Canadian Equity & Development Company Limited

Annual Report 1973.

Cover:
Blue Immigrant, an acrylic painting by Toronto artist Ray Cattell.

Canadian Equity & Development Company Limited

Financial Highlights

	1973	1972
Net income	$ 3,743,052	$ 2,370,783
Cash flow	$ 8,121,456	$ 5,108,560
Earnings per share	$ .77	$ .49
Cash flow per share	$1.67	$1.06
Sales of land	$13,887,096	$ 8,097,244
Gross rental income	$ 5,005,547	$ 4,068,339
Total assets	$85,460,811	$72,833,942
Shareholders' equity	$27,837,029	$23,846,426
Shares outstanding	4,862,609	4,837,563

Contents

President's Report to Shareholders

Fiscal 1973 was a very successful year for your company.

It was particularly rewarding as we witnessed the emergence of a vibrant community in Erin Mills.

Erin Mills is no longer merely a plan or a construction site. It is now a thriving community of more than 4,000 people. Two schools are in full operation, shopping and service facilities have been opened. Residents have developed and enjoy active social and recreational relationships and programs.

Shareholders will be pleased to learn that the company is deriving an increasing portion of its income from the development of Erin Mills.

Financial Review. Net income for 1973 was $3,743,052 or 77 cents per share compared with $2,370,783 or 49 cents per share in 1972.

Cash flow for the year was $8,121,456 or $1.67 per share. This compares with $5,108,560 or $1.06 per share in the previous year.

Gross rental income amounted to $5,005,547 and net rental income amounted to $2,242,653 during the year. This compares with $4,068,339 and $1,958,302 in 1972.

Sales of land in Erin Mills amounted to $13,887,096 compared with $8,097,244 in 1972. Net income from sales of land was $5,795,760 compared with $3,207,958 in 1972.

Income Properties. Our portfolio of income-producing properties has performed well and revenues have increased. This overall performance has been achieved in the face of increased competition, particularly with respect to our two regional shopping centres—Greater Hamilton and Don Mills.

In those areas where new competition has developed, we expect that shopping patterns in our centres will stabilize and strengthen, once the market place has adjusted.

A significant development during the year was the $2.5 million mall enclosure and expansion of Greater Hamilton Shopping Centre. This is now substantially complete and business continued uninterrupted during the major Christmas buying season. Leasing of the 33,400 square feet of additional space is progressing well.

Erin Mills. We have now completed the third year of development in Erin Mills. It was a year of considerable achievement during which the first neighbourhood, Brookmede, became fully established. King's Masting is now fully occupied and is rapidly becoming an established neighbourhood. Construction started during the year on the Woodhurst neighbourhood. In Brookmede, construction began on Millway Gate, the innovative housing area, and on a group of 74 townhouses.

During 1973 the population in Erin Mills increased from 1,500 to more than 4,000 residents. In this past year we sold land to builders which will provide for 793 dwelling units. From the start of the project to the end of

1973, the home builders have sold a total of 1,393 residential dwelling units.

Considerable progress was made in the planning of South Common—a unique community complex which will soon begin to take shape in Erin Mills South.

South Common will have interrelated educational and religious institutions, together with recreational and shopping facilities. The master plan for South Common is the result of extensive co-operation and enthusiasm for the project by the City of Mississauga, your company and a number of other agencies.

During 1973, six commercial and industrial sites totalling 22 acres were sold or leased. A solid base of industrial development in Erin Mills has been established and demand continues to be strong.

Management intends to maximize the long-term benefits of our industrial land holdings and to develop these lands in balance with the development of the total community of Erin Mills.

Our present policy with respect to industrial development favours lease arrangements for medium-sized industrial users that are labour intensive.

As of December 31, 1973, commercial and industrial space in Erin Mills completed or under construction totalled 1,565,000 square feet.

Outlook. The report of the Ontario Government's Task Force on Housing was recently tabled and largely confirms the real estate industry's view that the rising cost of land in Ontario directly reflects the critical shortage of serviced and registered land available for residential development.

We are concerned that the rapid escalation of land and building costs which have been experienced will affect the ability of the market place to absorb the housing being produced. The rate of sales of new housing has begun to level off and we see an increasing shift of buyer preference from single-family dwellings to townhouses.

The number of families in the Toronto-Centred Region who can afford to buy a single-family house has decreased dramatically over the last five years.

Recent statements by various representatives of the Government of Ontario indicate that action is underway to correct this situation.

On January 1, 1974, one-third of our land holdings, which had previously been in the Municipality of Oakville and the Region of Halton, became, along with the rest of the Erin Mills lands, part of the new City of Mississauga in the new Region of Peel.

The establishment of regional government in Peel is part of the Province of Ontario's plan to form larger regional jurisdictions melding a number of municipalities in order to provide for a more efficient system of government.

The effect of this is that we are now working with newly-elected councils in both the City of Mississauga and the Region of Peel.

Another factor in our future outlook is the proposed Parkway Belt system.

During the year, the Provincial Government passed the Parkway Belt

Planning and Development Act establishing this system of open spaces and service corridors to define and link existing and future urban communities.
The Parkway Belt passes through the Erin Mills lands along the route of the future Highway 403 in an east-west direction, intersecting with a north-south component near the Ninth Line of Oakville. It will provide for a transit corridor, a utilities corridor and buffer strips between the various components, as well as Highway 403 itself.
Approximately 850 acres of company-owned lands are included in the Parkway Belt. A major impact is in Erin Mills West, where the entire Western Industrial Park previously proposed is now shown included in the Belt. The company's intention is to seek for this area, the development of high-quality office-oriented industrial uses in a park setting, compatible with the open nature of the Parkway Belt.
Once hearings have been completed in 1974, land uses within the Belt will be established, and the precise impact on our lands will be known. The Provincial Government has committed itself to the outright purchase of some of the lands as a major means of bringing the Parkway Belt into effect.
In addition to the lands which fall within the Parkway Belt itself, the Parkway Belt Act provides for the control of lands outside the Parkway Belt. These lands are defined as the Parkway Belt Planning Area and encompass about 550 additional acres of the Erin Mills lands. These are principally slated for low density, residential use and we are hopeful that these lands will ultimately be released from the controlled area.

Amalgamation. As you have already been advised, your board of directors has decided to place directly before the shareholders the matter of the proposed merger with Cadillac Development Corporation Limited and The Fairview Corporation of Canada Limited.
The proposed merger would provide shareholders of Canadian Equity with the opportunity of participating in one of Canada's largest diversified public real estate companies. Enhanced stability of earnings would result from the combination of the substantial portfolios of prime income-producing properties of both Cadillac and Fairview with your company's land development activities. In addition, the combined financial and management strength of the three companies would provide significant opportunities in the future.
Shareholders will receive further information in connection with this transaction in due course.

Appreciation. On behalf of the board of directors, I would like to express sincere appreciation to all the members of the company for their contribution to our continued progress and success.

G. J. Shear,
President,
Toronto
March 11, 1974

CANADIAN
EQUITY &
DEVELOPMENT
COMPANY
LIMITED

April 18, 1974

Dear Shareholder:

Enclosed with this letter is the 1973 Annual Report of your Company. Our practise in the past has been to forward the information circular and notice of the annual meeting of shareholders with the Annual Report. However, because your Company is proposing to merge with Cadillac Development Corporation Limited and The Fairview Corporation of Canada Limited, as previously announced, a more elaborate information circular will be required for the forthcoming meeting of shareholders.

Negotiations are still in progress relating to the proposed merger and I am not able at this time to indicate when the shareholders meeting will be held. It is hoped that the information circular and notice of meeting will be forwarded to shareholders in the very near future.

Yours very truly,

G. J. Shear
President.

1200 sheppard avenue east toronto ontario M2K 1E3 telephone 226-3070

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STATEMENT FROM THE FAIRVIEW CORPORATION OF CANADA LIMITED CANADIAN EQUITY & DEVELOPMENT COMPANY LIMITED AND CADILLAC DEVELOPMENT CORPORATION LIMITED

TORONTO (February 22, 1974)—The boards of directors of The Fairview Corporation of Canada Limited and Cadillac Development Corporation Limited today announced approval of a merger of their respective operations, subject to shareholder ratification. The third participant in the merger, Canadian Equity & Development Company Limited, will seek approval of its shareholders.

