



HENLOW BAY

SCURFIELD BLVD

FOR SALE

**40 SCURFIELD BLVD
WINNIPEG, MB**



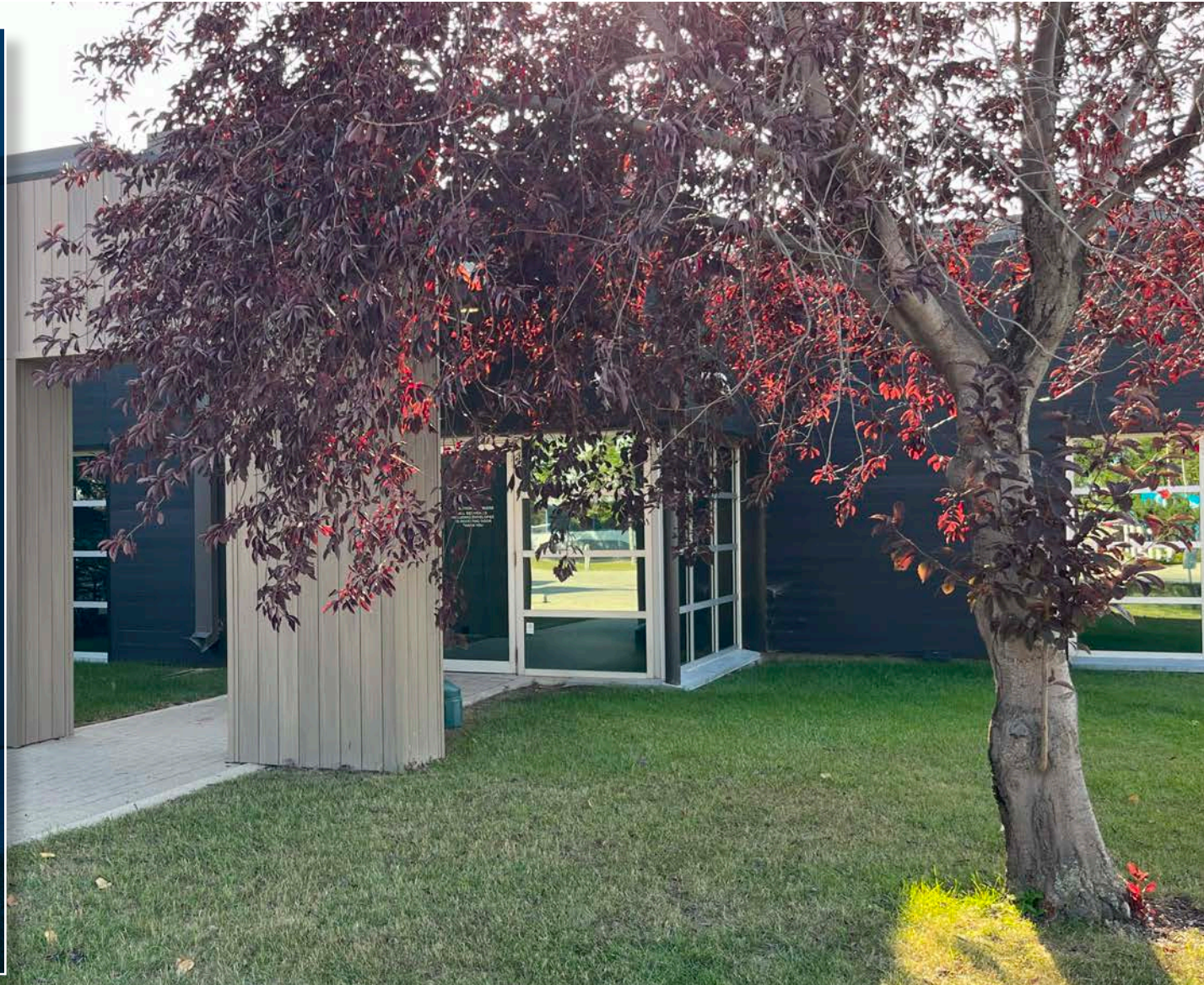
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PROPERTY DETAILS

Total Building Size	102,281 sq. ft.
Main Floor	54,138 sq. ft.
Second Floor	37,008 sq. ft.
Third Floor	11,135 sq. ft.
Property Type	Industrial
Site Area	3.01 Acres
Year Built	1989/1994/1995/2000 /2004/2006
Loading	Dock & Grade Loading
Zoning	M1 - Manufacturing Light
Electrical	1200 amps / 1600 amps (each 3 phase 575 volts)
Property Taxes	\$172,557.68 (2023)



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HIGHLIGHTS



TURNKEY FACILITY

- Rare opportunity to acquire a Manufacturing Facility
- Built to support a full spectrum of development & manufacturing services
- Fully equipped and operational, requiring little to no modifications for immediate use

No cannabis licenses will be included in the sale of the property



QUALITY EQUIPMENT AND BUILDING UPGRADES

- Significant recent capital investment to the premises and equipment
- Over 100,000 L fermentation capacity and corresponding production capacity

LOCATION

- Situated in the heart of Southwest Winnipeg's West Fort Garry Industrial Park
- Close proximity to major transportation routes



SCALE

- Scalability and diversification opportunity in the Winnipeg market
- Expansion opportunities for International users
- Talented labour force including potential for users to acquire experienced employees



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FACILITY OVERVIEW

HEATING/COOLING & AIR HANDLING SYSTEMS

- 335 ton HVAC Chiller
- 248 ton Process Chiller
- 4 Boilers (72 HP (x3), 119 HP)
- Approximately 27 units, a combination of RTU's and make-up air units. 15 were replaced within the last 3 years, remainder are 8-14 years old, all well maintained
- Additional unit heaters throughout the building (steam, gas and electric)

WATER PURIFICATION

- Reverse osmosis purification system distributed throughout building
- 6 L/s of permeate water, 3-4 micro siemens with 20,000L

WASTE TREATMENT

- 1,600 gallon transfer tank
- 1,500 gallon treatment tank

EXTERIOR STORAGE

- 70' x 34' fenced outdoor compound
- Six 6' x 11' steel sheds

LOADING

- 1 Grade level door
- 1 Dock level door with leveller

SPRINKLER SYSTEMS

- All areas of the building are wet sprinklered, with the sprinkler system brought up to code in 2019
- Chemical storage area has a CO2 system
- Fire system has a dedicated water main and auxiliary off the domestic water supply
- Server room has a dedicated pre-action system

