DEVELOPMENT PROGRAM

Properties Under Development

RioCan’s development program is an important component of its long-term growth strategy and is focused on well-located properties in the six major markets in Canada. Often these are properties that RioCan already owns and are located directly on, or in proximity to, major transit lines such as the existing Toronto Transit Commission's subway lines or the Eglinton LRT line, which is currently under construction. Development opportunities also arise from the fact that retail centres are generally built with lot coverages of approximately 25% of the underlying lands and municipalities are supporting additional density particularly near major infrastructure investments. Considering that RioCan already owns the land for its portfolio of mixed-use redevelopment opportunities, these projects are expected to generate strong incremental returns and increase the Trust's net asset value.

The overall development environment in Canada is undergoing changes. Refer to the *Business Overview and Strategy, Business Environment and Outlook,* and *Risks and Uncertainties* sections of this MD&A for discussions about the development environment in general and under the pandemic specifically, as well as associated risks. Development risk management is essential to the Trust's success. The Trust strategically and prudently manages its development risks as follows:

- RioCan undertakes developments selectively based on opportunities in its portfolio and within the major markets it focuses on.
- Development projects must be expected to generate appropriate risk-adjusted returns. The Trust will not commence construction until it has third-party market studies of the rental or for sale residential markets in the development areas and, where a large portion of the development has commercial space, the requisite leasing commitments pertaining to the commercial portion of the mixed-use developments are required.
- RioCan’s well established and robust internal control framework ensures proper oversight over development approvals and construction management.
- RioCan uses a staggered approach in its development program to avoid unnecessary concentration of development projects in a single period of time in order to allocate risks and manage the Trust's capital. The staggered development approach also enables proper allocation of personnel resources and ensures that the Trust’s experienced development team is at the appropriate scale, resulting in no overhead pressure for RioCan to take on suboptimal development activities.
- RioCan utilizes strategic partnerships to reduce capital requirements and mitigate risks.
- RioCan often already owns the assets with development potential which are income producing. This allows the Trust to manage the timing of development starts, and if required, these assets can continue to generate income until the appropriate time to commence development is reached.
- RioCan's development team utilizes a variety of cost mitigation strategies, such as working with experienced construction managers early in the project design stage to validate that a project's constructability and efficiency is maximized, ensuring that soil and geotechnical conditions are known before breaking ground, that construction drawings are finalized to the furthest extent possible prior to commencing construction, and structuring construction management contracts such that the contracts are converted to fixed price contracts as soon as all of the scope is defined thus limiting cost escalations.
- The Trust's mixed-use residential development allows the Trust to access Canadian Mortgage and Housing Corporation (CMHC) insured mortgages which diversifies the Trust's funding sources and provides a lower cost of debt.
- RioCan's developments are across numerous geographic markets, thus permitting diversification of market dynamics.

The Trust categorizes the projects within its development program as follows:

Category	Description
Greenfield Development	Projects on vacant land typically located in suburban markets that are being constructed or developed from the ground-up for future use as income producing properties (IPP or IPPs).
Urban Intensification	Projects at existing IPPs located in urban markets, which typically involve increasing the density or square footage of the properties and are often mixed-use projects.
Expansion and Redevelopment	Existing IPPs, or components thereof, that are being repositioned through redevelopment, which typically increases NOI by adding to the rentable area of the properties.

In addition to the above development categories, the Trust also owns vacant lands and other properties that could be used for future developments. Such vacant land and other properties are reported as “Development Lands and Other” under properties under development (PUD) in the *Estimated PUD Project Costs* section of this MD&A.

Management's current estimates and assumptions, as discussed throughout this *Development Program* section, are subject to change. Such changes may be material to the Trust. Although the estimated development expenditures are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these projections particularly under the current health crisis and development expenditures may, therefore, materially differ from management's current estimates. In addition, there is no assurance that all of these developments will be undertaken, and if they are, there is no assurance as to the mix of commercial and residential developments, the costs, the phasing of the projects, or the development yields to be achieved.

Declaration of Trust and Financial Covenants

The provisions of the Trust's Declaration have the effect of limiting direct and indirect investments in greenfield developments and development properties held for resale (each net of related mortgage debt and mezzanine financing which funds the co-owners' share of such developments) to no more than 15% of total consolidated Unitholders' equity of the Trust, as determined under IFRS. As at March 31, 2021, RioCan's investments in greenfield development and residential inventory as a percentage of consolidated Unitholders' equity is 4.4% and, therefore, the Trust is in compliance with this restriction.

In addition, RioCan's revolving unsecured operating line of credit and non-revolving unsecured credit facilities agreements require the Trust to maintain certain financial covenants, one of which includes a more restrictive covenant as it pertains to the Trust's development activities. As of March 31, 2021, the Trust is in compliance with all financial covenants pursuant to the operating line of credit and credit facilities agreements including the one relating to the Trust's development activities. Refer to Note 24 of the Condensed Consolidated Financial Statements for further details.

