



SKYLINE



2026

CANADIAN REAL ESTATE AND RENEWABLE INFRASTRUCTURE

OUTLOOK

Key trends shaping private
real estate and clean energy
investment in Canada

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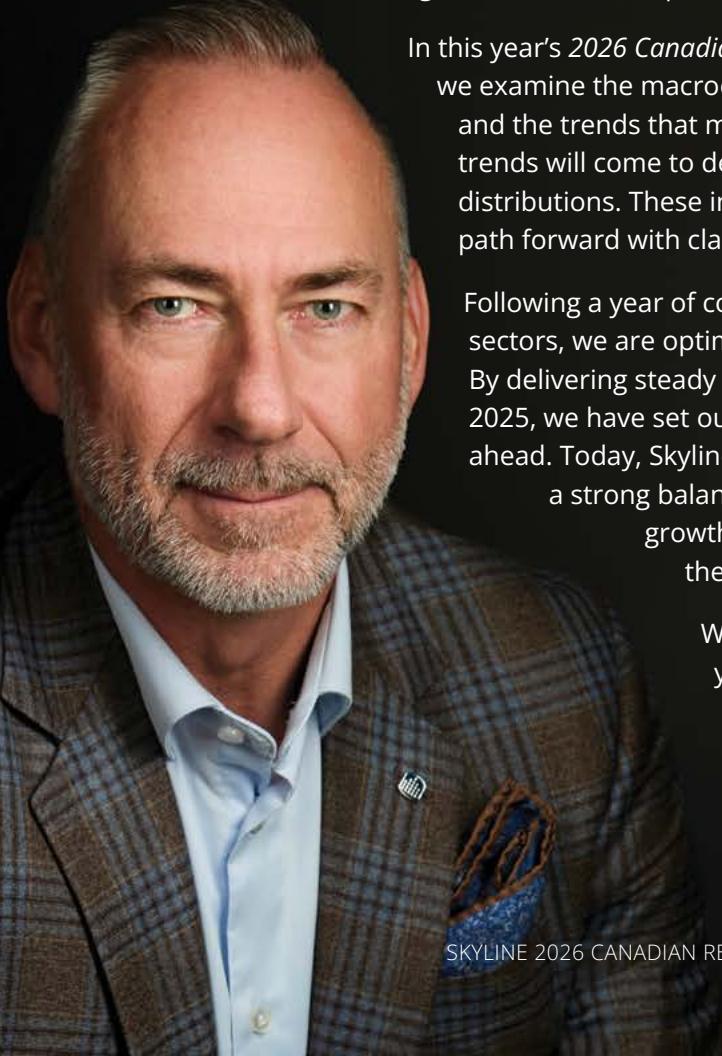


It starts here.

With renewed market optimism and improving operating conditions, Skyline is well positioned to pursue growth opportunities while maintaining the stability, performance, and capital discipline our investors expect.

With a new year upon us, the trend towards improving operating conditions is an overarching theme for Canadian real estate. While certain industry challenges remain unresolved, the year brings renewed optimism with a clear sense of opportunity and purpose. By leveraging emerging opportunities created by improving market conditions, we are well positioned to capitalize on growth drivers across all of our investment products.

As was the case in 2025, our focus remains on what it's always been—maintaining operational performance and portfolio stability. Collectively, our investment products delivered results that exceeded internal forecasts. Just as importantly, Skyline proved again to be a responsible steward of investor capital by avoiding widespread redemption challenges seen across parts of the industry. By maintaining conservative debt leverage ratios and steering clear of sectors most vulnerable to cyclical policy swings, we have safeguarded investor capital at every turn.



In this year's *2026 Canadian Real Estate and Renewable Infrastructure Outlook*, we examine the macroeconomic backdrop affecting Canadian real estate and the trends that matter most for the year ahead. We expect these trends will come to define our acquisition strategies, unit values, and distributions. These insights are designed to help investors navigate the path forward with clarity and confidence.

Following a year of consolidation across many Canadian real estate sectors, we are optimistic about Canada's real estate outlook for 2026. By delivering steady results against a challenging operating backdrop in 2025, we have set ourselves up to take advantage of better conditions ahead. Today, Skyline is a streamlined and agile business, supported by a strong balance sheet, multiple sources of capital, strong leasing growth, and a proven investment strategy—all of which set the stage for incremental growth and long-term value.

We hope this report provides meaningful insight as you navigate the opportunities of 2026.

Wayne Byrd, CPA, CMA
Chief Financial Officer, Skyline





2026 CANADIAN REAL ESTATE AND RENEWABLE INFRASTRUCTURE OUTLOOK

A Macro Perspective

BANK OF CANADA POLICY RATE

Major reductions in the Bank of Canada's (BoC) policy rate were pivotal in shaping Canada's economic trajectory in 2025. Overall, a 25-basis point (bp) cut in October brought a total reduction of 100 bps since January 2025, providing additional support to an economy struggling to achieve trend-level growth. With rates now less than half their peak cycle levels, the central bank is providing one of the most supportive growth and financing environments we have seen in the post-pandemic period.

To fully appreciate how accommodative fiscal policy has become, we need to understand the context in which it has arrived. With a policy rate resting at 5% in June 2024, rates had climbed to their highest level since the aftermath of the United States (U.S.) Tech Bubble in 2001—a somewhat similar period when inflation was contained and central banks quickly pivoted to support a sharp decline in economic activity.



BOC POLICY INTEREST RATE SINCE 2000



Source: Bank of Canada

Though rates have been moving steadily lower for the past 18 months, the full effect to the broader economy has yet to fully emerge. The 'lag effect' typically seen during rate cutting cycles—typically 12–24 months from the last cut as consumers and markets adjust slowly to more accommodative conditions—has yet to run its course. If October's cut marks the end of the cycle, the full impact of the 275 bp in easing should become evident by late 2026 and beyond.

Looking ahead, we are aligned with the consensus view that this current easing cycle is nearing its conclusion. With the policy rate now near the lower end of the BoC's neutral range of between 2.25–3.25%, it signals a steadier, more supportive environment for borrowers. However, we do not believe it is sufficiently stimulative to warrant further cuts unless economic conditions deteriorate beyond current forecasts.

BIG SIX CANADIAN BANK POLICY RATE TARGET 2026 QUARTERLY FORECASTS FOR BANK OF CANADA POLICY RATE



Historically, when rates drop this sharply from elevated levels, they tend to stay low for an extended period of time. In the unlikely event that a stronger-than-anticipated Canadian economy shifts the BoC's policy stance, we expect the policy rate to remain at current levels, with only a modest probability of quarter-point hikes starting in late 2026 if warranted by economic data.

In this scenario, we expect the effective policy rate floor will settle between 2.00–2.25%, with a modest upside risk that persistent inflation pressures could prompt the BoC to raise the overnight rate up to 2.50–2.75% in the second half of 2026.

