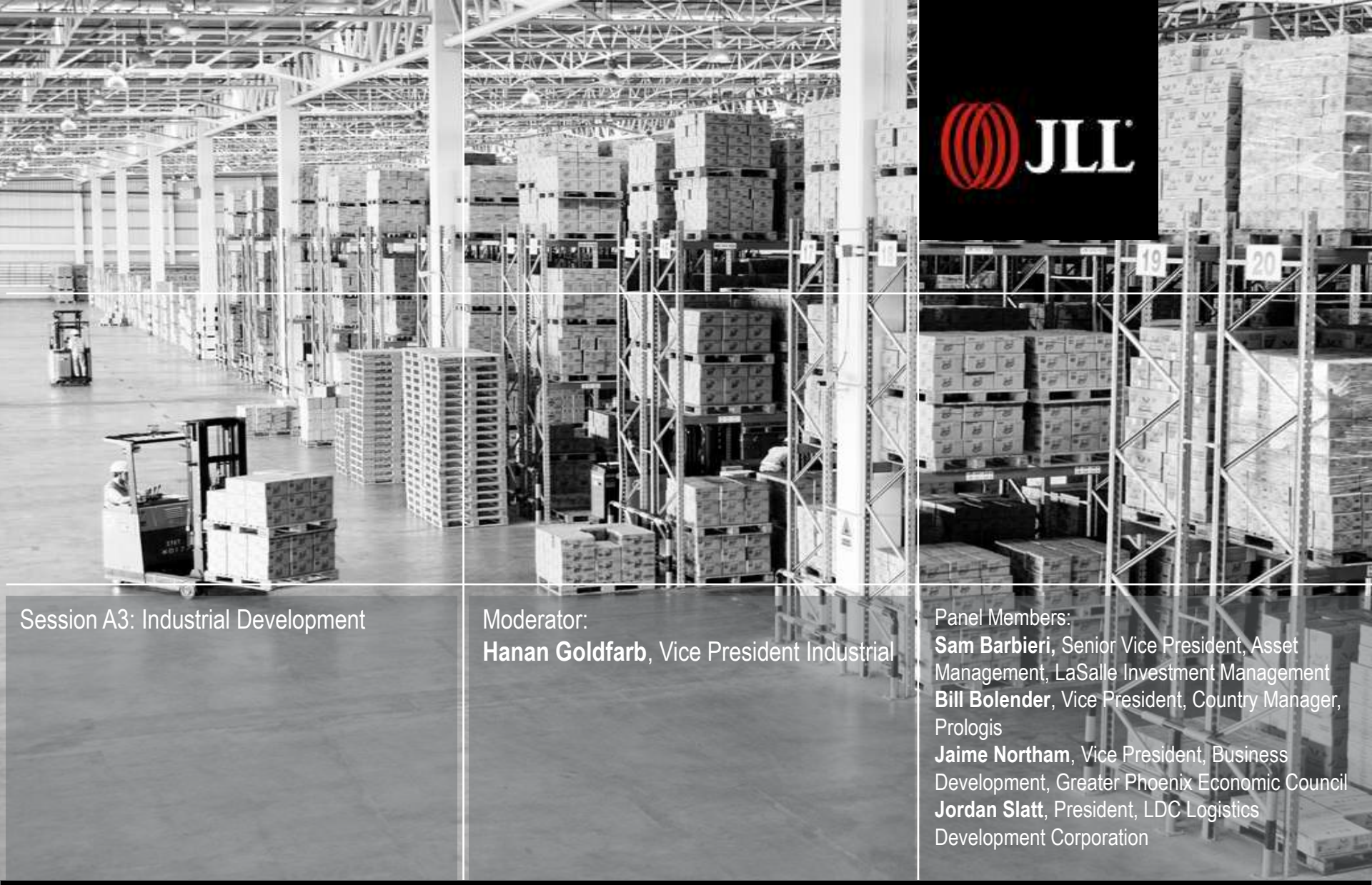


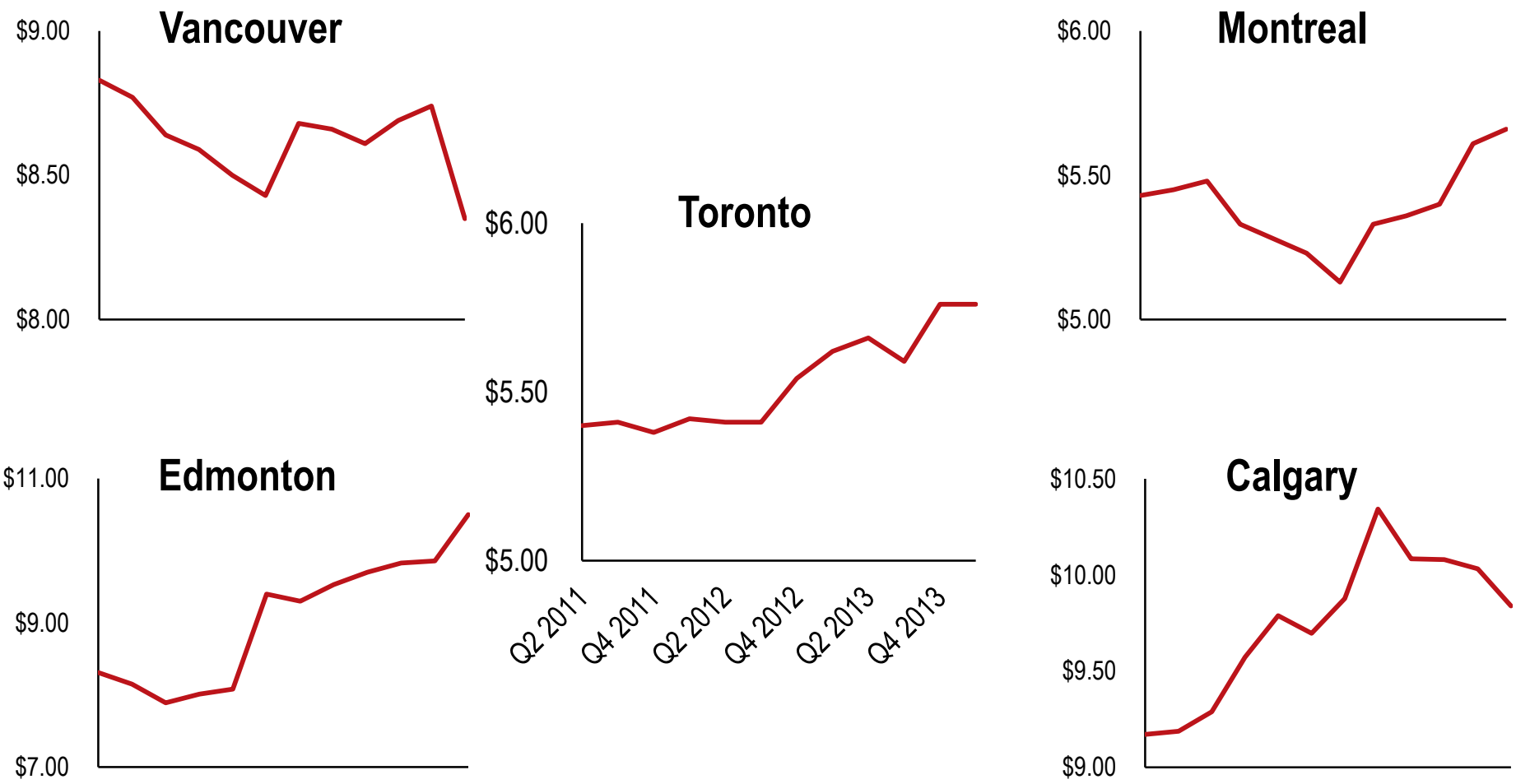
Session A3: Industrial Development

Moderator:
Hanan Goldfarb, Vice President Industrial

Panel Members:
Sam Barbieri, Senior Vice President, Asset Management, LaSalle Investment Management