INTERNET SERVICE PROVIDERS

- Bell and Rogers

SECURITY

- Full external security system with glass break detectors, motion sensors and cameras
- Internal security doors and cameras

CEILING HEIGHTS

- Office and Lab space: 8' (drop ceilings)
- Plant areas: 30' (multiple mezzanines throughout)
- All other areas: 8' to 12'

BUILDING ENVELOPE

- Combination of metal siding, composite shiplap boarding, and brick materials

ROOF

- Combination of gravel/tar flat roof, metal slopped roof, and asphalt/tar flat roof, all various ages



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FACILITY OVERVIEW

CONCRETE

- Lunchroom: 6" 25MPA
- Fermenter Office area: 6" 25 MPA
- 14,000L Fermenter area: 10"
- 30,000L Fermenter area: 14" (engineered with Fermenter load design)
- Warehouse: 6"
- Downstream Area Office/hallway: 10"
- Downstream Plant & Utility Area: 12"
- CER/Downstream Plant Area: 6" - 8" (depending on area)

ELECTRICAL

- One 1200 amp service & one 1600 amp service
- Each service is 3 phase 575 volts
- Total power of 2,784.6 KVA

GENERATORS

- 2 backup generators - 450Kw and 350 Kw
- 4 nitrogen generators, 3 for production and 1 for lab - 5.72 L/s, 5,000L storage tank (approx.), 1.1 SCFM at 99% pure, 200L storage tank

UNDERGROUND CONTAINMENT TANKS

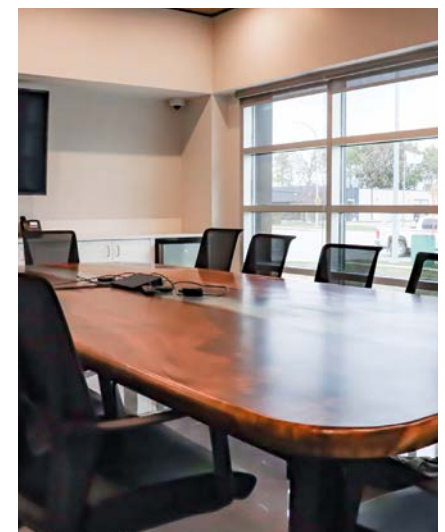
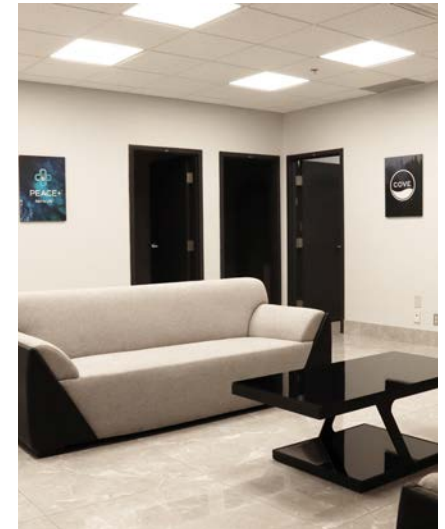
- 1 double-walled underground holding, 30,000L (approx.)
- Additional underground holding tank on site (sealed and not hooked up)

PRODUCTION CAPACITY

- Total capacity of 126,190L. Assuming 85% capacity for fermentation, total production capacity of approximately 107,261 Litres
 - Production:
 - 1 x 30L Seed Vessel
 - 1 x 50L Seed Vessel
 - 1 x 300L Seed Vessel
 - 1 x 1,500L Seed Vessel
 - 1 x 2,500L Fermenter
 - 2 x 3,750L Feed Vessels
 - 2 x 5,000L Feed Vessels
 - 3 x 14,000L Fermenters
 - 2 x 30,000L Fermenters
 - **Production Total: 123,980L**
 - R&D:
 - 4 x 20L Biostat C Vessels
 - 4 x 20L ED 15 Vessels
 - 1 x 100L Vessel
 - 1 x 150L Biostat D Vessel
 - 1 x 300L Vessel
 - 1 x 1,500L Vessel
 - **R&D Total: 2,210L**

EXTERIOR SOLVENT STORAGE

- 15,000L double-walled storage tank with electronic transfer pump and remote level monitoring
- 9,500L double-walled storage tank with electronic transfer pump and remote level monitoring