"Canadian Equity is 71 percent owned by Cadillac and Fairview and the Canadian Equity board of directors is mainly comprised of Fairview and Cadillac nominees. For this reason, it was decided that the directors should not make a decision and that we would place the matter directly before the shareholders," said Canadian Equity President, Gerald J. Shear.

On October 10, 1973, the three companies announced they were carrying on discussions to merge through a series of amalgamations. Since that date the complex matters involved in the merger have been resolved. At today's board meetings, Cadillac and The Fairview Corporation of Canada Limited (Fairview Canada), together with its wholly owned subsidiary, The Fairview Corporation Limited (Fairview Ontario), approved the execution of a comprehensive merger agreement setting out the manner in which the merger is to be effected. Following shareholder approval, Canadian Equity will sign the same agreement.

Under the terms of the merger proposal, every Fairview shareholder will receive 1.4 shares of the new company in exchange for one Fairview share; every Cadillac shareholder will receive one share of the new company for every Cadillac share; and every Canadian Equity shareholder will receive 1.2 shares of the new company for every Canadian Equity share. Every Cadillac preference shareholder will receive one preference share of the new company, with the same terms and conditions, for each Cadillac preference share. The 1.2 shares to be received by Canadian Equity shareholders differs from the October 10, 1973 announcement of 1.12 shares of the new company for each share of Canadian Equity.

"At the board of directors meeting of Canadian Equity held on October 9, 1973, it was decided to continue negotiations and to obtain independent advice on the merger. After review of all relevant matters and advice received, the board of directors of Canadian Equity decided that the share exchange ratio to be submitted to shareholders should be 1.2 rather than the 1.12 previously announced. This new ratio has been accepted by both Fairview and Cadillac in the merger agreement approved today," said Mr. Shear.

Completion of the merger is subject to the respective companies being satisfied as to the tax consequences of the transactions. Application has been made for certain tax rulings and it is expected that satisfactory rulings will be received shortly.

It is intended to carry out the merger through two amalgamations. Under the present law, Fairview Canada cannot now join in the first amalgamation because it is a federal company while all the other companies hold Ontario charters. However, Fairview Canada had previously transferred all of its assets to its wholly-owned subsidiary, Fairview Ontario, which will amalgamate with Cadillac and Canadian Equity in the first amalgamation. The new company will be called The Cadillac Fairview Corporation Limited (Cadillac Fairview). It is expected that this amalgamation will be completed by about June 1, 1974.

Fairview Canada now holds, as its only assets, shares and obligations of Fairview Ontario and, following this first amalgamation, will hold only shares and obligations of Cadillac Fairview. It will not carry on any active business. Fairview Canada will continue as a public company whose shares will continue to be traded on the Toronto, Montreal and Vancouver stock exchanges. It is intended that the Cadillac Fairview shares will trade on the same stock exchanges.

Under the provisions of Bill C213 introduced at the last session of the House of Commons, it is expected that the Canada Corporations Act will be amended within a reasonable time and under the new legislation Fairview Canada will be permitted to amalgamate with Cadillac Fairview. Under the merger agreement, this second amalgamation will take place as soon as the Act has been amended.

E. Leo Kolber, Chairman of Fairview, who will be Vice-Chairman of the new company, announced that arrangements are being made which are expected to result in the shares of Fairview Canada having the same market value as shares of Cadillac Fairview pending the second amalgamation.

"In substance, these arrangements are as follows: Fairview Canada shares will be subdivided at 1.4 to one to reflect the agreed merger ratio. Fairview Canada will own exactly the same number of shares of Cadillac Fairview as the number of its own shares outstanding after subdivision. All dividends of Cadillac Fairview will be passed on to shareholders of Fairview Canada.

"An offer will be made by Cadillac Fairview to the shareholders of Fairview Canada which will remain open whereby any and all shares of Fairview Canada may be exchanged for shares of Cadillac Fairview on a one-for-one basis at any time for 30 years.

"On the first amalgamation, all essential elements of the merger will have been accomplished and in the unlikely event that the second amalgamation cannot be completed, there will be no adverse affect on the companies or their shareholders." said Mr. Kolber.

On the second amalgamation, shareholders of Cadillac Fairview and Fairview Canada will receive shares on a one-for-one basis in the new company which will continue as The Cadillac Fairview Corporation Limited.

Certain minor changes are desirable in the trust deeds of both Cadillac and Canadian Equity and bondholders will be approached to approve these changes. After meetings of the bondholders, the merger agreement will be submitted to the shareholders of Fairview Canada, Canadian Equity and Cadillac for their consideration and approval. The principal shareholders of Fairview Canada and Cadillac have entered into an agreement pledging their support to the merger.

A. E. Diamond, Cadillac President who will be Chairman of the Board and Chief Executive Officer of the new company, commented on some of the reasons leading up to the proposed merger.

"The boards of Fairview Canada, Canadian Equity and Cadillac are of the opinion that the combined financial and management base resulting from the merger will produce a corporation with development and acquisition capacities substantially greater than the combined separate capabilities of each of the companies. The new company will be able to pursue greater opportunities in North America and abroad.

"The assets and management efforts of Cadillac have been primarily directed toward residential development of various kinds and Cadillac has developed widely recognized expertise in this area. Fairview has concentrated its activities in commercial real estate and is a leader in this field in Canada. Canadian Equity, through its wholly-owned subsidiary, Don Mills Developments, owns one of Canada's largest new community developments, Erin Mills in Mississauga, Ontario.

"The merging of these companies will produce a corporation well balanced in its asset mix with a depth of management experienced in all phases of real estate development. Future urban development will be oriented towards large and costly complexes with integrated residential, commercial and retail space, and the new corporation will be uniquely positioned to undertake this type of development," said Mr. Diamond.

Mr. Diamond said the company will be structured in five main operating groups—Urban Development, Shopping Centres, Residential, New Communities and Corporate Development.

Neil R. Wood, President of Fairview Canada, will be President and have Urban Development, Shopping Centres and the administrative functions reporting to him. The Executive Vice-Presidents of the new company will be: Joseph Berman—Residential, Kenneth Bream—Urban Development, John H. Daniels—Corporate Development, Gerald J. Shear—New Communities, Norman R. Stone—Residential, and Bernard I. Ghert—Finance.

Cadillac Fairview will be one of North America's largest public real estate companies with operations extending across Canada and in the United States.

The company will have a wide range of prestigious properties in its portfolio, including a 50 percent interest in the Toronto Dominion Centre in Toronto, a one-third interest in the Pacific Centre in Vancouver, nine office buildings in Toronto, together with interests in office complexes and/or buildings in Ottawa and Montreal. Its Shopping Centre Group will have interests in and operate 28 regional and community shopping centres, including Fairview Mall, Cedarbrae Mall, and Don Mills Shopping Centre in Toronto, the new Hillcrest Mall in Richmond Hill, Ontario (opening in June), the Pointe-Claire Shopping Centre, Les Galeries d'Anjou and Le Carrefour Laval in Montreal, Polo Park in Winnipeg, and Greater Hamilton and Eastgate Square in Hamilton, Ontario.

The Urban Development Group will be engaged in other major projects such as the Fairview Eaton Centre in downtown Toronto.

The company's Residential Group will manage a portfolio of more than 16,000 apartment suites in Toronto, Ottawa and Hamilton, Ontario. This range of rental accommodation varies from townhouses through medium-rise to high-rise buildings. The major residential complexes include large, well-equipped recreation centres.

The Residential Group will be one of Canada's largest builders of housing for sale with a capacity of producing several thousand units per year. The Group will offer housing for sale ranging from apartments and townhouses through semi-detached to single-family dwellings.

The New Communities Group will continue the development of Erin Mills, a new community on 7,000 acres in the City of Mississauga which, over a 20-year period, will provide accommodation for an estimated 170,000 people.

The Corporate Development Group, supported by a strong financial base, will seek to broaden and diversify the company's operations, both geographically and into new areas of real estate endeavour.

