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May 22, 2026



Ms. Cheryl Bradley
Island Regulatory & Appeals Commission
PO Box 577
Charlottetown PE C1A 7L1

Dear Ms. Bradley:

**Land Exchange with the City of Charlottetown – Docket UE21113
Response to Interrogatories from Commission Staff**

Please find attached the responses to Interrogatories from Commission Staff with respect to the Company's application to approve an exchange of lands with the City of Charlottetown.

An electronic copy of this submission will be forwarded shortly.

Yours truly,

MARITIME ELECTRIC

A handwritten signature in blue ink that reads "Gloria Crockett".

Gloria Crockett, CPA, CA
Director, Regulatory & Financial Planning

GCC23
Enclosure



**RESPONSES TO INTERROGATORIES
OF
COMMISSION STAFF**

**Land Exchange with City of Charlottetown
(UE21113)**

Submitted May 22, 2025

The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the Application requesting Approval to Exchange certain lands with the City of Charlottetown (the “Application”), submitted by Maritime Electric Company, Limited (“Maritime Electric” or “MECL”), requests responses to the following interrogatories:

IR-1 Confirm whether any additional consideration (cash or otherwise) forms part of the proposed exchange. If so, provide details.

Response:

There are no additional agreements, side arrangements, cash considerations, or non-cash considerations associated with the transaction other than that as described in the Application.

The application details the considerations that formed the proposed exchange in Section 3.4 - Reasons for Request.

IR-2 Explain the purpose of the proposed land exchange from MECL’s perspective.

- a. Describe how the transaction benefits MECL’s operations and its customers.
- b. Identify whether alternative approaches (e.g., sale, easement, expropriation) were considered and why the proposed exchange was selected.
- c. Identify any prior or planned use of the lands proposed to be transferred.

Response:

- a. The transaction benefits the Company’s operations by ensuring that lands surrounding the Charlottetown Generating Station is owned and controlled by Maritime Electric to ensure the continued security and safety of that station. This also ensures that appropriate setbacks from power generation equipment to property boundaries are maintained and ensures that lands within the vicinity of the Charlottetown Generating Station site are not developed or used for improper or incompatible uses.

The transaction benefits Maritime Electric’s customers by trading a property that will not presently, or in the foreseeable future, be used for the Company’s operations (and is already being used and developed by the City of Charlottetown for public uses), in exchange for two properties that are surrounding the Charlottetown Generating Station which could be used for future development by Maritime Electric.

The property that the City of Charlottetown wants to acquire from Maritime Electric in this land swap is adjacent to Maritime Electric’s land, but it is not practical for use in the Company’s operations. This is because the parcel is separated from the main site by the fuel tanker truck offloading road—making it “orphaned”—and its triangular shape further limits its usefulness for most types of development.

- b. The sale of the land to the City of Charlottetown was not considered because the land exchange was viewed as being better aligned with the Company’s operational and security interests as discussed in Section 3.4 of the Application.

As stated in Section 3.4 of the Application, the proposed land exchange divests the Company of contaminated property on an ‘as is, where is’ basis without incurring the cost to remediate the land now or into the future. In a sale transaction, this remediation would be expected to be completed prior to the sale or the assumed risk by the purchaser would be reflected in the proceeds of the transaction and reduce the potential proceeds to a nominal value.

An easement was not considered because the City was constructing a public street through the triangular shaped property and title to the property had to be vested to the City of Charlottetown in that situation.

The City of Charlottetown does have an expropriation power pursuant to the provisions of the Municipal Government Act. This is typically a cumbersome, time-consuming and costly process, often used as a last resort. As such, negotiating an agreement with the property owner is the preferred approach.

If Maritime Electric had not been able to reach an agreement with the City of Charlottetown, then the City of Charlottetown would have most likely pursued expropriation. Expropriation would have limited the Company's ability to negotiate an agreement that was beneficial to Maritime Electric and customers.

The proposed transfer is a simplified and more cost-effective approach to achieving a better outcome for Maritime Electric than expropriation. The Company worked with the City of Charlottetown in a collaborative way to achieve a mutually beneficial land transfer agreement.

- c. There was no future use plan for the Company's property identification number ("PID #") 338921. The limitations imposed by its triangular shape and the "orphaned" location of the property limited its use for future development by Maritime Electric.

The plan for property PID # 444444 was to repave the existing asphalt entrance roadway to the Charlottetown Generating Station and relocate the existing vehicle gate entrance closer to Cumberland Street. This would allow for increased usage of the property inside the Charlottetown Generating Station.

The plan for the property PID # 336545 was to leave this land, which has been located inside the fenceline of the Charlottetown Generating Station for decades, available for future development.

IR-3 Provide details supporting the valuation of the lands being exchanged.

- a. The application indicates that a valuation of approximately \$40 per square foot, derived from the Richmond Street parcel, was applied across the lands being exchanged. Explain why MECL considers this valuation approach appropriate for all parcels, including how differences in location, use, and environmental condition were considered.
- b. On page 9 of the application (line 18), the value of the Richmond Street property is referenced as \$40.00 per acre, while elsewhere in the application the valuation is stated as \$40.00 per square foot. Please clarify which valuation is correct.
- c. Provide a copy of all appraisal(s) or valuation reports prepared in support of the transaction, including those relied upon by either MECL or the City.

Response:

- a. Maritime Electric considers this valuation approach appropriate. The Company used a land appraisal value, that was prepared for the City of Charlottetown by a professional land appraiser, to apply to all three parcels of land which are similar in nature, all are contiguous to the site of the former Steam Plant at the Cumberland Street Site (i.e. Charlottetown Generating Station), and all properties are zoned as Comprehensive Development Area.

The Steam Plant's operation dates back to 1918 (and prior to that the Charlottetown Gas Lighting Plant was on the site dating back to 1853) and this is known to be a potentially contaminated site. For simplicity and to avoid the cost and delay of further land appraisals \$40 per square foot was applied across the lands being exchanged. This does not reflect any potential soil remediation costs.

- b. The valuation stated as \$40.00 per square foot is correct.
- c. The appraisal of the Richmond Street property completed for the City of Charlottetown is attached hereto as IR-3(c) - Attachment 1.

- IR-4** Provide details of environmental conditions and associated risks for the lands being transferred.
- a. Explain how environmental liability is allocated between MECL and the City.
 - b. Confirm whether any residual environmental liability remains with MECL following the transfer.
 - c. Confirm whether any environmental liabilities related to these lands are recorded on MECL's financial statements.
 - d. Explain any implications for asset retirement obligations.
 - e. Quantify any expected cost savings associated with transferring these lands.

Response:

- a. As detailed in the Section 11 of the Land Swap Agreement:

“the City hereby agrees to indemnify and save MECL .. (the “Indemnified Parties”) harmless from the full amount of any Claims... arising from or relating to the Existing Environmental Condition of any Property. “

The environmental indemnification provisions are a significant benefit that the Company negotiated as part of the Land Swap Agreement. These indemnities would likely not have been available if the land had been expropriated.

- b. No residual environmental liability remains with Maritime Electric following the transfer as detailed in Section 11 of the Land Swap Agreement:

“The City hereby releases and forever discharges the Indemnified Parties from all Claims of any kind that the City may make, suffer, sustain or incur arising from or relating to the Existing Environmental Condition of any Property.”

- c. There are no environmental liabilities related to these lands recorded in Maritime Electric's financial statements.
- d. There are no asset retirement obligation implications.
- e. The proposed land exchange is cost neutral and provides better potential use for the Company, as discussed in response to IR-2(a). The exchange also offers the potential to avoid environmental remediation costs associated with the Maritime Electric property being transferred.

IR-5 Explain the operational need for the lands being acquired.

- a. Explain whether these lands (Richmond Street and Dorchester Street) are required for current or future operations.
- b. Explain how ownership of these lands enhances MECL's operations, including any benefit from increased control of lands surrounding the Charlottetown Generating Station.
- c. The perimeter fence at the Charlottetown Generating Station appears to encompass most of the land included in parcel PID 336545. Does Maritime Electric have arrangements or agreements with the City of Charlottetown that facilitate City property being located within its fenced-in area?

Response:

- a. The entrance roadway to the Charlottetown Generating Station (i.e. Richmond Street extension) had been in disrepair for some time and the issue needed to be addressed. The acquisition of Richmond Street allowed the entrance road into the Charlottetown Generating Station to be rebuilt. In addition, the current security vehicle entrance gate and fenceline were modified and moved closer to Cumberland Street. This created more room within the Charlottetown Generating Station facility and eliminated some of the security fencing which will reduce future maintenance costs.

The Dorchester Street parcel of land had been located within the Maritime Electric's Charlottetown Generating Station's fenceline for decades. This land transfer will address what had been an encroachment on to a neighboring property. The property will be of potential use later for future site development. It has allowed for a straight fence line to properly delineate the Charlottetown Generating Station.

- b. Section 3.4 Reasons for Requests of the Land Transfer Application details how the ownership enhances Maritime Electric's operations.

"To ensure that all of the lands surrounding the Charlottetown Generating Station are owned and controlled by Maritime Electric to ensure the continued security and safety of that station, and to ensure the lands within the vicinity are not developed or used for improper or incompatible uses."

- c. The survey plan for the Dorchester Street property attached hereto as IR-5(c) - Attachment 1, identifies parcel K1 (PID 336545) in the red outline and the balance of the yellow parcel as K2.

The title search performed as part of the legal due diligence for this transaction found that both K1 and K2 were erroneously conveyed by the Government of Prince Edward Island to Maritime Electric in 1994, although only K2 was subsequently mapped as part of Maritime Electric's parcel 338921. The property identified as K1 remained in the hands of the Charlottetown Water Commission.

Because both parcels should have been conveyed by the Commissioners of Sewer and Water Supply, now the City of Charlottetown, a proposed deed, attached hereto as IR-5(c) - Attachment 2, corrects the title by conveying K1 to Maritime Electric by standard

warranty deed and releasing the City's interest in K2 by quit claim deed.¹ As a result, the City will release its interest in the entire parcel identified in yellow in IR-5(c) - Attachment 1 and Maritime Electric will acquire the complete property.

