GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2016

STRATEGY AND BUSINESS FOCUS

Genesis Land Development Corp. (“Genesis” or the “Corporation”) is a land developer and residential home builder in the Calgary Metropolitan Area (“CMA”).

Genesis reports its activities as two business segments: land development and home building. Land development acquires land and then plans, services and markets residential communities and commercial and industrial lands. Home building constructs and sells single-family homes and townhouses primarily on lands developed by the land development division.

The common shares of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol “GDC”.

OVERVIEW OF MARKET AND OPERATING RESULTS

The Alberta economy continues to be slow relative to prior years as general economic activity in Alberta is impacted due to the sharp drop in oil and natural gas prices over the last few years and is generally expected to continue to be weak for some time.

The Company has carefully controlled costs as volumes decreased and has benefited from its well-located portfolio of entitled residential and mixed-use land and the low level of serviced lot inventory in Calgary. Genesis has also benefited from its focus on the entry level and first-time move-up segments, which have been less impacted by the economic slowdown than higher value homes.

With major reductions in operating costs, a focused and creative land and home selling efforts and a strong balance sheet, Genesis has delivered profitable operations and generated significant positive cash flows. At the end of the third quarter of 2016, Genesis has reduced its debt by $25,261 from $63,819 at December 31, 2015 to $38,558 at September 30, 2016. Genesis grew its cash on hand from $11,399 at December 31, 2015 to $15,938 at September 30, 2016, resulting in a net debt position of $22,620.

Strong cost controls and selling efforts targeting the quick possession home segment resulted in home building work in progress being reduced by $7,754 from $30,768 at December 31, 2015 to $23,014 at September 30, 2016. However, the amount of home building work in progress varies based on anticipated demand, the seasonal building cycle and the type of construction being undertaken (townhouse or single-family projects). Genesis monitors its home building work in progress closely. In 2016, Genesis also renewed its focus on selling residential lots, developed townhouse sites and other lands to third parties.

The results for the nine months ended September 30, 2016 are substantially improved relative to the same period in 2015. 2016 revenues included three land parcel sales ($21,237) with no significant land parcel sales in the same period in 2015 ($100). Despite an ongoing challenging economic environment, the business is delivering strong results. General, administrative and sales expenses for the third quarter of 2016 were reduced by $1,302 to $3,388 compared to $4,690 in the third quarter of 2015, or by 27.8%. General, administrative and sales for the period ended September 30, 2016 have reduced by $1,871 to $11,706 compared to $13,577 for the same period in 2015.

The Management’s Discussion and Analysis ("MD&A") of the financial condition and results of operations of Genesis Land Development Corp. (“Genesis”, “the Corporation”, “we”, “us”, or “our”) should be read in conjunction with unaudited condensed consolidated interim financial statements and the notes thereto for three and nine months ended September 30, 2016 and 2015, prepared in accordance with International Financial Reporting Standards (“IFRS”).

The unaudited condensed consolidated interim financial statements and comparative information have been reviewed by the Corporation’s audit committee, consisting of three independent directors, and approved by the board of directors of the Corporation. Additional information, including the Corporation’s annual information form (“AIF”) and the Corporation’s MD&A for the year ended December 31, 2015 are available on SEDAR at www.sedar.com.

All amounts are in thousands of Canadian dollars, except per share amounts or unless otherwise noted. This MD&A is dated as of November 10, 2016.

CORPORATE HIGHLIGHTS

Key financial results and operating data for the Corporation are as follows:

	Three months ended September 30, [1]		Nine months ended September 30,[2]	
	2016	**2015**	**2016**	**2015**
Key Financial Data				
Total revenues	**29,240**	34,918	**87,812**	82,513
Direct cost of sales	**(22,401)**	(25,184)	**(65,136)**	(69,235)
Gross margin	**6,839**	9,734	**22,676**	13,278
Earnings (loss) before income taxes	**2,746**	4,861	**8,872**	(1,631)
Net earnings attributable to equity shareholders	**2,184**	4,256	**7,122**	5,649
Net earnings per share – basic and diluted	**0.05**	0.09	**0.16**	0.12
Cash flows from (used in) operating activities	**10,060**	8,919	**36,723**	(11,132)
Cash flows from (used in) operating activities per share – basic and diluted	**0.23**	0.20	**0.85**	(0.25)
Key Operating Data				
Residential lots sold to third parties (units)	**24**	13	**46**	19
Residential lots sold through home building business segment (units)	**22**	32	**93**	74
Development land sold (acres)	**7**	-	**1,674**	4
Average revenue per lot sold	**196**	160	**187**	175
Homes sold (units)	**28**	67	**110**	158
Average revenue per home sold	**537**	484	**534**	498
New home orders (units)	**38**	38	**112**	99

	As at September 30,	
	2016	**2015**
Homes (with lots) subject to firm sale contracts (units)	**65**	78

	As at Jun. 30,	As at Dec. 31,
Key Balance Sheet Data	**2016**	**2015** [3]
Cash and cash equivalents	**15,938**	11,399
Total assets	**302,424**	331,045
Loans and credit facilities	**38,558**	63,819
Total liabilities	**77,644**	106,054
Shareholders' equity	**217,995**	212,125
Total equity	**224,780**	224,991
Loans and credit facilities ("Debt") to total assets	**13%**	19%

[1] Three months ended September 30, 2016 and 2015 ("Q3 2016" and "Q3 2015")
[2] Nine months ended September 30, 2016 and 2015 ("YTD 2016" and "YTD 2015")
[3] Year ended December 31, 2015 ("YE 2015")

Highlights

Volumes and Revenue:

- The Land division:
  - Sold a 7 acre development land parcel to the City of Calgary in Q3 2016 with revenues of $9,437 (Q3 2015 – Nil).
  - Sold 46 lots during Q3 2016 compared to 45 lots during Q3 2015.
- The Genesis home building division:
  - Sold 28 homes in Q3 2016 with revenues of $15,051 (Q3 2015 – 67 and $32,448 respectively). Of the 28 homes, 22 were built on residential lots supplied by Genesis, generating residential lot revenues of $4,267 (Q3 2015 – 32 and $4,739 respectively), which is included in the revenues of the home building division.
  - New home orders were 38 during Q3 2016 compared to 38 in Q3 2015. YTD new home orders were 112 during 2016 compared to 99 in 2015.
  - The Q3 2016 closing order book of 65 firm home sales contracts compares to 78 firm home sales contracts at the close of Q3 2015. This year over year decline is believed to be due to home buyers preferring homes that can be delivered on a quick possession basis. Genesis has been successful in delivering quick possession homes in sufficient volumes to offset the decline in pre-construction sales orders.

