

Reid's Heritage Properties

Message from Scott

August 2020

Dear Investor,

Summer draws to a close, children go back to school (maybe?), the Leafs are out of the playoffs, and we are left to ponder our future with Covid. Vaccines are in advanced testing phases (fingers crossed) and thankfully we are spared the worst of what the virus can do as evidenced by our American friends. Let's hope we keep our collective wits about us and keep the curve flat!! I am grateful for the things that have returned to normal. Clearly there will be some elements that are now a new normal and we will learn to live with those also.

I am very heartened by progress made on the economic front. Unemployment at 10%, while certainly far from acceptable is something that as a society we can support. Canada is in the very fortunate position of having the financial bandwidth to financially support those who need time to retrain and re enter the workforce.

Retail sales numbers are out for June. They come in only 8.1% lower than June 2019. This is a significant rebound from the depths of April and May and I'm sure it is a relief to retailers. I am sure you are following the real estate news. It seems that even a Pandemic can't keep real estate down in Ontario. As urban dwellers flee the confines of the city, they are driving up pricing and constraining supply locally. Whether or not this translates into a longer-term trend is very much up for discussion. My opinion is that the pandemic hastened the move of people who would have moved over time. It simply compressed that decision making of several years into several months. Coupling this with longer term trends in the housing market (supply shortage) this has made the local markets very competitive.

What will be interesting to watch is the future launches of High-Density product in the core of Toronto. There were two projects that launched in the past month and they did very well. There are approximately 16 projects launching this fall which will also be telling. We are seeing a pullback in rents in the core as pricing eases due to Covid. We expect the long-term upward trend to continue once the virus fears abate. This is the opposite of local projects where we are seeing increases in rents and very low vacancy as interest remains at historical levels.

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cont.

We did launch our Breslau project for leasing. There is a great amount of interest and we are signing leases. In November, when the building is ready, we will invite you to site for a tour.

As we turn to fall, the US election and the second half of 2020 hold onto your hats as its sure to be a ride!!

Go Raptors!!

Andrew Long

AJDL Development



As most of you know, I have been working side by side with Reid's as General Partner for the Breslau and URBN Lofts site offering support and creating limited partnerships on various RHP sites.

Scott and I have worked together in different capacities in Real Estate for almost 15 years, starting with multi-unit residential purchases (many of you were a part of this). My Real Estate industry background has spanned over 15 years, during which time I have predominantly focused on connecting investors with new development opportunities. I take great pride in my ability to seek out and match desirable investment opportunities for valued clients while at the same time, executing large-volume sales for builders & developers.

We are thankful for your trust and support in our vision and remain unwaveringly confident in our ability to deliver what we promise.

I've been fortunate to work side by side with this team for some time now, and I have witnessed first-hand the amount of work it takes to cultivate each opportunity. I spend a great deal of time analyzing the local market, determining appropriate rental rates, assessing new project potential, analyzing the competition coming to market, and raising equity for our various projects.

Within the next 1-2 months, we will be announcing more opportunities for investors, including 2 new sites in Guelph and another large project in London, ON. Joseph's Place (Breslau) is only months away from completion, with leases being signed this month. URBN lofts (Guelph) will start leasing this fall, offering spring 2021 occupancies. Ongoing evaluation of local sales and rental rates looks favourable for us, and projections have us exceeding our original proformas.

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What we have collectively experienced in the last 6 months is rather surreal. Despite the challenges faced, Southern Ontario has entrenched itself as a desirable place to live and work. Cities with populations in the range of 100 - 300K (most notably Oakville, Guelph, Cambridge, and London) have been flooded with increasing demand from those wanting to move into the area. With the cost of homes consistently rising, the need for clean, modern, and well-managed rental properties is growing. We are in the right business, and ready to meet this demand head-on.

Once again, thank you for your continued support and belief in us as a team. We have many exciting opportunities on the horizon and look forward to sharing more good news in the coming months.

