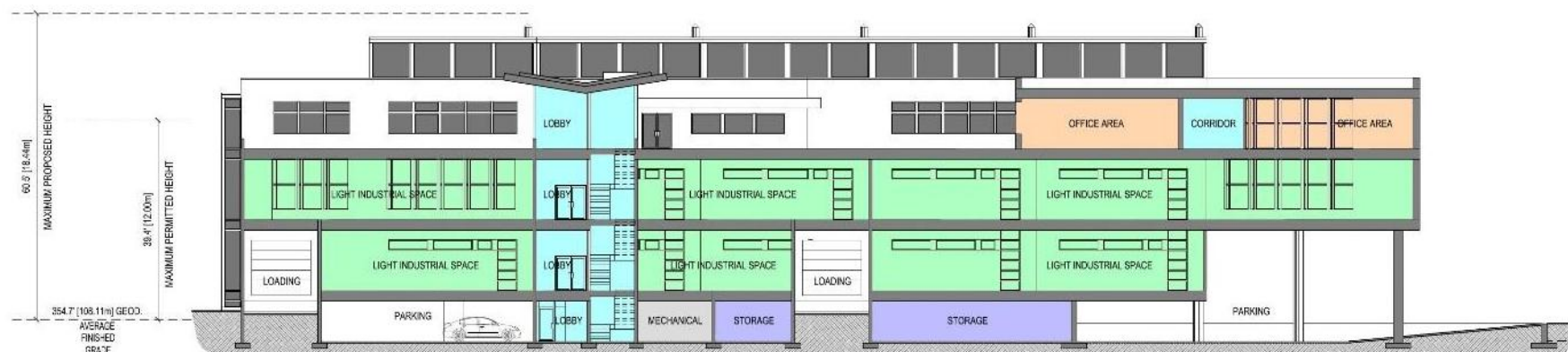
Innovation and Technology Park



DEVELOPMENT HIGHLIGHTS

NANAIMO'S PREMIER TECHNOLOGY AND R&D OFFICE DEVELOPMENT

- Located in an industrial pocket of Diver Lake, the Property represents an extraordinary location for technology and research and development flex office space with a large employee pool to pull from.
- 68,000 square feet of approved density perfectly suited for innovative technology and research and development office use in the heart of the mid Island's budding tech sector.
- Three floors of office along with two grade loading bays appealing to a variety of end users including flex industrial and creative technology.
- The design offers floorplans that exploit the lookout onto Diver Lake, in addition to tenant-accessible green roofs.
- The floor layout includes a common boardroom, patios, solar paneled roofs and potential for a fitness centre.
- ~ 22,000 square feet is under commitment to lease, and there is limited competition in terms of new supply in the market.
- Current zoning and land use permit a variety of uses, including: research and laboratory facilities, light manufacturing, storage, warehousing and wholesaling.



BUILDING CROSS-SECTION

SCALE: 1/16"=1'-0"

DEVELOPMENT HIGHLIGHTS

PRE-LEASING COMMITMENTS

TENANT: *International Company #1*
PROPOSED TERM: 10 years
PROPOSED SIZE: 20,000 sf
PROPOSED RATE: \$14.00 psf per annum, triple net, with step-ups in latter half

TENANT: *Subsidiary of International Company #1*
PROPOSED TERM: 10 years
PROPOSED SIZE: 2,000 sf
PROPOSED RATE: \$14.00 psf per annum, triple net, with step-ups in latter half

MARKET CONTEXT

CITY OF NANAIMO

The City of Nanaimo is the gateway to Vancouver Island and headquarters of the Regional District of Nanaimo which includes the cities of Nanaimo and Parksville, the town of Qualicum Beach and District of Lantzville - along with eight unincorporated communities. Nanaimo boasts a well diversified economy, specializing in technology, manufacturing, retail, health, tourism and government services. The city's economy has undergone a recent shift away from a base largely dependent on forestry and resource extraction to a more diversified knowledge-based and technology-based economy.



