CALGARY LEASING FORUM

EDMONTON
2007 MARKET REVIEW

OCTOBER 24, 2007

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Downtown Office
Edmonton

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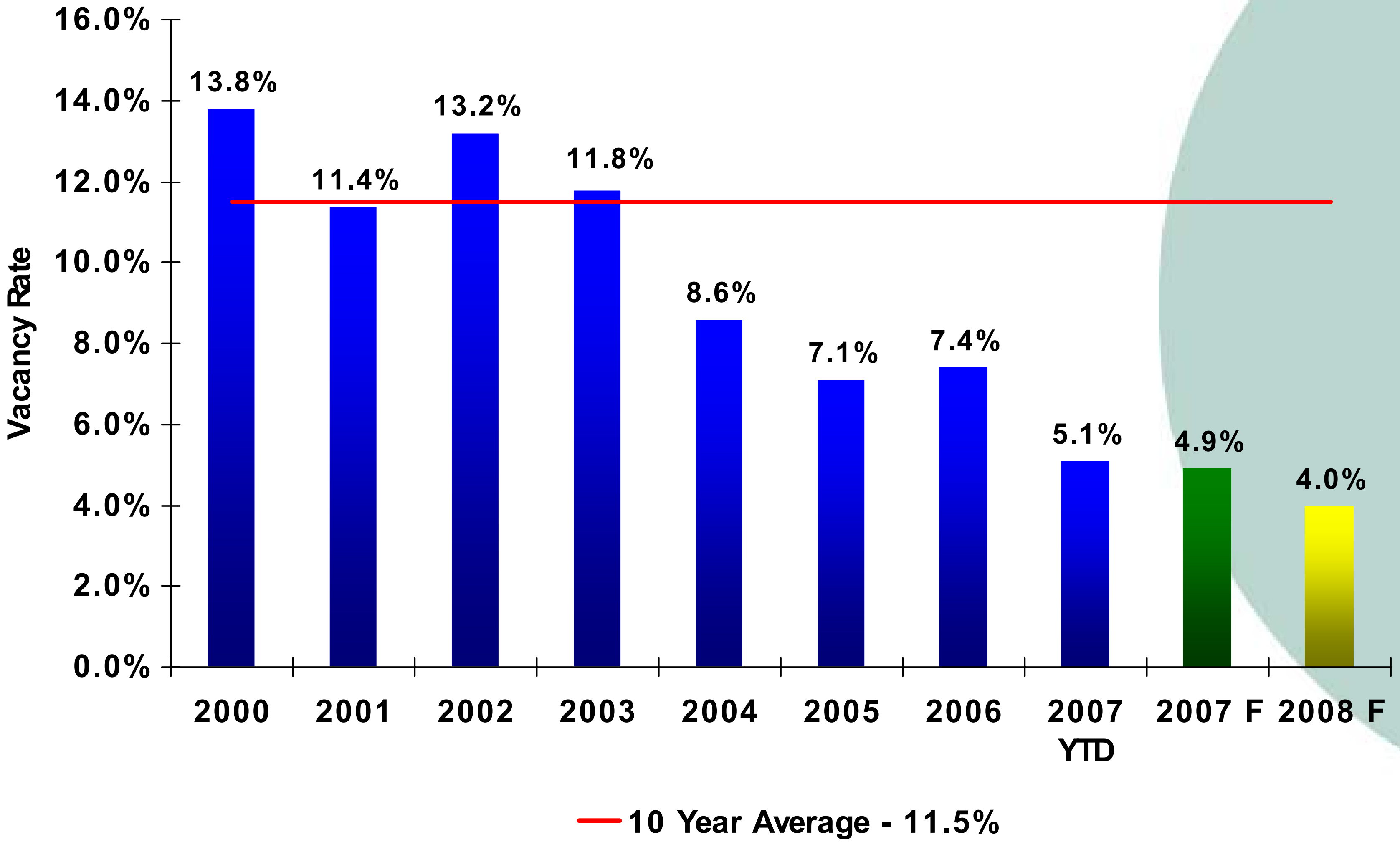
Downtown Vacancy Rate (All Classes)



