



SOUTH OKANAGAN
Appraisals

NARRATIVE APPRAISAL OF VACANT RESIDENTIAL LAND “AS COMPLETE”

As at: June 23, 2023

AREAS A, B, D & E ECO-VILLAGE CONCEPT 2

SUMMERLAND, BRITISH COLUMBIA

FILE #7921

Prepared For:

District of Summerland

Attn: Brad Dollevoet, Director of Development Services

13211 Henry Ave

Summerland, British Columbia

VOH 1Z0



JULY 4, 2023

District of Summerland

13211 Henry Ave
Summerland, British Columbia
VOH 1Z0

Attention: Brad Dollevoet, Director of Development Services;

**RE: FILE #7921 APPRAISAL REPORT ON AREAS A, B, D & E ECO-VILLAGE
CONCEPT 2, SUMMERLAND – VACANT RESIDENTIAL LAND “AS
COMPLETE”**

In accordance with the letter of engagement, I have appraised the above referenced property and provide an estimate of current market value of:

**THREE MILLION NINE HUNDRED AND FIFTY THOUSAND DOLLARS
(\$3,950,000) “As Complete without Sewer Alignment”**
**FOUR MILLION FOUR HUNDRED AND FIFTY-FIVE THOUSAND DOLLARS
(\$4,455,000) “As Complete with Sewer Alignment Completed”**

With an effective date of: June 23, 2023

Date of inspection: June 23, 2023

The purpose of the report is to develop an estimate of the current market value of the subject property “As Complete”, in unencumbered fee simple ownership for the intended use: to assist with matters relating to internal business decisions only.

The estimate of value is as of the effective date and is subject to the authorized intended use, assumptions and limiting conditions included in the report to which the reader’s attention is specifically directed. The report is enclosed and must be read in its entirety.

By accepting this report, the client or the intended user/authorized user accepts that:

- 1. The hypothetical conditions and assumptions identified in this report have not been independently verified or are items that are assumed to be true as part of this assignment, and*

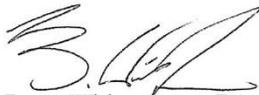
2. *This report may not be reasonably relied on as proof that any of the hypothetical conditions or assumptions are true and accurate or that they will be true and accurate at any point in the future, and*
3. *In the event that any hypothetical condition or assumption in this report is discovered not to be true and accurate, it may impact the estimate of market value provided in this report. The author(s) disclaims any liability arising from any hypothetical condition or assumptions not being true and accurate as at the date of this report or in the future.*

No Person or party other than the authorized intended user specifically identified herein can rely on this report without first obtaining written authorization from the author of this report. Such authorization is at the discretion of the author, and may only be issued with permission from the client of this report.

The report is prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP).

Yours truly,

South Okanagan Appraisals



Bryce Witherspoon, BA, AACI, P. App
AIC Membership #908111
Commercial Real Estate Appraiser

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SOUTH OKANAGAN
Appraisals

EXECUTIVE SUMMARY

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Address	Areas A, B, D & E Eco-Village Concept 2, Summerland, British Columbia
Legal Descriptions (current)	<p>PARCEL 1: LOT 2 DISTRICT LOT 2543 OSOYOOS DIVISION YALE DISTRICT PLAN 8353</p> <p>PARCEL 2: LOT 18 DISTRICT LOT 2543 OSOYOOS DIVISION YALE DISTRICT PLAN 182 EXCEPT PLANS 13580, KAP60859 AND KAP72843</p> <p>PARCEL 3: LOT 19 DISTRICT LOT 2543 OSOYOOS DIVISION YALE DISTRICT PLAN 182</p> <p>PARCEL 4: BLOCK B DISTRICT LOT 2543 OSOYOOS DIVISION YALE DISTRICT PLAN 182</p> <p>PARCEL 5: LOT 20 DISTRICT LOT 2543 OSOYOOS DIVISION YALE DISTRICT PLAN 182 EXCEPT PLAN 5439</p>
Purpose	Determine the current market value of the fee simple interest “As Complete” as at June 23, 2023.
Intended Use	to assist with matters relating to internal business decisions
Lot Size	<p>Area A: 3.63 acres</p> <p>Area B: 5.88 acres</p> <p>Area D: 1.01 acres</p> <p><u>Area E: 0.62 acres</u></p> <p>Total: 11.14 acres (net useable area)</p>
Zoning	RMD - Residential Medium Density Zone
Assessment (2023)	Newly subdivided - not yet assessed
Highest and Best Use	Residential Development
Date of Appraisal	June 23, 2023

ESTIMATES OF VALUE:

Cost Approach	N/A
Income Approach	N/A
Direct Comparison	\$3,950,000 "As Complete without Sewer Alignment" \$4,455,000 "As Complete with Sewer Alignment"
Final Value Conclusion	\$3,950,000 "As Complete without Sewer Alignment" \$4,455,000 "As Complete with Sewer Alignment"

NATURE OF THE ASSIGNMENT

NATURE OF THE ASSIGNMENT

PROPERTY ADDRESS

Areas A, B, D & E Eco-Village Concept 2, Summerland, British Columbia

PURPOSE OF THE APPRAISAL

The purpose of this report is to estimate the current market value “As Complete” of the fee simple interest in the subject property as at June 23, 2023.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple interest in the subject property.

It is held in perpetuity, carrying with it the right to sell, lease, or give it away, and is subject only to restrictions held by the Crown i.e. taxation, expropriation, police power, and escheat. Partial or sub-interests, such as leasehold, can be created by the fee simple owner, granting some of those rights to another for a stated period under certain conditions.

DEFINITION OF MARKET VALUE

Market Value is defined as “the most probable price which a property should bring in a competitive and open market as of the specified date 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 specific date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and

- 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.

PERTINENT DATES

The effective date of the value conclusion is June 23, 2023. Research and primary fieldwork were performed between June 23, 2023 and July 4, 2023. I have considered only information available through these dates.

INTENDED USE

I have prepared this appraisal report for use by District of Summerland to assist with matters relating to internal business decisions only. All other uses are denied.

My report or any of the data, contents, observations, and conclusions (i.e., “contents”) therein cannot be used or quoted in any marketing material, prospectus, or any other document that may be offered to individuals, entities, and/or organizations (i.e., third parties) considering a purchase of the real estate that is the subject, or ancillary subject, of this assignment. Any such use of the contents of this self-contained report by said third parties will be at their sole risk; said third-party users understand and acknowledge that there exists no client or fiduciary relationship between them and Bryce Witherspoon, BA, AACI. Furthermore, District of Summerland and the other intended users shall indemnify and hold Bryce Witherspoon, BA, AACI harmless from claims, demands, liabilities, judgments, liens, encumbrances, costs and expenses, including attorney's fees, arising out of, related to, or in connection with this assignment which might be brought by their shareholders and/or these third parties.

Any responsibility of Bryce Witherspoon, BA, AACI is limited to the client, and use of my product by third parties shall be solely at the risk of the client and/or third parties.

