



2025 ANNUAL REPORT

Presented to:

The Limited Partners of the 18 Louisa Development

+ Letter to the Limited Partners

Dear Limited Partners,

We are pleased to provide the first annual report of the 18 Louisa Street Development (the “Development”). The Development is a 10-storey, 161-unit residential building in Ottawa’s Centretown neighbourhood, featuring strong transit access, modern amenities, and an existing 22,144 square foot office building.

Construction is underway, with excavation and foundation work completed and the building structure now rising. A minor delay of approximately four weeks was encountered early in the project due to demolition complexities, unforeseen subsurface conditions, and more extreme winter weather, however, the construction schedule has since been adjusted, and the targeted occupancy date remains as planned, Spring 2027.

The Development remains on budget. Savings achieved through favorable tendering of hard cost scopes have offset minor overages in other categories. As of January 2026, cost to date is approximately 26% of the total project budget, and contingency usage remains limited at just 1.64% of the total amount set aside.

As of Q1 2026, pricing has been received for approximately 78.17% of hard costs, with favorable lump sum pricing relative to the current budget. Further updates to the project budget will be provided in the Q1, 2026 report as the remaining scopes are tendered, assessed and finalized.

From a market and leasing perspective, the Ottawa rental market has transitioned toward more balanced conditions, with rents stabilizing and total vacancy at 3%. Newer, amenity-rich product in desirable locations continue to command premium rent relative to older stock and fringe-core locations. The Development is well positioned within this segment, supported by its central location, proximity to key amenities, and in-building amenity offering.

Overall, the Development continues to track in line with original underwriting, with schedule, budget, and the market remaining stable. Going forward, the Development will focus on advancing construction and transitioning the project to lease-up.

Sincerely,

Ken and Christian Jennings
Directors of the General Partner

+ Development Overview

The Development is centrally located in the Centretown area of Ottawa, near Preston Street (Little Italy), Somerset Street (Chinatown), and a five-minute drive to downtown, with excellent transit access including the Ottawa LRT, priority bus routes, and Highway 417.

The 10-storey residential building will feature 161 residential units (studios, one-bedrooms, premium one-bedrooms and two-bedrooms), 86 parking spaces, 85 bike spaces, and amenities such as a fitness center, outdoor spaces, resident lounge, and remote-work areas.

