

**Comprehensive Market Rent Appraisal of  
Courtenay Marina**

**2040 Cliffe Avenue,  
Courtenay, BC**

**for**

**City of Courtenay**



CUNNINGHAM & RIVARD APPRAISALS LTD.

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November 24, 2025

Our File: CR25-20113

**City of Courtenay**

830 Cliffe Avenue,  
Courtenay, BC V9N 2J7

**Attention: Maris Russell**

**Re: 2040 Cliffe Avenue, Courtenay, BC**

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At your request, I have completed a comprehensive market rent appraisal report of the property legally described as *Lease Area A of Lot 1, Section 68, Comox District, Plan 15512, Except Part in Plan VIP88375 (PID: 004-154-665)*. The purpose of this report is to develop an estimate of market rentable value of the subject property in the leasehold interest for the authorized use of rent review and negotiation only.

Based on my research and analyses, it is my opinion that the market rentable value of the subject property, as of November 15, 2025, ***subject to the extraordinary assumptions and hypothetical conditions outlined herein***, is:

**TEN THOUSAND ONE HUNDRED DOLLARS PER ANNUM**

**(\$10,100 per annum)**

The subject property was inspected on November 15, 2025, and all necessary investigations and analyses were completed. The accompanying report, which forms the basis of my value opinion, is enclosed, and must be read in its entirety. The estimate of value is as of November 15, 2025, and is subject to the authorized use, assumptions, and limiting conditions in the report, to which the reader's attention is specifically directed.

This report has been prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). It is authorized for use only by the **City of Courtenay** for rent review and negotiation only. No person or party other than the authorized users specifically identified herein may rely on this report without first obtaining written authorization from the author. Such authorization is at the discretion of the author and may be issued with permission from the client of this report.

I hereby certify that I have no present or contemplated interest in the subject property.

Yours truly,

CUNNINGHAM & RIVARD APPRAISALS LTD.

  
Jason Mikes

AACI, P.App.

JM/sc

Encl.

**PHOTOGRAPHS OF SUBJECT PROPERTY**



**SUBJECT PROPERTY VIEW**



**AERIAL PHOTO**

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## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

<b>Civic Address:</b>	2040 Cliffe Avenue, Courtenay, BC
<b>Legal Description:</b>	<i>Lease Area A of Lot 1, Section 68, Comox District, Plan 15512, Except Part in Plan VIP88375 (PID: 004-154-665)</i>
<b>Effective Date of Appraisal:</b>	November 15, 2025
<b>Appraisal Purpose:</b>	To estimate the market rentable value of the subject property.
<b>Authorized Use of Appraisal:</b>	Rent review and lease negotiation only.
<b>Land Area:</b>	3,590 m <sup>2</sup> (38,642 sf)
<b>Zoning:</b>	P-2 (Public Use and Assembly Two)
<b>Probable Highest and Best Use:</b>	Operation of a public marina and boat ramp.
<b>Estimate of Rentable Value:</b>	<b>\$10,100 per annum*</b> <i>*Subject to the extraordinary assumptions and hypothetical conditions outlined herein</i>

## DEFINITION OF APPRAISAL PROBLEM AND PERTINENT INFORMATION

### Purpose of the Appraisal

The purpose of this appraisal is to estimate the market rentable value of the subject property (subject to the extraordinary assumptions & hypothetical conditions outlined herein).

### Definition of Market Value

An accepted Canadian definition of market value, from The Appraisal of Real Estate (4<sup>th</sup> Canadian Edition, copyright 2023), is as follows:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”

Implicit in this definition is the consummation of a sale as of the specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

### Definition of Market Rent

From The Appraisal of Real Estate (4<sup>th</sup> Canadian Edition, copyright 2023), market rent is defined as follows:

“The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).”

Following from the accepted definition of market value, the definition of market rent is further refined as follows:

“The most probable rent which a property should bring for the relevant rent term in a competitive and open market under all conditions requisite to a fair rent transaction, the tenant and landlord each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus.”

Implicit in this definition is the consummation of a rent transaction as of a specified date and the passing of occupancy from landlord to tenant under conditions whereby:

1. tenant and landlord are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto;
5. the rent represents the normal consideration for the property in its highest and best use, unaffected by special or creative rent incentives or allowances granted by anyone associated with the rent transaction; and

6. the prospective tenant is not then in occupation of or has no obligation in respect of the property.

### **Definition of Exposure Time**

Exposure time is the time a property remains on the market. In an appraisal, the term means the estimated length of time an owner would likely need to market the appraised property interest before the hypothetical consummation of a sale at market value on the effective date of the appraisal. An opinion of exposure time is a retrospective estimate that has its basis in an analysis of past events assuming a competitive and open market.

The period of exposure time occurs immediately before the effective date of the appraisal. The overall concept of reasonable exposure time encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

### **Authorized Use of the Appraisal**

This comprehensive appraisal was prepared for use only by the **City of Courtenay** for rent review and lease negotiation only. It was not authorized for use by any others and any liability in this respect is strictly denied. A party receiving a copy of this report does not become an authorized user unless consent is provided by the appraiser.

### **Scope of the Appraisal**

This comprehensive appraisal encompasses the research and analysis necessary to provide a full estimate of market rent for the subject property and meets the requirements of the Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada effective January 1, 2024. The scope of the analysis is as follows:

#### **Inspection**

I inspected the subject property on November 15, 2025. Identification of the property also involved a review of plans and mapping provided by the City of Courtenay, as well as mapping provided by Parcel Map BC and Google Earth. The appended photographs were taken on November 15, 2025.

#### **Data Research**

Instructions for this comprehensive appraisal were received from the authorized client. Sources of market evidence included the local Real Estate Board, Land Title Office transactions (including those reported by BC Assessment and local assessors) and real estate agents, vendors and purchasers, as well as landlords and tenants active in the market.

#### **Audits and Technical Investigations**

I did not complete technical investigations such as:

- Detailed inspections or engineering review of the structure, roof or mechanical systems;
- An environmental review of the property;
- A site or building survey;
- Investigations into the bearing qualities of the soils;
- Audits of financial and legal arrangements.

### **Verification of Third-Party Information**

The analysis set out in this report relied on written and verbal information obtained from a variety of sources that were considered reliable. All reasonable efforts have been undertaken to verify this information from primary sources. The mandate for this appraisal did not require a report prepared specifically for in-depth cross-examination within a court or arbitration hearing, so I did not include full documentation, confirmation and/or include the reference material to primary sources for all information reported herein.

### **Type of Analysis**

The research and analysis necessary to provide a full estimate of market rentable value, including formulation of opinion of Highest and Best Use and review of market data necessary to properly apply the approaches to value was undertaken. In this regard, the Direct Comparison Approach has been applied and later reconciled to a final estimate of value.

### **Extraordinary Assumptions, Limiting Conditions, and Hypothetical Conditions**

An *Extraordinary Assumption* refers to a hypothesis, either supposed or unconfirmed, which, if not true, could alter the appraiser's opinions and conclusions. Full disclosure of any *Extraordinary Assumption* must accompany statements of each opinion / conclusion so affected (Appraisal Institute of Canada's Canadian Uniform Standards of Professional Appraisal Practice).

An *Extraordinary Limiting Condition* refers to a necessary modification or exclusion of a Standard Rule. The burden is on the appraiser to explain and justify such necessity in the report, and to conclude before accepting an assignment and invoking an *Extraordinary Limiting Condition* that the scope of work applied will result in opinions / conclusions that are credible (Appraisal Institute of Canada's Canadian Uniform Standards of Professional Appraisal Practice).

*Hypothetical Conditions* may be used when they are required for legal purposes, for the purpose of reasonable analysis, or for purposes of comparison. For every *Hypothetical Condition*, an *Extraordinary Assumption* is required in the report. The *Hypothetical Condition* must be clearly disclosed in the report, with a description of the hypothesis, the rationale for its use, and its effect on the result of the assignment. An analysis based on a *Hypothetical Condition* must not result in an appraisal report that is misleading (Appraisal Institute of Canada's Canadian Uniform Standards of Professional Appraisal Practice).

The analysis herein and estimate of market rentable value is based on the following:

- i. The lands are owned by the lessor in the fee simple interest and have no charges or encumbrances existing against title;
- ii. Except for the 8.0 m<sup>2</sup> (86 sf) storage space within the Marina Building, the lands do not include improvements to the lands existing as of the lease date and do not include improvements which the lessee subsequently makes to the lands and which the lessee may be permitted but is not obliged to make;
- iii. All necessary services to the Lands are available from the utility sources which are nearest to the lands, and which may have adequate capacity to provide such services;
- iv. Motor vehicle access from a public highway to the lands is available;
- v. The lands are leased for the uses permitted in this lease;
- vi. A reasonable time is permitted to find a willing and knowledgeable lessee;
- vii. The lessor and lessee are acting at arm's length, and neither is acting under compulsion; and
- viii. The tenant is responsible for the full range of operating expenses, except for parking lot maintenance.

## **Effective Date of Appraisal**

November 15, 2025

## **Litigation and Compliance with Supreme Court Civil Rules**

In the event that this appraisal report is used in a civil action, the appraiser is aware of and acknowledges a duty to assist the British Columbia Supreme Court and not be an advocate for any party. This appraisal report is prepared in conformity with the appraiser's duty to the court. If the appraiser is called upon to give oral or written testimony, that testimony will be in conformity with the duty to the court.

## **Real Property Interest to be Valued**

Interests in real property vary so real property is said to include a "bundle of rights" that are inherent in the ownership of real estate. Ownership rights include the right to use real estate, to sell it, to lease it, to give it away or to choose to exercise all or none of these rights.

A person who owns all of the property rights has fee simple title. A fee simple estate implies absolute ownership unencumbered by any other interest or estate. Partial interests in real estate are created by selling, leasing or otherwise limiting the bundle of rights in a fee simple estate. A leased fee estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease or leases.

The interest valued in this report is the leased fee estate.

## **Possession**

Neither possession of this report nor a copy of it carries with it the right of publication. All copyright is reserved to the author and is considered confidential by the author and their authorized client. It shall not be disclosed, quoted from or referred to, in whole or in part, or published in any manner without the express written consent of the appraiser. This is subject only to confidential review by the APPRAISAL INSTITUTE OF CANADA as provided in the Canadian Uniform Standards.

## **Validity**

Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the value expressed as of the date of this appraisal cannot be relied upon to estimate the rentable value as of any other date except with further advice of the appraiser.

## **Competency Provision**

The Canadian Uniform Standards require that competency for the type of property to be appraised must be demonstrated by the appraiser. In this regard, I advise that I have completed numerous appraisals on similar type properties throughout Vancouver Island and have first-hand knowledge of the issues involved in the valuation of this type of property.

## **Legal Description**

*Lease Area A of Lot 1, Section 68, Comox District, Plan 15512, Except Part in Plan VIP88375 (PID: 004-154-665)*

## **Registered Owner**

City of Courtenay

<b>Assessments:</b>	<b>2025</b>	<b>2024</b>
Land	\$244,100	\$241,400
Improvements	<u>\$98,000</u>	<u>\$100,000</u>
Total	\$342,100	\$341,400

“Assessed Value” reflects the opinion of the local Assessment Authority of the market value of the fee simple interest in the property as of July 1 of the preceding year, based on the physical condition as of October 31. The Assessment Authority valuations are based on mass appraisal techniques such as multiple regression analysis, and inspection data may be several years old. Actual assessed values, therefore, can be less precise than a full appraisal.

<b>Property Taxes:</b>	<b>2025</b>	<b>2024</b>
	\$0	\$0

### **Market History**

The Canadian Standards require that the appraiser report and analyze any listings or sales of the subject property over the previous three years.

According to the records of the Vancouver Island Real Estate Board, BC Assessment, and the BC Land Title and Survey Authority, there has been no sale or listing for sale of the subject property within three years of the effective date of appraisal.

### **Title and Encumbrances**

A title search for the subject property was not conducted as a part of this appraisal assignment. It is assumed that there no charges or encumbrances registered against title that prohibit the use as specified by the lease.

### **Lease**

The key terms of the lease are briefly summarized as follows:

The subject property is leased to the Courtenay Marina Society for a 5-year term commencing January 1, 2021, and expiring December 31, 2025. The use is limited to the operation of a public marina, public boat ramp, and storage space within the Marina Building.

Basic rent is in the amount of 10% of the total moorage fees levied by the tenant for 28 boat moorage locations. Moorage fees shall not be less than \$35.00 per foot and shall increase each year by an amount not less than \$1.00 per foot per year. Proportionate operating costs are also charged to the tenant as additional rent. Over the past four years, basic annual rent collected has been as follows:

2024	\$2,810
2023	\$2,630
2022	\$2,378
2021	\$2,270

The tenant is granted one 5-year renewal option on the same terms as the original lease, except that rent paid during the renewal period shall be fixed and determined by the City at any greater or other rate based on the applicable policies of the City in effect at the time.

## **ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS ON LIABILITY**

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

1. This report is prepared only for the authorized client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the authorized client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. The author assumes that the title is good. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed authorized client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. It is assumed that the property is in full compliance with all applicable federal, provincial, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
6. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the appraisal report.
7. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, provincial, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
8. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.

9. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
10. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
11. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report, have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
12. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to, pollution or contamination of land, buildings, water, groundwater or air which may include, but are not limited to, moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection, or that became apparent during the normal research involved in completing the report, have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
13. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify authorized client-supplied information, which the author believed to be correct.
14. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
15. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.

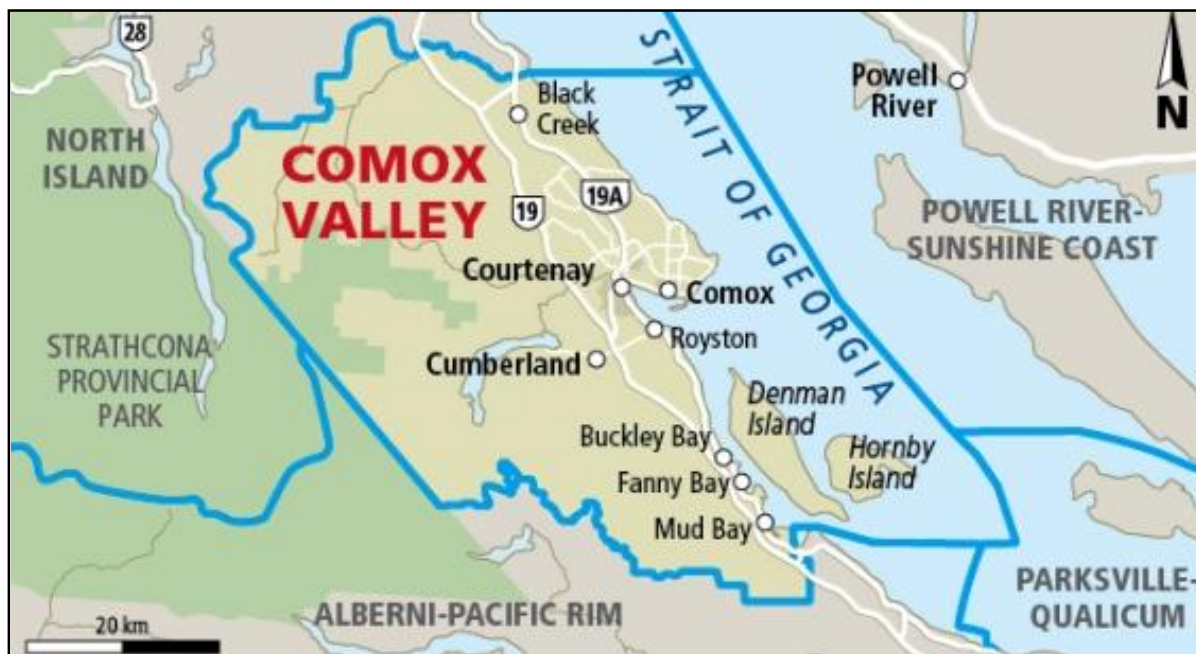
16. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The authorized client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
17. The author has agreed to enter into the assignment as requested by the authorized client named in this report for the use specified by the authorized client, which is stated in this report. The authorized client has agreed that the performance of this report and the format are appropriate for the authorized use.
18. This report, its content and all attachments/addendums and their content are the property of the author. The authorized client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within, for any commercial, or other, use.
19. This report is valid only if it bears the original signature and seal of the author. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
20. As a member of the Appraisal Institute of Canada, the appraiser carries professional liability insurance for errors and omissions in the amount of \$2,000,000 per occurrence and \$2,000,000 in the aggregate annually. In the event that a claim of liability is made against the appraiser and Cunningham & Rivard Appraisals Ltd. pursuant to this report, the authorized client and / or the authorized users of this report agree to limit the claim to a maximum of \$2,000,000.
21. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
22. Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
23. Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly, and such potential future events have NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the effective date, readers are cautioned in relying on the appraisal after the effective date noted herein.