Source: [CMT News - Bank of Canada rate forecasts](#)

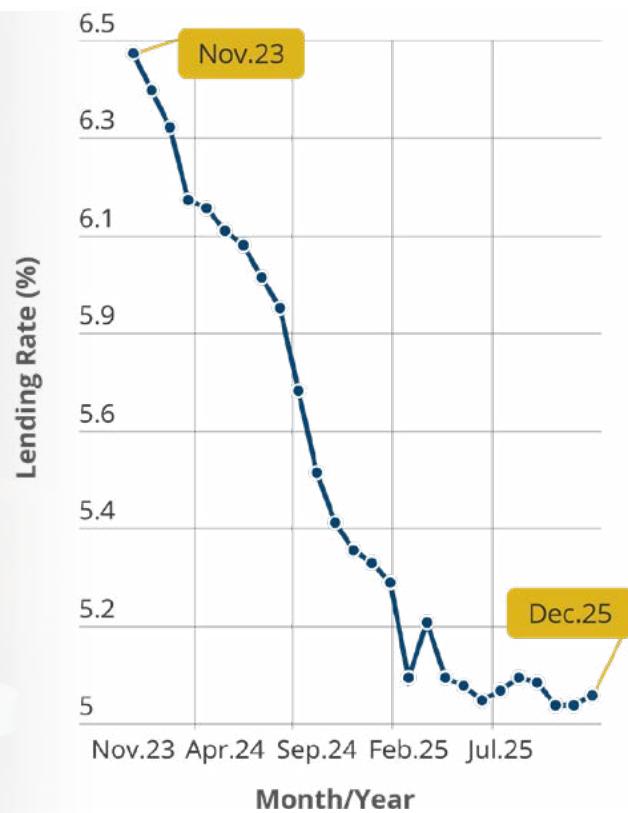


MORTGAGE RATES

Mortgage interest is typically one of the largest expenses reported on a Real Estate Investment Trust's (REIT) income statement. As rates evolve, we remain attuned to interest rate fluctuations—particularly in fixed-rate mortgages which comprise much of our mortgage debt—and carefully structure our mortgage ladders to match how rates are changing. As interest rates decline, our investment products typically benefit from lower borrowing costs on new or refinanced debt, which can improve overall profitability.

Although the BoC's policy rate reductions do not directly set fixed mortgage rates, its moves have influenced bond yields lower, which have leveraged fixed rates lower. Between January 1, 2025, and December 31, 2025, the average conventional five-year fixed rate in Canada fell by 28 bp (from 5.35–5.04%, latest data as of 12/24/10/25)—a 5.79% reduction. This rate represents the lowest level for a five-year mortgage since March 2022 and reflects a return to conditions last observed in June 2022.

CONVENTIONAL MORTGAGE LENDING RATE 5-YEAR TERM

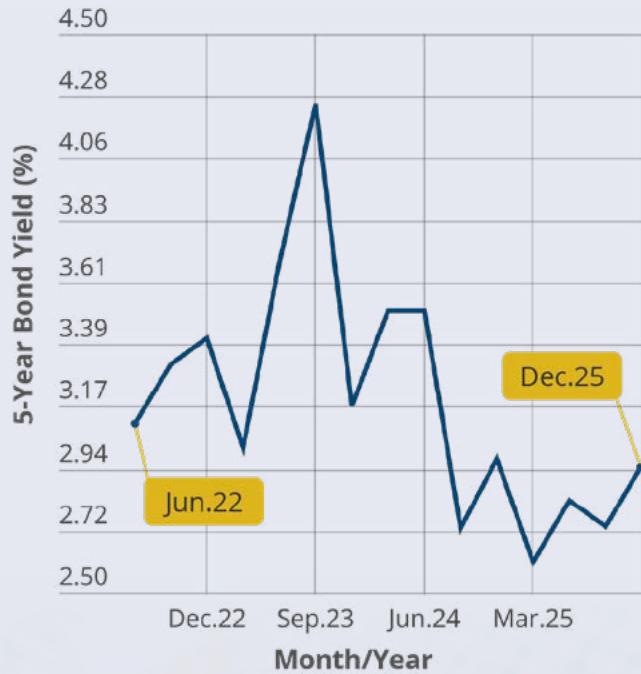


Source: Canada Mortgage and Housing Corporation (CMHC)

BANK OF CANADA BOND YIELD 5-YEAR TERM

While bond market yields trended lower throughout much of 2025, the forward outlook in 2026 is less clear. On one hand, weak U.S. economic data, declining business output and ongoing trade threats serve to place downward pressure on yields. On the other hand, structural inflation risks, rising government debt, and a late-stage easing cycle leave limited scope for further BoC rate cuts to meaningfully pull bond yields lower. It's an environment with competing cross currents, but one in which further meaningful declines in benchmark five-year mortgage yields are unlikely.

Regardless, with five-year Canadian bond yields projected to [hover around 3.00%](#), we expect fixed-rate refinancing conditions to remain relatively favourable through 2026, with only minor upward pressure expected.



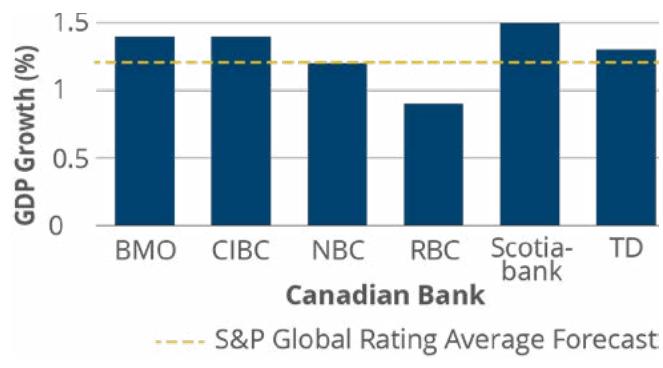
Source: Bank of Canada



ECONOMY

After a year of below-trend economic activity, Canada's economy is expected to deliver more of the same in the year ahead, with moderate upside potential, according to the BoC. Although lower interest rates and a strengthening labour market should provide support, continued weak productivity, slower population growth, and persistent trade tensions continue to restrain upside potential. For 2026, the median Gross Domestic Product (GDP) growth forecast from the Big Six banks is 1.35%, compared with [S&P Global Ratings' average forecast of 1.2%](#) in 2025.