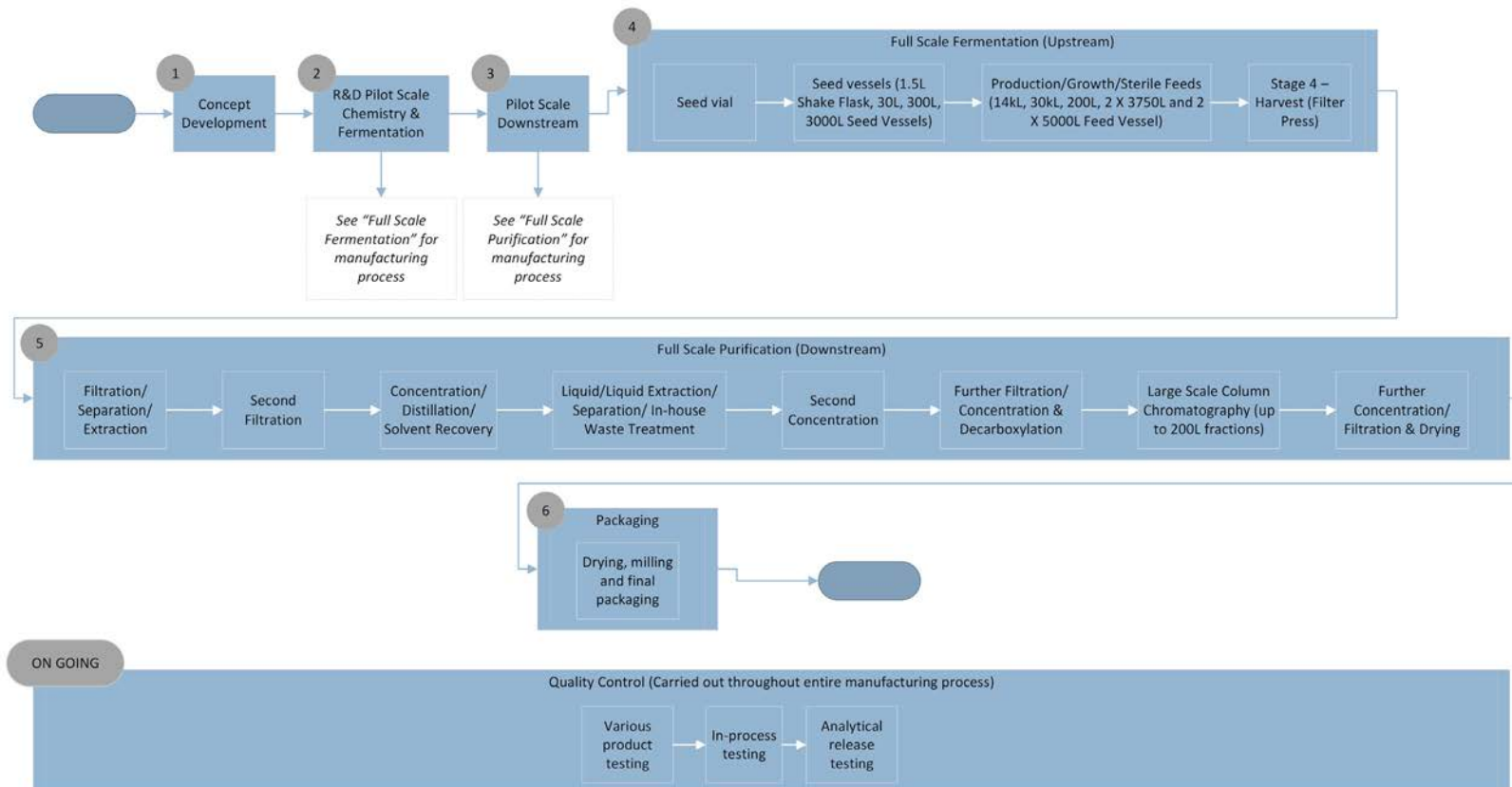
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MANUFACTURING PROCESS FLOW CHART

Facility equipped to support a full spectrum of development & manufacturing services. This process has been simplified and illustrates a general example.



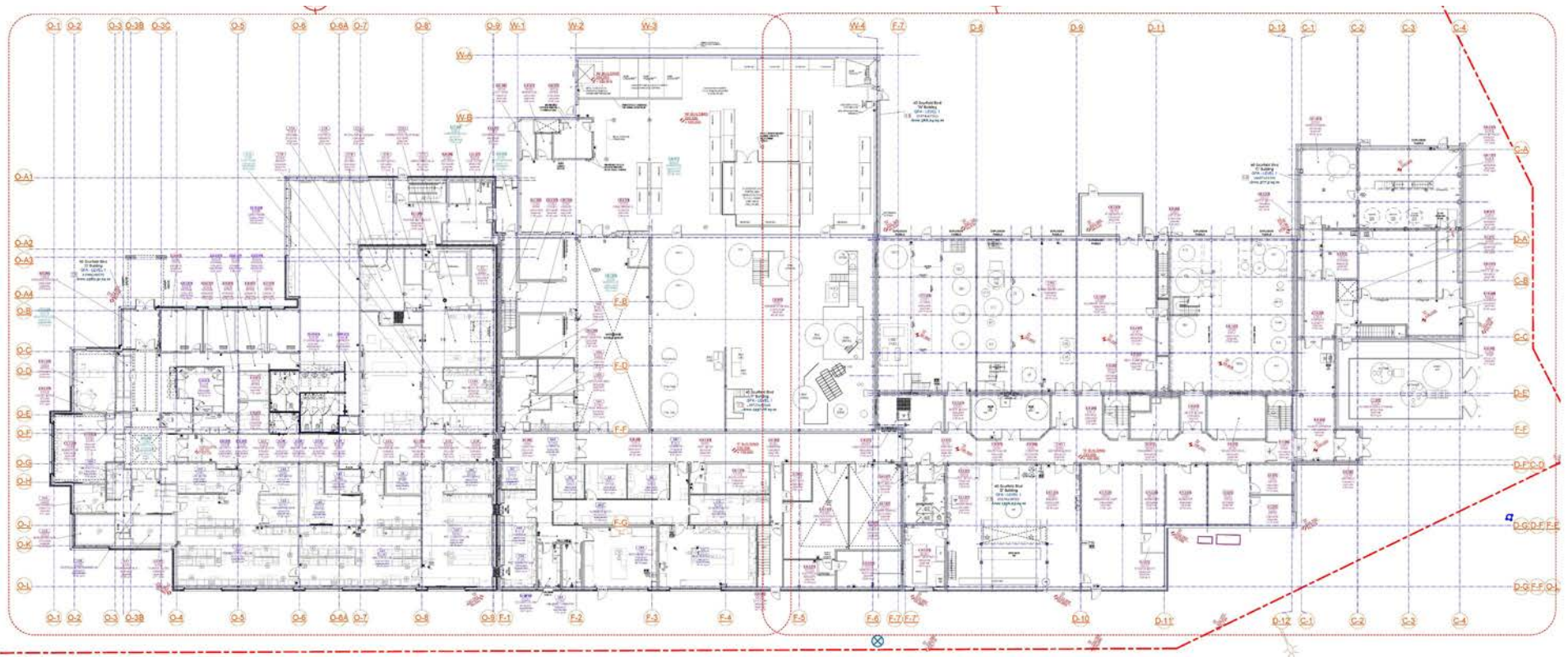
- Turn-key API manufacturing facility with a focus on fermentation-based small molecules
- Build to support a full spectrum of development and manufacturing services
- Over 100,000L production capacity
- Most recently operated under Health Canada Cannabis licenses, and formerly inspected by the US FDA, Canada HPFBI, and Australia TGA