**PROPERTY DESCRIPTION**

## REGIONAL DESCRIPTION

### Comox Valley

The Comox Valley is situated on the east coast of Vancouver Island, approximately midway between Victoria on the southern tip and Cape Scott at the northern tip. It is the traditional territories of the Sahtloot, Sasitla, Leeksun, and Puntledge peoples, known as the K'omoks First Nation today. The Comox Valley encompasses an area of 194,256 hectares (750 square miles), which includes the City of Courtenay, the Town of Comox, the Village of Cumberland, the territories of the K'omoks First Nation, and a large area of unincorporated communities within the administration of the Comox Valley Regional District, extending from Fanny Bay to the Oyster River. The City of Campbell River is located  $\pm 55$  km north; the City of Parksville is located  $\pm 75$  km south; and the City of Nanaimo is located  $\pm 110$  km south.



The City of Courtenay, Town of Comox, and the Village of Cumberland comprise the three municipalities of the Comox Valley. All are located within a 22 km radius and serve a population of approximately 47,673. The largest, the City of Courtenay, has a 2021 census population of 28,420. The Town of Comox is considered a bedroom community and has a 2021 census population of 14,806. The Village of Cumberland is the oldest community, originally being a coal mining city over 100 years ago and has a 2021 census population of 4,447. The overall 2021 census population of for the Comox Valley is 72,445.

The economy has historically been linked to the forest industry, with value added wood processing still a contributor. The local economy, however, has become much more diversified, with tourism, government offices, wholesale and retail trade, education, and construction becoming key contributors. The City of Courtenay is the economic centre for the area, containing  $\pm 63\%$  of all retail outlets, and providing  $\pm 75\%$  of all commercial employment. Retail/commercial establishments are centred around Cliffe Avenue, with Driftwood Shopping Mall located to the south along Island Highway 19A. East of Courtenay River, along Ryan Road and Island Highway 19A, the area has emerged as a regional shopping centre with newer strip developments and large-format retailers. CFB Comox is located near Comox and employs  $\pm 1,600$  service and related people. North Island Hospital Comox Valley, which opened in 2017, is a state of the art, 153-bed facility located in Courtenay, replacing the dated St. Josephs Hospital in Comox.

The Comox Valley has a highly-developed transportation network with the double lane Inland Island Highway, completed from Victoria to Campbell River in 2001, BC Ferries sailings to and from Powell River and neighbouring Northern Gulf Islands (Denman Island and Hornby Island), and a civilian airport terminal situated on 18 acres of leased land at CFB Comox. In the early 2000s, the Comox Valley Airport Commission constructed an \$8 million passenger and cargo terminal. The airport facility has since seen strong increase in passenger loads, with daily scheduled flights to Vancouver, Calgary, Edmonton, and charter flights to Mexico during winter months.



Further information may be obtained from local municipal web sites: <https://cumberland.ca/>  
<http://comox.ca>  
[www.courtenay.ca](http://www.courtenay.ca)  
<https://www.comoxvalleyrd.ca/>  
<https://komoks.ca/>

## City of Courtenay

The City of Courtenay is one of the main coastal communities on the east coast of Vancouver Island, north of Nanaimo, and forms the central community in the Comox Valley. The city features a pedestrian oriented downtown core along 5<sup>th</sup> Street, with Cliffe Avenue further south to 29<sup>th</sup> Street at Driftwood Mall, and Island Highway 19A northeast to Ryan Road, comprising a commercial corridor with uses oriented to the travelling public, including hotels / motels, gas stations, automotive servicing, fast food restaurants, and retail strip centres. The East Courtenay area, surrounding the intersection of Lerwick and Ryan Roads, has emerged as the regional commercial and shopping district for the Comox Valley, with recent commercial developments including Crown Isle Plaza, anchored by Thrifty Foods, along with Costco & Home Depot. Several new automobile dealerships have also migrated to this area, which also contains the campus of North Island College, Crown Isle Golf and Country Club, and the new North Island Hospital Comox Valley.

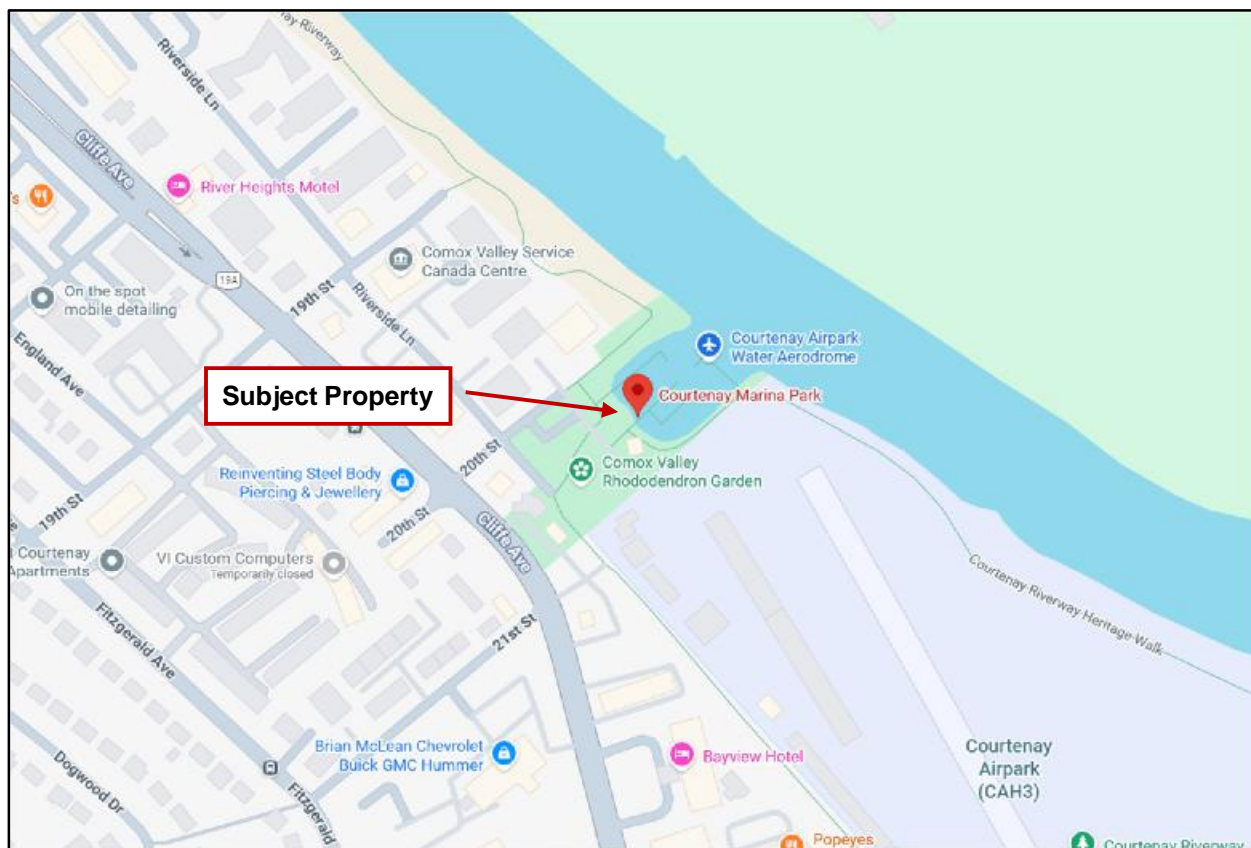
There are numerous established residential neighbourhoods with intermittent multi-family townhouse and low-rise apartments, with higher density housing increasingly concentrated on arterial roads. There are six elementary schools and five secondary schools (including French immersion) operating within School District No. 71. Outside of city limits, within the jurisdiction of the Comox Valley Regional District, the area becomes rural residential and agricultural in nature, within uses ranging from single family residences on small to medium sized acreages, hobby farms, and working agricultural acreages.