ASSIGNMENT CONDITIONS

EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS

Extraordinary Assumption is defined in CUSPAP as follows: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

- *The bearing capacity and soil conditions do not prohibit development (no geotechnical reports or soil condition reports have been reviewed).*

- *Values and opinions contained in this report are based on market conditions as of the effective date of this report. As this report does not and cannot consider any changes to the property or market conditions after the effective date; clients and intended users are cautioned in relying on the report after the effective date noted herein.*
- *There are no unusual impediments to site servicing.*
- *The appraisal may not have considered all physical, functional and external market factors that may affect value, i.e. the comparable properties have not been inspected and vendors and purchasers have not been contacted unless otherwise indicated in the report. If further investigation of any of the sales provides additional information that differs significantly from the information provided and relied upon for this report, then the report would have to be readdressed as the value estimate could be impacted.*
- *That unless otherwise stated in this report, we are not aware of any environmental or occupational hazardous materials or waste activities on the site, nor are we aware of any environmental assessment having been conducted and assume that the subject property and indicators of value are free and clear of potentially hazardous materials and any soil contamination. No methane gas tests, or radon gas tests have been conducted. The appraiser is not qualified to detect such conditions and we are not responsible for any such conditions, or for any expertise or engineering knowledge required to discover such conditions.*
- *That the land areas used in the report as the basis for the value conclusions are correct and accurate, should they be materially different, the dollar amounts could also change.*

HYPOTHETICAL CONDITIONS

Hypothetical Condition is defined in CUSPAP as follows: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

- *"As Complete" assumes the parent parcels have been consolidated and rezoned/subdivided in line with Concept 2 of the Eco Village Plan.*
- *Areas A, B, D & E form a single property with a net useable area of 11.14 acres having RMD - Residential Medium Density zoning and an approved development plan is not yet in place.*

EXPOSURE PERIOD

Reasonable exposure time may be defined as follows: "The estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value

on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market”.

Exposure time can vary for various types of real estate under different market conditions and is always presumed to occur prior to the effective date of the appraisal. This is substantiated by related facts in the appraisal e.g. the use of current cost information, the analysis of historical sales information, and the analysis of future income expectancy estimated from the effective date of the appraisal.

The estimate of the time period for reasonable exposure is not intended to be a prediction of a date of sale, but instead an integral part of the analysis conducted during the appraisal assignment. The estimate may be expressed as a range and can be based on statistical information, specific sales analysis or interviews with market participants. Related information gathered through this process can include the identification of typical buyers and sellers for the type of real estate involved, typical equity investment levels, and financing terms. My estimate of the probable exposure time for the property is one to six months.

MARKETING TIME

Marketing time, on the other hand, may be defined as a reasonable estimate of the amount of time it might take to sell a property interest in real estate at the estimated market level during the period immediately after the effective date of the appraisal.¹ A reasonable marketing time for the subject property is also estimated to be one to six months.

SCOPE OF THE APPRAISAL

The scope of work for this appraisal assignment is outlined below:

- All information was collected and analyzed by Bryce Witherspoon, BA, AACI, P. App. I received my instructions from District of Summerland, who provided information on the properties. Publications produced by the local municipality provided information on applicable land use controls. Sources of market evidence included, as appropriate, the local real estate board, Land Title Office transactions – including those reported by Data Systems and local assessors, and real estate agents, vendors and purchasers active in the market.
- I did not complete technical investigations such as: An environmental review of the property; a site survey; or investigations into the bearing qualities of the soils.

¹ Source: 2022 Canadian Uniform Standards of Professional Appraisal Practice

- The analysis set out in this report relied on written and verbal information obtained from a variety of sources I considered reliable. Unless otherwise stated herein, I did not verify client-supplied information, which I believed to be correct. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration, so I did not fully document or confirm by reference to primary sources all information herein.
- The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends.
- The appraiser confirmed and analyzed legal and physical features of the subject, and how they impact the functionality and overall competitive position of the properties.
- The appraiser completed a supply/demand market analysis of the market. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraisers conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject properties As-Vacant.
- Selection of the valuation method was based on the identifications required in CUSPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Sales Comparison approach to value, which was adjusted and reconciled as appropriate.
- I understand the Competency Rule of CUSPAP and the author of this report meets the standard.

The value conclusion of the appraisal is based on this investigation and analysis and is conveyed in this narrative report. The analyses, opinions, and conclusions were developed based on, and this report has been prepared in conformance with, my interpretation of the guidelines and recommendations set forth in CUSPAP.

SALES HISTORY

Land Titles Office:	Kamloops
PID(s):	012-646-717, 009-833-722, 012-646-695, 012-646-709, 012-646-601
Current Ownership:	District of Summerland
Number of sales within last 3 years:	The 5 PIDs listed above are being consolidated then rezoned and subdivided under the Eco-Village concept 2 plan. Areas A, B, D & E will be consolidated under one parcel and sold through an RFP to a developer

ENCUMBRANCES

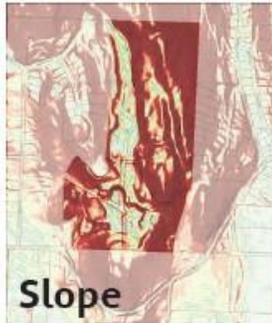
The subject parcel is being newly subdivided and its title is not yet available. This appraisal is based upon the assumption that there are no encumbrances that have a significant impact on the allowable use, marketability or redevelopment potential of the subject sites.

DESCRIPTION OF THE REAL ESTATE

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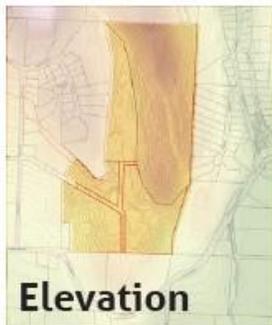
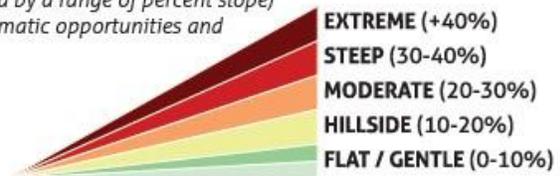
PHYSICAL CHARACTERISTICS

TOPOGRAPHY MAP



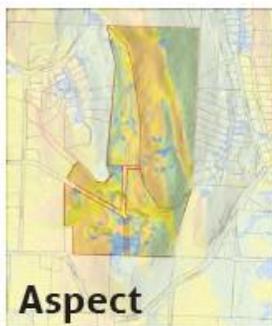
The slope map depicts terrain steepness and informs design to minimize physical impacts and design universally-accessible public spaces.

Slope classes (defined by a range of percent slope) correlate to programmatic opportunities and constraints.



The elevation colors and contours represent 3 metre intervals of elevational change (e.g. one storey).

Accordingly, prospect, solar gain and shadowing plays a significant role in considering program configuration within the site.

