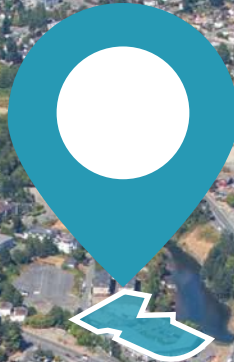


Nanaimo, B.C.

One Terminal Avenue



DOWNTOWN NANAIMO

High Density Mixed-Use Waterfront Redevelopment Opportunity
7.16 Acres in Downtown Nanaimo

CBRE

The Offering

CBRE Limited is pleased to present 1 Terminal Avenue (the “Property”), an exceptional 7.16-acre redevelopment opportunity along Nanaimo’s waterfront. Surrounded by parks and natural features in Downtown Nanaimo, the Property provides unobstructed waterfront views, excellent Highway 1 access, and is just steps from multiple ferry terminals, the seaplane terminal, and an array of amenities.

1 Terminal Avenue is poised to benefit from Nanaimo’s favourable demographic profile, strong residential and commercial markets, and a municipality that supports mixed-use development on the site. The size and positioning of the Property provides investors the opportunity to capitalize on these features and exploit the development flexibility offered, allowing them make their mark on Downtown Nanaimo.

Property Summary

Address	1 Terminal Avenue	444 Comox Road	450 Comox Road	500 Comox Road	55 Mill Street	Total Property
PID	001-456-202; 001-127-217; 001-127-225; 001-456-156	008-803-307	004-204-352	004-204-328	008-803-331	Various
Site Size (Acres)	6.30	0.14	0.15	0.31	0.26	7.16
Site Size (SF)	274,342	6,204	6,732	13,464	11,291	312,033
Zoning	CD7 / R8	R8	R8	DT12	R8	Mixed-Use
Existing Use	Hotel	Apartment	Apartment	Vacant	Rental House	Hotel / Residential



Investment Highlights

Downtown Nanaimo Waterfront Location

- » Located in Downtown Nanaimo, and integrated with the downtown’s waterfront, the Property offers unobstructed waterfront views and access to the Harbourfront walkway along Millstone River and Departure Bay.
- » The Property is just steps from multiple ferry terminals, the sea plane terminal, and an array of retail, banking, and dining options.
- » The Property offers development flexibility, providing the opportunity for investors to make their mark on Downtown Nanaimo and develop a comprehensive mixed-use community that is surrounded by waterfront features and natural parks, yet still integrated with downtown Nanaimo.

Prime Residential Development Area

- » The City of Nanaimo has demonstrated its support for densification in Downtown Nanaimo, with an emphasis on mixed residential and commercial uses.
- » There are already a number of developments proposed or under way in the Downtown, such as the Marcielo development project, a concrete high-rise tower that will introduce 110 new luxury condo units.
- » Strong multifamily market in downtown Nanaimo, with concrete high-rise presales at Wertman’s Marcielo project targeted at \$800 PSF.

Excellent Access Across the Island and Lower Mainland

- » The Property benefits from excellent highway access, located at the junction of Highway 1/Island Highway (Terminal Avenue) and Comox Road, which provides access from the northern part of the island through Nanaimo and into Downtown Victoria.
- » With three ferry terminals along Nanaimo’s waterfront, the Property is just steps to ferry service to Horseshoe Bay, Tsawassen Mills, and Gabriola Island.
- » Harbour Air provides 30-minute direct flights to downtown Vancouver.

Strong Economy and Low Residential Vacancy

- » Nanaimo has strong population growth and an average household income of \$85,025 that has increased 16.8% in the last five years.
- » Nanaimo unemployment remains low at only 5.1%.
- » A growing tourism industry supported by beautiful natural features promotes future investment.
- » The apartment rental market is extremely tight with a vacancy rate sitting at 1.6%.



Artistic rendering for illustration purposes only.

Redevelopment Potential

Official Community Plan

OCP DESIGNATION	Urban Node: Downtown Centre
OBJECTIVE	Support high density residential, mixed use commercial/residential, and office
SUPPORTED DENSITY	50 to 150+ units per hectare (20 to 60+ units per acre)
SUPPORTED HEIGHT	“High Rise Buildings”