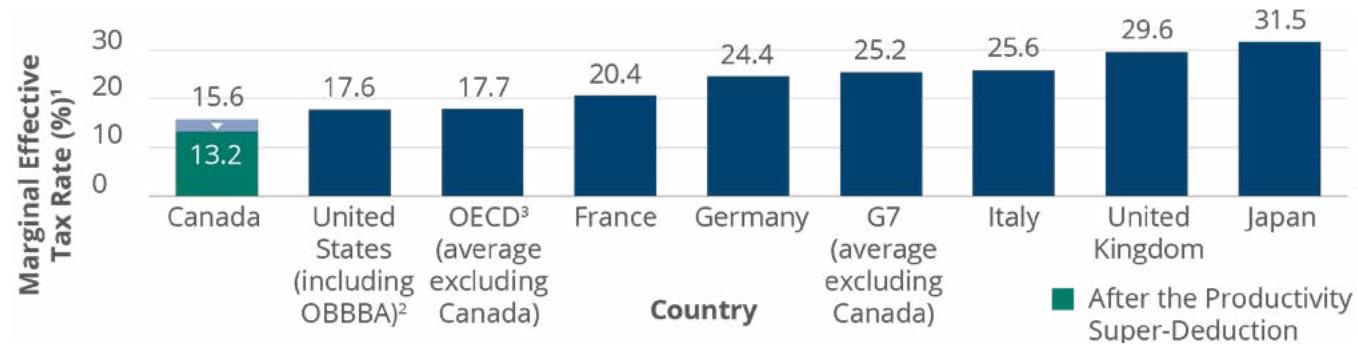
CANADIAN GROSS DOMESTIC PRODUCT 2026 FORECAST BIG SIX CANADIAN BANKS



Source: Skyline

The outlook for business investment in Canada is potentially more encouraging. The [2025 Budget](#), passed by Parliament in November, delivered additional good news for Canadian enterprises. A key measure introduced new tax incentives that lowered the federal corporate marginal effective tax rate (METR) by more than two percentage points—from 15.6–13.2%—becoming the lowest in the G7. These targeted investment incentives enhance Canada's attractiveness for businesses looking to expand and may, in turn, stimulate demand for industrial real estate as well as support industry leasing activity.

CANADA'S MARGINAL EFFECTIVE TAX RATE AFTER BUDGET 2025



Source: [2025 Canada Strong Budget 2025](#)

¹A Budget 2025 tax measure that allows businesses to deduct the cost of certain productivity-enhancing capital investments to encourage investment. ² One Big Beautiful Bill Act, 2025. ³The Organisation for Economic Co-operation and Development (OECD) is an international body of advanced economies that produces data and research on economic growth, productivity, and policy.



Another potential tailwind for the economy comes from improving tariff expectations. The once-feared prospect of broad 25% tariffs has receded, and as of mid-2025 around [90% of Canadian goods shipped to the U.S. faced no duties](#). With the effective tariff rate averaging only [around 2.5%](#), Canadian exporters enjoy a meaningful duty-cost advantage compared to most nations, which promotes business confidence and supply chain predictability. This initiative comes in the context of federal government measures aimed at boosting competitiveness, reducing trade barriers, and enhancing productivity in Canada.

On the labour front, we expect moderately improving conditions on unemployment in Canada. Although overall GDP growth is [projected](#) to be mostly flat, labour market conditions should improve due to constrained labour tightness in select sectors, reduced immigration inflows, and early recovery in trade-sensitive industries. On balance, we estimate the unemployment rate could fall 0.5–1.0%, with average hourly earnings remaining at, or above, the pace of inflation. In such a scenario, these conditions would be moderately supportive of vacancy and rental growth in multi-residential and retail markets.

One hot button event we are keeping our eyes on is the Canada-United States-Mexico Agreement (CUSMA) first joint review, scheduled for July 1, 2026. In the event the U.S. withdraws from the agreement as legally entitled, trade between Canada and the U.S. would revert to World Trade Organization's Most-Favoured Nations (MFN) tariffs and serve to make trade slower, costlier, and less predictable between nations. Downstream, the net results could be slower growth, weaker business investment, and lower GDP growth domestically. Higher export levies would encourage consumers on both sides of the border to buy domestic.

The CUSMA review process could result in one of at least three different outcomes:



MODIFY AND EXTEND:

CUSMA trade parties could agree to modify and extend the existing treaty.



TRANSITION:

If the parties fail to agree on an extension at the six-year review, CUSMA transitions into mandatory annual joint reviews under its sunset provision.



ALL-OUT WITHDRAWAL:

Any or all CUSMA parties may unilaterally withdraw from the agreement with six months' written notice.

Highlighting the importance of these risks, a recent KPMG survey found [88% of Canadian business leaders](#) say that the greatest risk to their company would be to lose their current protections under CUSMA. Although we view the prospects of a breakup as unlikely, survey sentiment underscores how strongly a negative outcome could shake business confidence.

Despite continuing uneven economic conditions over the past year, we remain optimistic that Canada's recent growth slowdown is beginning to turn a corner. Most major forecasts anticipate growth to tick higher in 2026 towards the mid-single digits, supported by a combination of accommodative monetary policy and a moderately improving labour market. While we do not expect a return to breakout growth, we anticipate a moderate improvement in Canada's economic trajectory, underpinned by stronger domestic demand, early recovery in manufacturing and export-oriented industries, and stimulative government measures linked to planned infrastructure spending.

On a relative basis, this presents a better operating environment for our investment products compared to 2025.



INFLATION

Inflationary pressures eased gradually in 2025, with the Consumer Price Index (CPI) at 2.4% in December 2025 and core measures stabilizing around 3%. Concerns around the inflationary impacts of U.S. tariffs failed to materialize as Canadian firms are largely absorbing costs. Consensus forecasts call for underlying inflation to settle near an average of 2% for calendar 2026, with potential upside in select industries subject to heightened tariff risks.

CONSUMER PRICE INDEX PERCENTAGE CHANGE SINCE 2020



Source: Bank of Canada



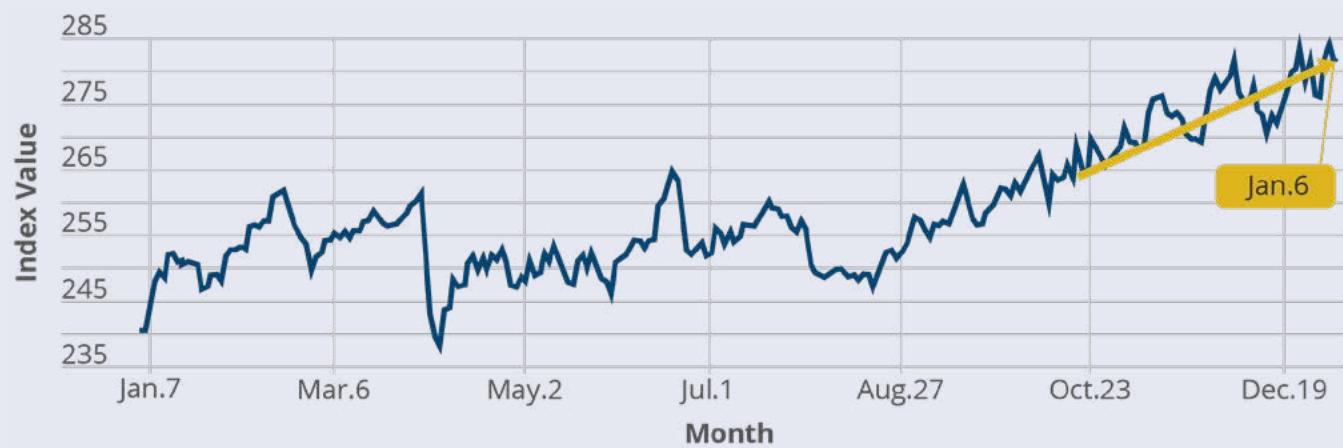
CANADIAN BANK CONSUMER PRICE INDEX 2026 FORECASTS

INSTITUTION	INFLATION (CPI)
BoC	Close to 2% target
BMO	2.28%
CIBC	1.70%
NBC	2.3% (Q1/Q2 2026)
RBC	2.18%
Scotiabank	2.00%
TD	2.10%

With inflation expected to hold near the BoC's 2% [inflation-control target](#) range midpoint of 1-3%, the outlook is considered a healthy, sustainable pace for the Canadian economy. A stable or neutral inflation environment is positive for REITs and renewable infrastructure funds because it supports a predictable interest rate outlook, helps keep financing costs manageable, and reduces volatility in asset valuations. In leasing markets, it also supports tenant health and steady demand, allowing rental growth to continue at a sustainable pace.

