

VIP
2008

VISIONS
INSIGHTS &
PERSPECTIVES
Institutional Real Estate, Inc.

4-Minute Manager Global Markets Session CANADA

Louis Tremblay
Director, Business Development
Presima inc.



CANADA

- **Approximately \$500 billion in high quality commercial real estate**
- **Approximately \$160 billion owned by institutional investors**
- **Real estate ownership is headed by big pension funds such as:**
 - BC Investment Management Corp.
 - Caisse de dépôt et placement du Québec
 - Canada Pension Plan Fund
 - Hospitals of Ontario Pension Plan
 - Ontario Municipal Employees Retirement System (Oxford)
 - Ontario Teachers' Pension Plan (Cadillac Fairview)
 - Public Sector Pension Investment Board

A look at the Canadian Real Estate Market by Region

Vancouver:

- Strong market
- Important port and high tech centre
- High Real Estate demand and low supply (geographic barriers)
- 2010 Olympics

Calgary & Edmonton:

- Canada's resource capital (Calgary)
- Canada has 2nd largest oil reserves after Saudi Arabia, mostly in Alberta

Toronto:

- Canada's manufacturing hub
- 24-hour city
- 3 million sq. ft. of new office space being built
- Office, industrial, and apartments are attractive

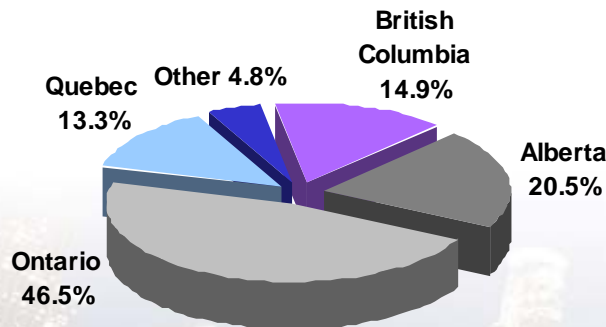
Montreal:

- Tough market to break into
- Not many changes in past few years

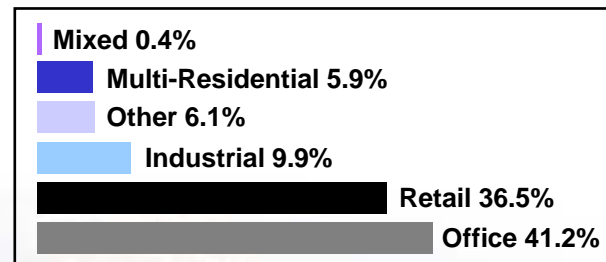
Maritimes:

- Some opportunities for knowledgeable speculative investors

Regional Allocation of Canadian Real Estate*



Sector Allocation of Canadian Real Estate*



*Total value of properties included in the ICREIM/IPD Databank at September 2007.

Sources: PriceWaterhouseCoopers and Urban Land Institute's Emerging Trends in Real Estate 2008, ICREIM/IPD Canadian property index at Q3 2007.

Benefits of investing in Canada

- Tax-Efficient Legislation
- Sophisticated Investors
- Booming Market (Alberta and BC)
- Attractive Risk/Return Profile
- Strong Fundamentals

Cap Rates in Canada

	Retail	Δ	Industrial "A"	Δ	Downtown Office "AA"	Δ
Vancouver	5.50 – 6.00%	↔	5.50 – 6.00%	↔	5.25 – 5.75%	↔
Calgary	5.50 – 6.00%	↑	5.75 – 6.25%	↑	5.00 – 5.50%	↑
Toronto	5.75 – 6.50%	↔	6.00 – 6.50%	↔	5.75 – 6.00%	↔
Montreal	6.00 – 7.00%	↔	6.50 – 7.50%	↓	5.75 – 6.25%	↓
Halifax	6.25 – 6.75%	↔	7.25 – 7.75%	↔	N/A	