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FLOOR PLAN: LEVEL 1

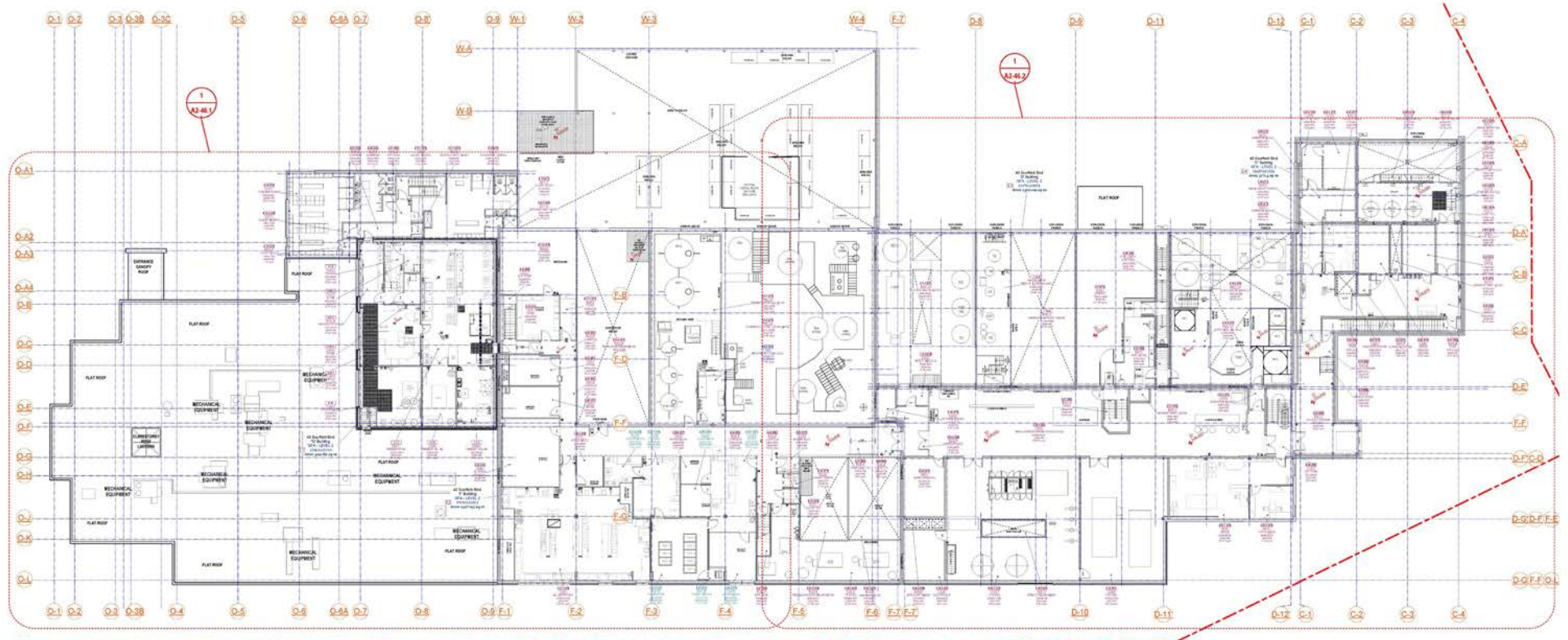


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FLOOR PLAN: LEVEL 2



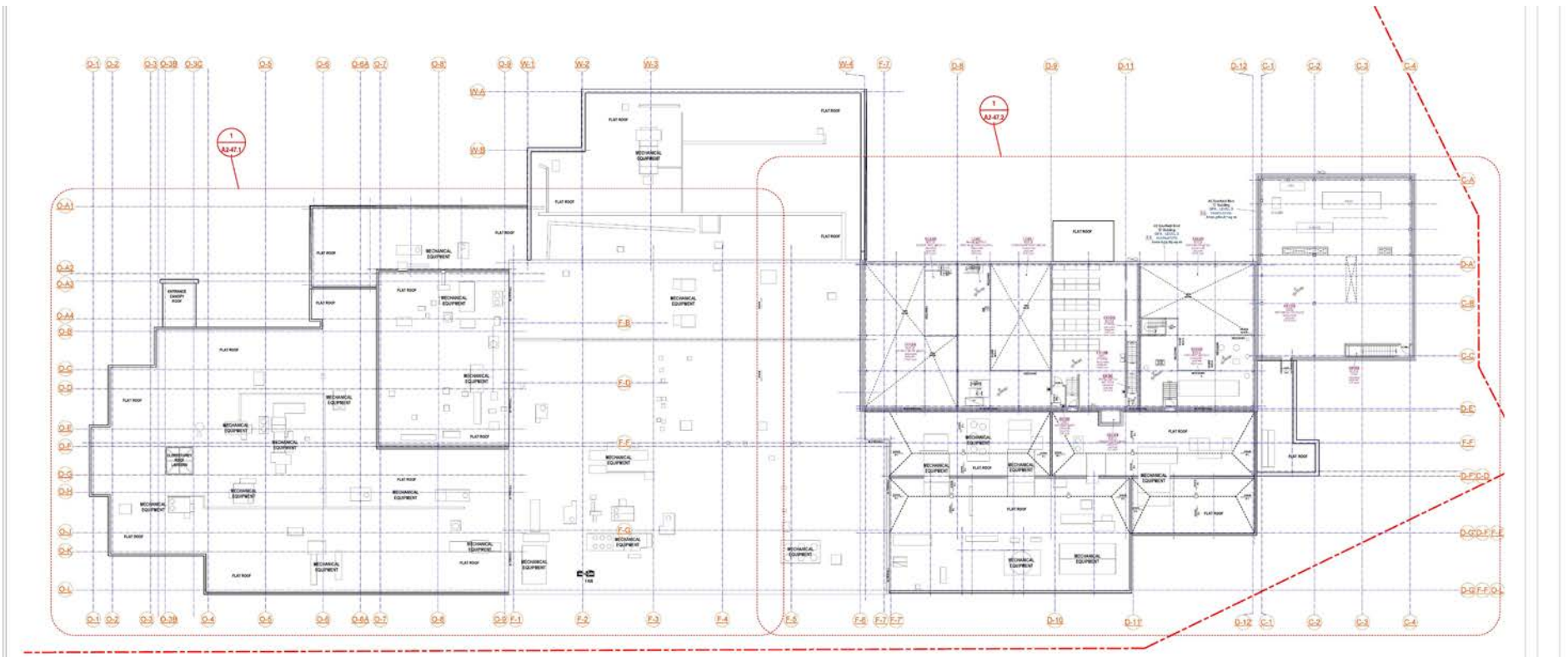
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FLOOR PLAN: LEVEL 3