Income Properties

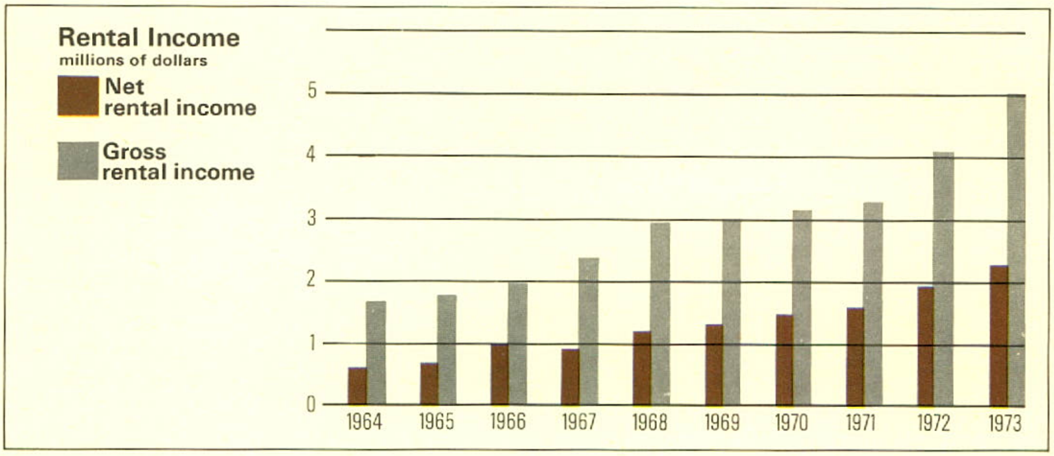
Revenue from properties owned by the company again increased in 1973. Gross rental income for 1973 was $5,005,547 compared with $4,068,339 in 1972. Net rental income for the year was $2,242,653 compared with $1,958,302 in the previous year.

Our portfolio of income properties now includes shopping centres in Hamilton and Don Mills, Ontario, commercial and residential lands in Don Mills, an integrated residential and commercial complex in Toronto and commercial and industrial space in Erin Mills.

An extensive expansion and improvement program is nearing completion at the Greater Hamilton Shopping Centre. When completed, the 750,000-square-foot centre will have a climate controlled enclosed pedestrian mall of more than 65,000 square feet and 20 additional retail stores. Situated on a 60-acre site in the east-central section of Hamilton, this regional centre has parking for more than 5,200 cars and serves an average of 300,000 shoppers each week.

In Erin Mills, construction began on a new 128,000-square-foot multiple-occupancy industrial mall in the Northern Industrial Park. Construction is also expected to start this year on the first neighbourhood shopping centre. Located between the Information Centre and Millway Gate, the 45,000-square-foot centre will have a 25,000-square-foot supermarket, a bank, drug store, restaurant and other service stores.

Other properties in the Erin Mills income portfolio are the Chrysler National Parts Depot, the Dunwin Industrial Mall, the Brookmede Corner Store and a Shell service station.



Income properties summary (to October 31, 1973)

	*Land and buildings owned by company		**Land owned by company. Buildings owned by others		***Land and buildings owned by others	
	Land (acres)	Buildings (sq. ft.)	Land (acres)	Buildings (sq. ft.)	Land (acres)	Buildings (sq. ft.)
Greater Hamilton Shopping Centre Hamilton, Ontario	30	311,000	16	122,000	20	213,000
Don Mills Shopping Centre Don Mills, Ontario	27	359,000	6	52,000		
Parkwoods Village Shopping Centre Don Mills, Ontario	3	39,000	3	39,000		
York Mills Shopping Centre Willowdale, Ontario	6	51,000				
Other lands located in Don Mills, Ontario						
Commercial	5	67,000	10	202,000		
Residential (454 town houses and apartments)			24			
The Towne (note 1) Toronto, Ontario		71,000				
Erin Mills						
Chrysler national parts depot	58	804,000				
Brookmede Corner Store	1	4,000				
The Dunwin industrial mall	2	19,000				
Shell Canada Limited			1	3,000		

*Income derived from rental of facilities.
**Income derived from long term ground leases.
***These facilities are integral parts of the respective shopping centres but no income is derived by the company.

Note 1: The Towne, an integrated residential and commercial complex includes 185 apartment and town house units in addition to 71,000 square feet of retail and office space. The complex is situated on leased land (unexpired term of 111 years).

The company's income portfolio includes the Towne, a residential/commercial complex on St. Clair Ave. in Toronto (part of the shopping mall top left): The Greater Hamilton Shopping Centre (top right): The Don Mills Shopping Centre (bottom).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Erin Mills

Erin Mills, your company's major activity, has become a thriving community of more than 4,000 and is rapidly growing.

The community, planned to take shape over a period of 20 years, is designed to provide a superior type of urban living for its residents. Based on a three-level town structure, Erin Mills begins with neighbourhoods ranging in size from 3,000 to 5,000 people. Each has its own public school and park, while separate schools and local convenience shopping facilities are shared between neighbourhoods.

The neighbourhoods in turn combine to form communities, each of which will have a focus at its centre that will include integrated educational, recreational, religious and shopping facilities. Erin Mills Centre, one of the four communities, will become the focal point of Erin Mills and of the surrounding region.

In this way, Erin Mills residents will enjoy the closeness and social interaction of a local neighbourhood, as well as the comprehensive amenities of Erin Mills Centre. Erin Mills South, the first community, now has two completed neighbourhoods and a third well underway. Servicing of two neighbourhoods in the north has already started and house building will start in the summer of 1974.

Erin Mills land summary (acres)

	Balance Nov. 1, 1972	Changes during the year			Balance Oct. 31, 1973
		Purchases	Registration	Sales/leases	
Undeveloped land	6,403	515	256*		6,662
Land under development					
Residential					
Single family	—		89	84	5
Townhouse	31		4	10	25
Apartment	12		4	—	16
Total residential	43		97	94	46
Industrial and commercial	224		73	23	274
Institutional	12		6	6	12
Total land under development	279		176*	123	332

*The 80 acre difference represents dedications to government authorities.

Left: A Brookmede street at night. Top right: King's Masting homes in the fall. Bottom right: An Erin Mills family enjoying a picnic in Brookmede Park.

A Living Community. From the beginning, the residents of the Brookmede and King's Masting neighbourhoods have initiated and participated in a wide range of social and recreational activities. TEMPO, The Erin Mills People's Organization, formed at the beginning of 1973, organized a large number of community programs and established a significant liaison with the City of Mississauga and its various departments and a close relationship with your company.

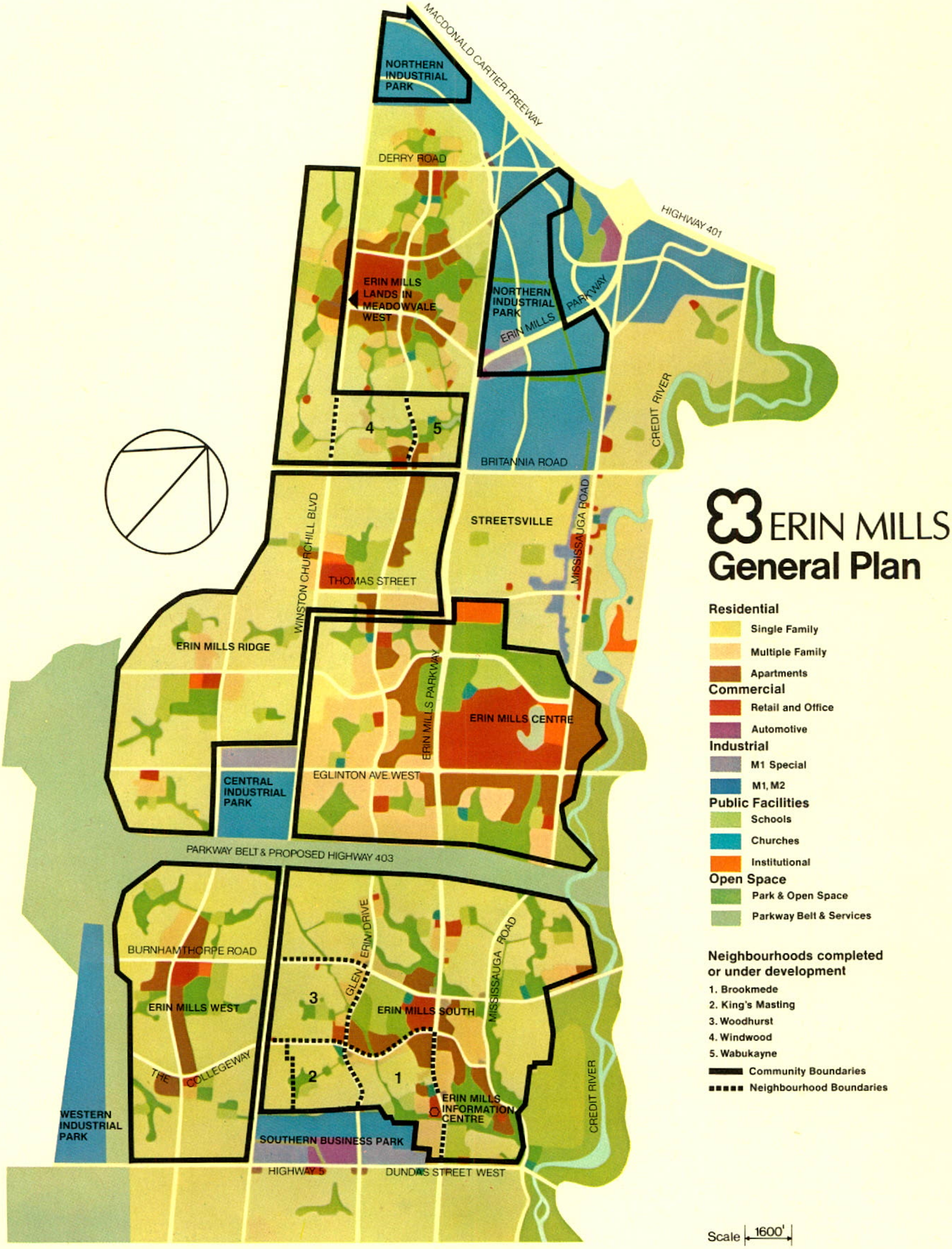
TEMPO has made an important contribution to the quality of life in the new community. According to its constitution, it was formed to "encourage, promote and co-ordinate" recreational, social and cultural activities among its members in Erin Mills. During the past year, TEMPO held a wine and cheese party, a spring dance, a summer arts festival, a summerfest beer festival and, in conjunction with some of the community churches, carried out a most successful "Summer Activities for Youth" program, in which more than 100 children took part each day.