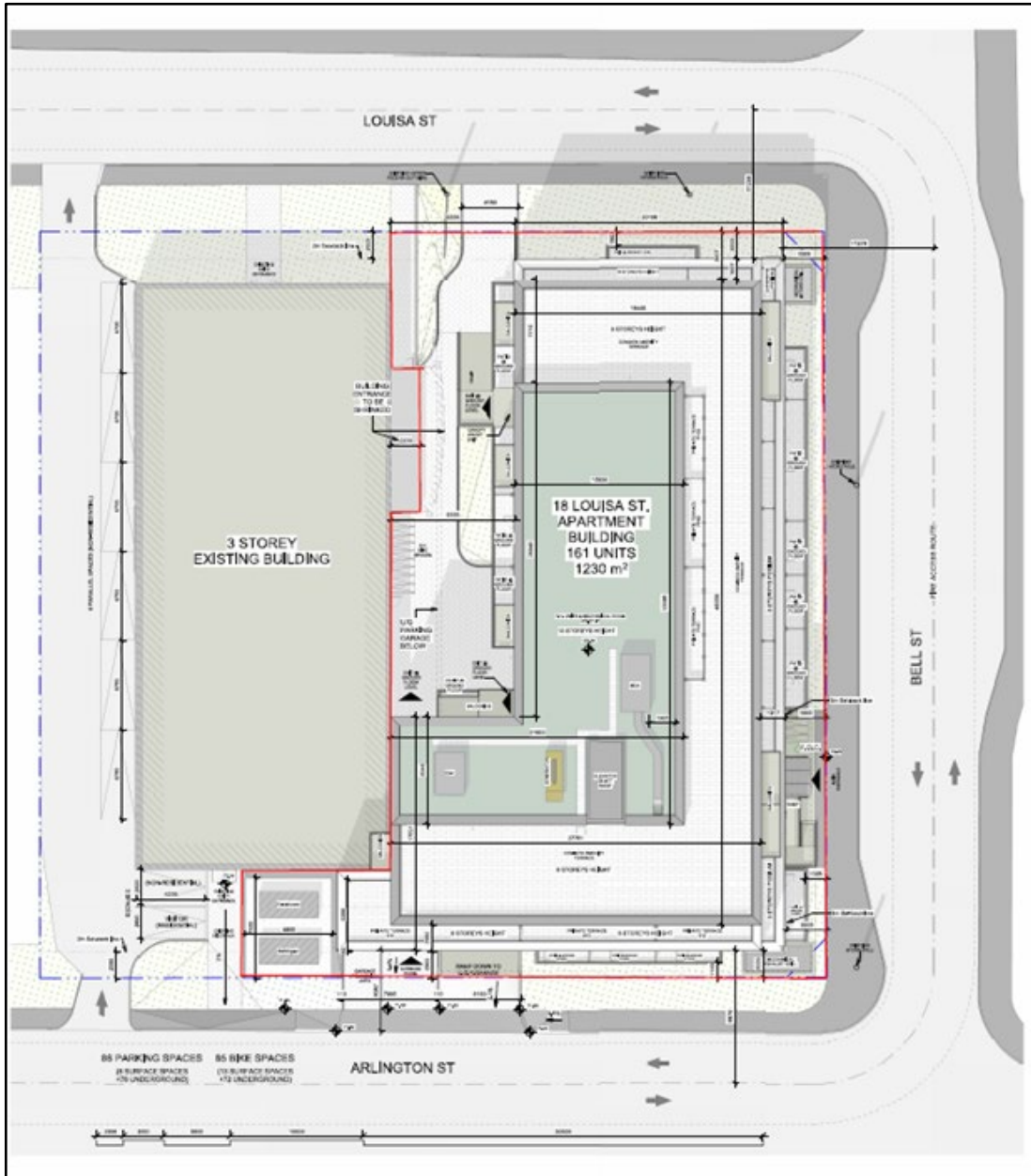
In addition, the Development includes an existing 22,144 square foot office building that will continue to be leased, providing additional income and a unique live-work opportunity for resident of the Development

The images on the following pages, include a site plan for the Development and areas such as the rooftop amenity area.



Rendering of Proposed Exterior Façade

+ Development Overview



Site Plan

+ Schedule

The Development experienced a minor delay of approximately four weeks at the onset of construction due to complications encountered during demolition of the existing structure, along with unforeseen rock and soil conditions. In addition, colder-than-expected winter conditions slowed progress on concrete work in the winter.

The construction schedule and sequencing have since been adjusted to mitigate further delays, and the targeted occupancy date remains Spring 2027.

In the upcoming quarter, construction will focus on pouring concrete for levels 6 through 12, as well as beginning enclosure of the lower floors with exterior cladding.

A high-level schedule for the remainder of the project is provided below.

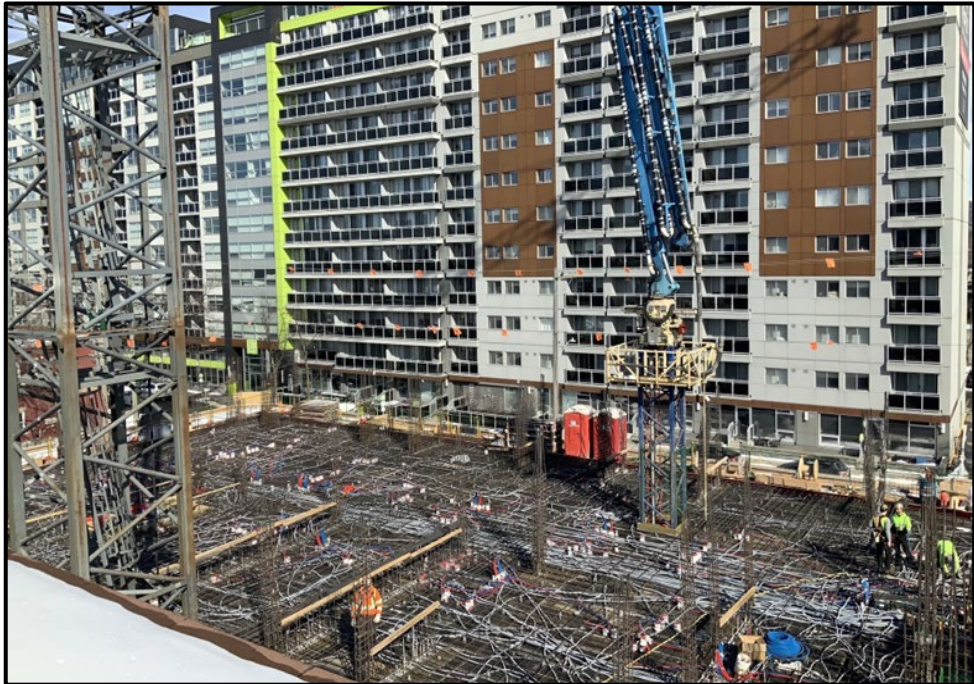
18 LOUISA CONSTRUCTION SCHEDULE															
ID	Task Name	Start	Finish	26											
				M	A	M	J	Half 2, 2026				Half 1, 2027			
				J	A	S	O	N	D	J	F	M	A	M	
1	CONCRETE WORK	Thu 11/13/25	Tue 6/9/26												
2	EXTERIOR ENVELOPE	Wed 6/10/26	Thu 9/3/26												
3	EXTERIOR CURBS, SIDEWALK, LANDSCAPING	Mon 10/5/26	Mon 11/16/26												
4	INTERIOR FINISHES	Tue 6/30/26	Mon 4/26/27												
5	OCCUPANCY	Tue 4/20/27	Mon 5/17/27												