A major element of Nanaimo's economic infrastructure is Departure Bay and the BC Ferries terminal. Departure Bay is the most widely used terminal north of Swartz Bay (Victoria) and has seen steadily increasing usage. Ferry traffic between Horseshoe Bay and Departure Bay increased by 7.25% in 2016 over 2015.

Location

Nanaimo is centrally-located on the east side of Vancouver Island, an Island located off the south-west coast of British Columbia and the largest North American island in the Pacific Ocean. Nanaimo is 23km (14 miles) west of Vancouver and 113km (70 miles) north of Victoria, the capital of British Columbia. BC Ferry terminals in Departure Bay and Duke Point link Nanaimo directly to the Vancouver metro area. In addition, the Nanaimo Airport offers regular commercial flights; Air Canada to Vancouver and Calgary direct, and Westjet direct to Calgary. The Nanaimo Seaplane Terminal provides facilities for seaplane flights, and Helijet also provides multiple flights daily to and from Downtown Vancouver.

Nanaimo is situated on a narrow coastal plain and is surrounded by quality agricultural land and rich timber resources. Dedicated as the "Harbour City" by Prince Charles and Princess Diana in 1986, it has the second biggest harbour on Vancouver Island, making Nanaimo an important distribution and regional centre.

Travel Time Summary

		
Parksville / Qualicum	20 Minutes	-
Courtenay / Comox	60 Minutes	20 Minutes
Campbell River	80 Minutes	-
Victoria, BC	90 Minutes	15 Minutes
Tofino / Ucluelet	165 Minutes	-
Vancouver, BC (via Ferry)	120 Minutes	20 Minutes
Calgary	-	97 Minutes



Diver Lake

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Population & Growth

Nanaimo is the 5th fastest growing mid-size urban centre in BC. Over the past 25 years, the City's population has nearly doubled to approximately 102,500 residents and population is expected to grow by 4.2% by the year 2020. Nanaimo's growth rate has been consistently higher than the provincial average and the Vancouver Island/Coast District Region. Future growth will be driven by migration rather than natural increase, and the aging of the city's population will be a dominant theme with the 65 plus age groups experiencing the greatest increase.

Population growth is leading to strong growth in both residential and commercial construction projects. Regional, Provincial and Federal Governments have made significant infrastructure investments in the last five years, including the Vancouver Island Conference Centre, Nanaimo Museum, park & trail improvements, Nanaimo Airport expansion, a new cruise ship terminal, and additions to the Nanaimo Regional General Hospital, including a prenatal wing, and expansion to the region's state-of-the art emergency wing.

The City of Nanaimo has seen a 30% net growth in businesses between 2002 and 2015. the largest sectors in the economy currently are construction, retail trade, professional scientific & technical, healthcare and tourism. Nanaimo's OCP suggests that housing demand in the city will also increase the city's current housing stock.

102,500

Estimated Population

4.2%

Projected Population
Growth (2015-2020)

\$77,375

Average Household Income

45.5

Median Age

Transportation and Local Amenities

Nanaimo has a comprehensive transportation network designed to support and promote the growth of existing businesses and to facilitate the establishment of new operations. The average commute time from the outer boundaries of the city to downtown is 15 minutes.

Nanaimo is situated directly on Vancouver Island's main highway, Highway 19, providing easy access to all major centres on Vancouver Island. Major investment in the island highway has reduced travel time between Nanaimo and other island communities. This has resulted in access to a larger market and workforce area, and has enhanced the city's role as a transportation and distribution hub for the central and North Island.

The island's railway line follows the route of the Island Highway, with 288km of railway track from Victoria to Courtenay and Parksville to Port Alberni. Passenger rail service via a dayliner is available seven days a week between Victoria and Courtenay.