Brookmede Public School completed its first full year of operation and became a centre for a variety of community activities. Opened in March 1973, the attractive new school is based on the modern open concept plan. The Pierre Laporte Separate School opened its doors in October and now has about 200 students. When completed, the total enrollment will be approximately 440 students. Both schools benefit from working closely together on many projects and sharing of facilities.

The Erin Mills Information Centre is now well established as a community meeting place for residents. It is used each night of the week for a variety of activities, ranging from TEMPO committee meetings, courses provided by the Parks and Recreation Department of the City of Mississauga, and meetings of social groups and cultural organizations.

Early in 1974, the Brookmede Neighbourhood Building was ready for community, social and recreational activities. This building, designed and built by the company, was given to the Mississauga Parks and Recreation Department, which will work with TEMPO to plan and organize programming. The building is a pilot project designed for residents of the first neighbourhood in Erin Mills. The Erin Mills concept includes plans for social and recreational facilities and this new building is an example of such a facility at the neighbourhood level. The 1,200-square-foot building has a large activity room, a meeting room, an office, kitchen and washroom facilities.

Residential Progress. At the end of the year, Brookmede and King's Masting had a total of 1,093 completed homes, all of which were occupied. Woodhurst, the third neighbourhood, was well underway, the first residents having moved in during November.


ERIN MILLS
General Plan
Residential
Single Family
Multiple Family
Apartments
Commercial
Retail and Office
Automotive
Industrial
M1 Special
M1, M2
Public Facilities
Schools
Churches
Institutional
Open Space
Park & Open Space
Parkway Belt & Services
Neighbourhoods completed or under development
1. Brookmede
2. King's Masting
3. Woodhurst
4. Windwood
5. Wabukayne
Community Boundaries
Neighbourhood Boundaries
Scale 1600'
MACDONALD CARTIER FREEWAY
NORTHERN INDUSTRIAL PARK
DERRY ROAD
HIGHWAY 401
ERIN MILLS LANDS IN MEADOWVALE WEST
NORTHERN INDUSTRIAL PARK
ERIN MILLS PARKWAY
CREDIT RIVER
4
5
BRITANNIA ROAD
STREETSVILLE
WINSTON CHURCHILL BLVD
MISSISSAUGA ROAD
THOMAS STREET
ERIN MILLS RIDGE
ERIN MILLS PARKWAY
ERIN MILLS CENTRE
CENTRAL INDUSTRIAL PARK
EGLINTON AVE.WEST
PARKWAY BELT & PROPOSED HIGHWAY 403
GLEN ERIN DRIVE
MISSISSAUGA ROAD
BURNHAMTHORPE ROAD
3
ERIN MILLS WEST
ERIN MILLS SOUTH
THE COLLEGEWAY
2
1
ERIN MILLS INFORMATION CENTRE
WESTERN INDUSTRIAL PARK
SOUTHERN BUSINESS PARK
CREDIT RIVER
HIGHWAY 5
DUNDAS STREET WEST

Five builders—Cadillac Homes, Costain Estates, Shipp Corporation, West Credit River Homes and Whitehall Development Corporation—are involved in Woodhurst, building 623 single and semi-detached homes. In addition, 57 larger lots have been set aside for semi-custom homes and two builders, Arthur Blakely and Cher-Lynn Construction, will begin construction of 37 of these units early in 1974.

Millway Gate, a joint venture of Don Mills Developments Limited and Cadillac Development Corporation Limited, is a 133 unit innovative housing area in Brookmede. Built by Cadillac Homes, this unique housing project will present a mix of detached, semi-detached, townhouse and garden apartment units. The garden apartments will feature a more individualized approach to multiple housing. Construction of Millway Gate is now well advanced and the project is scheduled for completion this year.

Construction of a group of 74 condominium townhouse units in Brookmede by Anglo York Homes is nearing completion. The number of dwelling units completed in Erin Mills will total more than 2,000 by the fall of 1974.

Draft plan approval for Windwood and Wabukayne, two neighbourhoods in the northern section of Erin Mills Ridge, was received on November 9, 1973. The zoning bylaw was passed by Mississauga Council on November 26, 1973. These neighbourhoods are adjacent to the Meadowvale project, located directly north of the company's lands. The development of these neighbourhoods is part of the original plan for Erin Mills, which envisaged simultaneous development at the southern and northern limits of the land holdings at an early stage.

Windwood and Wabukayne will provide for 608 single and semi-detached units, 300 townhouses, 478 apartment units, and neighbourhood amenities, including a 12 acre lake. Servicing is now underway and construction is expected to begin in the summer of 1974.

Processing of the Official Plan Amendment for the community of Erin Mills South has progressed to a point where the company can now proceed with the submission of additional plans of subdivision in this community.

Residential development summary (to October 31, 1973)

Neighbourhood	Number of Builders	Units Sold to Builders	Builders' Sales	Occupied
Brookmede	3			
Single family		376	371	371
Townhouses		244	175	170
King's Masting	5			
Single family		549	542	540
Woodhurst	7			
Single family		660	236	—
Townhouses		59	—	—
Total		1,888	1,324	1,081

Top: Woodhurst homes under construction. Bottom left: Townhouses being built in Brookmede. Bottom right: A completed Costain home in King's Masting.

South Common. The preliminary plan for this unique community complex in Erin Mills South, which will eventually serve approximately 50,000 people, generated a great deal of interest during the past year. South Common has as its underlying concept the integration of community educational, social, religious, recreational and commercial needs. Various elements, such as a day-care centre, schools, churches, libraries, an arena and shopping areas connected by a weather-protected walkway system, will provide an exciting core of facilities for the surrounding neighbourhoods.

A major factor in the planning of South Common has been the formation and work of a Joint Planning Committee composed of representatives of a number of public and private agencies. This committee met regularly over the past three years and at the end of 1973 produced a detailed plan that was approved in principle by all of the participating agencies. The agencies joining with your company in formulating the plan were the City of Mississauga, including its Parks and Recreation Department and Library Board, the Peel County Public School Board, the Dufferin-Peel County Separate School Board, the Erin Mills Church Campus Group, the Credit Valley Association for Handicapped Children and representatives for children with learning disabilities.