Development Pipeline

RioCan's development pipeline as at March 31, 2021 is estimated as follows:

		Estimated Density (NLA) at RioCan's interest (i)					
					Components of PUD		
(thousands of sq. ft.)	Number of Projects (ii)	Total	PUD (iii)	Residential Inventory (iv)	Commercial	Residential Rental	Air Rights Sale (x)
A. Active projects with detailed cost estimates							
Greenfield Development (v)	2	431	431	—	431	—	—
Urban Intensification (vi)	9	2,817	2,606	211	996	535	1,075
	11	**3,248**	**3,037**	**211**	**1,427**	**535**	**1,075**
Expansion & Redevelopment (vii)	10	286	286	—	286	—	—
Subtotal	**21**	**3,534**	**3,323**	**211**	**1,713**	**535**	**1,075**
B. Active projects with cost estimates in progress(viii)	**24**	**18,338**	**16,608**	**1,730**	**3,457**	**13,151**	**—**
Total Active Projects	**45**	**21,872**	**19,931**	**1,941**	**5,170**	**13,686**	**1,075**
C. Future estimated density (ix)	**15**	**19,947**	**19,636**	**311**	**2,016**	**17,620**	**—**
Total development pipeline	**60**	**41,819**	**39,567**	**2,252**	**7,186**	**31,306**	**1,075**

(i) Estimated density across the various components of the development pipeline is expressed as NLA, which represents approximately 90% of Gross Floor Area (GFA) for residential rental and inventory developments. This conversion factor is an estimate, which is based on a number of assumptions including but not limited to, site plan approval, final building design and floor plans as well as the mix of commercial and residential space in a multi-use development project.

(ii) Given the range of development activities and the multi-phase nature of the development projects included in the total development pipeline, a single investment property could have more than one project. Therefore, the number of projects should not be viewed as equivalent to the number of properties under development.

(iii) PUD NLA includes NLA for air right sales in addition to commercial and residential rental NLA, but excludes NLA for condominiums and townhouse projects which are reported separately as Residential Inventory.

(iv) Represents the density associated with the development of our residential condominiums and townhouse projects that are to be sold in the normal course of business upon project completion, not to be held for long-term capital appreciation or rental income. As such, the costs associated with this NLA are treated as residential inventory under IFRS and are thus not reported as PUD, even though this NLA forms part of RioCan's development program and is included in the above estimated development pipeline. Condominium and townhouse developments are discussed under the *Residential Inventory* section of this MD&A..

(v) Greenfield Development projects include approximately 0.3 million square feet that are currently IPP.

(vi) Urban Intensification projects include approximately 1.0 million square feet that are currently IPP including 0.8 million square feet of air rights that have been sold.

(vii) Expansion and Redevelopment projects include approximately 0.2 million square feet of vacant NLA being redeveloped for future tenants.

(viii) Active projects with cost estimates in progress include approximately 2.6 million square feet that are currently IPP.

(ix) Future estimated density includes approximately 2.0 million square feet that are currently IPP.

(x) Under IFRS, costs associated with air rights sales, which include, but are not limited to, the costs of underlying structure and infrastructure required for the closing of the air rights sales, are part of the costs of the properties under development until the air rights are sold. As a result, density related to air rights sales is included as part of the PUD square footage.

It should be noted that the explanations or definitions in the footnotes for terms in the above table have the same meanings for the same terms across this *Properties Under Development* section of this MD&A and therefore will not be repeated after each relevant table.

Approximately 6.1 million square feet of NLA out of the total estimated 41.8 million square feet development pipeline is existing NLA which is currently income producing or air rights that have been sold, resulting in net incremental density estimated at 35.9 million square feet as of March 31, 2021. When compared to the Trust's development pipeline as of December 31, 2020, the development pipeline has increased marginally by 0.1 million square feet during the period primarily due to the addition of two Expansion and Redevelopment projects in Calgary and Ottawa, and one project Queen & Coxwell in Toronto under Active Projects with Costs Estimates in Progress, partially offset by the removal of one Urban Intensification project Pivot in Toronto as the project is now complete and in lease-up and the sale of a non-managing 50% interest in Rhythm in Ottawa.

A key milestone of the development process is obtaining zoning approval. The following table details the Trust's development pipeline (at RioCan's interest) by zoning status.

			Estimated Density (NLA) at RioCan's interest					
						Components of PUD		
(thousands of sq. ft., unless otherwise noted)	Number of Projects	% of square footage zoned	Total	PUD	Residential Inventory	Commercial	Residential Rental	Air Rights Sale
Zoning approved	38	33.9 %	14,158	12,677	1,481	4,397	7,205	1,075
Zoning applications submitted	7	18.4 %	7,714	7,254	460	773	6,481	—
Future estimated density	15	47.7 %	19,947	19,636	311	2,016	17,620	—
Total development pipeline	**60**	**100.0 %**	**41,819**	**39,567**	**2,252**	**7,186**	**31,306**	**1,075**

Zoned NLA increased marginally by 0.1 million square feet when compared to the year ended December 31, 2020 for the same reasons as noted earlier for the change in total development pipeline. Virtually all of the projects are located in the six major markets and are typically located in the vicinity of existing or planned substantive transit infrastructure with 73.4% of the development pipeline located in the GTA.

	Estimated Density (NLA) at RioCan's Interest		
(thousands of sq. ft., unless otherwise noted)	Number of projects	NLA	% of total NLA
Six Major Markets			
Greater Toronto Area	38	30,703	73.4 %
Ottawa	9	2,489	6.0 %
Calgary	5	2,989	7.1 %
Montreal	2	1,181	2.8 %
Edmonton	2	2,712	6.5 %
Vancouver	2	1,712	4.1 %
Total Six Major Markets	58	41,786	99.9 %
Other (i)	2	33	0.1 %
Total development pipeline	**60**	**41,819**	**100.0 %**

(i) Relates to smaller redevelopment projects.

Estimated PUD Project Costs

Estimated project costs include land costs measured at fair value of the land or existing IPP upon transfer to PUD, soft and hard construction costs, external leasing costs, tenant inducements, construction and development management fees, and capitalized interest and other carrying costs, as well as capitalized development staff compensation and other expenses, but are net of estimated costs recoveries and proceeds from air rights sales.

