



WALL FINANCIAL CORPORATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND
RESULTS OF OPERATIONS**

YEAR ENDED JANUARY 31, 2019

April 18, 2019



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The following discussion of Wall Financial Corporation's (the "Company", "we", or "us") financial conditions and results of operations should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended January 31, 2019 and 2018. Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

The financial statements underlying this Management's Discussion and Analysis ("MD&A"), including comparative information, have been prepared in Canadian dollars, and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), unless otherwise noted, using the same accounting policies as described in notes 2 and 3 of the Company's consolidated financial statements for the years ended January 31, 2019 and 2018.

The Board of Directors of the Company (the "Board"), on the recommendation of the Audit Committee, approved the content of this MD&A on April 18, 2019.

The role of the Audit Committee and the Board in respect of financial information included in this MD&A and the consolidated financial statements is set out in the Overview section of this MD&A. Additional information relating to the Company, its activities and operations, including the Annual Information Form, is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning the Company's future objectives, strategies to achieve those objectives, as well as statements with respect to management's plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "anticipate," "believe," "continue," "estimate," "expect," "intent," "objective," "outlook," or "plan," or similar expressions or statements that events, conditions or results "will," "may," "could," or "should" occur or be achieved. Such forward-looking statements reflect management's current beliefs, expectations, estimates, projections and assumptions that were made in light of management's experience and perception of historical trends, as well as information currently available to management.

This MD&A contains forward-looking statements concerning planned increases in rental units and rates, average daily rates and occupancy rates, anticipated increases in revenue from operations, timing for commencement and completion of construction and renovations, the Company's policy to only acquire land for development which is zoned for its intended use, or where the required rezoning is contemplated and encouraged by the governing authorities, anticipated timing of the closings of sales, anticipated timing and approval of rezoning and subdivision applications, anticipated growth, anticipated cost and financing of planned projects, anticipated resources being sufficient to carry the Company's operations through uncertain times, impact of interest rates on net earnings; recovery of cash flow, capital expenditures and investments, property acquisitions, development plans, outlook with respect to financing availability and operating and financial conditions, plans to make the necessary capital and operating expenditures to facilitate compliance with environmental laws and other requirements and the impact of those expenditures, prevention and mitigation of the impact of catastrophic loss of life and property through the provision of safe work sites, safe living areas and maintenance of adequate and cost effective insurance, and continual evaluation and modification of internal controls over financial reporting. These forward-looking statements are not a guarantee of future performance and are based on the Company's estimates and assumptions, which include, but are not limited to assumptions based on management experience, historical results, current

expectations and analyses, trends, government policies, and current business and economic conditions, including the Company's analysis of its business and services and its expectations regarding the effects of anticipated business and service changes and the potential benefits of such efforts and activities on the Company's results of operations in future periods. Forward-looking statements are subject to inherent uncertainties and risks, including, but not limited to: general business and economic conditions in the Company's operating regions, pricing pressures and other competitive factors, results of the Company's ongoing efforts to reduce costs, market its developments for sale, the ability to obtain rezoning and subdivision of certain properties, and the availability and terms of financing. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements. The Company, except as required by applicable law, undertakes no obligation to publicly update or revise any forward looking statements.

OVERVIEW

The Company is a real estate investment and development company incorporated under the laws of the Province of British Columbia in January 1969.

All of the Company's current revenue is generated from assets that are situated in Metro Vancouver and the Lower Mainland of British Columbia. The Company's activities are concentrated as follows: development and management of residential and commercial rental units, development and construction of residential housing units for sale, and development and management of hotel properties.

The Company is governed by the Board who follow the corporate governance guidelines established for public companies. In January 2005, the Company formalized its governance policy by adopting a Code of Business Conduct and Ethics, a Disclosure Policy, and an Insider Trading Policy. The Board has three committees: the Audit Committee, the Management and Investment Committee, and the Governance and Nomination Committee.

The Audit Committee consists of three directors, all of whom are independent directors. The Audit Committee operates pursuant to the Audit Committee Charter of the Company and meets quarterly to review internal controls and financial disclosure including the consolidated financial statements and management's discussion and analysis.

The Management and Investment Committee consists of four directors, all of whom are independent directors. The Management and Investment Committee meets quarterly or as needed to review new development projects, operations, and to review and administer agreements related to the participation of related parties in development projects.

The Governance and Nomination Committee consists of three directors, all of whom are independent directors. The Governance and Nomination Committee meets at least annually and as needed to review the Board composition and the effectiveness of the Board, to review all significant proposed related party transactions for any potential conflict of interest, to monitor and review the Company's Code of Business Conduct and Ethics, and to review and recommend executive compensation.

STRATEGIES AND RISK MANAGEMENT

Strategies

The hotel, residential, and commercial properties owned by the Company provide an income stream and capital appreciation that is utilized for acquisitions, investments in development properties, reduction of debt, and payment of dividends to shareholders. As at January 31, 2019, the Company owns and manages

934 hotel units (188 at the Westin Wall Centre Vancouver Airport Hotel, and 746 at the Sheraton Vancouver Wall Centre Hotel). It also owns and manages 1,400 residential and commercial rental units located in Metro Vancouver.

The Company develops for sale residential housing units with a primary focus on high-rise multi-family projects. It is the Company's strategy to acquire land for development that is zoned for its intended use or where the required rezoning is contemplated and encouraged by the governing authorities. There are four properties under active development as at January 31, 2019: Eagle Mountain subdivision in Abbotsford, B.C. (262 single-family lots); Phase 2 of the Shannon Wall Centre Kerrisdale ("Shannon Wall Phase 2") project in Vancouver, B.C. (322 condominium units); the first of six phases of the Trails ("Trails") project in North Vancouver, B.C. (66 townhome and low-rise residential units); and the Ivy on the Park ("Ivy on the Park") project next to the University of British Columbia in Vancouver, B.C. (226 condominium units).

Risk management:

All real estate investments are subject to a degree of risk and uncertainty. In the normal course of its business, the Company is exposed to various risks that could adversely impact the Company's financial condition, results of operations, and the value of the Company's common shares. Certain of these risks and the Company's actions are summarized below. The risks set out below are not the only risks faced by the Company. Other risks and uncertainties may also affect our business, financial condition and results of operations.