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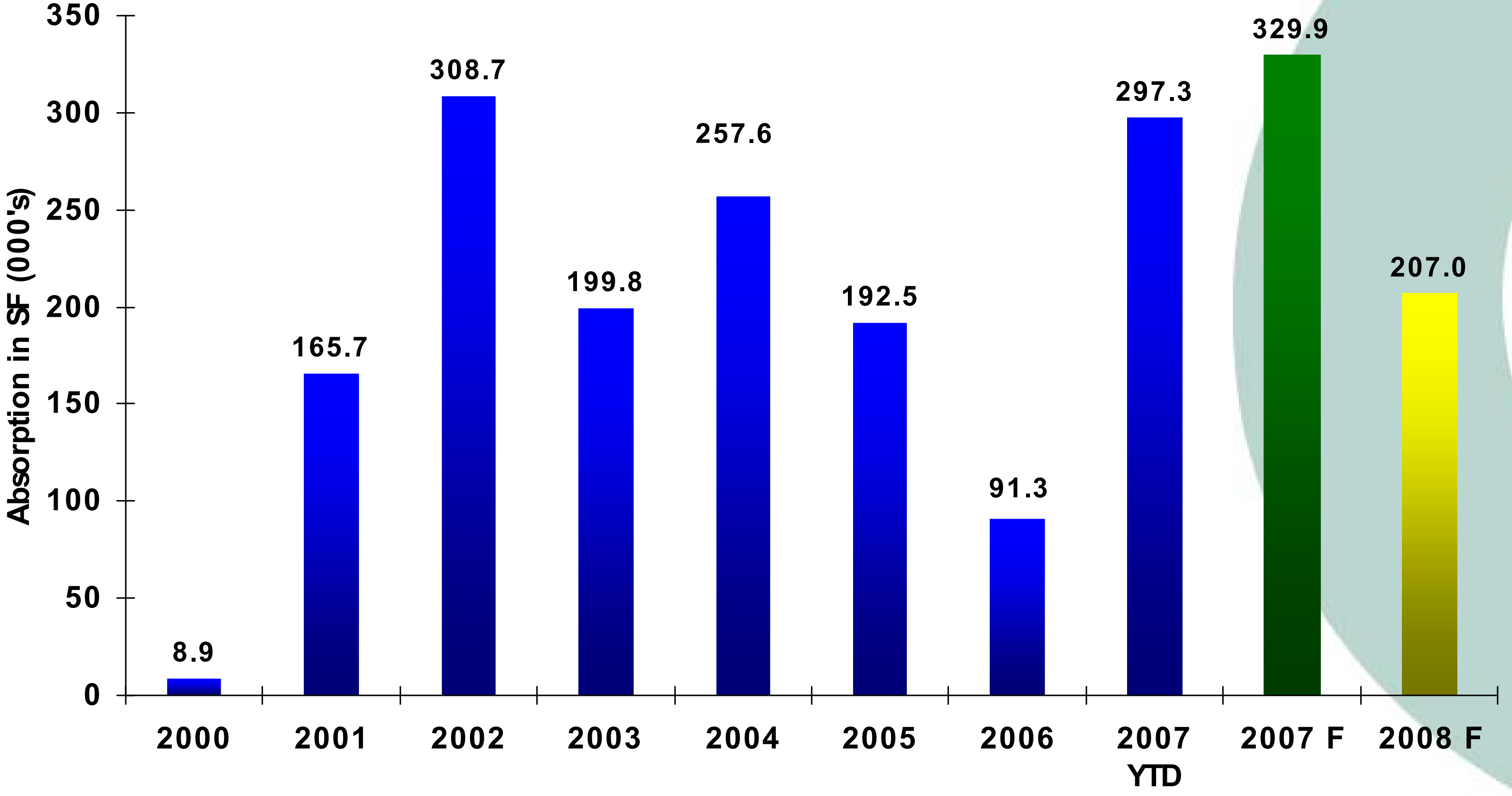
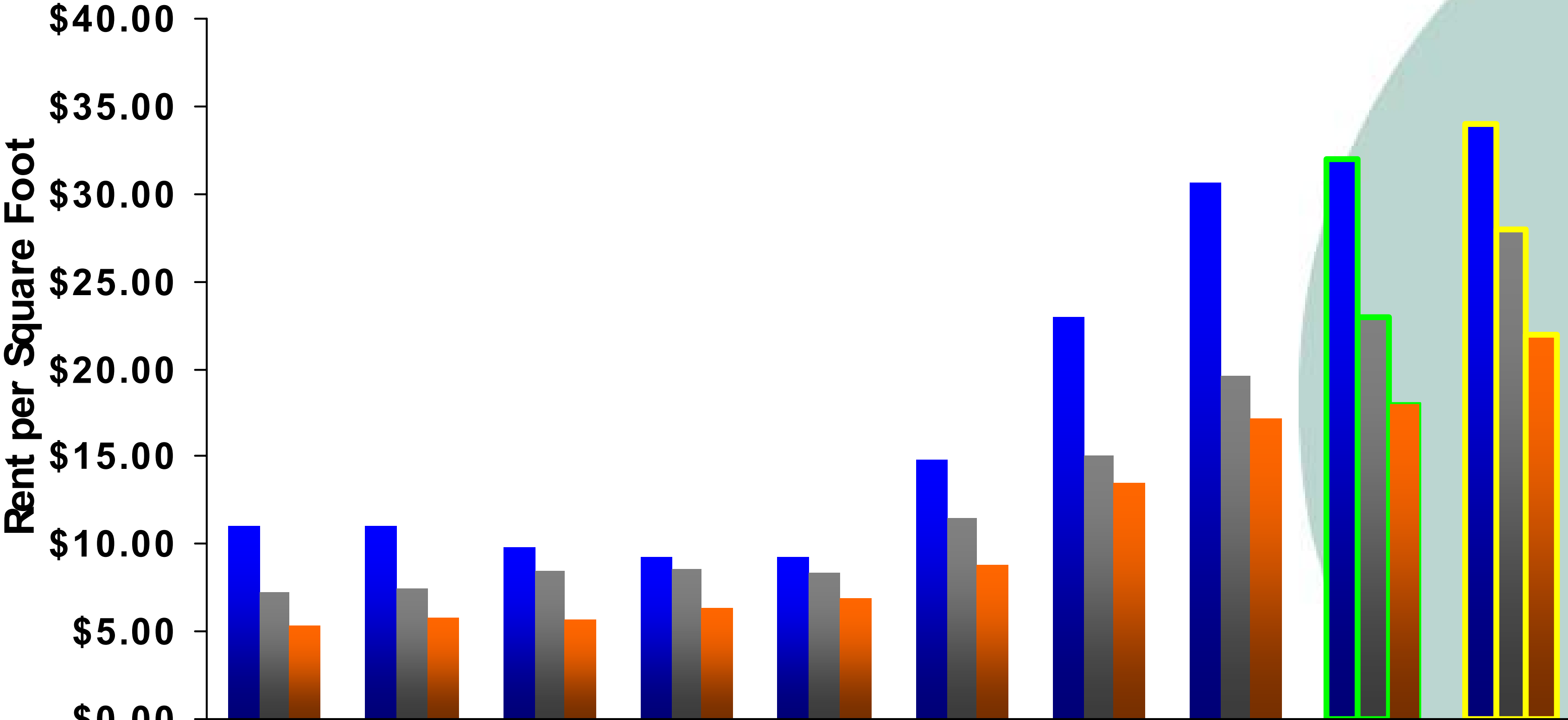
Downtown Absorption (All Classes)



Downtown Net Asking Rents



	2000	2001	2002	2003	2004	2005	2006	2007 YTD	2007 F	2008 F
Class 'AA'	$11.00	$11.00	$9.83	$9.25	$9.20	$14.80	$23.00	$30.60	$32.00	$34.00
Class 'A'	$7.23	$7.41	$8.45	$8.57	$8.33	$11.53	$15.00	$19.62	$23.00	$28.00
Class 'B'	$5.36	$5.83	$5.67	$6.40	$6.93	$8.83	$13.48	$17.16	$18.00	$22.00

Class 'AA' Class 'A' Class 'B'

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Downtown Large Blocks of Contiguous Space (> 50,000 SF)

11150 Jasper Ave – 177,300 SF

Beaver House – 71,129 SF

Professional Building – 210,587 SF

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Top Lease Transactions – Downtown Office

Property Name	Address	Tenant	Size(SF)	Lease Type
ING Building	10130 – 103 Street	Enbridge Pipelines	68,350	Expansion/ Renewal
Revillon Building	10320 – 102 Ave	Legal Aid Society of Alberta	17,518	Expansion
Churchill Building	10015 – 103 Avenue	City of Edmonton	12,220	New
Boardwalk/ Revillon Building	10320 – 102 Ave	New West Enterprise Property Group	8,500	New

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Downtown Office Summary – 2007 YTD

- Vacancy decreased by 2.1% from 7.6% at third quarter of 2006 to 5.1% at third quarter of 2007.

