
APPRAISAL REPORT

275, Hymus Boulevard
Pointe-Claire (Québec)

O/File 647949E-1





PARIS, LADOUCEUR & ASSOCIÉS INC.

ÉVALUATEURS IMMOBILIERS PROFESSIONNELS

January 18, 2022

Mrs. Cindy Fisher
Coordinator – Planning Advisory Committee - Urban Planning
City of Pointe-Claire
451, Saint-Jean Boulevard
Pointe-Claire, Québec
H9R 3J3

Subject	Valuation report for demolition purposes, relating to the new and depreciated replacement cost, as well as the estimate of the potential renovation costs of the building
Location	275, Hymus Boulevard, Pointe-Claire (Québec).
O/File	647949E-1

Dear Mrs. Fisher:

In compliance with the mandate extended to us, with reference to by-law PC-2818 relating to the demolition of buildings, we have carried out an estimate of the new and depreciated replacement cost of the above-mentioned building. In addition, we made an estimate of the potential renovation costs of this building. Note that these estimates will have to be validated with specialized contractors.

The property under study refers to an industrial-oriented building composed of a warehouse at the rear, and an office space and an assembly room at the front on Hymus Boulevard. According to the information obtained, the building was built around 1975. It is of standard quality. The warehouse space is approximately 4,815 square feet. The office and assembly room are approximately 19,503 square feet and occupy one floor. The building sits on 162,796 square feet of land located in Rf3 zone, i.e. multi-residential.

For information purposes, the property was sold on February 27, 2015 for \$1,815,000, under registration number 21,377,329 in the Quebec Land Registry.

Following our visit to the building, considering its general condition and with reference to the conclusions of Mrs. Louise Coutu, architect, in her diagnostic inspection report (file no 1954-2021-09-07), we have come to the following conclusions:

Replacement Cost New	\$3,577,00 (± \$147/square foot)
Depreciated Replacement Cost	\$730,000 (± \$30/square foot)
Estimated Renovation Cost	\$2,379,000

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You will find, in the following pages, a brief physical description of the building under study, the photographs taken at the time of our visit, on September 7, 2021, the detailed breakdown of the replacement cost new and the estimated physical depreciation. You will also find an estimate of the renovation costs for this building. It should be noted that at the time of writing this report, no bids from specialized contractors were available. Thus, the estimated amount for the building renovation must be interpreted with reserve and confirmed by the expertise of specialized contractors.

We hope that the content of this report will be useful, in accordance with your wishes and to your complete satisfaction.

Best regards.

PARIS, LADOUCEUR & ASSOCIÉS INC.



Alain Legault,
Senior technician

Luc Héroux, Ch. App.
Chartered Appraiser

AL/LH/dk

att.: Expertise

Photographs of the Subject Property



Front view of the building



Right side view of the building

PHOTOGRAPHS OF THE SUBJECT PROPERTY (cont.)

Left side view of the building



Rear view of the building

Photographs taken on September 7, 2021, by Alain Legault

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1 Descriptive data

1.1 DESCRIPTION OF THE REAL ESTATE

PROPERTY ADDRESS	275, Hymus Boulevard, City of Pointe-Claire (Québec)	
CADASTRAL DESCRIPTION	Lots 2 528 136 and 2 528 413 – Québec cadastre	
TYPE OF PROPERTY	Industrial-oriented building of standard quality with an office space and an assembly room at the front, on Hymus Boulevard, as well as a warehouse space at the rear of the building	
BUILDING DATE	1975 (estimate)	
ECONOMIC LIFE	50 years	
EFFECTIVE AGE	± 46 years	
APPARENT AGE	50 years	
REMAINING ECONOMIC LIFE	N/D	
GENERAL CONDITIONS	Based on the complete visit of the building, as well as on the diagnostic inspection report (file no 1954-2021-09-07) prepared by Mrs. Louise Coutu, architect, we estimate that the physical condition of the premises is generally poor. Several components are at the end of their useful life and building deficiencies 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.	
SURFACE AREA	Warehouse	4,815 square feet
	Assembly room	13,868 square feet
	Office space	<u>5,635 square feet</u>
	Total area	± 24,138 square feet
LAND AREA	162,796 square feet, relatively regular in shape	
ZONING	Rf3 zone (multi-residential)	
PUBLIC SERVICES	The site under study is provided with all the services offered by the City of Pointe-Claire (aqueduct, sanitary sewer, storm sewer, paving, curbs and lighting).	