RioCan's share of estimated PUD project costs as of March 31, 2021 for the 21 active PUD projects with detailed cost estimates (Category A as shown in the Development Pipeline table earlier), plus the current carrying costs of the development lands and other and net of projected proceeds from development dispositions, are summarized in the table below. Costs relating to condominiums and townhouse developments are excluded in the following table as they are included in *Residential Inventory* in the Condensed Consolidated Financial Statements and in this MD&A.

(thousands of dollars or thousands of sq. ft.)	Number of Projects	At RioCan's Interest: Total PUD NLA	Total Estimated Costs	Costs Incurred to Date: Completed (IPP)	PUD	Total	Estimated PUD Costs to Complete
Greenfield Development	2	431	$ 200,750	$ 118,829	$ 46,370	$ 165,199	$ 35,551
Urban Intensification	9	2,606	1,368,877	94,024	778,540	872,564	496,313
	11	3,037	1,569,627	212,853	824,910	1,037,763	531,864
Expansion & Redevelopment (iii)	10	286	141,654	—	95,614	95,614	46,040
Active projects with detailed cost estimates	**21**	**3,323**	**$ 1,711,281**	**$ 212,853**	**$ 920,524**	**$ 1,133,377**	**$ 577,904**
Development Lands and Other (i)		—	370,184	—	370,184	370,184	—
Projected proceeds from dispositions (ii)		—	(20,579)	—	—	—	(20,579)
Total			**$ 2,060,886**	**$ 212,853**	**$ 1,290,708**	**$ 1,503,561**	**$ 557,325**
Fair Value to Date				**$ 206,079**	**$ 1,395,940**	**$ 1,602,019**	

(i) Development lands and other includes excess land and other properties that could be used for future developments.

(ii) Represents firm or conditional land sales that the Trust intends to sell instead of holding for long-term income, which management considers to be reductions to its overall development costs.

(iii) Expansion and Redevelopment projects tend to be shorter in duration and smaller in size compared to Greenfield and Urban Intensification projects, and generally pertain to the redevelopment of individual unit(s) at a property. Once the redevelopment of the individual unit(s) has/have been completed, the NLA and associated costs are transferred to IPP and no longer included in the development pipeline or development costs, resulting in nil completed IPP in this table.

Total estimated costs for the 21 active projects with detailed cost estimates as of March 31, 2021 decreased by $208.2 million when compared to December 31, 2020. This decrease was primarily due to the removal of Pivot as the project is now complete and the sale of a non-managing 50% interest in Rhythm, partially offset by the addition of two projects in Expansion and Redevelopment.

The above total estimated development costs as at March 31, 2021 are further broken down by committed and non-committed spending as follows:

(thousands of dollars)	At RioCan's Interest: Total Estimated Costs	Costs Incurred to Date: Completed (IPP)	PUD	Total	Estimated PUD Costs to Complete
Committed (i)	$ 1,690,702	$ 212,853	$ 920,524	$ 1,133,377	$ 557,325
Non-committed	370,184	—	370,184	370,184	—
Total	**$ 2,060,886**	**$ 212,853**	**$ 1,290,708**	**$ 1,503,561**	**$ 557,325**

(i) A project is considered to be committed when all major planning issues have been resolved, anchor tenant(s) for the commercial components has/have been secured, and/or construction is about to commence or has commenced. Although a non-committed project may have a completed portion, the Trust is not committed to completing the remaining phase(s) of the project if it so decides in due course. Development Lands and Other are included in non-committed projects.

Incremental Value Creation

For the 21 active properties under development with detailed costs estimates, as well as development lands and other, as summarized under the *Estimated PUD Project Costs* section of this MD&A, the Trust has recognized $98.5 million of cumulative fair value gains as of March 31, 2021. Most of the recognized cumulative fair value gains are related to the present value of the air rights sales at The Well based on firm agreements, increased valuations of excess land held for future development or fair value gains upon sales of co-ownership interests to partners such as in the case of Sandalwood Square.

The Trust anticipates realizing substantial net value creation from its additional 18.3 million square feet of excess density that is either zoned or have zoning applications submitted as well as the 19.9 million square feet of future density. As of March 31, 2021, nominal fair value gains or inventory gains have been recognized relating to these 38.3 million square feet of density.

Properties under Development Continuity

(thousands of dollars) Three months ended March 31		**2021**		2020
Balance, beginning of period	**$**	**1,353,982**	$	1,260,382
Acquisitions (i)		**—**		34,039
Dispositions (i)		**(20,974)**		(21,715)
Development expenditures		**74,245**		92,089
Transfers PUD to IPP - cost		**(40,869)**		(47,672)
Transfers PUD to IPP - fair value (gains) losses		**1,786**		(12,250)
Transfers IPP to PUD		**22,900**		9,745
Transfers to residential inventory		**—**		(4,519)
Fair value gains, net		**3,461**		7,484
Earn-out consideration		**1,409**		—
Balance end of period	**$**	**1,395,940**	$	1,317,583

(i) Refer to the *Acquisitions and Dispositions* section of this MD&A for development property acquisitions and dispositions.

Completed Developments in 2021

During the three months ended March 31, 2021, RioCan transferred $40.9 million in costs to income producing properties pertaining to 30,000 square feet of completed development projects. A summary of RioCan’s NLA development completions during the year is as follows:

		NLA at RioCan's Interest		
(thousands of sq. ft.)		2021		
Property location	RioCan’s % ownership	Total NLA	Q1	Tenants
Greenfield Development				
RioCan Windfields	100 %	22	22	The Canadian Brewhouse, Tiny Hoppers Daycare
Total Greenfield Development		22	22	
Expansion and Redevelopment				
Lincoln Field Shopping Centre	100 %	8	8	Pinecrest-Queensway Community Health Centre
Total Expansion and Redevelopment		**8**	**8**	
Total Development Completion		**30**	**30**	

Annual Development Spending and Completion Outlook

As most of the Trust's current development projects include a residential component, they are considered essential projects under the government guidelines and therefore we did not experience material slowdowns as a result of COVID-19 in the first quarter of 2021. Ontario and certain other provincial governments further tightened restrictive measures after quarter end, although no major RioCan development projects are materially impacted for the aforementioned reason.