Although inflation is under control, we believe there is moderate risk of an upward revision in CPI based on several factors. While tariff risks have eased, the risk of future turmoil outside of select industries cannot be ruled out. We also note that commodity price pressures have been rising, with prices [breaking out from a 2.5-year range in November 2025](#). Should this momentum continue, we expect the BoC to act to keep inflation within its 3% upper policy range—including raising the policy rate 25 bp, or more, if need be.

BLOOMBERG COMMODITY INDEX TOTAL RETURN 2025



Barring unforeseen developments, we believe inflation is positioned at an ideal level for Canada in 2026—neither high enough to hinder growth or add cost pressure to our operating model, nor low enough to weigh on asset values. This balance offers a strong operating environment for Skyline's investment products.



POTENTIAL RISKS IN OUR ANALYSIS



Bond yields: Rising global bond yields, especially U.S. Treasuries that impact Canadian bond prices, could drive fixed rates up and reverse favourable fixed-rate lending conditions achieved in 2025. Canadian fixed mortgage rates generally track five-year Government of Canada yields with a spread of between roughly 1-1.5%. (Mortgage Rates)



Credit markets: An unexpected tightening in global financial conditions, potentially amplified by corrections in equity markets or major currency pairs, eroding the wealth effect and raising borrowing costs. (Economy)



CUSMA review: Scheduled for July 1, 2026, the first joint review could generate undesirable economic effects if renegotiation occurs instead of an extension, with potential impacts on consumer prices, business sentiment, inflation, and trade-dependent sectors. (Economy, Inflation)



Economic growth: A potential for slowing global demand for Canadian exports caused by slowing growth and/or tariff outlays, while persistently stagnant productivity and weak business investment continue to weigh on Canadian output and competitiveness. (Economy)



Inflation pressures: Rising global commodity prices or a broad trade conflict could drive up inflation, leading the BoC to raise its policy rate more sharply or sooner than anticipated. (Economy, Interest rates, Inflation)



Tariffs: Although tariff risk has eased considerably, it remains elevated in sectors such as dairy, lumber, and steel. A dispute in one sector could spill over to others, exposing currently exempt industries to higher tariffs and dampening Canada's economic growth potential. (Economy)



Final thoughts

Despite the challenges that marked Canadian real estate in 2025, we believe conditions are more favourable for the industry in the year ahead. The BoC's move toward easier policy has created a more supportive setting for asset price appreciation, while improved borrowing costs, neutral inflation expectations, and stabilizing demand infer that economic conditions are gradually improving. An environment of improved relative affordability should help support end-user demand for the properties that generate our rental income.

At the same time, the federal government's continued commitment to renewable energy initiatives, as outlined in Budget 2025, is expected to support ongoing investment in the sector. As borrowing costs ease, financing conditions for debt-funded infrastructure projects are gradually improving, enhancing project economics and supporting renewable project development over the medium term.

Although external risks such as U.S. tariffs and commodity price volatility remain important to monitor, the overall combination of modestly improving economy, monetary easing, and steady inflation supports a constructive and measured outlook for 2026.





SKYLINE Apartment REIT*

\$5.2 B

Assets Under
Management

3.41%

Weighted Average
Mortgage Interest Rate

94.2%

Occupancy
Rate

20,491

Apartment
Suites

Looking back on 2025, we are pleased to say that many of the markets we operate in continued to display remarkable resilience. Amid a soft economic backdrop, cutbacks in immigration admissions, and oversupply in metro condominium markets, purpose-built properties in secondary and tertiary markets generally showed strength, with several communities [posting strong annual rent growth](#). The multi-year consolidation in residential home prices has reinforced the importance of focused asset selection and disciplined investment in markets that consistently deliver.

As a testament to our strategy, Skyline Apartment REIT has maintained a stable unit value for nearly 20 years through multiple interest rate cycles. That consistency continued in 2025, with the REIT delivering stable unit values and leasing results that exceeded our expectations.

**Figures presented as at December 31, 2025*



**The Ashton Apartments,
79 Holtwood Court, Dartmouth, NS**

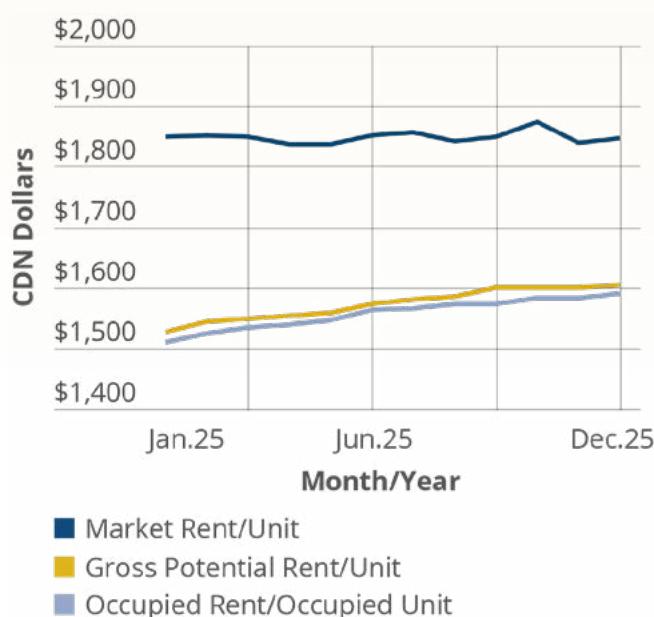


SKYLINE APARTMENT REIT UNIT VALUE SINCE 2006



For the year, in-place rent across our portfolio increased 5.25% versus a 3.2% annual growth average for the multifamily market in Canada in the previous year. Our occupancy rate also held firm, falling just 0.44% to 94.2% against the national multi-residential average decline of 1.13%—or about a third of the broader market average. In a market facing multiple consumer headwinds and inflationary pressures, we are pleased that these topline results generally outperformed those of our peers.

AVERAGE RENTS PER UNIT



Looking ahead, we anticipate a slight oversupply alongside flat or slightly negative population growth, delaying rental market equilibrium to late 2027 or 2028. At the same time, favourable factors such as an improving economic climate, aging demographics moving to rental housing, and persistently high home prices continue to support the market fundamentals. With over \$5.2 billion in institutional-grade assets under management as at December 31, 2025, our vertical integration across property management and investment oversight enables us to capitalize on opportunities that others may miss.

By actively managing our assets and avoiding markets sensitive to cyclical shifts in rental demand, we will continue to deliver consistent distributions and maximize growth potential for our investors.

Matt Organ, President, Skyline Apartment REIT



SKYLINE APARTMENT REIT

Up Trends in 2026

BALANCED GROWTH

Federal immigration cuts have slowed population growth, and with additional rental and condo supply coming online, the multi-residential market is largely at equilibrium. We expect these balanced market conditions to continue until population growth turns positive in 2027 or 2028.

