

## **Prestigious Properties MHP II LP - Investment Update – March 2020**

You should have received your T5013 (Statement of Partnership Income) for the 2019 tax year in early April.

We took possession of the 32 pad mobile home park in Blackfalds, AB in November 2018. Monthly cash distributions to investors commenced on December 15, 2018 at the targeted, annualized rate of 5% and is anticipated to continue in 2020.

The property continues to be well managed. Rent increases have been provided to most tenants for June 2020. Most lot rents will increase from \$525 to \$540 with a few being moved to \$560.

As anticipated, we have received a proposal from the Town of Blackfalds to acquire ~0.5 acres of land for the Gregg Street road widening, via cash or swapped land. We have retained an experienced expropriation lawyer to act on our behalf. The Expropriation Act in Alberta ensures that fair market value and expenses (including legal) is provided as compensation to the property owners and affected mobile home owners. The preliminary plan indicates that only one or two of the 32 existing lots will be directly impacted. Some interruption to tenants will likely ensue when construction commences, possibly as early as this fall but possibly only in 2021. We will keep you updated with the progress of this expropriation.

For an overview of the macro-economic environment in Alberta, please visit [www.facebook.com/prestprop](https://www.facebook.com/prestprop). With these tepid economic indicators and a much tighter mortgage underwriting criteria introduced in early 2018, we have seen a modest rental demand increase, lower vacancies and thus, flat'ish property values and NOI. We are not expecting major improvements to property performance in 2020 beyond the rent increases mentioned above.

We have uploaded pertinent information such as the appraisal, property operating statements, mortgage amortization schedules, and year end LP financials to the online login section of the [www.prestprop.com](http://www.prestprop.com) website for your information. Login details are as follows:

➔ The CoronaVirus may throw a wrinkle at 2Q or 3Q distributions if rent collections are impacted. We shall see and update you as and when it happens as the situation is fluid as of March 2020.

Should you have any questions, please contact us anytime by phone or email. We appreciate the trust placed in us.

Sincerely,  
Thomas & Mike  
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