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Second Quarter 2008: Industrial Still Tops Investor Preferences

The chart (left) shows market preferences as surveyed in the Altus Insite Investors Survey. The market's top preferences continue to be for Single and Multi-Tenant Industrial assets.

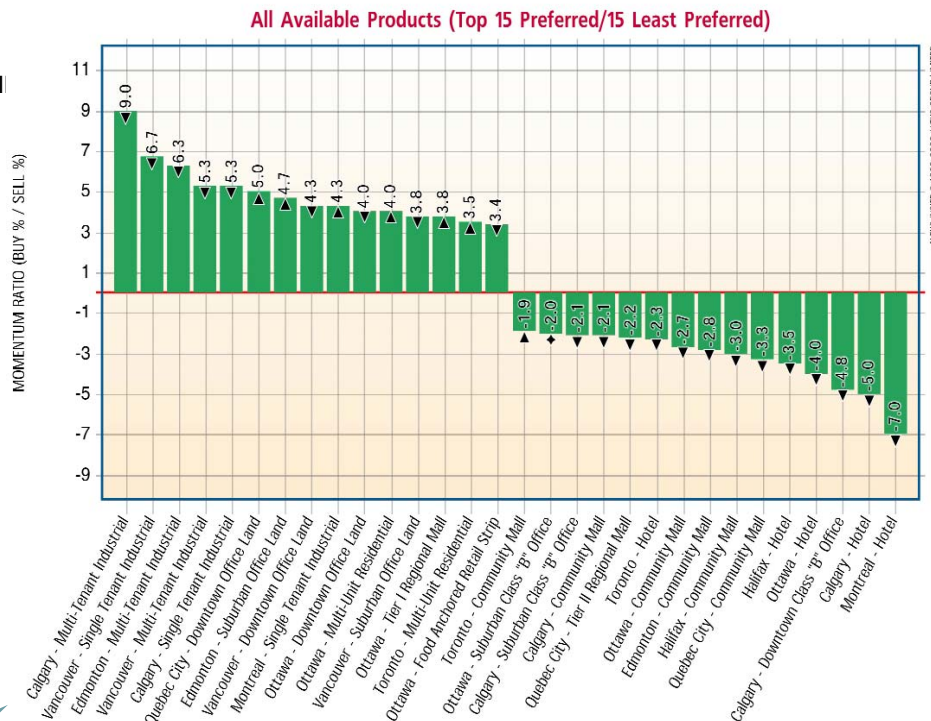
A lack of appetite remains for Downtown and Suburban Class "B" office, Hotels and Community Malls, all of which continue to

receive negative sentiment.

The chart (right) takes a closer look at community malls. In Toronto, there are 2.1 sellers for every potential buyer of such properties.

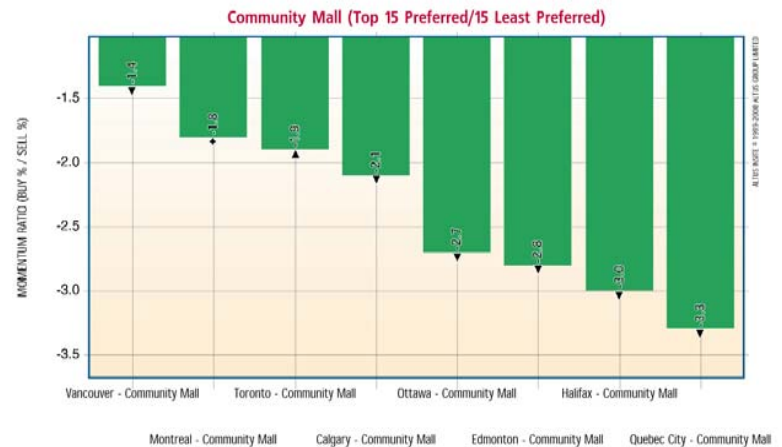
Product/Market Barometer - Current Quarter

Q2 2008



Product/Market Barometer - Current Quarter

Q2 2008



Community Mall Sentiment Deteriorates

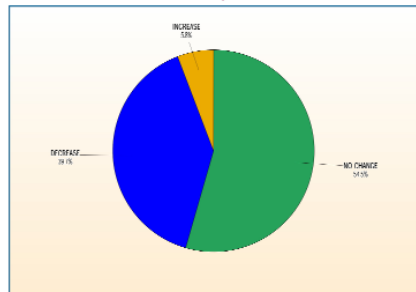
In the 2nd quarter of 2008, fully 39.7 per cent of investors felt that values for Community Malls were likely to decline over the next 12 month period.