MARK-TO-MARKET GAP

The REIT maintains a \$251 mark-to-market gap on in-place rents exiting 2025 (as of December 31, 2025), which, if fully captured, has the potential to boost unit value appreciably. This analysis presumes 100% unit turnover is captured over time.

MARKET DIVERGENCE

We anticipate markets will diverge regionally—areas with strong supply/demand dynamics, local economies and high affordability will tighten; expensive areas with sluggish labour markets and exposure to student housing could weaken further.

OPERATIONAL PERFORMANCE

Underlying fundamentals are strong and the current rental market has the potential to deliver stable returns. Once population growth resumes, rents and asset values will rise. Multi-residential space remains a solid investment choice with long term growth prospects.

PROJECT PIPELINE

The REIT has one planned acquisition for 2026 and will continue to pursue all acquisition and disposition opportunities that best serve the interests of our unitholders.

SEGMENT RISK

With temporary resident and international student admissions projected to fall by 43% and 49%, respectively, in 2026, some markets that rely heavily on these populations may experience reduced demand. (Skyline Apartment REIT is not exposed to these market segments)



SKYLINE Industrial REIT*

\$1.8 B

Assets Under
Management

4.55%

Weighted Average
Mortgage Interest Rate

97.7%

Occupancy
Rate

10 MM sq.ft

Owned & Managed
Gross Leasable Area

This past year proved to be an adjustment period for the industrial real estate sector in Canada. Trade dynamics dominated industry attention in the first half, driven by sweeping tariff changes introduced by the new U.S. administration. At the same time, transaction activity remained relatively quiet as businesses grappled with an uncertain outlook, below-trend growth in the Canadian economy, and record stabilizations of industrial space requiring time to be absorbed. But encouragingly, sector momentum started to accelerate as the year progressed.

A clear sign of this optimism can be seen in the latest sales data from the Greater Toronto Area (GTA), Canada's largest industrial market. 2025 is tracking to be the [third-strongest year](#) on record for industrial investment by dollar volume, behind only the post-pandemic boom. While sector demand is heavily based on regional dynamics, we view this as a clear and constructive sign for broader national markets heading into next year.

**Figures presented as at December 31, 2025*

3601 Av. de la Gare, Mascouche, QC



UNIT VALUE INCREASE SINCE INCEPTION



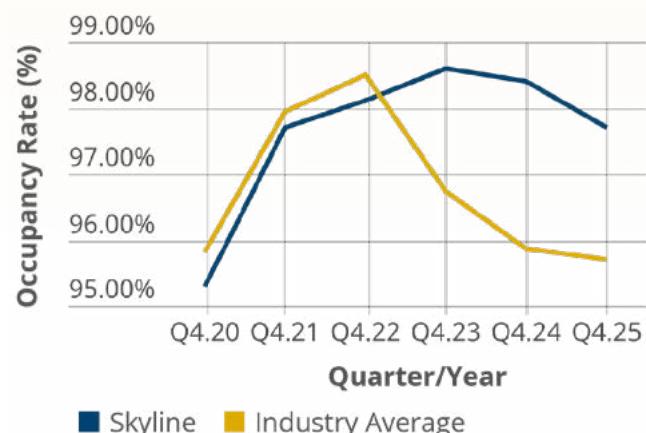
ANNUAL DISTRIBUTION PAST 5 YEARS¹



¹ As at December 31, 2025

Anecdotally, we are seeing similar signs of life in many of the markets in which we operate around the country. As the year progressed, we saw an increase in tenant inquiries, requests for proposals, and a general sense of renewed lease activity across the sector. Given the gradually improving macro economic picture in Canada, along with greater visibility on tariff impact for Canadian businesses, this is not surprising. We expect similar trends and sentiment will likely carry over into the new year.

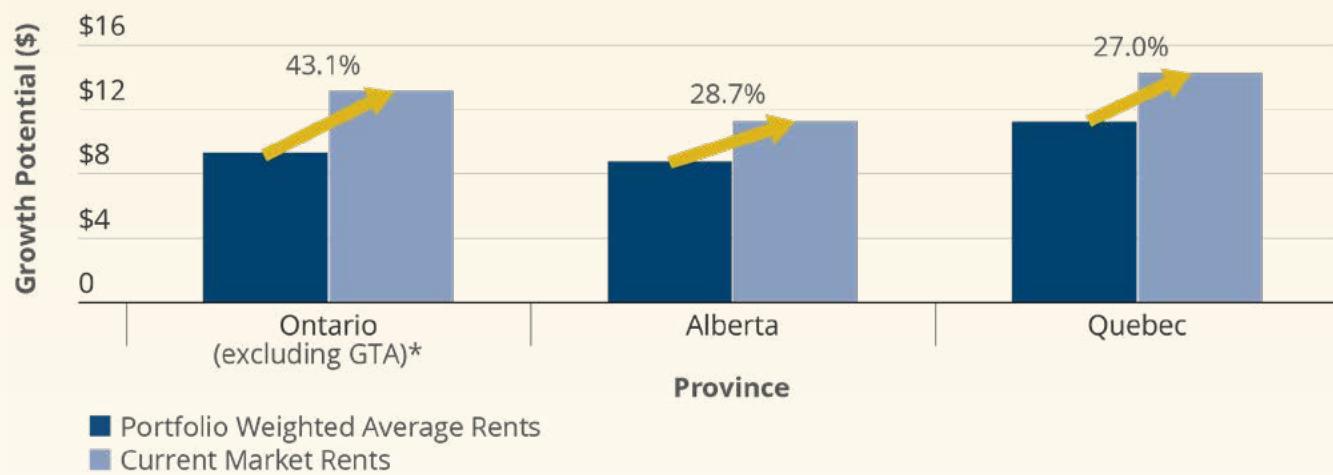
SKYLINE INDUSTRIAL REIT OCCUPANCY VS. INDUSTRY AVERAGE



Operationally, Skyline Industrial REIT delivered another year of solid growth in our key performance metrics. For instance, our base rent rose 3.12%, exceeding inflation and supported by a record in-place rent of \$9.64 per square foot. Total income increased by 0.36%, and Funds From Operations remained steady, indicating stable underlying operating performance. Occupancy ended the year at 97.7%, remaining significantly above the [national industrial average of 94.7%](#). There is also future rental income upside embedded in the portfolio with existing rents still significantly below current stabilized market levels.



MARKET TO MARKET BASE RENTAL GROWTH POTENTIAL



Source: Skyline

* Only 8.7% of the Industrial portfolio is in the GTA therefore excluded from this analysis to accurately represent achievable market rents for ON.

Looking ahead to 2026, the Canadian industrial real estate market appears to be pivoting from a year of transition to one of renewed opportunity. With borrowing conditions improving and business certainly showing signs of clarity, the foundation is being set for a more active and competitive market. Overall, the year ahead looks promising for both tenants and investors.

Mike Bonneveld, President, Skyline Industrial REIT





INDUSTRIAL REAL ESTATE

↑ Trends in 2026

EXPORT VISIBILITY

We expect increasing clarity on trade and tariff risks to continue, allowing businesses with international supply chain exposure to feel more confident in their capital expenditure decisions in 2026.