General risks:

We are exposed to the micro- and macro-economic conditions that affect the markets in which the Company operates and owns assets. In general, a decline in economic conditions will result in downward pressure on the Company's margins and asset values as a result of lower demand for the services and products offered by the Company. Specifically, general inflation and interest rate fluctuations; population growth and migration; job creation and employment patterns; consumer confidence; government policies, regulations and taxation; and availability of credit and financing could pose a threat to our ongoing business operations.

National and international economic forces and conditions will impact the Company's hotel business as a significant portion of the Company's hotel business is from conventions and tourists from across Canada, the US and internationally. The Company adapts its business plan to reflect current conditions and management believes that the Company has sufficient resources to carry its operations through uncertain times.

The Company participates in joint arrangements under the normal course of business that may have an effect on certain assets and businesses. These joint arrangements may involve risks that would not otherwise be present if the third parties were not involved, including the possibility that the partners have different economic or business interests or goals. Also, within these arrangements, the Company may not have sole control of major decisions relating to these assets and businesses, such as: decisions relating to the sale of the assets and businesses; timing and amount of distributions of cash from such entities to the Company and its joint arrangement partners; and capital expenditures.

Industry risks:

Real estate investments are generally subject to varying levels of risk. These risks include changes to general economic conditions, government and environmental regulations, local supply/demand, and competition from other real estate companies. Real estate assets are relatively illiquid in down markets, particularly raw land. As a result, the Company may not be able to quickly rebalance its portfolio in response to changing economic or investment conditions. Management attempts to manage these risks by acquiring properties

with strong economic and growth indicators, and ensuring the Company has adequate capital and liquidity to enable the Company to deal with fluctuating markets and ongoing changes in the economic environment.

Concentration of assets risk:

The majority of the Company's assets are located in Metro Vancouver. Adverse changes in economic conditions in Metro Vancouver may have a material adverse effect on the Company's business, cash flows, financial condition and results of operations and ability to pay dividends. The Metro Vancouver economy is influenced by the demand for new housing in the region, which is impacted by interest rates, growth in employment, migration, and general economic conditions. Various government bodies (including the Canadian federal government, the British Columbia provincial government and the Vancouver municipal government) are exploring or enacting legislation and regulations that are intended to have an impact on the real estate industry, which could result in negative impacts on the Company and its assets.

Investment properties:

In its operation of residential rental properties, the Company's primary risks are general economic conditions and local market conditions, reduced revenue growth in the event of increased vacancy rates, the inability to increase rental rates due to oversupply, restrictive government legislation or changes to government legislation, and the failure to maintain the properties at a competitive level.

The Company manages these risks by insisting on a high standard of maintenance and invests only in those locations highly desired by tenants. Vacancy rates are stable in Metro Vancouver and remain at a relatively low rate of 1% to 2% and rental rates are slowly increasing. The Company is proceeding with capital improvements at those properties where the greatest benefit in terms of increased rents may be achieved.

Hotels:

In its hotel operations, the Company is exposed to a variety of risks such as changes in market and economic conditions, an increase in the supply of hotel rooms, currency rate fluctuations, and changes in the labour market. These risks are managed by securing long-term relationships with clients, developing and enhancing relationships with international hotel chains and their reservation systems, and ensuring a strong and open relationship with staff.

Properties under development:

There are a variety of risks associated with the Company's development activities such as municipal regulatory requirements and environmental considerations that affect the approval for planning, subdivision and use of land. During this period, the market conditions in general and/or the market for condominium units in the size and price range in the Company's developments may change dramatically. Other risks include increasing costs of construction, reduced demand for new residential units, changes in regulations and taxes, and general market risk. The Company is also subject to risk that the actual performance of properties acquired by the Company may be materially different from the assumptions made by management of the Company when purchasing the properties.

The Company manages the risks associated with its development activities as follows:

- Acquiring land for development that is zoned for its intended use or where the required re-zoning is contemplated and encouraged by the governing authorities.
- Managing construction costs through fixed-price contracts with general contractors or sub-contractors.
- Undertaking pre-sale programs where feasible and securing the sales with non-refundable deposits.

- Encouraging purchasers to secure and lock-in purchase financing.

Environmental Matters:

As an owner of real property, the Company is subject to various federal, provincial and municipal laws and other requirements relating to environmental matters. Under such requirements, the Company could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous substances. The failure to remove or remediate such substances, if any, could adversely affect the Company's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in the Company incurring expenses, including in connection with orders or claims against the Company. The Company is not aware of any material non-compliance with environmental requirements at any of the properties or otherwise affecting the Company or its business. The Company is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or otherwise affecting the Company or its business or any pending or threatened claims relating to environmental conditions at its properties or otherwise affecting the Company or its business. The Company has policies and procedures to review, monitor and manage environmental exposure.

The Company plans to make the necessary capital and operating expenditures to facilitate compliance with environmental laws and other requirements. Although there can be no assurances, the Company does not believe that costs relating to environmental matters will have a material adverse effect on the Company's business, financial condition or results of operations. Moreover, environmental laws and other requirements can change and the Company may become subject to more stringent environmental laws and other requirements in the future, including those related to greenhouse gas emission reduction. Compliance with more stringent environmental laws and other requirements could have an adverse effect on the Company's business, financial condition or results of operation.

Catastrophic and general uninsured losses:

A catastrophic loss includes the loss of or extreme damage to a property or portfolio of properties, loss of life, or disability that could have a material adverse effect on the Company's business, financial condition, prospects, results of operations, or reputation. A significant injury, loss of life or damage to property could be a result of accidents incurred by employees, contractors, or residents due to an unsafe work environment, unsafe properties, lack of appropriate safety precautions, or natural disasters, beyond the control of the Company, such as fire, flood, or earthquakes. The Company will continue to prevent and mitigate the impact of catastrophic loss of life or property by continuing to provide safe work sites for employees and contractors and providing safe living areas for residents by adhering to the Company's occupational health and safety standards. The Company will mitigate the financial impact of potential losses by maintaining an adequate and cost effective insurance program for the operation of the Company's business.