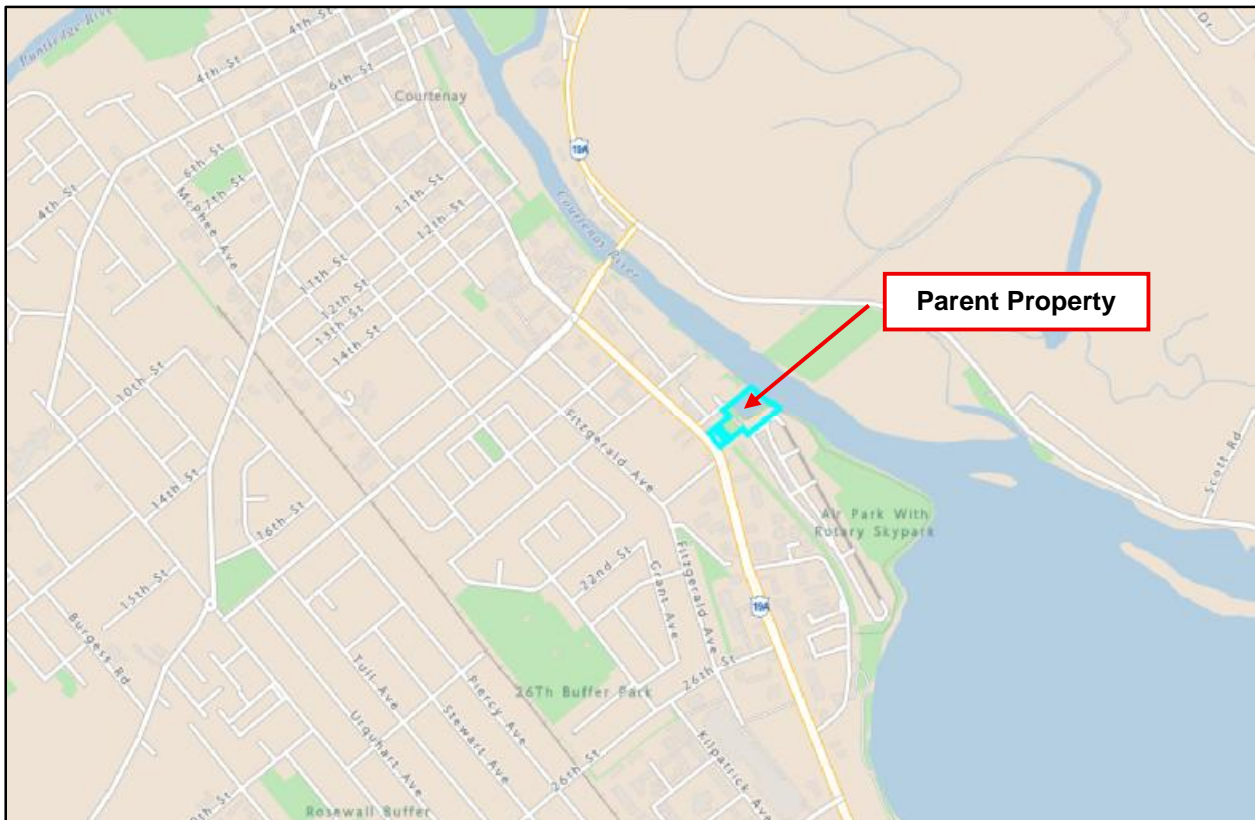
## LOCATION DESCRIPTION

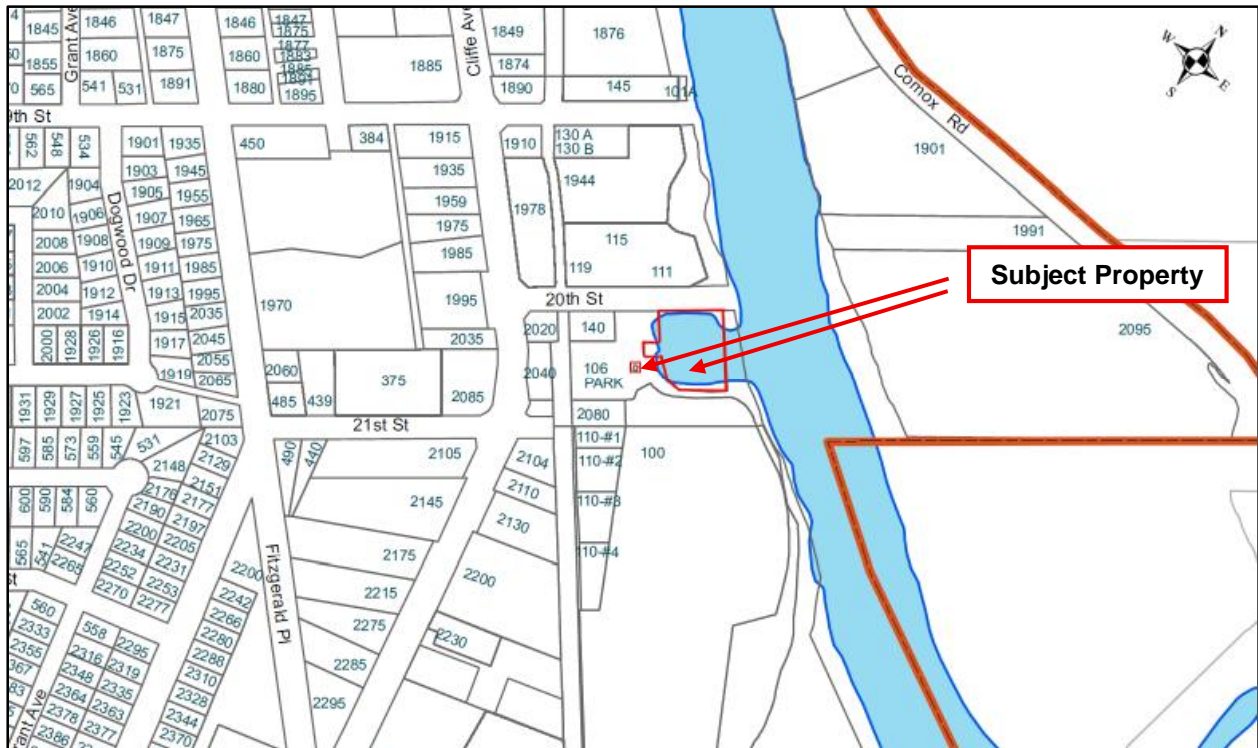
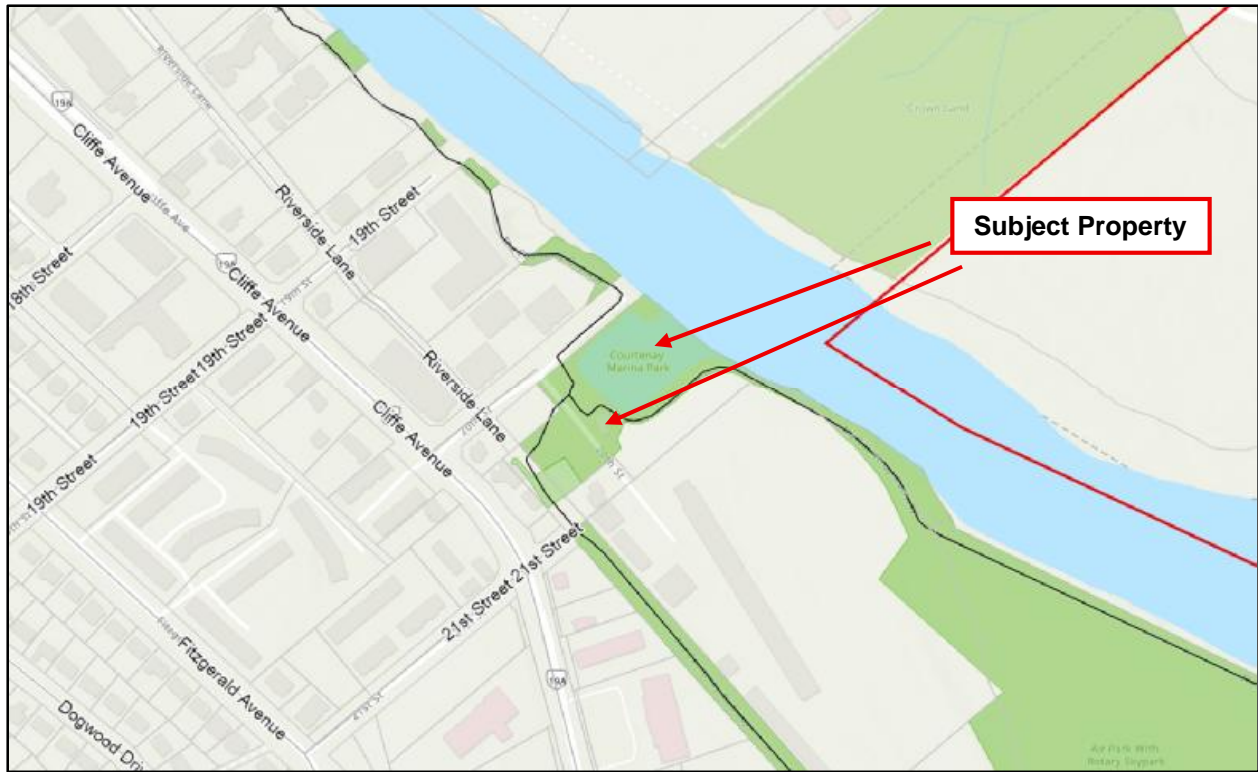
The subject property is located on the Courtenay River, off Cliffe Avenue (Island Highway 19a) at the foot of 20<sup>th</sup> Street.

The subject property forms a part of Courtenay Marina Park which is developed with an asphalt-paved parking lot, paved riverwalk, and a small café. The Courtenay Airpark, a recreational airfield with a single 549 metres (1,800 foot) runway, is adjacent to the southeast along the Courtenay River. A low-rise condominium complex branded 'The Tides' is adjacent to the northwest. Uses along Cliffe Avenue are largely oriented toward the automobile and include retail, offices, restaurants, fuel stations, hotels and motels, etc. The downtown core is approximately 1 km northwest.



**Location Maps**





### DESCRIPTION OF LAND

#### Lot Size and Configuration

The subject property is irregular in shape, with an area of 3,590 m<sup>2</sup> (38,642 sf), as shown by the reference plan excerpt appended below:



#### Topography

The subject property comprises a small cove drenched along the Courtenay River. It is entirely submerged land, except for an asphalt-paved boat launch.

**Access**

Vehicular access off Cliffe Avenue is available via 20<sup>th</sup> Street and the adjacent public parking lot. Boat access is via the river. The location is near the mouth of the Courtenay River, and as a result, access to open water is tide-dependant.

**Visibility**

The subject property is separated from the street by a public parking lot. Consequently, the subject is not visible to drive-by traffic.

**Assemblage**

The subject property is a leased site within the Courtenay Marina Park. Assemblage is not relevant to this assignment.

**Street Improvements**

20<sup>th</sup> Street is asphalt-paved and carries one lane in each direction, with concrete curbing and sidewalks installed. Storm water drainage is by underground sewer. Streetlights are installed, and utility lines are strung overhead.

**Utilities**

Municipal water and sanitary sewer service is available, together with electricity, natural gas, telephone, and cablevision. Fire protection is provided by the City of Courtenay Fire Department and police protection is provided by the RCMP. The nearest fire hall is located approximately 1 km northwest. The nearest police station is located approximately 2 ½ km north.

**Environmental Hazards**

The appraiser is not aware of any environmental hazards relating to the historical or existing use and is not qualified to comment on the current environmental condition of the property. No hazardous substances were called to the attention of the appraiser, nor did the appraiser become aware of such, during the property inspection. The appraiser has no knowledge of the existence of hazardous substances on or in the property unless otherwise stated. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. For the purpose of this report, the subject property has been valued assuming that it is free of any environmental hazards or contamination. If any further clarification in this regard is required, it is suggested that an environmental assessment report be prepared.

**Site Inspection Photos**



**Subject Views from Perimeter**

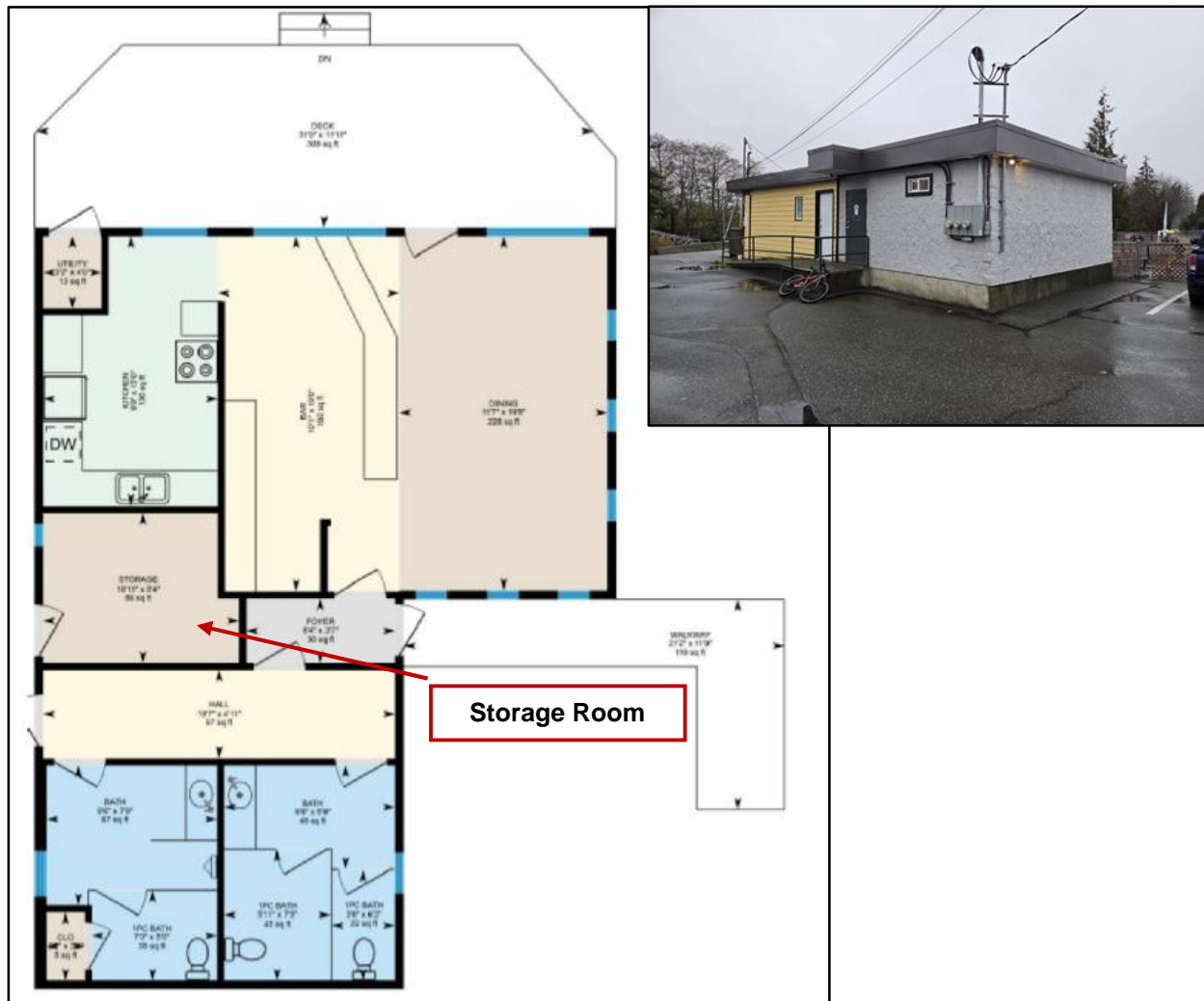


**Boat Launch**



**20<sup>th</sup> Street**

### DESCRIPTION OF IMPROVEMENTS

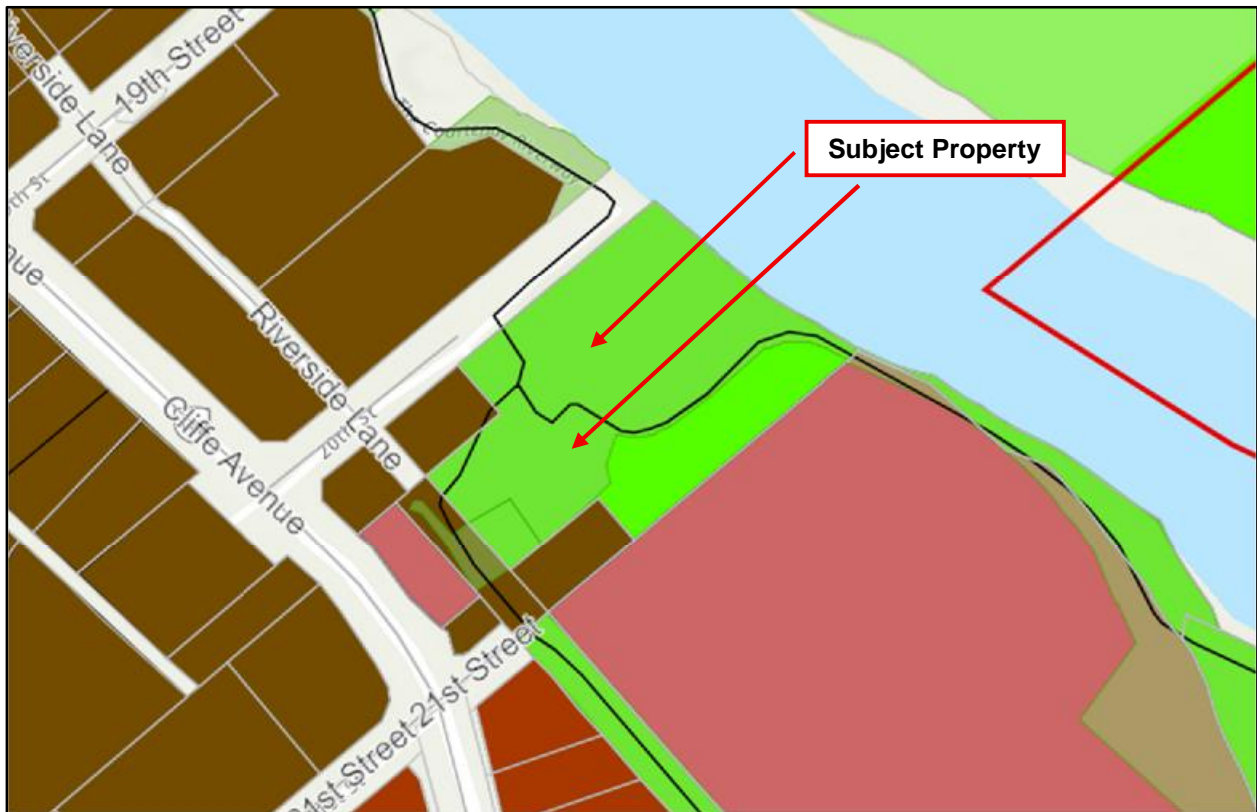








In addition to the submerged land and boat ramp, the lease includes the use of an 8.0 m<sup>2</sup> (86 sf) storage room within the Marina Building. The lease is also understood to include shared use of the public washrooms and adjacent parking lot.

## LAND USE CONTROLS

### Zoning

The zoning for the subject property has been established from bylaws, as they were in effect at the time of the appraisal. Pertinent sections of this bylaw, as they affect the subject property, are included in the following pages. The subject property is zoned P-2 (Public Use and Assembly Two), as per the City of Courtenay Zoning Bylaw No. 2500, enacted 2007 and subsequent amendments.



	C-1		CD-24
	C-1A		CD-25
	C-2		CD-26
	C-2A		CD-27
	C-3		CD-28
	C-4		CD-29
	C-5		CD-31
<b>Multiple Use</b>		<b>Land Use Contract</b>	
	MU-1		LUC
	MU-2	<b>Public Areas</b>	
	MU-3		PA-1
	MU-4		PA-2
	MU-5		PA-3

## Zoning Bylaw Excerpt

### Part 27 - Public Use and Assembly Two Zone (PA-2)

#### 8.27.1 Permitted Uses

In the PA-2 zone, the following uses are permitted and all other uses are prohibited except as otherwise noted in this bylaw:

- (1) *Accessory* residential use
- (2) *Assembly hall*
- (3) *Community service*
- (4) Parks and playground
- (5) Recreation facility

#### 8.27.2 Lot Coverage

A *lot* shall not be covered by buildings and *accessory* buildings to a greater extent than ten percent (10%) of the total area of the *lot*.

#### 8.27.3 Setbacks

Except as otherwise specified in this bylaw, the following minimum requirements shall apply:

- (1) *Front yard*: 7.5 m
- (2) *Rear yard*: 7.5 m except where a *lot* adjoins a residential zone without the intervention of a *street* or lane, in which case, the minimum shall be 15 m.
- (3) *Side yard*: 7.5 m shall be required except where a *lot* in this zone adjoins a residential zone without the intervention of a *street* or lane, in which case, a *side yard* shall be provided of not less than 15 m.

#### 8.27.4 Height of Buildings

No *building* shall exceed a *height* of 12.0 m.

