
APPRAISAL REPORT

575, Saint-Jean Boulevard
Pointe-Claire (Quebec)

O/File 631361E





PARIS, LADOUCEUR & ASSOCIÉS INC.

ÉVALUATEURS IMMOBILIERS PROFESSIONNELS

July 30, 2020

Ms. Naomi Lane
Coordinator – Planning Advisory Committee - Urban Planning
City of Pointe-Claire
451 Saint-Jean Boulevard
Pointe-Claire, Québec
H9R 3J3

Subject Demolition Assessment Report, covering the new and depreciated replacement cost, as well as the estimated potential renovation costs of the building located at 575, Saint-Jean Boulevard, Pointe-Claire (Quebec).

O/File 631631E

Madam,

Following the contract you have given us, with reference to By-law PC-2818 concerning the demolition of immovable property, we have estimated the new and depreciated replacement cost of the building mentioned above. In addition, we have estimated the potential renovation costs of this building. Note that these estimates will have to be validated with specialized contractors.

The property being appraised is a one and two storey commercial building, built in 1966, based on information recorded on the City of Montreal's municipal assessment roll (2020-2021-2022). Extensions and renovations were carried out subsequently. The building, of standard quality, is of 19,552 square feet and has a showroom at the front, a waiting room, office spaces and garages at the back. The basement is partially finished while the rest is on a concrete slab. The building is a former car dealership and is currently vacant. The building resides on a corner lot of 115,884 square feet, located in zone Rf6, intended for mixed residential complexes.

For information purposes, the property was sold on October 7, 2019, for \$8,7575,000, Registration Number 24945037 in the Quebec Land Registry. This transaction involves a sale clause without legal warranty, at the buyer's risk.

Following our visit to the building, considering its general condition and referring to the conclusions of Louise Coutu, architect, in her diagnostic inspection report (ref. file 1848-2020-05-20), we came to the following conclusions:

Replacement cost as new	\$2,655,000 (± \$136/ft²)
Depreciated replacement cost (53% depreciation)	\$1,250,000 (± \$64/ft²)
Estimated renovation cost	\$381,000

FINANCEMENT HYPOTHÉCAIRE | VALEUR MARCHANDE | ASSURANCE | EXPROPRIATION | LITIGE | ACQUISITION/DISPOSITION | GAIN EN CAPITAL | RÈGLEMENT DE SUCCESSION

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On the following pages, you will find a brief physical description of the building being appraised, photographs taken at the time of our visit on May 20, 2020, a detailed breakdown of the replacement cost and estimated physical depreciation. You will also find an estimate of the cost of renovating this building. It should be noted that at the time of the writing of this report, no bids from trade contractors were available. Thus, the estimated amount for the renovation of the building must be interpreted with reservations and supported by the appraisals of specialized contractors.

We hope that this will be in accordance with your wishes and to your complete satisfaction. Best regards,

PARIS, LADOUCEUR & ASSOCIÉS INC.