Net Earnings:

- Net earnings were $2,184 for Q3 2016 compared to $4,256 in Q3 2015 and $7,122 for YTD 2016 compared to $5,649 for YTD 2015.
- Net earnings for the three and nine months ended September 2016 were impacted by a $3,293 write-down of a single parcel of undeveloped non-core land located in Alberta (2015 - Nil and $11,261).

Cash Flows from Operating Activities:

- Cash inflows from operating activities on a quarterly basis were $10,060 (inflows of $0.23 per share) at Q3 2016 compared to cash inflows of $8,919 (inflows of $0.20 per share) at Q3 2015. Cash inflows from operating activities were $36,723 (inflows of $0.85 per share) YTD compared to cash outflows of $11,132 (outflows of $0.25 per share) at Q3 2015. This is a positive year-over-year increase of $47,855.

Loans and credit facilities:

- Loans and credit facilities at September 30, 2016 were $38,558, compared to $63,819 at December 31, 2015, a reduction of $25,261. This includes payment of the first $8,000 installment on the $40,000 VTB paid in January 2016.
- The components of loans and credit facilities related to land servicing and home building (excluding the vendor-take-back mortgage and a loan held by a limited partnership) amount to $2,068 as at September 30, 2016 which is a reduction of $2,777 since June 30, 2016 and $19,305 since December 31, 2015.
- Refer to note 4 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 and 2015 which analyzes the components.

Continued cost reductions:

- Genesis continues to review its business with a focus on cost reductions and improving operational efficiency.

Special cash dividend:

- On November 10, 2016, Genesis' Board of Directors approved the payment of a special cash dividend of $0.25 per common share for a total of approximately $10,900 payable in December 2016.

Results of Operations

The following factors affect the results of operations, particularly in land development:

1. The development and sale of residential lots and development land occurs over a substantial period of time which creates volatility in the revenues, earnings and cash flows from operating activities.
2. Land and lot prices and gross margins vary by community based on the nature of the development work to be undertaken before the land and lots are ready for sale, and for how long the Corporation has owned the land.
3. Developed lots sold to Genesis' home building business segment defer the related revenues and earnings from those lots until the sale of the home and lot.
4. Seasonality results in higher lot and home building revenues in the summer and fall months when home building sales closings peak.

Land Development

	Three months ended September 30,			Nine months ended September 30,		
	2016	**2015**	**% change**	**2016**	**2015**	**% change**
Key Financial Data						
Residential lot sales[1]	**9,019**	7,209	25.1%	**26,005**	16,273	59.8%
Development land sales	**9,437**	-	N/R[4]	**21,237**	100	N/R[4]
Direct cost of sales	**(10,791)**	(3,685)	192.8%	**(30,473)**	(7,556)	N/R[4]
Gross margin	**7,665**	3,524	117.5%	**16,769**	8,817	90.2%
Gross margin (%)[2]	**41.5%**	48.9%		**35.5%**	53.9%	
Write-down of real estate held for development and sale	**(3,293)**	-	N/R[4]	**(3,293)**	(11,261)	(70.8%)
Equity income from joint venture	**22**	797	(97.2%)	**108**	1,569	(93.1%)
Other expenses[3]	**(2,341)**	(2,695)	(13.1%)	**(6,912)**	(7,789)	(11.3%)
Earnings (loss) before taxes	**2,053**	1,626	26.3%	**6,672**	(8,664)	N/R[4]
Key Operating Data						
Residential lots sold to third parties	**24**	13	84.6%	**46**	19	142.1%
Residential lots sold through home building business segment	**22**	32	(31.3%)	**93**	74	25.7%
Total residential lots sold	**46**	45	2.2%	**139**	93	49.5%
Development land sold (acres)	**7**	-	N/R[4]	**1,674**	4	N/R[4]
Average revenue per lot sold	**196**	160	22.5%	**187**	175	6.9%
Average revenue per acres sold	**1,350**	-	N/R[4]	**13**	23	(43.5%)

[1] Includes residential lot sales to third parties and to the home building business segment and other revenue
[2] Gross margin amount divided by the sum of residential lot sales and development land sales
[3] Other expenses includes general and administrative, selling and marketing and net finance expense
[4] Not reflective due to percentage increase

Gross margin by source of revenue

	Three months ended September 30,		Nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Residential lot sales[(1)]	**9,019**	7,209	**26,005**	16,273
Direct cost of sales	**(4,855)**	(3,685)	**(13,855)**	(7,317)
Gross margin	**4,164**	3,524	**12,150**	8,956
Gross margin (%)	**46.2%**	48.9%	**46.7%**	55.0%
Development land sales[(2)]	**9,437**	-	**21,237**	100
Direct cost of sales	**(5,936)**	-	**(16,618)**	(239)
Gross margin	**3,501**	-	**4,619**	(139)
Residential lot and development land gross margin	**7,665**	3,524	**16,769**	8,817

(1) Includes other revenue
(2) Includes rebate of $100 on early closing of the 14 acre development land parcel

Volumes and Revenues

Revenues were higher for Q3 2016 and YTD 2016 compared to the same periods in 2015 due to higher volumes of residential lot sales made to third parties and through the home building business segment. In addition, a 14 acre multi-family site in Airdrie was sold in the first quarter of 2016 for $10,150, a 1,653 acre non-core land parcel in British Columbia was sold in the second quarter of 2016 for $1,650 and a 7 acre development land parcel in Calgary was sold in Q3 2016 to the City of Calgary for $9,437.

Residential lots are sold to the home building business segment at market prices.