Existing Zoning

ZONING	CD7 – Comprehensive Development	R8 – Medium Density Residential	DT12 – Downtown Gateway
PERMITTED DENSITY	Residential: 1.50x FSR; plus 0.25x FSR (UG parking bonus) Commercial: No FSR limit	Base: 1.25x FSR; plus 0.25x FSR (UG parking bonus); plus 0.10x FSR (tier 1 bonus); plus 0.25x FSR (tier 2 bonus)	Total: Base 1.00x FSR; plus 0.25x FSR (mixed-use bonus); plus 0.25x FSR (tier 1 bonus); plus 0.25x FSR (tier 2 bonus)
SETBACKS	Front: 6 meters Side: 3-4 meters Rear: 10.5 meters	Front: 6 meters Side: 3-4 meters Rear: 10.5 meters	Front: 3.5 meters Side: 0-3 meters Rear: none
MAXIMUM HEIGHT	72 – 193 meters	14 meters	19.8 meters
MAXIMUM SITE COVERAGE	100%	40%	100%
PERMITTED USES	Multi-residential, convention centre, hotel, office, retail, recreation, public assembly & entertainment	Multi-residential, daycare [3], convenience store [3], hotel [2]	Multi-residential, arcade, convention centre, daycare, hotel, retail, office, recreation, theatre

[1] Parking requirements may be reduced 10% - 20% for mixed-use projects [2] Site specific (discretionary use) [3] Accessory use only

Located on the waterfront in Downtown Nanaimo, the Property is surrounded by natural features, parks, and an exceptional array of retail and commercial amenities.



Downtown Revitalization

Downtown Revitalization Tax Exemption Program

New developments on 1 Terminal Avenue will benefit from tax exemptions, which apply to commercial and multi-residential projects greater than \$500,000. Tax exemptions will result in a 10-year municipal tax freeze on the pre-improvement value of the Property.

Marcielo Development

The 77 Chapel Street development was recently approved by the City of Nanaimo. A rezoning application was approved in November 2018 to increase the permitted density to 4.25x FSR, which allows for 24 storeys - up from the previously-allowed 6 storeys.

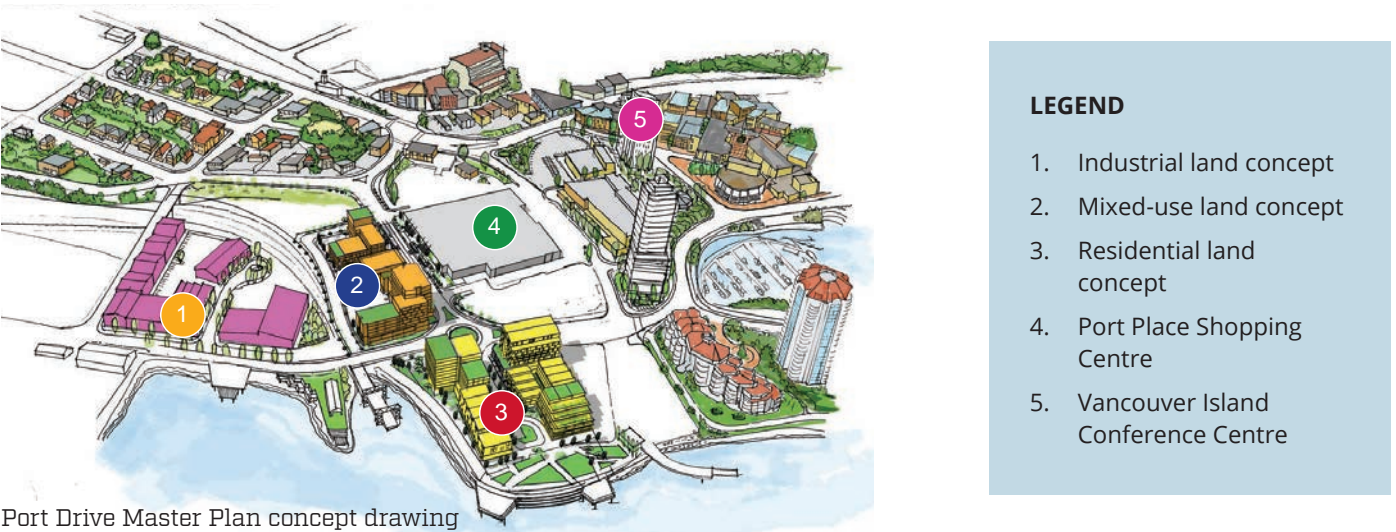
The development will see a 24-storey, 110-unit luxury residential condo building including ground floor commercial and office space, a two-storey athletic club, five townhouse units, and 167 underground parking stalls.