+ Construction Update

The photos below and on the following pages showcase the progress of construction at the Development.



+ Construction Update



+ Construction Update



+ Budget and Cost Update

The Development is currently on budget. To date, savings have been achieved on hard costs, as tendered scopes have come in below initial budget expectations.

These savings have offset minor overages in other categories. A total of \$54,467 has been drawn from contingency to date, representing 1.64% of the total project budget.

The below budget is that approved and tracked by the project's quantity surveyor. This budget will continue to be monitored closely throughout the project.

The chart below outlines the original budget, current budget, variance, and costs incurred to date, which represent 25.76% of the total current budget.

Recently, as of Q1, 2026, pricing has been received for 78.17% of hard cost with favorable lump sum pricing relative to the original budget. The Q1, 2026 report will provide more update on the current budget as the results of the tenders are assessed.

	Original Budget	Current Budget	Delta	Gross Cost to Date
Land Value	\$ 7,410,000	\$ 7,410,000	\$ -	\$ 7,410,000
Hard Costs	\$ 47,659,670	\$ 47,404,596	\$- (255,074)	\$ 5,707,325
Soft Costs	\$ 1,342,330	\$ 1,396,837	\$ 54,507	\$ 963,329
Municipal Charges	\$ 5,544,616	\$ 5,669,263	\$ 154,647	\$ 2,557,721
Marketing and Admin	\$ 4,704,070	\$ 4,805,657	\$ 101,587	\$ 2,419,545
Financing	\$ 5,310,465	\$ 5,309,265	\$- (1,200)	\$ 415,092
CMHC Premium	\$ 901,940	\$ 901,940	\$ -	\$ 156,091
Contingency*	\$ 3,302,194	\$ 3,247,727	\$- (54,467)	\$
Total	\$ 76,175,285	\$ 76,175,285	\$ -	\$ 19,629,103

*Contingency was originally budgeted at approximately 7% of total hard costs. The contingency is reduced over time as major project milestones are completed or significant contracts are awarded, reflecting reduced risk and increased certainty. This is in addition to the construction contingency which represents 4% of the construction cost. Combined, the two contingency amounts account for in excess of \$5M (10%+ pf the hard costs)

**Disclaimer. The figures are internally prepared. We do not express an opinion or any other form of assurance on them. This report is not intended for distribution or consideration for credit purposes.