Joëlle Thauvette AACI, P.App.
Chartered Appraiser

JT/ac

att.: Expertise

Subject photographs



Building front view



Building side view

Photographs taken on May 20, 2020, by Joëlle Thauvette, AACI

SUBJECT PHOTOGRAPHS (cont.)**Building rear view****Building side view**

Photographs taken on May 20, 2020, by Joëlle Thauvette, AACI

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1 Descriptive data

1.1 DESCRIPTION OF THE REAL ESTATE

ADDRESS	575, Saint-Jean Boulevard, Pointe-Claire										
CADASTRAL DESCRIPTION	Lot 2 528 422 – Québec cadastre										
TYPE OF PROPERTY	Standard one and two storey commercial building of block and steel construction on concrete slab. A portion of the building has an excavated basement. The interior has a front showroom section, waiting areas and offices and rear garages. The building is a former car dealership. Note that the building is currently vacant.										
YEAR OF CONSTRUCTION	1966 (based on the City of Montreal's appraisal roll)										
ECONOMIC LIFE	45 years										
ACTUAL AGE	54 years										
APPARENT AGE	30 years										
REMAINING ECONOMIC LIFE	15 years										
GENERAL CONDITION	Based on the inspection of the building as a whole, as well as the diagnostic inspection report (ref. file 1848-2020-05-20), prepared by Ms. Louise Coutu, architect, we estimate that the physical condition is generally good. The building has undergone normal and inevitable aging over the years. However, it should be noted that some components are at the end of their useful life and that deficiencies in the building have been identified and will have to be repaired in order to extend its economic life and to make the property competitive on the market. Note that the building is currently vacant.										
BUILDING SURFACE AREA	<table> <tr> <td>Ground floor</td><td>7,472 square feet</td></tr> <tr> <td>Garage</td><td>10 922 square feet</td></tr> <tr> <td>Second floor</td><td><u>1,158 square feet</u></td></tr> <tr> <td>Total</td><td>19,552 square feet</td></tr> <tr> <td>Basement</td><td>2,182 square feet</td></tr> </table>	Ground floor	7,472 square feet	Garage	10 922 square feet	Second floor	<u>1,158 square feet</u>	Total	19,552 square feet	Basement	2,182 square feet
Ground floor	7,472 square feet										
Garage	10 922 square feet										
Second floor	<u>1,158 square feet</u>										
Total	19,552 square feet										
Basement	2,182 square feet										
LOT AREA	115,884 sq./ft of regular shape / street corner										
ZONING	Rf6 (Mixed residential complexes)										
PUBLIC SERVICES	The property benefits from all the services offered by the City of Pointe-Claire (water supply, sanitary sewer, storm sewer, paving and lighting).										

1.2 TECHNICAL DESCRIPTION OF THE BUILDING

EXCAVATION	Mass excavation and trench
FOUNDATIONS	Poured concrete
FLOOR SLAB	Poured concrete
FRAME	Masonry walls with steel columns
EXTERIOR WALLS	Bricks Steel panels Plaster Glass walls for front showroom Solid steel doors with emergency bar Commercial type glazed steel doors Steel garage doors with electric opening system Fixed aluminum windows Sliding aluminum windows
ROOF COMPOSITION	Flat roof covered with tar and gravel Metal decking on steel joists
ELECTRICITY	400A electrical inputs Circuit breaker distribution panels Transformers Fluorescent type lighting Recessed and incandescent lighting Exterior lighting
HEATING / AIR CONDITIONING	Gas forced air heating system Central air conditioning (rooftop units) Electric baseboards and / or convectors Gas unit heaters
PLUMBING	50 gallon gas hot water tanks Cast iron, steel, copper and ABS plumbing Washrooms including a toilet, sink and urinal Washrooms including a toilet and a sink Drinker Washroom including 2 toilets, 2 urinals and a sink with four stainless steel washing stations (basement) Kitchen sink and faucet (waiting room) Kitchen sink and faucet (dining room)

1.2 TECHNICAL DESCRIPTION OF THE BUILDING (cont.)

WALLS AND PARTITIONS	Painted concrete blocks
	Painted plasterboard on metal studs
	Steel doors
	Ceramic in the washrooms
	Melamine cabinets and laminate countertops
	Glass dividers
FLOOR FINISHES	Vinyl tiles
	Ceramic
	Exposed concrete slab
CEILING FINISHES	Suspended ceiling
	Painted plasterboard
	Visible structure with sprayed insulation
MISC.	Lockers
	Alarm system and surveillance camera
	Emergency exit sign
	Telephone and internet wiring system
	Ceiling fans
	Automotive service oil tanks
OUTDOOR LANDSCAPING	Lawn
	Paved parking
	Street lamp
	Closed section
	Parking barriers
	Concrete porch
	Bumpers
	Exterior steel staircase

1.3 MUNICIPAL APPRAISAL

THREE-YEAR ROLE	2020-2021-2022
SERVICE NUMBER	7935-74-0333-0-000-0000
MARKET REFERENCE DATE	2018-07-01
LAND VALUE	\$3,552,700
BUILDING VALUE	<u>\$1,905,700</u>
PROPERTY VALUE	\$5,458,400
1.3.1 PROPERTY HISTORY	
REGISTRATION NUMBER	24 945 037
SELLER	9458743 Canada Limited
BUYER	Développement 575 Saint-Jean (représenté par kheng Ly)
SALE DATE	2019-10-07
SALE PRICE	\$8,575,000
COMMENTS	Breakdown of the selling price; \$8,575,000 for the land and \$0 for the building

1.4 GENERAL BUILDING CONDITION

Following our on-site visit and with reference to the diagnostic inspection report (ref. file 1848-2020-05-20) prepared by Louise Coutu, architect, the following is a summary of the building defects that have been identified. Please refer to the above-mentioned inspection report for the complete set of these defects.