¹ A "quit claim" deed is a deed without warranty, whereby the City simply releases all of its right and claim to that parcel.

IR-6 Why is only a portion of the Dorchester Street parcel being transferred?

Response:

Please refer to the response to IR-5 (c). The entire parcel of PID # 336545, 0.04 acres in total, is being transferred to Maritime Electric.

IR-7 Identify any future plans MECL had for the lands proposed to be transferred to the City of Charlottetown.

Response:

Please refer to the response to IR-2 (c). There were no future plans for the lands that are proposed to be transferred to the City of Charlottetown.

IR-8 Confirm the proposed regulatory treatment of the transaction, including:

- a. whether the lands being transferred are currently included in rate base;
- b. whether the acquired lands will be included in rate base;
- c. how any gain or loss on the transfer will be treated; and
- d. how transaction-related costs will be treated for ratemaking purposes.

Response:

- a. The Maritime Electric land being transferred is currently included in rate base.
- b. The acquired land will be included in rate base and transferred land will be removed (retired from assets) and no longer included in rate base when the land exchange transaction is completed.
- c. Since the transaction is an exchange for a nominal licensing amount, no gain or loss arises from the transaction.
- d. The proposed transaction costs will be added to the cost of new parcel of land when the land exchange transaction is completed.



INTERROGATORIES

IR-3(c) – Attachment 1



· View of Subject Property ↑

Appraisal Report

Portion of Richmond Street

Vacant Land

Richmond Street
Charlottetown, PE

Prepared For:

CITY OF CHARLOTTETOWN

Prepared By:

McQuaid & Associates - ARA

554 North River Road

Charlottetown, PE

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File #2024086

April 6, 2024



May 1, 2024

CITY OF CHARLOTTETOWN

C/o Mr. Scott Adams
Manager of Public Works
199 Queen Street, Charlottetown, PE C1A 7K2
Ph.: 902-894-5208 | sadams@charlottetown.ca

**Re: Portion of Richmond Street
Richmond Street, Charlottetown, PE**

As per your instructions, we have completed an investigation and analysis of the above-mentioned property and herewith submit our appraisal report for your consideration. This report is intended for the use of the City of Charlottetown, c/o Mr. Scott Adams, Manager of Public Works, for the purpose of establishing market value for the subject property denoted herein.

The Appraisal was made for the purpose of expressing our *Current Value Opinion* of the *Market Value* of the Fee Simple Interest in a portion of Richmond Street. The definition of *Market Value* is employed within the Terms of Reference section of this report.

This report complies with the Canadian Uniform Standards of Professional Appraisal Practice and is subject to the Contingent and Limiting Conditions outlined in Section 2.0 of the report.

Based on our interpretations and analysis of the data outlined within this report as well as a personal inspection of the property, it is our considered opinion that the *Market Value* of the Fee Simple Interest in the subject property as of April 6, 2024 is:

TWO HUNDRED AND SEVENTY-SEVEN THOUSAND DOLLARS (\$277,000.00)

**“AS VACANT DEVELOPABLE LAND”
“SUBJECT TO EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS”**

If you have any questions regarding this report, please contact the undersigned at your convenience.

Respectfully submitted,

Mr. Herman McQuaid, AACI, P. App
hmcquaid@ara.ca

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1.0 EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Property Identification:	Dead end section of Richmond Street Charlottetown, PE
Property Type:	Vacant land
Owner:	City of Charlottetown
Assessed Value:	No assessment
Property Taxes:	No property taxes
Current Zoning:	No zoning
Highest & Best Use:	Holding for Redevelopment
Site Area:	643 (m ²) / 6,916.40 (ft ²)
Value by Direct Comparison Approach:	\$277,000.00
Final Value Estimate:	\$277,000.00
Typical Purchaser:	Local Investor
Effective Date:	6-Apr-24
Date of Report:	1-May-24

2.0 ASSUMPTIONS, LIMITING & HYPOTHETICAL CONDITIONS

2.1 ORDINARY ASSUMPTION AND LIMITING CONDITIONS

The certification that appears in this appraisal report is subject to compliance with the following conditions:

- This report has been prepared at the request of the client for the purpose of providing an estimate of the market value for the subject property denoted herein. It is not reasonable for any person to rely upon this appraisal without first obtaining written authorization from this appraiser. There may be qualifications, assumptions, or limiting conditions in addition to those set out below relevant to that person's identity or intended use. The report is prepared on the assumption that no other person will rely on it for any other purpose and that all liability to all such persons is denied.
- While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed that:
 - i. The legal description employed in this report is correct;
 - ii. Title to the property is good and marketable;
 - iii. There are no encroachments, encumbrances, restrictions, leases or covenants that would in any way affect the valuation, except as expressly noted herein;
 - iv. The existing use is a legally conforming use which may be continued by any purchaser from the existing owner; and
 - v. Rights of way, easements, or encroachments over other real property and leases or other covenants herein are legally enforceable.

Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken which would verify these assumptions except as expressly noted herein.

- The author is not a qualified surveyor. Sketches, drawings, diagrams, photographs, etc. are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.
- The author is not qualified to give engineering advice and no soil tests have been completed.
- No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department, or any other government regulatory agency unless such investigations are expressly represented to have been made in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary.
- 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 the 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 Code of Ethics, Standards of Professional Conduct and Standards of Professional Practice of the Institute.
- Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value expressed as of the date of this appraisal cannot be relied upon to estimate the market value as of any other date except with further advice of the appraiser.

- This appraisal report is only valid if it contains the original signature of the author.
- Market data has been obtained, in part, from documents at the land registry office, or as reported by the real estate board (sales data is not publicly registered on Prince Edward Island). As well as using such documented and generally reliable evidence of market transactions, it was also necessary to rely on hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information. **WHERE INFORMATION HAS BEEN SUPPLIED BY OTHERS, ABSOLUTELY NO OBLIGATION IS ASSUMED BY THE APPRAISER FOR ITS ACCURACY.**
- The compensation for services rendered in this report does not include a fee for court preparation or court appearance, which must be negotiated separately. However, neither this nor any other of these limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of the report which best serves the administration of justice.
- The author of this report has not inspected woodwork or other parts of the structure which are covered, unexposed, or inaccessible, and we are therefore unable to report that such parts of the property are free of rot, beetle or other defects.
- Unless otherwise stated in this report, the appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions which may give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental conditions, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. The author(s) of this report expressly denies any legal liability relating to the effect of environmental issues on the market value of the property appraised.
- Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. 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 appraiser. 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.
- The appraiser reserves the right to review all calculations referred to in this report and, if necessary, revise their opinion in the light of any new facts, trends, or changing conditions existing at any date prior to or at the valuation date which became apparent to him subsequent to the date of this appraisal.

- For the purpose of this appraisal the author of this report has employed measurements which have been provided by the client, City of Charlottetown and calculated the subject property size. These calculations are subject to technical correction.
- **IF APPLICABLE**, it is assumed that all rents referred to in this report are being paid in full when due and payable under the terms and conditions of the attendant leases, agreements to lease or other contractual agreements. Furthermore, it is assumed that all rents referred to in this report represent the rental agreements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants occupancy, to the extent that such rents have not been prepaid, abated, or inflated to reflect extraordinary circumstances, unless such conditions have been identified and noted within this report.
- The subject property has been appraised employing a summary appraisal report format. A summary appraisal report differs from a self-contained appraisal report within the level of detail and presentation. Certain aspects (analytical data relating to the subject property building specifications, operation, facility, etc.) associated with this analysis has not been fully presented; however, this information has been retained on file.

2.2 EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS

An extraordinary assumption is a hypothesis, either supposed or unconfirmed, which, if not true, could alter the appraiser's opinions and conclusions (e.g. an absence of contamination where such contamination is possible, the presence of a municipal sanitary sewer where unknown or uncertain). An extraordinary limiting condition is a necessary modification or exclusion of a Standard Rule which must be explained and justified by the appraiser (e.g. exclusion of one or more valuation approaches). The appraiser must conclude before accepting the assignment which involves invoking an Extraordinary Limiting Condition that the scope of the work applied will result in opinions and conclusions which are credible. Both must accompany statements of each opinion/conclusion so affected. The following is a description of each extraordinary assumption and limiting condition applied within this report, the rationale for its use and its effect on the result of the assignment.

- The undersigned has not conducted a title search, nor examined the existence of easements, rights of way (ROW), or restrictions (if any) and their effect on the appraised property except as expressly outlined herein.
- The Cost Approach to Value and the Income Approach to Value are not being employed as part of the value estimation found within this report.
- The subject property being appraised is part of Richmond Street, a dead end street starting at Cumberland Street running to PID No. 679381.
- The value estimate contained within this report does not include an estimate of other potential impacts on infrastructure or structures on or within the properties.
- The value estimate contained within this report reflects an "As Vacant Developable Land" valuation. If the property cannot be redeveloped the estimate of value contained within this report cannot be relied upon.
- The appraiser has not reviewed an Environmental Assessment Report as part of this assessment; however the development of contaminated sites close to the waterfront have occurred on many occasions in the past. The clients potential proposed use as a community open space has not been considered in the value estimate.

2.3 HYPOTHETICAL CONDITIONS

Hypothetical conditions may be used when they are required for legal purpose, for purpose of reasonable analysis or for purpose of comparison. Common hypothetical conditions include proposed improvements and prospective appraisals. For every Hypothetical Condition, an Extraordinary Assumption is required. An analysis based on a hypothetical condition must not result in an appraisal report that is misleading or that relies on actions or events that would be illegal or improbable within the context of the assignment. The following is a description of each hypothetical condition applied within this report, the rationale for its use and its effect on the result of the assignment.

- Not applicable to this report.

3.0 TERMS OF REFERENCE

3.1 PROPERTY RIGHTS APPRAISED

The property rights being appraised in this report are those which will accrue to the owner of the property described herein. This encompasses the rights normally attached to the freehold (or fee simple) interest in the property. The property has been appraised on a debt-free basis.