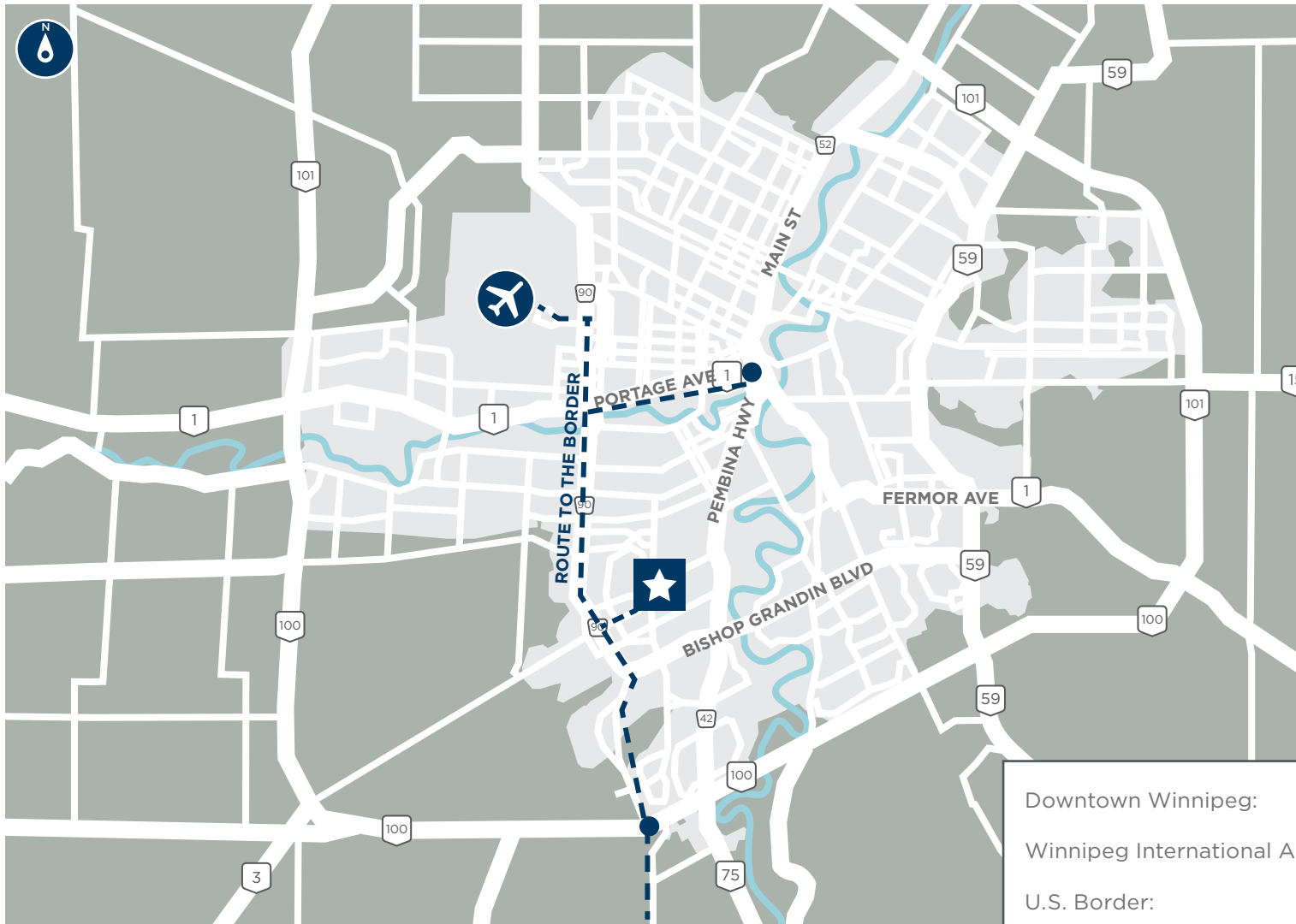
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DEMOGRAPHICS