- **Foundation:** we note several cracks on the left side wall around the junction boxes. Verify that it is only the plaster or if the foundation wall is affected.

There are bloom stains on the foundation walls in the basement. Waterproof the walls from the inside if necessary.

- **Slab on the floor:** several cracks and uplifting of the slab are noted. An appraisal to test for the presence of pyrite is recommended, especially on showroom and warehouse slabs.

We note a significant stain on the slab in the basement. It could be due to contamination. Perform an environmental test.

Signs of dried water are observed in the basement along the walls. This could be water infiltration. Install a French drain if necessary.

- **Roof/roof structure:** Signs of water infiltration can be seen on the roof deck of the right extension. This roof requires complete and prompt replacement.

The showroom roof requires minor repairs and the addition of gravel.

The roof of the office section requires major repairs. Plan for complete replacement.

The roof of the garage section needs repairs and maintenance, additional gravel.

- **Exterior cladding:** there are holes in the metal cladding on the left side wall of the right extension. Close those holes.

Additionally, the panelized metal wall cladding of this extension was partially torn off, dented, punctured or scratched. Repair and/or replace the damaged or missing wall cladding. Also replace the intermediate membrane and install a conforming air barrier. Have the flashing properly installed at the bottom of the wall.

The metal wall cladding near the left front door of the showroom is too close to the ground. Lower the asphalt level.

The brick siding is too close to the floor in several places. Lower the floor level and create a positive slope for surface water runoff.

Brick facings require minor repointing work. Some cracks have appeared. Ask a mason to carry out some discrete work. In addition, have the rear left corner of the garage completed under the metal corner. Also, replace the broken bricks to ensure watertightness.

There are cracks in the plaster covering the concrete blocks. Corrosion of the lintels and the splintering of adjacent brick are also noted. We recommend repairing the cracks in the concrete blocks, replacing damaged lintels and bricks and redoing the plaster.

A door and a window in the rear wall of the garage were replaced with blocks. There are traces of blooming. Monitor the situation.

Signs of water infiltration are noted above the window on the right wall. Monitor the situation.

1.4 GENERAL BUILDING CONDITION (cont.)

- **Sealant:** the sealing joints are deteriorated in a few places. Re-seal joints where required.
- **Exterior doors:** we note that the steel frames of several garage exit doors are rusted. Plan a replacement in the short or medium term.
On the other hand, replace the door on the left side wall of the garage that appears to have been forced and is now deformed.
- **Windows:** replace the unsealed double glazing of the windows above the double door of the showroom on the right side, as well as that of a broken window in the showcase.
The windows above the exit doors on the left side wall of the garage are damaged, possibly by water infiltration. Replace soiled materials and check for leaks. Watch out for possible mould.
- **Garage doors:** Replace the weatherstripping under the garage doors.
- **External improvements:** Cut down shrubs that are too close to the building and seal the joint between the exterior walls and the asphalt.
- **Flashing and parapets:** replace the caulking on the roof flashing in certain areas and on the skylight.
The slopes of some counterflashing are negative and affect the building envelope. Correct these slopes. In addition, some have been screwed into the surface, which can cause water infiltration. Replace them as per trade practices.
Quickly repair the counterflashing ripped from the showroom.
- **Plumbing:** a leaking toilet on the ground floor. Fix the toilet.
A pipe in the basement discharges water onto the ground. Identify this pipe and control water spills. Basement drain does not appear to be functional. Have the drain repaired and make sure it is equipped with a check valve. Also, have valves installed on all plumbing fixtures in the basement (toilets, sinks, etc.).
Replace the 2009 water heater in the short term.
- **Electricity:** limited inspection due to the non-functioning of the electrical system at the time of our visit.
The electrical rooms are not watertight as required by the building code. Take the necessary corrective measures.
Note that it is not recommended to leave a building without heating in the winter. Have the condition of the interior walls checked.
- **Heating and air-conditioning:** a heating/air-conditioning unit on the roof is outdated. Consider replacing it in the short term.