Located in the centre of Erin Mills South, this complex encompasses 116 acres. The educational components will be on the westerly portion of the site, along with approximately 16 acres of parkland. Parking for the entire complex has also been planned in co-operation with all of the participating agencies so that efficiencies will be realized through the common use of parking space.

The co-operation achieved between the public and private sectors has added an exciting dimension to the planning of South Common. With continued co-operation, South Common should begin to take physical form in about two years, with total completion expected by 1980.

Top left: The Corner Store in Brookmede. Top right: Children returning home from Brookmede Public School. Bottom left: Part of the walkway system that winds through Erin Mills. Bottom right: Model homes built by Whitehall.

Industrial and Commercial

Development of industrial and commercial sites in Erin Mills has progressed well during the year. The new community now enjoys a viable industrial and commercial component. Most industrial sites are now being marketed for lease rather than sale.

During the year, eight industrial sites were sold, and construction was started on eight sites. 621,000 square feet of industrial space completed during the year brings the total number of square feet of industrial floor space in Erin Mills to 1,469,000.

Planning is underway for the first neighbourhood shopping centre to be located in Brookmede opposite the Erin Mills Information Centre. Construction is expected to commence in the spring of 1974.

The first service station was opened by Shell Oil Company in October. Other commercial facilities are being planned as part of the South Common project.

Industrial parks summary (acres) to October 31, 1973

	Registered	Sold/leased	Balance
Northern Industrial Park			
Phase I	218.4	100.6	117.8
Phase II	69.5	—	69.5
Southern Business Park	97.3	34.4	62.9
Auto Campus	29.7	16.8	12.9
Total	414.9	151.8	263.1

Northern Industrial Park. Late in 1973 your company began construction of a 128,000-square-foot multiple-occupancy industrial mall in the Northern Industrial Park with completion expected in the fall of 1974. An important addition to the company's income portfolio, this is an incubator building, designed to permit ready expansion by its tenants. Space is leased on a relatively short term basis to small businesses that have the potential to grow and prosper in Erin Mills and ultimately to acquire industrial buildings of their own.

During the year, Loblaw Groceterias completed construction of their 456,000 square foot distribution centre situated on a 38 acre site to the west of Chrysler's national parts depot. This semi-automated facility is now in operation and serving southern Ontario.

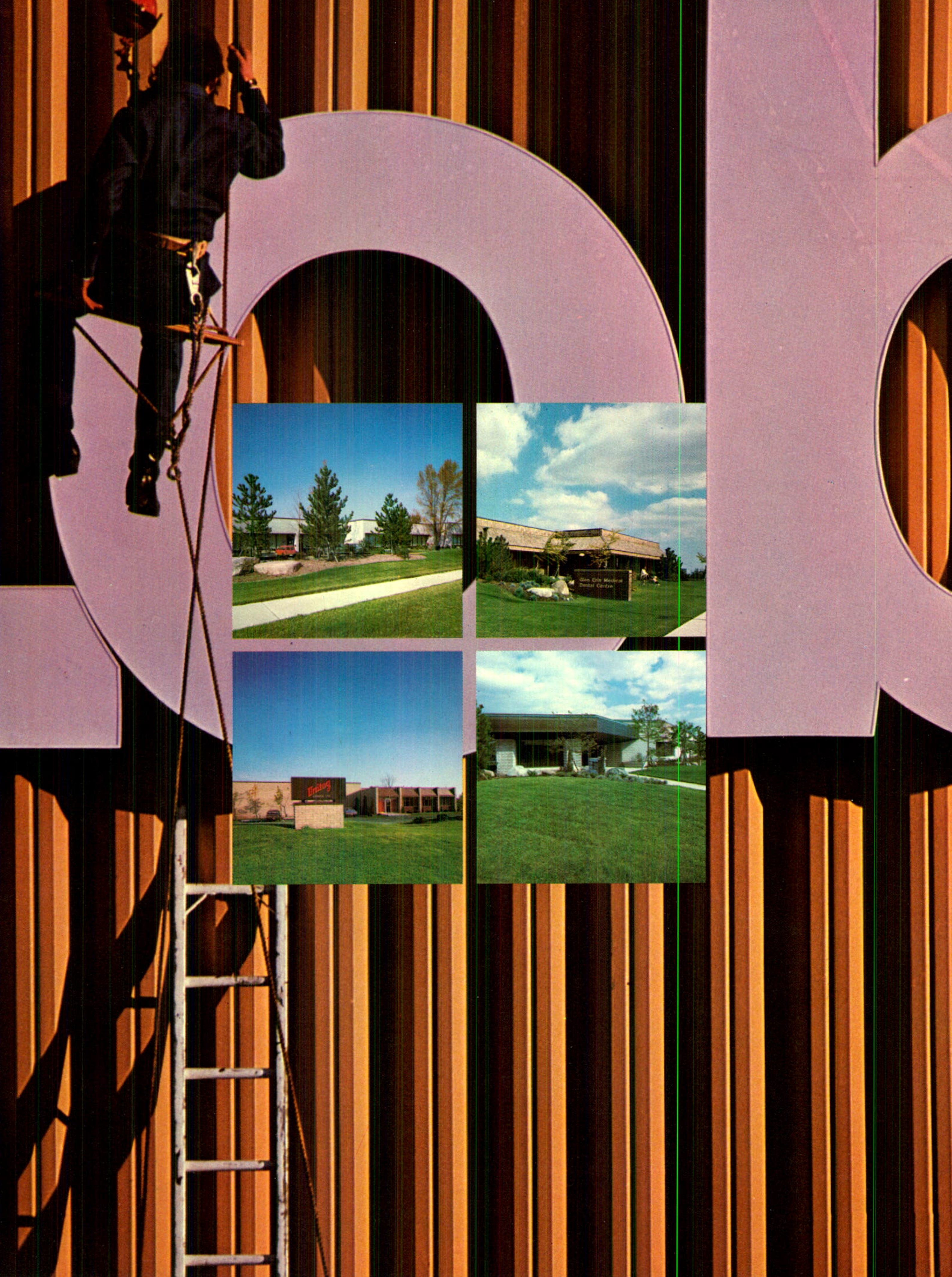
Northern industrial park (Phases I and II) to October 31, 1973

Company	Facility	Site Acreage	Building Area (sq. ft.)
Construction complete			
Chrysler Canada Ltd.	national parts depot	58.1	804,000
Loblaw Groceterias Co. Ltd.	central distribution facility	38.5	456,000
		96.6	1,260,000
Construction to commence			
Mac's Milk Ltd.	head office and warehouse	4.0	40,000 (est)
Sold and/or leased		100.6	1,300,000
Balance available		187.3	
Total		287.9	

Southern Business Park. A number of new buildings were completed in the Southern Business Park during the year. Buildings for Myers Wire Products, a Pet Hospital and H & G Control are now occupied. Construction is nearing completion on two industrial malls, the Safeco Insurance Company head office and a building for Handling Specialties. Four other buildings are scheduled to begin construction in the coming year.

Southern business park to October 31, 1973

Company	Facility	Site Acreage	Building Area (sq. ft.)
Construction complete			
Don Mills Developments Limited (The Dunwin)	industrial mall	1.8	19,000
Unitog (Canada) Ltd.	office and warehouse	2.1	25,000
Industrial developers (2)	industrial malls	5.7	105,500
H & G Control	head office and plant	1.4	9,000
Myers Wire (Canada) Ltd.	head office and plant	2.6	40,000
Dr. J. McKenzie	pet hospital	0.8	3,500
Industrial developer	medical clinic	0.7	7,000
		15.1	209,000
Under construction			
Industrial developer	medical clinic	0.7	6,000
Industrial developer	industrial mall	3.1	22,000
Handling Specialty Manufacturing Limited	head office and plant	2.5	19,000
Safeco Insurance Company of America	head office	7.1	49,500
		13.4	96,500
Construction to commence			
Industrial developer	office mall	1.3	13,000
Industrial developers (3)	industrial buildings	4.6	89,500
		5.9	102,500
Sold and/or leased		34.4	408,000
Balance available		62.9	
Total		97.3	