1.2 BUILDING TECHNICAL DESCRIPTION

EXCAVATION	Trench excavation
FOUNDATION	Poured concrete
SLAB ON GROUND	Poured concrete
FRAME	Masonry walls with steel columns
EXTERIOR WALLS	Bricks Corrugated and painted steel cladding Concrete panels cladding Steel doors with panic bar Commercial style steel glass door Steel or wooden garage doors Aluminium fixed windows Aluminium sliding windows
ROOF	Flat roof covered with tar and gravel Metal decking on steel joists
ELECTRICITY	Electrical inputs Circuit breaker distribution panels Transformers Fluorescent type lighting Recessed and incandescent lighting Exterior lighting
HEATING/COOLING	Forced air heating system Central air conditioning (rooftop units) Baseboards and/or electric convectors
PLUMBING	60 gallon hot water tanks Cast iron, steel, copper and ABS plumbing Washrooms including lavatories, sinks, urinals Kitchen sinks and faucets Sprinkler system

1.2 BUILDING TECHNICAL DESCRIPTION (cont.)

WALLS AND PARTITIONS	Painted plasterboard
	Interior steel or wooden doors
	Ceramic
	Laminated kitchen cabinets and counters
FLOOR FINISHES	Vinyl tiles
	Carpet
	Ceramic tiles
	Sealed concrete slab
CEILING	Drop ceiling
	Apparent structure
MISCELLANEOUS	Ceiling fans
	Alarm system and surveillance camera
	Emergency exit sign
	Phone and internet wiring system
	Fire walls
EXTERIOR LANDSCAPING	Lawn
	Asphalt parking
	Concrete sidewalk
	Trees
	Shrubs

1.3 PROPERTY ASSESSMENT AND REALTY TAX

TRIENNIAL ROLE	2020-2021-2022
REGISTRATION NUMBER	7834-81-3066-0-000-0000
MARKET REFERENCE DATE	2018-07-01
LAND VALUE	\$1,350,600
BUILDING VALUE	\$779,000
PROPERTY TOTAL VALUE	\$2,129,600

1.3.1 SUMMARY OF OWNERSHIP

SELLER	147780 Canada Inc., représenté by Nikolaos Vouloumanos
BUYER	9133348 Canada Inc., représenté par Nikolaos Vouloumanos
SALE DATE	February 27, 2015
SALE PRICE	\$6,900,000
GROSS AREA	15,124.30 square meters
REGISTRATION NUMBER	21 377 329
COMMENTS	<p>Sale includes two properties :</p> <ul style="list-style-type: none"> ➤ \$1,815,000, Property I Subject (lots 2 528 136 and 2 528 413) ➤ \$5,100,000, Property II (lot 1 525 310)

1.4 BUILDING GENERAL DESCRIPTION

Following our site visit and with reference to the diagnostic inspection report (file no 195-2021-09-07) prepared by Mrs. Louise Coutu, architect, you will find below a summary of the deficiencies observed in the buildings. Please refer to the mentioned inspection report for the complete set of these deficiencies.

FOUNDATIONS	Inspection limited by the ground level
FLOOR SLAB	We noted significant uplifts and cracks. Only a petrographic index test of the IPPG swelling potential can make it possible to know the nature of the backfill under the concrete slab and its swelling potential associated with the presence of pyrite.
FRAME	We observed shortcomings in the fire resistance between the uses of the building. The building is abandoned. If the building is rehabilitated, carry out a general upgrade in terms of fire resistance.
ROOF STRUCTURE	Significant deficiencies and active water infiltration are visible. An emergency repair must be carried out. Attention should be paid to the condition of the roof structure and decking, and corrective action should be taken where necessary. The slopes of the roof basins must be corrected for adequate evacuation of surface water to the roof drains.
EXTERIOR CLADDING	<p>Bricks are damaged and sections of siding cracked on the left side of the building near the unloading dock. We noticed cracks above the openings in the back wall. We were unable to identify any steel lintels to support the concrete block loads above the openings. Check whether or not there are lintels above the openings. If necessary, correct any shortcomings before repairing the cracks.</p> <p>The sealing joints have deteriorated in a few places and some touch-ups need to be done both around the openings and between various materials. In addition to replacing deteriorated sealants, we advise you to check the condition of the seals every year to prevent water infiltration into the building envelope and deterioration of internal components.</p>
EXTERIOR DOORS	The two main entrance doors (front and left side) are original and single-glazed. The doors have largely reached their useful life. Plan to replace doors and adjacent glazing.
WINDOWS	The windows are original (1960-1970). They are well past their useful life. Plan to replace them in the very short term to seal the exterior walls and also avoid the formation of harmful condensation.

