



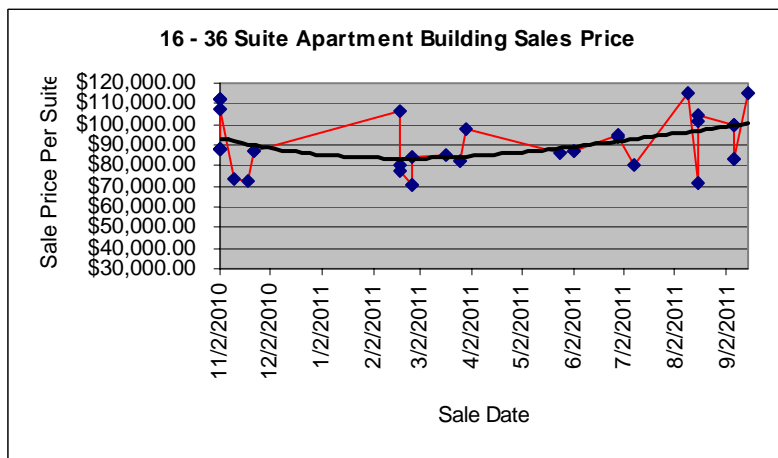
November 2010 – September 2011 Edmonton Market Overview

www.bourgeois.ab.ca

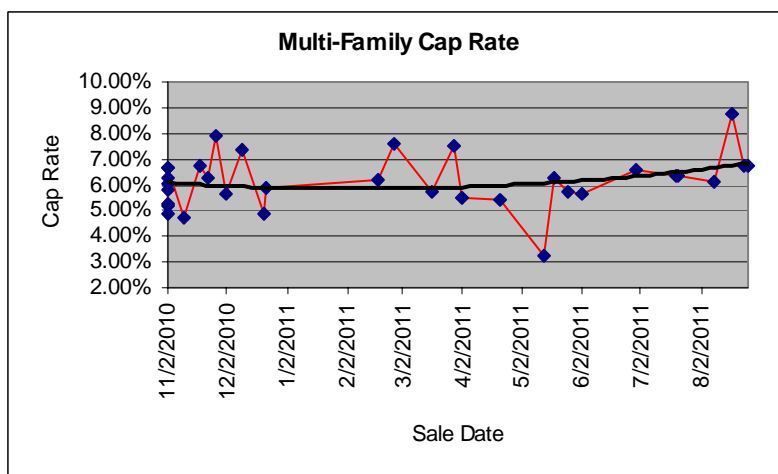
The following report provides a brief synopsis regarding general market activity in Edmonton for the period between November 2010 and September 2011. Improved properties within the industrial, apartment, and office segments are examined. An analysis of industrial and multi-family cap rates is also featured. The underlying data has been obtained from Bourgeois & Company's BRADS database, which tracks all IC&I transactions in the greater Edmonton region.

Edmonton Apartment Building Market

Category	# of Transactions	Total Capital Exchanged	Total Number of Suites	Average Price/Suite
8-15 Suites	23	\$24,107,800	268	\$89,954
16 - 36 Suites	34	\$70,425,948	780	\$90,290
37+ Suites	7	\$62,978,000	519	\$121,345



The sales data for the 16 to 36 suite apartment building segment reveals a slightly increasing trend line. On a per suite basis this trend line rises from \$92,000 to \$98,000. Sale prices are within a tight bracket, with a majority of sales ranging from \$70,000 to \$100,000 per suite. More specifically, the chart above suggests an average sale price per suite of \$90,290.



The cap rate graph reveals an unexpected trend line that appears to be contradicting the Building Sales Price graph. Generally speaking, as sale prices increase cap rates tend to decrease (and vice versa). However, in this instance it is interesting to note that both sale prices and cap rates have increased. This tends to suggest that investors are demanding greater returns in these times of economic uncertainty.

The information contained herein was obtained from sources deemed to be reliable and is believed to be true; it has not been verified and as such, cannot be warranted nor form any part of any future contract.