The change in gross margin percentages for single-family lots relates to the mix of sales by community as the gross margin percentage on residential lots typically varies by community, based on the nature of the development work to be undertaken before the lots are ready for sale and how long the Corporation has owned the land.

The 14 acre sale transaction for $10,150 involved one of the Genesis limited partnerships in which the parent company owned 10% of the units and therefore received 10% of the net proceeds. The details of the amounts attributed to each of Genesis and the limited partnership are explained in note 3 in the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 and 2015. The transaction closed in June 2016.

Equity income from joint venture

The community developed by the joint venture is complete and activity and operations will be nominal in future years as the joint venture is wound down and the future development cost liability is settled. The joint venture continues to incur general and administrative expenses during this period. Homes built on joint venture lots by the home building business segment result in Genesis recognizing deferred gains and deferred margins. The home building business segment recorded 1 home sale on a lot purchased from the joint venture in Q3 2016 compared to 30 homes in Q3 2015 and sold 7 homes in YTD 2016 compared to 56 homes in YTD 2015.

Write-down of real estate held for development and sale

Genesis took a write-down of $3,293 during the three and nine months ended September 30, 2016 (2015 - Nil and $11,261) due to indications that the market value of a single parcel of undeveloped non-core land located in the Alberta was lower than its net book value.

Other expenses

Other expenses were lower for Q3 2016 and YTD 2016 compared to the same periods in 2015. The restructuring at the end of the first quarter of 2016 resulted in significant reductions in corporate administration, compensation, net finance and selling and marketing expenses during Q3 2016. These decreases were partially offset by sales commissions incurred on the sale of the three development land parcels.

Home Building

	Three months ended September 30,			Nine months ended September 30,		
	2016	**2015**	**% change**	**2016**	**2015**	**% change**
Key Financial Data						
Revenues[(1)]	**15,051**	32,448	(53.6%)	**58,793**	78,778	(25.4%)
Direct cost of sales	**(12,584)**	(26,864)	(53.2%)	**(49,593)**	(64,965)	(23.7%)
Gross margin	**2,467**	5,584	(55.8%)	**9,200**	13,813	(33.4%)
Gross margin (%)	**16.4%**	17.2%		**15.6%**	17.5%	
Other expenses[(2)]	**(1,774)**	(2,975)	(40.4%)	**(7,000)**	(8,689)	(19.4%)
Earnings before taxes	**693**	2,609	(73.4%)	**2,200**	5,124	(57.1%)
Key Operating Data						
Homes sold (single-family units)	**28**	67	(58.2%)	**110**	158	(30.4%)
Average revenue per single-family home sold	**537**	484	11.0%	**534**	498	7.2%
New home orders (units)	**38**	38	0%	**112**	99	13.1%
Homes (with lots) subject to firm sales contracts (units)				**65**	78	(16.7%)

(1) Revenues include residential home sales and other revenue
(2) Other expenses includes general and administrative, selling and marketing and net finance expense

Volumes and revenues

The decrease in revenue for Q3 2016 and YTD 2016 compared to the same periods in 2015 is due to lower volumes. This decrease is partially offset by higher average revenue per home sold, as set out in the table above.

New home orders were flat at 38 for each of Q3 2016 and Q3 2015. New home orders for YTD 2016 increased to 112 compared to 99 in YTD 2015.

Genesis builds homes either after receiving a firm sale contract or on a quick possession basis. Quick possession homes are built in advance of receiving a firm sale contract to meet the market demand from those buyers seeking quick possession. Genesis has seen an increase in quick possession closings (20 in Q3 2016 compared to 17 in Q3 2015 and 56 in YTD 2016 compared to 29 in YTD 2015) and a decline in pre-construction sales closings (8 in Q3 2016 compared to 50 in Q3 2015 and 54 in YTD 2016 compared to 129 in YTD 2015). The year over year closing book of firm sales contracts also reflects this shift (65 at September 30, 2016 compared to 78 at September 30, 2015).

Townhouse Sites Listed for Sale

Genesis has listed four large townhouse sites for sale resulting in certain early stage planning costs amounting to $992 being expensed in YTD 2016.

Other expenses

Other expenses for the home building division decreased by 40.4% for Q3 2016 compared to Q3 2015 and by 19.4% for YTD 2016 compared to YTD 2015. These decreases were achieved due to the restructuring in March 2016 resulting in savings in corporate administrative expenses, compensation and benefits, finance expense and advertising expenses.

Finance Expense

	Three months ended September 30,			Nine months ended September 30,		
	2016	**2015**	**% change**	**2016**	**2015**	**% change**
Interest incurred	**202**	316	(36.1%)	**799**	993	(19.5%)
Finance expense relating to VTB[1]	**546**	657	(16.9%)	**1,638**	1,975	(17.1%)
Financing fees amortized	**75**	58	29.3%	**224**	519	(56.8%)
Interest and financing fees capitalized	**(88)**	(39)	125.6%	**(402)**	(521)	(22.8%)
	735	992	(25.9%)	**2,259**	2,966	(23.8%)

[1] Vendor-take-back mortgage ("VTB") related to southeast lands acquisition

The imputed rate on the VTB (which has a 0% face rate) is 8%. Interest expense on the VTB in 2016 is less than in 2015 following payment of the first installment of $8,000 in January 2016.

The weighted average interest rate of loan agreements with various financial institutions was 6.57% (YE 2015 – 4.75%) based on September 30, 2016 balances.

The weighted average interest rate of loan agreements was 4.09% (YE 2015 – 3.82%), based on Q3 2016 balances after excluding $8,531 of debt relating to a limited partnership. This loan is guaranteed by Genesis and secured by lands held by the limited partnership.