Bill Bolender, Vice President, Country Manager, Prologis
Jaime Northam, Vice President, Business Development, Greater Phoenix Economic Council
Jordan Slatt, President, LDC Logistics Development Corporation

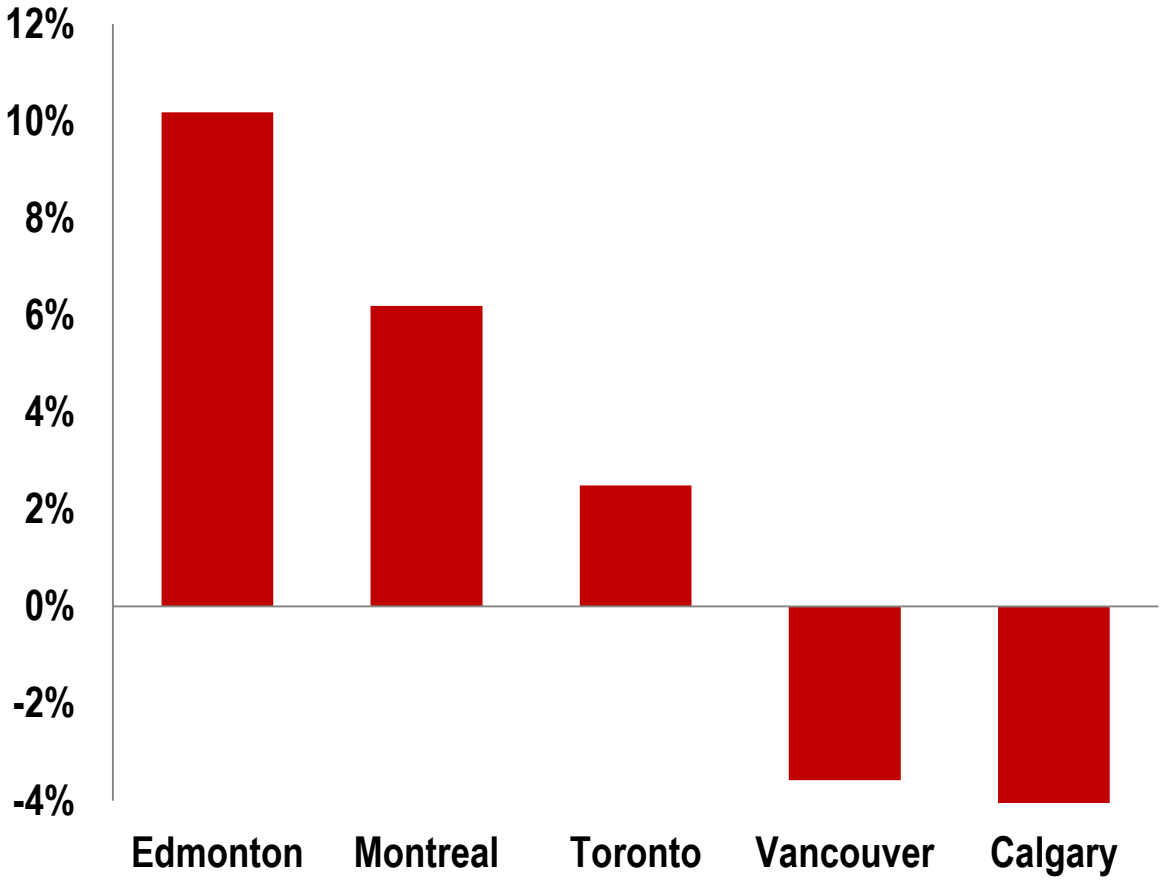
Overview of the Canadian Industrial Market, Q1 2014