1.4 GENERAL BUILDING CONDITION (cont.)

- **Floor:** The tiles in the showroom have been poorly glued and some are cracked. Before replacing them, check the condition of the floor slab and the presence or absence of pyrite.
- **Walls and ceilings:** water infiltration will have caused marks on the ceilings in various places. Follow the recommendations in the roofing section and replace soiled materials.
- **Interior doors:** Verify that interior doors are fireproof.
- **Asbestos:** possible presence of asbestos on the masonry of the building as well as on the floor tiles of the right extension.

The building being assessed, which is of good value, is in good general condition. We believe that its components have undergone normal and inevitable aging over the years. Although maintenance and renovation work on certain components has been carried out over the years, currently, the building requires some renovation work in order to extend its economic life and make it competitive on the market. In addition, deficiencies have been identified and require repair.

** Note that there was no electricity at the time of the visit. This limited Ms. Louise Coutu, architect, and our inspection.**

2 Analysis

2.1 BUILDING REPLACEMENT COST AND DEPRECIATION

The replacement cost as new must be distinguished from the cost of reproduction and represents the cost of replacing a building (and improvement) with one of equal value (based on current construction standards and equivalent and commonly available materials).

The replacement cost of the building was estimated at **\$2,655,000** based on the *Marshall & Swift Valuation Services* cost manual, published by *CoreLogic*. This value corresponds to **approximately \$136.00** per square foot of living space.

2.1.1 DEPRECIATION MEASUREMENT

The application of the cost method includes the measurement of the various forms of depreciation and obsolescence that cause a loss in value of the building, in relation to its value in new condition. The various forms of depreciation are as follows:

- Physical depreciation (curable or incurable)
- Functional depreciation (curable or incurable)
- Economic depreciation

Physical depreciation curable

Curable physical depreciation generally results from deferred maintenance, i.e., the need for a buyer to carry out in the very short term the repairs or replacements required for the building to return to its normal state of maintenance and become competitive again.

Physical depreciation incurable

Incurable physical depreciation is the general deterioration of building materials caused by the aging of the building. Generally, it is the deterioration of building components that cannot be repaired at a cost less than or equal to the increase in value caused by this repair. Incurable physical depreciation is measured using the age-life method for each of the building's components, using the *Marshall & Swift* table.

For the purposes of this report, we estimated the physical depreciation (curable and incurable) at **53%**, taking into account the general condition of the building. This indicates a depreciated building value of **\$1,250,000 or approximately \$64.00 / sq. ft.** Note that this depreciation takes into consideration that the building is of standard quality, that several components are at the end of their useful life and that several defects have been identified.

2.1.1 DEPRECIATION MEASUREMENT (cont.)

Table 1 – Replacement cost and depreciation

Composants of actual building	Replacement Cost	Physical depreciation (%)	Depreciation replacement cost
Footing/excavation/foundation walls	\$195 876	46%	\$105 773
Frame	\$227 981	46%	\$123 110
Floor structure	\$196 396	46%	\$106 054
Floor cover	\$181 137	49%	\$91 776
Ceiling	\$134 093	73%	\$35 758
Interior construction	\$383 606	49%	\$197 345
Plumbing	\$113 343	57%	\$37 731
Electricity	\$205 725	70%	\$62 326
Heating/cooling/ventilation	\$122 700	75%	\$31 161
Exterior wall composition	\$512 596	44%	\$288 838
Roofing	\$355 727	55%	\$161 675
Miscellaneous	\$26 106	46%	\$14 097
Total	\$2 655 000	53%	\$1 250 000
Building area (sq.ft)	19 552		19 552
Unit rate (per square foot)	\$136,00		\$64,00

2.2 ESTIMATED RENOVATION COST

At your request, we have estimated the potential renovation costs of the building, based on our visit and with reference to the building's diagnostic inspection report (ref. file 1848-2020-05-20), prepared by Louise Coutu, architect. Note, however, that the estimated amount for this work is approximate and will have to be validated with specialized contractors. Some hypothetical defects observed should be the subject of more specific expert appraisals and are not included in the renovation costs (possible presence of pyrite under the slab, possible presence of asbestos on the floor tiles and masonry, etc.).