#### 8.27.5 Off-Street Parking and Loading

Off-*street* parking and loading shall be provided and maintained in accordance with the requirements of Division 7 of this bylaw.

#### 8.27.6 Landscaping and Screening

In addition to the Landscape Requirements identified in Part 14 of this bylaw, the following landscape requirements shall be met:

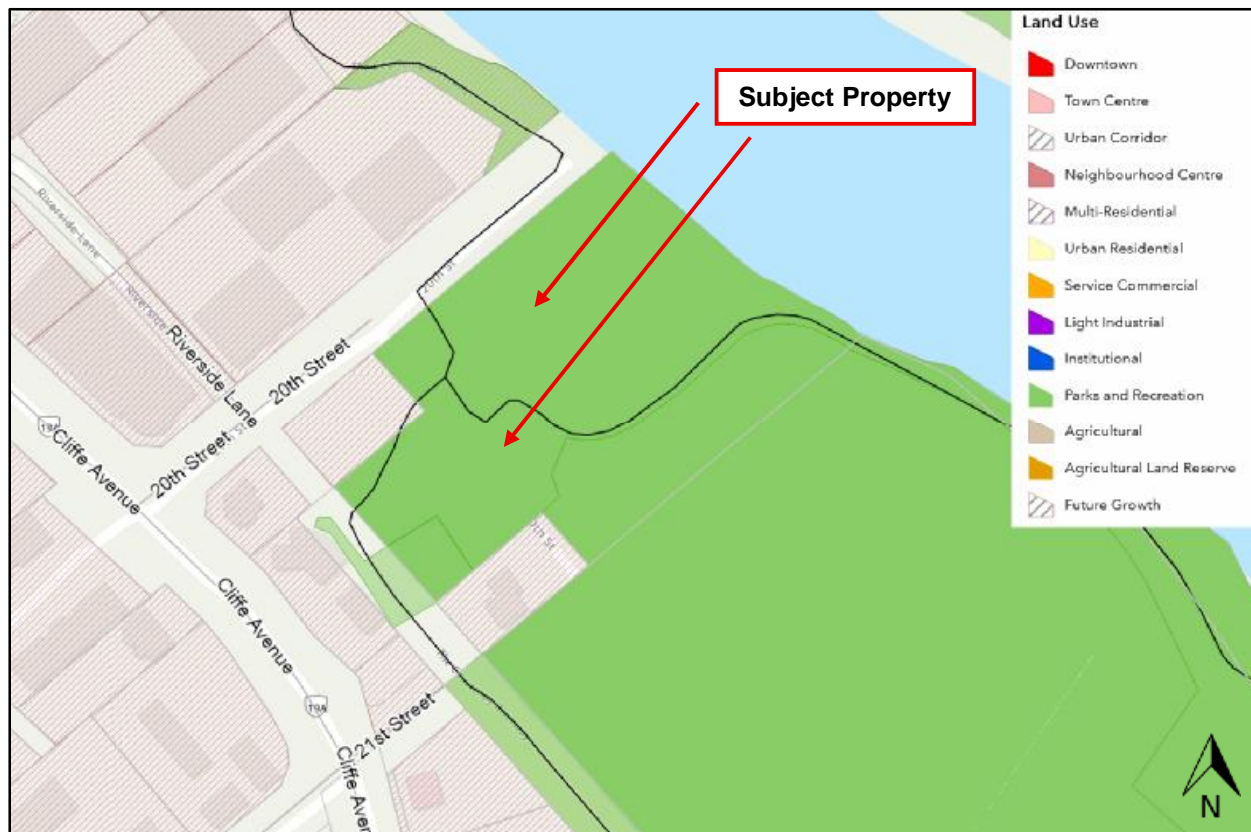
- (1) Where a *lot* adjoins a residential zone, a landscaped area of at least 2.0 m shall be provided along the inside of all affected property lines.
- (2) Where a *lot* adjoins a *street*, a landscaped area of at least 3.0 m in width extending along the entire frontage of the property on the *street* shall be provided inside the property line.
- (3) Notwithstanding the above, where a property is 2.0 ha or larger, a minimum 7.5 m landscaped area shall be provided along all property lines. Retention of existing natural vegetation, including mature trees, is required and any trees which are removed or destroyed shall be replaced, provided however that a public access trail may be constructed within this buffer area.

**Official Community Plan (OCP)**

All local governments are required to ensure that zoning bylaws and new development conform to the OCP. Proposed zoning changes must comply with land uses permitted by the OCP in order to be passed by city council. Proposed rezoning not supported by the OCP requires that the OCP be amended. Such applications are also considered by city council.

In the City of Courtenay OCP, the subject is designated ‘Parks and Recreation’ which is consistent with zoning. An OCP bylaw excerpt is appended in the following pages. The full OCP can be accessed at:

<https://www.courtenay.ca/business-and-building/planning-and-land-use/official-community-plan>



OCP Bylaw Excerpt

## **PARKS AND RECREATION**

Parks, trails, recreation facilities, and natural areas with limited accessory uses.

### ***Policies***

1. Preserve, connect, and enhance access to natural areas, and open spaces.
2. Maximize opportunities for indoor and outdoor recreation programs and services.
3. Ensure safe, convenient access to neighbourhood parks and recreation amenities within walking distance.
4. Limit other uses that are associated with and accessory to parks and recreation uses.

### ***Built Form***

- *Ground-oriented* and low-rise buildings

### ***Permitted Uses***

- Parks and recreation areas
- Protected areas
- Recreational programs and services facilities

**MARKET ANALYSIS**

## NATIONAL AND PROVINCIAL OVERVIEW

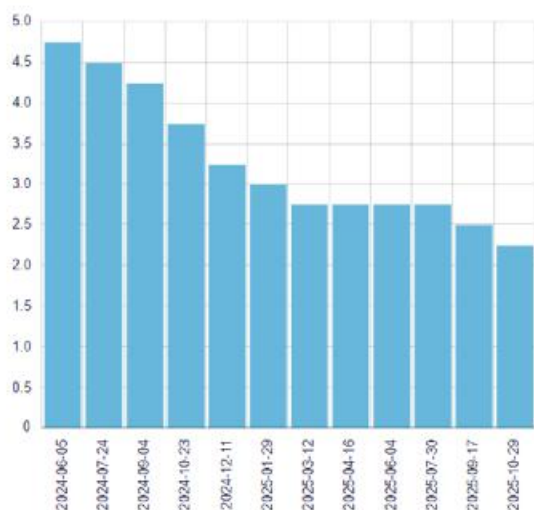
The following statistical data is derived from the Bank of Canada, Canada's Office of the Parliamentary Budget Officer, Statistics Canada, BC Stats, BC Ministry of Finance, CMHC, and the Canadian Real Estate Association.

From March 2022 to July 2023, the Bank of Canada implemented numerous interest rate hikes, raising the benchmark overnight lending rate from 0.25% to 5.00%. The core objective of the BoC's tightened monetary policy was to combat inflation, which nationally, peaked at 8.1% in June 2022. The policy target is 2.0%. As of September 2025, the inflation rate was 2.4%, up from 1.9% in August 2025. Due to recessionary fears, the BoC implemented seven consecutive rate reductions between June 2024 and March 2025. Due to tariff uncertainty, the BoC had opted to hold the rate steady over the ensuing three review sessions, but due to renewed recessionary fears and high unemployment, implemented -0.25% rate cuts in September and October 2025.

### Bank of Canada Overnight Lending Rate Since June 2024

Source: Bank of Canada

#### Recent data



Date*	Target (%)	Change (%)
October 29, 2025	2.25	-0.25
September 17, 2025	2.50	-0.25
July 30, 2025	2.75	---
June 4, 2025	2.75	---
April 16, 2025	2.75	---
March 12, 2025	2.75	-0.25
January 29, 2025	3.00	-0.25
December 11, 2024	3.25	-0.50
October 23, 2024	3.75	-0.50
September 4, 2024	4.25	-0.25
July 24, 2024	4.50	-0.25
June 5, 2024	4.75	-0.25

\*As of 2021, a change takes effect the day after its announcement.

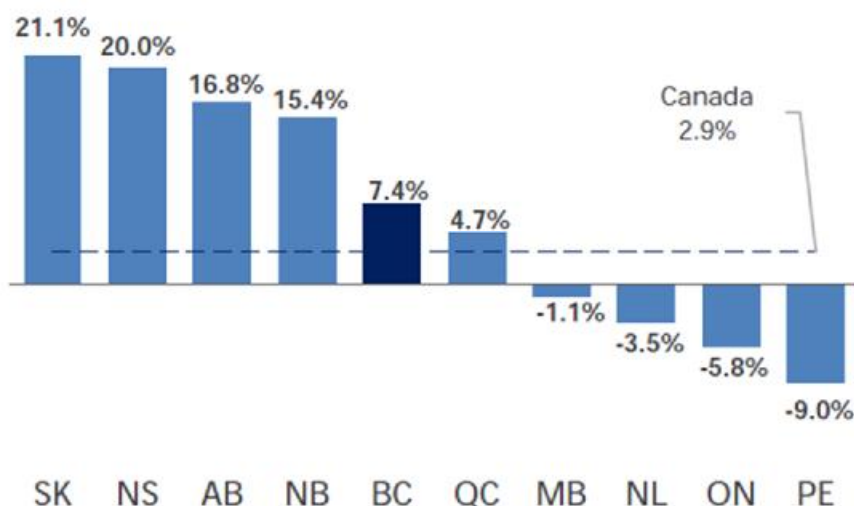
Canada's Office of the Parliamentary Budget Officer publishes a semi-annual Economic and Fiscal Outlook report every Spring and Autumn. According to their September 2025 report, real GDP growth has been revised downward to reflect increased trade uncertainty and US tariffs; projected to average 1.2% annually over 2025 and 2026. The Canadian economy performed stronger than expected in Q1 of 2025 as some trade activity was pushed forward in anticipation of US tariffs. These gains were unwound in Q2, with real GDP contracting by 1.6% at an annualized rate. The labour market also softened in line with the broader economy, with the unemployment rate increasing to 7.1% in August 2025. Economic growth is expected to remain subdued through the second half of 2025 with gradual recovery extending into 2026. Inflation is projected to average 1.9% in 2025, as upward pressure from tariffs is offset by excess supply and stronger Canadian dollar, as well as removal of the federal fuel surcharge.

After a decade of being among Canada’s leading performers, Provincial economic growth trailed the national average in 2024, as higher interest rates disproportionately impacted British Columbians due to elevated debt levels. This has forced both consumers and businesses to adapt through constrained spending, hiring, and investment. It is expected that the pace of growth in BC will recover to the national average in 2025, as housing activity picks up. The outlook for BC’s export sector is highly uncertain. LNG Canada began commercial export in mid-2025, but the Province’s second largest export, forestry products, will continue to struggle due to elevated lumber duties.

**Building Permits:**

Nationally, building permit values increased by +2.9% as of August 2025.

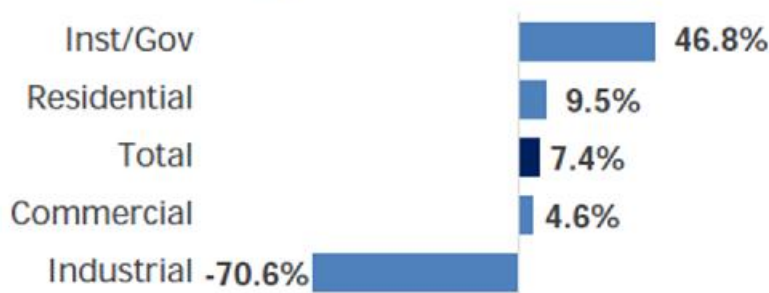
**Value of Building Permits, YTD, % change**



Source: BC Stats

Provincially, building permit values increased +7.4% as of August 2025, with planned spending on institutional and government projects increasing +46.8%, and residential projects increasing by +9.5%.

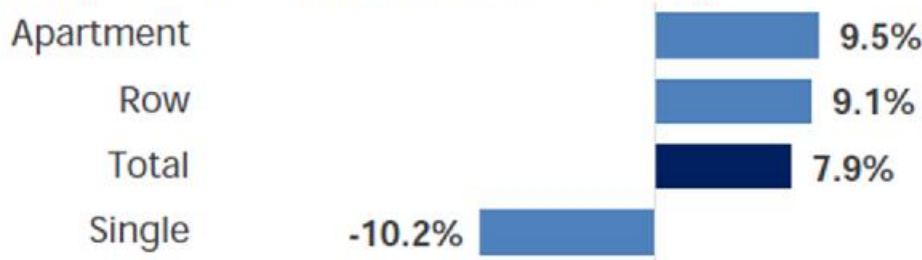
**Value of Building Permits, YTD, % change**



Source: BC Stats

Provincial residential unit building permits increase +7.9% year-to-date in August 2025.

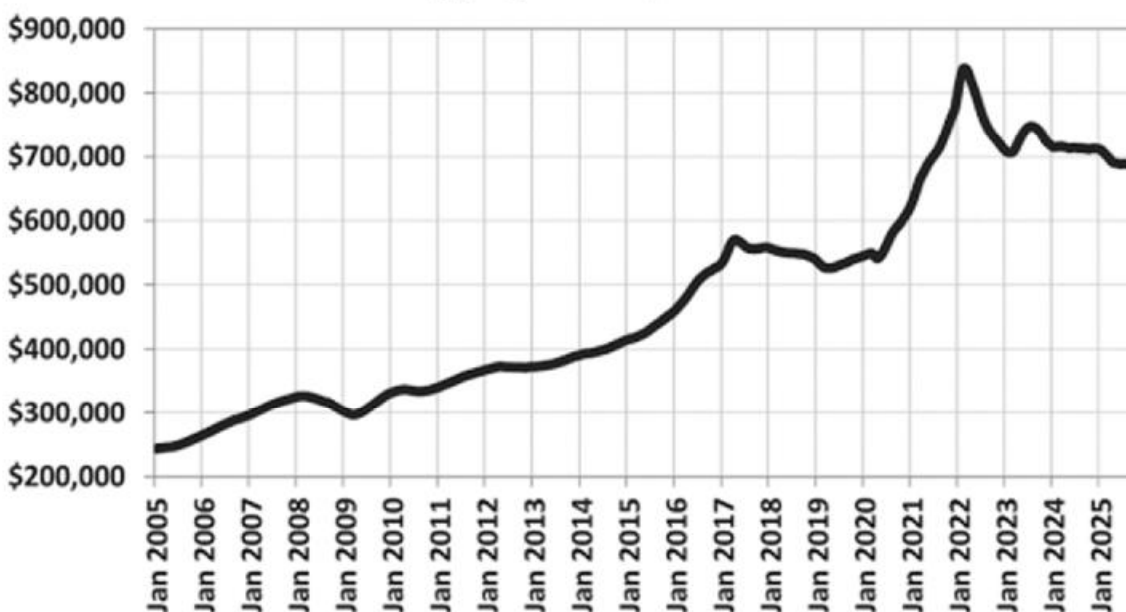
### Planned Residential Units, YTD, % change



Source: BC Stats

### Home Prices

### MLS® HPI Benchmark Price\* Aggregate Composite



Source: The Canadian Real Estate Association \* Seasonally adjusted

Source: Canadian Real Estate Association

National home sales increased +0.9% month-over-month in October 2025, but are down -4.3% year-over-year. After a brief pause in September 2025, it was the sixth monthly increase over the past seven months. The MLS Home Price Index increase +0.2% month-over-month, but was down -3.0% on a year-over-year basis. Newly listed homes decreased -1.4% month-over-month. The national sales-to-new listings ratio increased to 52.2% from 51.0% in September. The long-term average is 54.9%. A sales-to-new listings ratio between 45% and 65% is generally consistent with balanced market conditions.