SEGMENTED BALANCE SHEET

	September 30, 2016						December 31, 2015
	Land Development						
	Genesis	**LPs**	**Intra-segment eliminations**	**Home Building**	**Inter-segment Eliminations**	**Consolidated**	**Consolidated**
Assets							
Real estate held for development and sale	195,858	39,312	(4,194)	23,227	(213)	**253,990**	288,291
Amounts receivable	20,466	521	-	129	-	**21,116**	17,234
Cash and cash equivalents	14,276	412	-	1,250	-	**15,938**	11,399
Other assets	39,206	206	(24,693)	2,996	(6,335)	**11,380**	14,121
Total assets	269,806	40,451	(28,887)	27,602	(6,548)	**302,424**	331,045
Liabilities							
Loans and credit facilities	28,767	8,502	-	1,289	-	**38,558**	63,819
Provision for future development costs	19,573	-	-	1,113	-	**20,686**	18,926
Other liabilities[1], [2]	14,073	26,665	(26,538)	10,535	(6,335)	**18,400**	23,309
Total liabilities	62,413	35,167	(26,538)	12,937	(6,335)	**77,644**	106,054
Net assets	**207,393**	**5,284**	**(2,349)**	**14,665**	**(213)**	**224,780**	224,991

[1] Other liabilities under the home building business segment includes $4,216 (December 31, 2015 - $9,095) due to the land development segment related to land and lot purchases, overhead costs and general and administrative expenses.

[2] Other liabilities under the LPs segment is comprised of $26,908 (December 31, 2015 - $26,704) of accounts payable and accrued liabilities due to Genesis.

LIQUIDITY AND CAPITAL RESOURCES

Genesis has significantly reduced its debt, has 65 homes (with lots) subject to firm sale contracts at the end of Q3 2016, and a portfolio of entitled land. Genesis commenced a normal course issuer bid ("NCIB") in 2015 and renewed it in 2016. During the nine months ended September 30, 2016, 515,618 common shares (1.16% of common shares outstanding at the beginning of the year) had been purchased and cancelled under the NCIB for a total cost of $1,328 (average $2.58 per share).

	September 30,	December 31,	
	2016	**2015**	**% change**
VTB	**27,959**	34,321	(18.5%)
Other loans and credit facilities	**2,068**	21,373	(90.3%)
Loan relating to a limited partnership	**8,531**	8,125	5.0%
Total loans and credit facilities	**38,558**	63,819	(39.6%)
Total liabilities to equity [(1)]	**35%**	47%	
Loans and credit facilities ("Debt") to total assets	**13%**	19%	

[(1)] Calculated as total liabilities divided by total equity

Genesis regularly reviews credit facilities and manages requirements in accordance with project development plans and operating requirements. Genesis and its subsidiaries were in compliance with all covenants currently and at all period ends.

Real Estate Held for Development and Sale

	September 30,	December 31	
	2016	**2015**	**% change**
Real estate held for development and sale	**315,442**	351,397	(10.2%)
Provision for write-downs	**(61,452)**	(63,106)	(2.6%)
	253,990	288,291	(11.9%)

Real estate held for development and sale decreased by $34,301 at Q3 2016 compared to YE 2015. This reduction in land inventory was due to the sale of three development land parcels with a net carrying value of $16,623, the $3,293 write-down of a single parcel of undeveloped non-core land located in Alberta, the sale of residential lots through the home building division and to third party builders and the sale of residential homes. This decrease was partially offset by land development and home building development activities. Refer to note 3 in the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 and 2015 which details gross book value, provision for write-downs and net book value of real estate held for development and sale.

The following tables present Genesis' real estate held for development and sale, and estimated equivalent of single-family lots, townhouse/multi-family units and commercial acreages as at September 30, 2016.

	Land under development			Land held for future development		Total		
Land development segment	**Net carrying value**	**Acres[(1)]**	**Lots**	**Net carrying value**	**Acres[(1)]**	**Net carrying value**	**Acres[(1)]**	**Lots**
Residential								
Airdrie[(2)]	34,975	169	245	8,588	90	43,563	259	245
Calgary NW[(3)]	30,501	34	86	-	-	30,501	34	86
Calgary NE[(4)]	11,509	4	132	5,795	33	17,304	37	132
Calgary SE[(5)]	-	-	-	44,270	349	44,270	349	-
	76,985	**207**	**463**	**58,653**	**472**	**135,638**	**679**	**463**
Mixed use[(6)]	46,890	64	-	4,020	312	50,910	376	-
Other assets[(7)] – non-core	-	-	14	9,310	1,810	9,310	1,810	14
Total land development segment	**123,875**	**271**	**477**	**71,983**	**2,594**	**195,858**	**2,865**	**477**
Home building business segment[(8)]						**23,014**	**-**	**17**
Total land and home building segments						**218,872**	**2,865**	**494**
Limited Partnerships[(9)]						35,118	2,373	-
Real estate held for development and sale						**253,990**	**5,238**	**494**

		Developed Lots	To be Developed - Estimated Equivalent			Total
	Acres[(1)]	**Single-family** (units)	**Single-family** (lots)	**Townhouse/multi-family** (units)	**Commercial** (acres)	**Single- and townhouse/multi-family** (units)
Residential						
Airdrie[(2)]	259	245	1,631	162	-	2,038
Calgary NW[(3)]	34	86	121	1,869	2	2,076
Calgary NE[(4)]	38	132	226	78	-	436
Calgary SE[(5)]	349	-	1,984	-	-	1,984
	680	**463**	**3,962**	**2,109**	**2**	**6,534**
Mixed use[(6)]	**376**	**-**	**-**	**2,650**	**312**	**2,650**
Other assets[(7)] – non-core	**1,810**	**14**	**1,867**	**-**	**-**	**1,881**
Total land development segment	**2,866**	**477**	**5,829**	**4,759**	**314**	**11,065**
Home building business segment	-	**17**	-	-	-	**17**
Total land and home building segments	**2,866**	**494**	**5,829**	**4,759**	**314**	**11,082**
Limited Partnerships[(9)]	2,373	-	2,621	606	441	3,227
Real estate held for development and sale	**5,239**	**494**	**8,450**	**5,365**	**755**	**14,309**

[(1)] Acres comprises townhouse/multi-family, commercial acres and land not yet subdivided into single-family lots
[(2)] Airdrie comprises the communities of Bayside, Bayview and Canals
[(3)] Calgary NW comprises the community of Sage Meadows
[(4)] Calgary NE comprises the community of Saddlestone
[(5)] Calgary SE comprises southeast lands acquired in 2015
[(6)] Mixed use comprises North Conrich and Sage Hill Crossing
[(7)] Other assets are non-core and actively being marketed for disposal. These assets represent 4.8% (YE 2015 – 6.6%) of Genesis' land portfolio with a carrying value of $9,310 (YE 2015 - $14,113).
[(8)] Housing projects under development comprise $3,405 in lots and $19,609 of work-in-progress.
[(9)] Comprises land held for future development and land under development. Net of intra-segment eliminations of $4,194.