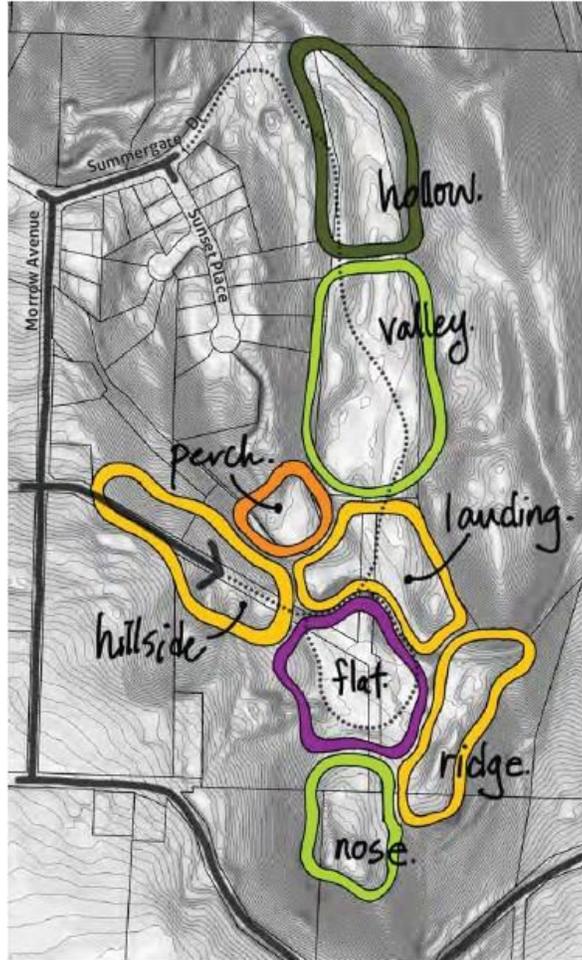


The aspect map represents the direction in which the land faces and provides insight on the sun exposure/solar gain of the site.

This understanding informs building and open space design and orientation, to optimize pedestrian comfort and energy efficiency.



TOPOGRAPHY DESCRIPTION



Hillside

Access into the site climbs steadily from Morrow Avenue.

Landing

The climb comes around the nose of Sunset Place hill to arrive at a level area with interesting elevational relationships to 'landscape rooms' set above, below and opening up into the valley north.

Perch

As one enters the landing, a small bench or "perch" overlooks the area facing south toward the site of the future solar project.

Flat

Level and benefiting from southern exposure, this former District operations brownfield site is the location of the solar and storage project.

Nose

The nose sits at the top of steep slopes, overlooking vineyards and rural lands.

Ridge

Breathtaking views of summerland are revealed amongst grasses and brush that serve as habitat to snakes and other critters.

Valley

Nestled between ridges, the wooded south-facing valley offers a lovely, gentle landscape in a serene natural environment.

Hollow

The valley ends where a sensitive wetland ecosystem begins in the 'hollow'.

ECO-VILLAGE CONCEPT PLAN



AREA A



AREA B



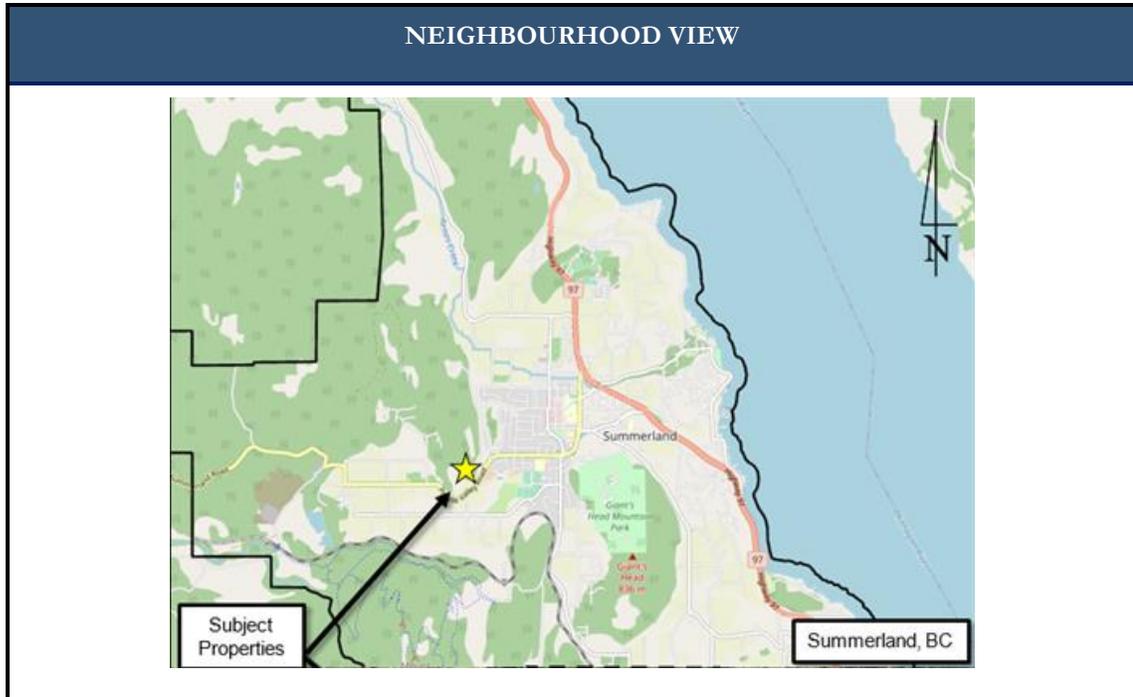
AREA D & E



SITE ACCESS



Site Area:	Area A: 3.63 acres, Area B: 5.88 acres, Area D: 1.01 acres, Area E: 0.62 acres. Total net useable area is 11.14 acres.
Parcel Shape:	Irregular
Soils/Drainage:	A detailed soils analysis was not available for review. Based on surrounding uses the site appears suitable for development.
Easements:	This appraisal assumes that there is no negative value impact on the subject property from easements, encroachments, or other encumbrances.
Accessibility:	Access into the subject is from the west via Denike Street.
Services:	The subject is currently unserviced. The sanitary sewer main is located to the east at Cartwright Ave. The city is considering a sewer alignment project that would see the sewer main extended through the subject and tie into the Deer Ridge neighbourhood to the west of the subject. The cost share to extend the sewer line through the subject land is estimated at \$508,438. Connection to the sewer system is a requirement for development. The municipal water main runs along Prairie Valley Road to the south and hydro is also available nearby.
Improvements:	Nil
Strengths:	Located in a desirable area - 2 km walking/cycling distance to downtown, next to District managed parkland.
Weaknesses:	Sewer extension required.



City Quadrant:	Southwest of city centre
To the North:	Wetland ecosystem that is proposed as dedicated nature park. Trail connectivity is maintained through interventions such as, foot bridges and boardwalks spanning over sensitive wetland habitat.
To the South:	Raw land.
To the East:	Nature Park
To the West:	Residential subdivision
Neighbourhood Amenities:	2 km walk/cycle to Downtown (5 minute drive).