3.2 PURPOSE OF ASSIGNMENT

This investigation and appraisal has been undertaken for the purpose of estimating the market value of the subject property as of April 6, 2024.

3.3 INTENDED USE OF THE REPORT

This report is intended for the use of the City of Charlottetown, c/o Mr. Scott Adams, Manager of Public Works, for the purpose of estimating the market value of the subject property denoted herein.

3.4 DEFINITION OF MARKET VALUE

The term "Market Value" as used in this report is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a 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 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.*

3.5 EXPOSURE TIME

The value estimate assumes that the subject property was exposed for sale on the open market in a manner typical for this class of property for three to six months plus.

3.6 SALES HISTORY

The subject property is a section of Richmond Street, 6,916.40 (ft²), running from Cumberland Street to PID No. 679381.

3.7 SCOPE OF THE APPRAISAL

The scope of this appraisal encompassed those methods procedures and investigations considered to be typical and appropriate for this class of property and the intended use of this report. A physical inspection of the subject property was undertaken on April 6, 2024. The neighbourhood was inspected noting relevant competition characteristics and general physical make-up. Zoning information was obtained from the City of Charlottetown. Property tax rates, ownership and assessment information was acquired from the *Service Province of Prince Edward Island Geolinc Plus Property Online* database. Comparable sales data was obtained from vendors, purchasers, property managers, brokers and MLS® data as well as information retained on file.

The client has provided the following information:

- Property maps and description.
- On-site inspection.
- The scope of this assignment is to establish the Market Value of a 6,916.40 (ft²) portion of Richmond Street. No longer required as a street.
- The scope of this report does not include a review of any Environmental Assessment Reports.
- The scope of the report is to estimate the value of the land "As Vacant Land."

4.0 LOCATIONAL OVERVIEW

4.1 REGIONAL DESCRIPTION - PROVINCE OF PRINCE EDWARD ISLAND

Prince Edward Island (PEI) lies in the Gulf of St. Lawrence on Canada's east coast. The crescent shaped island commonly referred to as the "Cradle of Confederation" did not officially become a province until 1873. Since 1 June 1997, PEI has been linked to the mainland by the 12.9-kilometre-long Confederation Bridge which crosses the Northumberland Strait and ended almost seventy years of ferry service. Prince Edward Island is Canada's smallest province and encompasses approximately 5,685.73 square kilometres of land area of which 44.0 per cent and/or 2,509 square kilometres are comprised of farming areas. Prince Edward Island has an overall length of 224.0 km, and ranges from 6.0 to 64.0 km width.

During the late seventeen sixties the island was mapped and divided into (67) parcels and/or lots. These townships/lots now make up Prince Edward Island's three distinct regions which include Prince County, Queens County, and Kings County. Prince County with an area of 2,006.27 km² encompasses the western third of the island and has a population of approximately 46,234. Queens County containing an area of 1,987.32 km² covers the middle third of the island and has a population of 89,770. Kings County with an area of 1,687.58 km² encompasses the eastern third of the island and has a population of 18,327. The main urban centre for Queens County is the City of Charlottetown, while the major urban centres for Prince County and Kings County are the City of Summerside and the Town of Montague respectively.

The City of Charlottetown covers a land area of 44.27 square kilometres and is bound by the Hillsborough River and the Town of Stratford to the east; the Town of Cornwall to the west; the Charlottetown Harbour to the south. Charlottetown is 71.0 km from the City of Summerside, and 45.0 km from the Town of Montague. The nearest cities outside of the province are Moncton, New Brunswick, 171.0 km away, and Halifax, Nova Scotia, 232.0 km further east. Charlottetown is 423.0 km northeast of the Maine border of the United States.

Charlottetown was incorporated as a town on 17 April 1855 and became the island's first city in 1875. Municipal amalgamation in 1995 incorporated the outlying independent municipalities of Parkdale, Sherwood, East Royalty, West Royalty and Winsloe, which merged into a larger city - Charlottetown. At the same time, rural communities east and west of the city were amalgamated to form the Towns of Stratford and Cornwall respectively.

The one-time independent Municipalities of Charlottetown (original municipality), Brighton, Spring Park, Parkdale, Sherwood, Winsloe, as well as East and West Royalty including Hillsborough Park, now make up the individual neighbourhoods of the capital city.

Charlottetown serves as the seat of government for the Island, housing the provincial legislature as well as administrative offices and services. Much of the employment in the capital city is derived from year-round industries, which include government service, retail trade, accommodation, food/beverage service, as well as health care and social services. The (2) largest employers are the Government of Canada and the Province of Prince Edward Island, respectively.

4.1.1 Provincial Description - Community Profiles (Subject Specific)

The subject property is located on Richmond Street in the City of Charlottetown, the capital city of the province. Selected statistics from the 2021 census are summarized in the following table:

COMMUNITY PROFILES			
	Charlottetown (City)		
Land Area (km ²)			44.27
2021 Population			38,809
Population Change from 2016			7.5%
Total Private Dwellings			17,184
Average value of Dwelling			\$378,800
	Queens (County)	Prince Edward Island (PEI)	
Land Area (km ²)	1,987.32		5,681.18
2021 Population	89,770		154,331
Population Change from 2016	9.7%		8.0%
Total Private Dwellings	42,210		74,934
Average value of Dwelling	\$360,400		\$313,200

It should be noted the current population of Charlottetown is estimated to be 40,500.

4.1.2 Economic Outlook – Fall Fiscal and Economic Highlights

- The current forecast for the PEI Fiscal Year 2023-2024 is a deficit, with a \$1.0 million increase from the budget released in May 2023.
- Provincial revenues have increased primarily due to increases in tax revenues of \$7.5 million stemming from continued economic growth in the province, as well as increased federal revenues.
- Provincial expenditures are also expected to increase. This reflects anticipated increased uptake in energy efficiency programs and costs associated with an increase for Social Programs.
- The change in the Consumer Price Index for P.E.I. was 3.4 per cent on a year-to-date basis through September. The inflation rate for food and shelter were up this period, while energy declined. Nationally inflation increased 4.1 per cent through September.
- Total labour income continues to grow on the Island, up 8.2 per cent through June, the fastest growth amongst provinces.
- The value of manufacturing shipments has increased 12.9 per cent on a year-to-date basis through September. Nationally, manufacturing shipments increased 1.5 per cent through September.
- After reaching a low in March 2023, investment in building construction has increased every month exceeding May 2022 for the first time.
- The value of international exports from Prince Edward Island has increased on a year-to-date basis through September, while nationally exports were down.
- As of October 2023, PEI's population was 175,853, a new all-time high. At a rate of 3.9 per cent, Prince Edward Island had the fastest annual rate of growth for the province on record and the second fastest growth amongst jurisdictions over this timeframe, behind Alberta.
- Forecasted net debt as a percentage of GDP for fiscal 2023-2024 has improved in comparison to what was anticipated when the 2023-2024 Operating Budget was tabled in May 2023.
- The seasonally adjusted value of retail sales has increased by 6.7 per cent on a year-to-date basis through August.
- The tourism sector is continuing its rebound through 2023. Bridge and air traffic to the Island are up 15 per cent and 17 per cent respectively, though total overnight stays are down 4.0 per cent through the end of October.

4.1.3 Economic Outlook

- **Economy**

The economic climate remains difficult, with high interest rates and elevated inflation still dominating the economic landscape slowing activity both in Canada and abroad, as well as increased geopolitical tension. The interest rate and inflationary environment, coupled with scarce labour, is constraining the rebound in construction activity that was anticipated to begin earlier in the year. Consequently, the segments of the economy more closely aligned to housing and construction have been slower to rebound. Continued high immigration, has seen segments of the economy more closely aligned with consumer demand continuing to perform well. Manufacturing shipments and exports continue to advance due to strong demand for the Island's products, but are also benefitting from expansions in productive capacity, a trend that looks like it will continue. Overall, the economy has evolved largely as anticipated, with the exception of the construction sector, which had a slow start in the first quarter before beginning to gain momentum. The performance of the construction sector in 2023 is likely to be close to 2022 levels. Following growth of 7.9 per cent in 2021, which was driven largely by the COVID-19 rebound, economic growth for PEI slowed to 2.9 per cent in 2022. Employment reached an all-time high in 2022, with the unemployment rate falling to an all-time low. New records were also set in retail trade, merchandise exports and capital expenditures.

- **Gross Domestic Product (GDP)**

The Department of Finance is forecasting real GDP growth in the range of 3.0 per cent in 2023. On November 8, 2023 Statistics Canada released GDP with a growth rate of 2.9 per cent in chained 2017 dollars. This was tied for the sixth largest increase amongst provinces. Statistics Canada indicated the economy grew by 2.9 percent (in chained 2012 dollars) in 2022. In 2022 increases were recorded in 13 of 20 major industries.

- **Consumer Price Index (CPI)**

The pace of inflation has slowed on the Island so far through 2023. Inflation in January was 7.0 per cent however, the rate of inflation declined every month through the first half of the year before increasing slightly through the third quarter. On a year-to-date basis through September the consumer price index on PEI averaged 3.4 per cent. Core inflation (all items excluding food and energy) was 5.0 percent in 2022.

- **Labour Force**

The labour force performance on the Island continues to be robust in 2023. Through October, the labour force has expanded by 4.3 per cent to reach 95,400 people, a new all-time high. The participation rate on the Island has increased by 0.7 percentage points to average 66.2 per cent through October. This is the fourth-highest participation rate in the country, behind the three prairie provinces. Job prospects remain good on the Island, and job vacancies continue to remain elevated. In the second quarter of 2023, there were 4,100 job vacancies on the Island, for a job vacancy rate of 5.7 per cent, the highest vacancy rate amongst provinces; however this is down from the second quarter of 2022, when there were 4,520 job vacancies, for a job vacancy rate of 6.4 per cent.

- **Income**

The compensation of employees continues to grow on the Island, up 8.2 per cent on a year-to-date basis through June and the average weekly earnings are continuing to grow, up 4.7 per cent through August, the fastest growth amongst provinces. Faster growth in wages is allowing PEI to close the gap with the national average weekly wage from 83.4 per cent over this time period in 2022 to 84.7 per cent in 2023. Statistics Canada estimates that labour income for Prince Edward Island rose 10.0 per cent to reach \$4.6 billion in 2022.