The following tables present the continuity of the each segment's residential lot supply for the period ended September 30, 2016:

Land Development

Project	Lots at Jan. 1, 2016	Additions made during 2016	Sold to third-party builders	Sold to Home Building	Lots at September 30, 2016
Airdrie					
Bayside and Bayview	300	-	(42)	(22)	236
Canals	10	-	-	(1)	9
	310	-	(42)	(23)	245
Calgary NW					
Sage Meadows	90	-	(4)	-	86
Calgary NE					
Saddlestone	120	82	-	(70)	132
Brooks (non-core)	14	-	-	-	14
Total	534	82	(46)	(93)	477

Home Building

Project	Lots at January 1, 2016	Lots purchased in 2016	Homes sold in 2016	Lots at September 30, 2016	Price range of homes sold
Airdrie					
Bayside and Bayview	3	22	(22)	3	$413-$607
Canals	-	1	(1)	-	$611-$611
	3	23	(23)	3	$413-$611
Calgary NW					
Evansridge	22	-	(9)	13	$486-$574
Kinwood	9	-	(8)	1	$458-$607
	31	-	(17)	14	$458-$607
Calgary NE					
Saddlestone	-	70	(70)	-	$360-$736
Total	**34**	93	**(110)**	**17**	$360-$736

Amounts Receivable

	September 30, 2016	December 31, 2015	% change
Amounts receivable	**21,116**	17,234	22.5%

Genesis generally retains title to lots and homes until full payment is received in order to mitigate credit exposure. The increase of $3,882 in amounts receivable is mainly due to the timing of residential lot sales and closings, the timing of which affects the Corporation's amounts receivable. As of September 30, 2016 the Corporation had 107 lots or $16,779 receivable compared to 83 lots or $13,512 receivable as at December 31, 2016, a change of $3,267.

Cash Flows from Operating Activities

	Three months ended September 30,		Nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Cash flows from (used in) operating activities	**10,060**	8,919	**36,723**	(11,132)
Cash flows from (used in) operating activities per share – basic and diluted	**0.23**	0.20	**0.85**	(0.25)

The $47,855 year over year increase in cash flows from operating activities consists of the following:

Lower cash outflows from home building activity	23,988
Higher cash inflows from residential lot and development land sales	15,292
Lower cash outflows for land servicing	12,041
Lower cash outflows for land acquisition	10,000
Lower cash outflows for income tax installments	4,430
Lower cash outflows for other operating costs	2,308
Lower cash inflows from sale of residential homes	(18,838)
Lower other cash receipts	(1,366)
Total change in cash flows	47,855

Lower cash outflows for home building activity was partially due to reducing the investment in home building inventory from $30,768 at December 31, 2015 to $23,014 at September 30, 2016. This inventory reduction is partly the result of the drive for efficiency and effectiveness of the Corporation.

Higher cash inflows from residential lot and development land sales was due to larger number of residential lot sales as well as the sale of three development land parcel sales during 2016 compared to 2015.

Large cash outflows for land servicing in 2015 contributed to the 534 lots at December 31, 2015 set out in the land development table on page 10 of this MD&A and also included a significant portion of the costs for the 82 lots added during 2016. This explains most of the lower cash outflows for land servicing between YTD 2016 and YTD 2015 and again is a component of the drive for efficiency and effectiveness of the Corporation.

YTD 2015 cash outflows included $10,000 for the acquisition of 349 acres in SE Calgary listed in the table on page 9 of this MD&A and which was classified as an operating activity. The balance of the cost of that acquisition was financed by the VTB loan listed in the Liquidity and Capital Resources table of this MD&A. An $8,000 payment on the VTB loan made in YTD 2016 was classified as a financing activity.

Lower cash inflows from the sale of residential homes are consistent with the lower volumes.

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity:

	September 30,		December 31,	
	2016	**% of Total**	**2015**	**% of Total**
Loans and credit facilities	**38,558**	**13%**	63,819	19%
Customer deposits	**2,424**	**1%**	3,820	1%
Accounts payable and accrued liabilities	**15,873**	**5%**	19,219	6%
Provision for future development costs	**20,686**	**7%**	18,926	6%
Income taxes payable	**103**	**-**	270	-
Total liabilities	**77,644**	**26%**	106,054	32%
Non-controlling interest	**6,785**	**2%**	12,866	4%
Shareholders' equity	**217,995**	**72%**	212,125	64%
	302,424	**100%**	331,045	100%

Loans and Credit Facilities

The change in the loans and credit facilities of Genesis and a limited partnership were as follows:

	September 30, 2016	**December 31, 2015**
Balance, beginning of period – excluding VTB	**29,498**	23,892
Balance, beginning of period VTB – for land acquisition	**34,321**	34,321
Advances for land development and home building	**30,059**	45,524
Repayments from the proceeds of land and home sales	**(57,111)**	(42,719)
Interest and financing fees incurred	**2,215**	4,276
Interest and financing fees paid	**(424)**	(1,475)
Balance, end of period	**38,558**	63,819

The following is a summary of drawn and outstanding loan and credit facility balances as at Q3 2016 and as at the end of the previous four quarters:

	Q3 2016	**Q2 2016**	**Q1 2016**	**Q4 2015**	**Q3 2015**
Vendor-take-back mortgage	27,959	27,413	26,867	34,321	33,663
Land loans	1,004	1,410	9,807	16,609	90
Land loan relating to a limited partnership	8,531	8,325	8,125	8,125	7,850
Home building loans	1,344	2,148	3,670	5,194	5,545
Demand operating line	-	1,580	-	-	-
	38,838	40,876	48,469	64,249	47,148
Unamortized deferred financing fees	(280)	(293)	(361)	(430)	(80)
Balance, end of period	38,558	40,583	48,108	63,819	47,068

Total liabilities to equity follows:

	September 30, 2016	December 31, 2015
Total liabilities	**77,644**	106,054
Total equity	**224,780**	224,991
Total liabilities to equity(1)	**35%**	47%

(1) Calculated as total liabilities divided by total equity

Genesis has four land project loan facilities authorized for $53,181. Interest on these facilities ranges from prime + 0.75% to prime + 1.25% per annum and draws on these facilities can be made as land development activities progress. $1,004 was drawn against these facilities as at September 30, 2016 (YE 2015 - $16,609).