ZONING

RMD - RESIDENTIAL MEDIUM DENSITY ZONE

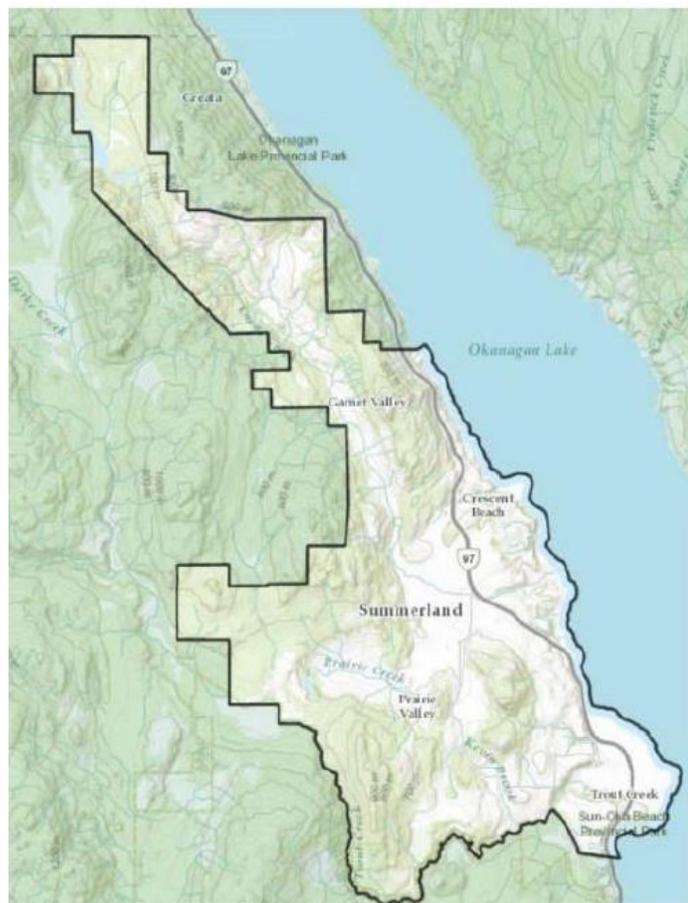
Purpose	To provide a zone to accommodate the Development of multiple housing units in close proximity to existing or proposed low Density Developments on lands having Full Urban Services.
Permitted Use	Principal Uses: (a) Cluster Housing comprised of Single Detached Housing, Duplex Housing, and /or Townhouse Housing; (b) Duplex Housing; and (c) Townhouse Housing. Accessory Uses: (a) Accessory Buildings and Structures; (b) Child Care Centre, Minor; and (c) Home Occupation - Type 1.
Other Regulations	Subdivision Regulations: (a) Minimum Lot Area 1,100m ² (b) Minimum Lot Width 30.0m (c) Minimum Lot Depth 30.0m. Development Regulations (a) Maximum Lot Coverage 40 percent (b) Maximum Floor Area Ratio 0.6 Siting Regulations (a) Principal Buildings and Structures (i) Minimum Front Setback 6.0m (ii) Minimum Rear Setback 7.5m (iii) Minimum Side Setback (Interior) 4.0m (iv) Minimum Side Setback (Exterior) 6.0m (v) Maximum Height The lesser of 10.5m or 3 Storeys (b) Accessory Buildings and Structures: (i) Minimum Front Setback 6.0m (ii) Minimum Rear Setback 1.5m (iii) Minimum Side Setback (Interior) 1.5m (iv) Minimum Side Setback (Exterior) 6.0m (v) Maximum Height The lesser of 4.5m or 1 Storey.
Conclusion	The subject land is currently vacant. All planned developments would need to comply with the RMD regulations. I have been instructed to view the subject as having uniform RMD zoning across all areas. In reality, the subject may have several areas zoned for high-density apartments.

MARKET AREA ANALYSIS

MARKET AREA ANALYSIS

DISTRICT OF SUMMERLAND OVERVIEW

The District of Summerland is located within the Regional District of Okanagan Similkameen and delivers municipal services to a growing population of approximately 12,042. The district boasts a small-town atmosphere, beautiful outdoor environment and a great quality of life, making Summerland a desirable place to work and play, and a popular vacation destination.



SUMMERLAND ECONOMIC OVERVIEW

The traditional economic driver in Summerland has been the fruit growing industry which has been expanding through related enterprises such as wine and cider production. Tourism, commercial and light industry have also become significant parts of the local economy. Summerland's economy is stable with employment from a range of sectors including agriculture, manufacturing, commercial, retail, tourism and agricultural research.

POPULATION & HOUSING

The 2021 census showed a population of 12,042, up from the 2016 population of 11,615. This is a growth of 3.7 per cent. The community, with an area of 74.04 square kilometres, has a population density of 162.6 people per square kilometre.

Summerland's rate of growth is lower than the provincial average of 7.6 per cent. It is also less than the growth seen in many other communities in the South Okanagan and Similkameen. Penticton saw a population growth of 9.3 per cent, Osoyoos grew by 10 per cent, Oliver had a 3.4 per cent growth and Keremeos saw its population increase by 7.1 per cent. The community of Princeton had a 2.3 per cent growth from the 2016 census to the 2021 census.

The census also shows a total of 5,426 private dwellings in the community. Of these, 5,084 are occupied by usual residents.

From 2006-2016 there was an increase in all dwelling types except zero-bedroom (bachelor suites) and one-bedroom dwelling types. To address the projected household growth, the District is expected to require an additional 165 units by 2026. Based on regional household growth rates, the majority of these new units will be two and three-bedroom dwellings.

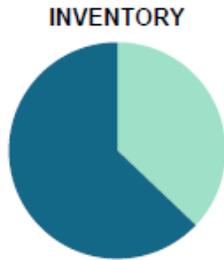
SUMMERLAND SINGLE-FAMILY MARKET SUMMARY

May 2023

Area Delimited by Division Summerland - Residential Property Type - Single Family Sub Type

MARKET SUMMARY

Report produced on Jun 28, 2023 for David Steele

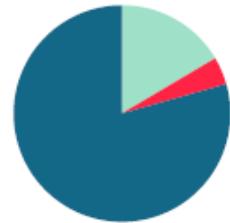


Inventory
 New Listings
36 = 37.11%
 Start Inventory
61
 Total Inventory Units
97
 Volume
\$134,220,778

Market Activity

Sold Listings
16 = 16.49%
 Other Off Market
4 = 4.12%
 Active Inventory
77 = 79.38%

MARKET ACTIVITY



Compared Metrics	May			Year to Date		
	2022	2023	+/-%	2022	2023	+/-%
Sold Listings	18	16	-11.11%	72	63	-12.50%
New Listings	47	36	-23.40%	162	149	-8.02%
Average List Price	885,211	1,010,925	14.20%	912,881	970,784	6.34%
Average Sale Price	882,828	950,375	7.65%	910,041	923,586	1.49%
Average Percent of Selling Price to List Price	100.54%	95.52%	-4.99%	100.43%	95.70%	-4.72%
Average Days on Market to Sale	22.39	44.56	99.04%	37.53	46.00	22.58%
Monthly Inventory	72	77	6.94%	72	77	6.94%
Months Supply of Inventory	4.99	6.84	37.05%	4.99	6.84	37.05%