Annual development expenditures for 2021 are estimated to be in the $500 million range, which are net of projected cost recovery and proceeds from air rights sales. This estimated range of annual development expenditures includes approximately $400 million of costs on PUD projects and approximately $100 million on residential inventory projects. Inventory projects satisfy market demand for home ownership and enable the Trust to accelerate capital recycling to further fund its development program. For 2022 and beyond, the Trust expects that development spend will be lower than that of 2021 due to the completion of a significant portion of The Well in 2021, staggering development starts and sharing development costs and risks through existing and future strategic partnerships.

The Trust's long-term goal is to keep the total IFRS value of PUD and residential inventory on the consolidated balance sheet as a percentage of consolidated gross book value of assets at approximately 10% or lower (except for short-term fluctuations as large projects are completed), despite the maximum of 15% permitted under the Trust's revolving unsecured operating line of credit and other credit facilities agreements. As of March 31, 2021, this metric was 10.7%. Refer to Note 24 of the Condensed Consolidated Financial Statements for additional details. The modest 0.4% increase in this metric when compared to last year end was mainly driven by the timing of development spend and completions.

The Trust has been funding and will continue to fund its developments primarily through proceeds from dispositions, sales proceeds from residential inventory developments or air rights sales, strategic development partnerships with existing or new partners, as well as retained earnings or excess cash flows after maintenance capital expenditures and distributions have been paid. The one-third distribution reduction that took effect in January 2021 will conserve approximately $152.0 million in a year to fund development and other value creation initiatives.

The Trust's estimated development completions for the next two years are summarized as follows:

(thousands of dollars, unless otherwise noted)	Projected Development Completions (at RioCan's Interest)		
Year of completion	NLA Completion (SF)	Cost Transfers from PUD to IPP (i)	Incremental Stabilized NOI
2021 (ii)	711,456	$546,356	$23,161
2022	772,900	$732,208	$33,508

(i) 2022 cost transfers include multiple projects, most notably the substantial completion of The Well and its transfer to IPP.

(ii) Represents development completions for 2021 including completions transferred to IPP in Q1 2021.

The above project completion estimates are subject to changes due to risks and uncertainties as discussed in this MD&A. The cost transfer estimates represent estimated gross IFRS project costs net of proceeds from sales of air rights including costs recoveries and are not net of applicable interim or fee income during the development period to arrive at net project costs, which RioCan uses in estimating a project's development yield.

Mixed-Use Residential Development

RioCan is committed to its residential development program despite the current COVID-19 health crisis, even though the longer-term impact of the pandemic is difficult to predict. Refer to the *Business Overview and Strategy*, *Business Environment and Outlook,* and *Risks and Uncertainties* sections of this MD&A for more details.

RioCan targets to develop approximately 10,000 residential rental units over the next decade. The following table summarizes the number of residential units that have been completed, are under construction or are expected to be in different phases of development by 2023:

	Units (100%)			Number of projects
	Residential Rental	Condominium/ Townhouse (i)	Total Units	Total Projects
Completed	1,218	925	**2,143**	**7**
Under construction	1,453	1,242	**2,695**	**9**
Subtotal	**2,671**	**2,167**	**4,838**	**16**
Different phases under development by 2023 (ii)	1,014	4,181	**5,195**	**12**
Total by 2023	**3,685**	**6,348**	**10,033**	**28**

(i) Includes 242 units from one condominium project at Bloor Street West in Toronto which is presented as an equity-accounted investment under IFRS given the partnership structure.

(ii) Residential Rental Units included in different phases under development are only units that will be under construction by 2023.

The following table summarizes the Trust's mixed-use residential projects that have been currently identified, some of which are actively being developed and others that are considered to be strong possible intensification opportunities. This summary does not include Greenfield Development and Urban Intensification projects that have commercial components only.

