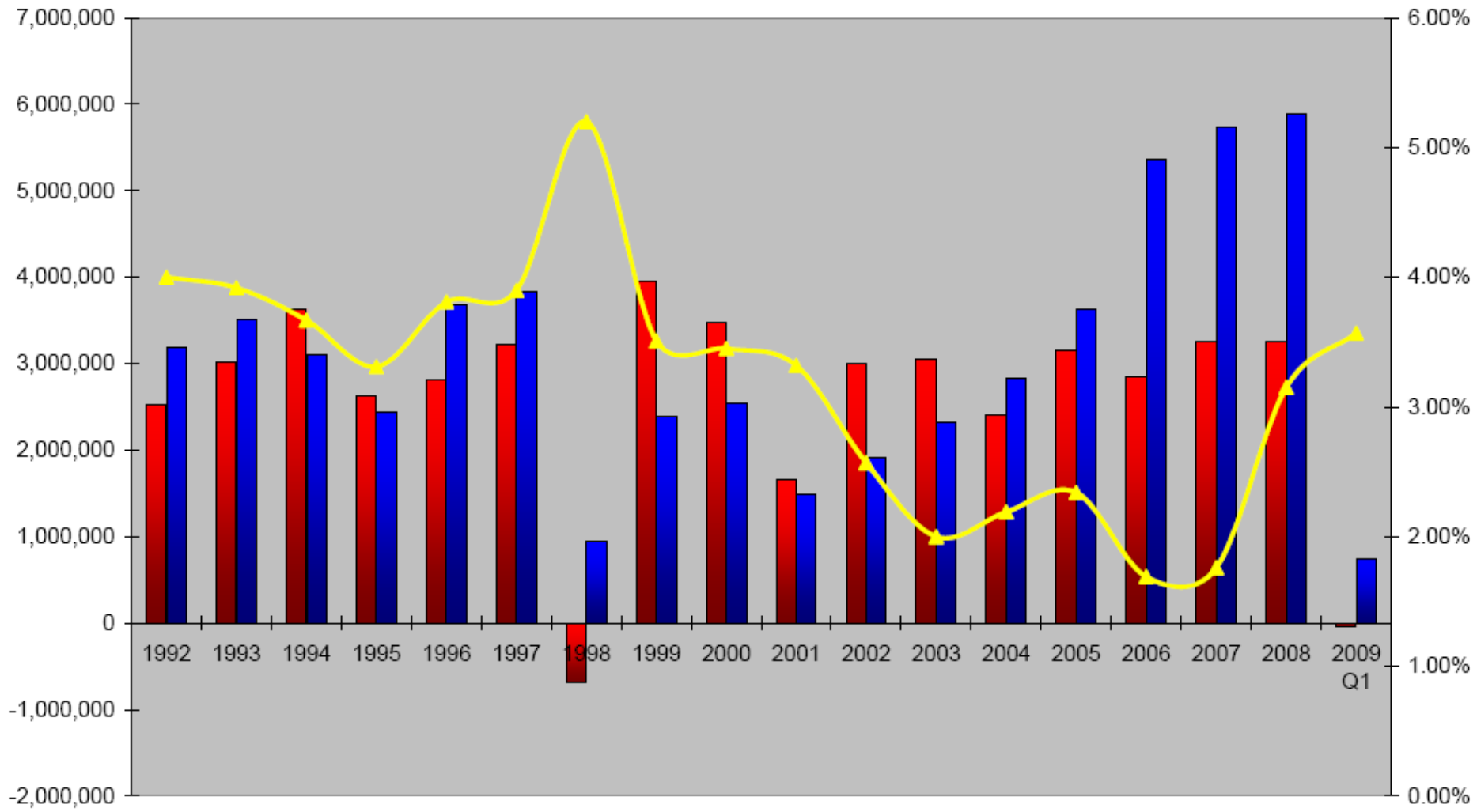


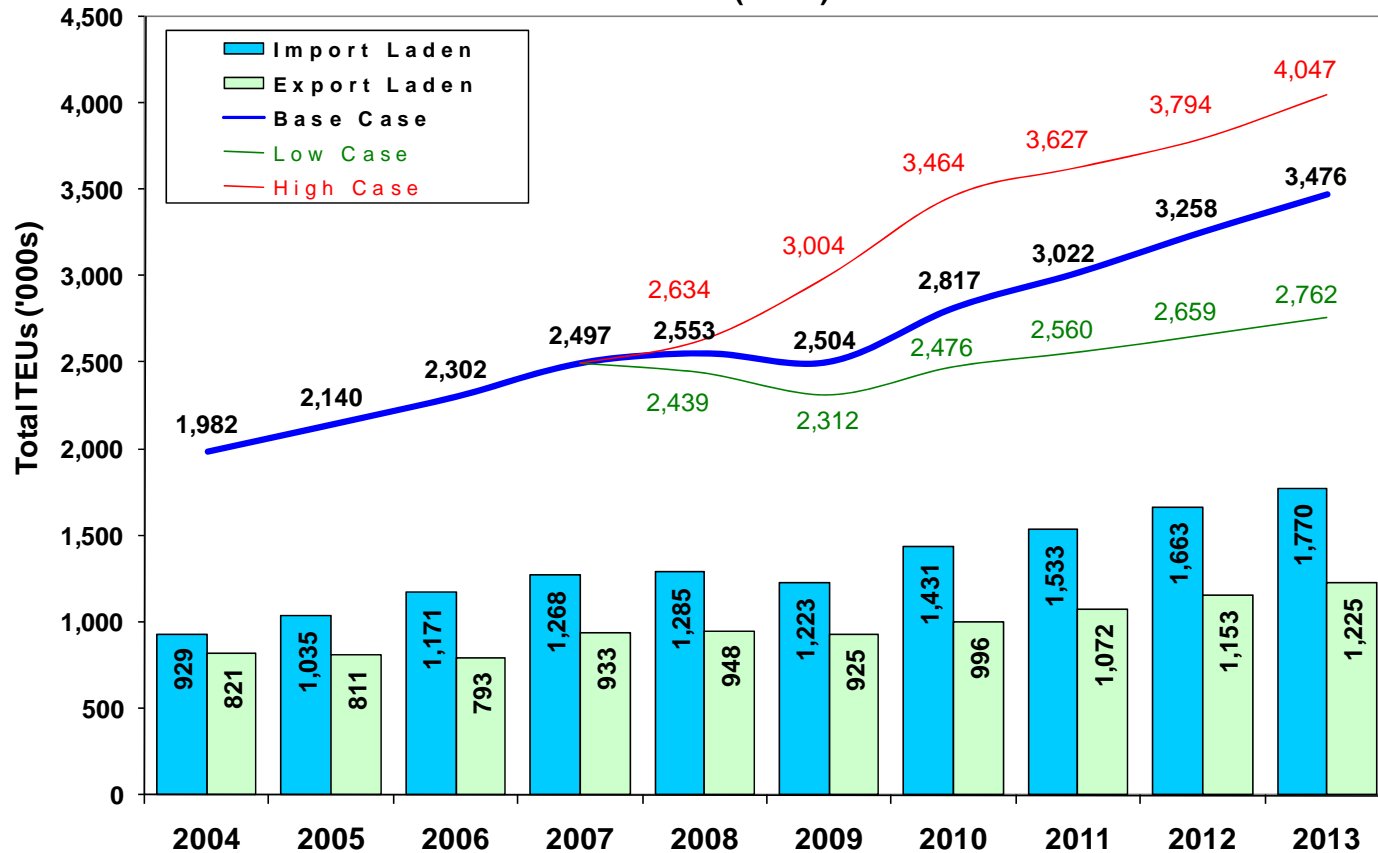
**Metro Vancouver  
Historic and Current Industrial Stats**