1.4 BUILDING GENERAL DESCRIPTION (cont.)

EAVES, FASCIAS AND SOFFITS	The soffits of the right roof overhang are subject to significant water infiltration from the roof. Some sections have been torn out. Plan for a quick repair at the same time as the roof repair.
OUTDOOR LAYOUT	We noticed that trees were too close to the building and the roof. It is essential to carry out the pruning in such a way as to clear the facades and the roofs to allow them to dry out properly through good air circulation. The humidity retained by the presence of trees can contribute to the premature deterioration of facade components in contact with the trees.
ROOF CLADDING	<p>The roof consists of two basins. The membrane of the rear basin is very old and has not benefited from maintenance work. Negative slopes cause significant water retention, and water infiltration, just as significant, has been observed from the interior causing massive deterioration.</p> <p>The front roof membrane is more recent, but significant negative slopes also cause water infiltration.</p> <p>Due to major deficiencies and active water infiltration, an emergency repair must be carried out. Attention should be paid to the condition of the roof structure and decking and corrective action should be taken where necessary. The slopes of the roof basins must be corrected for adequate evacuation of surface water to the roof drains. Anticipate the significant cost of this work.</p>
FLASHINGS AND PARAPETS	The roof counter flashing joints are not watertight and cause drips on the brick facings. We also notice that some counter flashings do not cover the top of the bricks.
SPRINKLER SYSTEM	The sprinkler system has not been inspected. This system must be periodically inspected. Check with the current owner and ask him for proof of periodic inspections by a specialist.
PLUMBING	We have no specific comments to make following the inspection. The main water inlet valve is near the left side wall in the mechanical room.

1.4 BUILDING GENERAL DESCRIPTION (cont.)

ELECTRICITY	<p>We noticed that the threshold of the access door to the electrical equipment room was inadequate. The Building Code states, in Section 3.6.2.7.8, that "The floor of the electrical equipment room referred to in paragraph 1 shall be liquid tight, and door sills and the bottom of walls all around shall be watertight to a height sufficient to retain all the liquid contained in the largest equipment, but not less than 100 mm.</p> <p>Electrical cables were left on the roof and in the water. Check the installation to ensure safety.</p>
HEATING AND AIR-CONDITIONING	<p>Have the heating systems checked by a specialist who will be able to plan the necessary replacements and maintenance.</p>
FLOOR FINISHES	<p>During the inspection, we noticed that the flooring in many rooms was made of tiles which could contain asbestos. Asbestos is harmful to health. Some tiles have started to break down, which can release asbestos into the air. Perform an asbestos test on each type of tile. If necessary, schedule the removal of the floor covering with the asbestos removal protocol, which is more expensive than the usual removal of a floor covering.</p>
WALLS AND CEILINGS	<p>Due to the age of the building, it is likely that condensation has caused the formation of mold in the exterior walls which cannot be determined on inspection. If necessary, perform an air quality test and follow the expert's recommendations.</p>
INTERIOR DOORS	<p>The doors to the mechanical/electrical room are not compliant. These doors cannot be made of wood. Steel doors must be installed instead with a minimum fire resistance of 45 minutes.</p>
ASBESTOS RISK	<p>Possible presence of asbestos in floor covering tiles.</p>

The building under study, of standard quality, is in poor general condition and requires several major upgrades. The building is abandoned.