					Estimated Density (NLA) at RioCan's interest					
								PUD Components		
	(thousands of sq. ft.)	Locations	RioCan Ownership % (Partner)	Total NLA at 100%	Total	PUD	Residential Inventory	Commercial	Residential Rental	Air Rights Sale
A	**Active mixed-use residential projects with detailed cost estimates (ii)**									
	Urban Intensification									
	Dupont Street (Litho) (i)	Toronto, ON	50% (Woodbourne)	178	89	89	—	16	73	—
	Fifth and Third East Village (5th & THIRD) (i)	Calgary, AB	100%	795	795	795	—	153	—	642
	Yorkville (11 YV) (i)	Toronto, ON	50% (CD Capital/ Metropia)	502	251	40	211	17	23	—
	The Well (i)	Toronto, ON	50% commercial (Allied), 40% residential (Allied/Diamond)	2,614	1,199	1,199	—	766	—	433
	The Well - (FourFifty The Well) (i)	Toronto, ON	50% (Woodbourne)	393	196	196	—	—	196	—
	College & Manning (Strada) (i)	Toronto, ON	50% (Allied)	108	54	54	—	30	24	—
	Gloucester - Phase Two (Latitude) (i)	Gloucester, ON	50% (Killam)	167	83	83	—	—	83	—
	Elmvale Acres - Phase One (Luma) (i)	Ottawa, ON	50% (Killam)	135	68	68	—	5	63	—
	Westgate - Phase One (Rhythm) (i)	Ottawa, ON	50% (Woodbourne)	165	82	82	—	9	73	—
	Total active mixed-use residential projects with detailed cost estimates - 9 projects (ii)			**5,057**	**2,817**	**2,606**	**211**	**996**	**535**	**1,075**
B	**Active mixed-use residential projects with cost estimates in progress (iii)**									
	Approved Zoning									
	Sunnybrook Plaza (i)	Toronto, ON	50% (Concert)	339	170	170	—	22	148	—
	Clarkson Village (i)	Mississauga, ON	100%	454	454	454	—	35	419	—
	Gloucester Future Phases (i)	Gloucester, ON	50% (Killam)	482	241	241	—	10	231	—
	Brentwood Village - Phase Two (i)	Calgary, AB	100%	810	810	810	—	405	405	—
	Millwoods Town Centre (i)	Edmonton, AB	100%	1,649	1,649	1,649	—	749	900	—
	Elmvale Acres Future Phases (i)	Ottawa, ON	100%	423	423	423	—	113	310	—
	Westgate Future Phases (i)	Ottawa, ON	100%	537	537	537	—	67	470	—
	Southland Crossing (i)	Calgary, AB	100%	968	968	968	—	187	781	—
	RioCan Windfields / U.C. Tower / Towns (i) (v)	Oshawa, ON	100% of commercial, 50% of residential (Tribute)	1,812	1,256	700	556	700	—	—
	Markington Square (i)	Toronto, ON	100%	893	893	893	—	79	814	—
	RioCan Durham Centre (i)	Ajax, ON	100%	292	292	292	—	8	284	—
	Queensway (i)	Toronto, ON	100%	415	415	40	375	32	8	—
	Dufferin Plaza (i)	Toronto, ON	50% (Maplelands)	449	224	15	209	15	—	—
	Queen & Coxwell (i)	Toronto, ON	50% (Context)	465	233	103	130	9	94	—
	Strawberry Hill Shopping Centre (i)	Surrey, BC	100%	900	900	900	—	—	900	—
	Jasper Gates Shopping Center (i)	Edmonton, AB	100%	1,063	1,063	1,063	—	243	820	—
	2955 Bloor Street (i)	Toronto, ON	100%	96	96	96	—	10	86	—
				12,047	**10,624**	**9,354**	**1,270**	**2,684**	**6,670**	**—**
	Zoning applications submitted									
	RioCan Grand Park	Mississauga, ON	100%	216	216	216	—	17	199	—
	RioCan Scarborough Centre	Toronto, ON	100%	3,851	3,851	3,851	—	71	3,780	—
	RioCan Leaside Centre	Toronto, ON	100%	1,344	1,344	884	460	240	644	—
	RioCan Hall	Toronto, ON	100%	757	757	757	—	280	477	—
	Sandalwood Square	Mississauga, ON	50% (Boardwalk)	1,196	598	598	—	15	583	—
	Impact Plaza	Surrey, BC	100%	812	812	812	—	114	698	—
	2323 Yonge Street	Toronto, ON	50% (Streamliner)	271	136	136	—	36	100	—
				8,447	**7,714**	**7,254**	**460**	**773**	**6,481**	**—**
	Total active mixed-use residential projects with cost estimates in progress - 24 projects (iii)			**20,494**	**18,338**	**16,608**	**1,730**	**3,457**	**13,151**	**—**
	Total active mixed-use residential projects - 33 projects			**25,551**	**21,155**	**19,214**	**1,941**	**4,453**	**13,686**	**1,075**
C	**Future estimated density - 15 projects (iv)**			**24,085**	**19,947**	**19,636**	**311**	**2,016**	**17,620**	**—**
	Total mixed-use residential developments - 48 projects			**49,636**	**41,102**	**38,850**	**2,252**	**6,469**	**31,306**	**1,075**
	Mixed-use residential developments as a percentage of total development pipeline				**98.3 %**	**98.2 %**	**100.0 %**	**90.0 %**	**100.0 %**	**100.0 %**

(i) As at the date of this MD&A, RioCan has obtained final zoning approvals for the development of these properties. The above table includes only mixed-use residential development projects and thus does not include Greenfield Development and Expansion and Redevelopment projects that do not have residential components. As a result, the Trust has more projects with zoning approvals than what is included in this table.

(ii) Active mixed-use residential projects with detailed cost estimates include approximately 1.0 million square feet that are currently IPP including 0.8 million of air rights that have been sold.

(iii) Active mixed-use projects with cost estimates in progress include approximately 2.6 million square feet that are currently IPP.

(iv) Future estimated density includes approximately 2.0 million square feet that is currently IPP.

(v) Excludes Phase One of RioCan Windfields which includes 0.1 million square feet of commercial space. Refer to the *Greenfield Development* section of this MD&A for further details.

Mixed-use residential projects account for approximately 98.3% or 41.1 million square feet of NLA of the Trust’s total estimated development pipeline, of which 13.4 million square feet currently have zoning approvals, 7.7 million square feet currently have zoning applications submitted and 19.9 million square feet represent sites with future density. In comparison to Q4 2020 mixed-use residential projects decreased by 0.1 million square feet due to similar factors as explained earlier for the decrease in the entire development pipeline.

Residential developments including rental, air rights sales, and residential inventory account for 82.8% or 34.6 million square feet of the Trust's current development pipeline.