The Company carries General Liability and All Risks Property coverage including Business Interruption and Rental Income, with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. The Company has insurance for earthquake and flood risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the Company would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Technology and information security:

The Company is also subject to technology and information security risk, including the risk that confidential information held by the Company is stolen or accessed causing financial or personal harm to the affected individual(s) or the Company's business. The Company reduces this risk through enhancement of policies and procedures, and monitoring and auditing to ensure compliance related to information technology, safety of data, and secure storage of physical files. The Company is also subject to risks related to reliance on key personnel and catastrophic and general uninsured loss.

A summary of the financial risks that arise from the Company's financial assets and liabilities are summarized under the Financial Instruments and Risk Management section in this MD&A.

SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

The following is a summary of the Company's financial information for the three months and year ended January 31, 2019, with comparative information for the periods identified, all expressed in Canadian dollars:

Revenue and earnings	Three months ended January 31			Year ended January 31		
	2019	2018	2017	2019	2018	2017
Total revenue and other income	\$ 138,026,267	\$ 20,759,915	\$ 56,731,604	\$ 453,880,434	\$ 295,936,507	\$ 309,457,302
Net earnings attributable to shareholders of the Company	37,115,648	(1,479,761)	17,734	54,982,639	12,426,057	19,493,635
Earnings per share (diluted and non-diluted)	\$ 1.09	\$ (0.04)	\$ 0.00	\$ 1.62	\$ 0.37	\$ 0.58

Balance sheet	January 31, 2019	January 31, 2018	January 31, 2017
Total assets	\$ 1,244,788,463	\$ 1,316,007,993	\$ 1,022,783,372
Total non-current liabilities	\$ 313,429,192	\$ 231,548,633	\$ 163,158,493
Dividends paid	\$ 33,953,365	\$ 16,976,683	\$ 20,372,021
Dividends paid per share	\$ 1.00	\$ 0.50	\$ 0.60

The variations in the financial data provided above are discussed in greater detail under "Discussion of Operations" in this MD&A.

Significant variations with respect to revenues are typically the result of the timing and quantity of residential and commercial unit sales closing at the development properties. The fluctuations in the total assets owned by the Company are predominantly the result of development activities undertaken by the Company. Total assets and non-current liabilities are also impacted by the acquisitions and dispositions of investment properties, which the Company manages and reviews on an ongoing basis to maximize value for shareholders. Dividends fluctuate as the Company is on a flexible dividend policy; the amount and timing of dividends will be based on the Company's availability of and need for cash flow.

OVERALL PERFORMANCE AND QUARTERLY INFORMATION

The Company operates in three different segments of the real estate industry: ownership and management of residential and commercial rental properties, the development and sale of residential housing (referred to as development properties), and the ownership and management of hotel properties.

The charts below show the Company's property holdings as at January 31, 2019 and revenue derived from such segments for the year ended January 31, 2019.



Revenues

	Three months ended January 31		Year ended January 31	
	2019	2018	2019	2018
Investment properties (rental)	\$ 7,872,664	\$ 6,172,735	\$ 32,570,404	\$ 21,342,349
Property, plant, & equipment (hotel)	16,477,484	14,301,885	85,112,657	76,210,250
	24,350,148	20,474,620	117,683,061	97,552,599
Properties under development for sale	112,951,547	230,646	334,533,585	198,161,538
	\$ 137,301,695	\$ 20,705,266	\$ 452,216,646	\$ 295,714,137

Earnings (loss) before income taxes and non-controlling interest

	Three months ended January 31		Year ended January 31	
	2019	2018	2019	2018
Investment properties (rental)	\$ (4,365,009)	\$ (2,536,234)	\$ 1,008,304	\$ (1,455,007)
Property, plant, & equipment (hotel)	1,097,167	727,391	24,378,128	20,067,386
	(3,267,842)	(1,808,843)	25,386,432	18,612,379
Properties under development for sale	57,852,513	(353,451)	66,068,813	9,030,125
Corporate and general expenses	(1,787,312)	(2,268,732)	(7,850,197)	(7,159,653)
	\$ 52,797,359	\$ (4,431,026)	\$ 83,605,048	\$ 20,482,851

DISCUSSION OF OPERATIONS

For the year ended January 31, 2019, the Company earned revenue of \$452,216,646 with a gross margin¹ of \$121,047,886 compared with revenue of \$295,714,137 with a gross margin of \$49,836,465 for the prior year. Revenue and earnings for the current year were higher than the prior year due to more closings of condominium units, the full lease up of the newly constructed 276-unit Wall Centre Yaletown and the 40-unit 1111 Seymour Street rental properties, both located in downtown Vancouver, British Columbia, as well as improved hotel operating results.

General and administrative costs were \$4,151,065 for the year ended January 31, 2019 compared with \$3,494,906 for the prior year. The increase in costs for the current year is due primarily to professional fees incurred to conduct market studies on future development sites.

Depreciation and amortization expense for the year ended January 31, 2019 was \$17,427,761 compared to \$14,423,624 for the prior year. This increase is primarily due to the amortization of the Wall Centre Yaletown and 1111 Seymour rental properties, as well as the amortization of a property acquired in October, 2017, which the Company has leased back to the vendor pending redevelopment of the site.

¹ Refer to the discussion of Non-Standard Measures for definition

Finance costs of \$17,527,800 for the year ended January 31, 2019 include interest paid of \$38,302,788, less interest capitalized to the development projects of \$21,202,495, and an interest rate swap loss of \$427,507. For the prior year, finance costs were \$11,657,454 which included interest paid of \$28,489,237, less interest capitalized to the development projects of \$16,292,497, and an interest rate swap gain of \$539,286. Interest paid was higher in the current year due to an increase in interest rates, an increase in mortgages payable from the refinancing of the Wall Centre Yaletown property, and due to an increase in construction financing, which is reflective of the increased construction and development activities undertaken by the Company.

Increases in interest rates are closely monitored by the Company and are managed by securing term financing on the Company's rental and hotel properties, or by entering into swap financing transactions, where feasible and practical.

REVENUE-PRODUCING PROPERTIES

Residential and Commercial Rentals

At January 31, 2019, the Company owns and manages 1,390 residential units and 10 commercial units in 13 properties in Metro Vancouver.

