

Reid's Heritage Properties

Message from Scott

September 2020

Dear Investor,

I trust this finds you well and settling into whatever semblance of normal is possible for you and your family. Our two children still at home are in high school and adjusting to the new "Quadmester". I think we all are holding our breath that this "second wave", which we are clearly in, gets out of the way prior to the onset of our typical winter! Best of luck to you and your family this fall.

As I am sure everyone does, I spend a lot of time gathering information and listening to experts to decipher what is really happening in our economy. The headlines never tell the whole story. Connecting to the people who are on the ground and listening and feeling what is going on will always be 10 times more valuable to me than the headlines.

On a higher level here are some General Economic points that we are hearing:

1. Expect Q3/4 to be gloomy – Second wave takes hold and cold and flu season affects general economic activity
2. To date we are -4.7% growth vs 2019
3. Look for second half of 2021 to be better (vaccine and virus mitigation effects working)
4. 65% of Economy in a V shaped recovery
5. 35% of Economy in an L shape (Service sector, hospitality)
6. 16% of mortgages deferred in Canada – this will reduce to 12% by the end of September. Deferrals are ending. The 12% have good Loan to Value metrics and 80% have dual income. Generally, the risk of mortgage delinquency is very low.
7. Transition to EI from CERB will happen through the beginning of 2021. Canada is 2nd in the world in spending as a percentage of GDP. They will have to reign this in.
8. No change in interest rates out to 2023

On the real estate side, specifically the commercial real estate side, we monitor the following:

1. General tenant interest in new product coming to market
2. Rent collected in the general market (currently better than 95%)
3. Current trajectory of rents in our respective markets
4. Overall liquidity in the commercial banking markets and lender interest in our future projects
5. Transaction reports of Residential Apartments
6. Expert commentary on supply and demand metrics
7. National and international market / economic commentary.

As we assess the upside, and potential risks to the downside, we continue to be bullish on residential apartments based on what we are hearing today. Having a solid track record of execution and delivery, along with strong market fundamentals, gives us the ability and confidence to move forward on new opportunities. This fall, Andrew will be reaching out, if he has not done so already, to talk about specific opportunities that will be available.

As always feel free to call if you ever have any questions. – Scott

REID'S
Heritage Properties



Meet Andrew Arklie – Director of Business Development for R.H.P.

RHP Team Member



As Director of Business Development, Andrew works to create and foster relationships with potential investors, brokers, financing partners and other stakeholders. With a goal of driving efficiency in mind, Andrew also works to source possible land development sites, create extensive and detailed business cases for investment opportunities and ensure all active properties are operating at their full potential.

Andrew brings over a decade of experience in the real estate industry, serving in various capacities with leading real estate organizations from across Canada. Prior to Reid's Heritage Properties, Andrew served as Director of Operations for Eastern Canada at Skyline REIT. Andrew brings a wealth of knowledge and industry connections to the Reid's Heritage Properties team as he strives to grow and build brand recognition.

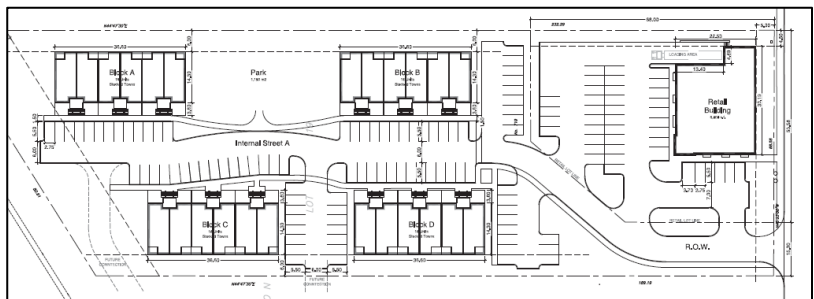
Andrew is a proud alumnus of the University of Guelph, holding a Bachelor of Commerce degree with a specialization in Real Estate and Housing. He continues to give back to the University, serving on the Guelph Gryphon Men's Hockey Alumni Committee and also teaching "Intro to Real Estate" for the Real Estate and Housing Program at the University of Guelph's Gordon S. Lang School of Business.

Andrew lives in Guelph with his wife Christina and son, Blake. When not working in real estate, he can also be found in the outdoors, cutting firewood at their cottage, or playing the guitar.

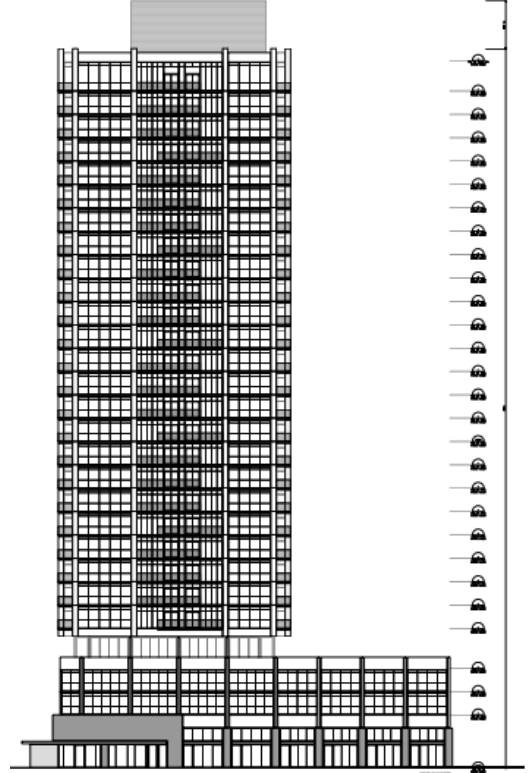
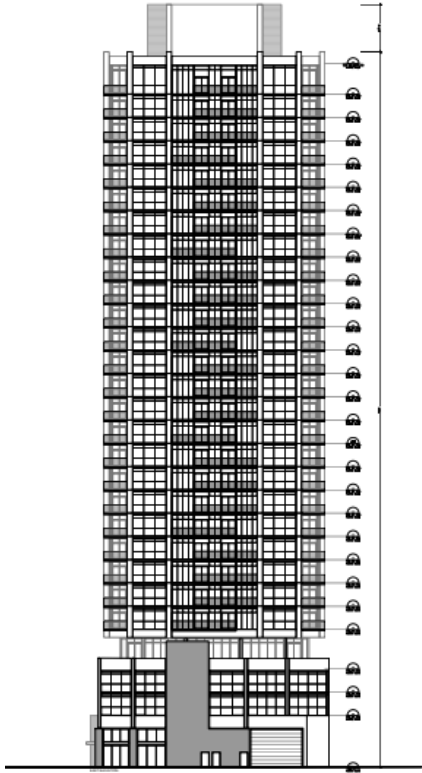
New Project – Woolwich Street, Guelph