Absorption: Last 12 months, an Average of 11 Sales/Month

Inventory on May 31, 2023 = 77

2022 2023

MAY MARKET

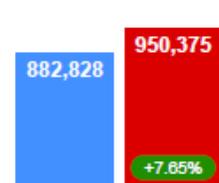
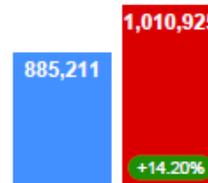
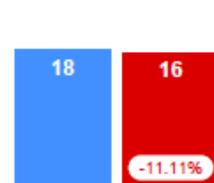
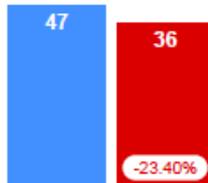
AVERAGE PRICES

New Listings

Pending Listings

List Price

Sale Price



INVENTORY

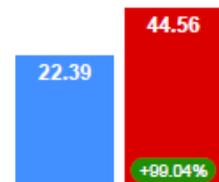
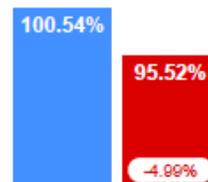
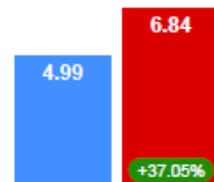
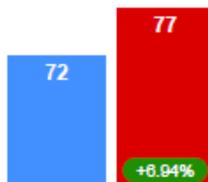
AVERAGE SOLD/LIST RATIO & DOM

Active Inventory

Monthly Supply of Inventory

Sale/List Ratio

Days on Market



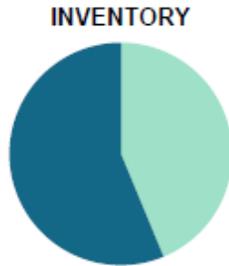
SUMMERLAND TOWNHOUSE MARKET SUMMARY

May 2023

Area Delimited by Division Summerland - Residential Property Type -
Townhouse Sub Type

MARKET SUMMARY

Report produced on Jun 28, 2023 for David Steele



Inventory
 New Listings
7 = 43.75%
 Start Inventory
9
 Total Inventory
Units
16
 Volume
\$8,382,500

Market Activity

Sold Listings
7 = 43.75%
 Other Off Market
0 = 0.00%
 Active Inventory
9 = 56.25%

MARKET ACTIVITY



Compared Metrics	May			Year to Date		
	2022	2023	+/-%	2022	2023	+/-%
Sold Listings	3	7	133.33%	19	20	5.26%
New Listings	3	7	133.33%	21	28	33.33%
Average List Price	582,933	493,114	-15.41%	722,595	537,570	-25.61%
Average Sale Price	593,333	475,143	-19.92%	718,284	523,025	-27.18%
Average Percent of Selling Price to List Price	102.36%	97.96%	-4.30%	99.13%	97.65%	-1.49%
Average Days on Market to Sale	16.33	33.57	105.54%	24.47	35.85	46.48%
Monthly Inventory	6	9	50.00%	6	9	50.00%
Months Supply of Inventory	1.85	4.50	143.75%	1.85	4.50	143.75%

Absorption: Last 12 months, an Average of 2 Sales/Month

Inventory on May 31, 2023 = 9

2022 2023



HIGHEST AND BEST USE

HIGHEST AND BEST USE

INTRODUCTION

Highest and Best Use may be defined² as;

“That reasonably probable use of a property, that is physically possible, legally permissible, financially feasible, and maximally productive, 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,
- maximum profitability.

The concept of Highest and Best Use is fundamental to real property value. In one application of the concept, the property is considered as though vacant and available for development. In the other application, the highest and best use of the property as improved is estimated. This is because the highest and best use of the site 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.

Highest and Best use of land or a site is the use among all reasonable alternative uses that yields the highest present land value, after payment for labour, capital and co-ordination. The conclusion assumes that the parcel of land is vacant or can be made vacant by demolishing any improvements.

The single most important factor that influences any consideration of the most profitable likely use to which a property can be put is the zoning as it exists or, in some instances, the feasibility or possibility of rezoning to another or higher use.

² Source: 2022 Canadian Uniform Standards of Professional Appraisal Practice

CONCLUSION

Legal permissibility	Duplex, Townhouse or Single-Family residential use is legally permissible given the subject's zoning designation.
Physical possibility	The subject consists of a residential parcel which features adequate frontage and depth. The overall size of the site is suitable for duplex, townhouse or single-detached dwellings evidenced by comparable developments on similar lots throughout the district.
Financial Feasibility	The zoning characteristics, as well as locational characteristics suggest that a mixed single-family and townhouse development represents the most financially feasible development. Users of these types of properties typically prefer locations near similarly zoned development with good access.
Maximum Profitability	Considering all reasonably probable uses and potential values that could be created versus the development costs, I have concluded no other use would be as profitable as residential development.
Conclusion	It is my opinion that the "Highest and Best Use" for the subject would be for residential development. The site would most typically appeal to a local proprietor who would utilize the property as an investment vehicle. Given the subject's location adjacent to a fully developed area, development would likely be in the near term.

APPROACHES TO VALUE

METHODOLOGY

When dealing with a strictly land valuation, application of all three approaches is limited. Neither the cost nor the income approaches will be utilized.

There are a number of different techniques that can be used for the valuation of land:

- **The Direct Comparison Approach** in which the site being appraised is compared with similar sites that have recently been sold or offered for sale.
- **The Abstraction Method** in which the value is allocated to the improvements in a recent sale and, after subtracting this value from the overall sale price, the remainder is attributable to the land.
- **The Extraction Method** a method of estimating land value in which the depreciated cost of the improvements on an improved property is estimated and deducted from the total sale price to arrive at an estimated sale price for the land; most effective when the improvements contribute little to the total sale price of the property.
- **The Development Method** in which the gross revenue from the sale of the lot, or lots, is established. A deduction is then made for servicing, sales commissions, overhead and carrying costs, and the developer's profit. The resulting figure is an indication of the value of the vacant site. This approach is often used when estimating the value of "raw land" with good development potential and is also referred to as the "Subdivision Approach".
- **The Land Residual Method** in which various types of improvements are hypothetically erected on a site in order to determine the highest and best use, being that use which results in the highest net return to land. The net return is subsequently capitalized to provide a value estimate assuming the property is developed to its highest and best use. The cost of completing the proposed development is then subtracted from the capitalized value in order to provide a residual value to the land. This method is especially applicable in the case of sites with potential for development with an income producing property.
- **Ground Rent Capitalization** in which ground lease rents are converted into land values. A property's annual income can be converted to a land value if a capitalization rate, or "rate of return" can be derived from the market.

The most commonly used approach is that of direct comparison in which sales and other data for similar parcels of land are analysed, compared, and adjusted to provide a value indication for the land being appraised. In this process, the similarity or dissimilarity of the parcels is considered.³

I believe there is sufficient market activity in the target market area over the past number of years to conduct a direct comparison approach. The direct comparison approach and analysis is included on the following pages.