In addition, Genesis has a demand operating line of credit of up to $10,000 for general corporate purposes at an interest rate of prime + 1% per annum. The outstanding balance on this facility was $Nil as at September 30, 2016 (YE 2015 - Nil).

The home building business segment has a demand operating line of $6,500 at an interest rate of prime +1.5% per annum. The amount drawn on this facility as at September 30, 2016 was Nil (YE 2015 - $1,427). In addition, a capital project loan at an interest rate of prime +1.5% per annum is also available to the home building business segment with $1,344 drawn as at September 30, 2016 (YE 2015 - $3,767).

Genesis assumed a VTB on the purchase of the southeast lands in January 2015. The VTB has an outstanding balance of $32,000 with an unamortized discount of $4,041 as at September 30, 2016 (YE 2015 – $40,000 and $5,679 respectively) and is payable in four equal installments of $8,000 in January of each of 2017 through 2020..

Genesis guarantees an $8,531 loan (YE 2015 - $8,125) relating to a limited partnership bearing interest at the greater of 7.25% or prime + 3% per annum. The loan is secured by lands held by the limited partnership.

Genesis has various covenants in place with its lenders with respect to certain contracted credit facilities. Such covenants include credit usage restrictions; cancellation, prepayment, confidentiality and cross default clauses; sales coverage requirements; conditions precedent for funding; and other general understandings such as, but not limited to, maintaining contracted lot prices, restrictions on encumbrances, liens and charges, material changes to project plans, and material changes in the Corporation's ownership structure. In addition, the home building business segment has a secured revolving operating line repayable on demand to be used for home construction and the acquisition of serviced lots. This line has a financial covenant requiring that Genesis Builders Group Inc. maintain a net worth of at least $11,500 at all times. Net worth is defined by the lender as "Retained Earnings plus Shareholders Loans plus Due to Related Parties (excluding lot payables to related parties) minus Due from Related Parties". Genesis and its subsidiaries were in compliance with all covenants at Q3 2016 and at YE 2015. Loans and credit facilities are used primarily to finance the costs of developing land, building houses and for land purchases, in certain circumstances.

Genesis has sufficient liquidity from its cash flows from operating activities, supplemented by credit facilities, to meet the above liabilities as they become due. Genesis regularly reviews credit facilities and manages requirements in accordance with project development plans and operating requirements.

Provision for Future Development Costs

Genesis sells lots and homes for which it is responsible to pay for future development costs known as "costs-to-complete". For the home building business segment, costs-to-complete estimates are the costs likely to be incurred on seasonal work and estimated warranty charges over the one year warranty period. For the land segment, provision for future development costs represents the remaining costs expected to be incurred for each project phase currently under development in proportion to the amount of such phase that has been recognized in revenue. The provision includes all direct construction costs and indirect costs expected to be incurred during the remainder of the construction period net of expected recoveries of certain development costs. The cost of the remaining development work is recognized as a liability when the related revenue is recognized.

Provision for future development costs were $19,573 and $1,113 for the land and home building business segments respectively at September 30, 2016 an increase of $1,760 over YE 2015 amounts of $17,064 and $1,862 for the land and home building business segments respectively. This change was due to normal sales activity in land and in home building and the increase was partially offset by completion of previously recognized cost-to-complete liabilities on residential lots and on residential homes.

Income Tax Payable

The changes in income tax (recoverable) payable are as follows:

	September 30, 2016	December 31, 2015
Balance, beginning of period	**270**	4,433
Provision for current income tax	**3,588**	5,671
Net payments	**(3,755)**	(9,834)
Balance, end of period	**103**	270

The decrease in income tax payable is due to net payments made during 2016.

Shareholders' Equity

As at November 10, 2016, the Corporation had 43,755,522 common shares issued and outstanding. The Corporation terminated its stock option plan on March 22, 2016 and all 550,000 outstanding options to acquire common shares of Genesis were cancelled effective June 30, 2016.

In September 2015, Genesis initiated a normal course issuer bid ("NCIB") to purchase and cancel up to 2,246,310 common shares which was 5% of Genesis's issued and outstanding Common Shares as at September 3, 2015. On September 7, 2016, the Corporation announced the renewal of its NCIB. The renewed NCIB commenced on September 12, 2016 and terminates on the earlier of (i) September 11, 2017; and (ii) the date on which the maximum number of common shares are purchased pursuant to the bid. The Corporation may purchase for cancellation up to 2,194,320 common shares under the renewed NCIB.

	Three months ended September 30,		Nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Number of shares purchased and cancelled	**152,518**	249,100	**515,618**	249,100
Total cost	**435**	768	**1,328**	768
Average price per share purchased	**2.84**	3.08	**2.58**	3.08
Beginning of period	**Jun 30, 2016**	Jun 30, 2015	**Jan 1, 2016**	Jan 1, 2015
Shares cancelled as a % of common shares outstanding at beginning of period	**0.35%**	0.56%	**1.16%**	0.56%

The Corporation repurchased for cancellation an additional 33,006 common shares for $96 between October 1, 2016 and November 10, 2016. As of the date of this MD&A, there are 2,141,696 common shares remaining for purchase under the NCIB.

Return on equity, calculated on a rolling 12 month basis, was 5.8% as at Q3 2016 (YE 2015 – 5.2%). Return on equity is calculated by dividing net earnings by average shareholders' equity.

Contractual Obligations and Debt Repayment

Contractual obligations excluding accounts payable, accrued liabilities, income taxes payable, customer deposits and provision for future development costs, at the end of Q3 2016 were as follows:

	Loans and Credit Facilities[1]	Naming Rights	Lease Obligations	Total
Current	17,706	700	792	**19,198**
July 2017 to June 2018	8,241	500	59	**8,800**
July 2018 to June 2019	6,688	500	22	**7,210**
July 2019 and thereafter	6,203	1,000	-	**7,203**
Current	38,838	2,700	873	**42,411**

[1] *Excludes deferred financing fees*

Genesis has entered into a memorandum of understanding with the Northeast Community Society, whereby the Corporation will contribute $5,000 over 10 years for 25-year naming rights to "Genesis Centre for Community Wellness", a recreation complex in northeast Calgary ($500 each year, terminating in 2021). The first five installments totaling $2,500 were paid up to and through to the end of September 2016.

Genesis has entered into an agreement with the City of Airdrie, whereby the Corporation will contribute $2,000 over 10 years for 40-year naming rights to "Genesis Place", a recreation complex in the city of Airdrie ($200 each year, terminating in 2017). The first nine installments totaling $1,800 were paid up to and through to the end of September 2016.

Genesis' lease agreement with Morguard Real Estate Investment Trust ("Morguard") for Genesis' office commenced on August 1, 2012 and terminates on July 31, 2017. The basic rent per annum was $349 in the first year, which increases progressively to $426 in the fifth year. The lease includes an option in favor of Genesis to extend the term for an additional five-year period at market rent. Genesis also has other minor operating leases.

As a normal part of business, Genesis has entered into arrangements and incurred obligations that will impact future operations and liquidity, some of which are reflected as short-term liabilities and commitments in note 6 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 and 2015.

Current Contractual Obligations

	September 30, 2016	December 31, 2015
Loans and credit facilities, excluding deferred financing fees	**17,706**	13,184
Accounts payable and accrued liabilities	**15,873**	19,219
Total short-term liabilities	**33,579**	32,403
Commitments[1]	**1,492**	1,708
	35,071	34,111

[1] *Commitments comprise naming rights and lease obligations.*

At the end of Q3 2016, Genesis had obligations due within the next 12 months of $35,071, of which $17,706 related to loans and credit facilities. Repayment is either (i) linked directly to the collection of lot receivables and sales proceeds; or (ii) due at maturity. Management is confident that Genesis has the ability to continue to renew or repay its financial obligations as they come due.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit

Genesis has an ongoing requirement to provide irrevocable letters of credit to municipalities as part of the sub-division plan registration process. At Q3 2016, these letters of credit totalled approximately $4,438 (YE 2015 - $6,309).

Lease Agreements

Genesis has certain lease agreements that are entered into in the normal course of operations. All leases are treated as operating leases and lease payments are included in general and administrative expenses. No asset value or liability has been assigned to these leases in the balance sheet as at Q3 2016 and YE 2015. In the event the lease for the office building is terminated early, Genesis is liable to pay to Morguard for the loss of its income for the unexpired portion of the lease, in addition to damages and other expenses incurred by Morguard, if any.

SUMMARY OF QUARTERLY RESULTS

	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Revenues	29,240	26,148	32,424	36,575	34,918	31,822	15,773	28,509
Net earnings(1)	2,184	2,828	2,110	5,365	4,256	1,333	60	2,858
EPS(2)	0.05	0.06	0.05	0.13	0.09	0.03	0.00	0.07

(1) Net earnings attributable to equity shareholders
(2) Net earnings per share - basic and diluted

During the third quarter of 2016, Genesis sold 24 residential lots to third parties, a 7 acre development land parcel for $9,437 and 28 homes (all single-family). The development land parcel sale and higher residential lot sales resulted in higher revenues in the third quarter of 2016 compared to the second quarter of 2016, but this was partially offset by the lower residential home revenues. Genesis also had a write-down $3,293 related to of a single parcel of undeveloped non-core land located in Alberta.

During the second quarter of 2016 (“Q2 2016”), Genesis sold 22 residential lots to third parties, a 1,653 acre non-core development land parcel for $1,650 and 40 homes (all single-family). During Q2 2016, Genesis also incurred $992 of cost of sales expense relating to townhouse projects that were not going to proceed. These were the main factors resulting in lower net earnings and EPS during Q3 2016 compared to Q2 2016.

During the first quarter of 2016 (“Q1 2016”), Genesis sold no residential lots to third parties, sold a development land parcel and 42 homes (all single-family). During the fourth quarter of 2015, the joint venture in which Genesis is a 50% partner, sold a multi-family land parcel for which Genesis realized a deferred gain of $1,184. Genesis also realized deferred gains from the sale of 10 single family lots and its share of net income from the joint venture in the fourth quarter of 2015. There was no corresponding multi-family land sale in Q1 2016, and Genesis realized deferred gain from five single-family lots during Q1 2016. These factors results in lower net earnings and EPS during Q1 2016 compared to the fourth quarter of 2015.

During the fourth quarter of 2015 (“Q4 2015”), Genesis sold 50 residential lots to third parties, 51 homes (39 single-family and 12 townhouses) and a non-core development land parcel.

During the third quarter of 2015 Genesis sold 13 residential lots and 67 homes (56 single-family and 11 townhouses).

During the second quarter of 2015, net earnings were affected by a write-down of real estate held for development and sales.

During the first quarter of 2015, revenues and net earnings were low due to lower residential lot and residential home sales.

In general, net earnings are mainly affected by the volume of residential lot and home sales, development land parcels sales, and write-downs or recoveries, if any. Seasonality affects the land development and home building industry in Canada, particularly as a result of winter weather conditions. Refer to the Results of Operations section of this MD&A which discusses the factors that affect Genesis’ results and seasonality further.

RELATED PARTY TRANSACTIONS

Transactions occurred in the three and nine months ended September 30, 2016 with the following related parties:

1. Underwood Capital Partners Inc. ("Underwood") - controlled by an officer and director, Stephen J. Griggs
2. Smoothwater Capital Corporation ("Smoothwater") – a significant shareholder of Genesis and Stephen J. Griggs serves as CEO

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Paid to Underwood for the services of Stephen J. Griggs as interim CEO	65	-	288	-
Reimbursement of travel and other costs incurred by the two entities	12	-	40	-
	77	-	328	-

CONSOLIDATED ENTITIES

The Corporation is the general partner in four limited partnership arrangements and a 50% partner in a joint venture. Refer to note 10 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 and 2015 for summarized financial information concerning the joint venture. Genesis Limited Partnership #6 paid a final distribution of $6,136 to its unit holders during the three months ended September 30, 2016.