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 **\$3,577,000** based on the *Marshall & Swift Valuation Services* cost manual, published by *CoreLogic*. This value corresponds to **approximately \$147** 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 curable depreciation

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 incurable depreciation

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 **80%**, taking into account the general condition of the building. This indicates a depreciated building value of **\$730,000**. Note that this depreciation takes into consideration that the building is of standard/economic quality, that some of the components are at the end of their useful life and that several deficiencies have been identified..

2.1.1 DEPRECIATION MEASUREMENT (cont.)

Table 1 — Replacement Cost and Depreciation

Actual Building Components	Replacement Cost	Physical Depreciation (%)	Depreciation Replacement Cost
Footing/Excavation/Wall foundation	\$608 807	74%	\$158 290
Frame	\$336 628	74%	\$87 253
Floor Structure	\$256 641	100%	\$0
Floor Covering	\$250 915	100%	\$0
Ceiling	\$109 459	100%	\$0
Interior Construction	\$394 391	74%	\$102 542
Plumbing	\$77 387	74%	\$20 121
Sprinklers	\$102 013	74%	\$26 523
Electricity	\$134 392	74%	\$34 942
Heating/Cooling/Ventilation	\$367 906	74%	\$95 656
Exterior Walls Composition	\$482 212	74%	\$125 375
Roof	\$450 353	83%	\$75 893
Miscellaneous	\$8 229	80%	\$1 620
Rounded Total	\$3 577 000	80%	\$730 000
Building Area	24 318 sq. ft.		24 318 sq. ft.
Rounded Unit Rate per Square Foot	147,00 \$		30,00 \$

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 (file no 1954-2021-09-07), 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 at masonry joints/floor covering tiles)

Table 2 — Approximate Renovation Cost of the Building

Items	Estimated Renovation Cost
Roof Repair and/or Replacement (including counter flashings)	\$159 000
Exterior Metal Siding Replacement	\$15 000
Exterior doors, Windows, Garage Doors, Lintels and Supports Replacement	\$165 000
Masonry Repair (Bricks, Blocks, Joints)	\$65 000
Concrete Slab Replacement	\$256 000
Ceiling	\$109 000
Major Plumbing Work	\$70 000
Major Electrical Work	\$65 000
Full Floor Covering	\$250 000
Interior Layout/Office Section (Various Repairs)	\$395 000
Heating System	\$225 000
Miscellaneous	\$25 000
Subtotal	\$1 799 000
Contingencies ($\pm 15\%$)	\$269 850
Subtotal	\$2 068 850
Taxes	\$309 810
Total	\$2 378 660
Rounded Total	\$2 379 000

We estimate the approximative renovation cost at \$2,379,000 (taxes and contingencies included). Note that this amount does not include costs related to the possible removal of asbestos (hypothetical work)

3 Conclusion

3.1 CORRELATION

In conclusion, the replacement cost of the building was estimated at **\$3,577,000** based on the *Marshall & Swift Valuation Services* cost manual, published by *CoreLogic*.

Based on the site visit and with reference to the inspection report (file no 1954-2021-09-07), prepared by Louise Coutu, architect, we estimate the overall physical depreciation of the building at about 80%, taking into account its general condition. This provides us with a depreciated building value of \$730,000. Note that this depreciation takes into consideration that the building is of standard quality, that some components are at the end of their useful life and that deficiencies have been identified.

Additionally, at your request, we estimated the potential cost of the renovations at **\$2,379,000** (taxes and contingencies included), 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 September 7, 2021.
- 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.
- We have carried out this evaluation according to the rules of the Professional Code of Ethics of the *Ordre des évaluateurs agréés du Québec*.

We, the undersigned, Alain Legault, senior technician, and Luc Héroux, chartered appraiser, certify that to the best of our 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.