HISTORICAL AVERAGE ASKING NET RENT TRENDS



JLL

2013 TO 2014 (Y-Y) PERCENT CHANGE IN AVERAGE ASKING NET RENT

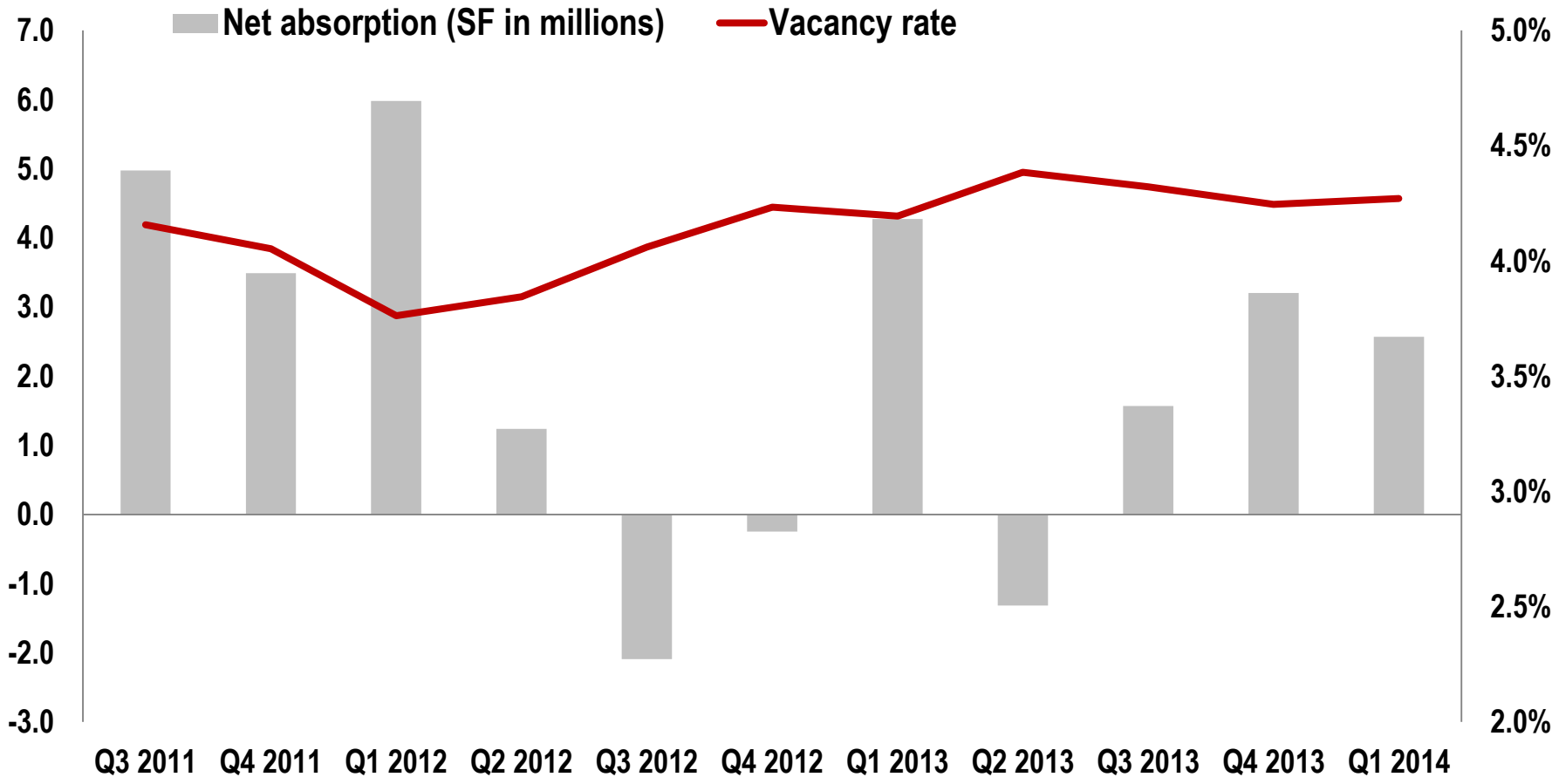


Source: JLL

Based on Q1 '14 vs Q1 '13