Table 2 – Approximate renovating cost of the building

Items	Estimated Cost
French drain/waterproofing of foundations from the inside	\$40 000
Roof repair and replacement / roof flashings and counter flashings	\$75 000
Repair of the lateral metal siding	\$5 000
Replacement of the plaster coating / masonry work / lintels	\$40 000
Replacement of certain exterior steel doors, windows and / or double glazing	\$15 000
Minor plumbing work (hot water tank, basement drain, valve, etc.)	\$10 000
Compliant electric rooms (lump sum)	\$25 000
New roof heater and air conditioning	\$10 000
Replacement of the ceramic in the showroom and vinyl tiles on the 2nd floor	\$65 000
Replacement of soiled hanging tiles	\$3 000
SOUS-TOTAL	\$288 000
Contingences (±15 %)	\$43 200
Sous total	\$331 200
Taxes	\$49 597
TOTAL	\$380 797
Total (rounded)	\$381 000

We therefore estimate the cost of the renovations to be approximately \$381,000 (including taxes and contingency costs). Note that this amount does not include:

- Possibility of presence of pyrite under the slab and associated work (hypothetical work)
- Possibility of soil contamination and decontamination work (hypothetical work)
- Possibility of asbestos presence and decontamination work (hypothetical work)
- Possibility of mold in the walls caused by the lack of heating (hypothetical work)

3 Conclusion

3.1 CORRELATION

In conclusion, the replacement cost of the building was estimated at **\$2,655,000** based on the *Marshall & Swift Valuation Services* cost manual, published by *CoreLogic*.

Based on the site visit and with reference to the inspection report (ref. file 1835-2020-02-03-1), prepared by Louise Coutu, architect, we estimate the overall physical depreciation of the building at **53%**, taking into account its general condition. This provides us with a depreciated building value of **\$1,250,000**. Note that this depreciation takes into consideration that the building is of standard quality, that several components are at the end of their useful life and that several defects have been identified, including irregularities in the structure.

Additionally, at your request, we estimated the potential cost of the renovations at **\$381,000**, subject to validation by specialized contractors. This cost does not include some hypothetical work, as mentioned on the previous page.

3.2 CERTIFICATION

I certify that I:

- Have personally visited the property being appraised on May 20, 2020.
- Have not based my remuneration on a pre-determined conclusion of value.
- Have researched, to the best of my ability, the information contained in this report.
- Have no present or future interest in the properties covered by this appraisal report and no personal relationship with respect to the parties involved.
- Have not deliberately omitted or overlooked any material facts in connection with this appraisal.
- Have conducted this appraisal in accordance with the rules of the Appraisal Institute of Canada's Code of Professional Ethics.

I, the undersigned, Joëlle Thauvette, AACI P. App., on this 30TH day of July 2020, certify that to the best of my knowledge, the information contained in this report including the analyses, opinions and conclusions resulting therefrom is accurate, limited by the assumptions and reservations set out herein.

PARIS, LADOUCEUR & ASSOCIÉS INC.

Joëlle Thauvette AACI, P. App.
Professional Appraiser

Subject photographs



Facade



Right Side View

SUBJECT PHOTOGRAPHS (cont.)



Saint-Jean Boulevard



Area / Parking Lot

SUBJECT PHOTOGRAPHS (cont.)