Port Drive Waterfront Revitalization

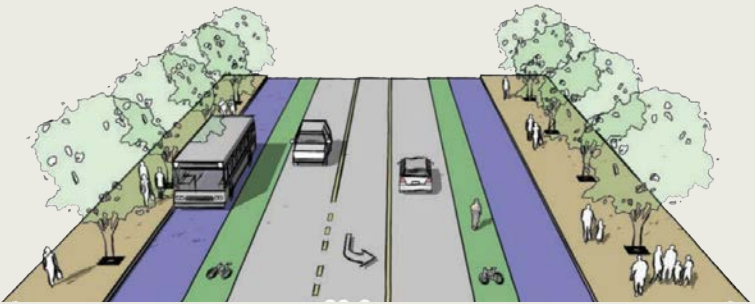
The Port Drive Waterfront Master Plan is currently in the planning stages, and will set the framework for developments to the waterfront area, including land use, transportation, and environmental protection. Covering a total of 24.4 acres, the Master Plan site area is located at the waterfront edge of Downtown Nanaimo, next to the Gabriola Ferry Terminal and across from Port Place Mall. Some of the main objectives of the Plan include promoting access and connectivity to local neighbourhoods, the city, and the region, and supporting an evolving working harbour.

The Master Plan site area has identified three main land uses, including residential, mixed-use, and light industrial. Residential demand in Nanaimo suggests that 3,700 new apartments and townhouses could be supported by 2035, with 25% of the demand captured by the Plan Area.



The Master Plan also sets out to increase transportation and mobility throughout the Plan Area, increasing access to the site and pedestrian connectivity through the implementation of walking routes, bike lanes, pedestrian-friendly streetscapes, and bus lanes along Front Street.

The Port of Nanaimo is also developing a \$34 million expansion plan that will increase marina capacity by over 50%, evolving the port as a working harbour. The expansion will allow the marina to increase commercial use and improve logistics for vessels. Additionally, construction is currently underway on a vehicle processing facility for imported vehicles, with an estimated 12,000 vehicles delivered in the first year of operation, and then increasing to over 50,000 per year. The facility is expected to open mid-2019 and provide over 100 jobs for the region.



Market Fundamentals



Vancouver Island's second largest city



Population is expected to grow by 25% to 200,811 by 2041



Commercial and retail centre for central and northern Vancouver Island

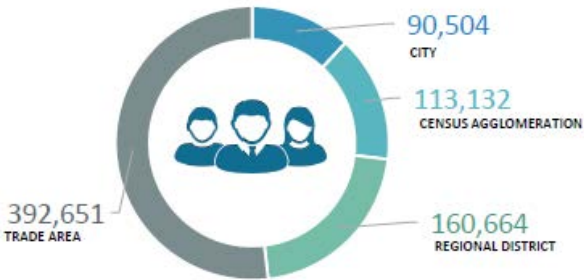


Fifth fastest growing urban centre in B.C.

The economic hub of Vancouver Island, Nanaimo is easily accessible by sea or air to the lower mainland and the Pacific Northwest. With its talented workforce, extraordinary beauty, enviable lifestyle, and first rate infrastructure, Nanaimo is attracting new business and residents to the area.

Nanaimo is Vancouver Island's second largest city, serving as the commercial and retail center for central and northern Vancouver Island. Its diverse economic base forms a regional center for technology, manufacturing, tourism, retail, health and government services. Northern Nanaimo is a densely populated residential community with stable household incomes that support retail sales activity across the City. Nanaimo's population makeup is older than that of the BC and Canadian average with a median age of 50.9 versus 42.4 and 40.8 respectively. This aging population may look to downsize into condominiums and townhomes, which bodes well for the success of future residential tower developments in Downtown Nanaimo.

Nanaimo is Vancouver Island's second largest city, serving as the commercial and retail center for central and northern Vancouver Island.



Over the next 5 years, Nanaimo's population growth is expected to outpace the national average, supported by ongoing migration. Families and retirees continue to be drawn to the region in pursuit of a high quality of life and affordable housing in a market where the average home price is \$565,388, 54% lower than the Vancouver average home price of \$1,229,400. Between 2013-2018, Nanaimo's

population grew by 6.6% and is expected to grow by 5.7% over the coming five years, compared to the predicted national growth trend of 5.0% across Canada. Average household incomes have grown by close to 16.8% over the past 5 years to total \$86,058 per annum in 2018. By 2023, this figure is expected to exceed \$98,000 per annum.

The Nanaimo housing market is demonstrating attractive trends that are supportive of further investment. The rental vacancy rate fell to 1.6%; coupled with rising rental rates, the potential for new rental development projects and greater construction activity is supported. Of the 991 new housing starts in 2017, 48% were multi-residential.

In the Vancouver Island region, 82% of the employment is provided by the service sector. The goods producing sector employs 18% of the labour force. The City of Nanaimo mirrors Vancouver Island with 83% of the employment by service sector and 17% by the goods producing sector.

Since 2011, Nanaimo's GDP has grown by 11% to \$4.2 billion, driven primarily by the service producing sectors including Finance & Insurance, Real Estate, Professional Scientific Technical and Educational services. In the goods producing sector, growth has been recorded in the agriculture, forestry, fishing, and manufacturing sectors.



One Terminal Avenue

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