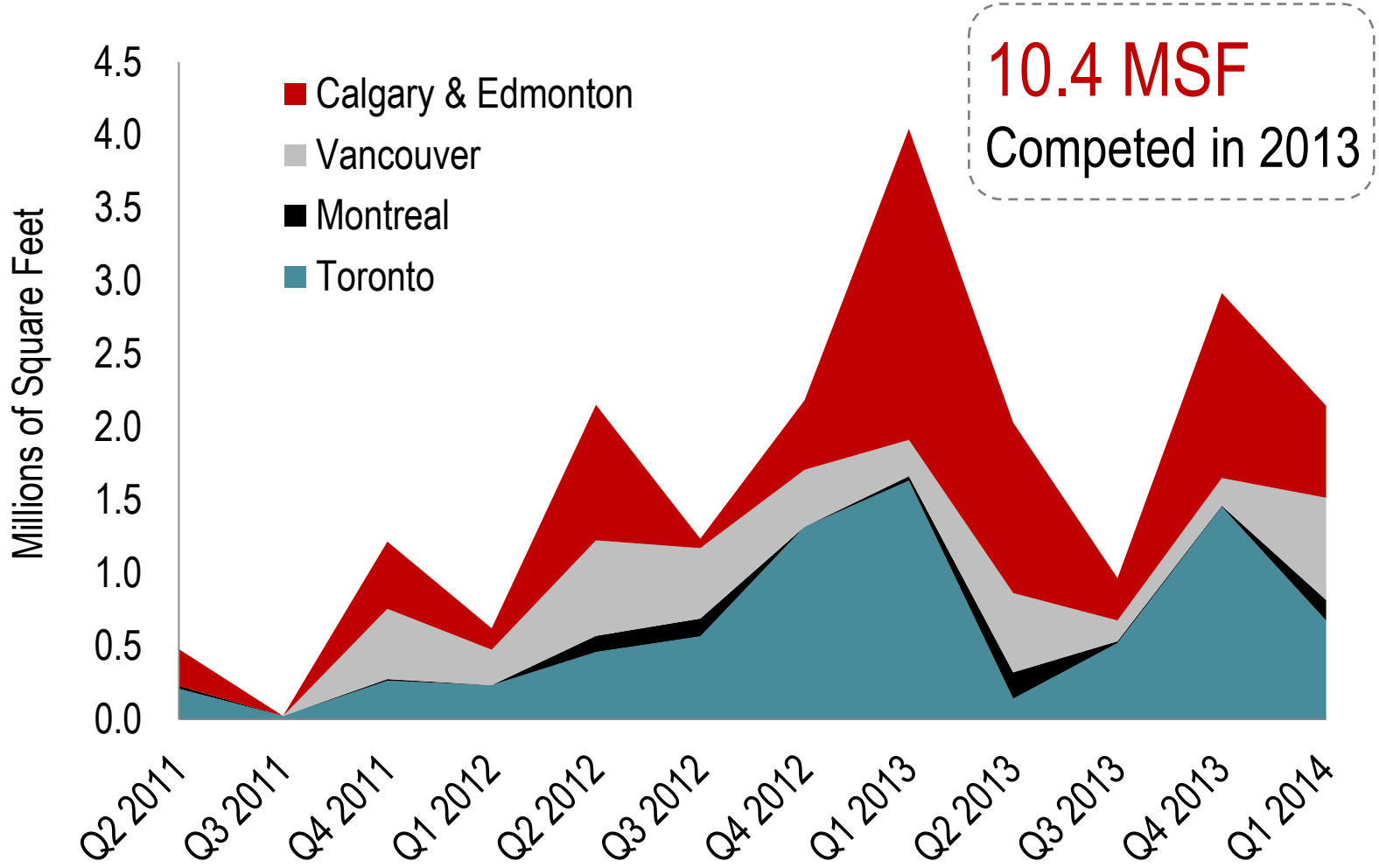
JLL

HISTORICAL CANADA-WIDE NET ABSORPTION VS VACANCY



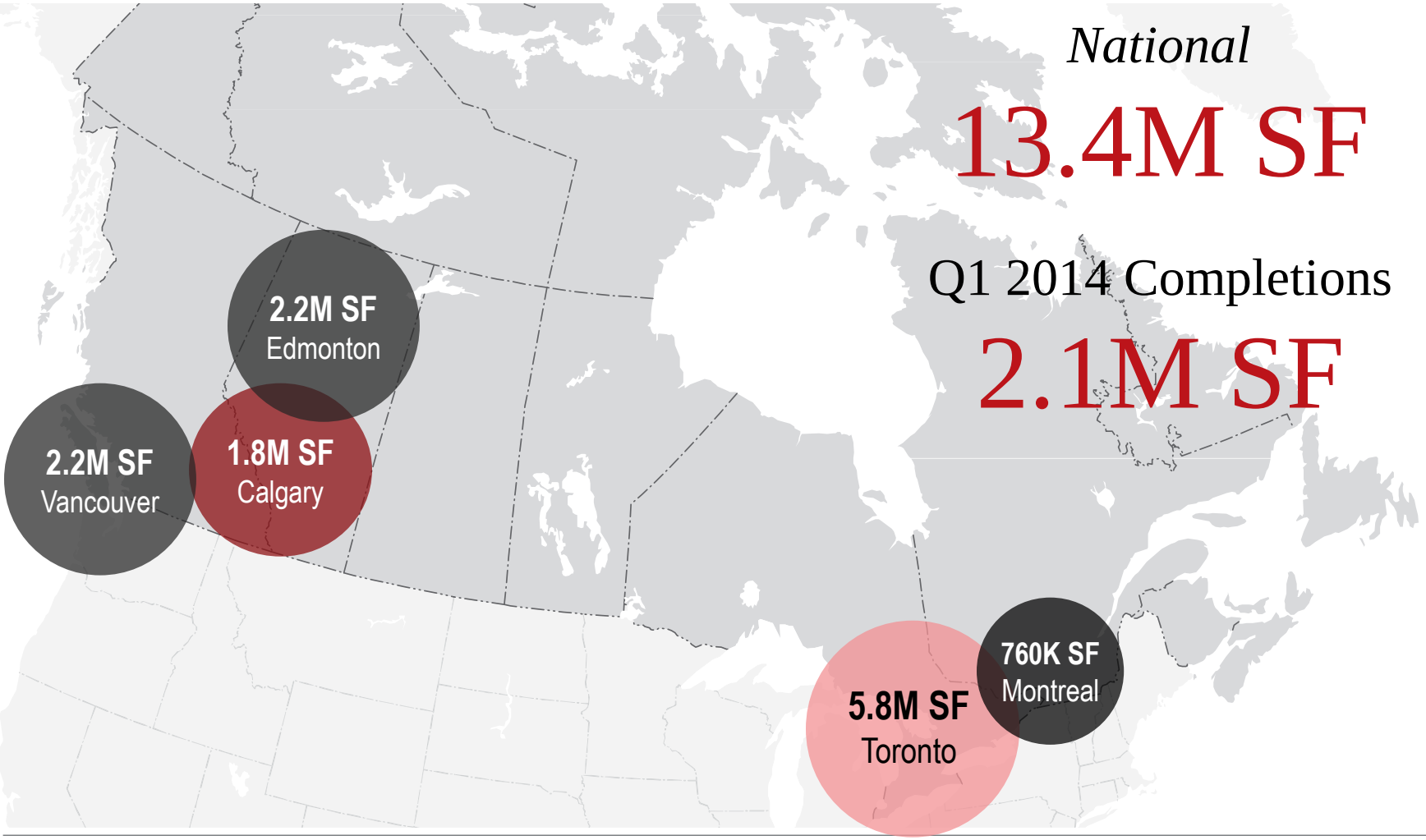
Source: JLL

HISTORICAL QUARTERLY INDUSTRIAL COMPLETIONS



JLL