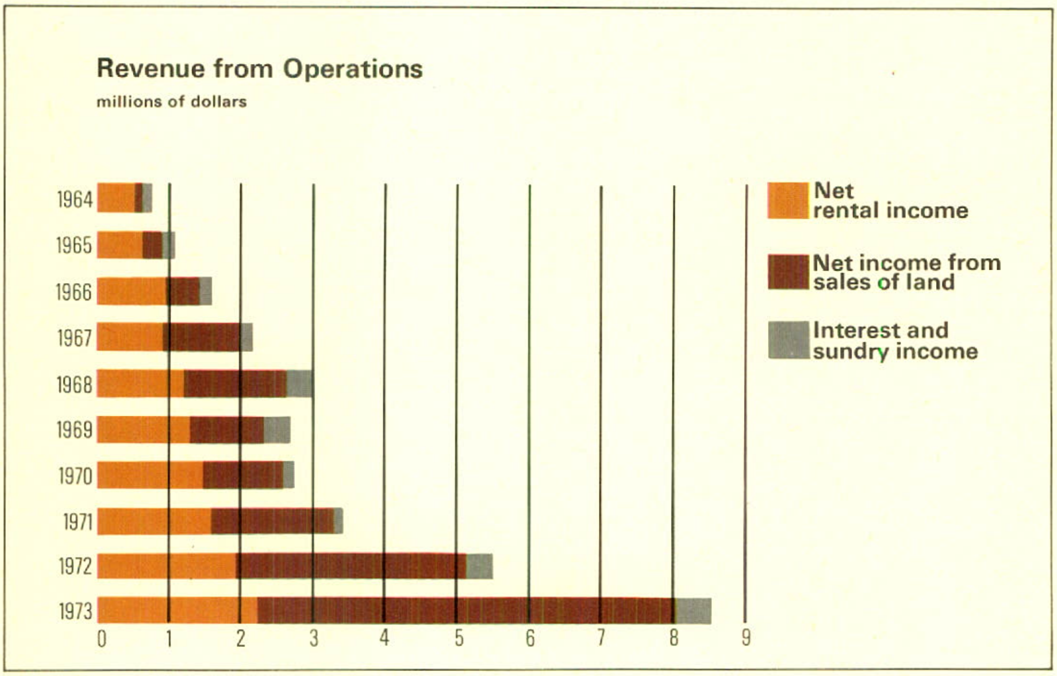

Glen Erin Medical
Dental Centre

Auto Campus. Six companies have already purchased sites in the Auto Campus. Several of the purchasers have since requested additional space and it is planned that 10 acres of land will be rezoned to expand the Campus to a total of 40 acres. Construction is expected to start in the spring of 1974.

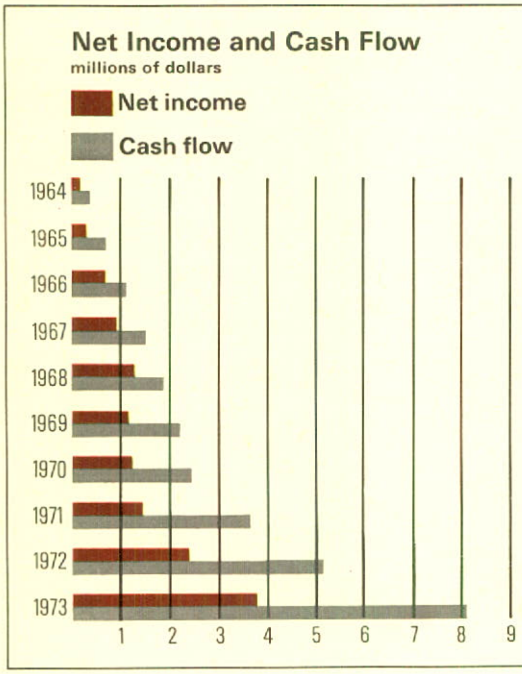
Auto campus to October 31, 1973

Company	Facility	Site acreage
Chrysler Canada Ltd.	dealership	3.5
Ford Motor Company of Canada Limited	dealership	3.5
Volvo Canada Ltd.	dealership	2.0
Harbert Investments, Inc.	dealership (General Motors)	6.0
Goodyear Tire & Rubber Co. Ltd.	tires, batteries, accessories	1.1
Standard Auto Glass Co. Ltd.	auto glass service centre	0.7
Sold and/or leased		16.8
Balance available		12.9
Total		29.7

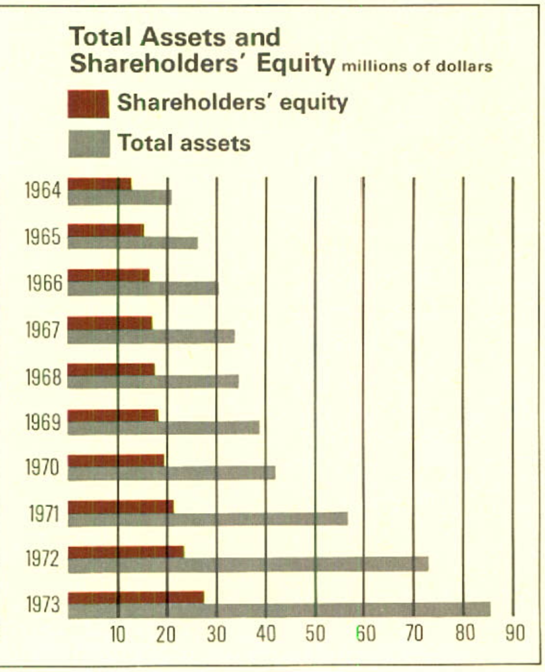
Industry plays a major role in the overall Erin Mills plan. Top left: Dunwin Industrial Mall. Top right: Glen Erin Medical/Dental Centre. Bottom left: Unitog (Canada) Ltd. Bottom right: H & G Control.



Revenue from Operations
millions of dollars
Net rental income
Net income from sales of land
Interest and sundry income
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
0
1
2
3
4
5
6
7
8
9



Net Income and Cash Flow
millions of dollars
Net income
Cash flow
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
1
2
3
4
5
6
7
8
9



Total Assets and Shareholders' Equity millions of dollars
Shareholders' equity
Total assets
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
10
20
30
40
50
60
70
80
90

Consolidated financial statements year ended October 31, 1973
(with comparative figures for 1972)

Income

	1973	1972
Rental operations		
Rental income	**$ 5,005,547**	$ 4,068,339
Property operating expenses	**1,112,621**	946,417
Mortgage and other interest	**1,282,136**	779,729
Depreciation (Note 1e)	**368,137**	383,891
	2,762,894	2,110,037
Net rental income	**2,242,653**	1,958,302
Land operations		
Sales of land	**13,887,096**	8,097,244
Cost of land sales	**8,222,237**	4,918,442
	5,664,859	3,178,802
Earned portion of deferred income from sales of land in prior years	**130,901**	29,156
Net income from sales of land (Note 1d)	**5,795,760**	3,207,958
Interest and sundry income	**463,492**	309,908
Expenses		
General and administrative	**793,897**	612,109
Amortization of debenture discount and financing expenses (net of discount on debentures purchased)	**38,956**	38,526
	832,853	650,635
Income from operations	**7,669,052**	4,825,533
Income taxes—current (Note 1f)	—	149,750
—deferred (Note 1f)	**3,926,000**	2,305,000
	3,926,000	2,454,750
Net income	**$ 3,743,052**	$ 2,370,783
Earnings per share	**$ .77**	$ .49

Retained earnings

	1973	1972
Balance, beginning of year	**$11,548,736**	$ 9,167,799
Net income	**3,743,052**	2,370,783
Realization of appraisals (Note 1e)	**10,661**	10,154
Balance, end of year	**$15,302,449**	$11,548,736

Consolidated financial statements year ended October 31, 1973
(with comparative figures for 1972)

Balance sheet

Assets	1973	1972
Mortgages and accounts receivable (Note 2)	**$11,800,885**	$ 8,304,148
Development land and improvements (Notes 1c, 3c, 5a)	**42,349,646**	34,296,904
Income producing properties under construction (Note 5b)	**1,544,128**	—
Income producing properties less accumulated depreciation of $3,023,897; 1972—$2,655,579 (Note 1e)	**28,597,190**	28,881,560
Prepaid expenses and sundry assets	**482,114**	572,228
Debenture discount and financing expenses less amortization	**686,848**	779,102
	$85,460,811	$72,833,942

Auditors' report to the shareholders:

We have examined the consolidated balance sheet of Canadian Equity & Development Company Limited and its subsidiary company as at October 31, 1973 and the consolidated statements of income, retained earnings, net rental cash flow and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at October 31, 1973 and the results of their operations, the net rental cash flow and the source and use of their funds for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Toronto, Ontario
December 18, 1973