- Year-to-date absorption in 2007 is 297,301 square feet. This is roughly 200,000 square feet higher than at the same time last year.

- The sublease market accounted for only 74,028 (10.5%) square feet of vacant space, compared to 633,606 (89.5%) square feet of direct vacant space at third quarter of 2007.

- The economic boom in Edmonton has lead to a drop in vacancy rates and significant increases in rental rates in almost every office class.

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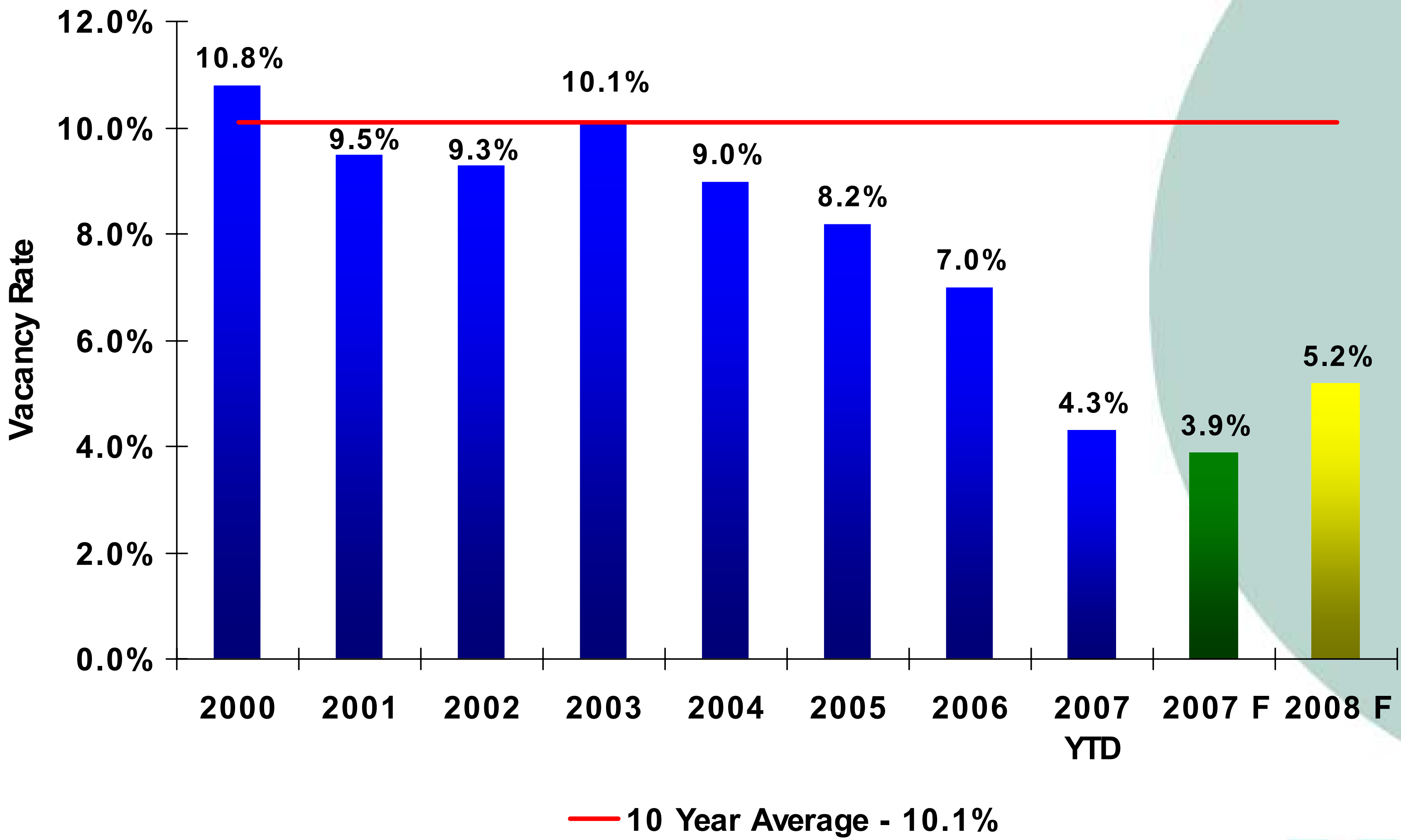
Suburban Office
Edmonton

Suburban Vacancy Rate (All Classes)