This marks a significant deterioration from the 2nd quarter of 2007, when only 4.3 per cent of investors surveyed felt prices were likely to decrease.

Only 5.8 per cent of investors saw an increase in value as likely over the next 12 months, down from 46.8 per cent a year ago.

TREB's June Commercial Realty Watch gives a figure of \$16.75 sfn for Commercial/Retail space, including space within Community Malls.

Altus InSite Investor Outlook
Q2 2008
Community Mall



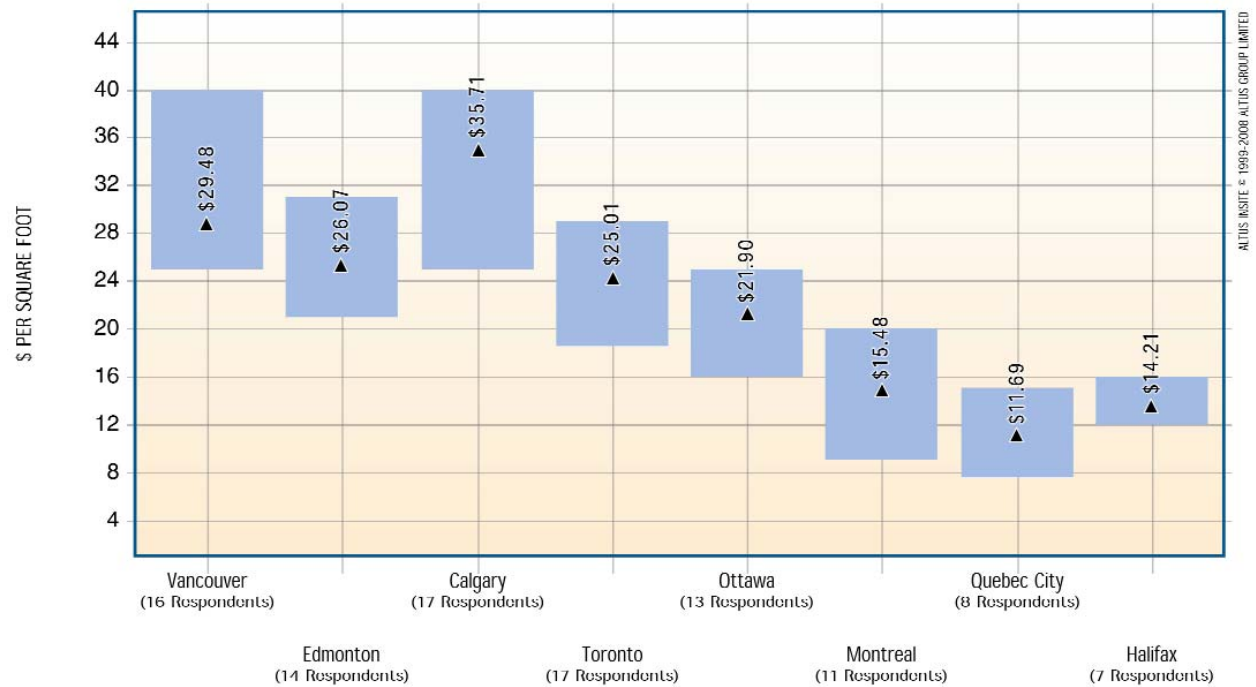
“AA” Office Rents Increase In Toronto

Per square foot costs in Toronto rose to \$25.01 during the 2nd Quarter of 2008, up one per cent over the \$24.67 figure recorded a year ago. Calgary and Edmonton remained the two most expensive Canadian markets, with prices still on the increase from year ago levels. Compared to the 1st quarter of 2008, all markets saw an increase in “AA” class office rents.

Market Net Effective Rates

Q2 2008

Downtown Class "AA" Office



Arrows indicate directional movement from previous survey

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