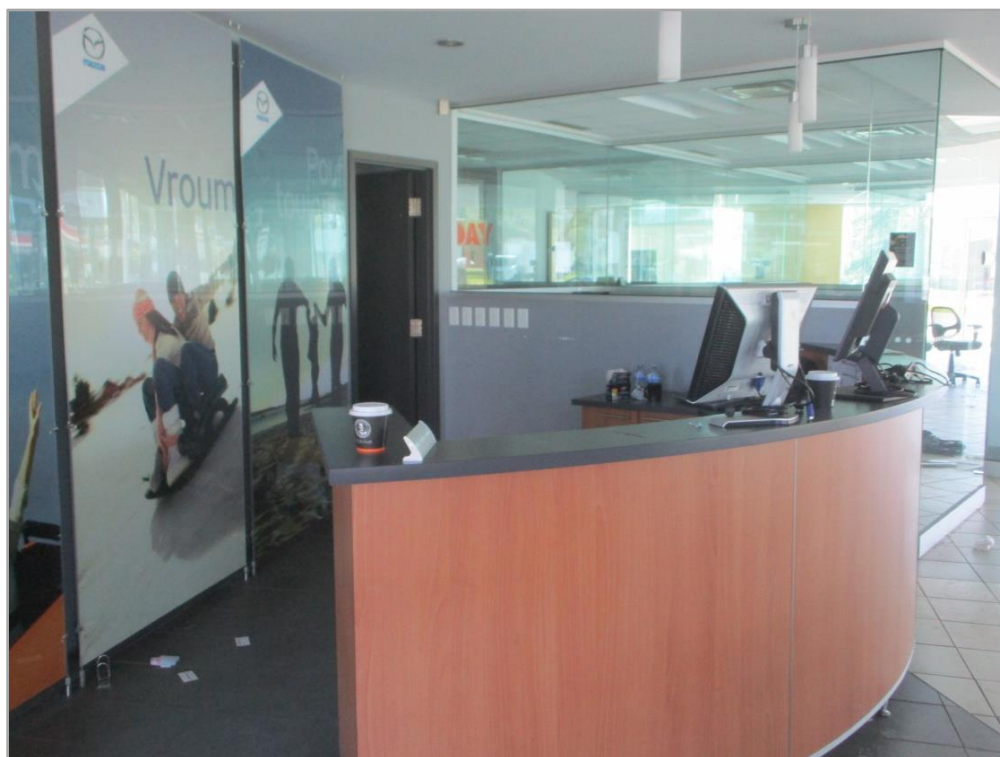


Left Side View

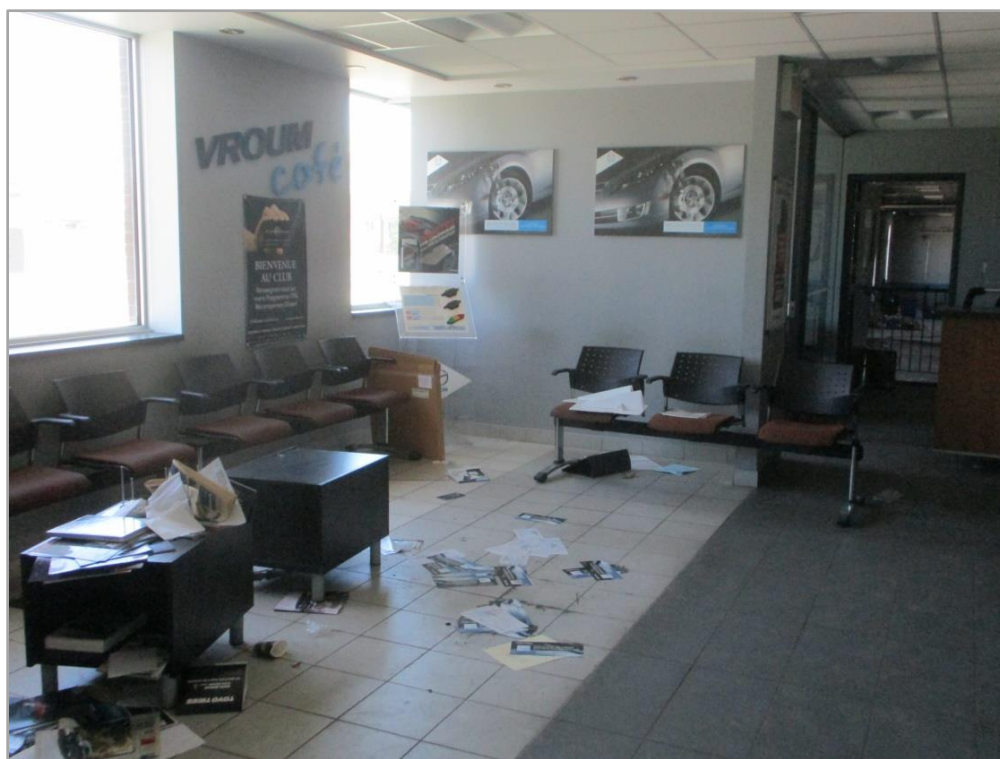


Garage Doors on Right Side of the Building

SUBJECT PHOTOGRAPHS (cont.)