## Average MLS® Residential Price

British Columbia, Not Seasonally Adjusted



Last data point: September 2025  
Source: BCREA Economics

Source: British Columbia Real Estate Association

According to the BC Real Estate Association, provincial home sales in 2024 totalled 74,434, up 2.1% from 2023, with the average price increasing +5.6% to \$1,013,556. There was a total of 5,782 unit sales in September 2025, up +4.4% from August 2024. The average MLS residential price was \$948,296, up +0.4% compared to the year before.

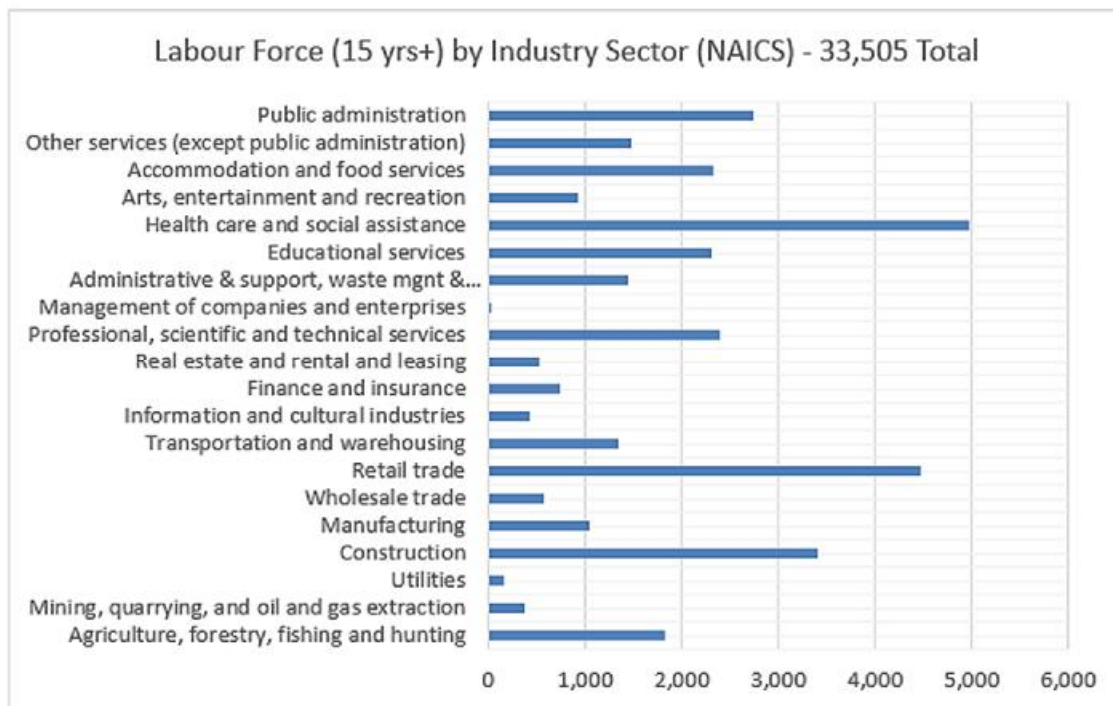
### Summary

With inflation having returned to target levels, the Bank of Canada has reduced its policy rate back to near stimulus levels, however, the impact of past rate reductions will take time to work their way through the economy. From their September 2025 report, Canada's Office of the Parliamentary Budget Officer projects modest GDP growth in 2025 and 2026. Key downside risks to the economy will be prolonged trade uncertainty, which could delay the recovery in business investment and exports. Key upside risk to the economy is stronger domestic demand, as household consumption and residential investment could be stronger than expected with interest rates are reduced further.

## REGIONAL OVERVIEW

### Economic Base / Services

The Comox Valley economy is considered diversified with a broad economic base. The industries employing the most people are government services, retail trade, health and social services, and accommodation, food and beverage services.

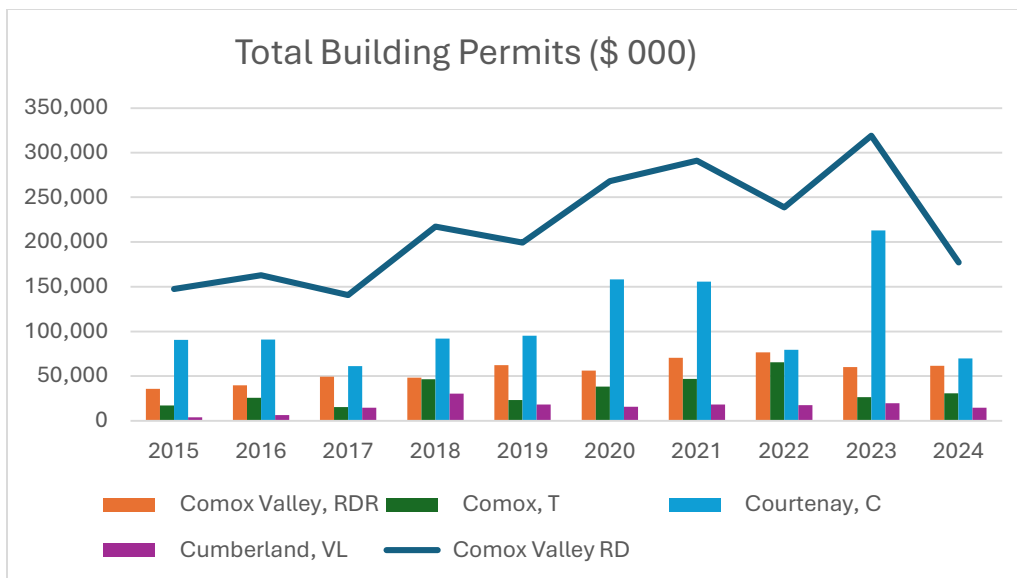


Source: Statistics Canada

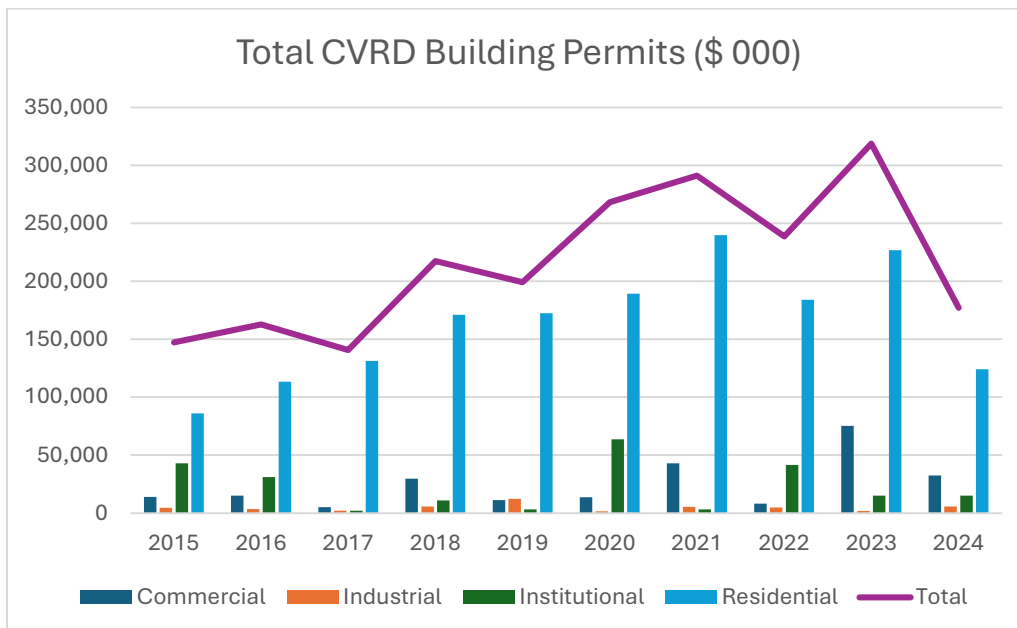
### Construction Activity

After several years of lower levels of construction and development activity, construction was observed to be increasing in the Comox Valley beginning in 2014 / 2015, coinciding with the construction of the new Comox Valley Hospital which was completed in the fall of 2017. Due to increased financing costs and a cooling housing market, construction activity trended downward in 2024.

The following building permit data is inclusive of the City of Courtenay, Town of Comox, Village of Cumberland, the surrounding communities within the Comox Valley Regional District.



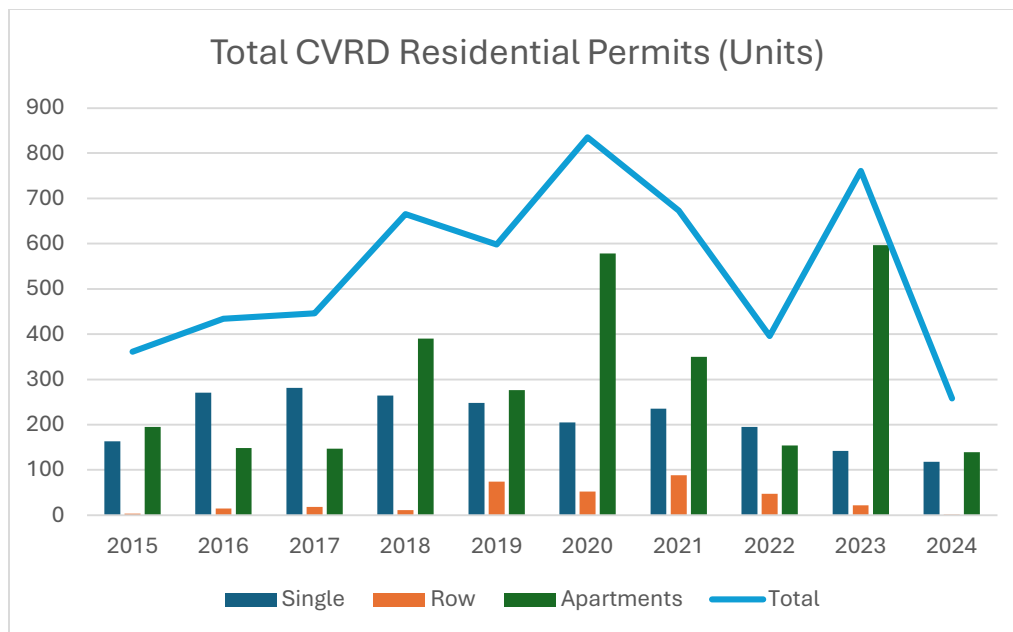
Source: BC Stats



Source: BC Stats

Total building permits (\$) for the 12 months ending June 30, 2025, are down -25.9% from the same period ending June 30, 2024, as summarized by the following table:

Residential	Industrial	Commercial	Inst. / Gov.	Total
-22.4%	-22.7%	-83.0%	+571.6%	-25.9%



Source: BC Stats

Total residential building permits (Units) for the 12 months ending June 30, 2025, are down -36.2% from the same period ending June 30, 2024, as summarized by the following table:

Single Family	Row Dwelling	Apartment	Total
-19.9%	-95.0%	-50.7%	-36.2%

Since 2016 / '17, new single-family dwelling starts have been trending downward. This trend is common to virtually all urban centres on Vancouver Island due to affordability and decreasing supply of residential development land. Conversely, apartment construction, particularly purpose-built rentals, has surged. According to the most recent CMHC rental market survey, the overall rental apartment vacancy rate in the Courtenay survey area for October 2024 was 4.6%, significantly higher from 1.0% the year before, however, this is likely a short-term metric as new supply is absorbed by the market.

Real Estate Market Overview

The following tables provided by the Vancouver Island Real Estate Board summarize HPI benchmark prices for single-family, apartment condominium, and townhouse dwelling units in the Comox Valley and Vancouver Island (north of Victoria) region:

## Single Family Benchmark Price

Benchmark Price by Timeframe and Property Type							
	September 2025	1 Month Ago	3 Months Ago	6 Months Ago	12 Months Ago	3 Years Ago	5 Years Ago
Vancouver Island – Single Family	\$796,200	\$796,900	\$803,400	\$791,200	\$777,600	\$764,200	\$533,600
Zone 1- Campbell River – Single Family	\$706,200	\$702,700	\$703,000	\$706,000	\$694,700	\$662,000	\$496,800
Zone 2- Comox Valley – Single Family	\$846,000	\$854,400	\$874,700	\$848,500	\$828,600	\$786,000	\$563,400
Zone 3- Cowichan Valley – Single Family	\$804,100	\$796,900	\$801,800	\$799,100	\$773,900	\$788,200	\$542,800
Zone 4- Nanaimo – Single Family	\$816,200	\$820,700	\$837,900	\$823,000	\$810,800	\$805,900	\$563,800
Zone 5- Parksville / Qualicum – Single Family	\$933,400	\$925,800	\$906,200	\$893,400	\$902,500	\$876,300	\$605,200
Zone 6- Port Alberni – Single Family	\$519,300	\$524,500	\$530,900	\$519,700	\$501,100	\$507,600	\$336,800
Zone 7- North Island – Single Family	\$449,400	\$469,800	\$477,900	\$446,600	\$451,100	\$470,700	\$255,700

## Apartment Condominium Benchmark Price

Benchmark Price by Timeframe and Property Type							
	September 2025	1 Month Ago	3 Months Ago	6 Months Ago	12 Months Ago	3 Years Ago	5 Years Ago
Vancouver Island – Apartment	\$416,600	\$406,400	\$406,600	\$407,600	\$403,600	\$406,700	\$270,600
Zone 1- Campbell River – Apartment	\$349,000	\$338,200	\$356,000	\$370,100	\$358,100	\$351,000	\$246,500
Zone 2- Comox Valley – Apartment	\$383,700	\$378,400	\$395,400	\$409,700	\$385,300	\$387,000	\$270,000
Zone 3- Cowichan Valley – Apartment	\$339,000	\$339,500	\$344,700	\$350,500	\$345,800	\$341,000	\$214,400
Zone 4- Nanaimo – Apartment	\$428,500	\$416,400	\$410,300	\$401,200	\$404,900	\$417,000	\$278,200
Zone 5- Parksville / Qualicum – Apartment	\$555,600	\$530,300	\$505,300	\$495,200	\$509,400	\$501,100	\$323,100
Zone 6- Port Alberni – Apartment	\$399,600	\$389,500	\$369,400	\$381,700	\$379,000	\$387,300	\$262,500

## Townhouse Benchmark Price

Benchmark Price by Timeframe and Property Type							
	September 2025	1 Month Ago	3 Months Ago	6 Months Ago	12 Months Ago	3 Years Ago	5 Years Ago
Vancouver Island – Townhouse	\$548,800	\$546,800	\$554,800	\$548,600	\$545,400	\$545,400	\$365,100
Zone 1- Campbell River – Townhouse	\$540,800	\$546,800	\$550,200	\$552,900	\$546,200	\$539,300	\$334,500
Zone 2- Comox Valley – Townhouse	\$550,800	\$556,300	\$556,600	\$557,800	\$562,900	\$560,000	\$373,800
Zone 3- Cowichan Valley – Townhouse	\$520,000	\$529,200	\$546,300	\$532,900	\$525,300	\$534,400	\$349,300
Zone 4- Nanaimo – Townhouse	\$536,200	\$524,700	\$526,700	\$526,700	\$515,600	\$529,000	\$369,600
Zone 5- Parksville / Qualicum – Townhouse	\$655,200	\$637,000	\$658,300	\$633,000	\$637,600	\$614,800	\$415,200
Zone 6- Port Alberni – Townhouse	\$434,500	\$417,200	\$426,400	\$415,000	\$449,700	\$449,300	\$287,200
Zone 7- North Island – Townhouse	\$258,300	\$247,700	\$260,600	\$242,400	\$235,700	\$210,100	\$126,400

The Vancouver Island Real Estate Board recorded 7,489 unit sales in 2024, compared to 7,297 in 2023, and 7,810 in 2022. There were 653 unit sales in September 2025, up +3% from one year ago. Year-over-year active listings decreased -4% to 4,293. Single family home sales were down -4% from one year ago and down -9% from the previous month. Condo sales decreased -14% year-over-year and down -20% month-over-month. Townhouse sales were down -13% year-over-year and down -10% month-over-month. Active single family home listings were down -11% from one year ago, condo listings were down -5%, and townhouse listings were up +2%.