5 KM RADIUS



TOTAL POPULATION

117,870



MEDIAN AGE

40



AVERAGE HOUSEHOLD INCOME

\$115,459



TOTAL HOUSEHOLDS

45,222

Downtown Winnipeg: **20 MINS**

Winnipeg International Airport: **21 MINS**

U.S. Border: **1 HR & 7 MINS**

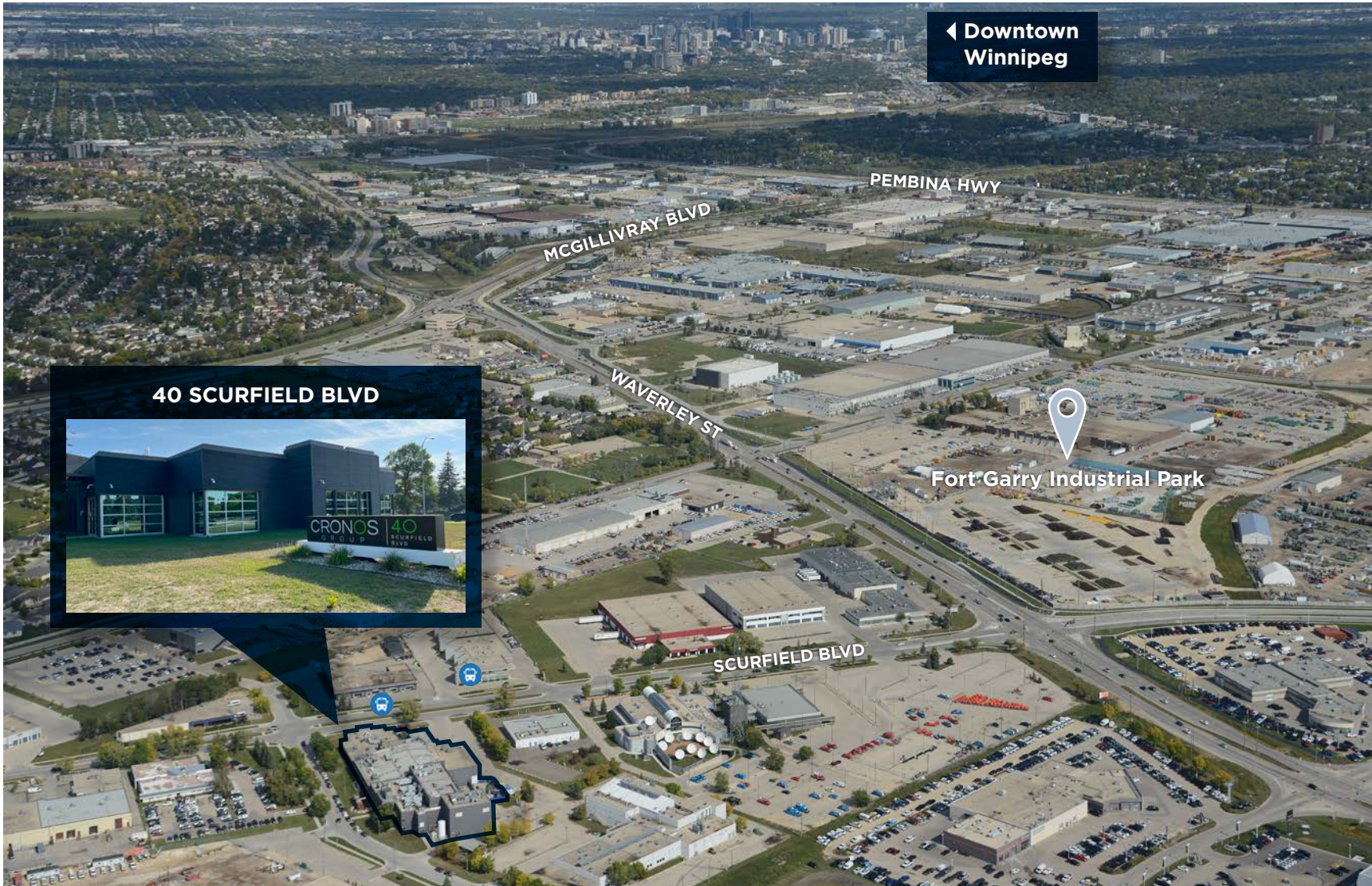


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AREA OVERVIEW



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AERIAL VIEW



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OPERATIONS & EQUIPMENT

The building contains a vast array of equipment that has been installed to maintain the functionality of this purpose-built facility, and is included in the sale.



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WINNIPEG AT A GLANCE

With a population of 834,678, Winnipeg is the capital city of Manitoba and boasts a strategic central location within Canada, making it an optimal choice for conducting business. This prime geographical position offers an appealing time zone advantage, particularly attractive to organizations with a global footprint.

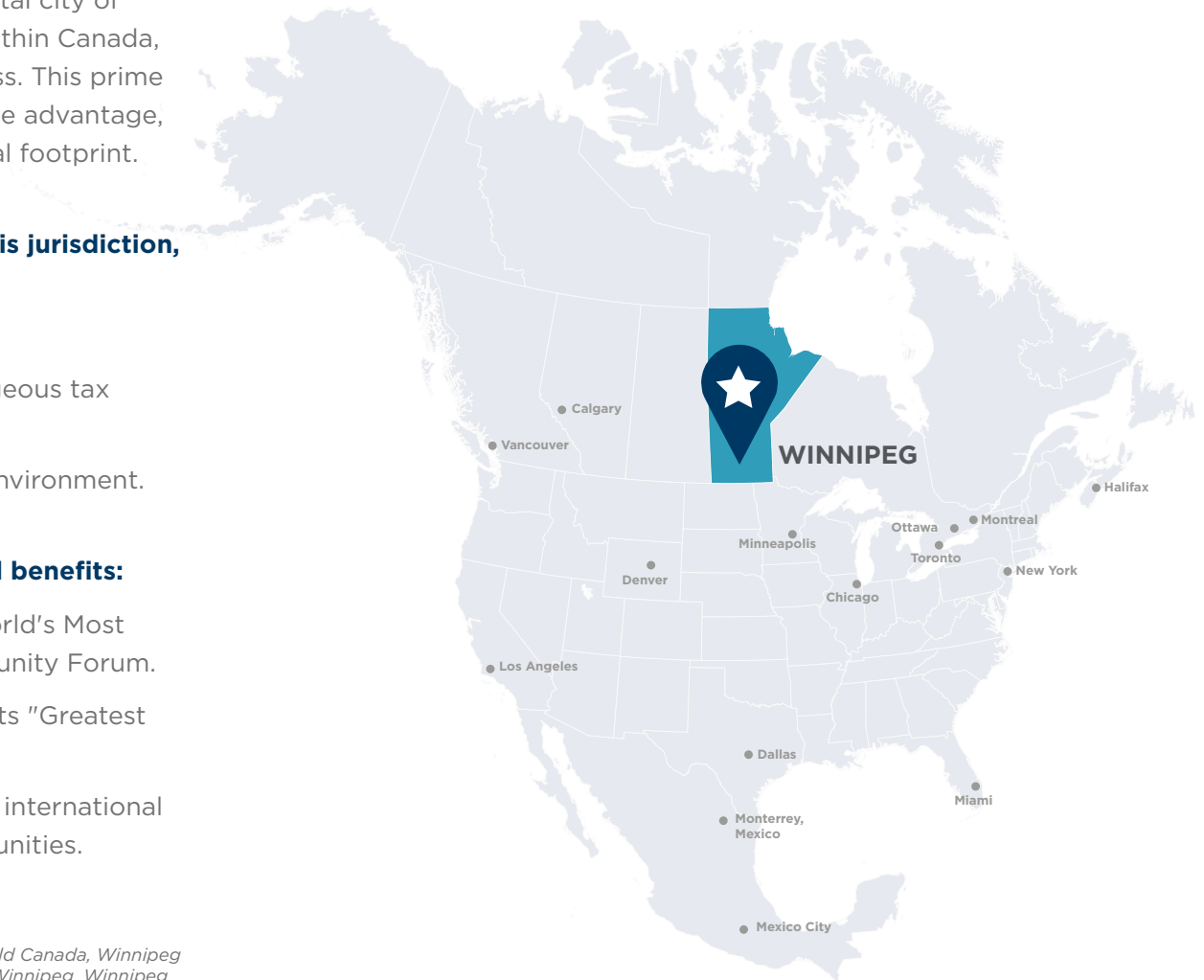
Businesses find compelling reasons to invest in this jurisdiction, including:

- A resilient and diverse economy.
- Competitive operational expenses and advantageous tax incentives.
- An accommodating government and business environment.