- **Population**

PEI has set another population milestone, as of October 2023 the population was estimated to be 175,853 representing a yearly increase 3.9 percent. While the population of Canada increased by 1.8 per cent over the same period. International immigration slowed during the COVID-19 pandemic, with only 1,209 immigrants arriving on PEI from July 1, 2020 to June 30, 2021, a drop of 41.8 per cent as compared to the previous 12-month period. As restrictions were eased during the second half of 2021, immigration began to rebound, resulting in a total of 3,614 persons for net international migration. Net interprovincial migration also reached an all-time high in 2021-22, with 2,260 more people moving to PEI from other parts of Canada than those leaving the Island. Ontario, Alberta, and Nova Scotia were the top provinces of origin for PEI.

- **Exports**

So far this year exports continue to advance due to strong demand for the Island's products, but are also benefitting from expansions in production capacity, a trend that looks like it will continue. According to Industry Canada, the total value of PEI's exported goods grew from \$1.7 billion in 2021 to \$2.0 billion in 2022, an increase of 17.2 per cent. Exports from PEI to the European Union have more than doubled (up 129.4 per cent) since 2017, when the Canada – European Union Comprehensive Economic and Trade Agreement (CETA) went into effect. As a result, Belgium, Spain and Greece have moved into the top 10 countries for PEI exports over this period, joining France and Germany on the list.

- **Public Service**

Statistics Canada's Survey of Employment, Earnings and Hours (SEPH) indicates that employment in public administration (federal, provincial and municipal) increased by 9.1 percent in 2022. Employment in the health and social services sector increased by 2.9 percent, while employment in the education sector increased by 2.7 percent.

- **Energy**

Total electricity capability on Prince Edward Island remained steady in 2022 at 501 megawatts. PEI's total electric supply increased 4.5 per cent over 2021 to 1.6 million megawatt hours, however, 1.3 million megawatt hours were received from other provinces. The total volume of gasoline sold decreased by 1.0 percent in 2022, as the average price rose by 34.1 percent. The volume of fuel oil sold has declined 17.6 per cent since 2019, as programs to transition households to electric heat have expanded. Prince Edward Island's greenhouse gas (GHG) emissions increased in 2021 over 2020, by 2.8 per cent.

- **Agriculture**

Farm cash receipts for the first half of 2023 totaled \$410 million, up \$53 million or 14.8 per cent compared to the same period in 2022. Crop receipts increased by 32.3 per cent, due almost entirely to an increase of potato receipts. Livestock receipts increased by 5.1 per cent, while direct payments to farmers declined by 46.5 per cent. This was mostly due to the 2022 payments through the surplus Potato Management Response program that did not repeat in 2023, and a decline in crop insurance payments. Nationally, farm cash receipts increased by 9.9 per cent through the first half of 2023.

- **Retail**

Retail trade continues to grow on the Island, up 6.7 percent on a year-to-date basis through August, the fastest growth amongst provinces. After growing 19.0 percent in 2021 retail sales have increased for the thirteenth consecutive year. Nationally, retail sales have increased 2.1 percent over this time period. However, employment in the wholesale/retail trade sector has decreased by 3.4 percent compared to 2021. The volume of vehicles sold has increased by 9.3 percent through September, after contracting in 2022, as supply chain pressures ease and consumers are able to access goods. Notable increases in sales volumes in 2022 were seen in gasoline stations, up 27.7 percent, supermarkets up 10.1 percent, building material and garden equipment stores up 12.0 percent.

- **Fisheries**

The spring lobster season contended with a cold start to the season, and a partial closure due to a right whale sighting in the Gulf of St. Lawrence. Despite these issues, catches were on par with historical levels but were down about 3.7 per cent from 2022 levels – which was a record year for the spring fishery. Prices were in the \$6.50-\$7.50 range for the majority of the season. The Department of Agriculture and Fisheries estimates that the value of total fish landings fell in 2022 by 10.9 percent. Molluscs and crustaceans remain by far the top species of the Island fishery comprising 97.6 percent of the total value of all fish landings. Prices received by fishers increased or remained steady in 2022 for every major species, except lobster.

- **Construction & Housing**

The housing and construction sector is adjusting to the effects the construction industry has had to deal with in 2022; high inflation, Bank of Canada increase of the overnight rate impacting mortgage rates and the cost of borrowing overall, cooling prices, shortage of labour and materials and the rising cost of inputs. This has resulted in lower levels of building construction through the early part of the year. More recent data suggest activity in housing starts and investment in building construction beginning to pick up from early-year lows. There is significant demand in the market for housing and construction, with incentives from all orders of government to accelerate the construction of housing, and necessary services to satisfy the Island's growing population. These interventions look like they may start to be having an effect on the industry. Investment in construction is down 17.9 percent year to date, thru August. On the residential side, investment in single detached dwellings was down 26.6 per cent, while multi-unit was down 10.8 per cent. On the non-residential side industrial and commercial investment were down 40.2 per cent and 5.1 per cent respectively. The value of building permits has decreased by 10 per cent on a year-to-date basis through September. Both residential and non-residential building have seen declines, down 9.5 per cent and 11.1 per cent respectively.

- **Tourism**

As of October 31, 2023 the statistics are considered flat when compared to the 2022 season. Total room night sold decreased 4.0 percent to 636,540 resulting in a 1.0 percent decrease in overall occupancy. All accommodation sectors except Hotels, Motels saw occupancy decrease from 2.0 – 4.0 percent. However, the same time period, bridge traffic was up 15 percent, air traffic was up 17.0 percent and ferry traffic decreased by 7.0 percent. The cruise ship season on the Island ended on November 4th 2023 and welcomed 89 cruise ships, carrying just under 120,000 passengers. This was a new record for the number of ships visiting the Island, and the number of visitors was almost on par with pre-pandemic levels.

- **Manufacturing**

The seasonally adjusted value of manufacturing shipments has increased by 12.9 per cent through September, the fastest growth amongst provinces. Non-durable goods have increased by 16.8 per cent over this time period, while durable goods have increased by 5.6 per cent. International exports have increased by 16.9 per cent on a year-to-date basis through September, the fastest growth amongst provinces. Manufacturing shipments on Prince Edward Island in 2022 were \$3.0 billion, increasing by 16.8 per cent over 2021. This follows a rise of 15.5 per cent in 2021. According to Industry Canada, the value of P.E.I.'s international exports of goods rose by 16.9 per cent through September 2023.¹²

¹ 2023 Fall Fiscal and Economic Update PEI

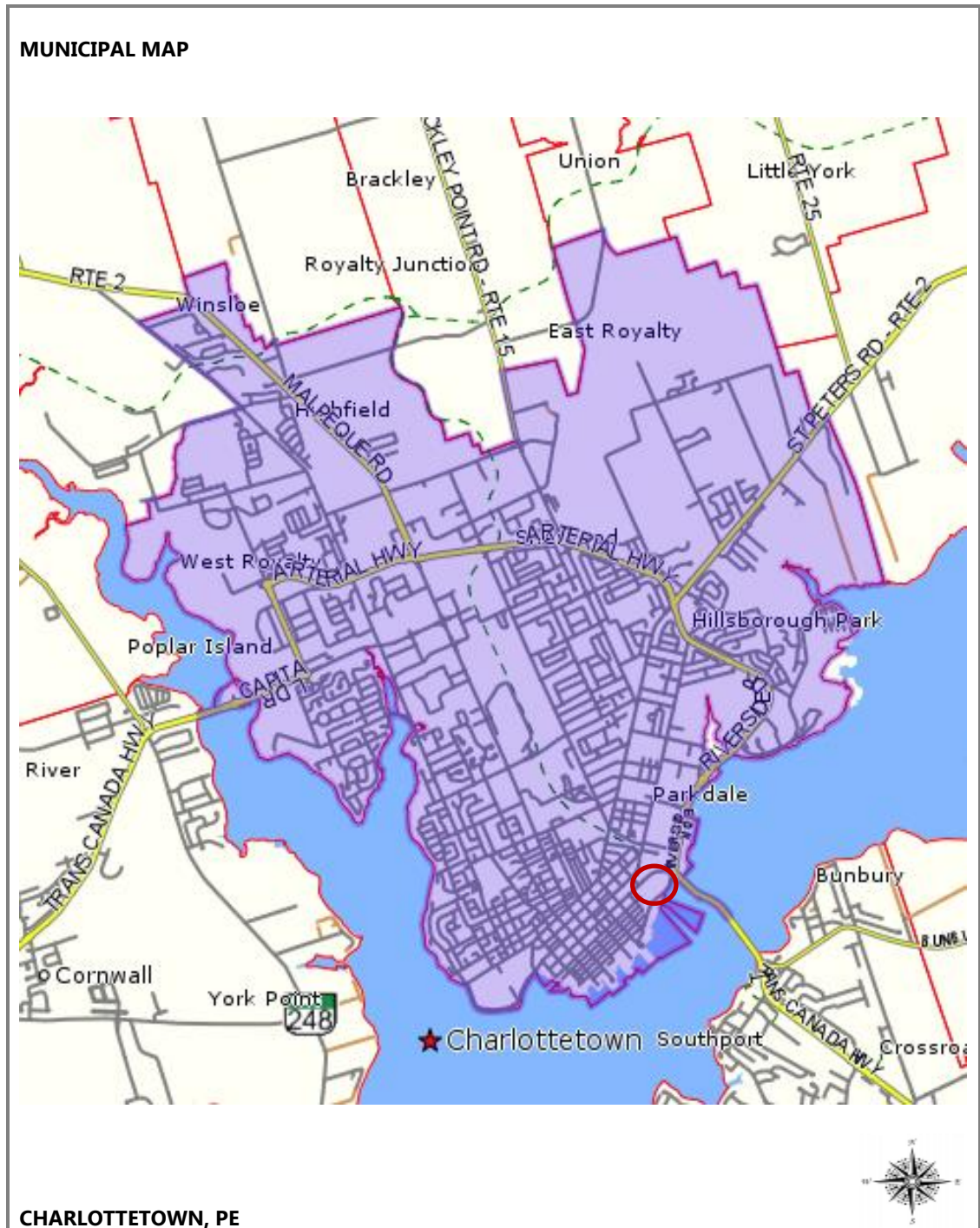
² PEI Summary of Selected Economic Indicators

4.1.4 Current Economic Indicators

The following table summarizes current statistical and financial information for Canada and the Province of Prince Edward Island.