FEWER BUILDS

Developers built fewer new projects in 2025 than in the previous two years. Reduced deliveries have limited new prime industrial space, supporting a more balanced market in 2026.

LEASING ACTIVITY

Leasing volumes are expected to rise across many markets in 2026, though end demand will remain sensitive to unit size and local conditions. This outlook is supported by trends the REIT has seen in 2025, including rising tenant inquiries, more requests for proposals, and increased traffic at new developments as the year progressed.

MOMENTUM RETURNING

Investment offerings rose in the second half of 2025, as investor appetite for industrial properties strengthened. We anticipate transaction activity will rise in 2026 following a quiet 2025, with increased stabilizations and improving investment metrics.

PRIMARY MARKETS

Several large Canadian markets—including Calgary, Montreal, and the GTA—are predicted to see notable reductions on overall availability levels for 2026 which could exert upward pressure on rents.





SKYLINE Retail REIT*

\$1.7 B

Assets Under
Management

4.17%

Weighted Average
Mortgage Interest Rate

97.7%

Committed
Occupancy Rate

5.2 MM sq.ft

Owned & Managed
Gross Leasable Area

In 2025, consumer spending was defined by surprising resilience, with 'essential retail' providing a steady presence in a sea of volatility. While the year saw high-profile discretionary-focused enclosed mall retailers like Hudson Bay Co. and Cleo close shop, essential food retailers like Loblaw Companies Ltd., Empire Company Ltd., and Metro Inc. delivered exceptionally strong performance. With nearly 80% of our portfolio concentrated in essential retail, our tenant base remains resilient, in a choppy spending environment.

As the year progressed, several key trends shaped Canada's retail sector and created meaningful tailwinds for our portfolio: shoppers prioritized value, driving greater adoption of efficient sales formats such as expanded promotions, while online shopping experiences [continued to frustrate consumers](#). Against this backdrop, brick-and-mortar centres continued to play a dominant role with the consumer by offering a shopping experience that cannot be substituted.

In this favourable operating environment, Skyline Retail REIT delivered strong results for our investors. Record-high average in-place rents, strong rental growth and occupancy rates continued to support robust and sustainable cash flow. These strong fundamentals are reflected in our return profile, driving consistent income and attractive risk-adjusted returns.

*Figures presented as at
December 31, 2025

3080-3110 Rue Henri-L.-Chevrette and 5371
Chemin Saint-Jean, St-Félix-de-Valois, QC





In November 2025, we acquired a pharmacy-anchored asset in Atlantic Canada that is undergoing expansion to accommodate a No Frills grocery store opening in September 2026. Like many of the REIT's assets, this property is the dominant retail centre for its area and is comprised of 10 national tenants with a total gross leasable area of nearly 75,000 square feet. This acquisition marks our first entry into the region as part of our strategy to expand coverage across the country, seeking value in smaller markets. Most importantly, revenue generated from leasing will be accretive to earnings as soon as it comes online.

SKYLINE RETAIL REIT AVERAGE ANNUAL IN-PLACE RENT SINCE DECEMBER 31, 2022



While unevenness in the discretionary consumer spending category is expected to persist, our focus remains on essential retail, which represents the backbone of the REIT's cash flows. Anchored by tenants providing the goods and services Canadians rely on, and supported by rising population and constrained retail supply, the essential retail segment is well-positioned for another year of solid growth.

Craig Leslie, President, Skyline Retail REIT





RETAIL REIT

↑ Trends in 2026

BUY CANADIAN

Consumer support for Canadian-made products remains strong but balanced in lower to medium income households where cost considerations retain ultimate priority.

DISCOUNT DEMAND RISING

Discount retailers will continue to be in favour as higher-income households increasingly trade down to formats they have not traditionally used; shoppers are increasingly visiting multiple stores seeking bargains, to make their dollars go further.

ESSENTIAL RETAIL OUTPERFORMS

Essential, grocery-focused retail will remain a top performer in suburban areas, while select urban corridors are gaining momentum with increased weekday office traffic.

SUPPLY CONSTRAINTS CONTINUE

The lack of availability of quality space continues to represent a challenge, as new development remains limited due to elevated construction costs. Labour costs are moderating, but materials and trades remain stubbornly expensive, limiting new project development.

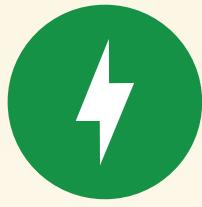
SHOPPING PATTERN SHIFT

Weekly visits are rising, with shoppers now visiting stores multiple times per week on average and generating consistent foot traffic throughout the week, that benefits supporting tenants.

TENANT MIX

Focusing on tenant variety with full product and service offerings is reinforcing competitive positioning and local market dominance.





SKYLINE

Clean Energy Fund*

\$416+ MM

Assets Under
Management

94.72

MW DCⁱ

Total Fund Size

83.66%

Of Expected Revenue Under
Long-Term Fixed Price Contracts

8.28 Years

Remaining Term
on Contracts

Renewable energy is shifting from an emerging opportunity to a core pillar of Canada's energy system. Electrification, data centre growth, and the need to modernize aging infrastructure are all driving sustained demand for dependable, low-carbon power. In this environment, the next several years are less about discovering the opportunity in renewables and more about executing well within a maturing, increasingly competitive market.

*Figures presented as at January 1, 2026

ⁱ Megawatt of direct current energy (MW/DC) a unit
measurement of the output of power.

Napanee, ON



For the first time ever, solar power generated more electricity than nuclear worldwide

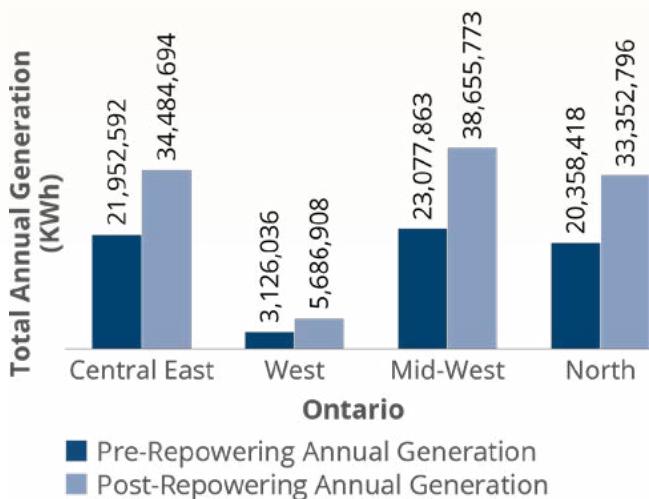
ELECTRICITY GENERATION (TWh)



Source: Monthly electricity data, Ember

Since launching [Skyline Clean Energy Fund \(SCEF\) in 2018](#), our strategy has been straightforward: own essential, renewable infrastructure that generates stable cash flows and positive environmental outcomes. Rather than taking commodity-driven risk, the Fund is anchored in operating renewable energy assets—principally large-scale solar systems and biogas facilities—supported by long-term contracts with the provincial government and strong commercial buyers. This approach has helped us navigate multiple economic and interest-rate cycles while maintaining a focus on preserving capital and delivering attractive, risk-adjusted returns.