Economy

The economic hub of Vancouver Island, Nanaimo boasts both a vibrant business community and exceptional quality of life. Nanaimo has used its excellent harbour for trading, servicing and distribution industries. Fishing and lumbering have also grown since the 1950s. Recently, Nanaimo's economy has moved from a base largely dependent on the forestry sector to a diversified base including knowledge-based and technology companies, manufacturing and government services. Many businesses choose to locate in Nanaimo because of the cost efficiencies and a complete range of telecommunications services.



MARKET OVERVIEW

ECONOMIC CONTEXT

CANADA

- The impact of the Alberta wildfires combined with the continued decline of the resource-export dependent economy bring low projections of 2017 real GDP growth of 1.8% but signs of recovery are anticipated to show positive results in the 2nd half of the year with a Q4 forecast as high as 2.0%.
- 2016 was a year of ambiguity with the election of Donald Trump and the implications of Brexit. With these developments came elevated levels of uncertainty and rising interest rates. This uncertainty will be hedged by U.S. fiscal stimulus and tax cuts that will spur household spending and demand for goods making Canadian exports an attractive option with the current price of the dollar in relation to the U.S. greenback.
- The national housing market is subject to downward pressures being exerted by the provincial and federal governments in the near term in an attempt to slow the pace of debt accumulation. Although the government has enacted a number of prohibitive policies, the Canadian housing market is still expected to grow by 1.6% (prices) following a rise in prices of 4.4% in 2016. On top of the expected growth in prices, the Bank of Canada expects to maintain the overnight rate at 50 basis points throughout 2017.
- Canada's economy will continue to be driven by the consumer with rising employment combined with changes in Federal Government policy underpinning disposable income growth in 2017. Although Canadians have elevated debt levels, the debt-to-net worth ratio posted a third consecutive decline with owners equity in real estate remaining encouragingly high at 74%.



	2013	2014	2015	2016 F	2017 F
POPULATION (MILLION)	35.2	35.5	35.9	36.2	36.6
REAL GDP GROWTH	2.0%	2.5%	1.1%	1.3%	1.8%
HOUSING STARTS	188,000	189,000	196,000	192,000	181,000
RETAIL SALES GROWTH	3.2%	4.6%	1.7%	3.7%	3.7%
UNEMPLOYMENT	7.1%	6.9%	6.9%	7.0%	6.8%
NET MIGRATION	254,800	261,000	267,400	274,100	281,000