Alain Legault,
Senior technician

Luc Héroux, Ch. App.
Chartered Appraiser

Subject Photographs



Main façade on Hymus Boulevard



Rear of the building

Photographs taken on September 7, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Right side raise



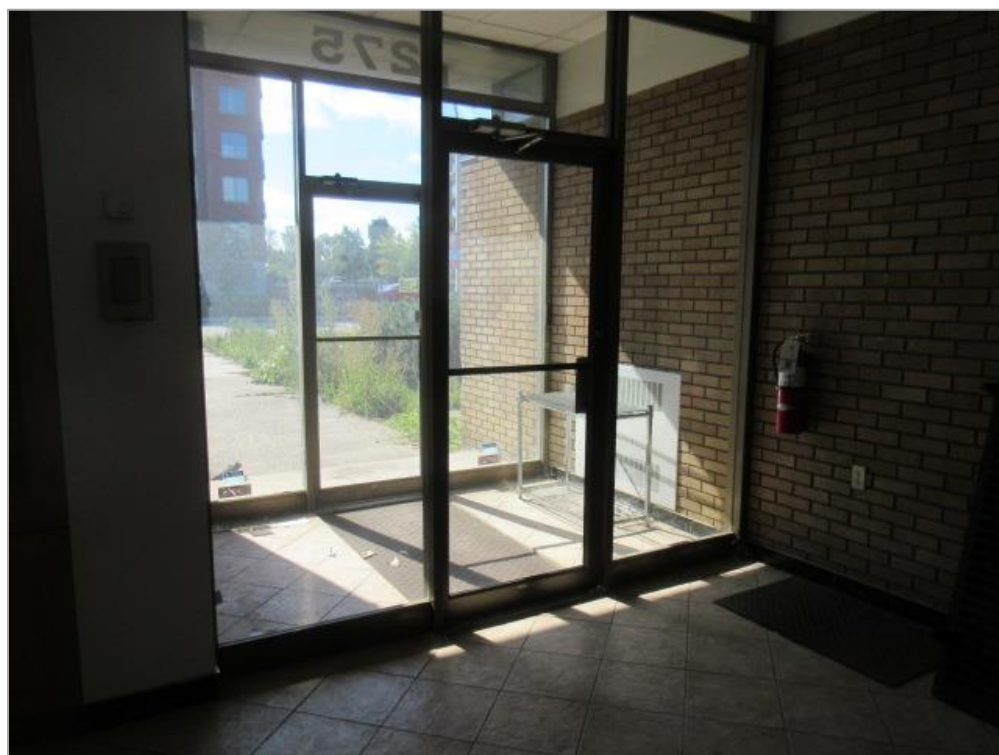
Left side raise

Photographs taken on September 7, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Secondary entrance – Left side of the building



Main entrance on Hymus Boulevard

SUBJECT PHOTOGRAPHS (cont.)



Office space



Office space

Photographs taken on September 7, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Water infiltration through the roof



Traces of mold

Photographs taken on September 7, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Cracked ceramic slab and tiles



Cracked ceramic slab and tiles

Photographs taken on September 7, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Drop ceiling



Mechanical room

SUBJECT PHOTOGRAPHS (cont.)



Working area



Mold in office space

Photographs taken on September 7, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Bathroom



Bathroom

Photographs taken on September 7, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Office space



Working area

Photographs taken on September 7, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Electrical room