Report prepared by Vinicio Bazzaglia (viniciob@bourgeois.ab.ca)

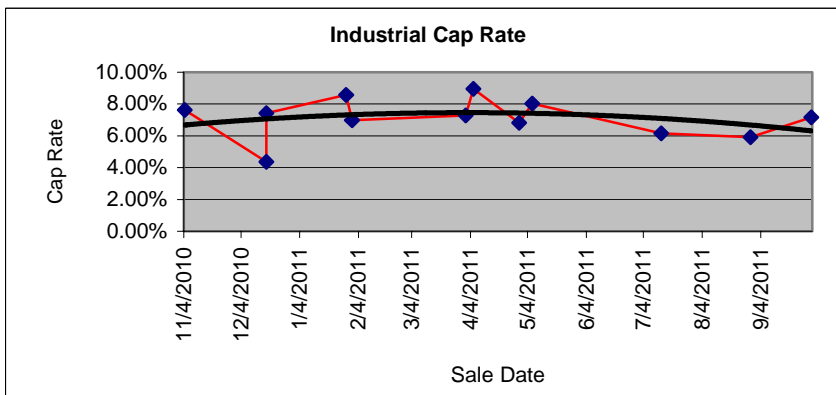
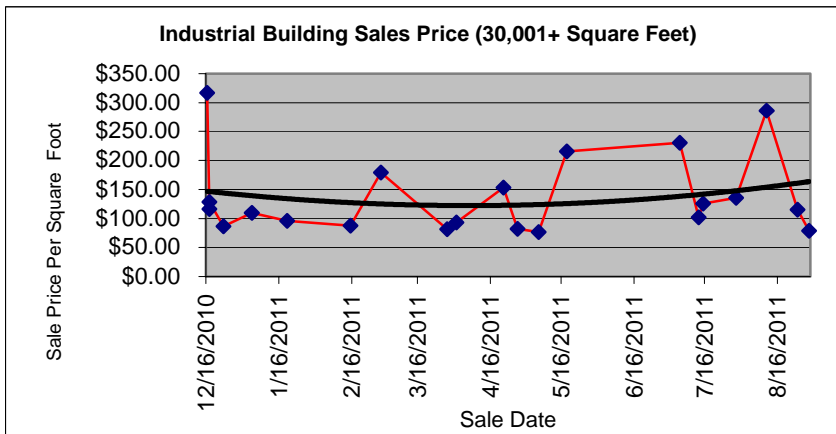
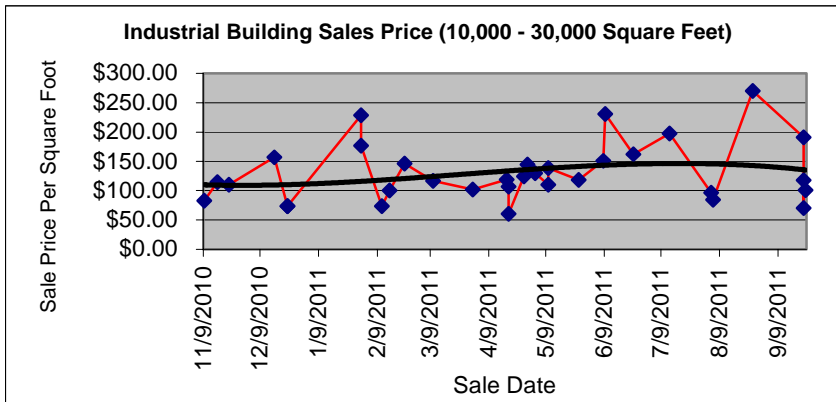


Edmonton Industrial Building Market

Category	# of Transactions	Total Capital Exchanged	Total Building ft ²	Average Sale Price Per ft ²
Less than 10,000 ft ²	31	\$38,630,000	179,141	\$226/ft ²
10,001 – 30,000 ft ²	34	\$76,342,000	607,839	\$130/ft ²
Over 30,001 ft ²	21	\$223,620,000	1,678,534	\$137/ft ² *

This data excludes all portfolio sales. No condominium units were included in the analysis.

* This average figure is highly influenced by five sales involving newer buildings.



The analysis incorporates two separate data sets consisting of buildings with 10,000 to 30,000 ft² and 30,001+ ft². Both data sets reveal slightly increasing trend lines. Of note, is that all sales over \$200 per ft² were either purchased for income generating purposes or have very low building to land ratios. These sales suggest that prices are reflective of a site's future capacity for development, and that investors are willing to pay a premium for good income generating properties.

The trend line for the Industrial Cap Rate graph appears to be relatively stable, with rates ranging between 6.75 and 7.75%. Generally speaking, cap rates below this range are due to atypical market conditions such as below market rents. Conversely, cap rates above the 6.75 to 7.75% range tend to be for properties that have very little potential for rental increases.

The information contained herein was obtained from sources deemed to be reliable and is believed to be true; it has not been verified and as such, cannot be warranted nor form any part of any future contract.