Absorption    New Construction    Vacancy

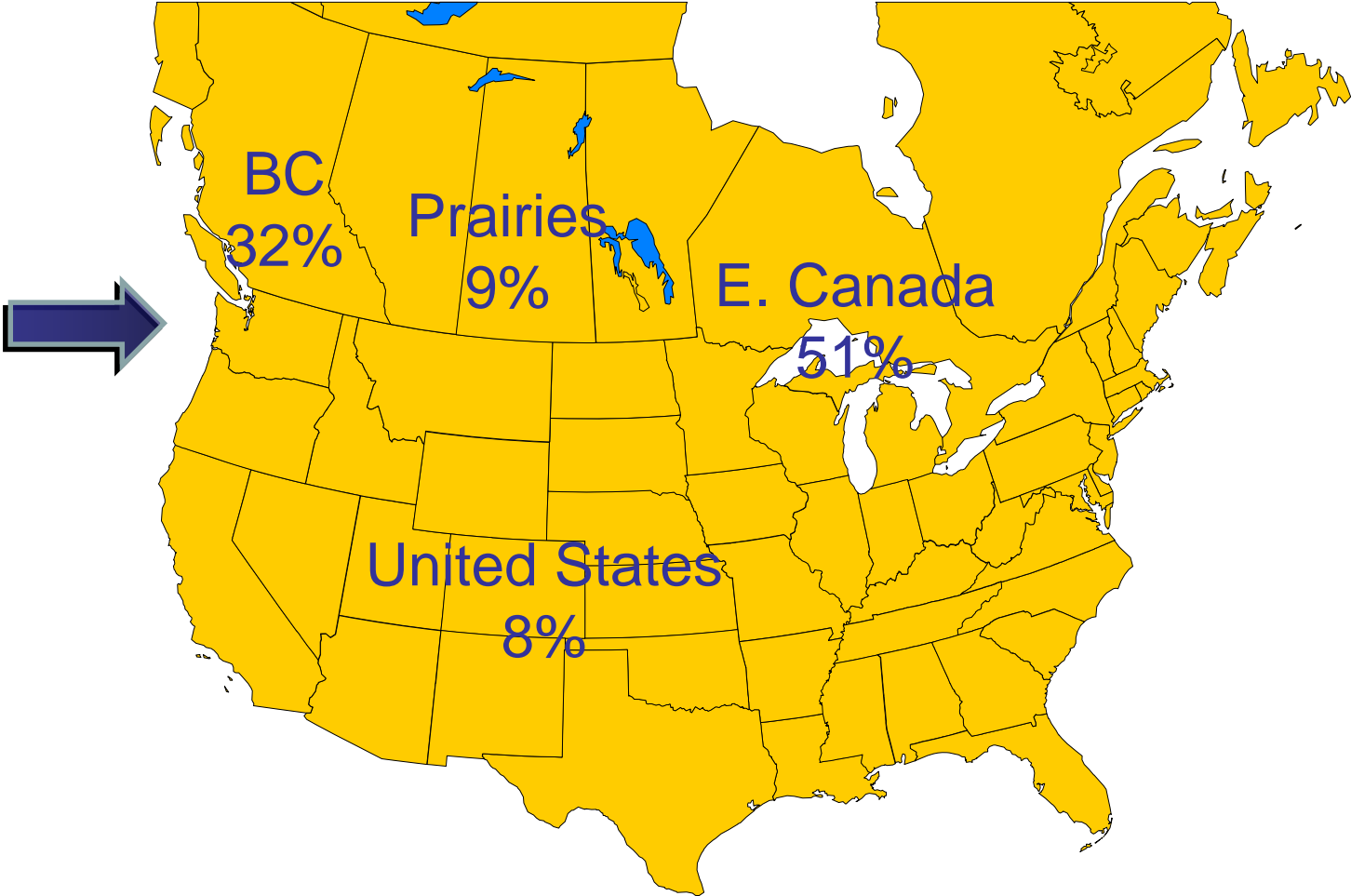


# PMV's Container Forecast