Mold on placoplatre

Photographs taken on September 7, 2021, by Alain Legault

Certificate of Location

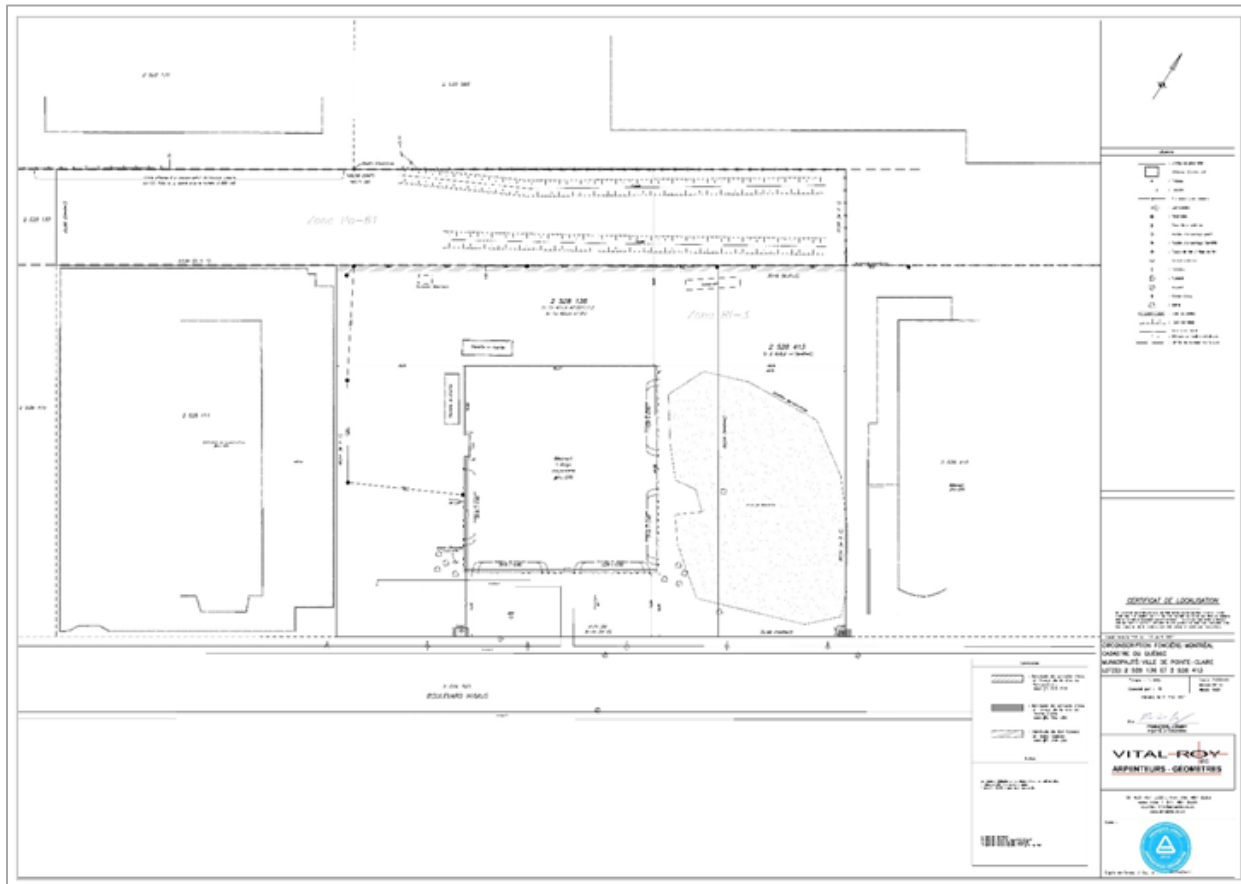


Figure 1 — Certificate of Location

Professional Qualifications

PROFESSIONAL QUALIFICATIONS – LUC HÉROUX

Academic Studies

UNIVERSITY	Université du Québec in Montreal (UQAM) BAA in Business Administration - 1997
UNIVERSITY	Université du Québec in Montréal (UQAM) BAA in Economy - 1993
COLLEGE	Édouard-Montpetit, Longueuil Diploma obtained in 1990

Advanced Classes and Seminars

- Professional obligation, ethics and professionalism
- Application of the Income Approach, financial mathematics, mortgage calculation
- Application of the Direct Comparison Method
- Application of the Cost Approach and construction techniques
- Appraisal of commercial centres
- Working file for sales analysis in the preparation of the property assessment roll
- Geomatic to appraiser service

Professional Experience

2001 TO PRESENT	Chartered appraiser for Paris, Ladouceur & Associés Inc. (financing mortgages, financial repossessions, municipal appraisal contestations, insurances and investigations).
1998 TO 2001	Chartered appraiser for Paris, Ladouceur & Associés Inc. (financing mortgages, financial repossessions, municipal appraisal contestations and for expropriation purposes, insurances and investigations).
1997	Chartered appraiser for Yvon Caron & Associates (financing mortgages, financial repossessions and insurances).
1995 TO 1997	Appraisal technician for Gagnon, Goudreau, Leduc Inc.
1995	Inspector calculator for Le Groupe Leroux
1992 TO 1994	Clerk to real estate for Canada Mortgage and Housing Corporation in Longueuil (collection of rents, repossession marketing, works supervision and administration of assets). Trainee at the market analysis for the Canada Mortgage and Housing Corporation in Longueuil (analysis and writing market data, disclosure to market participants).

Professional Association

- Chartered member of l'Ordre des évaluateurs agréés du Québec