PRE & POST-REPOWERING GENERATION COMPARISON TOP FOUR SCEF SOLAR OPERATING REGIONS, ANNUAL

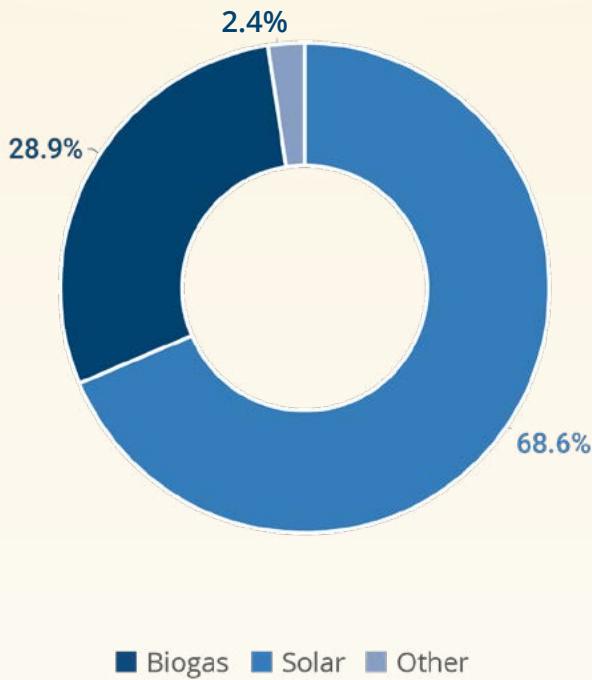


Even as higher financing costs and macro uncertainty weighed on parts of the infrastructure and real estate markets, our portfolio continued to produce consistent cash flows and we advanced numerous value-creation initiatives, including performance optimization, contract renewals, and selective repositioning of assets. We also sharpened our focus on where we believe the Fund can create the most value going forward:

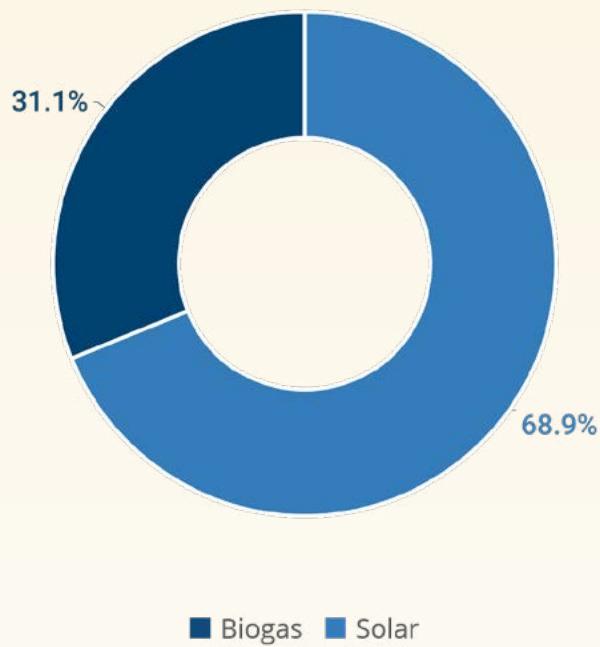
- Leveraging our operating expertise
- Improving asset efficiency
- Allocating capital with discipline



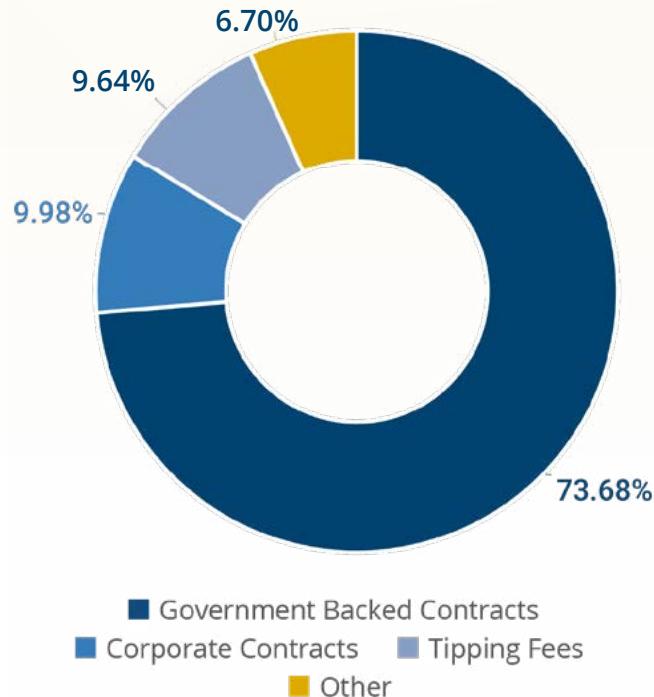
ASSET BREAKDOWN BY TOTAL ASSETS UNDER MANAGEMENT



EXPECTED REVENUE BREAKDOWN BY ASSET CLASS^{2,3}



EXPECTED REVENUE SOURCES²



Looking ahead to 2026, we expect policy support for renewable energy, ongoing grid constraints, and rising power demand to continue to favour well-located, contracted assets like those in our portfolio. Our priority is not simply to grow for growth's sake, but to deepen the quality and resilience of the Fund—by enhancing existing assets, pursuing opportunities that meet our return and risk thresholds, and remaining disciplined stewards of investor capital. In doing so, we aim to continue delivering on our dual objective: long-term, dependable returns for our unitholders as well as meaningful contributions to Canada's transition to a lower-carbon economy.

Rob Stein, President, Skyline Clean Energy Fund

² Based on expected revenue numbers that are forward looking.

³ As at January 1, 2026.



RENEWABLE ENERGY INFRASTRUCTURE

↑ Trends in 2026

ENERGY STORAGE

Advancements in energy storage technologies, such as industrial-scale lithium-ion batteries, are becoming go-to solutions to address intermittency challenges and improve grid flexibility.

GROWING DEMAND

Rising population and the rapid growth of AI infrastructure are driving steady demand for reliable, renewable power across Canada. This trend increases the value of solar and biogas assets while creating opportunities for repowering and targeted acquisitions in high-growth regions.

INFRASTRUCTURE SUPERCYCLE

As digitalization, decarbonization, and AI infrastructure megatrends converge, power demand will outpace supply, driving faster adoption of renewable energy as a central part of the grid.

POLICY TAILWINDS

Federal and provincial policies continue to steer the electricity system toward lower emissions and greater adoption of renewables and other clean technologies. This is creating opportunities for the Fund to extend contracts, incrementally scale energy investments, and implement strategies that align with regulatory expectations.

RISING COMPETITION

As renewables go mainstream, it is becoming more challenging to secure the best sites, grid connections, and long-term deals with buyers. The Fund is responding with a 'quality over quantity' approach, leveraging industry relationships and extensive operating data to underwrite high-quality projects.