Combined revenues from the residential and commercial rental units were \$32,570,404 for the year ended January 31, 2019 with earnings of \$1,008,304 compared with revenues of \$21,342,349 and a loss of \$1,455,007 for the prior year. Revenues and earnings increased due to higher re-rental rates, the lease-up of the 1111 Seymour and Wall Centre Yaletown rental properties, and lease revenue received from properties purchased during the year and held pending development activity.

Residential rental market conditions remain stable. All residential units are leased primarily for a one-year term and all leasing arrangements are governed by the Residential Tenancy Act (British Columbia), which require that fixed term residential tenancies automatically become month-to-month at the end of their term. Rental rates may be increased on tenant turnover or on the anniversary date of each tenant's date of occupancy, the increases for which will be restricted to the maximum percentage equal to British Columbia's Consumer Price Index (currently 2.50%). The average turnover rate for all of the Company's units is approximately 20% annually.

Acquisitions and Dispositions

On January 30, 2019, the Company acquired a 50% interest in a property located in Vancouver, British Columbia from a wholly owned company of a significant shareholder of the Company, and assumed its 50% share of the debts and liabilities associated with this property for consideration of \$7,600,000 which was determined based on the fair value of the investment property of \$39,200,000 less debt of 24,000,000. The transaction was accounted for as an asset acquisition. The Company intends to redevelop the property with a wholly owned company of the President of the Company, which owns the remaining 50% interest in the property. On January 31, 2019, the Company and the wholly owned company of the President of the Company transferred their respective interest into a partnership, of which they each own a 50% interest. The Company has determined that it controls the partnership and has consolidated the partnership's results in its financial statements with the other partner's 50% interest being recorded as non-controlling interest. As at January 31, 2019, non-controlling interest totals \$7,845,000.

There were no other acquisitions or dispositions of investment rental properties for the year ended January 31, 2019.

Hotels

The Company owns and manages two hotel properties in Metro Vancouver: the Sheraton Vancouver Wall Centre Hotel and the Westin Wall Centre Vancouver Airport Hotel.

The Sheraton Vancouver Wall Centre Hotel is the largest single hotel property in British Columbia with 746 guestrooms and 45,000 sq. ft. of meeting space. Occupancy² for the year ended January 31, 2019 was 77% with an average daily rate ("ADR")² of \$236 compared to occupancy of 77% with an ADR of \$214 for the prior year. Revenue increased from \$63,223,282 in the prior year to \$70,037,616 for the year ended January 31, 2019. Revenue and ADR for the current year were higher than the prior year due to management's focus on maximizing ADR through servicing higher rated business.

The Westin Wall Centre Vancouver Airport Hotel is located near the Vancouver International Airport and consists of 188 guestrooms and 9,900 sq. ft. of meeting space. Revenue for the year ended January 31, 2019 was \$15,075,041 with occupancy of 79% and an ADR of \$208. For the year ended January 31, 2018, revenue was \$12,986,968 with occupancy of 71% and an ADR of \$198.

The combined revenues for the hotel properties for the year ended January 31, 2019 of \$85,112,657 were higher than revenues for the prior year of \$76,210,250, and combined earnings from hotel operations, before income taxes, increased from \$20,067,386 in the prior year to \$24,378,128 for the year ended January 31, 2019. The increase in revenues and earnings were generally due to higher room rates achieved at both hotels, bolstered by the increased tourism activity in the greater Vancouver area.

DEVELOPMENT PROPERTIES

The asset values of properties under development for sale decreased slightly from \$495,295,605 as at January 31, 2018 to \$456,605,711 as at January 31, 2019. This decrease is mainly due to closings of all 332 condominium units in the Central Park Phase 2 project, all 280 condominium units and 15 of the 18 commercial units at the Strathcona project, as well as closings of 70 of the 320 condominium units at the Shannon Wall Phase 2 project. The decrease was partially offset by the ongoing construction work at the Company's development projects, and by the acquisition of a development site for the Ivy on the Park project (as discussed further below).

Revenue from the sale of properties under development was \$334,533,585 for the year ended January 31, 2019 compared with \$198,161,538 for the prior year while net earnings from development operations were \$66,068,813 for the current year compared with net earnings of \$9,030,125 for the prior year. The increase in revenues was due to higher priced condominium units closing in the current year compared with the prior year, which also resulted in an increase in earnings in the current year compared with the prior year.

Properties Under Development Completed Over the Past Three Fiscal Years

Project	Description	Fiscal Year
Shannon Wall Centre Kerrisdale Phase 1	Phase 1 of a 10-acre development project consisting of 600 residential units located in the Kerrisdale neighbourhood at 57th and Granville Street in Vancouver, B.C. Phase 1 was substantially completed in November, 2015, and consisted of 65 condominium units, of which 59 units have closed. The remaining six units have been retained as rental units.	2016

² See discussion under Non-Standard Measures for definition

Binning Tower	A 170-unit condominium tower located on leased land in the Wesbrook neighborhood at the University of British Columbia. Construction substantially completed in May, 2016 and all sales have closed.	2017
Mandarin Residences	A two tower project consisting of 347 residential units located on a property on No. 3 Road in Richmond, B.C. The project was developed with Fairmont Pacific Properties Limited, an arm's length 50% joint venture managing partner. All 347 sales have closed.	2017
Strathcona Village	A three-tower mid-rise mixed-use project with 280 market residential units, and 60,000 sq. ft. of light industrial space. All 280 condominium units have closed and 15 of the 18 commercial units have closed. The Company is underway with the sale of the remaining three commercial units.	2019
Wall Centre Central Park	A four tower project consisting of 1,060 residential units located in Vancouver, B.C. Development is being conducted in two phases. All 728 condominium units in Phase 1 and all 332 condominium units in Phase 2 have closed.	2017/2019

Projects Under Active Development

The Company has four projects under active development as at January 31, 2019:

Project	Description	Estimated Cost to Complete
Eagle Mountain	An 80 acre, single-family subdivision property in Abbotsford B.C. with approvals in place for 262 building lots. The property is being developed with a 15% non-controlling interest partner. Development is being phased. There are 74 lots in Phases 7 and 8 of which 65 can be sold. Of the 65 lots, 53 have been sold, with 17 sales closed, and with the balance of 38 lots scheduled to close by December, 2019.	\$2,300,000
Shannon Wall Centre Kerrisdale Phase 2	A five-acre development project consisting of 322 residential units located in the Kerrisdale neighbourhood at 57th and Granville Street in Vancouver, B.C. As at January 31, 2019, 310 of the 322 residential units are under contract for sale, of which 70 units have closed. As at April 18, 2019, 230 of the 311 units under contract have closed, construction is substantially complete, and bank financing has been repaid in full.	\$8,900,000
Trails North Vancouver	On April 13, 2017, the Company, along with other investors, acquired property located in North Vancouver, B.C. for a gross purchase price of \$138,500,000 to develop approximately 300 residential units. The Company has a 28.6% interest in the property and will guarantee all loans incurred in respect of the property. Development and construction will be conducted in six phases, with the first phase consisting of 66 townhome and low-rise residential units, and of which 27 units are pre-sold. Construction has commenced, and the first phase is expected to complete by January, 2020.	\$29,800,000 (Phase 1)

Ivy on the Park	On April 12, 2018, the Company, along with a wholly owned company of the President of the Company, acquired leased land located at the University of British Columbia in Vancouver, B.C. for a gross purchase price of \$82,884,000 to develop 226 residential units. The Company has a 75% interest in the development while the wholly owned company of the President of the Company has a 25% interest. As at April 18, 2019, 160 of the 226 units are pre-sold. Construction is underway with completion expected in February, 2021.	\$110,500,000
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Acquisitions and Dispositions

There were no acquisitions or dispositions of development properties for the year ended January 31, 2019, other than as disclosed above.

SUMMARY OF QUARTERLY RESULTS

The following sets forth certain financial information expressed in Canadian dollars for the Company with respect to the eight most recently completed quarterly periods. This information should be read in conjunction with the applicable condensed consolidated interim financial statements and notes, and MD&A.

	Revenue and Other Income	Net Earnings (Loss)*	Per Share**
January 31, 2019	\$ 138,026,267	\$ 37,115,648	\$ 1.09
October 31, 2018	37,807,334	5,970,960	0.18
July 31, 2018	254,428,064	12,398,212	0.37
April 30, 2018	23,618,769	(502,181)	(0.01)
January 31, 2018	20,759,915	(1,479,761)	(0.04)
October 31, 2017	28,499,206	4,619,734	0.14
July 31, 2017	132,875,815	6,853,737	0.20
April 30, 2017	113,801,571	2,432,347	0.07
January 31, 2017	63,334,214	17,734	0.01

All the financial data above is prepared in accordance with IFRS, using the same accounting policies and methods of application as described in notes 2 and 3 of the Company's consolidated financial statements for the year ended January 31, 2019.

* Net earnings (loss) pertains to net earnings (loss) (diluted and non-diluted) and comprehensive income (loss) attributable to shareholders of the Company.

** Per Share pertains to net earnings (loss) per share (diluted and non-diluted) attributable to shareholders of the Company.

Variations over the quarters are generally the result of the timing of residential and commercial unit closings at the development properties and the seasonal fluctuations characteristic of the tourism and hospitality industry in which the Company's hotels operate.

Revenue and other income³, as well as net earnings for the quarters ended January 31, 2017, April 30, 2017, July 31, 2017, July 31, 2018, and January 31, 2019 were greater than the other quarters due mainly to the closing of residential condominium units at the Company's development projects: January 31, 2017 – 103 units at Phase 1 of the Central Park project; April 30, 2017 – 280 units at Phase 1 of the Central Park project; July 31, 2017 – 345 units at Phase 1 of the Central Park project; July 31, 2018 – 331 units at Phase 2 of the Central Park project, and 280 residential and 14 commercial units at the Strathcona project; and January 31, 2019 – 70 units at the Shannon Wall Phase 2 project. The net loss for the quarters ended January 31, 2018

³ See Non-Standard Measures for definition.

and April 30, 2018 was mainly due to depreciation and interest expense on the 1111 Seymour and Wall Centre Yaletown rental properties which were not offset by rental revenues as the properties were being leased up.

Fluctuations in earnings (loss) for the quarters will also be impacted by the timing of sales and marketing expenses incurred at the Company's development projects, which are expensed as they are incurred.

INVESTMENTS

There are no significant changes in investment activities or investment strategies for fiscal 2019.

BANK INDEBTEDNESS AND CREDIT FACILITIES

The Company has bank lines of credit or demand loans secured by property, plant and equipment and certain investment properties. Most of the Company's bank lines of credit have been in place for many years. Interest rates are based on prime and banker's acceptance rates. At January 31, 2019, the Company has borrowed \$282,447,853 (2018 - \$366,877,190) on available construction financing facilities in the form of Canadian dollar prime rate loans, letters of credit, and bankers' acceptances. The maximum available funding under such facilities is \$355,682,000 (2018 - \$501,897,000). The credit facilities are secured by first mortgages and assignment of rents on the related properties, and assignment of insurance. The borrowings are due on demand.

At January 31, 2019, the Company's borrowings of \$163,287,167 (2018 - \$248,249,809) are made available by way of lines of credit with a maximum available aggregate amount of \$259,100,000 (2018 - \$291,644,000). The debt is secured by fixed and floating demand debentures, second mortgages, and an assignment of rents on certain investment properties, and property, plant, and equipment. The borrowings are due on demand and interest rates are based on a spread over prime or banker acceptance rates.

All floating rate debt obligations are in good standing, and the Company maintains excellent relations with its lenders.

MORTGAGES PAYABLE

Mortgages payable increased from \$218,631,275 as at January 31, 2018 to \$322,661,464 as at January 31, 2019 due primarily to a new mortgage placed on March 1, 2018 on the Wall Centre Yaletown rental property in the amount of \$115,397,088 bearing interest at a rate of 3.23% over a 10 year term.