CURRENT INDUSTRIAL UNDER CONSTRUCTION



National

13.4M SF

Q1 2014 Completions

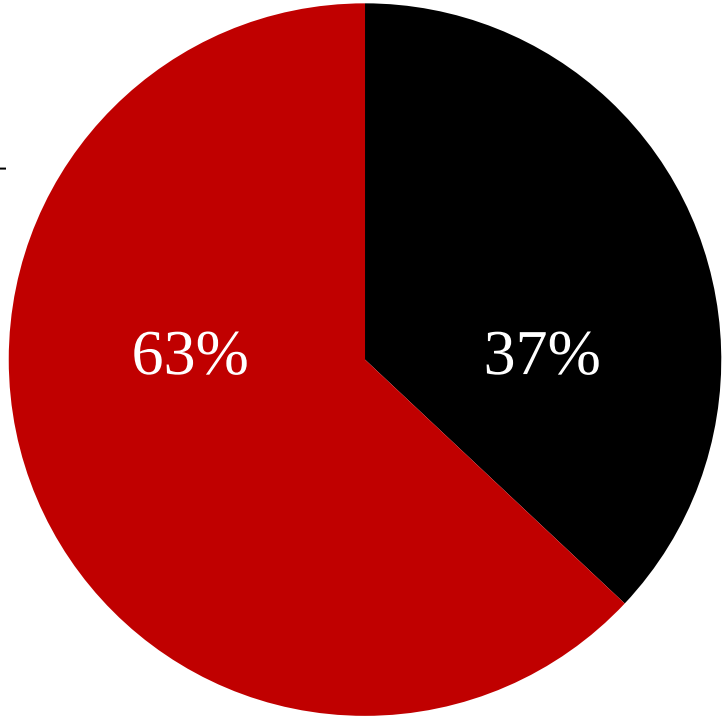
2.1M SF

JLL

CURRENT CANADIAN INDUSTRIAL CONSTRUCTION TYPES

Spec Construction

78 Projects
8.4M SF