Furthermore, Winnipeg offers a host of additional benefits:

- In 2021, it earned the prestigious title of the "World's Most Intelligent Community" by the Intelligent Community Forum.
- TIME Magazine recognized Winnipeg as one of its "Greatest Places" in 2021.
- The city enjoys access to a pool of highly skilled international talent, along with numerous recruitment opportunities.

Sources: Stats Canada, 2021 Census of Winnipeg CMA, 2023 | IT World Canada, Winnipeg takes home the 2021 Intelligent Community of the Year award | CTV Winnipeg, Winnipeg Makes the list of TIME's greatest places



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OVERVIEW OF LIFE SCIENCES SECTOR

Access to robust ecosystems:

- Manitoba ranks first in medicine exports in Canada and 2nd in pharmaceutical manufacturing.
- 358 life science businesses employing 8,500 people in Manitoba.
- Key companies:
 - Emergent BioSolutions, Bausch Health, Pfizer and Vita Health Products
 - Bioscience Association Manitoba
- More than 30 life sciences R&D centres with internationally-recognized researchers, scholars.

Internationally-recognized research:

- University of Manitoba leads ground-breaking research for new treatments and vaccines, innovative interventions for communicable and chronic diseases.
- Provincial investments to support COVID-19 clinical and applied research projects.
- Unique healthcare database with 40 years of health data available in Manitoba:
 - Opportunity for clinical trials
 - Lower cost and increased speed to market

Home to Canada's only National Microbiology Laboratory, a biosafety level 4 infectious disease laboratory.

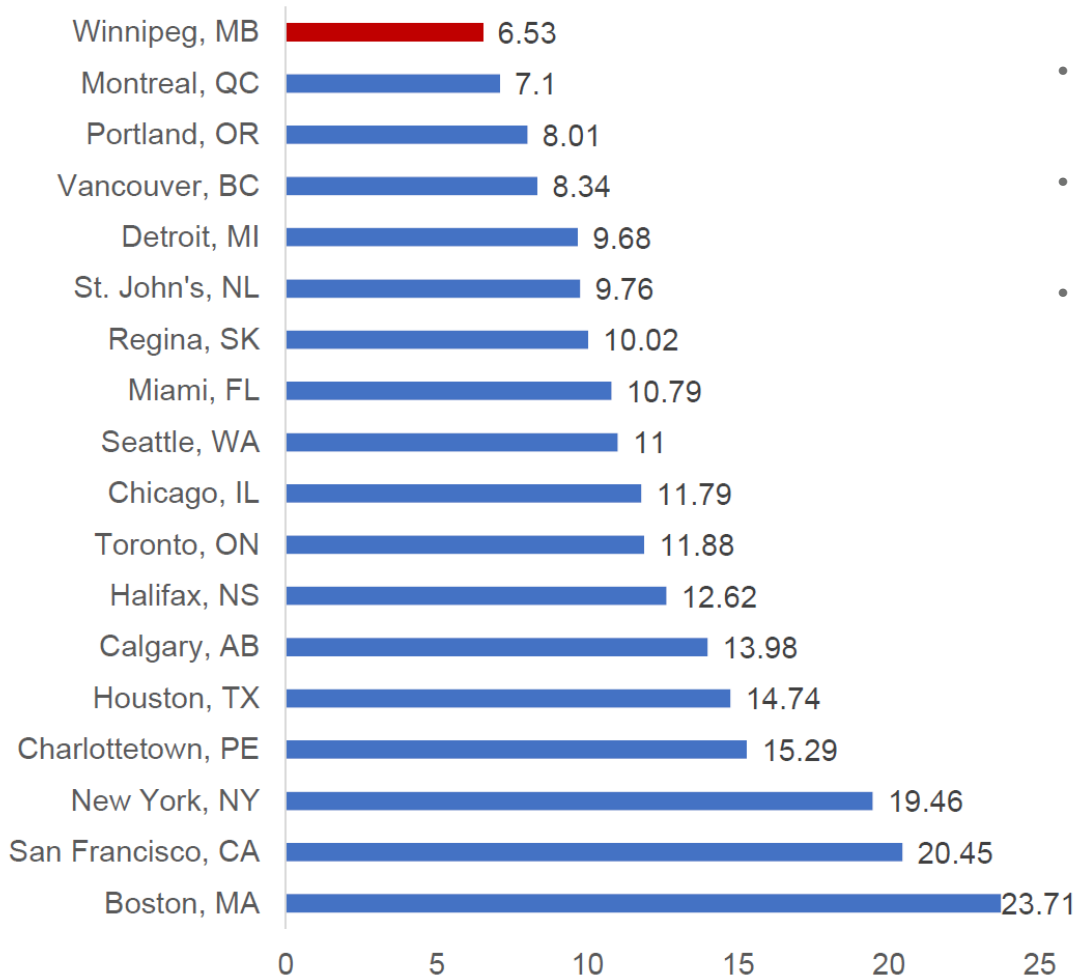


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HYDRO COST COMPARISON FOR GENERAL SERVICE



- Winnipeg offers the lowest utility costs in comparison to major North American cities.
- 99.6% of electricity produced in Manitoba is from clean, renewable hydroelectric generating stations.
- Manitoba Hydro is a renowned Canadian energy utility compliant with North American Electric Reliability Corporation (NERC) reliability standards.



Sources: Comparison of Electricity Prices in Major North American Cities, Hydro Québec, 2022 (in c/kWh - Heavy Loads (2,500 kw for 1,170,000 kwh2) | Canada's Renewable Power Landscape, National Energy Board, 2017

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COST OF LIVING: HOUSING EXPENSES

Stretch Your Budget in Winnipeg: Housing Expenses here are nearly 50% less than the Canadian average, making them approximately one-third of what you'd find in Toronto and Vancouver.