BRITISH COLUMBIA

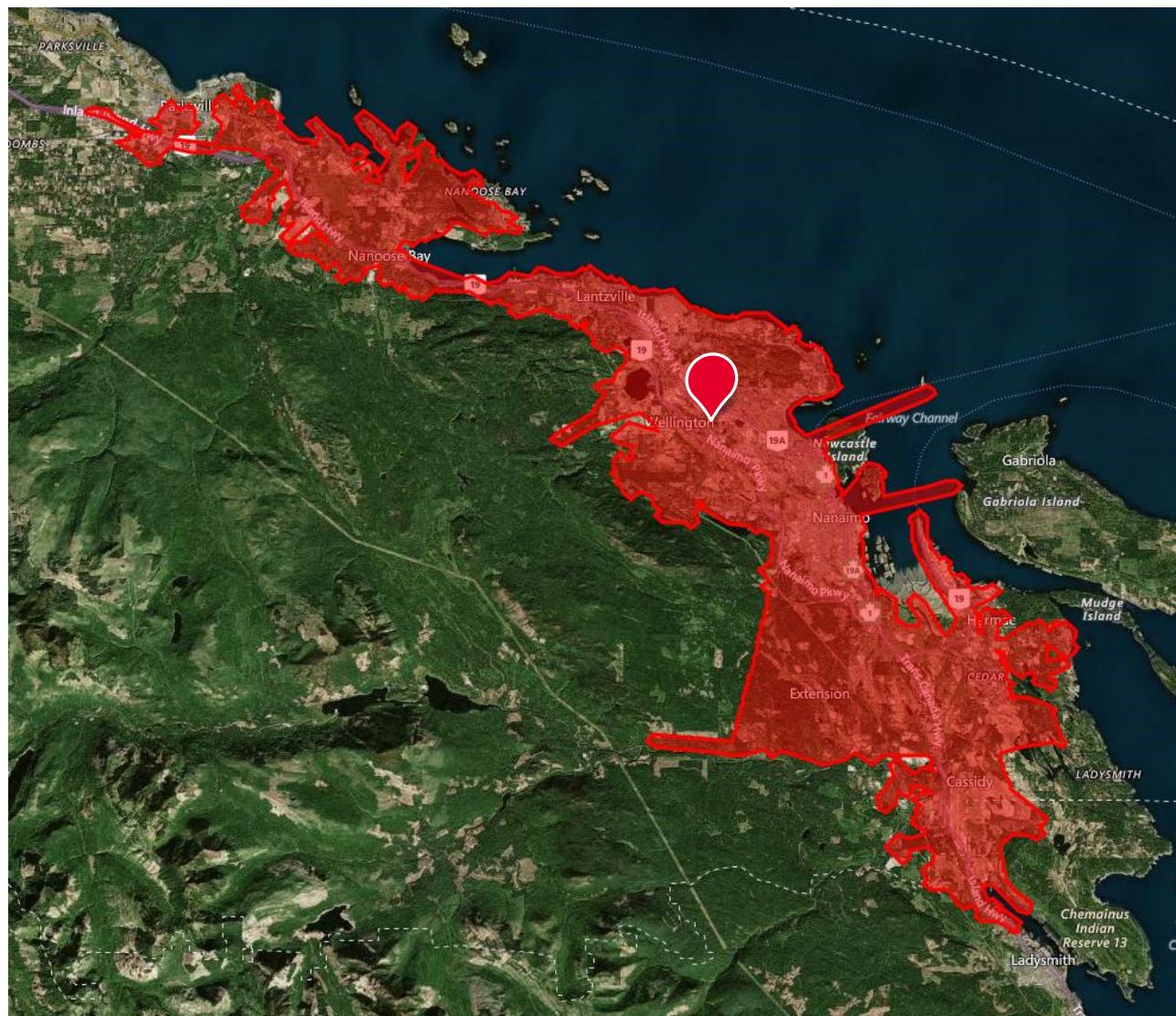
- After outpacing every other Canadian province in real GDP growth in 2016, BC is projected to consolidate and moderate the pace of growth after an astounding run of six consecutive years outperforming the national economy. The provincial real GDP is expected to grow by a respectable 1.9% in 2017
- Key drivers in BC's success have been a rebounding labour market, a red-hot housing market and increased consumer spending.
- The recent approval of Kinder Morgan's Trans Mountain Pipeline will open the coffers to \$6.8 billion in capital investment with construction commencing in the fall of 2017.



	2013	2014	2015	2016 F	2017 F
POPULATION (MILLION)	4.58	4.63	4.68	4.74	4.81
REAL GDP GROWTH	2.1%	3.2%	3.1%	3.0%	1.9%
HOUSING STARTS	27,054	28,400	31,400	41,000	33,500
RETAIL SALES GROWTH	2.4%	5.6%	6.0%	5.5%	3.8%
UNEMPLOYMENT	6.6%	6.1%	6.2%	6.1%	5.8%
NET MIGRATION	45,000	35,000	46,800	51,800	50,100

Diver Lake

Innovation and Technology Park



Source: Tetrad Sitewise

Catchment Area Analysis 30 Minute

111k

Estimated Population 2016

5k

Active Business Licenses

4.2%

Projected Population Growth 2016-
2021

20.0%

Of Population 15 Years+ has a
Bachelor Degree or Higher

OFFERING PROCESS

Offering Process

The Property is being offered to the market at the list price of \$2,100,000.

Offers to purchase the Property will be considered at any time and should be presented to the Listing Agent.

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Exclusive Advisors

All offers to purchase or inquiries regarding the Property or any information contained in this CIM should be directed to the under-noted on behalf of the Vendor:

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