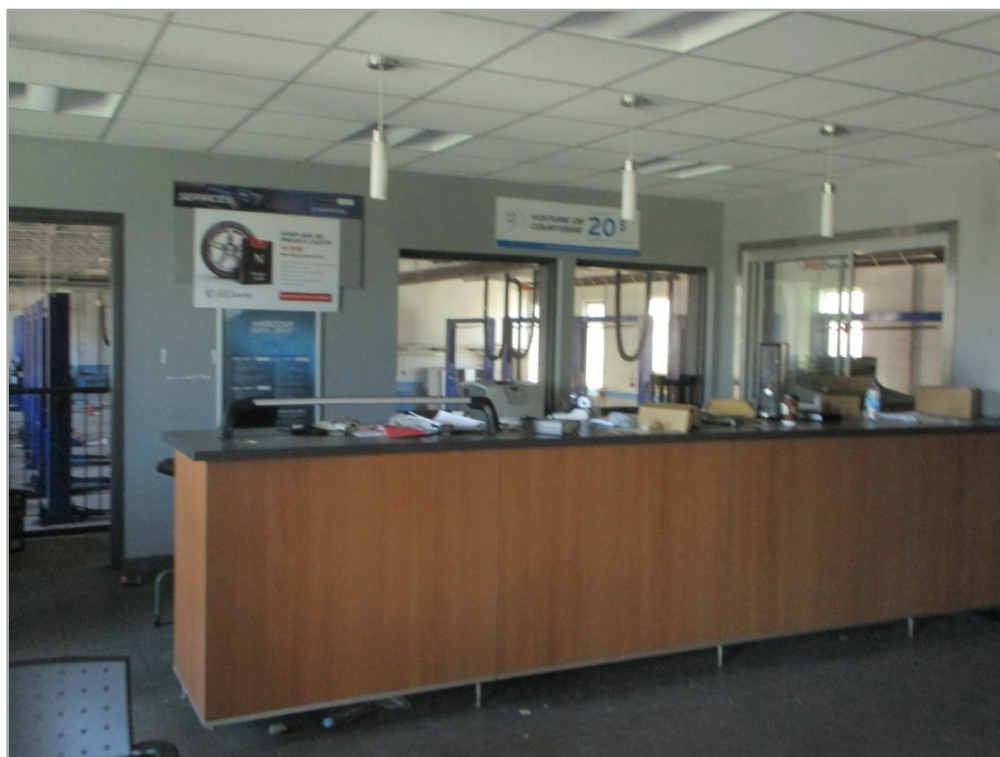


Reception Desk

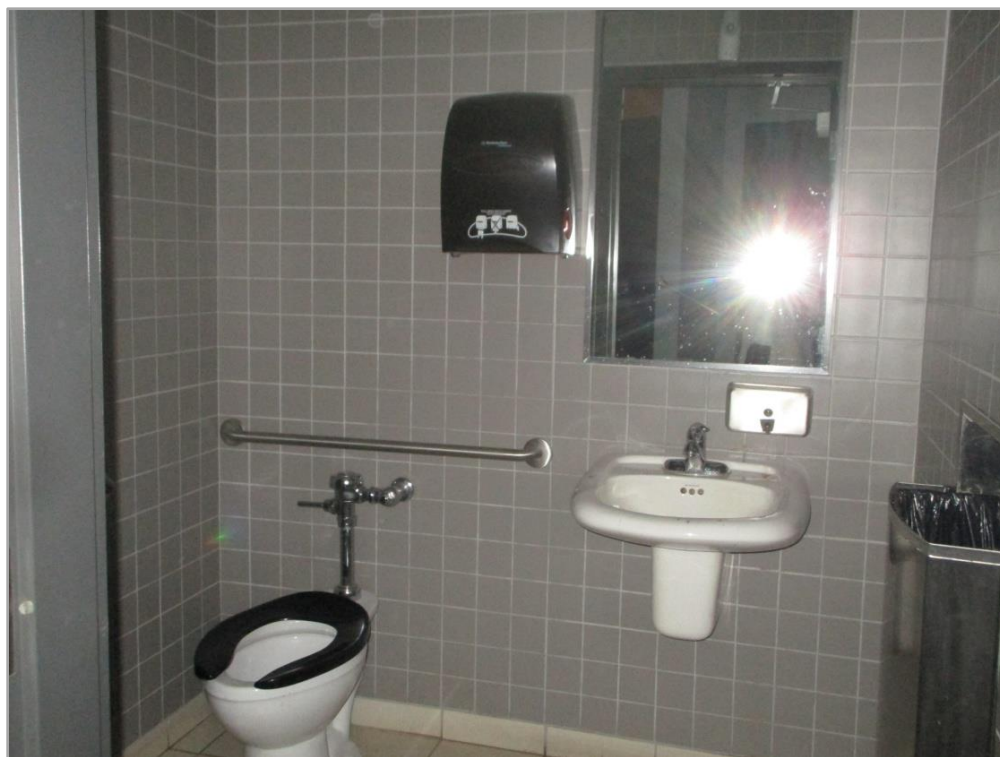


Waiting Room

SUBJECT PHOTOGRAPHS (cont.)