At January 31, 2019, the Company held \$85,831,174 (2018 - \$89,173,327) in mortgages on property, plant and equipment. Of this amount, \$49,281,138 (2018 - \$13,900,000) bears interest at bankers' acceptance rates plus applicable stamping fees. An interest rate swap is in place to fix the interest rate on the remaining balance of the mortgages payable of \$36,550,036 at 3.27% for a term of four years maturing November 2, 2019. For the year ended January 31, 2018, an interest rate swap was also in place to fix the interest rate on mortgages payable of \$37,593,681 at 2.99% for a term of two years that matured March 2, 2018.

For the year ended January 31, 2019, the change in the fair value of the interest rate swap contracts was a loss of \$427,507 (2018 – gain of \$539,286) and is recorded in finance costs on the statements of earnings.

Mortgages payable on investment properties of \$243,122,213 (2018 - \$132,926,918) bears interest at fixed rates ranging from 1.97% to 6.50% (2018 – 1.97% to 6.50%).

All mortgages are secured by first and second fixed charges over the Company's properties under development for sale, investment properties, and property, plant, and equipment.

Fixed rate mortgage maturity dates range from 2019 to 2028.

CONTRACTUAL OBLIGATIONS

Principal instalments payable within the next five fiscal years, and thereafter on mortgages payable as at January 31, 2019 are as follows:

	Total	1 Year	2 to 3 Years	4 to 5 Years	After 5 Years
Mortgages payable	\$ 328,953,387	\$ 127,267,160	\$ 19,763,987	\$ 21,200,403	\$ 160,721,837

COMMITMENTS AND CONTINGENCIES

The Company has entered into hotel franchise agreements in respect of its two hotel properties. Fees charged are calculated based on monthly gross hotel revenues and are paid monthly.

At January 31, 2019, the estimated costs to complete properties under construction are approximately \$151,700,000 (2018 - \$176,930,000). These costs predominantly reflect construction expenditures for the development projects.

LIQUIDITY AND FINANCIAL CONDITION

As at January 31, 2019, cash and cash equivalents totalled \$32,769,970. Net cash generated from operations was \$152,278,106, primarily as a result of funds received on the closing of condominium units from the Central Park, Strathcona, and Shannon Wall Phase 2 projects of \$249,393,141 offset by funds used in development activities of \$188,683,080 (which includes the acquisition of the development property for the Ivy at the Park project for \$82,884,000), interest paid of \$38,302,788, and taxes paid of \$8,803,276.

Investment activities decreased cash by \$18,951,691 due mainly to additions to investment properties, including the Company's purchase of a 50% interest in a property located in Vancouver, British Columbia for \$7,600,000, as further discussed below under "Transactions Between Related Parties".

Financing activities decreased cash by \$135,232,738, primarily due to the repayment of bank indebtedness of \$193,391,979 from proceeds received on the closing of condominium units and the payment of a \$1.00 per common share dividend on outstanding shares in the amount of \$33,953,365, offset in part by funds received on the refinancing of the Wall Centre Yaletown property for gross proceeds of \$115,397,088.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized capital of the Company consists of 54,000,000 common shares without par value. The number of common shares issued and fully paid as at April 18, 2019 was 33,953,365 (January 31, 2018 – 33,953,365).

At the Company's annual general meeting on May 29, 2008, the shareholders approved the Company's Stock Option Plan (2008) (the "**Stock Option Plan**"). Under the Stock Option Plan, options may be granted to any director, officer or employee of the Company. The number of common shares reserved for all purposes under the Stock Option Plan is 3,200,000, which represented approximately 10% of the Company's total issued and outstanding common shares at the date of approval.

The exercise price of an option will not be less than the price at which the last recorded sale of a board lot of common shares took place on the Toronto Stock Exchange (“**TSX**”) during the trading day immediately preceding the date of grant; if there was no such sale, the weighted average trading price on the TSX for the common shares for the five trading days immediately preceding the date of the grant.

For the year ended January 31, 2019, no options were granted; 1,310,000 common shares are available for future issuance under the Stock Option Plan.

DIVIDENDS

On September 13, 2018, the Board approved a dividend of \$1.00 per common share for each share held on September 27, 2018. This aggregate dividend of \$33,953,365 was paid on October 11, 2018.

On June 15, 2017, the Board approved a dividend of \$0.50 per common share for each share held on June 29, 2017. This aggregate dividend of \$16,976,683 was paid on July 13, 2017.

On October 24, 2016, the Board approved a dividend of \$0.60 per common share for each share held on November 7, 2016. This aggregate dividend of \$20,372,021 was paid on November 21, 2016.

The Company has a flexible dividend policy, and the amount and timing of dividends is based on the cash flow of the Company and the cash flow required by the Company to meet planned growth and to fund future developments and investments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's significant accounting estimates and judgements are described in note 2 to the Company's January 31, 2019 audited consolidated financial statements, and the Company's significant accounting policies are described in note 3 to these financial statements.

CHANGES IN ACCOUNTING POLICIES

The Company's significant accounting policies and standards are described in note 4 of the Company's consolidated financial statements for the year ended January 31, 2019.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified to senior management to ensure appropriate and timely decisions are made regarding public disclosure. The Company's management, including the President, the Chief Executive Officer (“**CEO**”) and the Chief Financial Officer (“**CFO**”), have designed internal controls over financial reporting (as defined in the Canadian Securities Administrator's National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS.

Under the supervision of the President, the CEO and the CFO, the operating effectiveness of the disclosure controls and procedures and internal control over financial reporting were assessed using the criteria set forth by the Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway

Commission (COSO 2013 Framework) in Internal Control Over Financial Reporting. Based on these evaluations, the CEO and the CFO concluded that as at January 31, 2019:

- (i) Disclosure controls and procedures were effective to provide reasonable assurance that material information was made known to management and information required to be disclosed by the Company in its annual filings, interim filings and other reports filed by the Company under securities legislations was recorded, processed, summarized and reported within the periods specified in securities legislation.
- (ii) Internal controls over financial reporting were effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

For the year ended January 31, 2019, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's management will continue to periodically evaluate the Company's disclosure controls and procedures and internal control over financial reporting and will make any modifications from time to time as deemed necessary.

Based on their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements, and even those controls determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at January 31, 2019, the Company's financial assets and liabilities consisted primarily of cash and cash equivalents, amounts receivable, deposits held in trust, bank indebtedness, accounts payable and accrued liabilities, income taxes payable, loans from shareholders, and mortgages payable. These financial instruments relate to the Company's normal course of business, with respect to the financing of its day-to-day operations, capital expenditures and acquisitions.