Presented in chart form below are single-family dwelling unit sales, average sale prices, and median prices for all zones within the VIREB board area:

Zone	UNIT SALES				AVERAGE SALE PRICE				Median
	Sep 2025	Aug 2025	Sep 2024	% Change	Sep 2025	Aug 2025	Sep 2024	% Change	
Zone 1 - Campbell River	33	33	39	-15.38%	\$704,402	\$772,001	\$757,472	-7.01%	\$680,000
Zone 2 - Comox Valley	60	48	41	46.34%	\$866,286	\$866,116	\$872,994	-0.77%	\$830,500
Zone 3 - Cowichan Valley	63	59	63	0.00%	\$781,769	\$816,117	\$787,809	-0.77%	\$755,000
Zone 4 - Nanaimo	73	91	76	-3.95%	\$805,142	\$895,382	\$840,318	-4.19%	\$785,000
Zone 5 - Parksville-Qualicum	34	57	59	-42.37%	\$973,065	\$915,600	\$988,508	-1.56%	\$871,250
Zone 6 - Port Alberni-West Coast	29	34	27	7.41%	\$577,010	\$587,879	\$648,500	-11.02%	\$512,000
<b>BOARD TOTALS</b>	<b>307</b>	<b>336</b>	<b>319</b>	<b>-3.76%</b>	<b>\$787,686</b>	<b>\$821,651</b>	<b>\$823,963</b>	<b>-4.40%</b>	<b>\$755,000</b>

### Commercial and Industrial Market Overview

There is very limited statistical data available for the commercial and industrial market on Vancouver Island north of Victoria.

The commercial market is generally characterised by adequate to slight undersupply. Notwithstanding the rising popularity of online shopping and remote office work from home, commercial vacancy within the Comox Valley remains relatively low, with the East Courtenay area emerging over the past several years as a regional shopping destination for the north Island. Commercial rents within the retail sector continue to trend upward due to inflationary pressures, however, it is uncertain to what extent this will be sustained over the next 12 to 18 months as businesses adapt to the higher interest rate environment. Office rents are experiencing a similar trend, but again, there is some degree of uncertainty in the months ahead as current lease terms come due for renewal and tenants assess their space needs.

According to the Colliers Fall 2024 Mid-Vancouver Industrial Market Report, the industrial vacancy rate was 2.22% for the mid-Island area. Due to lack of supply and strong demand, the industrial market was characterised by significant increases in rents and property values in the years following the pandemic. Due to the current economic climate and threat of tariffs, the market has become increasingly cautious. Softened demand notwithstanding, industrial land continues to be in short supply, and factoring the high cost of construction, rents and property values are forecast to hold relatively stable in the foreseeable future.

**VALUATION ANALYSIS**

## HIGHEST AND BEST USE

An accepted definition of highest and best use is:

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

The highest and best use of a property is an economic concept that measures the interaction of four criteria: legal permissibility, physical possibility, financial feasibility, and maximum profitability. Determining the highest and best use of a property is a critical appraisal component that provides the valuation framework that market participants and appraisers require to identify and analyze comparable market information for valuation purposes.

The principle of highest and best use is fundamental to the concept of value in real estate and may be further defined as that use which is most likely to produce the greatest net return or risk-adjusted return over a given period of time. Based on the foregoing, and in addition to the property being physically adaptable and suited to a specific use, there must be demand for it, the market must be appropriately supplied, the use must be legally permissible according to zoning ordinances, bylaws, health regulations, and other public or private limitations, the use must be financially feasible, and the maximally productive use that results in the highest value.

In determining the highest and best use of a property, four elements must be considered:

- physically possible and supported uses;
- legally permissible uses;
- financially feasible uses; and
- maximally productive uses.

The highest and best use of land 'as if vacant' and the highest and best use of property 'as improved' are connected but distinctly different concepts and must be considered separately. This is because the highest and best use of the land 'as if vacant' and available for development determines the value of the land, even if the property's existing improvement does not represent the highest and best use of the site. Land that is improved, furthermore, can be made vacant, by demolition of the improvements.

The analysis of land 'as if vacant' analyzes all potential uses of land that meet the elements of highest and best use, seeking to answer several questions including:

- Should the land be developed or left vacant?
- If left vacant, when would future development be financially feasible?
- If developed, what kind of improvements should be built?

In contrast, in the analysis of property 'as improved', the focus on alternative uses considers three possible actions related to the current improvements:

- Retain the improvements.
- Modify the improvements some way, such as conversion, renovation, or alteration.
- Demolish the improvements and redevelop the land.

The subject property consists of submerged land on the Courtenay River. Public road access, as well as full public and private utilities are available, but by being submerged land, the range of potential uses are physically limited.

The subject property is zoned PA-2 (Public Use and Assembly Two). Of the permitted uses of zoning, parks and recreation facility (such as a marina and boat launch) emerge as the only potential uses that can be physically realized on the subject property. In the OCP, the subject is designated 'Parks and Recreation' which is consistent with zoning. For the purposes of this analysis, it is assumed that the use of the subject property is limited to operation of a public marina and boat ramp.

In summary, given the physical and legal limitations on use, the highest and best use of the subject property is operation of a public marina and boat ramp.

## APPRAISAL TECHNIQUES

In completing an appraisal assignment and formulating an opinion of market rentable value, consideration must be given to the method of valuation. Over the years, three approaches to value have become basic and are:

### **Direct Comparison Approach**

A process in which a rentable value indication is derived by comparing the proposed subject lease premises to similar properties that are under lease or available for lease, applying appropriate units of comparison, and making adjustments to the lease or rental rates of the comparables based on the elements of comparison.

### **Return on Market Value Approach**

The Return on Market Value Approach involves the application of a market derived percentage rent to the market value of the land, first determined by Direct Comparison Approach, in the estimation of market rentable value.

### **The Indexing Approach**

With this test the existing subject lease rate is indexed by factors judged appropriate to this task. These factors are derived through analysis of recent trends in comparable lease rate renewals and through research of other market factors including the Consumer Price Index.

### **Method(s) Applied**

Only the Direct Comparison Approach was applied in this case.

Market research found no comparable land sales sharing similar site attributes (submerged land) and zoning (public use). For this reason, the Return on Market Value Approach was not applied.

The Indexing Approach relies on the assumption that the previous rental rate was based on market. Due to the terms on which rent is based within the current lease, this assumption does not hold. For this reason, the Indexing Approach was not applied.

## DIRECT COMPARISON APPROACH

The Direct Comparison Approach produces an estimate of rentable value of a property by comparing it with similar properties that are under lease contract, under an offer to lease or are offered for lease or rent. The approach involves the gathering, analyzing and comparing of similar industrial ground rent data.

The Direct Comparison Approach implies the principle of substitution, which states that a prudent lessee will not pay more for a property than it would cost to lease or rent an equally desirable substitute property. The properties selected for comparison should ideally be as similar as possible to the subject and require little in the way of adjustment. This is not always possible, however, and in most appraisals the comparables must be adjusted for dissimilar characteristics. In the adjustment process, the appraiser is putting themself in the place of a typical lessee by analyzing the data available and producing a conclusion of the most probable price to pay for a property. The adjustment process allows for many factors such as location, time of rent, terms of rent, building age, lot size, condition and quality.

The following comparables have been analyzed in support of the estimate the market rent for the subject property:

**A. 2280 Bowen Road, Nanaimo, BC**



Legal Description: *That Part Shown by Reference Plan VIP88481 of Lot 1, Sections 18, 19 and 20, Range 7, Mountain District, Plan 27441, Except Those Parts in Plans 40622 and 44255 (PID: 000-289-078)*

Lessor: City of Nanaimo

Lessee: Double H Holdings Ltd.

Lease Area: 5.87 ha (14.51 acres) (632,056 sf)

Use: Pitch and Putt Golf Course and Driving Range.

Lease Term: 10 Years, January 1, 2022 to December 31, 2031  
(+ 5-year renewal option)

Lease Rate: \$40,600 per annum  
(+ 10% in excess of \$350,000 annual gross revenue)

Terms: Absolute Net

Lease Rate per Ha: \$6,917 (\$2,798 per acre) (\$0.06 per sf)

Remarks: The Nanaimo Pitch and Put is located within the south end of Beban Park, near the corner of Northfield Road and Dorman Road in central Nanaimo. Zoning is PRC3 (Parks, Recreation and Culture Three). Full public and private utilities are available.

As per the terms of the lease, the property is limited to no other use than for the purposes of a pitch-and-putt golf course and driving range facility. The golf course landscaping improvements are owned by the lessor; however, all other improvements, including a modest modular clubhouse building, are the property of the lessee. In accordance with the new lease agreement, the lessee committed to spend \$80,000 over 5 years and \$160,000 over 5 to 10 years on course improvements, including replacement of tee boxes, systematic replacement of irrigation, replacement of driving range support poles and barrier netting.

In addition to basic rent, additional rent equal to 10% of the lessee's gross revenue in excess of \$350,000 from the facility for each lease year, is also owed; however, this threshold has reportedly never been exceeded.

**B. 3452 Jingle Pot Road, Nanaimo, BC**

**Legal Description:** The Easterly 60 Acres of Section 16, Range 3, Mountain District, Except That Part in Plan 29404, VIP68415, VIP68636, and VIP72060 (PID: 009-456-295)

**Lessor:** T&R Ventures Ltd.

**Lessee:** Discover Montessori Society

**Lease Area:** 8.83 ha (21.83 acres) (950,915 sf)

**Use:** Private School / Agricultural.

**Lease Term:** 40 Years, August 1, 2021, to July 31, 2061

**Lease Rate:** August 1, 2021, to July 31, 2022 - \$120,000 per annum  
August 1, 2022, to July 31, 2027 - \$144,000 per annum  
August 1, 2027, to July 31, 2032 – Greater of \$172,800 per annum, and Fair Market Rent (See Comments)

**Terms:** Absolute Net

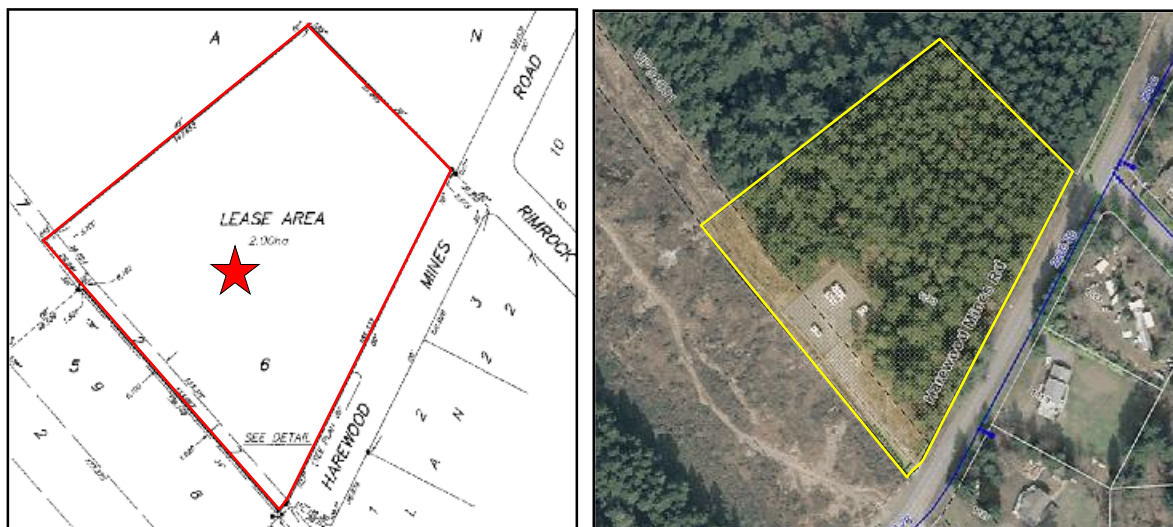
**Lease Rate per Ha:** \$16,308 (\$6,596 per acre) (\$0.15 per sf)  
August 1, 2022, to July 31, 2027

**Remarks:** This is the former 'Shady Mile Market,' located in the rural 'North Jingle Pot' area west of the City of Nanaimo. Zoning is AG1 (Agriculture 1) within the jurisdiction of the Regional District of Nanaimo and location is entirely within the Agricultural Land Reserve. Public water and sewer services are not available.

The property is improved with a modest single-family dwelling, the former market retail building, a barn, and various ancillary site improvements and fencing. The tenant rezoned the front ±2.8 ha (7.0 acres) to CD56 and has constructed a private (Montessori) school.

From August 1, 2033, to July 31, 2061, annual basic rent for each 5-year period is to be set at the greater of 120% of the previous year's annual rent and fair market rent. The lease includes a 59-year renewal option, with rent to be adjusted based on the same schedule. The lease also includes a deferral of \$2,000 per month for the 36-months due between August 1, 2022, to July 31, 2025, plus 5.0% interest compounded monthly, totalling \$85,808, is to be repaid to the landlord over 48-months commencing August 1, 2027, at prime + 4.0%, until repaid in full.

**C. 1130 Harewood Mines Road, Nanaimo, BC**



**Legal Description:** That Part of Lot 1, Sections 1 & 4, Nanaimo District and Sections 1, 3 & 4, Range 8, Mountain District, Plan 8656, Except Part in Plans VIP55722 & VIP68670 (PID: 005-409-373), Comprising 2 hectares, more or less

**Lessor:** City of Nanaimo

**Lessee:** Fortis BC (formerly Terasen Gas)

**Lease Area:** 2.00 ha (4.94 acres) (215,186 sf)

**Use:** Utility

**Lease Term:** July 15, 2021, to July 14, 2041

**Lease Rate:** \$23,200 per annum (July 15, 2021, to July 14, 2026)

**Terms:** Absolute Net

**Lease Rate per Ha:** \$11,600 (\$4,696 per acre) (\$0.11 per sf)

**Remarks:** This is a PRC-2 (Parks, Recreation and Culture Two) zoned site that forms part of a larger 78.1 ha (193 acre) parcel located fronting Harewood Mines Road in south Nanaimo. The lands are fairly level and mostly treed, except for a clearing toward the southwest sector within which the tenant (Fortis BC) maintains a natural gas meter. Municipal water service is available but no sewer.