Stay well,

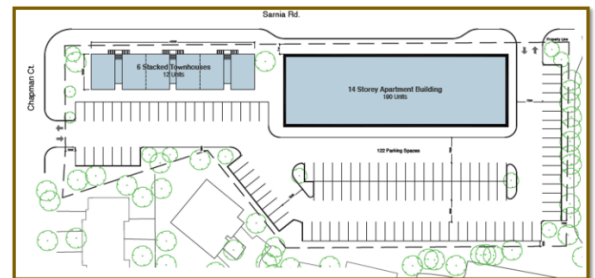


Andrew

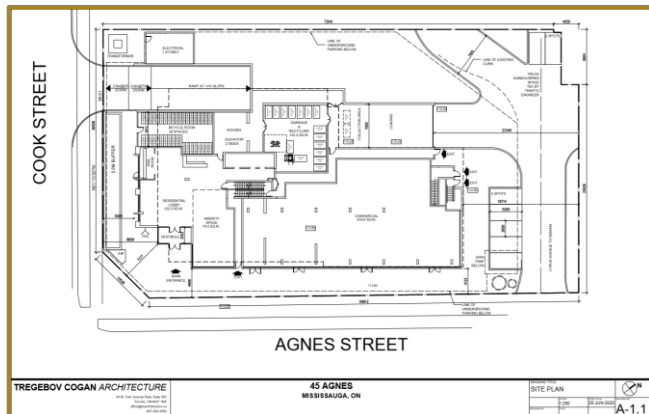
New Project – Sarnia Road, London



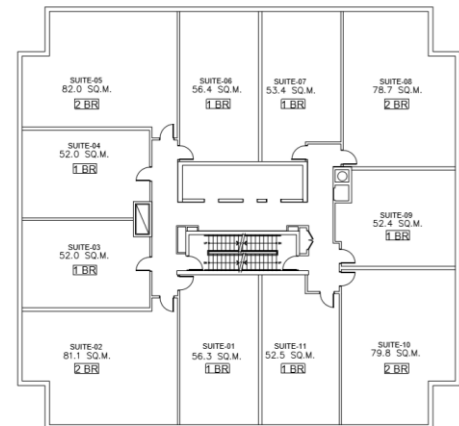
- Land Purchased mid-August
- 14-Storey Tower Proposed
- 218 Units + 18 Stacked Towns
- 208,000 sf GFA



New Project - 45 Agnes St. Mississauga



Typical Floor Plan



- New rendering coming soon
- Suite mix and sizing being finalized
- Consultants have been engaged to submit proposals – transportation, landscaping, civil etc.
- More details to follow!

The RHP Team – Lakeside HOPE House, Guelph



On August 20th, the RHP Team spent a morning volunteering with the staff at Lakeside HOPE House working on the Guelph Community Backpack Project.

This project is to ensure under privileged children return to school with all the supplies they need, from backpacks, lunch bags, pencil cases and much more.

In total, our team was helped to organize enough supplies to support over 1300 children in the Guelph community for the upcoming school year.

URBN Lofts, Guelph



- The last panel was installed last week
- Paint work started on West elevation
- RHP leasing signage to be installed

For more info please visit
www.urbnlofts.com
or follow us on Instagram:
[@urbnlofts_guelph](https://www.instagram.com/urbnlofts_guelph)



the | W - London



Building D

- Foundation work and waterproofing ongoing.
- First floor pre-cast in fabrication
- Project completion July 2021



the | w – London cont.

Building E

- Masonry work to be completed by end of the month.
- Millwork installed on third and fourth floor and delivered for second floor.
- Curbs being poured.



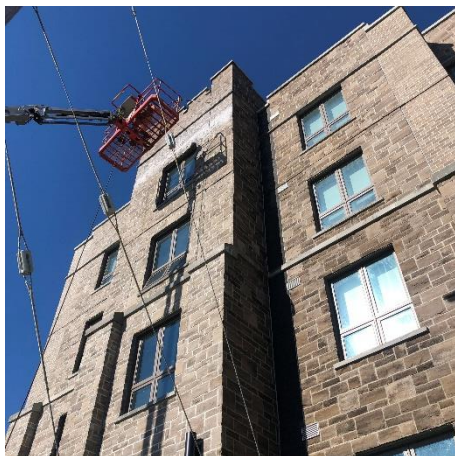
Building F

- Finishing touches being completed!

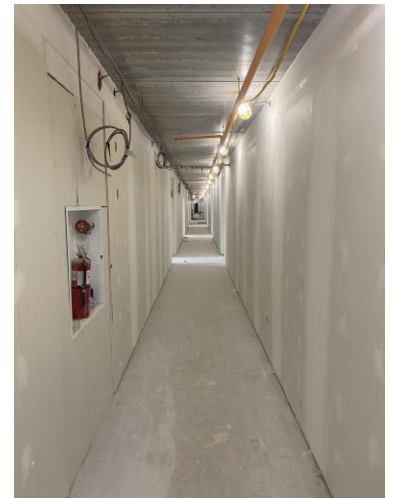
For more info please visit
www.thewlondon.com
or follow us on Instagram:
@thewlondon_



General site photos



Joseph's Place, Breslau



- 20% of suites leased with November – January occupancy
- 90% of curbs are in place
- Asphalt to start by end of August

For more info please visit
www.josephsplacebreslau.com
or follow us on Instagram: @josephsplace_breslau

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