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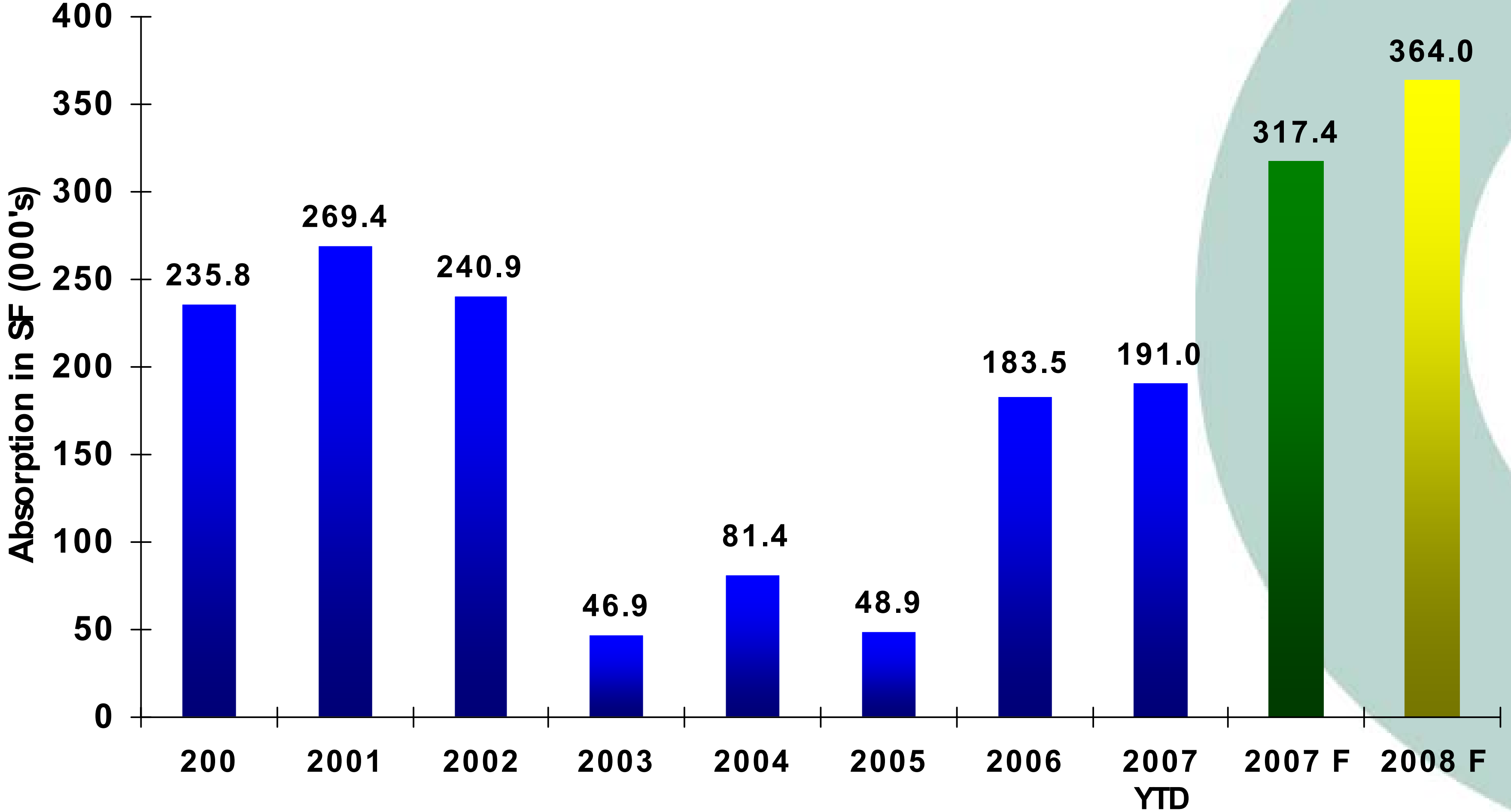
Suburban Absorption (All Classes)



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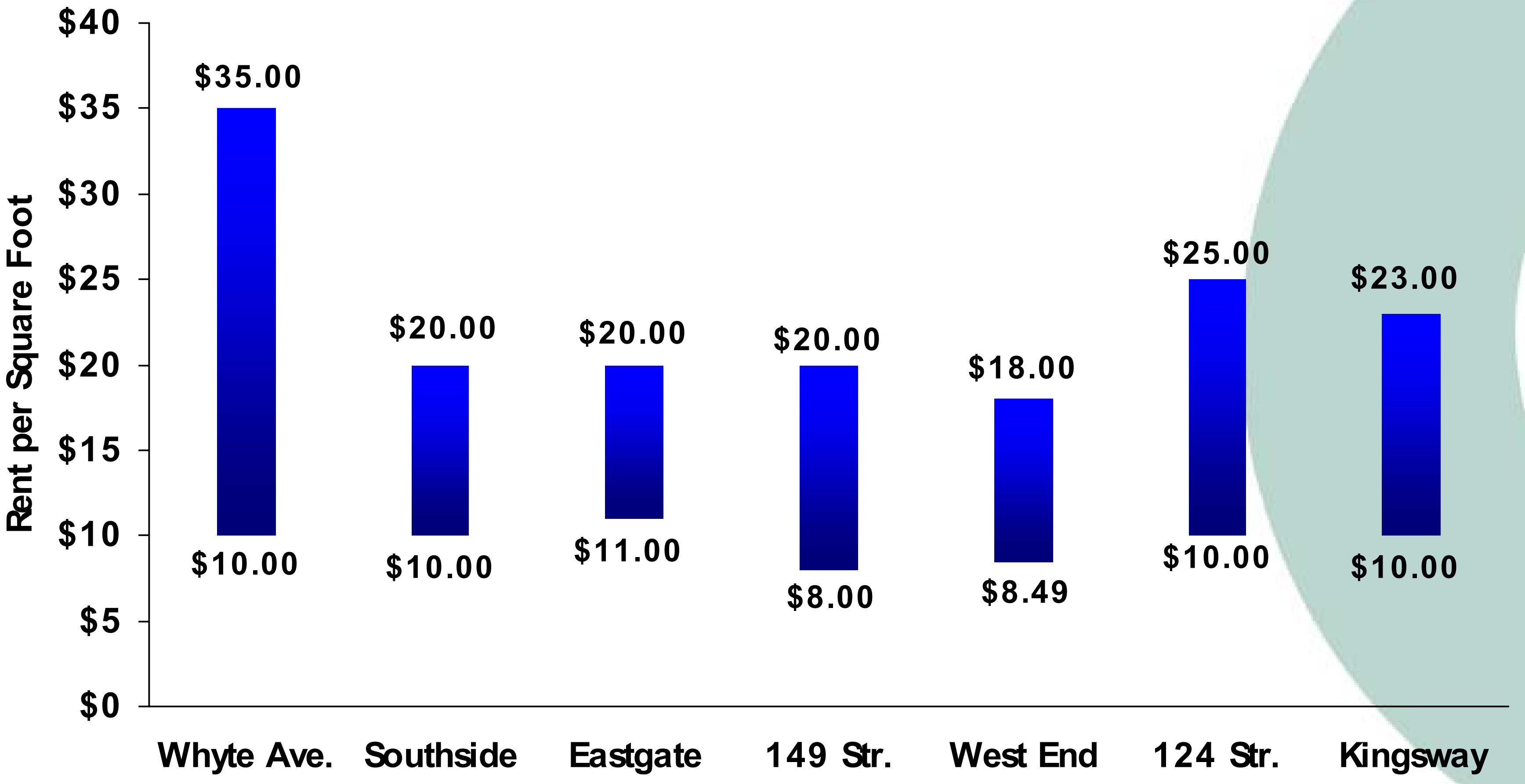
Suburban Lease Rate Ranges