Greenfield Development

As at March 31, 2021, RioCan's two active commercial greenfield development projects with detailed costs estimates are summarized as follows:

		At RioCan's Interest									
		Total NLA Upon Project Completion				Costs incurred to date					
(thousands of dollars or thousands of sq. ft.)	RioCan's % Ownership	Completed	PUD	Total	Total Estimated Costs	Completed	PUD	Total	Estimated PUD Costs to Complete	% Commercial Leased (i)	Anticipated Date of Development Completion
East Hills, Calgary, AB	40 %	176	116	292	$ 122,099	$ 62,800	$ 30,022	$ 92,822	$ 29,277	61%	2023
RioCan Windfields Phase One, Oshawa, ON (ii)	100 %	110	29	139	78,651	56,029	16,348	72,377	6,274	89%	2021
Total Estimated PUD Costs		**286**	**145**	**431**	**$ 200,750**	**$ 118,829**	**$ 46,370**	**$ 165,199**	**$ 35,551**		
Fair Value to date						**$ 114,575**	**$ 30,419**	**$ 144,994**			

(i) Leasing activity includes leasing that is conditional on receiving municipal approvals and meeting construction deadlines. The percentage of commercial leasing activity is as at May 3, 2021.

(ii) Excluding approximately 17 thousand square feet of planned but still undeveloped pads, 100% of the space currently under construction has been leased.

Windfields Farm is a multi-phase, mixed-use project that includes commercial and residential uses. Phase One of the commercial component of the project has detailed cost estimates approved and is therefore included in the above table. Further details of the remaining components of the Windfields Farm project are included in the *Mixed-Use Residential Development* and *Residential Inventory* sections of this MD&A.

As of May 3, 2021, approximately 300,000 square feet of the above greenfield development NLA has committed leases, which includes tenants that have taken possession of the space, at a weighted average net rental rate of approximately $22.84 per square foot.

Urban Intensification

A focus within our development growth strategy is urban intensification, which is the category for our mixed-use residential development program. As at March 31, 2021, the Trust has nine active urban intensification projects with detailed cost estimates, which are summarized in the following table. Most of the nine projects are located in Toronto and Ottawa, except for one located in Calgary.

		At RioCan's Interest									
		Total PUD NLA Upon Project Completion				Costs incurred to date					
(thousands of dollars or thousands of sq. ft.)	RioCan's % Ownership	Completed (viii)	PUD	Total	Total Estimated Costs	Completed	PUD	Total	Estimated PUD Costs to Complete	% Commercial Leased (i)	Anticipated Date of Development Completion
Dupont Street (Litho), Toronto, ON (iv)	50 %	—	89	89	$ 77,782	$ —	$ 56,479	$ 56,479	$ 21,303	100 %	2021
Fifth and Third East Village (5th & THIRD), Calgary, AB (iv) (vii)	100 %	774	21	795	95,837	84,901	7,901	92,802	3,035	89 %	2021
Yorkville (11 YV), Toronto, ON (iv) (vi)	50 %	—	40	40	47,501	—	17,660	17,660	29,841	n/a	2025
Gloucester - Phase Two (Latitude), Ottawa, ON (iv)	50 %	—	83	83	45,754	—	31,611	31,611	14,143	n/a	2021
College & Manning (Strada),Toronto, ON (iv)	50 %	27	27	54	42,648	9,123	25,330	34,453	8,195	91 %	2021
The Well, Toronto, ON (iii) (iv) (v)	50% of commercial 40% of residential air rights	135	1,064	1,199	821,561	—	578,646	578,646	242,915	85 %	2021-2022
The Well - (FourFifty The Well), Toronto, ON (iv) (ix)	50 %	—	196	196	142,650	—	15,499	15,499	127,151	n/a	2023
Elmvale Acres - Phase One (Luma), Ottawa, ON (iv)	50 %	—	68	68	45,926	—	26,033	26,033	19,893	n/a	2022
Westgate - Phase One (Rhythm), Ottawa, ON (iv)	50 %	—	82	82	49,218	—	19,381	19,381	29,837	n/a	2022
Total Estimated Costs (ii)		**936**	**1,670**	**2,606**	**$1,368,877**	**$ 94,024**	**$778,540**	**$ 872,564**	**$ 496,313**		
Fair Value to date						**$ 91,503**	**$849,017**	**$ 940,520**			

(i) Leasing activity includes leasing that is conditional on receiving municipal approvals and meeting construction deadlines. Leasing shown in this table is calculated as a percentage of commercial square footage only as there is typically no pre-leasing for residential rental square footage. The percentage of commercial leasing activity is as at May 3, 2021.

(ii) Total Costs incurred to date exclude fair value gains of $70.5 million for properties under development.

(iii) The total estimated PUD costs for The Well are net of approximately $54.0 million of recoverable costs at RioCan's interest relating to matters such as parking, parkland dedication, and an Enwave thermal energy tank and approximately $75.6 million of air rights sales based on the air rights sale agreement and other agreements in place. Air rights sales for buildings A & B were closed during Q4 2020 while air rights sales for building F (FourFifty The Well) were closed subsequent to the quarter end on April 7, 2021. Over 98% of the hard costs have been tendered and 98% awarded.

(iv) These projects are committed, representing projects where all planning issues have been resolved, anchor tenant(s) has or have been secured, and/or construction is about to commence or has commenced.

(v) The 992,001 square feet or 85% of total commercial square footage leased at The Well is based on committed leases, including extension rights, for office space only. The Well project will be completed in phases with the first office possession expected to occur in 2021, with the majority of the phases expected to reach completion by 2022. Retail leasing has commenced at The Well and currently we have committed leases for 34% of the retail space.

(vi) The Yorkville project (11 YV) consists of three components; the condominium tower, rental replacement units and retail. The NLA noted above represents only the rental replacement units and retail components of the project representing approximately 17% of the total area. For information on the condominium component refer to the *Residential Inventory* section in the MD&A.