The lease is subject to review every five years, with the rent being entirely prepaid at the start of every renewal period.

Basic rent is subject to rent review and adjustment to market every 5 years. Over the previous 5-year increments, basic rent was as follows:-

July 15, 2016, to July 14, 2021	\$21,000 per annum
July 15, 2011, to July 14, 2016	\$18,900 per annum

**D. Miller Road, Duncan, BC**

Legal Description: Lot 116-4, CLSR 52812, Cowichan Reserve No. 1  
 Lessor: His Majesty the King in Right of Canada, on behalf of Cowichan Tribes  
 Lessee: Tsow-Tun Le Lum Society  
 Lease Area: 1.813 ha (4.48 acres) (195,149 sf)  
 Use: Drug and Alcohol Treatment Centre.  
 Lease Term: 50 Years, 2021 to 2071 (+ two 25-year renewal options)  
 Lease Rate: 2021 to 2026 - \$39,600 per annum  
 Terms: Absolute Net  
 Lease Rate per Ha: \$21,842 (\$8,839 per acre) (\$0.20 per sf)

Remarks: A 1.813 ha (4.48 acre) site located on the corner of Miller and Koksilah Roads, west of the Trans-Canada Highway, within Cowichan Reserve No. 1 and nearby the Koksilah - Eagle Heights area just south of Duncan. The terrain is moderately sloping and lightly treed. Municipal water and sewer services are available to the property.

The property is leased for the sole purpose of an indigenous people's drug & alcohol treatment centre; built by and remaining the property of the lessee. Construction was completed in January 2024.

The lease is for a 50-year term with two 25-year renewal options. Rent is scheduled for review and adjustment to market every 5 years.

### E. Sewage Lagoon Site, Cowichan Reserve No. 1, Duncan, BC



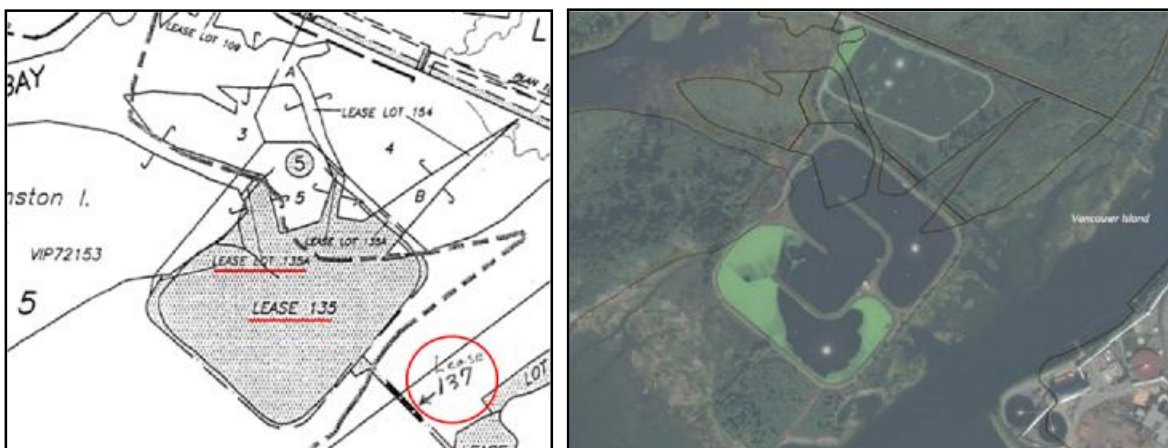
Legal Description:	Lots 557-1, 557-2 and 557-3 of Lot 557, CLSR 81672, Cowichan Reserve No. 1
Lessor:	His Majesty the King in Right of Canada, on behalf of Cowichan Tribes
Lessee:	Municipality of North Cowichan and City of Duncan
Lease Area:	15.83 ha (39.11 acres)
Use:	Utility (Sewage Lagoon)
Lease Term:	49 Years, August 1, 2011 to July 31, 2060
Lease Rate:	\$288,600 per annum (August 1, 2011 to July 31, 2016) \$360,000 per annum (August 1, 2016 to July 31, 2021) \$410,700 per annum (August 1, 2021 to July 31, 2026)
Terms:	Absolute Net
Lease Rate per Ha:	\$18,231 (\$7,379 per acre) (August 1, 2011 to July 31, 2016) \$22,741 (\$9,205 per acre) (August 1, 2016 to July 31, 2021) \$25,944 (\$10,501 per acre) (August 1, 2021 to July 31, 2026)

**Remarks:** A large industrial/institutional use site utilized for sewage treatment, located south of Tzouhalem Road on Marchmont Street within the Cowichan Reserve No. 1. Full municipal and private utility services are available as well as road access.

Rent reviews are scheduled every five years. The property is improved with the sewage ponds and infrastructure which the parties agree contribute \$696,871 in cost. According to the terms of the lease, the lands are to be valued based on the assumption that they comprise an assembly of lots averaging 2.8 ha (7.0 acres) in size. Additionally, the parties agreed upon an 11% rent premium to be added to market rent as determined at each rent review period.

The lease rate for the land only, excluding the 11% rent premium and costs associated with infrastructure, equates to ± \$287,000 per annum, or \$18,130 per ha (\$7,338 per acre).

**F. Sewage Lagoon Site, Somass River Estuary, Port Alberni, BC**

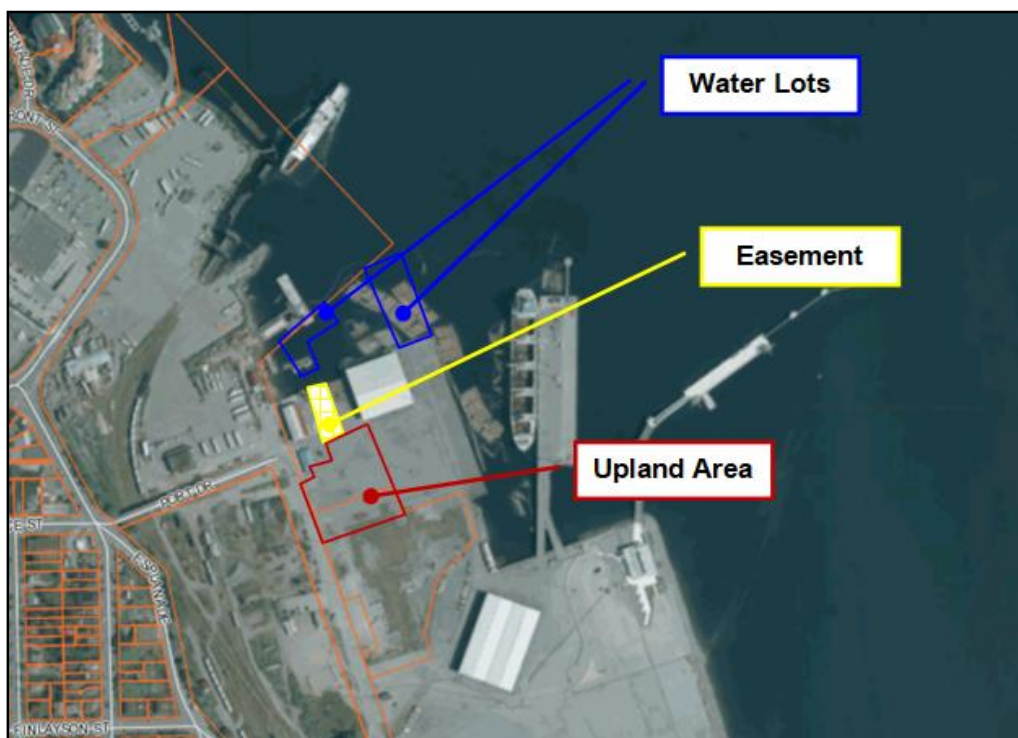


Legal Description: Lease Lots 135 and 135A, Port Alberni Harbour  
 Lessor: Port Alberni Port Authority  
 Lessee: City of Port Alberni  
 Lease Area: 15.02 ha (37.12 acres) (1,616,947 sf)  
 Use: Utility (Sewage Lagoon)  
 Lease Term: 5 Years, January 1, 2021 to December 31, 2025  
 Lease Rate: \$103,936 per annum  
 Terms: Absolute Net  
 Lease Rate per Ha: \$6,920 (\$2,800 per acre) (\$0.06 per sf)

Remarks: The Somass River Estuary Sewage Lagoons lie at the headwaters of the Alberni Inlet and are developed with the City of Port Alberni (formerly Catalyst Paper) effluent lagoons. The sewage lagoons lie part within the City of Port Alberni and part within the Alberni Clayoquot Regional District. Zoning is M-4 (Utility District) and A-4 (Forest Reserve District). Location is within a floodplain. All associated infrastructure are tenant improvements.

The lease is for a 5-year renewal and was structured on the basis of a 4% return on market value equal to \$70,000 per acre. The 2020 Port Alberni Port Authority Market Rent Study (completed June 2020) recommended a 5% rate of return; however, the PAPA was under pressure to 'soften' the rent increases across the board due to tenant backlash.

**G. 11 and 21 Port Drive, Nanaimo, BC**



Legal Description:	District Lot 89 and 115, Nanaimo District
Lessor:	Nanaimo Port Authority
Lessee:	Western Canada Marine Response Corporation
Lease Area:	1.15 ha (2.83 acres) (123,275 sf)
Use:	Marina and Emergency Response Centre
Lease Term:	25 Years, 2018 to 2043
Lease Rate:	\$108,500 per annum (2018 to 2023)
Terms:	Absolute Net
Lease Rate per Ha:	\$94,348 (\$38,339 per acre) (\$0.88 per sf)

Remarks: This is an 8,094 m<sup>2</sup> (2.00 acre / 87,120 sf) upland site plus 3,359 m<sup>2</sup> (0.83 acre / 36,155 sf) of submerged land located within the Nanaimo Assembly Wharf and Nanaimo Harbour in the downtown core. Full public and private utilities are available.

A marina for moorage of emergency response ships is to be constructed within the submerged lands at cost to the tenant. Rent is subject to review and adjustment to market every five years, but in no case is it to be lower than the amount charge over the previous period.

## H. 400 Newcastle Avenue, Nanaimo, BC



Legal Description:	Lot A of the Bed of the Nanaimo Harbour and of Newcastle Townsite, Section 1, Nanaimo District, Plan EPP75872 (PID: 030-801-061)
Lessor:	City of Nanaimo
Lessee:	Nanaimo Yacht Club
Lease Area:	8,371 m <sup>2</sup> (2.069 acres) (90,105 sf) (Effective)
Use:	Marina
Lease Term:	5 Years, January 1, 2022 and expiring on December 31, 2026
Lease Rate:	\$179,659 per annum (See Comments)
Terms:	Absolute Net
Lease Rate per M <sup>2</sup> :	\$21.46 (\$86,834 per acre) (\$1.99 per sf)

Remarks: This is an 8,850 m<sup>2</sup> (2.187 acres) (95,266 sf) located at the foot of Townsite Road and Rosehill Street and fronting on Newcastle Channel within the federal harbour. The property is bisected by a public waterfront walkway totalling 479 m<sup>2</sup> (5,161 sf) on which rent is not paid. The is comprised of a mix of upland and titled filled foreshore and submerged land. The intertidal edges are rip-rapped with rock, with the submerged lands estimated to comprise ±3,053 m<sup>2</sup> (0.75 acres). Full public and private utilities are available. Zoning is W3 (Newcastle Waterfront).

The property is leased to the Nanaimo Yacht Club for a marina, vehicle parking, and location of administration offices.

The City credits the lessee with a \$71,863 annual discount for charitable work / public service, resulting in an effective net annual rent of \$107,796.

**I. 3070 Harbour Road, Port Alberni, BC**



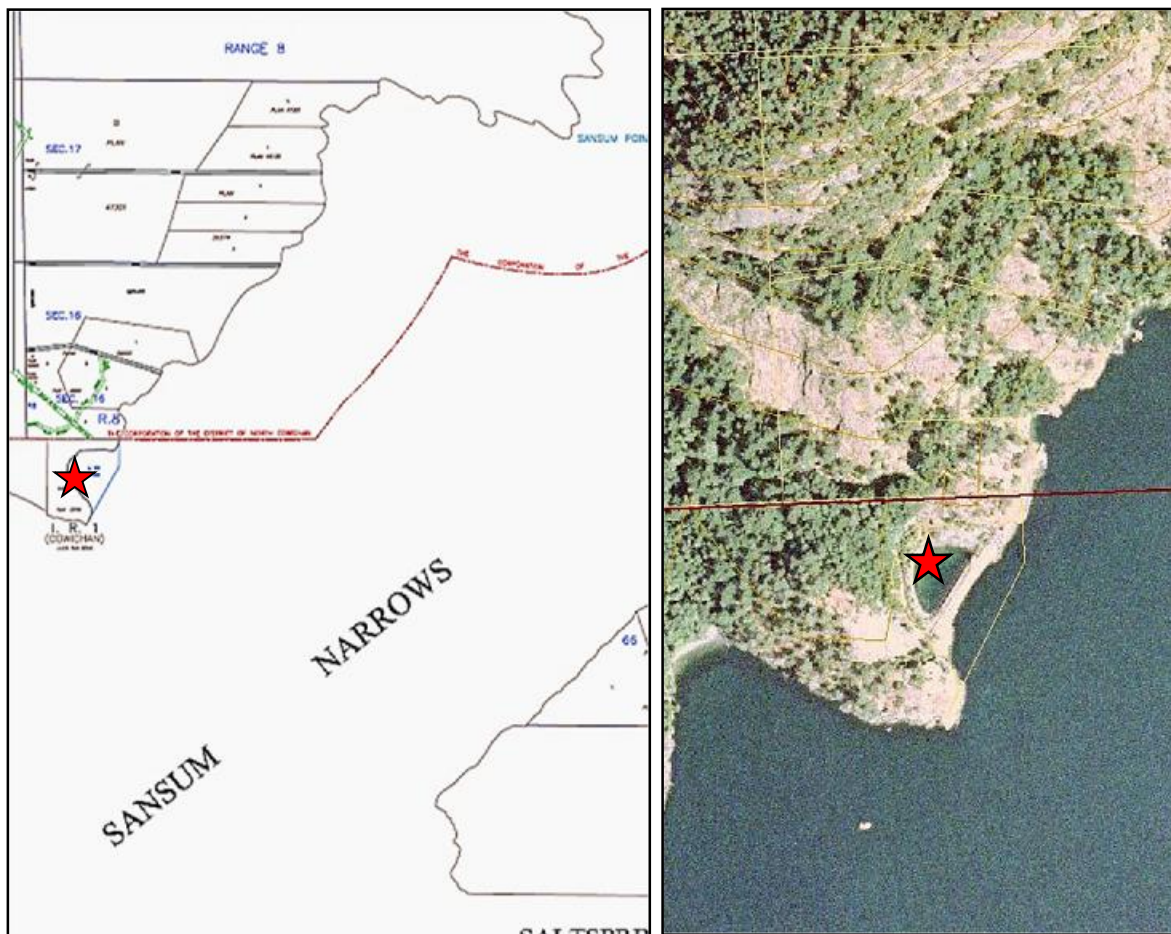
Legal Description: *Not Applicable - Part of the Bed of the Public Harbour of Port Alberni*  
 Lessor: Port Alberni Port Authority  
 Lessee: Western Canada Marine Response Corporation  
 Lease Area: 1.97 ha (4.87 acres) (212,137 sf)  
 Use: Marina and Emergency Response Centre  
 Lease Term: 25 Years, July 1, 2018 to June 30, 2043  
 Lease Rate: \$35,274 per annum (July 1, 2018 to June 30, 2023)  
 Terms: Absolute Net  
 Lease Rate per Ha: \$17,906 (\$7,243 per acre) (\$0.17 per sf)

Remarks: This is a 2,468 m<sup>2</sup> (0.61 acre / 26,571 sf) upland site plus 17,240 m<sup>2</sup> (4.26 acres / 185,566 sf) of submerged land located within the Alberni Inlet on Harbour Road, adjacent to the Harbour Quay Marina. Zoning is W1 (Waterfront Commercial). Full public and private utilities are available.