Touche Ross & Co.
Chartered Accountants

Liabilities		
Bank indebtedness (Note 3a)	**$ 4,311,333**	$ 4,592,146
Accounts payable	**4,379,434**	3,377,856
Provision for future development costs (Note 1d)	**4,269,144**	2,106,000
Notes payable (Note 3b)	**2,241,263**	3,869,353
Mortgages on development land and improvements (Note 3c)	**12,094,255**	8,396,994
Mortgage on income producing property under construction (Notes 5b, 3d)	**900,000**	—
Mortgages on income producing properties (Note 3e)	**14,610,556**	15,280,469
6½% Secured Sinking Fund Debentures Series A (Note 3f)	**4,730,000**	5,072,000
Deferred income taxes (Note 1f)	**10,081,500**	6,155,500
Deferred income from sale of properties (Note 1d)	**6,297**	137,198
	57,623,782	48,987,516

Shareholders' equity		
Capital stock		
Common shares (Note 4)		
Authorized		
6,500,000 shares without par value		
Issued and fully paid		
4,862,609 shares; 1972—4,837,563 shares	**7,394,783**	7,147,232
Excess of appraised value of income producing properties over depreciated cost (Note 1e)	**5,139,797**	5,150,458
Retained earnings	**15,302,449**	11,548,736
	27,837,029	23,846,426
	$85,460,811	$72,833,942

On behalf of the Board

G. J. Shear, Director

N. R. Wood, Director

Canadian Equity & Development Company Limited and Subsidiary Company

Consolidated financial statements year ended October 31, 1973
(with comparative figures for 1972)

Source and use of funds

	1973	1972
Source		
Operations		
Net income	**$ 3,743,052**	$ 2,370,783
Non-cash items		
Deferred income taxes	**3,926,000**	2,305,000
Depreciation and amortization	**452,404**	432,777
Cash flow ($1.67 per share; 1972—$1.06)	**8,121,456**	5,108,560
Proceeds of mortgages secured by development land	**4,613,220**	1,408,974
Issue of common shares	**247,551**	8,782
Increase (decrease) in accounts payable	**1,001,578**	(1,736,774)
Proceeds of mortgages secured by income producing properties and properties under construction	**900,000**	10,121,408
	$14,883,805	$14,910,950
Use		
Investment in development land and improvements		
Cost of land acquisitions	**$ 6,767,908**	$ 1,879,511
Development and servicing costs	**6,094,106**	6,854,118
Land carrying costs	**1,249,821**	1,020,485
	14,111,835	9,754,114
Less: Cost of land sold during period	**8,222,237**	4,918,442
	5,889,598	4,835,672
Principal repayments on notes	**1,628,090**	710,604
Principal repayments on mortgages secured by development land and improvements	**915,959**	566,462
Principal repayments on mortgages secured by income producing properties	**669,913**	485,733
Purchase of Series A Debentures	**288,702**	76,380
Investment in income producing properties and properties under construction	**1,673,206**	8,013,523
Increase in mortgages and accounts receivable	**3,496,737**	2,479,826
Decrease (increase) in bank indebtedness	**280,813**	(2,409,803)
Net change in other assets and liabilities	**40,787**	152,553
	$14,883,805	$14,910,950

Net rental cash flow

	1973	1972
Net rental income	**$ 2,242,653**	$ 1,958,302
Add: Depreciation	**368,137**	383,891
	2,610,790	2,342,193
Less: Principal repayments	**669,913**	601,608
Building and equipment replacements	**19,459**	5,634
	689,372	607,242
Net rental cash flow	**$ 1,921,418**	$ 1,734,951

Notes

1. ACCOUNTING POLICIES

(a) **General.** The company is a member of the Canadian Institute of Public Real Estate Companies. The company's accounting policies and its standards of financial disclosure are in all material respects in accordance with the recommendations of that Institute.

(b) **Consolidation.** The consolidated financial statements include the accounts of Canadian Equity & Development Company Limited and its wholly-owned subsidiary, Don Mills Developments Limited.

(c) **Development land and improvements—$42,349,646 (1972—$34,296,904).** The company follows the policy of including in development land and improvements the direct costs of development and servicing as well as the carrying costs attributable to such lands.

	1973	1972
Cost of land acquisitions	$25,996,201	$19,765,501
Land carrying costs	4,449,555	3,660,177
Development and servicing costs	11,903,890	10,871,226
	$42,349,646	$34,296,904

This comprises 6,994 acres (1972—6,682) of Erin Mills lands including 6,662 acres (1972—6,403) of undeveloped land and 332 acres (1972—279) of substantially serviced land net of dedications for roads and parks, located in registered plans of subdivision.

Land carrying costs (mortgage and debenture interest, realty taxes, insurance and maintenance, net of rental revenue) incurred during 1973 amounted to $1,249,821 (1972—$1,020,485).

(d) **Income from sales of properties.** Income from sales of properties is being recognized in full at the time that all material conditions of the transactions have been fulfilled and interest commences to accrue at a reasonable rate on the balance due. For sales of properties made prior to November 1, 1969 income has been deferred, and is being, and will continue to be recognized on the basis of cash instalments received.

Costs which benefit more than one phase of the Erin Mills development are allocated on an area basis to those phases which will receive the benefits therefrom, and this combined with direct costs of each phase are allocated to the lands within each phase in proportion to their estimated market value.

Future development costs estimated at $2,284,253 (1972—$1,313,000) which are applicable to land sold during the year, have been provided for and included in cost of land sales, and these, together with an estimated $1,984,891 (1972—$793,000) applicable to prior years' land sales and land retained as income producing property are shown on the balance sheet as "Provision for future development costs".

(e) **Depreciation on income producing properties.** Depreciation is based on the recorded value, which is cost except in the case of certain properties appraised in 1962 and 1963. After the current year's realization of $10,661 (1972—$10,154) the income producing properties are reflected at $5,139,797 (1972—$5,150,458) in excess of depreciated cost.

The proportion of the appraisal surplus relating to depreciable assets is being amortized on a basis consistent with that used to depreciate those assets.

The company records depreciation on buildings included in income producing properties on a sinking fund basis. Under this method, depreciation is charged to income in an amount which increases annually, such amount consisting of a fixed annual sum together with interest compounded at the rate of 5% per annum, so as to fully depreciate the commercial-apartment complex over a fifty year period, commercial buildings over a forty year period, and industrial buildings over a thirty-five year period.

Depreciation of site services and improvements and equipment is charged in equal annual amounts so as to fully amortize the cost of site services and improvements over a thirty-five or forty year period and the cost of equipment over a ten year period.

(f) **Income taxes.** In determining taxable income the company deducts certain charges which have been included as costs of development land and improvements. As a result, income taxes otherwise currently payable have been deferred to future years.

Notes (continued)

Commencing November 1, 1967, the company changed to the tax allocation method of accounting for income taxes. The unrecorded portion of deferred income taxes relating to 1967 and prior years amounts to approximately $745,000 as at October 31, 1973 (1972—$745,000).

2. MORTGAGES AND ACCOUNTS RECEIVABLE—$11,800,885 (1972—$8,304,148)

	1973	1972
Mortgages	$ 334,565	$ 866,624
Agreements of purchase and sale	10,517,439	6,915,073
Amounts deferred under joint servicing agreements	240,679	234,105
Due under share purchase plan from employees including $60,180 (1972 - $54,375) from an officer	350,086	232,000
Other	358,116	56,346
	$11,800,885	$ 8,304,148

Due approximately as follows:

Years ending October 31,	1974	$ 6,111,811
	1975	5,508,534
	1980	60,180
	1981	60,180
	1982	60,180
		$11,800,885

The mortgages, agreements of purchase and sale and joint servicing agreements provide for earlier payments in the event that development takes place prior to maturity dates.

3. BANK, NOTE, MORTGAGE AND DEBENTURE INDEBTEDNESS

(a) **Bank indebtedness—$4,311,333 (1972—$4,592,146).** The bank indebtedness of $4,311,333 is due on demand. The company's undertaking to complete the servicing requirements as stipulated in subdivision agreements with the municipalities has been guaranteed by way of irrevocable letters of credit issued by its banker. At October 31, 1973 the letters of credit outstanding were $4,679,856. (1972—$4,028,804).