ECONOMIC INDICATORS SCHEDULE				
Component	Market Area	Date	Statistical Figures	Total Change over Previous Year
Population	(PEI)	Oct-23	175,853	3.90%
Labour:				
· Labour Force	(PEI)	Jan - Nov 2023	95.7%	4.90%
· Unemployment Rate	(PEI)	Jan - Nov 2023	7.3%	-0.10%
· Participation Rate	(PEI)	Jan - Nov 2023	66.3%	0.70%
· Employment Rate	(PEI)	Jan - Nov 2023	61.4%	0.80%
Total Exports (\$,000)	(PEI)	Jan - Oct 2023	\$ 693,367	31.5%
Total Manufacturing Shipments (\$,000)	(PEI)	Jan - Oct 2023	\$ 2,825,502	13.8%
Retail Sales (\$,000s)	(PEI)	Jan - Oct 2023	\$ 2,970,405	6.6%
Farm Cash Receipts (\$,000)	(PEI)	Jan - Nov 2023	\$ 415,721	22.1%
Consumer Price Index (All Items)	(PEI)	Jan - Nov 2023	162.3	2.9%
Construction:				
· Housing Starts	(PEI)	Jan - Nov 2023	1,336	14.0%
· Permits (Residential \$,000)	(PEI)	Jan - Oct 2023	\$ 315,049	-3.2%
· Permits (Non-Residential \$,000)	(PEI)	Jan - Oct 2023	\$ 137,276	-3.5%
Interest Rates (Bank of Canada):				
· Chartered Bank Prime Rate	(CDN)	Mar-24	7.20%	Unchanged
· Canada Bond Yield (10 Year)	(CDN)	Mar-24	3.60%	Unchanged

4.3 REGIONAL MAP



4.4 MICRO-MARKET CHARACTERISTICS

The subject property being appraised is located in the City of Charlottetown. Charlottetown is the capital and main metropolitan centre of Queens County, and of the Province as a whole. Given this, the amenities, necessary infrastructure and characteristics expected of a capital city are in place.

The original municipal boundary between Charlottetown and the common area of the township of Queens Royalty was the northern edge of the original five hundred lots along present-day Euston Street. This boundary was extended north to Allen Street and Kirkwood Drive during the early twentieth century, taking in part of the rural Community of Brighton west of the downtown. The Village of Spring Park was amalgamated into the city in 1959, extending the city's boundary north to Hermitage Creek, which also formed the southern boundary of the Village of West Royalty. Development filled in most vacant land in the Brighton and Spring Park neighbourhoods by the nineteen eighties.

Municipal amalgamation in 1995 saw the outlying independent Municipalities of Parkdale (town), Sherwood, East Royalty, West Royalty and Winsloe (villages) merged into a larger city of Charlottetown. At the same time as rural communities east and west of the city were amalgamated to form the Town of Stratford and Town of Cornwall respectively. A green belt is in place around the northern fringe of the municipal boundary, although it is poorly enforced by the provincial government, leading to suburban sprawl. The present-day Charlottetown landscape is dominated by urban development along the Waterfront areas, suburban development to the west, north and east, as well as the airport to the north.

More specifically, the subject property is a portion of Richmond Street running from Cumberland Street to PID 679381, a two lane municipal street. The subject is in a mixed area with commercial, industrial and residential development varying in design/style, size, age and condition. Amenities conducive to commercial and industrial developments are nearby and easily accessible via Richmond Street or Water Street. Overall, the subject displays similar value trends as prevailing neighbouring properties. The subject is located in an area which is in transition from industrial to commercial or residential.

5.0 PHYSICAL AND FUNCTIONAL DATA

5.1 SITE DETAILS

5.1.1 *Site Description*

The subject property is land on Richmond Street as identified and highlighted in the following Map.



The property is a rectangular shaped parcel of land located on a dead end section of Richmond Street with a site area of 6,916.40 ft². Site dimensions are 12.192 m. (40 ft) on Cumberland Street by 52.626 m. (172.66 ft) along Richmond Street, 12.193 m. (40 ft) at the rear of the site and 52.781 m. (173.16 ft) to Richmond Street.

A copy of a survey plan is located in the addendum of this report.

5.1.2 Site Improvements

The site is being appraised "As Vacant Developable Land".

5.1.3 Site Services

The subject property has the following services available:

- Municipal sewer and water.
- Overhead utilities (inclusive of underground electrical service, telephone, fibre-optic lines, and high-speed internet).
- Public transportation (taxi and bus).
- Police (Charlottetown Police Department), fire (Charlottetown Fire Department) and ambulance (Island EMS) assistance.

5.1.4 Easements and/or Rights of Way (ROW)

A title search was not performed as part of this report. There are no known easements or rights of way. Any easements or right-of-way if existing are not anticipated to affect the use of the subject property.

5.1.5 Environmental Consideration

No Environmental Assessment Report has been received. The appraiser is aware that the subject sites may be contaminated; however, it is assumed that redevelopment is possible similar to other waterfront properties.

5.2 MUNICIPAL DATA

5.2.1 Assessed Value and Annual Taxes

The property being appraised is a portion of Richmond Street. The subject property does not have a PID number; therefore no property charges are assigned.

5.2.2 Zoning and Planning Considerations - Zoning Map

The subject property is currently un-zoned as it is a portion of a municipal street. The zoning map displayed below shows the location of the property outlined in red.



5.2.3 Zoning and Planning Considerations - Permitted Uses

The subject property is not zoned; therefore no permitted uses are applicable to the subject property.

6.0 HIGHEST AND BEST USE

The *Highest and Best Use* of a property is defined for the purposes of this report as “the use, at the time of the appraisal, from among reasonable probable and legal alternative uses found to be physically possible, appropriately supported and financially feasible, that is likely to produce the greatest net return over a period of time.”

6.1 HIGHEST & BEST USE CRITERIA

The (4) tests to support the highest and best use analysis are as follows:

- Physically Possible
The size, shape, terrain, and soil conditions of a parcel of land affect its physical utility and adaptability.
- Legally Permissible
This is dependent on public restrictions such as zoning, building codes, historic preservation regulations, environmental controls, as well as the private or contractual restrictions found in deeds and long-term leases.
- Financially Feasible
Defined by uses which should produce returns that exceed the income required to satisfy operating expenses and debt service (interest and amortization).
- Maximum Return
Among financially feasible uses, the use that produces the highest price or value consistent with the rate of return warranted by the market.

6.2 AS IF VACANT

The subject site is located in the eastern portion of the City of Charlottetown with a mix of residential, multiple residential, institutional and commercial uses in the immediate area. The property features good accessibility to all major amenities and services inclusive of public transportation, shopping, schooling, banking, etc. The area features above-average demand and there is a limited amount of vacant undeveloped land. The highest and best use is considered to be that of a development as permitted by adjacent property zoning.

6.3 AS IMPROVED

The subject parcel is being appraised as a vacant unimproved portion of Richmond Street.

7.0 VALUATION METHODOLOGY

There are four basic approaches available to the appraiser in the estimation of the market value of vacant land. The methods and procedures for these approaches are briefly summarized herein.

7.1 LAND VALUE BY ABSTRACTION

This method involves subtracting depreciated building value from the sale price of an improved property, the remainder being the site value. The method is most applicable when no vacant land sales exist.

7.2 LAND DEVELOPMENT METHOD

This method is best applied to undeveloped tracts which have an imminent highest and best use in a developed state and where few comparable sales exist. The basic procedure is to determine the most probable type of development for the land, determine the costs and time involved in attaining the fully developed stage, and determine the value for the costs and time involved in attaining the fully developed stage, and determine the value for the developed land through Direct Comparison. The development costs are deducted from the developed market value arriving at a value for the land in its undeveloped state.

7.3 LAND RESIDUAL METHOD

This method is similar to the abstraction method but intended for income producing properties. Net income is determined and the portion attributable to improvements is determined. The remainder of the income is capitalized into an indication of site value.

7.4 DIRECT COMPARISON APPROACH

This is the most commonly used and generally most reliable approach for valuing vacant land providing a sufficient number of comparable land sales exists. Sales of similar types of vacant land are derived from the market and reduced to an appropriate unit of comparison (i.e. price per square foot, price per acre, price per lot). Where necessary, the unit sales prices are adjusted for differences such as date of sale, location, and physical factors. The adjusted unit prices are applied to the subject land to arrive at an indication of the market value.

7.5 RECONCILIATION

In the reconciliation, the appraiser considers the relative applicability of each of the foregoing methodologies and then employs the approach most suitable to solve the specific appraisal problem at hand.

The Direct Comparison Approach has been employed in the value estimation of the subject property.