+ Market Update

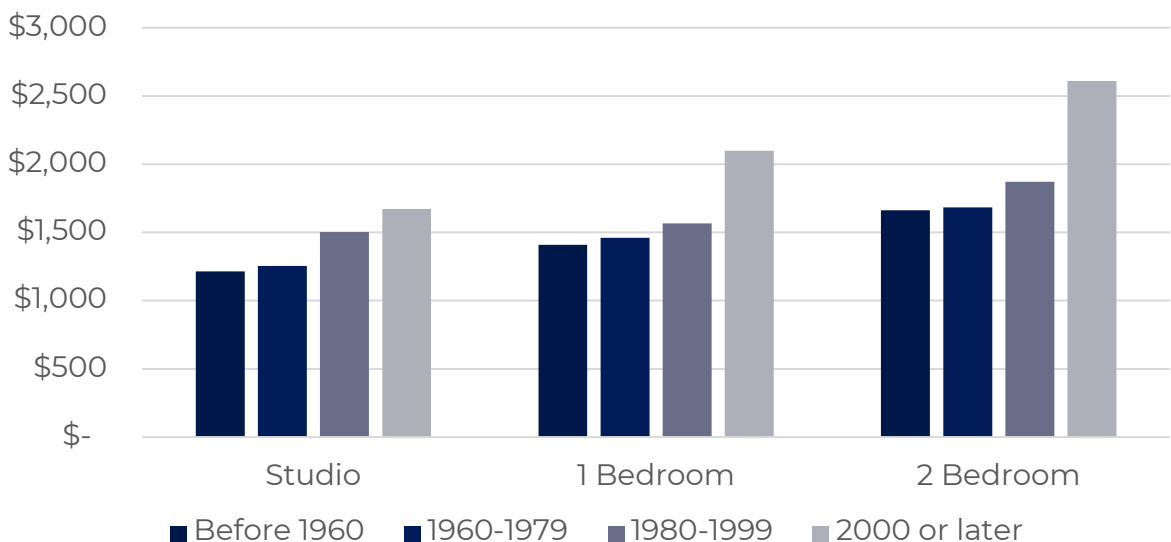
The rental market in Ottawa remains relatively stable, with a vacancy rate of approximately 3.0%. Recent market data shows some month-over-month rent stabilization in early 2026.

There is a clear distinction between rental rate of older rental stock versus newer, amenity-rich buildings similar to the Development. According to the CMHC Rental Market Survey (October 2025), units constructed in 2000 or later achieve materially higher rents, with one-bedroom units averaging approximately \$2,100 and two-bedroom units approximately \$2,609 in Ottawa. These figures more closely reflect the Development and align with underwriting expectations.

Vacancy rates in newer purpose-built rental buildings have increased, with units constructed after 2015 reporting vacancy levels of approximately 6.7%. A significant portion of this new rental supply is located in fringe-core areas with fewer surrounding amenities, including the Carling Avenue corridor and St. Laurent Boulevard, which are considered inferior locations relative to the Development. The Development benefits from a central urban location with walkable access to key amenities, including Ottawa's Little Italy corridor and Chinatown.

The Development is positioned within this newer, higher-quality segment of the market and will offer a strong amenity features and an above-market parking availability. Overall, conditions remain consistent with underwriting expectations. Market conditions will continue to be monitored as the Development advances toward lease-up.

CMHC Monthly Rent by Year of Construction



+ Disclaimer

Certain statements contained in this report may contain forward-looking statements and forward-looking information (collectively, "forward-looking statements"). In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "potential", "continue", "target", "committed", "priority", "remain", "strategy", or the negative of these terms or other comparable terminology, and by discussions of strategies that involve risks and uncertainties. Such forward-looking statements contained in this report may include, among other things, statements regarding: the general partner's expectations with regard to market demand and rent growth; the partnership's growth strategy; planned growth of the property portfolio; future acquisitions; including the amount expected to be invested in such acquisitions, the location of such acquisitions, improvements in profitability or rent growth of the portfolio, property developments, including cost and timing of completion thereof, and the general partner's expectations regarding capital improvement costs; portfolio growth, debt maintenance or reductions, and return on investment; maintenance costs; the effect of completed developments on the portfolio; interest rate fluctuations; credit availability; financing costs; market values; pace and scope on future acquisitions, construction, development and renovation, renewals and leasing. Readers should be aware that these forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated or implied, or those suggested by any forward-looking statements. Given these uncertainties, readers are cautioned not to rely upon any forward-looking statements contained, or incorporated by reference, in this report. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events contained therein may not occur. Although the general partner believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. While the general partner anticipates that subsequent events and developments may cause its view to change, the general partner does not intend to update or revise any forward-looking statement, whether as a result of new information, future events, circumstances, or such other factors that affect this information.

The general partner makes commercially reasonable efforts to ensure the information presented in this report is accurate, but it is not responsible for any errors and omissions contained in the information included in this report.