(vii) Approximately $32.1 million of air rights sale proceeds were received upon closing during 2020, which have been netted in total estimated and completed costs.

(viii) Completed NLA includes units transferred to IPP as well as NLA associated with air rights sold. As of March 31, 2021 RioCan has sold 0.8 million square feet of air rights.

(ix) On April 7, 2021, RioCan completed the acquisition of an additional 10% of the air rights in The Well Building F (FourFifty The Well) for the net purchase price of $7.6 million, including transaction costs. Following this transaction, RioCan owns 50% of the air rights at FourFifty The Well.

As of May 3, 2021, approximately 708,000 square feet of the above urban intensification NLA under development has committed or in-place leases at a weighted average net rent rate of approximately $39.80 per square foot.

Expansion & Redevelopment

A summary of RioCan’s expansion and redevelopment projects as at March 31, 2021 is as follows:

		At RioCan's Interest					
				Costs Incurred to Date			
(thousands of dollars or thousands of sq. ft.)	RioCan's % Ownership	Total PUD NLA Upon Project Completion	Total Estimated Costs	Costs Incurred to Date	Historical IPP Costs (iii)	Total	Estimated PUD Cost to Complete
Burlington Centre, Burlington, ON	50 %	9	$ 4,736	$ 2,153	$ 2,481	$ 4,634	$ 102
Five Points Shopping Centre, Oshawa, ON	100 %	10	7,310	324	2,680	3,004	4,306
Place St Jean, Saint-Jean-sur-Richelieu, QC	100 %	2	1,264	361	—	361	903
Tanger Outlets - Kanata, Kanata, ON	50 %	18	7,991	2,615	1,314	3,929	4,062
Yonge Sheppard Centre Commercial, Toronto, ON	100 %	31	38,251	31,416	—	31,416	6,835
Lincoln Fields Shopping Centre, Ottawa, ON	100 %	52	35,260	17,702	4,037	21,739	13,521
RioCan Shawnessy, Calgary, AB	100 %	124	35,012	104	22,900	23,004	12,008
Properties with former Sears units (ii) - 3 projects		40	11,830	4,461	3,066	7,527	4,303
Total Estimated PUD Costs (i)		**286**	**$ 141,654**	**$ 59,136**	**$ 36,478**	**$ 95,614**	**$ 46,040**
PUD Fair Value to date						**$ 64,762**	

(i) Total estimated costs include carrying amounts transferred from IPP for redevelopment and exclude historical fair value losses of $30.9 million.

(ii) RioCan transferred carrying value associated with the spaces formerly occupied by Sears from IPP to PUD. The estimated PUD costs to complete are based upon various scenarios with the objective of developing these assets, such that RioCan can attract new tenants, achieve higher rents and improve the overall shopping centres.

(iii) Historical costs were costs of IPP prior to the transfer to PUD.

Residential Inventory

Residential inventory is comprised of properties acquired or developed which RioCan intends to dispose all or part of in the ordinary course of business, rather than hold on a long-term basis for capital appreciation or for rental income purposes. It is expected that the Trust will earn a return on these assets through a combination of (i) property operating income earned during the relatively short interim occupancy period, which will be included in net income, and (ii) sales proceeds.

					At RioCan's Interest								
		Condominium/Townhouse Units Upon Project Completion (at 100%)				Costs incurred to date							
(thousands of dollars or thousands of sq. ft., except where otherwise noted)	RioCan's Ownership % (Partner)	Completed (i)	Inventory	Total	Total Estimated Costs (ii)	Completed	Inventory	Commissions (ii)	Total	Estimated Costs to Complete (ii)	% Pre - sold (iii)	Inventory gain ($ millions) (v)	Anticipated Date of Completion
A. Active mixed-use residential inventory projects with detailed cost estimates													
U.C. Towns, Oshawa, ON	50% (Tribute)	170	—	170	$ 35,066	$ 35,066	$ —	$ —	$ 35,066	$ —	100.0 %	$13.0	2020
U.C. Uptowns, Oshawa, ON	50% (Tribute)	—	153	153	31,495	—	9,723	431	10,154	21,341	100.0 %	$4.5 - $5.0	2021 - 2022
U.C. Tower, Oshawa, ON	50% (Tribute)	—	503	503	73,185	—	21,073	1,595	22,668	50,517	100.0 %	$16.0 - $17.0	2022
Yorkville (11 YV), Toronto, ON	50% (CD Capital / Metropia)	—	586	586	253,666	—	87,885	5,733	93,618	160,048	98.5 %	$72.0 - $76.0	2025
Subtotal		**170**	**1,242**	**1,412**	**$ 393,412**	**$ 35,066**	**$118,681**	**$ 7,759**	**$161,506**	**$ 231,906**		**$105.5- $111.0**	
B. Active mixed-use residential inventory projects with detailed cost estimates in progress													
U.C. Tower / Towns Future Phases, Oshawa, ON (iv)	50% (Tribute)	—	1,065	1,065	TBD	$ —	$ 1,208	$ —	$ 1,208	TBD	n.a	TBD	2023 - 2027
Dufferin Plaza, Toronto, ON	50% (Maplelands)	—	561	561	TBD	—	16,410	—	16,410	TBD	n.a	TBD	2027
Shoppers World Brampton Phase One, Brampton, ON	100 %	—	274	274	TBD	—	2,564	—	2,564	TBD	n.a	TBD	2025
RioCan Leaside Centre, Toronto, ON	100 %	—	637	637	TBD	—	38,775	—	38,775	TBD	n.a	TBD	2027
Queensway, Toronto, ON	100 %	—	533	533	TBD	—	31,199	—	31,199	TBD	n.a	TBD	2025
Clarkson Village, Mississauga, ON	100 %	—	470	470	TBD	—	18,673	—	18,673	TBD	n.a	TBD	2024+
Queen & Coxwell Toronto, ON	50% (Context)	—	399	399	TBD	—	—	—	—	TBD	88.6 %	$40.0 - $50.0	2024 - 2025
Subtotal		**—**	**3,939**	**3,939**	**TBD**	**$ —**	**$108,829**	**$ —**	**$108,829**	**TBD**	**n.a**	**TBD**	
Total		**170**	**5,181**	**5,351**	**TBD**	**$ 35,066**	**$227,510**	**$ 7,759**	**$270,335**	**TBD**	**n.a**	**TBD**	

(i) Excludes a total of 755 condominium units at eCondos™ and Kingly™ for which all final closings have occurred prior to 2020.