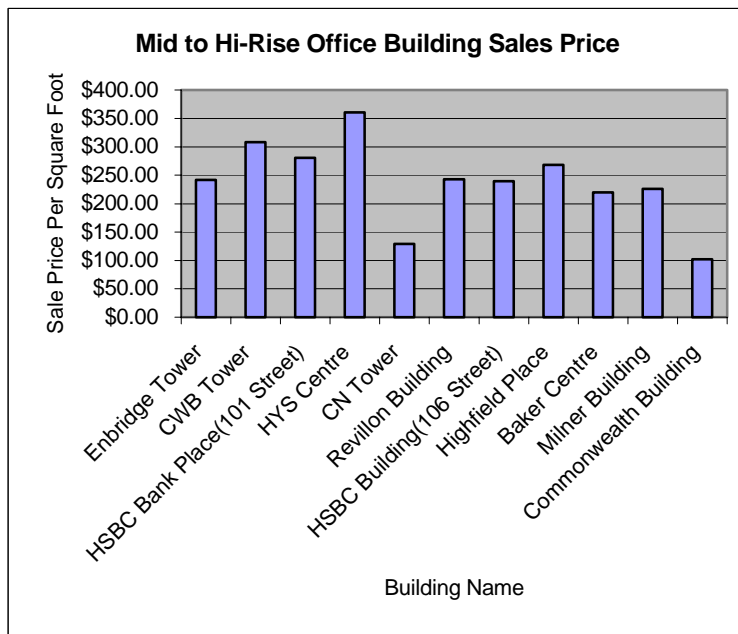
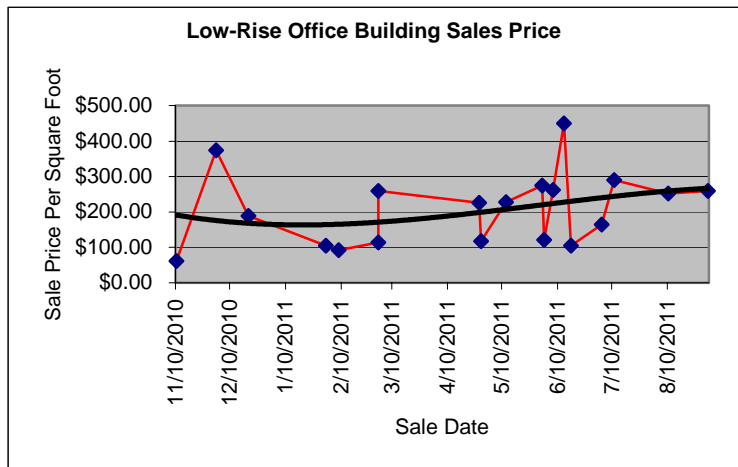
Report prepared by Vinicio Bazzaglia (viniciob@bourgeois.ab.ca)



Edmonton Office Building Market

Category	# of Transactions	Total Capital Exchanged	Total Building ft ²	Average Sale Price Per ft ²
Low-Rise	19	\$152,473,000.00	677,606	\$208/ft ²
Mid/Hi-Rise	11	\$555,645,000.00	2,298,546	\$242/ft ²

No condominium units were included in the analysis.



The office market has been categorized into two segments consisting of low-rise office buildings over 2,500 ft² in one group and mid to hi-rise buildings in the other. A total of 35 office buildings have transferred ownership between November 2010 and September 2011, with 11 of these sales in the mid to hi-rise category.

Low-rise office building sale prices have experienced an upward trend throughout 2011. Sales data reveals a trend line rising from \$200 to \$250 per square foot. The trend line, however, is skewed upward by four higher priced sales that occurred in the summer of 2011. Specifically, in June 2011 a high quality, newer construction building sold for \$450 per ft². The underlying data reveals that only two sales between November 2010 and September 2011 were for buildings located in downtown Edmonton. In addition, over half of the buildings that sold below \$150 per ft² underwent significant renovations after the time of sale.

A trend line could not be extrapolated for the mid to hi-rise office market due to the limited number of sales in the period between November 2010 and September 2011. Nonetheless, the mid to hi-rise graph compares each building on a sale price per square foot basis. The medical mid-rise building known as the HYS Center highlights the upper end of the market, while the CN Tower and Commonwealth Building sold at the low end.

The information contained herein was obtained from sources deemed to be reliable and is believed to be true; it has not been verified and as such, cannot be warranted nor form any part of any future contract.