8.0 DIRECT COMPARISON APPROACH

8.1 COMPARABLE PROPERTIES

SCHEDULE OF COMPARABLE SALES - LAND

#	Property	Sale Date	Sale Price	Area (ac)	Area (ft ²)	Price per (ft ²)	Remarks
1	Prince Street Charlottetown PE PID No. 1106905	Apr-19	\$ 1,700,000	0.70	30,492	\$ 55.75	Land is in the WF Zone of the City. Proposed for 108-units consisting of a mix of hotel rooms, condos and micro units.
2	Water & Prince Street Charlottetown, PE PID No. 739128	Feb-18	\$ 1,550,000	0.54	23,522	\$ 65.89	Sale of a site fronting on Water Street, close to waterfront.
3	Richmond Street Charlottetown PE PID No. 339739	Mar-23	\$ 450,000	0.24	10,454	\$ 43.04	Sale of a lot located in a prime area of Charlottetown. Zoned (DN) Downtown Neighbourhood.
4	Fitzroy Street Charlottetown PE PID No. 346486	Jan-21	\$ 1,200,000	0.68	29,621	\$ 40.51	Property purchased for a future residential housing development.
5	Upper Queen/ Costello Lane Charlottetown, PE PID No. 356923/356949	Apr-19 Jan-21	\$ 390,000	0.36	15,507	\$ 25.15	Sale of two adjacent properties. Land assembled for a multiple family development.
6	St. Peters Road Charlottetown, PE PID No. 274023/ 274415 / 274407	Dec-19	\$ 900,000	0.80	34,979	\$ 25.73	Land assembly of three properties on St. Peters Road.
7	Capital Drive Charlottetown PE PID No. 387639	Sep-23	\$ 1,080,000	0.92	40,075	\$ 26.95	Property purchased for a future development. Zoning is C-2.

The foregoing schedule outlines indexes of competing properties; comprised of market sales that have been evaluated based on the price per (ft²) basis for Direct Comparison purposes. The unadjusted rates per (ft²) of the sale range from \$25.15 to \$65.89 per (ft²) with an average rate of \$40.43 per (ft²) and a median rate of \$40.51 per (ft²).

8.2 COMPARATIVE ANALYSIS

The author of this report has employed a selection of current and older indices in the value estimate of the subject property. The provided sales have been adjusted three per cent per annum for time for market conditions. Additional quantitative market adjustments for such factors as property rights, financing terms, condition of sale, site location, site view, site size, etc., have not been applied. Generally, larger irregular shaped parcels of land trade at a lower rate than smaller regular shaped parcels of land. Also larger sites generally sell for less per acre than smaller sites.

DIRECT COMPARISON - ADJUSTMENT TABLE			
Index	Sale Price	Market Conditions	Adjusted Sale Price ft²
1	\$ 55.75	1.15	\$ 64.12
2	\$ 65.89	1.18	\$ 77.76
3	\$ 43.04	1.03	\$ 44.34
4	\$ 40.51	1.09	\$ 44.16
5	\$ 25.15	1.12	\$ 28.17
6	\$ 25.73	1.13	\$ 29.07
7	\$ 26.95	1.01	\$ 27.22

The adjusted rates per (ft²) range from \$28.17 to \$77.76 per (ft²) with an average rate of \$45.01 per (ft²) and a median rate of \$44.25 per (ft²).

The site is being appraised "As IF" zoned (CDA) Comprehensive Development Area located east of the downtown of the city. As of the effective date, no singular sale provides an exact value estimate for the subject property. Each index has similar zoning and/or physical characteristics when compared to the subject property.

As a result, after adjustment the range of value indicators will be considered, and the subject's value will be estimated based on a per square foot rate. The subject is located adjacent to developed properties. A rate slightly below the average and median range of indicators for the land is deemed to be a good representation of the subject property's value.

8.3 SUMMARY AND VALUE CONCLUSION

Based on the foregoing considerations, an overall rate of \$40.00 per (ft²) is considered to be reasonably representative of the development area.

As such, the estimate of value by the Direct Comparison Approach is calculated as follows:

LAND SUMMARY SCHEDULE			
	Area (ft²)	Rate Per (ft²)	Value Estimate
Richmond Street	6,916	\$ 40.00	\$ 276,656
Value Estimate (Rounded)			\$ 277,000

9.0 CONCLUSION

9.1 FINAL VALUE ESTIMATE

The indication of value arrived at by the method employed in this report is summarized as follows:

Approach	Value Indication
Direct Comparison Approach	\$ 277,000

The Direct Comparison Approach is based upon comparable properties found within the specified trade area which are adjusted to the subject property in order to provide an indication of value. In most cases, this approach to value is deemed as applicable to all types of properties as long as there are recent, sufficient, and reliable comparable sales. This methodology attempts to quantify or assess the way market participants' view and/or value specific types of properties. Although, in the case of the subject property there are no identical comparable sales; the results found within the Direct Comparison Approach are deemed as valid and applicable to the subject property denoted herein.

Based on the foregoing, the market value of the subject property as of April 6, 2024, it is considered to be fairly represented at:

TWO HUNDRED AND SEVENTY-SEVEN THOUSAND DOLLARS (\$277,000.00)

"AS VACANT DEVELOPABLE LAND"

"SUBJECT TO EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS"

10.0 CERTIFICATION

**Re: Portion of Richmond Street
Richmond Street, Charlottetown, PE**

ARA – McQuaid & Associates certifies that to the best of our knowledge and belief,

- The statements of fact contained in this report are true and correct.
- The property was personally inspected by Herman McQuaid, AACI, P. App, on April 6, 2024.
- The analyses, opinions, and conclusions reported herein are our personal and unbiased views and are limited only by the Assumptions and Limiting Conditions contained herein.
- We have no past, present or contemplated future interest in the real estate which is the object of this report and we have no personal interest or bias with respect to the properties or the parties involved.
- Our compensation is not contingent upon any action or event resulting from the analysis, opinions or conclusions in, or the use of, this report.
- This appraisal has been made in conformity with, and is subject to, the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) as well as the bylaws and regulations of the Appraisal Institute of Canada.
- We, the undersigned, have collaborated in the preparation, documentation, analysis and research, as well as the valuation of the subject property.
- We have the knowledge and experience to complete the assignment competently.
- We, the undersigned, are members in good standing with the Appraisal Institute of Canada (AIC). We are registered in the AIC's Professional Liability Insurance Program and have fulfilled the requirements of the Continued Professional Development program for designated and candidate members.

Based upon the analysis and conclusions contained within this assignment, it is our opinion, the market value of the subject property, as of April 6, 2024, is:

TWO HUNDRED AND SEVENTY-SEVEN THOUSAND DOLLARS (\$277,000.00)

"AS VACANT DEVELOPABLE LAND"

"SUBJECT TO EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS"



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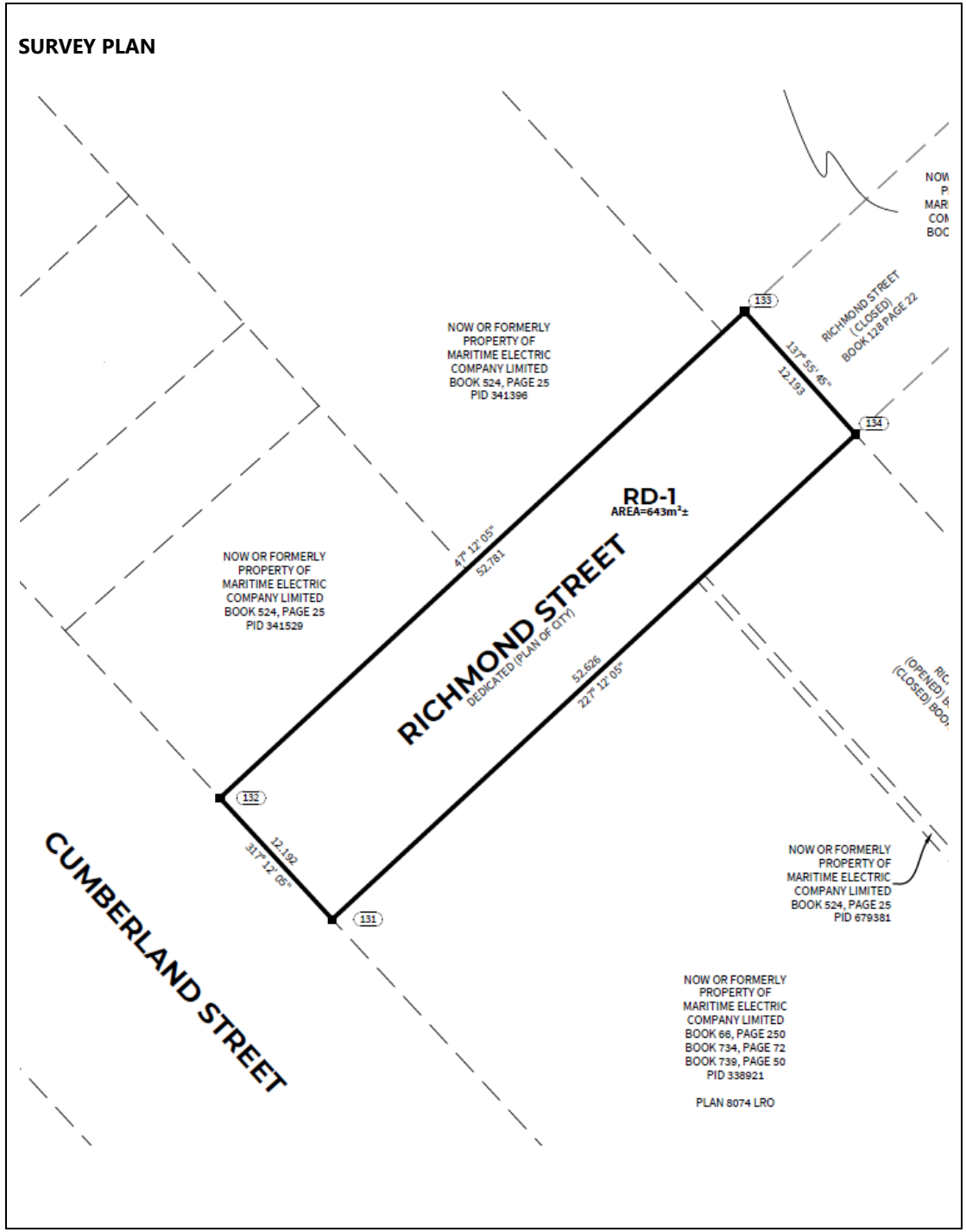
View of Subject Property (Richmond Street)