(ii) Selling commissions paid are included in prepaid and other assets and will be transferred to costs of sales upon buyer possession of the units. Such selling commissions are included in the total estimated costs and estimated costs to complete in the above table.

(iii) % Pre-sold as of May 3, 2021.

(iv) U.C. Tower / Towns Future Phases represents the additional condominiums and townhomes expected to be developed at the site.

(v) Queen & Coxwell inventory gain is an estimate that is based on a very preliminary proforma which is currently under review by the partners.

For the quarter, the following new project was added to residential inventory.

- **Queen & Coxwell** - This is a 50/50 joint venture project with Context and in collaboration with the City of Toronto and Toronto Community Housing Corporation (TCHC), to develop a mixed-use master plan community on 3.5 acres of land located on the southwest corner of Queen Street East and Coxwell Avenue in Toronto, Ontario. Serviced by the Queen Streetcar and a short bus ride from the Coxwell Subway Station, and steps from waterfront Lake Ontario and Ashbridges Bay in Toronto East, this mixed-use project will contribute to the revitalization of the neighbourhood and provide much-needed housing for all income levels and introduces vital retail amenities to serve this growing neighbourhood. This project also has important ESG implications as highlighted in the *ESG Priorities and Progress* section of this MD&A.

The overall project consists of the following components:

- A new building to replace the TCHC's existing 120 apartment units on the site, which will be retained and owned 100% by TCHC;
- New residential space consisting of 367 new condominium units, 183 market rental units and 50 affordable rental units, as well as 32 affordable rental units that will ultimately be sold to the City upon completion at a pre-determined price; and
- Approximately 16,000 square feet of new podium retail space.

The land is currently owned by TCHC. Land title transfer to RioCan and Context is pending part-lot severance which is expected in the summer of 2021 and at which point the partners will proceed with demolition activity. The partners have started condominium pre-sales with 88.6% (325 units) pre-sold as of May 3, 2021 (at 100%), despite the pandemic. RioCan has forward purchase obligations to purchase Context's 50% interest in the retail and residential rental components of the project at predetermined purchase prices upon meeting certain pre-determined thresholds such as reaching certain stabilized NOI target, certain time limits, or certain planning act compliance requirements. More information will be disclosed upon land transfer and start of project construction. The partners have applied for financing through the Rental Construction Financing Initiative ("RCFI Financing") to help finance the non-condominium components of the project. RCFI Financing is provided directly by the Canada Mortgage Housing Corporation ("CMHC") for eligible affordable rental housing projects and typically bears interest at rates lower than standard CMHC insured loans. If the application is successful, such financing will serve to further augment the overall project economics.

In addition to the above projects reported under Residential Inventory by IFRS, the Trust has a 50% interest in one condominium project at Bloor Street West in Toronto with approximately 242 condominium units. This project is reported as an equity-accounted investment under IFRS given the partnership structure. Overall, in addition to the 1,242 condominium or townhouse units currently under construction, the Trust has eight active condominium or townhouse projects in various stages of development, totalling an estimated 4,181 units, which are scheduled to be completed in phases between 2023 and 2027.

The following table shows changes in the aggregate carrying value of RioCan's residential inventory during the quarter:

(thousands of dollars)

Three months ended March 31		**2021**		2020
Balance, beginning of period	**$**	**214,181**	$	108,956
Acquisitions		**—**		—
Dispositions		**—**		—
Development expenditures		**13,329**		10,946
Transfers from investment properties		**—**		4,519
Balance, end of period	**$**	**227,510**	$	124,421

MORTGAGES AND LOANS RECEIVABLE

Contractual mortgages and loans receivable as at March 31, 2021 and December 31, 2020 are comprised of the following:

(thousands of dollars)	Contractual interest rates						
As at	Low	High	Weighted average interest rate (i)		**March 31, 2021**		December 31, 2020
Mezzanine financing to co-owners	4.20%	6.35%	5.75%	**$**	**118,109**	$	128,884
Vendor-take-back and other	5.00%	6.35%	5.64%		**31,986**		31,762
Total	4.20%	6.35%	5.73%	**$**	**150,095**	$	160,646

(i) Information presented as at March 31, 2021.

All of the $150.1 million of mortgages and loans receivable as at March 31, 2021 are carried at amortized cost. RioCan's Declaration of Trust contains provisions that have the effect of limiting the aggregate value of the investment by the Trust in mortgages, other than mortgages taken back on the sale of RioCan's properties, to a maximum of 30% of consolidated Unitholders' equity. Additionally, RioCan is limited in the amount of capital that can be invested in greenfield developments and development properties held for resale, including any mortgages receivable to fund the co-owners' share of such developments referred to as mezzanine financing, to no more than 15% of the book value of RioCan's total consolidated Unitholders' equity. At March 31, 2021, RioCan was in compliance with these restrictions.