to 2013

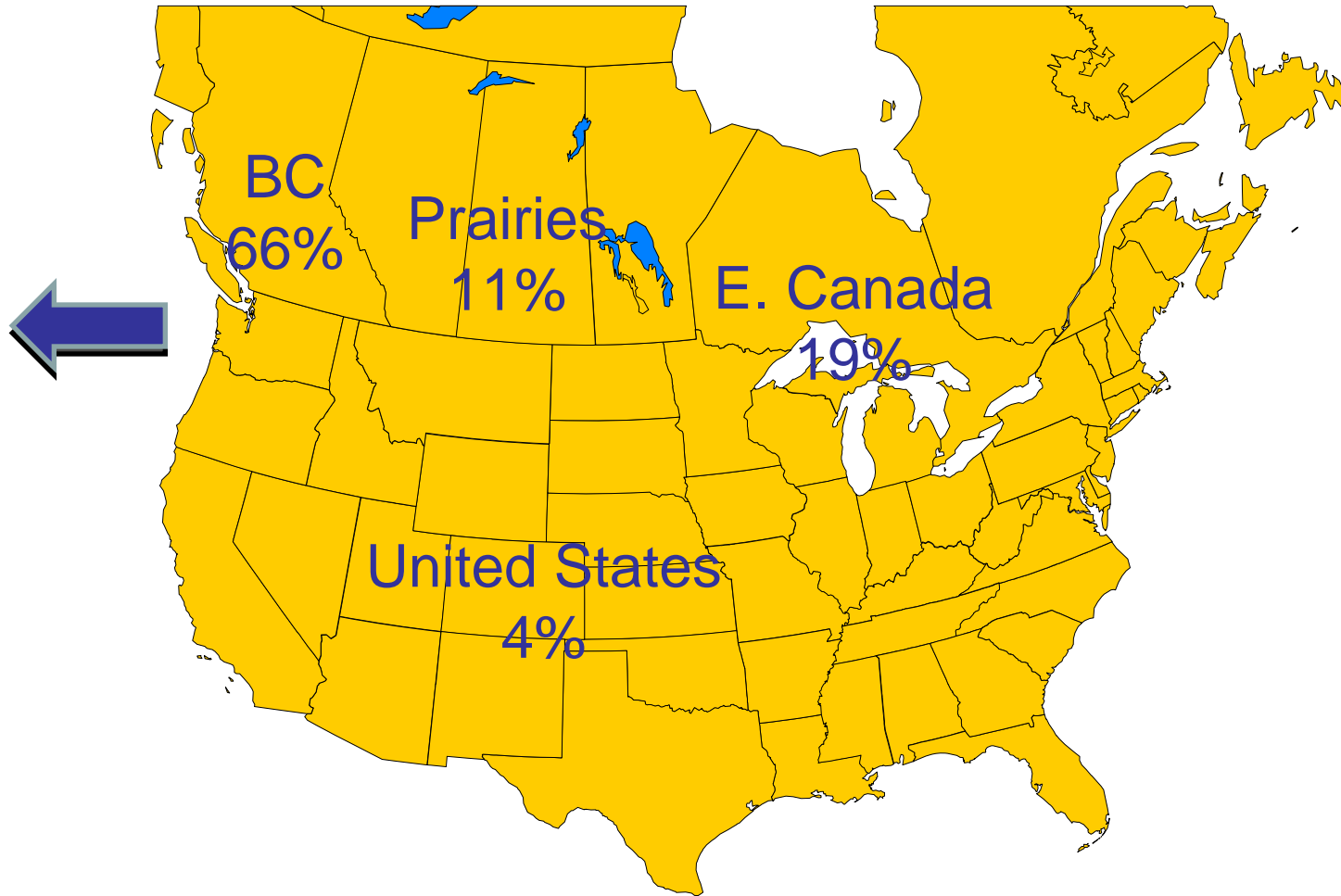
Figure 7: PMV 2009-2013 Container Forecast  
Total TEU ('000s)