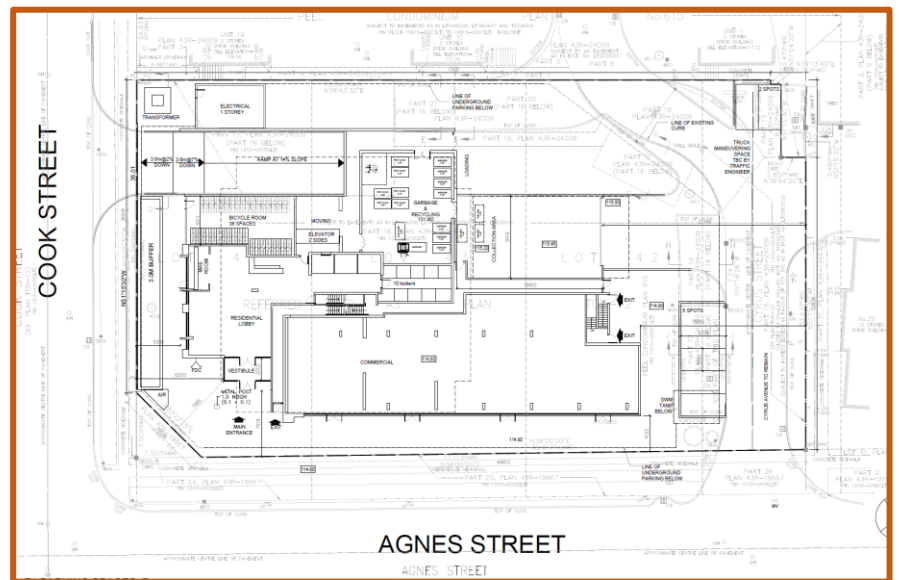
- 3.5 acre site
- Proposed stacked-townhouse complex planned
- Beer Store would move to front of Property to make room for townhouses at rear
- 80-85 units proposed



New Project - 45 Agnes St. Mississauga



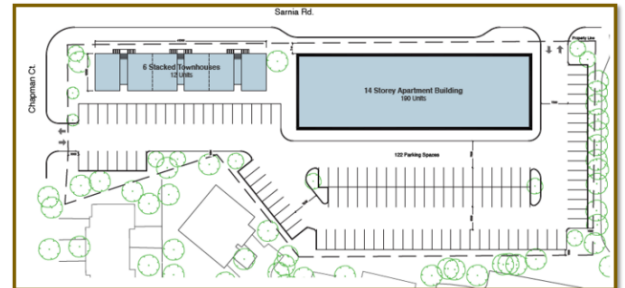
- Revised rendering created by TArch architects
- Pre-consultation meeting planned with City of Mississauga for October
- 282 units
- Main floor commercial
- 4th floor podium amenity space
- 5 levels of underground parking



New Project – Sarnia Road, London



- Land Purchased mid-August
- 14-Storey Tower Proposed
- 163 units – studio, 1 & 2 bed mix



- 139,695 sf GFA
- Includes surface parking only

the | W - London – Project under Construction



Building A, F, G & D

- Landscape complete
- Signage installed



the | W - London – cont.

Building D

- Forming wrapping in progress
- Partial first floor underway
- Slab on grade pour by early November
- Project completion July 2021



Building B

- Initial excavating complete

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



Joseph's Place, Breslau – Project under Construction



- 20% of suites leased with November – January occupancy
- 100% of curbs are in place
- Furniture for common areas on order

www.josephsplacebreslau.com
or follow us on Instagram:
@josephsplace_breslau



Meet Adam Kitchener, Unlimited Residential Living – Josephs Place



Adam Kitchener, is the founder of UNLIMITED Residential Living. A full-service property management firm overseeing luxury apartment buildings, multifamily complexes, and rentals across Ontario.

“We manage, lease and maintain several luxury rental and condominium properties in Ontario. We are experts when it comes to the initial lease up, on-boarding of new tenants and management of purpose built quality multifamily property. Our company mantra is to offer

Better Rentals, and Better Living, mimicking the hospitality industry to offer a better tenant experience and a sense of community in all the properties we call home.

I am excited for the upcoming Breslau opportunity and look forward to building on the tenant experience with our community-first approach to property management”.

URBN Lofts, Guelph – Project under Construction



- RHP leasing signage installed
- Vinyl windows due October 5th
- Vinyl patio doors due October 26th



- City Lights Property Management to manage the lease-up
- Registrant Update: 205
- Pre-Lease launch Oct. 1
- Banner Installation



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EST. 2005

- Domus Inc. to be the Property Managers after occupancy

For more info please visit

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