

Real Capital Conference

Brydon Cruise, President and Managing Partner
Brookfield Financial



Canadian Newspaper Headlines - 1990 - 1991



Canadian Banks Cut Prime Rate

REUTERS
Published: August 17, 1990

LEAD: Leading Canadian banks cut their prime lending rates half a percentage point today to 14.25 percent. It was the first drop in the rate in almost three years.



Unemployment Rises in Canada

Published: April 6, 1991

Canada's unemployment rate jumped to 10.5 percent in March, the highest in six years, the Government reported today. February's rate was 10.2 percent.



The New York Times

September 8, 1990

Job Growth Hits a Standstill, While Unemployment Rises



Big banks slash prime lending rates to 3% Follow Bank of Canada's lead as economy continues swoon

BY ERIC BEAUCHESNE, CANWEST NEWS SERVICE JANUARY 20, 2009



Unemployment Rate Worst Since Early '90s

Fri Feb 6, 2009 9:27am EST

Canadian Newspaper Headlines - Today

The New York Times

Canadian Bankruptcies Soar 47 Percent

By THE ASSOCIATED PRESS
Published: February 9, 2009

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Then Versus Now - A Similar Path?

	Then (Late 1980's)	Present
Equity Markets	<ul style="list-style-type: none">▪ TSX dropped 18% in 1989	<ul style="list-style-type: none">▪ TSX dropped 35% in 2008
GDP Growth	<ul style="list-style-type: none">▪ GDP growth stayed below 1% for 3 years	<ul style="list-style-type: none">▪ GDP growth is negative
Availability of Capital	<ul style="list-style-type: none">▪ Controlled lending▪ Little to no foreign involvement	<ul style="list-style-type: none">▪ Anyone could access until last year▪ Lenders are now extra cautious
Interest Rates	<ul style="list-style-type: none">▪ 20% interest rates in the 1980's▪ 12-15% interest rates in the early - mid 1990's	<ul style="list-style-type: none">▪ Sub 10% interest rates readily available▪ CMHC debt currently as low as 3.0% all in
Recovery	<ul style="list-style-type: none">▪ True recovery took 4-6 years	<ul style="list-style-type: none">▪ ????????

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Bankruptcies - Then and Now

1990's



Cadillac
Fairview

EATON'S



dylex

Today



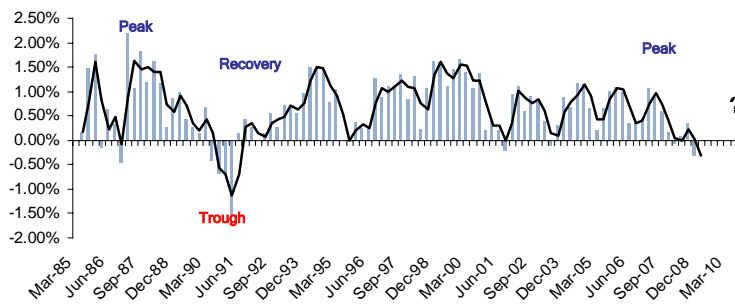
LEHMAN BROTHERS



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Real GDP - Anywhere near a recovery?

Real GDP Growth (1985 - Present)

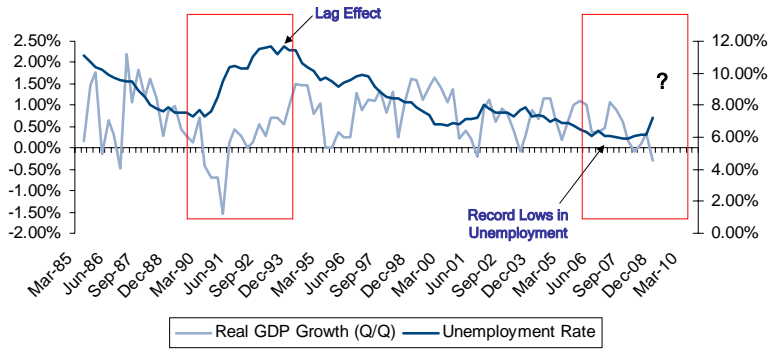


Source: StatsCan Real GDP Growth Q/Q

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What does a recovery entail?

- GDP growth is now negative and the unemployment rate is 7.2%

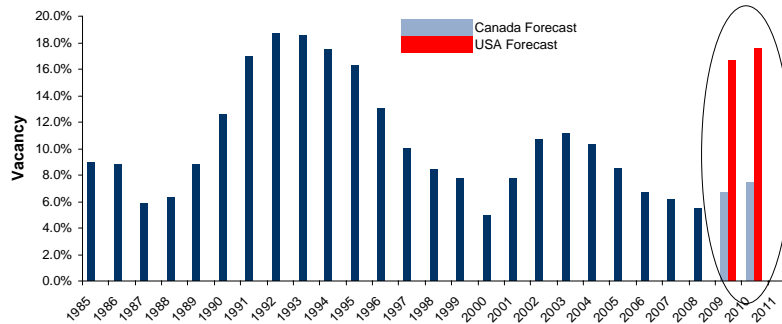


Economic recoveries are rarely felt until well after the numbers prove them

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Vacancy- A Tough Road Ahead

Vacancy: Toronto Office All Classes



Source: Cushman & Wakefield LePage Inc. & Merr

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