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Suburban Large Blocks of Contiguous Space – New Developments (> 50,000 SF)

51st Avenue Business Centre – 80,000 SF

Commerce South Office Park
(Building D) – 74,000 SF   (Building E) – 68,000 SF

The Steppes – 73,250 SF

91st Street & Ellwood Drive – 50,000 SF

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Top Lease Transactions – Suburban Office

Property Name	Address	Tenant	Size(SF)	Lease Type
Commerce South Office Park	8615 – 51 Ave	Colt Engineering	74,000	New
Coronation Plaza	14310 - 111 Avenue	Capital Health	35,000	New
YottaYotta	6020 – 104 Street	YottaYotta	28,520	Renewal
Coronet Building	8403 - Coronet Road	Flint Energy	16,280	Expansion

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Suburban Office Summary – 2007 YTD

- Vacancy decreased by 3.6% from 7.9% at third quarter of 2006 to 4.3%% at third quater of 2007.
- Absorption in 2007 YTD is 190,950 square feet.
- At third quarter of 2007, the sublease market increased in size to 31,278 square feet from 22,240 square feet at third quarter of 2006.
- Rental rates have increased dramatically in the last year from an average of $11.54 at third quarter of 2006 to $14.47 at third quarter of 2007.

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Industrial
Edmonton

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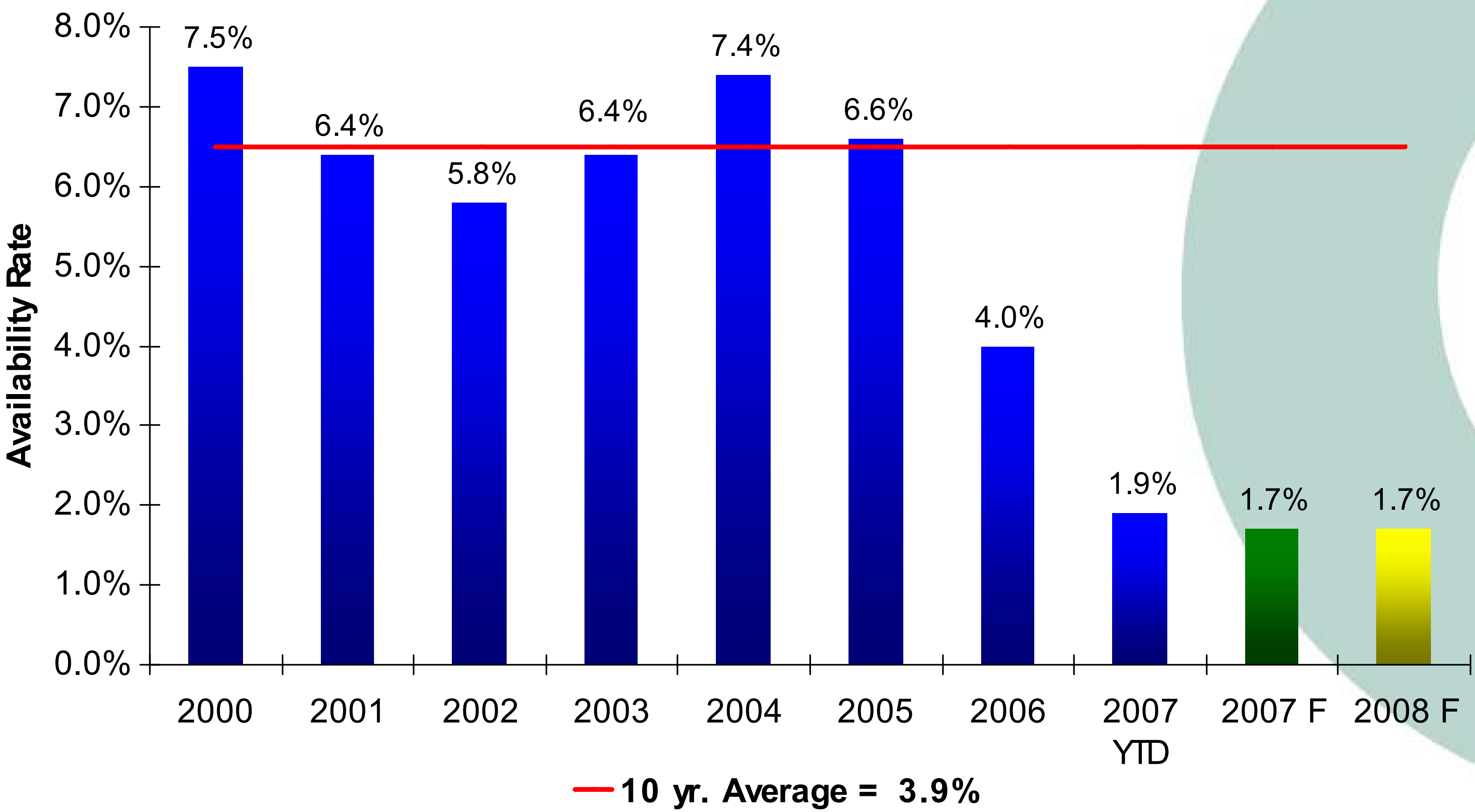
Industrial Availability Rate