SkyDev^{*}

\$1+ B

Assets Under
Management

20%-80%

Return on Equity

13

Number of
Completed Projects

2-7 Years

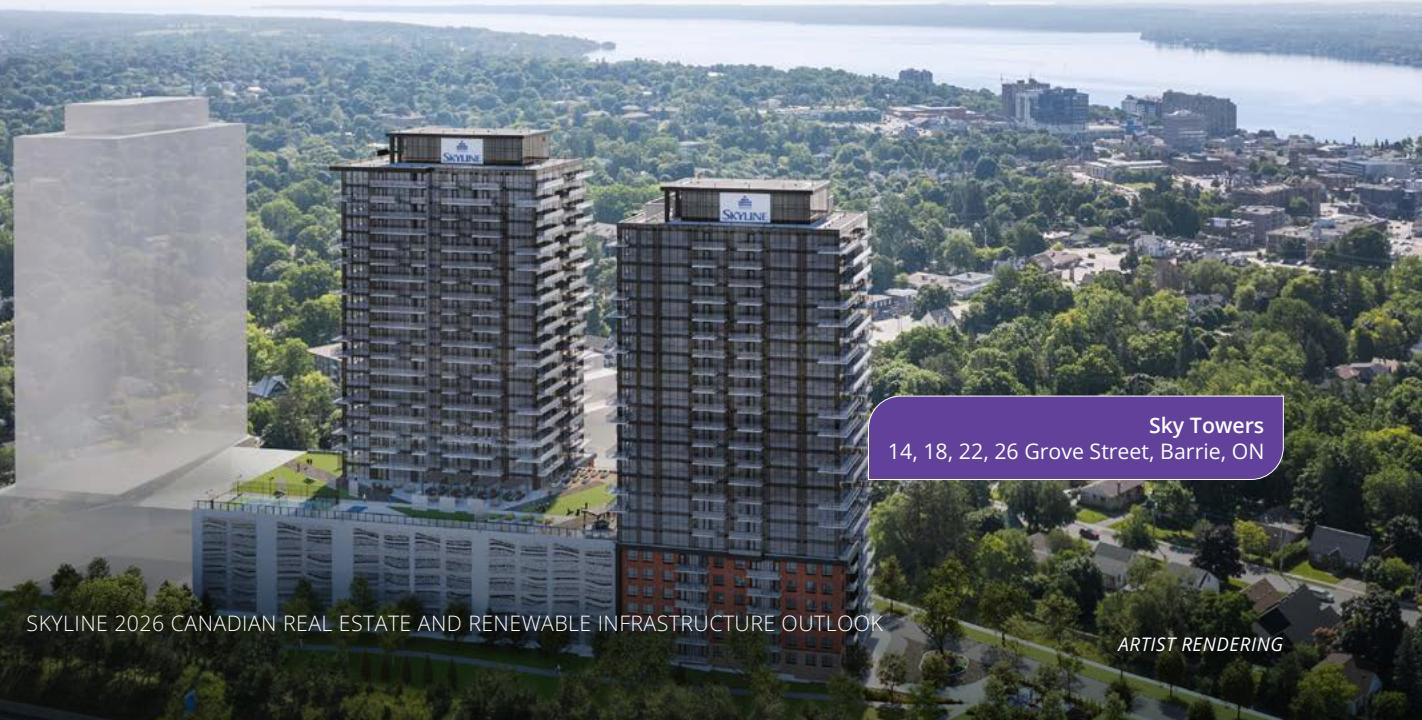
Project
Timelines

In the face of volatile conditions in the property development market in Canada, we are proud of our accomplishments in 2025. Operating within a highly dynamic and cyclical environment requiring dexterity to navigate, our development strategy remains steadfast on disciplined execution and capitalizing on selective opportunity. It's this long-term focus that has enabled SkyDev to rise to the challenge and advance some of Skyline's most ambitious projects to date.

This year, we expect leasing and occupancies of the first of three new high-rise towers in Barrie, ON. This multi-phase development will [deliver 928 rental apartments](#) and is on track to become one of the largest rental communities in the city. Sky Towers will offer high quality rentals with first class amenities and expansive views overlooking Kempenfelt Bay on Lake Simcoe.

**Figures presented as at December 31, 2025*

Historical performance figures, ranges, and timelines represent all completed SkyDev projects. A full list of completed projects is available at [SkyDev.ca/Portfolio](#)



In 2026, we are targeting even larger projects, with a plan to build 1,290 rental suites across four towers in Brampton, ON. Close to major amenities and less than 2 km from Highway 410, we are excited to position ourselves in one of [Canada's fastest growing communities](#). Projections show that over the next six years, the number of households is expected to [grow by 26% to 229,000](#), with renters accounting for nearly a quarter of new households.

BRAMPTON LP DEVELOPMENT OVERVIEW

	TOWER A	TOWER B	TOWER C	TOWER D	TOTAL
Height	30 Storeys	28 Storeys	26 Storeys	28 Storeys	26-30 Storeys
Residential GFA*	261,777 sq.ft.	242,570 sq.ft.	229,212 sq.ft.	244,431 sq.ft.	977,990 sq.ft.
Amenity GFA*	3,987 sq.ft.	5,793 sq.ft.	3,358 sq.ft.	3,789 sq.ft.	19,560 sq.ft.
Retail GFA*	3,843 sq.ft.	3,509 sq.ft.	1,962 sq.ft.	2,522 sq.ft.	14,704 sq.ft.
Units	346	321	299	324	1,290
Parking (incl. retail & visitor)	199	176	179	187	741

*Gross Floor Area (GFA)



Supported by robust population growth, structural affordability pressures in the housing market, and an aging demographic increasingly transitioning from ownership to rental living, SkyDev is positioned for a bright future. Rather than resting on our achievements, we are committed to delivering even larger and more impactful multi-residential projects in the future. With the support of our investors and development partners, we will continue to build some of the best purpose-built rental accommodations the market has to offer.

Greg Jones, President, SkyDev





MULTI-RESIDENTIAL PROPERTY DEVELOPMENT

↑Trends in 2026

FINANCIAL CONDITIONS

We anticipate generally favourable conditions for new project financings, as fixed-rate commercial loans are generally correlated to Government of Canada bond yields, which remain new 3.5 year lows.

HOUSING UNDERSUPPLY

Canada's housing crisis remains a dominant theme heading into 2026, with a stalled condominium market and housing starts continuing to fall short of demand. As a result, purpose-built rental development has emerged as the primary vehicle for new housing delivery.

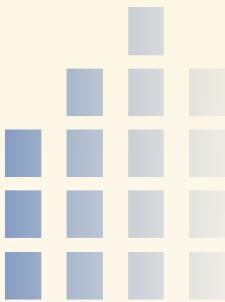
POLICY SUPPORT

In response to the housing shortfall, governments across all levels are increasingly aligned on accelerating homebuilding. These initiatives are shaping provincial and municipal frameworks by incentivizing builders to scale new home construction, streamline approvals, and expand the construction industry workforce.

PREFAB AND MODULAR

These building modalities are increasingly popular in Canada in 2026, driven mainly by material cost advantages and shorter construction timelines. Our developments in Norfolk County, Belleville, and Owen Sound, ON, employ modular precast concrete construction for faster delivery to market.





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It starts here:

