Asset Management reinvestment plan Peel Office Complexes

Most of Peel's office complexes are relatively modern and well maintained. The original building at 10 Peel Centre Drive (Suite A), built 46 years ago, requires increased capital investment for upkeep. Despite this, Suite A continues to effectively support Peel services.

10 year summary

Table 1. Current state and 10 year plan (in $ millions)

Current rating	Current replacement value	10 year forecasted SoGR reinvestment needs	10 year SoGR Capital Plan reinvestments	10 year forecasted rating
Fair	381.8	93.3	91.6	Very Good

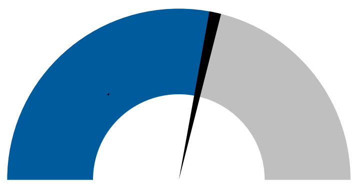
Table 1 shows that the current overall infrastructure state for Peel's office complexes is 'Fair'. The estimated replacement value of these assets is $381.8 million, based on 2024 values. The 10 year Capital Plan includes reinvestments of $91.6 million to maintain the infrastructure in a SoGR. These planned investments align with the forecasted needs of $93.3 million over the same period.

20 year SoGR outlook

Figure 1. 20 Year outlook of infrastructure reinvestment needs

SoGR in Capital Plan

▼ Yr 1-10 ($91.6M)



Forecasted SoGR Needs

- Yr 1-10 ($93.3M)
- Yr 11-20 ($71.2M)

Figure 1 presents a 20 year outlook of infrastructure reinvestment needs to maintain the infrastructure in a SoGR. For the first 10 years, the planned reinvestments of $91.6 million is in alignment with the forecasted needs of $93.3 million. The chart also shows that SoGR needs are expected to decrease slightly in the following 10 years.

State of the infrastructure

Current infrastructure

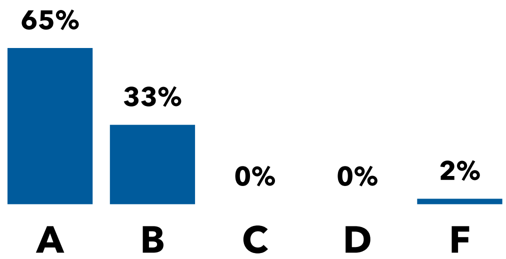
Peel's office complexes include 2 office buildings. The average age of the assets is 26 years.

Replacement value

The total replacement value of assets for the Peel's office complexes is estimated at $381.8 million, based on 2024 values.

Condition[1] of the Infrastructure

Figure 2. Asset condition grading



Building conditions are evaluated through detailed assessments, while most other assets are assessed based on their estimated service life.

Figure 2 shows:

- 65% of assets are rated Grade A, representing new or like new condition.
- 33% are rated Grade B, representing in a state of good repair.
- 2% are rated Grade F, indicating many critical defects requiring immediate repairs and replacements.
- No assets are rated Grade C or D.

[1] Descriptions of the Condition Rating are included in Appendix II Reading Guide

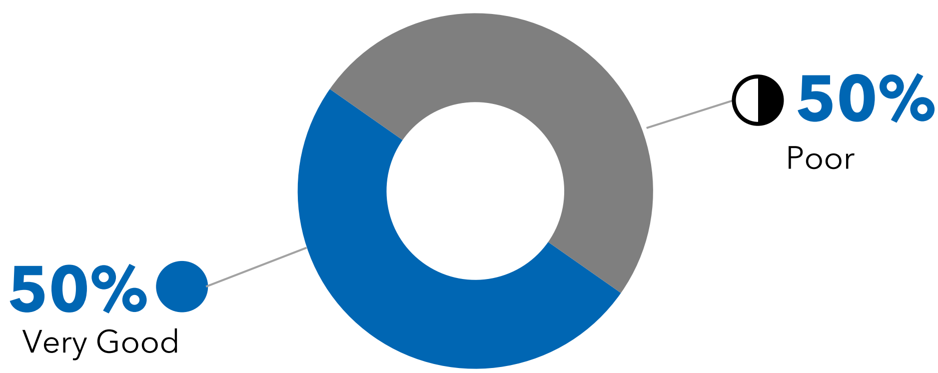
Current infrastructure Risk Management Rating

The current overall 2026 infrastructure Risk Management Rating for the Peel office complexes is 'Fair.'

Figure 3 illustrates that within the portfolio:

- 50% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 50% of asset classes are in Poor state, indicating that most assets are not achieving the desired targets.
- There are no asset classes in Good, Fair, or Very Poor state.

Figure 3. Current infrastructure Risk Management Rating



Target customer level of service[2]

Our customers should expect:

- Peel properties are maintained to ensure cleanliness and are kept in a state of good repair.
- Customer concerns will be addressed promptly and professionally.
- Peel properties provide a safe, healthy environment for both staff and the public.
- Peel properties are accessible in accordance with all requirements.

[2] Definition of Customer Level of Service is included in Appendix III The Enterprise Asset Management Strategy

Infrastructure reinvestment plan

Table 2. 10 year state of good repair reinvestments

Forecasted needs	Capital Plan
$93.3 million	$91.6 million

Table 2 shows that reinvestments of $91.6 million are included in the 10 year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments are aligned with the forecasted needs of $93.3 million over the same period.

Table 3. Operations and maintenance expenses

Annual expenditure	Re investment rate
$1.9 million	0.5%

Table 3 shows that operations and maintenance expenses for Peel office complexes are approximately $1.9 million per year, representing 0.5% of the asset replacement value. These expenses support facility operations and maintenance activities. As part of the whole lifecycle strategy, these costs are regularly reviewed and will be optimized over time as asset management tools and technology improve.

10 year infrastructure Risk Management Rating with Capital Plan reinvestments

In 10 years (2035), the overall infrastructure Risk Management Rating for the Peel office complexes is forecasted to increase to 'Very Good.'

Figure 4 illustrates that within the portfolio:

- 100% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- There are no asset classes in Good, Fair, Poor, or Very Poor state.

Figure 4. 10 year infrastructure Risk Management Rating