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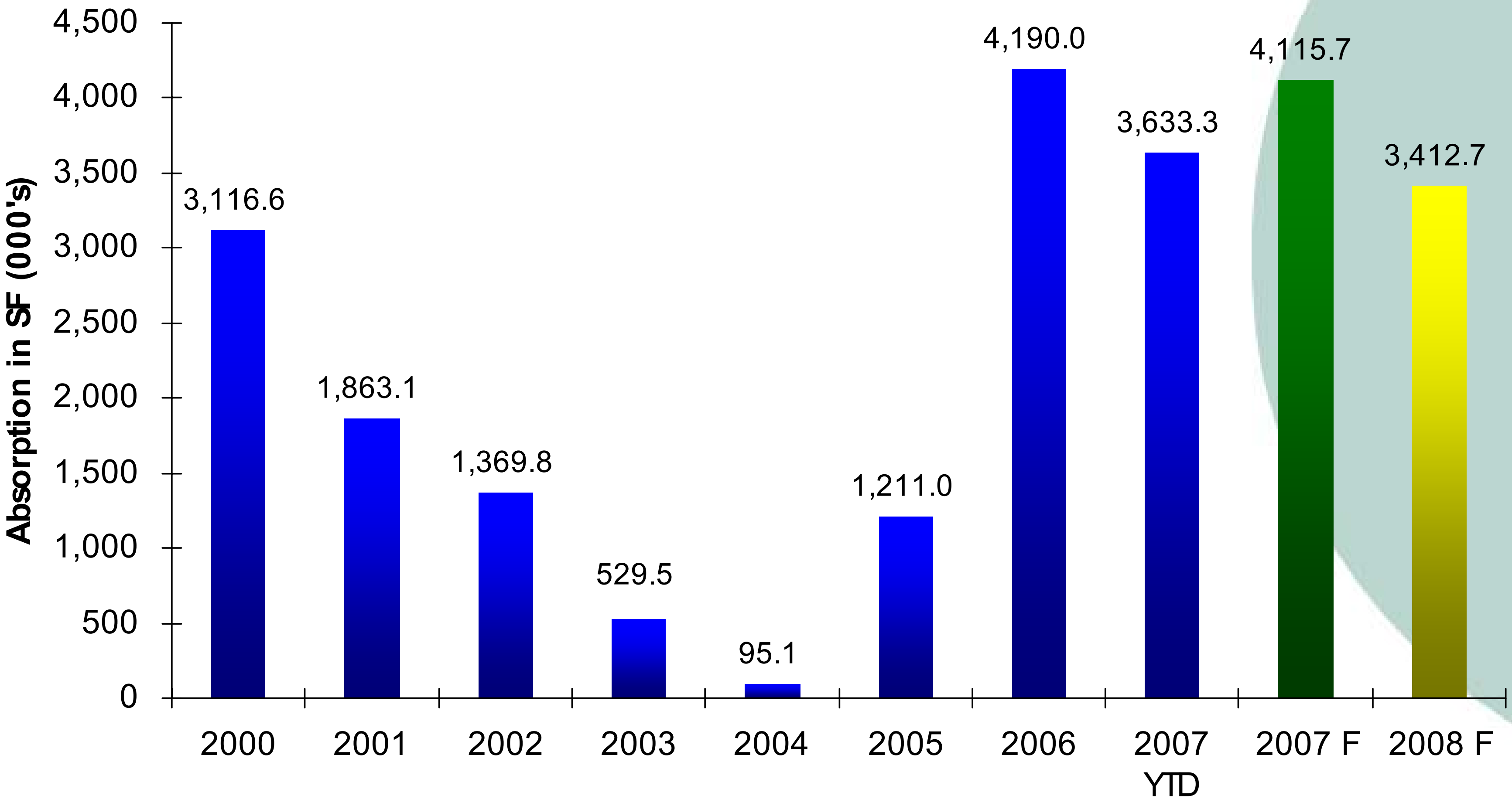
Industrial Absorption Graph



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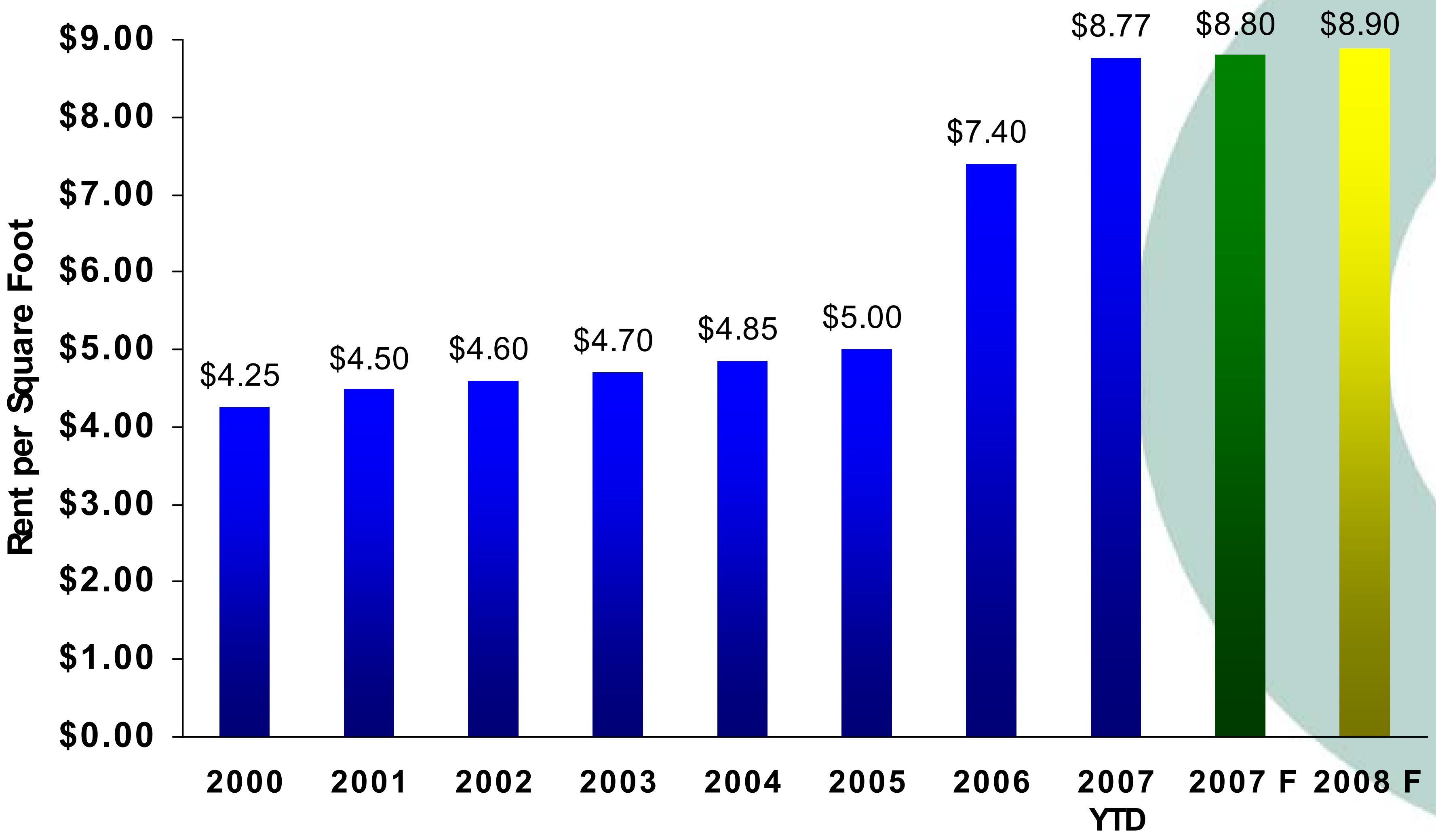
Average Net Lease Rates