View of Cumberland Street



View of Cumberland Street

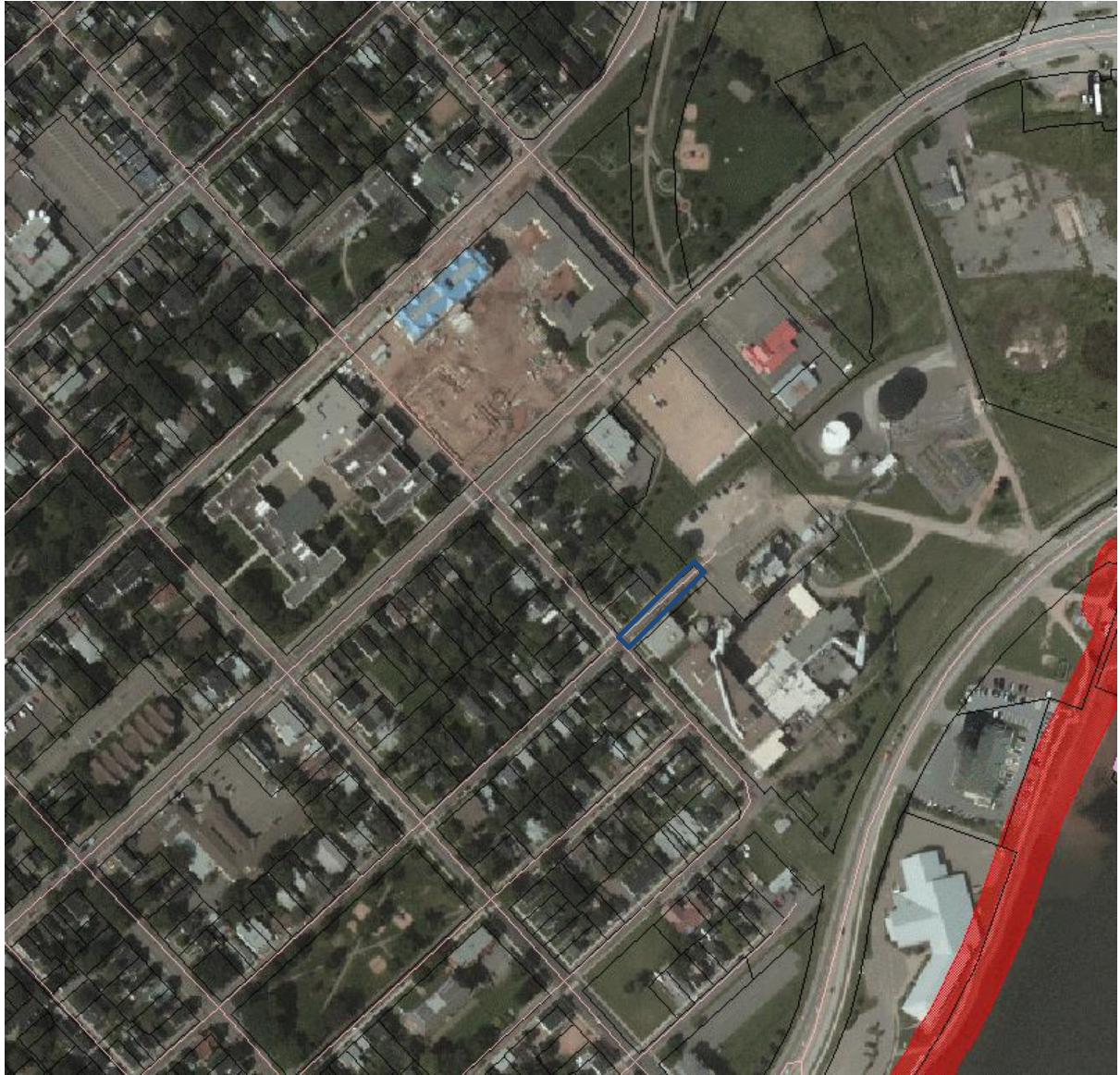


GEOMATICS MAP



Subject Property Identified in Blue (Approximate Outline)

LAND ONLINE MAP



Subject Property Identified in Blue (Approximate Outline)

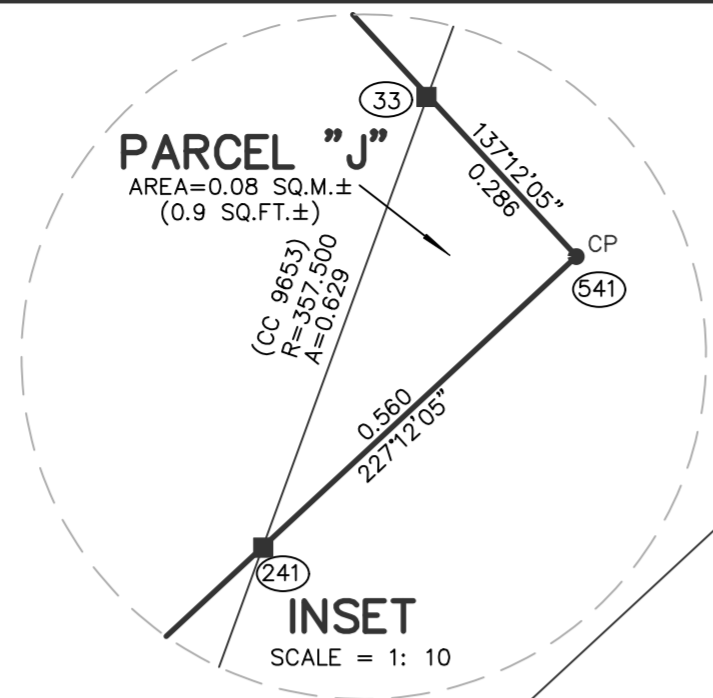


INTERROGATORIES

IR-5(c) – Attachment 1

COORDINATE TABLE
NAD83(CSRS) 2010, VELOCITY MODEL V6.0.0
EXPRESSED IN METRES

STA No.	EASTING	NORTHING
33	390909.665	687466.550
208	390875.732	687476.279
207	390882.442	687482.491
210	390894.867	687469.073
241	390909.449	687465.959
540	390889.151	687488.704
541	390909.860	687466.339
542	390896.441	687453.914
544	390888.157	687462.860
9653	391245.309	687343.466



REFER TO PLAN BY
GULF SURVEYS LTD.
FILE & DRAWING NO. 3790
ALSO REFER TO PLAN BY
DELTA SURVEYS INC.
DRAWING NO. D-89-23
DATED JANUARY 23, 1989

NOW OR FORMERLY
PROPERTY OF
MARITIME ELECTRIC
COMPANY LTD.
BOOK 734, PAGE 72
PARCEL NO. 338921

NOW OR FORMERLY
PROPERTY OF
MARITIME ELECTRIC
COMPANY LTD.
BOOK 734, PAGE 72
PARCEL NO. 338921

BOUNDARY OF C.N. RAIL LANDS
AS SHOWN ON DRAWING NO. 11460-72
DATED JANUARY 8, 1968.
(GREY DASHED LINE)

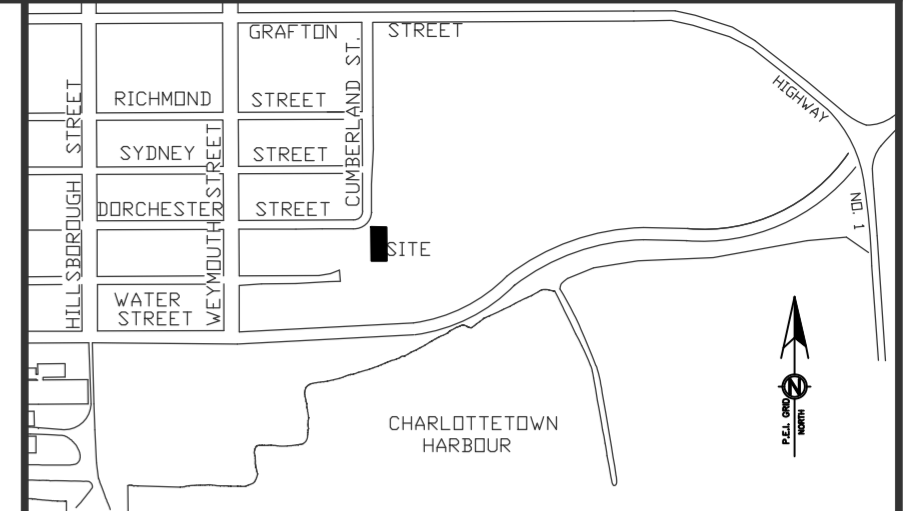
NOW OR FORMERLY
PROPERTY OF
COMMISSIONERS OF SEWERS &
WATER SUPPLY FOR THE
CITY OF CHARLOTTETOWN
BOOK 42, PAGE 352
PARCEL NO. 336545
AREA=557 SQ.M.±
(0.14 ACRES±)
(INCLUDING PARCEL "J")

REFER TO PLAN OF
LAND APPROPRIATED BY
COMMISSIONERS OF SEWERS &
WATER SUPPLY
DATED DECEMBER 1, 1898
ALSO REFER TO PLAN BY
DELTA SURVEYS INC.
DRAWING NO. S-79-368
DATED NOVEMBER 14, 1979

PROPERTY OF OCCUPIED
BY CITY OF CHARLOTTETOWN
(LANDS AT ONE TIME
COVERED BY WATER)
(CITY ACT SECTION 36G)

PROPERTY OF OCCUPIED
BY CITY OF CHARLOTTETOWN
(LANDS AT ONE TIME
COVERED BY WATER)
(CITY ACT SECTION 36E)

NOW OR FORMERLY
PROPERTY OF
MARITIME ELECTRIC
COMPANY LTD.
BOOK 734, PAGE 72
PARCEL NO. 338921



- LEGEND:
- LEGAL SURVEY MARKER PLACED
 - FD LEGAL SURVEY MARKER FOUND
 - CP CALCULATED POINT
 - PP POWER POLE
 - POST
 - CB CATCHBASIN
 - MH MANHOLE
 - ⊕ FH FIRE HYDRANT
 - ⊗ WV WATER SHUT OFF VALVE
 - ← GUY WIRE
 - LP LIGHT POLE

NOTE:
PROPERTY EXPROPRIATED BY COMMISSIONERS OF SEWERS AND WATER SUPPLY FOR THE CITY OF CHARLOTTETOWN, BOOK 42, PAGE 352, A PORTION BEING SHOWN AS BEING PART OF PARCEL NO. 338921 ON PROVINCIAL GEOLING MAPPING. DEED MENTIONED ABOVE WOULD INDICATE THAT THE ENTIRE SHADED PARCEL SHOULD BE PARCEL NO. 336545.