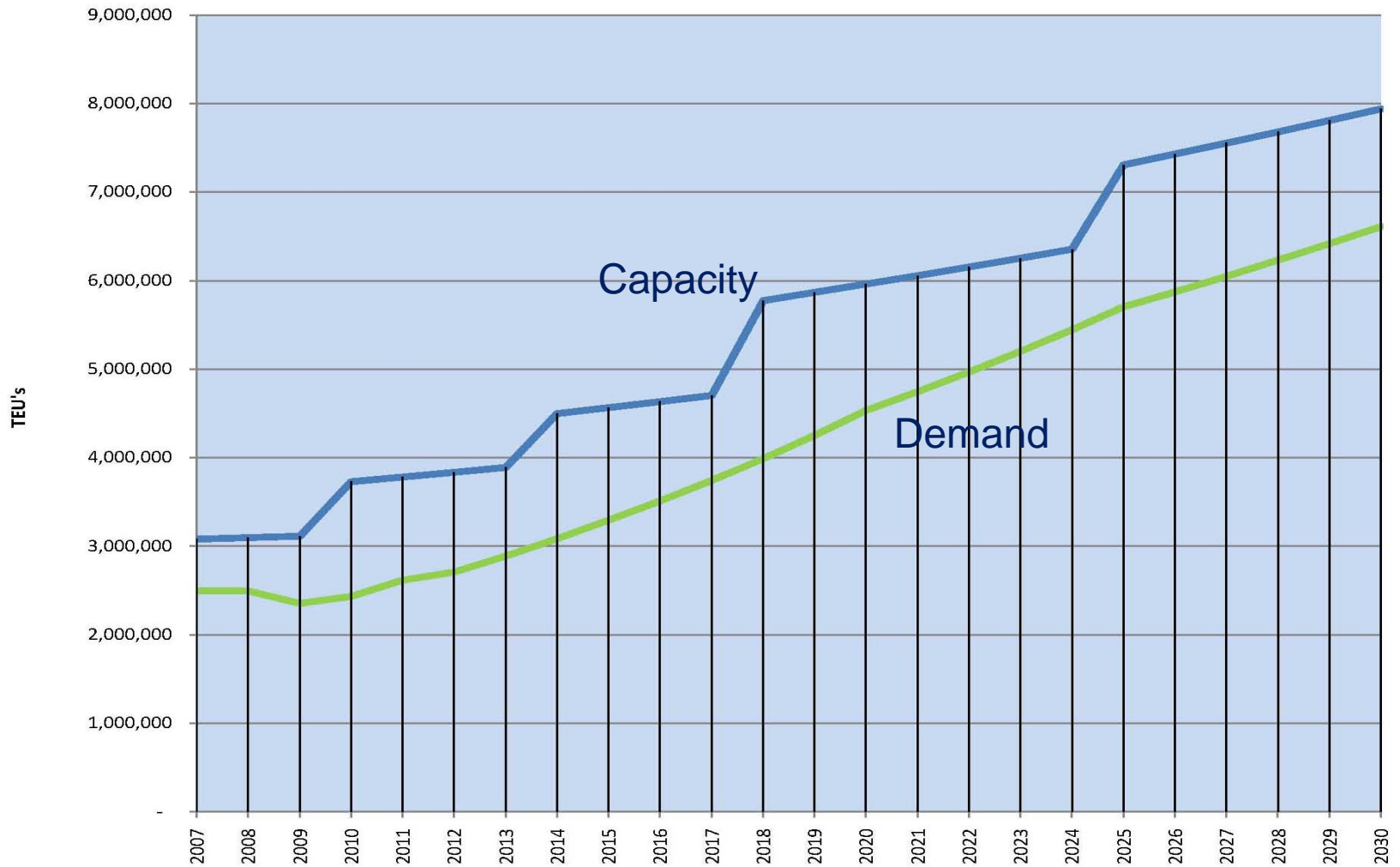
# PMV's 2008 Container Market Inbound Traffic



# PMV's 2008 Container Market Outbound Traffic



# PMV's Container Forecast to 2030



# Mortgage Market Update

## Good News

- Term debt is being arranged today.
- Many lenders are open for business.
- Interest rates are historically low.

## Bad News

- Underwriting is conservative, cap rates are up, resulting in larger equity requirements.
- Loan approval and funding is a more arduous process.
- Land loans, projects with significant vacancy and/or large lease rollovers are difficult to place.

# 2008 & 2009 Comparison

## INDUSTRIAL EXAMPLE

- 43,000 sf Single Tenant warehouse (Langley).
- \$6.75 lease rate.
- Long term lease.

### 2008 Mortgage

- 6% Cap. \$4,700,000 value
- 70% LTV. \$3,300,000 loan.
- 5-year Rate: 5.4%

### 2009 Mortgage

- 7% Cap. \$4,000,000 value
- 65% LTV. \$2,600,000 loan.
- 5-year Rate: 5.2%

# 18 Month Forecast

(NOTE: Crystal ball is foggy & cracked...)

## 12 to 18 Months

- More lenders in the market, less “cherry picking”.
- Lender underwriting will remain conservative. High cap rates, high debt coverage, lease rollovers discounted.
- Secondary/Mezzanine lenders will be active filling the leverage gap.
- Interest rates will remain historically low.

## 2011

- More leverage available.
- Inflation starts to become an issue.