The submerged land contains a wharf that was recently refurbished through a cost sharing agreement between the lessor and lessee, with the lessee having non-exclusive use (open to public). The upland is developed with a paved parking lot. A marina for moorage of emergency response ships is to be constructed within the submerged lands at cost to the tenant.

Rent is subject to review and adjustment to market every five years, but in no case is it to be lower than the amount charge over the previous period.

**J. Sansum Narrows, Cowichan Reserve No. 1**

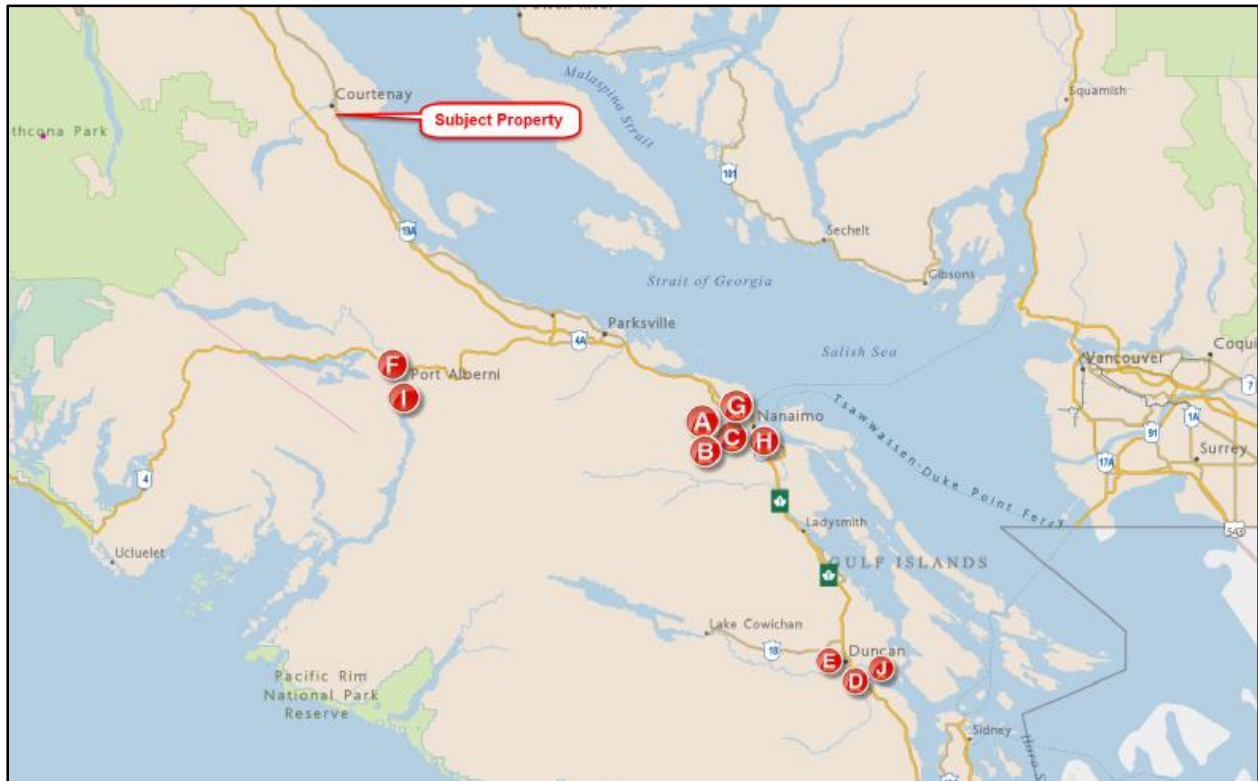


Legal Description: Lot 313, CLSR 66106, Cowichan Reserve No. 1  
 Lessor: His Majesty the King in Right of Canada, on behalf of Cowichan Tribes  
 Lessee: BC Hydro  
 Lease Area: 1.47 ha (3.64 acres) (158,558 sf)  
 Use: Utility (Anode Site)  
 Lease Term: 25 Years - April 1, 2012 to March 31, 2037  
 Lease Rate: \$56,200 per annum (April 1, 2022 to March 31, 2027)  
 Terms: Absolute Net  
 Lease Rate per Ha: \$38,231 (\$15,440 per acre) (\$0.35 per sf)

Remarks: A boat access only site located fronting Sansum Narrows and utilized by BC Hydro as an anode site. Rent is structured on annual amounts of \$45,500 per annum plus \$10,700 per annum for interference with riparian rights.

Rent over the previous 5-year period (April 1, 2017 to March 31, 2022) was \$51,400 per annum, based on amounts of \$41,500 per annum plus \$9,900 per annum for interference with riparian rights.

A map showing the location of the comparables relative to the subject property is appended below:



Indicators A through J are summarized by the following table:

No.	Location	Area	Rent / Annum	Rent Rate	Term / Rent Period	Use
A.	Nanaimo	14.51 ac 632,056 sf	\$40,600	\$2,798 / ac \$0.06	01/22 - 12/31	Golf Course
B.	Nanaimo	21.83 ac 950,915 sf	\$144,000	\$6,596 / ac \$0.15 / sf	08/22 - 07/27	Private School / Agricultural
C.	Nanaimo	4.94 ac 215,186 sf	\$23,200	\$4,696 / ac \$0.11 / sf	07/21 - 07/26	Utility - Gas Meter
D.	Duncan	4.48 ac 195,149 sf	\$39,600	\$8,839 / ac \$0.20 / sf	2021 - 2026	Treatment Centre
E.	Duncan	39.11 ac 1,703,632 sf	\$287,000*	\$7,338* / ac \$0.17* / sf	08/21 - 07/26	Sewage Treatment
F.	Port Alberni	37.12 ac 1,616,947 sf	\$103,936	\$2,800 / ac \$0.06 / sf	01/21 - 12/25	Sewage Treatment
G.	Nanaimo	2.83 ac 123,275 sf	\$108,500	\$38,339 / ac \$0.88 / sf	2018 - 2023	Marina
H.	Nanaimo	2.069 ac 90,105 sf	\$179,659	\$86,834 / ac \$1.99 / sf	01/22 - 12/26	Marina
I.	Port Alberni	4.87 ac 212,137 sf	\$35,274	\$7,243 / ac \$0.17 / sf	07/18 - 06/23	Marina
J.	Duncan	3.64 ac 158,558 sf	\$56,200	\$15,440 / ac \$0.35 / sf	04/22 - 03/27	Utility - Anode Station

*\*Net of 11% rent premium and infrastructure costs.*

In addition to the preceding ground rent data, the following self-storage facilities were surveyed in support of the estimate of market rent for the 86 sf storage unit within the Marina Building:

No.	Facility	Address	Rent (per month)
K.	All-Secure Storage	3610-3630 Christie Parkway, Courtenay	\$171 (9 by 7.5 ft) \$205 (10 by 10 ft)
L.	South Courtenay Storage	3595 South Island Highway, Courtenay	\$205 (10 by 10 ft)
M.	U-Store It	2260 Cousins Road, Courtenay	\$152 (5 by 17.5 ft) \$181 (10 by 10 ft)
N.	Pacific Rim Storage	2937 Kilpatrick Avenue, Courtenay	\$184 (10 by 10 ft)

Ground rent data is generally limited, particularly for 'public use' properties such as the subject. Market research found limited relevant 'public use' use rent data. The subject property, furthermore, is highly unique within the market based on its submerged land characteristics. For these reasons, the parameters of research were expanded to include analysis of a cross-section of ground rent sites that encompass a broad range of site influence and location.

The comparables encompass a range of size and for this reason, comparison with the subject is based on unit rate analysis, or annual rent per square foot. The comparables yield a wide rentable value range of \$0.06 to \$1.99 per square foot. The range in rent rates reflects the broad variance of location, site influence, topography, and services. It also reflects the broad variance in size, with the comparables demonstrating the influence of diminishing marginal utility, and the correlation of large parcels with lower rent rates and vice versa.

## Analysis and Comments

Indicators G, H, and I consist of submerged land like the subject, but all three provide unimpeded access to open waters. For Indicators G and H, the ratio of submerged land to upland is 29% and 36% which is considerably lower than in comparison to the subject and thereby correlating to a higher average rent rate. Indicator I is comprised mostly of submerged land like the subject. The rent was known to have been discounted to the lessee as part of a cost sharing agreement for upgrading of the adjacent wharf.

Indicators A, B, and C are located in Nanaimo which is a stronger market relative to Courtenay. These comparables, however, range from 4.94 to 21.83 acres, which is substantially larger than the subject and thereby correlating to a low rent range of \$0.06 to \$0.15 per sf.

Indicator A represents the lone example of a public park leased for a recreational use (golf course).

Indicator B comprises a lease of agricultural land. The lease for the development and operation of a private school (institutional use).

Indicator C is a 'Parks and Recreation' zoned acreage that is leased for utility use (natural gas meter station).

Indicator D is an open-zoned acreage situated on First Nations Reserve land (Cowichan Tribes). The lease is for the development and operation of a drug & alcohol treatment facility.

Indicators E and F are both leased for use as sewage treatment facilities. These comparables are similar in size to one another, but for Indicator E, the terms of the lease contract stipulate that the lands must be valued on the basis of an assembly of several smaller acreages averaging  $\pm 7$  acres. Consequently, this comparable correlates with a higher average rent rate.

Indicator J is a boat-access only site and, on this basis, would be considered highly inferior with respect to location if not for its importance to the lessee (BC Hydro) for use as an anode site. This lease includes additional rent as compensation for interference with riparian rights. Excluding this additional rent, the adjusted rent equates to \$0.26 per sf.

Based on the analysis of the comparable rent data, the intermediate rentable value range of the subject property is concluded to be \$0.20 to \$0.25 per sf. Weighing the limitations on use imposed by zoning and the lease, combined with the tide-dependant access to open water, the estimate of value is concluded at the low parameter of the intermediate range, or \$0.20 per sf.

The calculation of market rent for the land (submerged land and boat ramp) is summarized as follows:

38,642 sf @ \$0.20 per sf	=	\$7,728 per annum
	<b>Rounded to</b>	<b>\$7,700 per annum</b>

In addition to the land, the lease includes the use of an 86 sf storage room within the Marina Building. Based on the analysis of the self-storage rent comparables (Indicators K through N), market rent is estimated at \$200 per month, or **\$2,400 per annum**.

**Summary of Direct Comparison Approach**

The total estimate of market value for the subject property is summarized as follows:

Submerged Land and Boat Ramp	\$7,700 per annum	
Storage	<u>\$2,400 per annum</u>	
Total Estimate of Market Rentable Value		<b>\$10,100 per annum</b>

**RECONCILIATION AND FINAL ESTIMATE OF MARKET RENT****Direct Comparison Approach****\$10,100 per annum**

The Direct Comparison Approach was the only method applied in support of the estimate of market rent.

In the final analysis, based on the data, analyses and conclusions contained herein, the market rentable value of the subject property as of November 15, 2025, ***subject to the extraordinary assumptions and hypothetical conditions outlined herein***, is estimated at:

**TEN THOUSAND ONE HUNDRED DOLLARS PER ANNUM****(\$10,100 per annum)****Exposure Time**

The subject property ought to trade within a time typical for its market. On the current market, this exposure time would be in the order of nine to eighteen months for the subject property assuming it were reasonably priced and professionally marketed. This estimate does not include the time for typical due diligence and closing time subsequent to an agreement in principle.

### CERTIFICATION

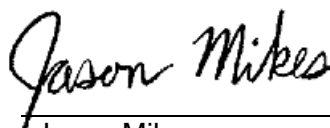
**I certify to the best of my knowledge and belief, that:-**

1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal impartial, and unbiased professional analysis, opinions and conclusions;
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the authorized client;
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada*;
7. I have the knowledge and experience to complete the assignment competently;
8. No one provided significant professional assistance to the person signing this report;
9. As of the date of this report, the undersigned has fulfilled the requirements of the Appraisal Institute of Canada's Continuing Professional Development Program;
10. The undersigned personally inspected the subject property, legally described as *Lease Area A of Lot 1, Section 68, Comox District, Plan 15512, Except Part in Plan VIP88375 (PID: 004-154-665)*, on November 15, 2025.

Based on the data, analyses and conclusions contained herein, the market rent for the subject property (vacant land), as of November 15, 2025, **subject to the extraordinary assumptions and hypothetical conditions outlined herein**, is estimated at:

**TEN THOUSAND ONE HUNDRED DOLLARS PER ANNUM  
(\$10,100 per annum)**

November 24, 2025



Jason Mikes  
AACI, P.App.

## QUALIFICATIONS OF APPRAISER

### Jason Mikes, AACI, P.App.

#### Education and Memberships

Bachelor of Commerce .....	Urban Land Economics University of British Columbia, May 2001
Accredited Appraiser and Professional Appraiser.....	Appraisal Institute of Canada AACI, P.App. – December 6, 2006 Certificate No. 4062
Environment Canada Ecological Gifts Program .....	Appraisers Workshop. – March 2013

#### Experience

I have worked with Cunningham & Rivard Appraisals since July of 2003, developing experience in comprehensive appraisal of residential, commercial, industrial, and agricultural properties for sale, purchase, mortgage, taxation and assessment, expropriation, insurance, and other purposes. Other appraisal assignments have included consultation and highest and best use analysis, feasibility studies, rental and vacancy surveys, depreciation reports, and various related assignments.

I am presently a Partner of Cunningham & Rivard Appraisals (Nanaimo) Ltd.

#### Completed Appraisals for:-

Bank of Montreal	Scotiabank
Business Development Bank of Canada	TD Canada Trust
Vancouver City Savings Credit Union	Canadian Imperial Bank of Commerce
Royal Bank of Canada	HSBC
Coast Capital Credit Union	Island Savings Credit Union
Coastal Community Credit Union	Canadian Western Bank
BC Hydro	Suncor Energy
Home Hardware Stores Ltd.	NAI Commercial
Government of Canada	Provincial Government of British Columbia
City of Nanaimo	City of Parksville
Town of Qualicum Beach	Capital Regional District
Regional District of Nanaimo	Cowichan Valley Regional District
School District No. 68 (Nanaimo-Ladysmith)	School District No. 69 (Qualicum)
School District No. 79 (Cowichan Valley)	Cowichan Tribes
Numerous Law Firms and others	Numerous Strata Corporations