Built To Suit

38 Projects
5.0M SF

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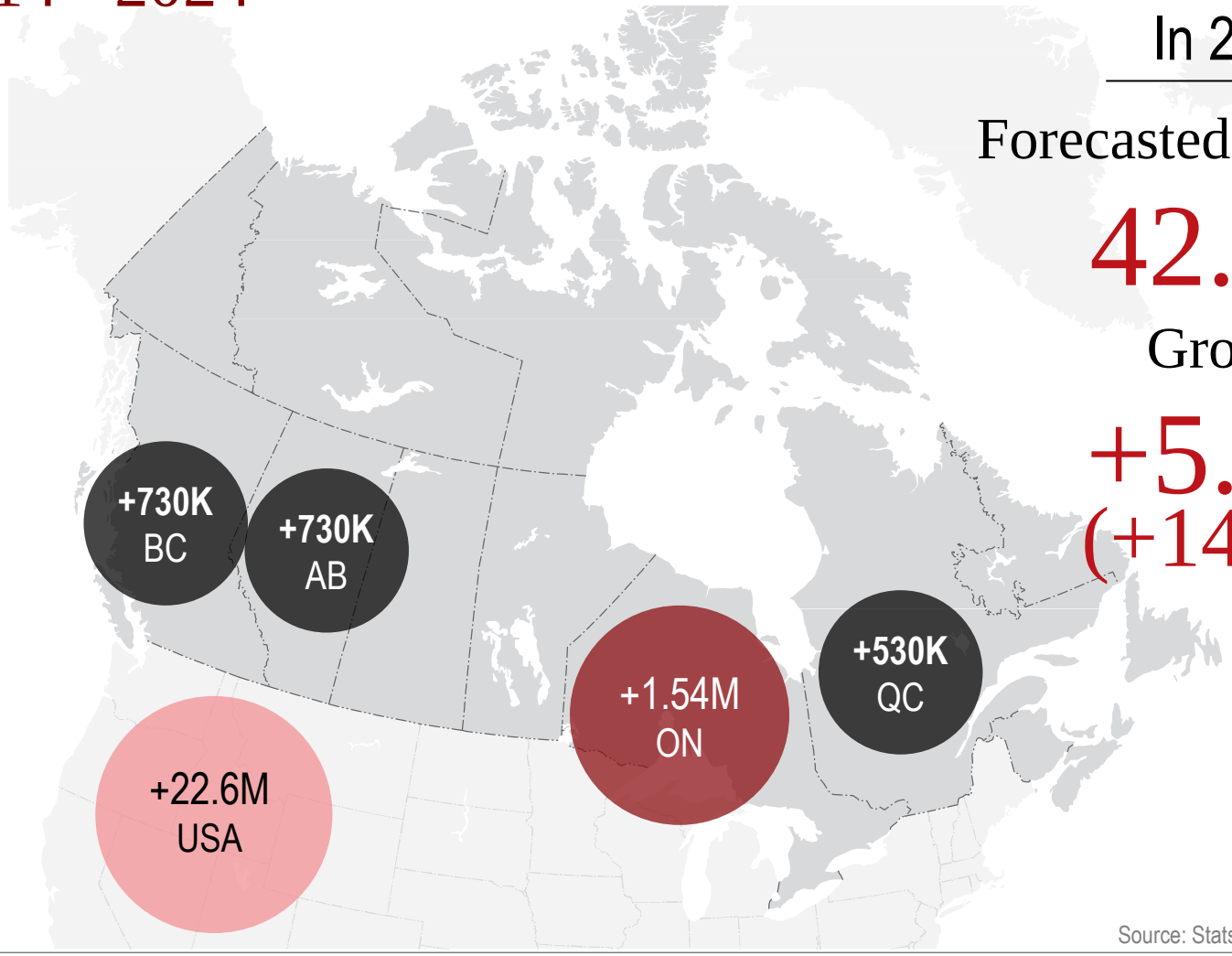
FORECASTED POPULATION GROWTH 2014 - 2024



In 2024

Forecasted population:

42.2M

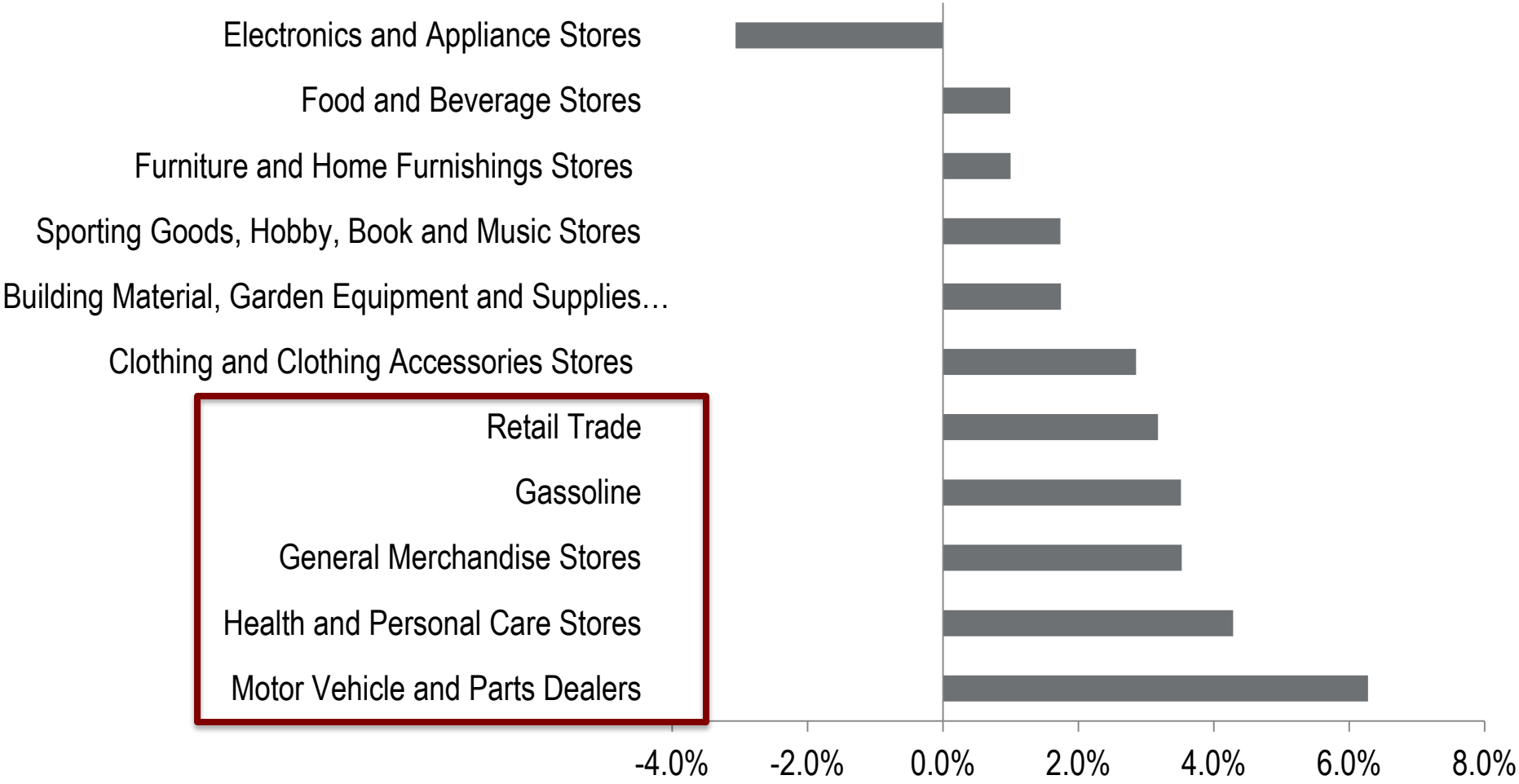
Growth:

+5.2M
(+14.5%)

Source: Stats Canada

JLL

RETAIL SALES, % CHANGE 2012-2013



Source: Stats Canada

E-COMMERCE IN CANADA

2012	2013	2018
$18.9B	$20.6B	$33.8B
4.0% of overall retail spending	5.7% of overall retail spending	8.0% of overall retail spending

In 2013:

40% of Canadians made a purchase from Amazon

56% of internet users made online purchases

Average spending: $1450 over 13 transactions

Source: Forrester Research, Financial Post

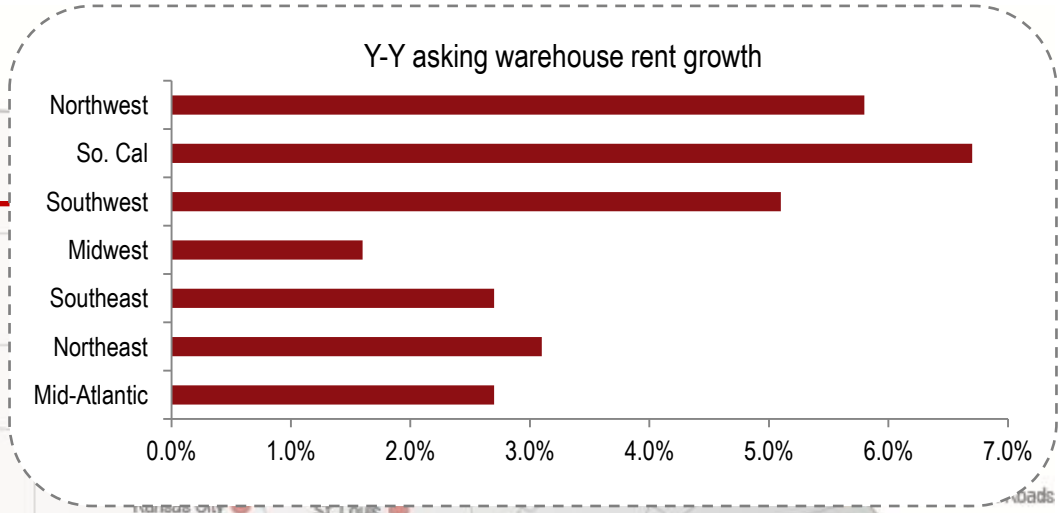
US Perspective

Fundamentals are improving across most markets

Q4 2013

32 of 48

markets have rent growth

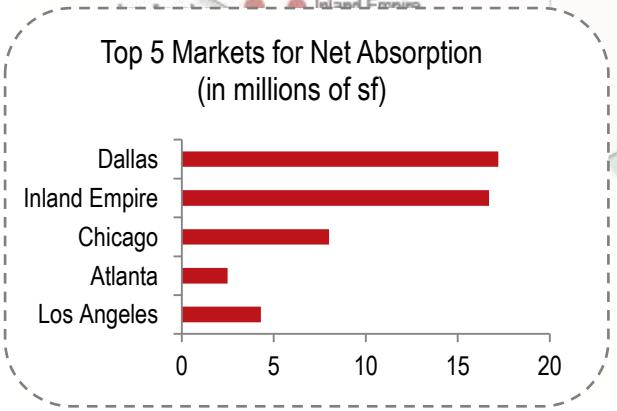


17% Y-Y

absorption growth is ⬆

112 MSF

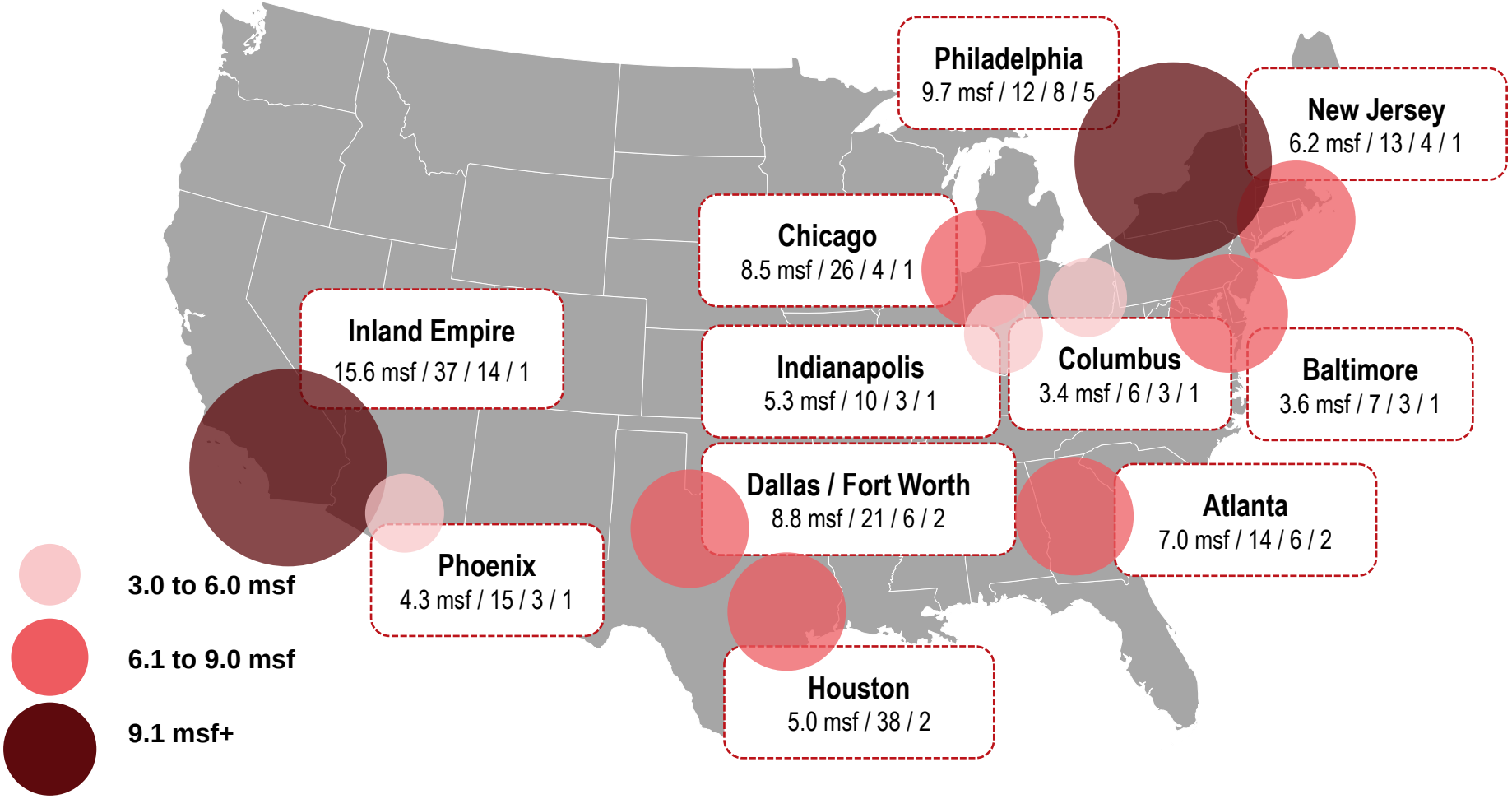
under construction widespread across most markets



50% is preleased

Markets with 3 million+ SF under construction

Total sf / # of buildings / # of buildings: 500 ksf+ / # of buildings: 1 msf+



JLL

In conclusion >>> Positive trends for 2014

- Strong housing market
- Low interest rate environment
- Good leasing fundamentals
- Increased leasing velocity
- Labor market is improving
- Consumer confidence remains positive
- e-commerce's explosive growth

Source: JLL

Land Development Conference 2014

Industrial Development Session