³*The Appraisal of Real Estate, Canadian Edition*

DIRECT COMPARISON APPROACH

DIRECT COMPARISON APPROACH

The Direct Comparison Approach is a valuation method whereby the property being appraised is compared with similar properties that have recently been sold or offered for sale. The assumption is that if the subject property had been exposed to the market, it would have been in competition with the comparable property dealing with the same type of purchaser under similar market conditions. Since no two properties are completely alike, adjustments must be made to compensate for differences between the comparables and the subject property. In arriving at a value conclusion by this method, the greatest weight is given to actual sales of truly comparable properties made at or nearest the effective date of appraisal in order to reflect comparable economic conditions.

The Direct Comparison Approach is based on the “Principle of Substitution” which implies that a prudent purchaser will not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute property. This approach to value recognizes that the typical buyer will compare properties which constitute the market for a given type and class.

In estimating the market value of the subject property by the Direct Comparison Approach I have investigated and analysed sales of comparable development properties located in the Central and South Okanagan Area. Information on each of the comparable property sales is included on the following pages;

Index	Address	City	Sale Date	Zoning	Location	Sale Price	Lot Area (Acres)	Sale Price Per Acre
<i>Subject</i>	Areas A, B, D & E Eco-Village Concept 2	Summerland		RMD - Residential Medium Density Zone	Suburban		11.14	
1	Lot 1 Olympic View Dr	Osoyoos	March 19, 2021	RS1	Suburban	\$1,650,000	7.14	\$231,092
2	6575 & 6650 Renfrew Rd	Peachland	July 23, 2021	R1 & A2	Suburban	\$5,050,000	18.18	\$277,778
3	4880 Princeton Ave	Peachland	April 1, 2022	R1	Suburban	\$3,250,000	10.76	\$302,045
4	9110/9120 Main St	Osoyoos	January 15, 2019	CD8	Urban	\$2,700,000	8.72	\$309,704
5	5950 Victoria St	Peachland	August 27, 2021	R1	Suburban	\$1,600,000	4.24	\$377,358
6	4596 & 5930 Princeton/Columbia Ave	Peachland	February 5, 2021	RM3	Suburban	\$5,300,000	12.23	\$433,361
7	1055 Frost Rd	Kelowna	June 30, 2021	A1, RU1H	Suburban	\$9,300,000	17.72	\$524,831
8	3936 & 3640 McIver Rd	West Kelowna	April 14, 2022	R1, RC3, A1	Suburban	\$5,650,000	9.53	\$592,865
							Median	\$343,531
							Min	\$231,092
							Max	\$592,865

COMPARABLE #1



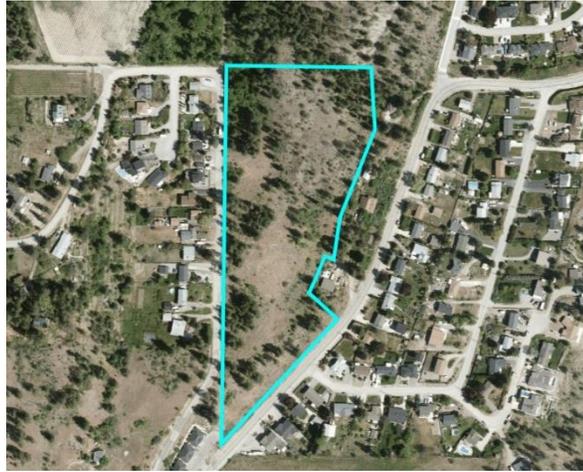
Comparable #1: Lot 1 Olympic View Dr, Osoyoos			
<i>Transaction Details</i>			
Consideration:	\$1,650,000	Site Size (Acres):	7.14
Sale Date:	March 19, 2021	Sale Price Per Acre:	\$231,092
Location:	Suburban	Zoning:	RS1
Rights Conveyed:	Fee Simple	Topography:	Sloping
Services:	Services Nearby	PID:	028-928-172
<i>Description</i>			
Zoning amended after sale from RS1 to R3 - Low Density Residential. To be developed with 12 duplex lots and two single-family lots.			

COMPARABLE #2



Comparable #2: 6575 & 6650 Renfrew Rd, Peachland			
<i>Transaction Details</i>			
Consideration:	\$5,050,000	Site Size (Acres):	18.18
Sale Date:	July 23, 2021	Sale Price Per Acre:	\$277,778
Location:	Suburban	Zoning:	R1 & A2
Rights Conveyed:	Fee Simple	Topography:	Sloping
Services:	Services Nearby	PID:	027-115-097 & 012-647-489
<i>Description</i>			
<p>The proposal is to build a 72-unit development (four executive lake-view single-family homes, 17 executive hillside single-family homes, 13 neighbourhood hillside homes, six orchard cottages and 32 lake-view townhomes). The developer has agreed to contribute \$100,000 to road upgrades.</p>			

COMPARABLE #3



Comparable #3: 4880 Princeton Ave, Peachland			
<i>Transaction Details</i>			
Consideration:	\$3,250,000	Site Size (Acres):	10.76
Sale Date:	April 1, 2022	Sale Price Per Acre:	\$302,045
Location:	Suburban	Zoning:	R1
Rights Conveyed:	Fee Simple	Topography:	Sloping
Services:	Services Nearby	PID:	012-681-610
<i>Description</i>			
Subdivision to create 32 Single Detached Residential (R1) lots.			

COMPARABLE #4



Comparable #4: 9110/9120 Main St, Osoyoos			
<i>Transaction Details</i>			
Consideration:	\$2,700,000	Site Size (Acres):	8.72
Sale Date:	January 15, 2019	Sale Price Per Acre:	\$309,704
Location:	Urban	Zoning:	CD8
Rights Conveyed:	Fee Simple	Topography:	Sloping
Services:	Serviced	PID:	011-195-185
<i>Description</i>			
<p>Mixed-use residential development site on Peanut Lake in downtown Osoyoos. CD8 zoning allows for a phased mixed-use high-density residential development. The zoning provides for commercial development fronting onto Main Street (Highway 3) plus three mid-rise residential buildings with a combined total density of 237 dwelling units facing Peanut Lake. Development land area is approximately 6 acres with water frontage of 450 feet on Peanut Lake.</p>			

COMPARABLE #5



Comparable #5: 5950 Victoria St, Peachland

Transaction Details

Consideration:	\$1,600,000	Site Size (Acres):	4.24
Sale Date:	August 27, 2021	Sale Price Per Acre:	\$377,358
Location:	Suburban	Zoning:	R1
Rights Conveyed:	Fee Simple	Topography:	Sloping
Services:	Services Nearby	PID:	010-562-630

Description

Subdivision to create ten Single Detached Residential (R1) lots.

COMPARABLE #6



Comparable #6: 4596 & 5930 Princeton/Columbia Ave, Peachland			
<i>Transaction Details</i>			
Consideration:	\$5,300,000	Site Size (Acres):	12.23
Sale Date:	February 5, 2021	Sale Price Per Acre:	\$433,361
Location:	Suburban	Zoning:	RM3
Rights Conveyed:	Fee Simple	Topography:	Sloping
Services:	Serviced	PID:	001-702-220, 012-694-894, 012-694-916
<i>Description</i>			
RM3: Multi-Unit Residential, Low Density & Cluster. Zoned and approved development permit for 97 townhome units. Zoning permits 122 units.			