The carrying values of the Company's amounts receivable, deposits held in trust, accounts payable and accrued liabilities generally approximate their fair values due to their short term nature with the exception of interest rate swap contracts which are recorded at fair value. The face value of bank and other indebtedness approximates its fair value, as it is due on demand. The fair value of mortgages payable is estimated by discounting the future contractual cash flows at the market interest rate that is available to the Company for similar financial instruments. The fair value of the mortgages payable at January 31, 2019 is \$326,929,000 (2018 - \$218,327,000).

The Company is exposed to interest rate and credit risks associated with its financial assets and liabilities. Management continually performs risk assessments to ensure that all significant risks related to the Company's operations have been reviewed and assessed to reflect changes in market conditions and the Company's operating activities. The Company does not enter into financial instrument arrangements for speculative purposes.

Interest rate risk:

Certain debt on the Company's properties bears interest at floating rates. Fluctuations in interest rates will impact the cost of financing incurred in the future. The Company monitors its interest rate exposure on an ongoing basis.

Based on the debt outstanding for the year ended January 31, 2019, management has determined that every 1% increase or decrease in the applicable interest rates results in a corresponding \$2,910,000 decrease or increase in the Company's net earnings.

The Company uses interest rate swap contracts to effectively fix the interest rate on certain mortgages payable. As hedge accounting is not applied, the contracts are carried at fair value and reported as assets (positive) or liabilities (negative) depending on the fair value on the reporting date. The change in fair value is recognized in net earnings for the year. The fair value of the interest rate swap contracts are calculated through discounting future expected cash flows using the bankers' acceptance based swap curve adjusted for credit risk. For the year ended January 31, 2019, a mark-to-market loss in the fair value of the interest rate swap of \$427,507 (2018 – gain of \$539,286) was recorded in finance costs on the statement of earnings. As at January 31, 2019, the fair value of the interest rate swap asset is \$287,165 (2018 - \$714,673) and is included in accounts receivable on the statement of financial position.

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk is the full carrying value of the financial instrument.

The Company is exposed to credit risk with respect to amounts receivable. This risk is mitigated by the Company's general policy to secure loans receivables with real estate property. For its hotel operations, the Company's credit policy is designed to ensure there is a standard credit practice throughout the Company to measure and monitor credit risk. The policy outlines delegation of authority, the due diligence process required to approve a new customer or counterparty and the maximum amount of credit exposure per single entity. The Company also regularly monitors credit risk and exposure to any single customer or counterparty.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the maintenance of sufficient available credit facilities to support the Company's ongoing operational and capital requirements.

The Company regularly monitors its operations and cash flows to ensure that current and future obligations will be met. The Company believes that its current sources of liquidity are sufficient to cover its currently known short and long term cash obligations.

The maturities of the Company's financial liabilities are as follows:

As at January 31, 2019	Carrying amount	Total contractual cash flows	Less than one year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	30,025,870	30,025,870	30,025,870	-	-
Bank and other indebtedness	445,735,020	445,735,020	445,735,020	-	-
Loans from shareholder	10,000,000	10,475,000	10,475,000	-	-
Mortgages payable	322,661,464	375,412,524	133,985,837	71,956,419	169,470,267
Non-current portion of loans from shareholders	90,000,000	97,318,750	4,525,000	92,793,750	-
	898,422,354	958,967,164	624,746,727	164,750,169	169,470,267

The Company enjoys excellent relations with several major Canadian chartered banks and numerous fixed-term lenders. With a solid base of revenue-producing properties, the Company's credit facilities have been maintained and, in some cases, enhanced.

Over the current fiscal year, the Company's credit requirements consist of the following:

- Capital improvements to certain investment properties and the hotels. Improvements will be funded primarily from operating cash flow.
- Re-financing term debt on investment properties as it matures. Given the current interest rates and the stable cash flow from rental apartments, management does not anticipate any difficulty in re-financing term debt.
- Construction financing for properties under development. It is management's policy to not proceed with significant new construction or land purchases if financing commitments are not in place.

OFF-BALANCE SHEET FINANCING

In the normal course of development operations, the Company is required to issue letters of credit as collateral for the completion of obligations pursuant to development agreements signed with municipalities. Under IFRS, these letters of credit are disclosed as commitments of the Company and only recorded on the Consolidated Statement of Financial Position if they are drawn upon.

The Company has outstanding letters of credit at January 31, 2019 of \$20,418,539 (2018 - \$35,103,262) related primarily to works and services to be performed by the Company as required in respect of its development projects.

TRANSACTIONS BETWEEN RELATED PARTIES

As at January 31, 2019, the Company has loans payable of \$100,000,000 (2018 - \$100,000,000) due to a company owned by Mr. Peter Wall, a significant shareholder of the Company. Of this amount, \$80,000,000 is used for general corporate purposes, secured by a second mortgage on the Sheraton Wall Centre and Westin Wall Centre hotel properties, and bears interest at the greater of 4.75% and prime plus 1.00%. The \$80,000,000 loan is due on October 31, 2020, with \$10,000,000 payable per annum upon written notice provided to the Company. The remaining balance of \$20,000,000 is used to fund activities for the Trails project, and is secured by a charge over that property, bears interest at 6.00% and is due on April 11, 2020.

For the year ended January 31, 2019, the Company recorded interest on loans payable to the significant shareholder totaling \$5,000,000 (2018 - \$4,668,786).

On April 13, 2017, the Company, along with other investors, acquired property located in North Vancouver, B.C., for a gross purchase price of \$138,500,000 for the Trails project. The Company has a 28.6% interest in the property and will guarantee all loans incurred in respect of the property and development. The other investors in this property include a wholly owned company of the President of the Company, and a wholly owned company of Mr. Michael Redekop, a director of the Company, which in aggregate comprise an 18.60% interest in this property. All the other remaining investors are arm's length with the Company. At January 31, 2019, non-controlling interests relating to this project totals \$52,559,981 (2018 - \$50,052,221), and includes the interest held by the wholly owned company of the President of the Company in the amount of \$10,511,996 (2018 - \$10,010,444), and by a wholly owned company of Mr. Michael Redekop, a director of the Company in the amount of \$3,153,599 (2018 - \$3,003,130).

