



Message from Scott

Welcome to the end of 2020!

I feel like we have arrived at the finish line of a long and gruelling marathon and that there should be a celebration of sorts. Alas, celebrations are so passe.

Our industry, and specifically the purpose-built rental segment, held up very well. We experienced between 95 and 100% collection on our projects. In 2020 rents continued to rise, notwithstanding the 15 – 20% decrease in the core of Toronto. City dwellers fled the concrete jungles for the relative space and beauty of Guelph, KW and surrounding area. Will the pendulum swing back? I believe it will. The timing will all hinge on the massive employers (banks, etc.) re-populating the downtown with workers in a post vaccine world.

Not to worry though, hard assets in all residential markets are on a long-range increase in value thanks to cheap money. Couple this with the governments stated goal of continuing to populate Canada with immigration (approx. 400,000/year for the next three years) and you have the makings of a long-term housing crisis.

Governments are wringing their collective hands at this trying to figure out what to do while planning and zoning timelines continue to lengthen. The solution is more housing, in all forms, and lots of it. We can handle a lot more purpose-built housing in Canada. Even today we are only building half of what we did in the rental housing boom of the 70's.

Solid mid market purpose built rental product, registered as condos (giving two possible dissolution outcomes) is the way to go. Building new purpose-built rentals as income producing assets build value starting from the day the first rent cheques come in the door. Imagine inflation running higher than the cost of your debt, essentially inflating away the debt while the principal of the mortgage is also being paid. I am not aware of another time in history where this unique combination has been prevalent.

With nearly 300M in projects on the books (Hard cost construction value of constructed, under construction, and to be started projects), and an additional 175M in projects entering the planning process, we are well positioned to stake a firm position in our respective markets.

DECEMBER 2020

IN THIS ISSUE

- End of Year message from Scott
- RHP Volunteering at Hope House in Guelph
- New Projects
- Current Projects



Message from Scott – cont.....

We continue to network with partners and potential partners on key developments beyond as well. We will also have an exciting announcement for you in the New Year on a unique opportunity that some of you may be interested in that will offer the chance to diversify your investment.

I want to thank the Team at Reid's Heritage Properties for their tireless, dedicated service to our cause. Each one of them are true professionals and I am proud to call them colleagues.

I also want to thank my partners, Andrew Long, Brian Willsie at AJDL, and my other project partners that bring as much to the table as anyone. They are quintessential team members who understand what it is to dig in and work. Their insight is invaluable, their experience priceless.

Last of all, and certainly not least of all, is you, our investors. You trust in us as a team and as individuals. This is something I am grateful for every day. We truly love our work, and your investment provides us further capital to expand the number of projects, bringing to life the opportunities and communities that we are all very proud of. I know many of you very well, and hope to develop relationships with everyone, but each and every one of you are important and valued. Thank you for being a part of our team and our journey.

It had been our plan to hold an Investor Appreciation night in November. Covid has thwarted our plans and so we have pushed that off. We had some special guests lined up for the occasion as well and we have confirmed with them that we will reach out at a future date. Hopefully sometime in 2021 we can have all of us together, under one roof, to allow us to show our appreciation to each and every one of you. Until then you must suffer through my monthly dissertations.

On behalf of the Reid's Heritage Properties Team and Shelley and I, we wish you health and happiness this Holiday Season. We wish you warmth and joy as we count our blessings.

If you can, reach out to a neighbour, a friend, someone in need and let them know they are thought about and cared about and help them if you are able.

As always, call if you have any questions.

With warmest wishes for a Merry Christmas and Happy New Year!

Scott



CHARITY SPOTLIGHT



Hope House Mission Statement

"Provide tangible, compassionate assistance and care to those in the Guelph community and abroad through immediate relief and ongoing support with the goal of a greater level of independence".



Affordable Christmas Market





Hope House Core Values:

Dignity – We believe every person matters.

Advocacy – We advocate with and amplify the voices of people living in poverty.

Belonging – We offer a community that welcomes and encourages people where they can receive immediate relief and ongoing support.

1515 GORDON STREET
UNIT 203, GUELPH, ON N1L 1C9

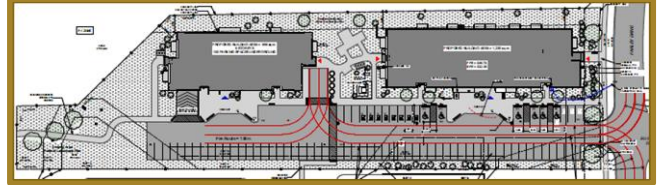
FOLLOW RHP ON   | 519.654.9099 | REIDSPROPERTIES.COM

Current PROJECTS

FARLEY Phase 2, GUELPH



- Documents under review with planning team

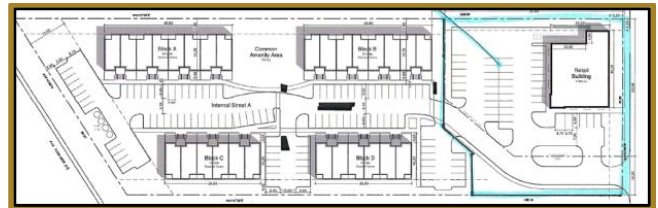


- Pre-consultation meeting underway

710 WOOLWICH ST, GUELPH



- 3.5-acre site
- Closed on site October 23rd
- 84 unit stacked-townhouse design will be proposed along with moving the current Beer store to the front of the property and continuing long-term lease



- Project kick-off meeting occurred Nov 18
- Record of site condition has been filed.

Agnes Street, Mississauga

- Municipal Planning Review Committee has approved the zoning bylaw amendment.



SARNIA RD, LONDON

- Ongoing consultations with the City on mid-rise development

Current PROJECTS

Joseph's Place, Breslau



- Occupancy on first three floors, with tenants.
- 4th floor occupancy early next week
- Sierra to finish on site by Jan 15

"The building is beautiful, and the workmanship is impeccable"

From Linda – a new tenant

URBN Lofts Guelph



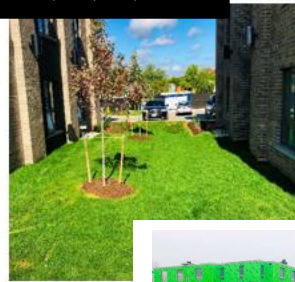
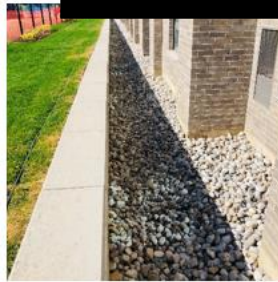
- Curtain floor arriving next week
- Installation of flooring on 5th & 6th floor commencing next week
- Elevator to be up and running by mid-March in time for sales suite

Current PROJECTS

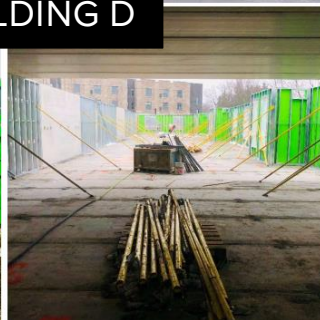
Sherwood Forest London



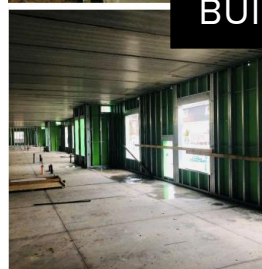
BUILDINGS A, E, F, G



BUILDING D



BUILDING B



1515 GORDON STREET
UNIT 203, GUELPH, ON N1L 1C9

FOLLOW RHP ON   | 519.654.9099 | REIDSPROPERTIES.COM