A second floating charge on all assets of the company has been granted to the bank as security for the foregoing.

(b) **Notes payable—$2,241,263 (1972 — $3,869,353).**

	1973	1972
Amounts deferred on servicing contracts (i)	$1,066,752	$2,594,842
Note payable on acquisition of Greater Hamilton Shopping Centre Limited (ii)	1,174,511	1,274,511
	$2,241,263	$3,869,353

(i) This amount represents deferred portions of servicing contracts and is repayable in 1974. Part of this amount is non-interest bearing, while the balance bears interest at a rate not exceeding 9% per annum.

(ii) This amount represents the balance of an unsecured note payable arising from the acquisition of Greater Hamilton Shopping Centre Limited. The note bears interest at the rate of 8½% per annum and is due as follows: $100,000 in 1974, the balance in 1975.

(c) **Mortgages on development land and improvements—$12,094,255 (1972—$8,396,994).** The development land is subject to mortgages which bear interest at an average rate of 8.1% per annum and are repayable as to principal approximately as follows:

Years ending October 31,	1974	$ 2,215,092
	1975	1,751,323
	1976	461,836
	1977	1,166,425
	1978	668,272
	1979	1,627,827
	1980	874,138
	1981	542,103
	1982	591,092
	1983	2,001,627
Subsequent to October 31,	1983	194,520
		$12,094,255

(d) **Mortgage on income producing property under construction—$900,000.** This mortgage bears interest at the rate of 8½% per annum and is repayable $100,000 on account of principal in each of the years 1975 to 1978 inclusive and the balance in 1979.

(e) **Mortgages on income producing properties—$14,610,556 (1972—$15,280,469).** The income producing properties are subject to mortgages which bear interest at an average rate of 8.0% per annum and are repayable as to principal approximately as follows:

Years ending October 31,	1974	$ 747,276
	1975	783,120
	1976	802,804
	1977	665,248
	1978	480,550
	1979	509,567
	1980	441,590
	1981	447,605
	1982	399,453
	1983	361,049
Subsequent to October 31,	1983	8,972,294
		$14,610,556

(f) **6½% Secured Sinking Fund Debentures Series A—$4,730,000 (1972—$5,072,000).** The Trust Deed under which the Series A Debentures were issued provides for the establishment of a sinking fund to retire $130,000 principal amount of Series A Debentures on February 15, in each of the years 1974 to 1990 inclusive. The balance of the principal is due February 15, 1991. The Series A Debentures are secured by a first floating charge on all the assets and by a first fixed and specific mortgage on approximately 5,403 acres of the Erin Mills lands and, subject to certain prior encumbrances, a fixed and specific mortgage on the income producing properties of Don Mills Developments Limited. The company is entitled to obtain releases of any parts of the Erin Mills lands so charged upon repayment at the rate of $1,000 per acre to the Trustee, such funds to be applied to the retirement of debentures.

Provisions of the Trust Deed restrict payment or distribution by way of dividends, redemption of shares, reduction of capital or otherwise except out of the "consolidated net earnings available for dividends" (as defined in the Trust Deed) earned subsequent to October 31, 1965 plus the net cash proceeds to the company of the issue after such date of any of its shares. The amount available for distribution as defined under the Trust Deed at October 31, 1973 is approximately $13,527,489 (1972—$9,727,990).

The Series A Debentures are redeemable at the option of the company at varying premiums to maturity. At the present time the premium is 4¼% and it decreases at the rate of ¼ of 1% per annum.

4. CAPITAL STOCK

Under the Employee Share Purchase Plan and Executive Share Purchase Plan 25,046 common shares were issued during the year for a total cash consideration of $247,550. 44,000 common shares are reserved and may, at the discretion of the directors of the company, be used to grant options to employees of the company.

5. COMMITMENTS

(a) In connection with the development of the Erin Mills lands, the company has entered into various servicing contracts, of which the unexpended portion amounts to approximately $5,020,000 at October 31, 1973.

(b) The company has contracted for the construction of industrial and commercial buildings totalling $4,000,000, the unexpended portion of which amounts to approximately $2,455,000 at October 31, 1973. The unadvanced portion of financing for such projects at October 31, 1973 is approximately $1,600,000.

(c) The subsidiary is the lessee under a ground lease which has an unexpired term of 111 years and provides for an annual rental of $63,375 until 1999 after which time the annual rental is subject to negotiation.

6. STATUTORY INFORMATION

(a) The aggregate direct remuneration of directors and senior officers as defined by The Business Corporations Act of Ontario paid by the Company for the year ended October 31, 1973 was approximately $153,000 (1972—$137,000).

(b) Total interest charges (re notes, debentures, mortgages and bank indebtedness) incurred and capitalized during 1973 amounted to $1,490,779 (1972—$1,359,816).

7. MERGER PROPOSAL

It has been proposed that the Company merge its operations with those of Cadillac Development Corporation Limited and The Fairview Corporation of Canada Limited. Such a merger would require the approval of the Company's shareholders.

Corporate information

Directors

Joseph Berman
Executive Vice-President and Director
Cadillac Development Corporation Limited

A. E. Diamond
President and Director
Cadillac Development Corporation Limited

B. I. Ghert
Vice-President Finance and Director
The Fairview Corporation of Canada Limited

C. P. Keeley
Retired, former Vice-Chairman of the Board
McLeod, Young, Weir & Company Limited

E. L. Kolber
President and Director
Cemp Investments Ltd.

D. W. Naylor
Financial and real estate consultant

G. J. Shear
Executive Vice-President and Director
Cadillac Development Corporation Limited

N. R. Wood
President and Director
The Fairview Corporation of Canada Limited

Ten Year Financial Review

	1973	**1972**	**1971**	**1970**	**1969**	**1968**
Income from operations before income taxes	**7,669**	4,826	3,018	2,609	2,504	2,755
Net income	**3,743**	2,371	1,440	1,245	1,164	1,264
Cash flow	**8,121**	5,109	3,604	2,420	2,198	1,854
Sales of land	**13,887**	8,097	4,768	414	—	1,428
Net income from sales of land	**5,796**	3,208	1,692	1,096	1,040	1,449
Gross rental income	**5,006**	4,068	3,244	3,139	3,004	2,920
Net rental income	**2,243**	1,958	1,574	1,472	1,295	1,197
Net rental cash flow	**1,921**	1,735	1,466	1,352	1,090	1,036
Total assets	**85,461**	72,834	56,992	41,923	38,702	34,449
Shareholders' equity	**27,837**	23,846	21,467	19,775	18,521	17,924
Earnings per share	**77.0¢**	49.0¢	29.8¢	25.9¢	24.3¢	26.4¢
Cash flow per share	**$1.67**	$1.06	74.5¢	50.4¢	45.8¢	38.7¢
Common shares outstanding (000's)	**4,863**	4,838	4,836	4,800	4,797	4,794

Data in thousands of dollars except where otherwise indicated. Amounts in respect of years prior to 1971 have been restated throughout this report to reflect the retroactive adoption in 1970 of the equity method of accounting for investments.

Officers

E. L. Kolber, Chairman of the Board
G. J. Shear, President
Joseph Berman, Vice-President
Gerald Sheff, Vice-President
N. R. Wood, Vice-President
Michael Warren, Secretary-Treasurer

Auditors

Touche Ross & Co., Toronto

Transfer agents and registrars for common shares

National Trust Company Limited
Toronto, Montreal, Winnipeg, Calgary and Vancouver

Montreal Trust Company
Halifax

Debenture trustee

Montreal Trust Company, Toronto

Share listing

Toronto Stock Exchange

Head office

1200 Sheppard Avenue East
Toronto, Ontario
M2K 1E3

1967	1966	1965	1964
1,867	1,220	632	315
932	600	287	141
1,509	1,117	687	362
5,615	1,200	972	117
1,075	454	257	41
2,327	1,929	1,713	1,578
907	949	631	565
748	704	590	524
33,800	30,314	26,047	20,843
17,041	16,446	15,118	12,969
19.8¢	12.7¢	6.4¢	5.6¢
32.0¢	23.7¢	15.3¢	14.5¢
4,717	4,717	4,477	2,500

Canadian Equity & Development Company Limited, 1200 Sheppard Avenue East, Toronto, Ontario M2K 1E3

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