As discussed under "Development Properties" in this MD&A, a wholly owned company of the President of the Company holds a 25% interest in the Ivy on the Park project on leased land at the University of British Columbia. As at January 31, 2019, non-controlling interests, comprised of the interest held by a wholly owned company of the President of the Company, totals \$10,883,971 (2018 - \$7,342,704).

On January 30, 2019, the Company acquired a 50% interest in a property located in Vancouver, British Columbia from a wholly owned company of a significant shareholder of the Company, and assumed its 50% share of the debts and liabilities associated with this property for consideration of \$7,600,000 which was determined based on the fair value of the investment property of \$39,200,000 less debt of 24,000,000. The transaction was accounted for as an asset acquisition. The Company intends to redevelop the property with a wholly owned company of the President of the Company, which owns the remaining 50% interest in the property. On January 31, 2019, the Company and the wholly owned company of the President of the Company transferred their respective interest into a partnership, of which they each own a 50% interest. The Company has determined that it controls the partnership and has consolidated the partnership's results in its financial statements with the other partner's 50% interest being recorded as non-controlling interest. As at January 31, 2019, non-controlling interest totals \$7,845,000.

In the normal course of its business activities, the Company sells individual condominium units in properties held-for-sale to significant shareholders, directors, and officers on similar terms as sales to unrelated parties. As at January 31, 2019, the total value of the condominium units, in properties under development for sale under contract to shareholders, directors, and officers to be received upon closing is \$1,759,800 (2018 - \$1,506,110).

These transactions are in the normal course of business and are measured at the exchange amount of consideration established and agreed to by the related parties. In management's opinion, the exchange amount approximates fair market value.

For the year ended January 31, 2019, the Company sold two condominium units to officers of the Company for gross proceeds of \$706,210 (2018 - \$539,800) on similar terms as sales to unrelated parties.

CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to provide financial capacity and flexibility to meet its strategic objectives.

The Company's liquidity needs are for development costs, potential property acquisitions, scheduled debt maturities and non-recurring capital expenditures. The Company's strategy is to meet these needs with one or more of the following: cash flow from operations; credit facilities; and refinancing opportunities.

The following schedule details the components of the Company's capital as at January 31, 2019 and 2018:

	January 31, 2019	January 31, 2018
Liabilities:		
Bank and other indebtedness	\$ 445,735,020	\$ 615,126,999
Loans from shareholder	100,000,000	100,000,000
Mortgages payable	322,661,464	218,631,275
Shareholders' equity:		
Share capital	24,099,401	24,099,401
Non-controlling interest	87,998,969	83,026,123
Total capital	\$ 980,494,854	\$ 1,040,883,798

The Company is subject to covenants on some of its credit facilities, which are monitored on an ongoing basis. The Company is in compliance with all of its covenants.

OUTLOOK FOR OPERATING CONDITIONS

Rental Apartments

The trend of lower rent increases and higher turnover continued over the past quarter; however, re-rentals remain strong, keeping vacancy rates at below 2%. Our renovation program is now largely complete; we spent \$1,120,000 upgrading 44 units plus common areas and are now only renovating units on turnover at three of the eleven properties.

In March, we renewed the CMHC first mortgage financing at three properties at 2.80% for a ten-year term.

We continue to pursue expanding our rental portfolio and have three active projects that we are working on through the rezoning process that could total over 300 units.

Hotel Operations

We achieved another successful year of improved operating results at both of the Company's hotel properties; revenue increased by over 11% and the gross margin increased by over 16% from the previous year as illustrated below:

	ADR		Occupancy		Gross Margin	
	Jan 2019	Jan 2018	Jan 2019	Jan 2018	Jan 2019	Jan 2018
Sheraton Vancouver Wall Centre	\$236	\$214	77%	77%	\$27,383,040	\$23,539,217
Westin Wall Centre Vancouver Airport	\$208	\$198	79%	71%	\$4,657,659	\$3,932,521

Operating costs are also increasing, primarily for both salaried and hourly staff, as we need to offer competitive rates for staff retention and recruitment.

We are budgeting this year for revenue and gross margin growth at both hotel properties.

We are working at a plan to redevelop the site at Cambie & 43rd in Vancouver, British Columbia, which will add approximately 320 hotel rooms to the Company's hotel portfolio. We anticipate submitting a rezoning application in July 2019.

Development Properties

Condominium sales volumes continue to decline throughout Metro Vancouver with flat or decreasing prices.

We now have completed all four buildings at Shannon Wall Phase 2 with 226 of 322 unit sales closed as of the date of this report. There are 12 units not sold.

Lot sales at the Eagle Mountain subdivision continue to close with 14 lot sales that closed in the year ended January 31, 2019 and 2 new lot sales since February 1, 2019. We are proceeding with our subdivision application for our last and final phase and expect approval in late 2019.

Excavation is now underway at the Ivy on the Park project at UBC's Wesbrook Village; pre-sales activity continues with 160 out of 226 sales in place.

Construction is underway at Phase 1 of the Trails project; the first phase has been reduced to 31 units reflecting the slower sales activity; this phase is expected to complete in December 2019.

Financing

All of the company's credit facilities remain in good standing and we have arranged construction financing and mortgage and renewals as required. Credit facilities secured by our hotel assets have been renewed and increased.

NON-STANDARD MEASURES

Throughout this MD&A, we refer to terms that are not specifically defined in the CICA Handbook and do not have any standardized meaning prescribed by IFRS. These non-standard measures may not be comparable to similar measures presented by other companies.

We believe these non-standard measures are useful in assisting investors in understanding components of our financial results. The non-standard terms that are referred to in this MD&A are defined below.

ADR = average daily rate, which represents the average rental income per paid occupied room in a given time period. ADR is calculated by dividing the rooms revenue earned by the number of rooms sold.

Gross margin = gross revenues less cost of sales and operating expenses.

Occupancy (%) = calculated by dividing the total number of rooms occupied by the total number of rooms available.

Revenue and other income = gross revenue plus earnings from investments in joint ventures and investment and other income