SUBSEQUENT EVENTS

On November 10, 2016, Genesis' Board of Directors approved the payment of a special cash dividend of $0.25 per common share for a total of approximately $10,900 payable in December 2016.

SUMMARY OF ACCOUNTING CHANGES

The Corporation adopted no new IFRSs and interpretations during 2016.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date for the land development and the home building business segments. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. There were no material changes made to the critical accounting estimates for Q3 2016 and Q3 2015. Refer to note 2(q) in the consolidated financial statements for the years ended December 31, 2015 and 2014 for additional information on judgments and estimates.

Provision for Future Development Costs

Changes in the estimated future development costs directly impact the amount recorded for the future development liability, cost of sales, gross margin and, in some cases, the value of real estate under development and held for sale. This liability is subject to uncertainty due to the longer time frames involved, specifically in land development.

Impairment of Real Estate Held for Development and Sale

The Corporation estimates the net realizable value ("NRV") of real estate held for development and sale at least annually for impairment or whenever events or changes in circumstances indicate the carrying value may exceed NRV. The estimate is based on valuation conducted by independent real estate appraisers and in light of recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

Valuation of amounts receivables

Amounts receivable are reviewed on a regular basis to estimate recoverability of balances. Any amounts becoming overdue and any known issues about the financial condition of debtors are taken into account when estimating recoverability.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The interim CEO and interim CFO have evaluated the design of Genesis' Disclosure Controls and Procedures ("DC&P") and Internal Control over Financial Reporting ("ICFR") and concluded that Genesis' DC&P and ICFR were effective as at September 30, 2016.

There were no changes in the Corporation's ICFR during the three months ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect the Corporation's ICFR.

RISKS AND UNCERTAINTIES

In the normal course of business, Genesis is exposed to certain risks and uncertainties inherent in the real estate development and home building industries. Real estate development and home building are cyclical businesses; as a result, Genesis profitability could be adversely affected by external factors beyond the control of management. Risks and uncertainties faced by Genesis are industry risk, competition, supply and demand, geographic risk, development and construction costs, credit and liquidity risks, finance risk, interest risk, management risk, mortgage rates and financing risk, general uninsured losses, environmental risk and government regulations.

Development and Construction Costs

Genesis may experience loss due to inflation causing higher prices of labor and consulting fees, and costs of materials. Costs of development and building have fluctuated over the past several years and are typically passed on to the customer through higher pricing. Any significant increase that Genesis cannot pass on to the customer may have a negative material impact on profits.

Credit and Liquidity Risk

Credit risk arises from the possibility that builders that acquire lots from Genesis may experience financial difficulty and be unable to fulfill their lot payout commitments. Liquidity risk is the risk that Genesis will not be able to meet its financial obligations as they fall due. If Genesis is unable to generate sufficient sales and renew existing credit facilities or secure additional financing, it will impact the Corporation's ability to meet its obligations as they become due. Based on the Corporation's operating history, relationship with lenders and committed sales contracts, Management believes that Genesis has the ability to continue to renew or repay its financial obligations as they come due.

Finance Risk

Genesis uses debt and other forms of financing in its business to execute the corporate strategy. Genesis uses project specific credit facilities to fund land development costs and a construction operating line for home construction purposes. Should Genesis be unable to obtain required capital, its ability to achieve these goals could be impacted. In order to reduce finance risk, Genesis endeavors to match the term of financing with the underlying land asset. Management regularly reviews the Corporation's credit facilities and manages the requirements in accordance with project development plans and operating requirements.

Litigation Risk

All industries are subject to legal claims, with or without merit. The Corporation may be involved from time to time in various legal proceedings which may include the potential liability for violations of securities laws, breach of fiduciary duty by its directors and from other operating activities. Defense and settlement costs can be substantial, even with respect to legal claims that have no merit. Due to the inherent uncertainty associated with litigation, the resolution of any particular legal proceeding could have a material effect on the financial position and results of operations of the Corporation.

The Corporation maintains various types of insurance to cover certain potential risks and regularly evaluates the adequacy of this coverage.

There may be additional risks that management may need to consider as circumstances require. For a more detailed discussion on the Corporation's risk factors, refer to Genesis AIF for the year ended December 31, 2015 available on SEDAR at www.sedar.com

OTHER

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

ADVISORIES

Forward-Looking Statements

This MD&A contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation, including Canadian Securities Administrators' National Instrument 51-102 'Continuous Disclosure Obligations', concerning the business, operations and financial performance and condition of Genesis. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based on material factors or assumptions made by us with respect to, among other things, opportunities that may or may not be pursued by us; changes in the real estate industry; fluctuations in the Canadian, and specifically Alberta economy; changes in the number of homes delivered per year; and changes in laws or regulations or the interpretation or application of those laws and regulation.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the nature of development lands held and the anticipated inventory and development potential of such lands, anticipated general economic and business conditions, the anticipated impact on Genesis' development and home building activities, Genesis' ongoing review of its business, including cost reductions, expected closings of land sales and listing of townhouse sites, the activity levels and operations of the joint venture, the ability to close the book of homes (with lots) subject to firm sale contracts and the ability to continue to renew or repay financial obligations and to meet liabilities as they become due. Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements because they involve assumptions, known and unknown risks, uncertainties and other factors many of which are beyond the Corporation's control, which may cause the actual results, performance or achievements of Genesis to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Accordingly, Genesis cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements.

Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to: the impact of contractual arrangements and incurred obligations on future operations and liquidity; local real estate conditions, including the development of properties in close proximity to Genesis' properties; the uncertainties of real estate development and acquisition activity; fluctuations in interest rates; ability to access and raise capital on favourable terms; not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; labour matters, governmental regulations, stock market volatility and other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedar.com, including this MD&A under the heading "Risks and Uncertainties" and the AIF under the heading "Risk Factors". Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and, except as required by applicable law, Genesis does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.