NOTE:
PARCEL "J" AS SHOWN ON GULF SURVEYS LTD. FILE & DRAWING NO. 4112 BEING A PORTION OF PARCEL NO. 336545 TO BE USED AS PART OF WATER STREET CORRIDOR. NO DEED OF CONVEYANCE REGISTERED Dedicating PARCEL AS PUBLIC RIGHT OF WAY.
REFER TO PLAN BY DELTA SURVEYS INC. DRAWING NO. S-71-168.

REV. No.	REVISIONS	CHKD

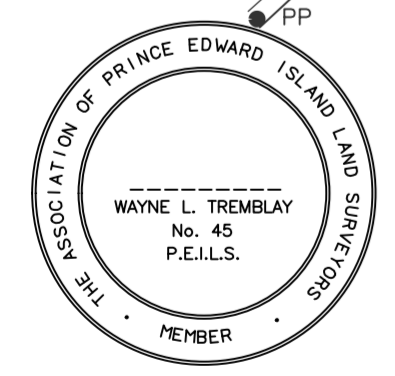
MANTHA LAND SURVEYS INC.
13C MYRTLE STREET
STRATFORD, P.E.I.
C1B 1P4
Phone 902-566-4684

**PLAN SHOWING
PROPERTY OF
COMMISSIONERS OF SEWER & WATER SUPPLY
FOR THE CITY OF CHARLOTTETOWN**

(PARCEL No. 336545)

LOCATION
CHARLOTTETOWN
QUEENS CO., P.E.I.

SCALE	1:250 (metric)	DATE	APRIL 29, 2024
FILE	25-M-13	DWG. No.	M-25-80



NOTE:
I, WAYNE L. TREMBLAY, PRINCE EDWARD ISLAND LAND SURVEYOR, DO HEREBY CERTIFY THAT THIS SURVEY WAS EXECUTED UNDER MY DIRECTION AND SUPERVISION AND THAT THIS PLAN IS A TRUE AND CORRECT REPRESENTATION OF SAID SURVEY.

NOTE:
THE COORDINATE REFERENCING SYSTEM IS BASED ON NAD83(CSRS) EPOCH 2010, VELOCITY MODEL 6.0.0, PEI DOUBLE STEREOGRAPHIC PROJECTION. COORDINATES AND BEARINGS ARE DERIVED FROM DUAL FREQUENCY GNSS OBSERVATIONS OF THE LEICA GEOSYSTEMS SMARTNET NETWORK.

ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF, UNLESS OTHERWISE NOTED.

TO CONVERT METRES TO FEET, DIVIDE BY 0.3048 EXACTLY.



INTERROGATORIES

IR-5(c) – Attachment 2

THIS INDENTURE made the _____ day of July, 2025

IN PURSUANCE OF THE ENACTMENTS RESPECTING SHORT FORMS OF INDENTURES:

BETWEEN:

CITY OF CHARLOTTETOWN (as successor to the COMMISSIONERS OF SEWERS AND WATER SUPPLY), a body corporate, duly incorporated,

(hereinafter called the "Grantor")

OF THE FIRST PART

AND:

MARITIME ELECTRIC COMPANY, LIMITED, a body corporate, duly incorporated,

(hereinafter called the "Grantee")

OF THE SECOND PART

WHEREAS the Commissioners of Sewers and Water Supply of the City of Charlottetown (the "**Commissioners**") acquired the property described in Schedule "A" annexed hereto on December 24, 1898;

AND WHEREAS pursuant to Schedule 3 of the *Charlottetown Area Municipalities Act*, RSPEI 1988, c C-4.1, the Commissioners were dissolved on April 1, 1995, and all of the assets of the Commissioners were transferred to the City of Charlottetown;

NOW THEREFORE, WITNESSETH THAT in consideration of One Dollar (\$1.00) of lawful money of Canada, now paid by the Grantee to the Grantor (the receipt whereof is hereby acknowledged), the said Grantor DOES grant unto the Grantee, its successors and assigns, forever, all and singular the lands situate, lying and being in Charlottetown, Queens County, Province of Prince Edward Island, and being more particularly bounded and described in Schedule "A" annexed hereto.

TOGETHER WITH all the rights, privileges, easements, advantages and appurtenances to the said lands belonging or appertaining or thereunto now or heretofore holden, used, occupied, or enjoyed: TO HAVE AND TO HOLD the said lands and premises with their appurtenances unto and to the use of the Grantee, its successors and assigns forever.

(1) THE SAID GRANTOR COVENANTS with the said Grantee (2) that it has the right to convey the said lands to the said Grantee notwithstanding any act of the said Grantor (3) AND that the said Grantee shall have quiet possession of the said lands (4) free from all encumbrances (5) AND the said Grantor covenants with the said Grantee that it will execute such further assurances of the said lands as may be requisite. (6) AND the said Grantor covenants with the said Grantee that it has done no act to encumber the

said lands. (7) AND the said Grantor releases to the said Grantee all its claims upon the said lands.

AND FURTHER THAT in consideration of the sum of One Dollar (\$1.00) of lawful money of Canada now paid to the Grantor by the Grantee (the receipt whereof is hereby acknowledged), the Grantor has granted, released and quitted claim and by these presents does grant, release and quit claim unto the said Grantee, its successors and assigns forever, all estate, right, title, interest, claim and demand whatsoever, both at law and in equity or otherwise howsoever, and whether in possession or expectancy, of, in, to, or out of all and singular the lands situate, lying and being in Charlottetown, Queens County, Province of Prince Edward Island, and being more particularly described in Schedule "B" hereto annexed.

TOGETHER WITH all the rights, privileges, easements, advantages and appurtenances to the said lands belonging or appertaining thereunto, or heretofore holden, used, occupied or enjoyed. TO HAVE AND TO HOLD the said lands and premises with their appurtenances unto and to the use of the Grantee, her heirs and assigns forever. AND the said Grantor releases to the said Grantee all its claims upon the said lands.

[Signature page follows.]

IN WITNESS WHEREOF the said Grantor has caused this Indenture to be duly executed effective as of the day and year first above written.

SIGNED SEALED & DELIVERED
in the presence of:

CITY OF CHARLOTTETOWN

Per:

Name:
Title:

Per:

Name:
Title:

Witness

SCHEDULE "A"

PID 336545

ALL THAT TRACT, PIECE OR PARCEL of land situate, lying and being in the City of Charlottetown, Queens County, Province of Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING at a legal survey marker placed in the northeastern boundary of a public road now or formerly known as Cumberland Street, said legal survey marker having coordinates N-687476.279 metres, E-390875.732 metres and being designated as number 208 as the same is shown on a "Plan Showing Property of Commissioners of Sewer & Water Supply for the City of Charlottetown", as prepared by Mantha Land Surveys Inc., on April 29, 2024, as drawing number M-25-80;

THENCE on an azimuth of 47° 12' 05" for the distance of 9.144 metres or to a calculated point designated as number 207 on the said plan;

THENCE on an azimuth of 137° 12' 05" for the distance of 18.288 metres or to a calculated point designated as number 210 on the said plan;

THENCE on an azimuth of 227° 12' 05" for the distance of 9.144 metres or to a calculated point designated as number 544 on the said plan;

THENCE on an azimuth of 317° 12' 05" for the distance of 18.288 metres or to a legal survey marker placed designated as number 208 on the said plan, being the point at the place of commencement,

BEING AND INTENDED to be Parcel "K1" on the said plan and having an area of 0.04 acres of land, a little more or less.

SCHEDULE "B"

Part of PID 338921

ALL THAT TRACT, PIECE OR PARCEL of land situate, lying and being in the City of Charlottetown, Queens County, Province of Prince Edward Island, bounded and described as follows, that is to say:

COMMENCING at a calculated point having co-ordinates N-687482.491 metres, E-390882.442 metres and being designated as calculated point number 207 as the same is shown on a "Plan Showing Property of Commissioners of Sewer & Water Supply for the City of Charlottetown", as prepared by Mantha Land Surveys Inc., on April 29, 2024, as drawing number M-25-80;

THENCE on an azimuth of 47° 12' 05" for the distance of 9.144 metres or to a calculated point designated as number 540 on the said plan;

THENCE on an azimuth of 137° 12' 05" for the distance of 30.480 metres or to a calculated point designated as number 541 on the said plan;

THENCE on an azimuth of 227° 12' 05" for the distance of 18.288 metres or to a legal survey marker placed designated as number 542 on the said plan;

THENCE on an azimuth of 317° 12' 05" for the distance of 12.192 metres or to a calculated point designated as number 544 on the said plan;

THENCE on an azimuth of 47° 12' 05" for the distance of 9.144 metres or to a calculated point designated as number 210 on the said plan;

THENCE on an azimuth of 317° 12' 05" for the distance of 18.288 metres or to a calculated point designated as number 207 on the said plan, being the point at the place of commencement, containing 0.10 acres of land, a little more or less.

BEING AND INTENDED to be a portion of land designated as "Parcel K2" having an area of 0.10 acres of land, a little more or less, included in an indenture dated October 6, 1994 from the Government of Prince Edward Island (as represented by the Minister of Transportation and Public Works) to Maritime Electric Company, Limited and registered in the Office of the Registrar of Deeds for Charlottetown, Prince Edward Island on October 7, 1994 in Book 739, at Page 50, as Document No. 5812.

DATED: July __, 2025

BETWEEN:

CITY OF CHARLOTTETOWN

OF THE FIRST PART

AND:

MARITIME ELECTRIC COMPANY, LIMITED

OF THE SECOND PART.

DEED OF CONVEYANCE

STEWART McKELVEY
65 Grafton Street
P.O. Box 2140
Charlottetown, Prince Edward Island
C1A 8B9
SM5093-306
AHS/PJM