Service Counter



Bathroom

SUBJECT PHOTOGRAPHS (cont.)



Storage Area



Desks

SUBJECT PHOTOGRAPHS (cont.)



Showroom

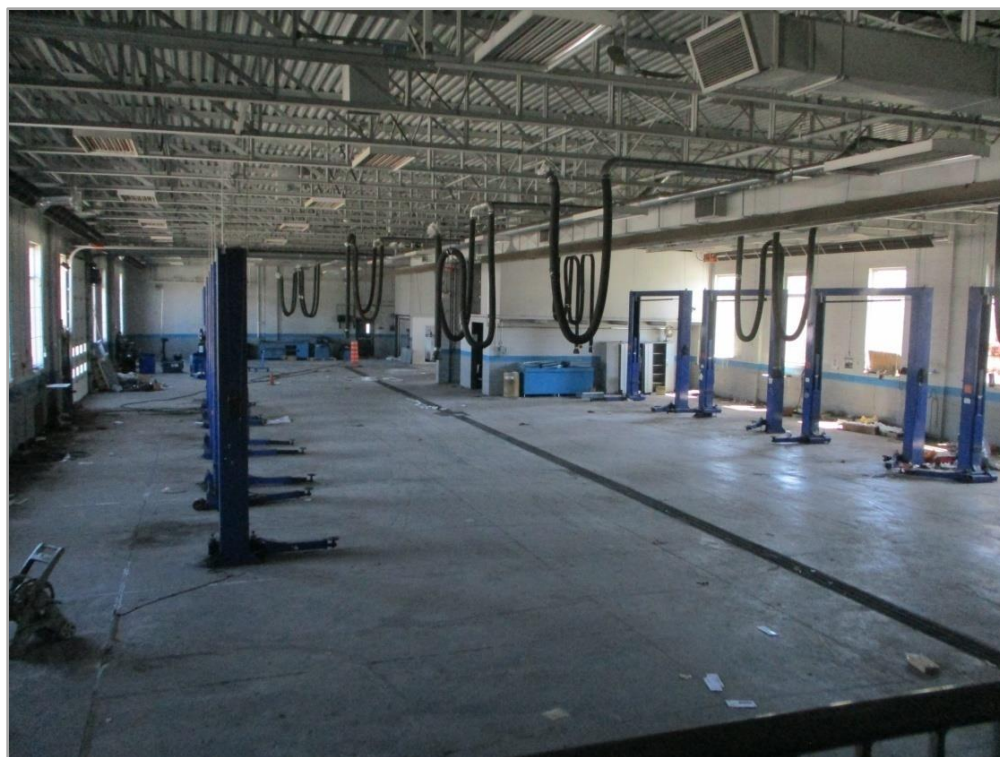


Office Space (second floor)

SUBJECT PHOTOGRAPHS (cont.)



Dining Area



Garage

SUBJECT PHOTOGRAPHS (cont.)



Basement



Basement

SUBJECT PHOTOGRAPHS (cont.)



Roofing



Electric Panels

Certificate of location



Professional Qualifications

PROFESSIONAL QUALIFICATIONS - JOËLLE THAUVETTE, A.A.C.I

Academic Studies

2008	Université du Québec in Montréal Certificate in Real Estate
2006	Université du Québec in Montréal BAA in Environmental Design (concentration architecture)
2002	Collège Montmorency Diploma in Arts

Professional Experience

2019 to date	Real Estate Appraiser for Paris, Ladouceur & Associates Inc. (appraisals for financing mortgages and repossessions).
2016 à 2018	Chartered appraiser for Paris, Ladouceur & Associates Inc. (appraisals for financing mortgages and repossessions).
2012 to 2015	Chartered appraiser for Paris, Ladouceur & Associates Inc. (assessment, research and analysis for expropriation purposes).
2010 to 2011	Trainee appraiser for Paris, Ladouceur & Associates Inc. (assessment, research and analysis for expropriation purposes).

Professional Association

Appraisal Institute of Canada

Professional Development

Basic concepts and Income Approach application
 Basic concepts and Comparison Approach application
 Basic concepts and Cost Approach application