COMPARABLE #7



Comparable #7: 1055 Frost Rd, Kelowna			
<i>Transaction Details</i>			
Consideration:	\$9,300,000	Site Size (Acres):	17.72
Sale Date:	June 30, 2021	Sale Price Per Acre:	\$524,831
Location:	Suburban	Zoning:	A1, RU1H
Rights Conveyed:	Fee Simple	Topography:	Rolling
Services:	Services Nearby	PID:	030-252-423
<i>Description</i>			
Rezoned after sale to medium density multiple housing and parks and open space. To be developed with four, four-storey multi-family dwellings. The development would include a total of 296 suites with a mixture of studios, one-bedrooms, two-bedrooms and three-bedrooms. There would be a mix of underground parking and surface parking.			

COMPARABLE #8



Comparable #8: 3936 & 3640 McIver Rd, West Kelowna			
<i>Transaction Details</i>			
Consideration:	\$5,650,000	Site Size (Acres):	9.53
Sale Date:	April 14, 2022	Sale Price Per Acre:	\$592,865
Location:	Suburban	Zoning:	R1, RC3, A1
Rights Conveyed:	Fee Simple	Topography:	Sloping
Services:	Services Nearby	PID:	005-519-128
<i>Description</i>			
Potential subdivision of 52 to 55 single family lots in the Glenrosa neighbourhood of West Kelowna.			

MARKET DATA ANALYSIS

In order for the comparables to provide an indication of value for the subject land, it is necessary to make adjustments with respect to their different attributes. Below is a list of the adjustments which, upon review of the market data, have been considered necessary in order to provide an indication of value for the subject.

Market participants can often identify superior or inferior characteristics when comparing properties. For this analysis, the listed quantitative adjustments below reflect the need for slight, moderate, fair, significant or large adjustments.

Corresponding quantitative adjustments reflect the following adjustment descriptions: Slight ($\pm 5\%$), Moderate ($\pm 10\%$), Fair ($\pm 15\%$), Significant ($\pm 20\%$) and Large (25% or more), as required.

REAL PROPERTY RIGHTS CONVEYED ADJUSTMENT

This adjustment accounts for differences between the interest transferred for each of the comparable sales and that of the subject of the appraisal. I understand that, in each case, the property rights appraised are those of the fee simple interest, wherein no adjustment is required.

FINANCING ADJUSTMENT

The sale price of one property may differ from that of an identical property due to the financial arrangements provided. This is particularly the case where the comparable has a preferable financing package as contrasted to that which is available in the prevailing market. With regards to future development land, a lender typically participates in the financing. If the rate on the assumed or new financing is higher or lower than current market rates then the price may have been affected. Typical financing is 20% cash down and 80% financing. In the sales of the comparable properties, I was not made aware of any preferential financing terms. All of the transactions presented are considered to have purchased under standard market financing and no adjustments are required.

CONDITIONS OF SALE ADJUSTMENT

In most cases buyers and sellers are typically motivated but occasionally motivation is not typical and adjustments may have to be made. For example. Sellers may be forced to sell quickly and therefore the price is lower or buyers may be forced to buy quickly and therefore the price is higher. No conditions of sale adjustment were required for the comparables.

EXPENSES IMMEDIATELY AFTER PURCHASE ADJUSTMENT

This adjustment is needed for situations in which the buyer had to invest money immediately after property purchase, these can include:

- Costs to cure deferred maintenance

- Costs to demolish and remove any portion of the improvements
- Costs to petition for a zoning change
- Costs to remediate environmental contamination
- Cost of obtaining entitlements
- Demolition and removal costs
- Large capital improvements

All of the comparable properties are subdivision development lots requiring site work, infrastructure and roadway work and no adjustments for these aspects were deemed necessary. Comparable #6 had an approved development permit in place and has been adjusted downward to account for this.

DATE OF SALE ADJUSTMENT

The date of sale identifies market conditions prevailing at the time the transaction occurred. Market conditions may change between the date of sale of the comparable, and the effective date of the appraisal.

The comparable sales analysed transacted from a period between January 15, 2019 to April 14, 2022. A paired sales analysis has been conducted on resales in the area and market reports have been reviewed. Prices increased significantly in 2021, while 2022 to present the South Okanagan real estate market experienced slower growth due to global inflation and higher interest rates. A time adjustment of 0.27% per month of time difference from their date of sale to the effective date of this report is considered appropriate.

ZONING ADJUSTMENT

Properties may exhibit similar locational and physical attributes but have different zoning or land use classifications. Zoning will be addressed by concluding a price per acre in line with the comparable(s) most similar in permitted density.

LOCATION ADJUSTMENT

A location adjustment is made to adjust for comparables which are similar to the subject, except for the fact that they are in a different location. An adjustment must be made to reflect how the value of a better or poorer location would have affected the sale price of the comparable. Comparables 7 & 8 located in Kelowna have been adjusted downward 15% while comparables 1 & 4 located in Osoyoos have been adjusted upward 15% & 10% respectively.

FRONTAGE/SHAPE ADJUSTMENT

Parcels with better frontage/shape that optimize the utility of the land are typically worth more than parcels with less frontage or less optimal shape. No marked differences between the subject and the comparables were noted thus no adjustments were made.

LOT AREA ADJUSTMENT

With regard to the issue of site size, smaller parcels tend to sell for higher pro rata prices, all other factors being equal. A partial explanation for this variation is the larger number of potential buyers for smaller properties than for larger, more expensive, multi-acre sites due to such issues as the total aggregate price and the availability of financing. Lot area will be accounted for in the final value conclusion by determining an appropriate price per acre value most similar to parcels of comparable size.

TOPOGRAPHY ADJUSTMENT

The topography of a parcel of land has a direct effect on the amount of usable land and the overall development cost. No marked differences between the subject and the comparables were noted thus no adjustments were made.

SITE SERVICES ADJUSTMENT

The services in place at the comparable sales are detailed above. Comparables 4 & 6 are serviced lots and have been adjusted downward 5% to account for this. The other comparables have service connections located nearby. The subject will first be valued as if the sewer alignment project has been completed. The cost of the sewer alignment project to the subject owner will then be deducted to determine the “as is” value without the completion of the sewer alignment project.

LOCAL IMPROVEMENT CHARGES ADJUSTMENT

A local improvement charge is a fixed annual charge levied against specific real property for a specific period by a municipality which amortizes the capital costs of local improvements such as sewers, paved roads, etc. This charge is in addition to real estate taxes.

Based on my research, none of the comparables presented were afflicted by local improvement charges at their time of sale and as such no adjustments were required.