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Top Lease Transactions – Industrial

Address	Tenant	Tenant Industry	Size(SF)
12810 – 170 Street	Kuehne & Nagel Logistics	Transportation	400,000
67 Avenue & 67 Street	Alberta Oil Tool	Manufacturing	121,000
15423 – 131 Avenue	XS Cargo	Warehouse	108,000
50 Street & Whitemud	SS Inc.	Distribution	90,529
4108 – 84 Avenue	CoLinx	Distribution	66,000

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Industrial Summary – 2007 YTD

- The Edmonton industrial market absorbed 905,724 SF in the third quarter of 2007 causing YTD absorption to reach 3,633,324 SF.
- Average asking net lease rates have increased in the third quarter and now sits at $8.77 PSF. The highest rents are once again in Nisku/Leduc, with the lowest rents being found in the Northeast.
- Overall availability rates have dropped significantly from 3.0% at third quarter of 2006 to 1.9% at third quarter of 2007.
- The industrial construction in Edmonton is at record levels. 737,273 SF was added this quarter, with another 3.2 million SF under construction. A further 3.7 million SF of industrial space is currently proposed.

Retail
Edmonton

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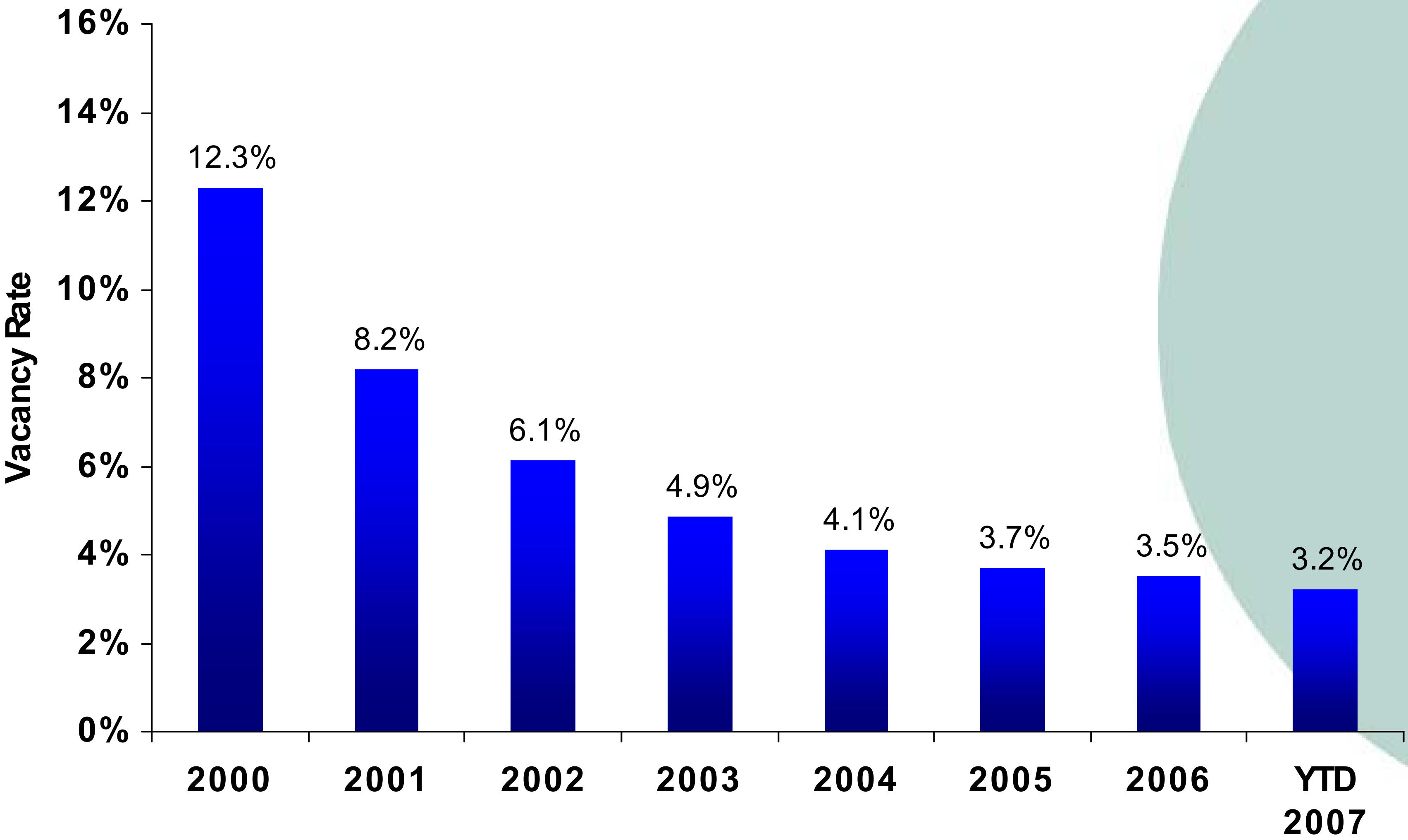
Overall Retail Vacancy Rate



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Edmonton Retail Trade Areas: 2Q 2007

There is 1.5 million SF of retail space in this trade area, representing 5.6% of the total retail space inventory.