CITY	AVG. RENTAL PRICE FOR PRIVATE CONDO \$ CAD	PURPOSE-BUILT APARTMENT \$ CAD	AVERAGE HOME PRICES
Quebec City CMA	\$1,192	\$976	\$315,300
Montréal CMA	\$1,517	\$1,022	\$503,900
Ottawa	\$2,075	\$1,625	\$613,000
Toronto CMA	\$2,692	\$1,779	\$1,091,300
Hamilton	\$2,083	\$1,438	\$831,300
Winnipeg CMA	\$1,301	\$1,350	\$329,900
Calgary CMA	\$1,648	\$1,466	\$518,100
Vancouver CMA	\$2,504	\$2,002	\$1,123,400
Victoria CMA	\$2,321	\$1,699	\$858,600

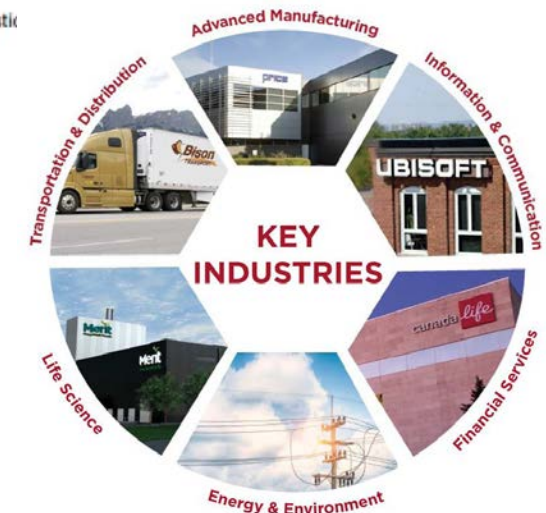
Key economic indicators

(percentage change)

	2022	2023	2024	2025
Real GDP	3.9	2.2	1.2	2.3
Consumer price index	7.9	3.8	2.3	2.0
Household disposable income	0.6	5.0	1.9	2.9
Employment	3.2	1.9	1.3	1.4
Unemployment rate (level)	4.5	4.9	5.2	5.3
Retail sales	8.4	4.2	2.1	2.7
Wages and salaries per employee	4.1	2.2	1.7	2.2
Population	1.3	2.4	1.9	1.7

Note: Shaded area represents forecast data.

Sources: The Conference Board of Canada; Statistic



Sources: Annual Report Home Page: (<https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>)

Data Tables: (<https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/rental-market-report-data-tables>)

2022 Rental Market Report PDF: (<https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report-2022-en.pdf>)

Monthly Housing Report: December 2022 Canada Real Estate Association Monthly Price Map (<https://www.crea.ca/housing-market-stats/canadian-housing-market-stats/national-price-map/>)

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MARKET OVERVIEW

Economy

Manitoba continues to be a consistently stable province. Employment has seen year-over-year growth of 2.2% adding 9,900 jobs since March 2022. The most significant change was in accommodation and food services, followed closely by public administration and professional, scientific and technical services. Job growth continues, despite the conversation surrounding a soft recession in 2023.

Higher borrowing costs continue to have an impact, with commercial borrowing rates sitting just under 7%. Notable for first quarter 2023 is the Manitoba government's release stating an additional \$50 million of capital was being made available for Manitoba businesses. This injection of capital is intended to support businesses in the early stages with hiring, investing and growing in Manitoba and is accessible through the Manitoba First Fund (MFF). This statement shows the overwhelming governmental support for local and will help groups to scale quickly and further support the local economy.

Supply and Demand

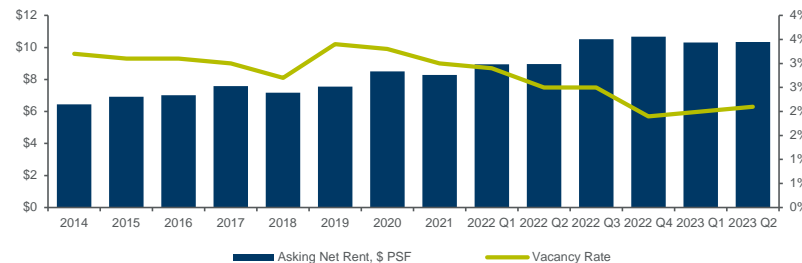
Overall vacancy remains low at 2% with no significant change expected for the rest of 2023. Investment activity remains low with fewer industrial trades expected in 2023. The strong performance of the industrial market has equated to less opportunities for new investors given bid-ask spreads and a lack of motivation for owners to transact. Pricing for investment product remains challenging given the current debt environment, with smaller deals commanding a premium if near term vacancy or user opportunities. Of the few transactions that have been undertaken this year, extended timelines related to financing and environmental issues have been prevalent, testing the patience of sellers and buyers.

Pricing

Tenants looking to renew or secure new space continue to see pressure on rental rates with average pricing for existing industrial buildings now climbing north of \$9.00 per square foot (psf) net with landlords looking for annual escalations of 2 - 3% per year. Rates for new industrial space vary by quadrant with the North West seeing \$12 - \$13 psf net and the South West seeing \$15 - \$17 psf net.

Summary

- Industrial market is doing very well, similar to other Canadian cities
- Historically low industrial vacancy rates sitting at 2% across Winnipeg
- 9% rental rate growth from Q2 2022 to Q2 2023
- Extremely strong market demand for industrial product due to Winnipeg's affordability in comparison other regions across Canada
- Investors will increasingly look to Winnipeg as a defensive capital placement with impending economic turmoil and signs of a recession increasing



ECONOMIC INDICATORS Q2 2023		
	YoY Chg	12-Mo. Forecast
470.2 K Winnipeg Employment	▲	▲
4.9% Winnipeg Unemployment Rate	—	▲
5.4% Canadian Unemployment Rate	▲	▲

Source: Statistics Canada

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OFFERING PROCESS

Offers to be reviewed by the Vendor as received.

The Vendor reserves the right to negotiate with the prospective purchaser(s) who they deem the most attractive in their sole and absolute discretion. The Vendor is not obligated to accept any Offers and reserves the right to reject any or all Offers received.

The Vendor, at any time prior to entering into an agreement, may request additional information from prospective purchasers. Failure to provide such information on a timely basis may result in the termination of discussions. The Vendor reserves the right to end the sale process in respect of the Property or to cease discussions with any and all purchasers at any time prior to accepting an Offer, without notice or liability.

This Offering Process is subject to change. Should the Vendor choose to make any changes, the Vendor and CW Stevenson Inc. will inform all interested parties of such changes.

DATA ROOM

Additional property due diligence information has been posted on the Cushman & Wakefield Sharefile data room website. Once prospective purchasers have executed a Confidentiality Agreement they may request access to the online Sharefile data room. Please note an account may need to be created to access the data room.

Please contact **Chris Hourihan** at chris.hourihan@cwstevenson.ca if you require any assistance in accessing the Data Room.



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