EASEMENTS/RIGHTS OF WAY ADJUSTMENT

An easement is defined as a right that one party has to use real estate that is owned by someone else. The rights of the easement holder regarding use of the property are specific and typically limited. Property ownership or possession is not impacted by an easement. The property owner gives up only defined rights on that portion of the property that is used for purposes of the easement. Common easements are those that are given to public utilities such as gas or telephone companies to run lines under private property. Easements can also be given to individuals.

No known easements/rights of way are in place for the comparables that would significantly impact their utility and as such no adjustments were necessary.

Note on Adjustments:

The real estate market is variable and imperfect. Often, the ideal adjustment support does not exist and the appraiser must use secondary and tertiary data and analysis to justify the need for, and amount of, adjustments. When using secondary data sources, there is always a risk that the data is not reliable and has been collected using an incorrect methodology.

Adjustment Chart								
Item	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6	Comparable No. 7	Comparable No. 8
Sale Price	\$1,650,000	\$5,050,000	\$3,250,000	\$2,700,000	\$1,600,000	\$5,300,000	\$9,300,000	\$5,650,000
Real Property Rights Conveyed Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Price	\$1,650,000	\$5,050,000	\$3,250,000	\$2,700,000	\$1,600,000	\$5,300,000	\$9,300,000	\$5,650,000
Financing Adjustment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Conditions of Sale Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expenses Immediately After Purchase Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	-10.0%	0.0%	0.0%
Adjusted Price	\$1,650,000	\$5,050,000	\$3,250,000	\$2,700,000	\$1,600,000	\$4,770,000	\$9,300,000	\$5,650,000
Date of Sale Adjustment	7.3%	6.2%	3.8%	14.3%	5.9%	7.6%	6.5%	3.8%
Adjusted Price	\$1,770,285	\$5,363,605	\$3,372,850	\$3,086,370	\$1,695,040	\$5,130,612	\$9,902,640	\$5,863,570
Zoning	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Location	15.00%	0.00%	0.00%	10.00%	0.00%	0.00%	-15.00%	-15.00%
Frontage/Shape	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lot Area	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Topography	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Services	0.00%	0.00%	0.00%	-5.00%	0.00%	-5.00%	0.00%	0.00%
Local Improvement Charges	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Easements/Rights of Way	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Other Adjustments	\$265,543	\$0	\$0	\$154,319	\$0	-\$256,531	-\$1,485,396	-\$879,536
Final Adjusted Sale Price	\$2,035,828	\$5,363,605	\$3,372,850	\$3,240,689	\$1,695,040	\$4,874,081	\$8,417,244	\$4,984,035
Adjusted Unit Sale Price/Area	\$285,130	\$295,028	\$313,462	\$371,724	\$399,774	\$398,535	\$475,014	\$522,984
Total Adjustment	\$385,828	\$313,605	\$122,850	\$540,689	\$95,040	-\$425,919	-\$882,756	-\$665,966
Total Adjustment as % of Sale Price	23%	6%	4%	20%	6%	-8%	-9%	-12%

UNIT OF COMPARISON

For residential development land in the subject market the most appropriate unit of comparison is sale price per acre. After having adjusted all of the comparable sales for their various differences from the subject parcels, their resulting sale prices per acre are \$285,130, \$295,028, \$313,462, \$371,724, \$399,774, \$398,535, \$475,014 and \$522,984 with a median of \$385,129.

LAND VALUE CONCLUSION

Comparable 6 with an adjusted sale price per acre of \$398,535 is considered the strongest indicator of the subject's market value. This property is of similar overall size, permitted density and is located relatively close by in Peachland. Based on my analysis of the sales, a rate of \$400,000 per acre, in line with the strongest comparable and slightly above the adjusted median is suggested as a reasonable indicator of market value for the subject parcel. Therefore, the estimated market value is determined as follows:

With Sewer Alignment Project Completed:

$$\begin{aligned} 11.14 \text{ acres @ } \$400,000 \text{ per acre} &= \$4,456,000 \\ &= \mathbf{\$4,455,000 \text{ (rounded)}} \end{aligned}$$

Without Sewer Alignment Project Completed:

The sewer alignment project is estimated to cost the subject owner \$508,438 which if completed would make the subject similar to the comparables with service connections located nearby. The market value of the subject without the sewer alignment project completed is therefore estimated as follows:

$$\begin{aligned} &\$4,456,000 \\ &\underline{- \$508,438} \\ &\$3,947,562 \\ &\mathbf{\$3,950,000 \text{ (rounded)}} \end{aligned}$$

RECONCILIATION OF VALUE INDICATIONS

RECONCILIATION OF VALUE INDICATIONS

One approach to value has been considered for the subject properties and applied as being appropriate in its evaluation of current market value:

Cost Approach	Not Applicable
Income Approach	Not Applicable
Direct Comparison Approach	\$3,950,000 “As Complete without Sewer Alignment” \$4,455,000 “As Complete with Sewer Alignment”

The cost approach was not utilized in this report, as the subject properties are vacant land.

The income approach was not utilized as vacant land does not typically sell on the basis of its rental value.

The direct comparison approach is based on sales of development land in the area. The resulting value provides a good indication of the market value of the subject property at the effective date of this report. It is therefore my opinion that the market value of the subject parcel, as at June 23, 2023, is as follows:

FINAL ESTIMATE OF THE MARKET VALUE

Three Million Nine Hundred and Fifty Thousand Dollars (\$3,950,000)
“As Complete without Sewer Alignment”

Four Million Four Hundred and Fifty-Five Thousand Dollars (\$4,455,000)
“As Complete with Sewer Alignment”

APPENDIX 1

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY

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

1. This report is prepared only for the 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 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. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. 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 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. 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.
6. 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.

7. 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.
8. 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 legal 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.
9. 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 client-supplied information, which the author believed to be correct.
10. 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.
11. 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.

12. 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 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.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The 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.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
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APPENDIX 2

CERTIFICATION BY

BRYCE WITHERSPOON, BA, AACI, P. APP

SOUTH OKANAGAN APPRAISALS

I CERTIFY THAT, 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 impartial and unbiased professional analyses, opinions and conclusions;
3. I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment.
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 is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP.
7. I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
8. Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
9. As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program;
10. The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.
11. I acknowledge that Environment and Climate Change Canada can rely on the opinion (regardless of who commissioned the report) and that the purpose of the report is to estimate the fair market value of the donation for the issuance of a tax receipt under the *Income Tax Act*;
12. I acknowledge that Environment and Climate Change Canada can make additional copies of this report for the purpose of review by the Appraisal Review Panel.

PROPERTY IDENTIFICATION

ADDRESS: Areas A, B, D & E Eco-Village Concept 2, Summerland, British Columbia

Based upon the data, analyses and conclusions contained herein, the current market value of the fee simple interest in the property described, as at June 23, 2023 are estimated at:

\$3,950,000 "As Complete without Sewer Alignment"

\$4,455,000 "As Complete with Sewer Alignment"

As set out elsewhere in this report, this report is subject to certain assumptions and limiting conditions, the verification of which is outside the scope of this report.

APPRAISER

SIGNATURE: 

NAME: Bryce Witherspoon

AIC DESIGNATION/STATUS: AACI, P. App

DATE SIGNED: July 4, 2023