There is 5.4 million SF of retail space in this trade area, representing 19.7% of the total retail space inventory.

There is 2.1 million SF of retail space in this trade area, representing 7.6% of the total space inventory.

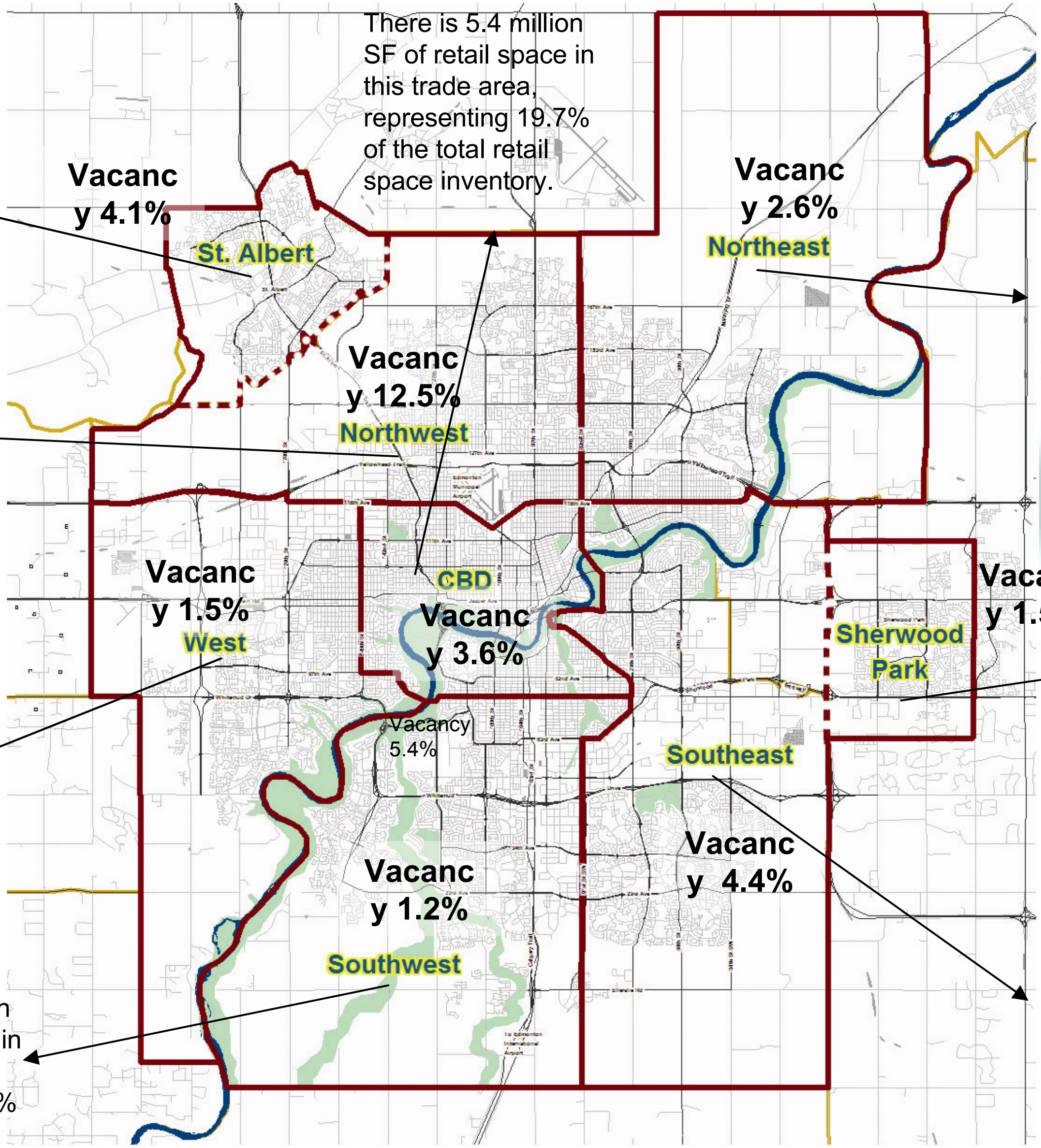
There is 2.5 million SF of retail space in this trade area, representing 9.3% of the total retail space inventory.

There is 7.1 million SF of retail space in this trade area, representing 25.9% of the total retail space inventory.

There is 1.2 million SF of retail space in this trade area, representing 4.3% of the total retail space inventory.

There is 5.1 million SF of retail space in this trade area, representing 18.7% of the total retail space inventory.

There is 2.4 million SF of retail space in this trade area, representing 8.8% of the total retail space inventory.



Edmonton Market

Vacancy: 3.2%

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Edmonton Retail Market

New Developments:

-Windermere: 1,200,000 SF, anchored by major supermarkets, home renovation centres, banks.

-Riocan: 524,000 SF, anchored by Home Depot, Superstore, and Staples.

-Namao Centre South: 299,807 SF, anchored by Rona and Sobey's.

-Hopewell: 120,000 SF, anchored by Safeway.

Rental rates:

-Edmonton power centers range between $25.00 psf and $40.00 psf.

-Regional shopping centres such as West Edmonton Mall and Kingsway Garden Mall are seeing rates for certain transactions over $100,00 psf.

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Top Lease Transactions – Retail

Property Name	Address	Tenant	Size (SF)
South Edmonton Common	Calgary Trail & 23 Avenue	Wal-Mart	214,000
Westmount Shopping Centre	St. Albert Trail & 111 Avenue	Home Depot	91,000
Capilano	Terrace Road & 50th Street	Canadian Tire	75,000
Northtown Mall	137 Avenue & 97 Street	T & T Food Market	50,000
South Edmonton Common	Calgary Trail & 23 Avenue	Ashley	41,000

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Retail Summary – 2007 YTD

- Vacancy decreased by 0.3% from 3.5% at mid-year 2006 to 3.2% at mid-year 2007.
- This is the lowest recorded retail vacancy rate since the survey commenced in 1991.
- The lowest vacancy rate was in the Southwest at 1.2%
- The highest vacancy rate was in the Northwest at 12.5%
- Inventory has grown over the last year by roughly 600,000 SF and currently sits at 27.3 million SF

For more information, please contact:

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