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First Quarter 2007: Focus on Land and Retail

Some definitions:

The Benchmark Suburban Land Parcel is defined as:

- Prominent position within an established and well recognized suburban business park.
- Primary access to the park is vehicular as opposed to subway or L.R.T.
- Five acres (square)
- Two street frontages as well as highway frontage.
- Zoned for one times coverage (i.e. 220,000 square feet of commercial office.)

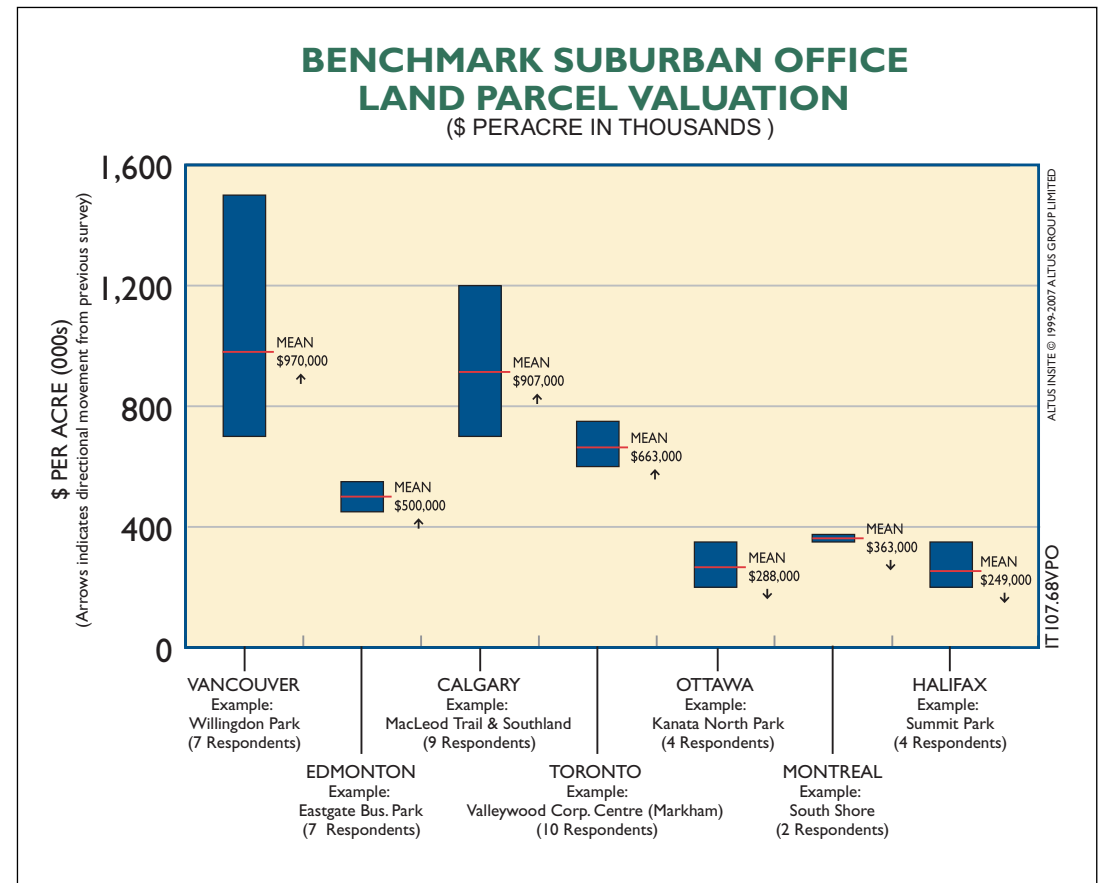
The Benchmark Power Centre is defined as:

- Dominant for the region
- Five to 10 years old
- Proximity to controlled highway access
- 10 -15 year lease
- Greater than 500,000 square feet
- Major arterial position
- Strong covenant, national tenants

Suburban Land Values Continue Upward Trend

In the first quarter of 2007, values for Suburban Office land parcels increased in four of seven markets over 3rd quarter 2006. Values increased most in Vancouver (up 29.3 per cent to \$970,000 per acre) and Calgary (up 14.8 per cent to \$907,000 per acre).

Toronto prices fell 7.5 per cent to \$663,000 per acre, and Ottawa prices declined 7.1 per cent to \$288,000 per acre.

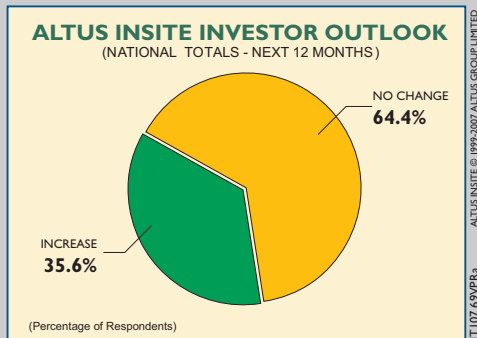


Investors Still Bullish On Power Centres

On a Canada-wide basis, there were 5.1 buyers for everyone seller of Power Centres in the first quarter of 2007.

While about two-thirds (64.4%) of Altus InSite Investor Outlook Respondents felt that there would be no change in Power Centre values over the course of the next year, a full 35.6 per cent predicted that these values would increase during that time period.

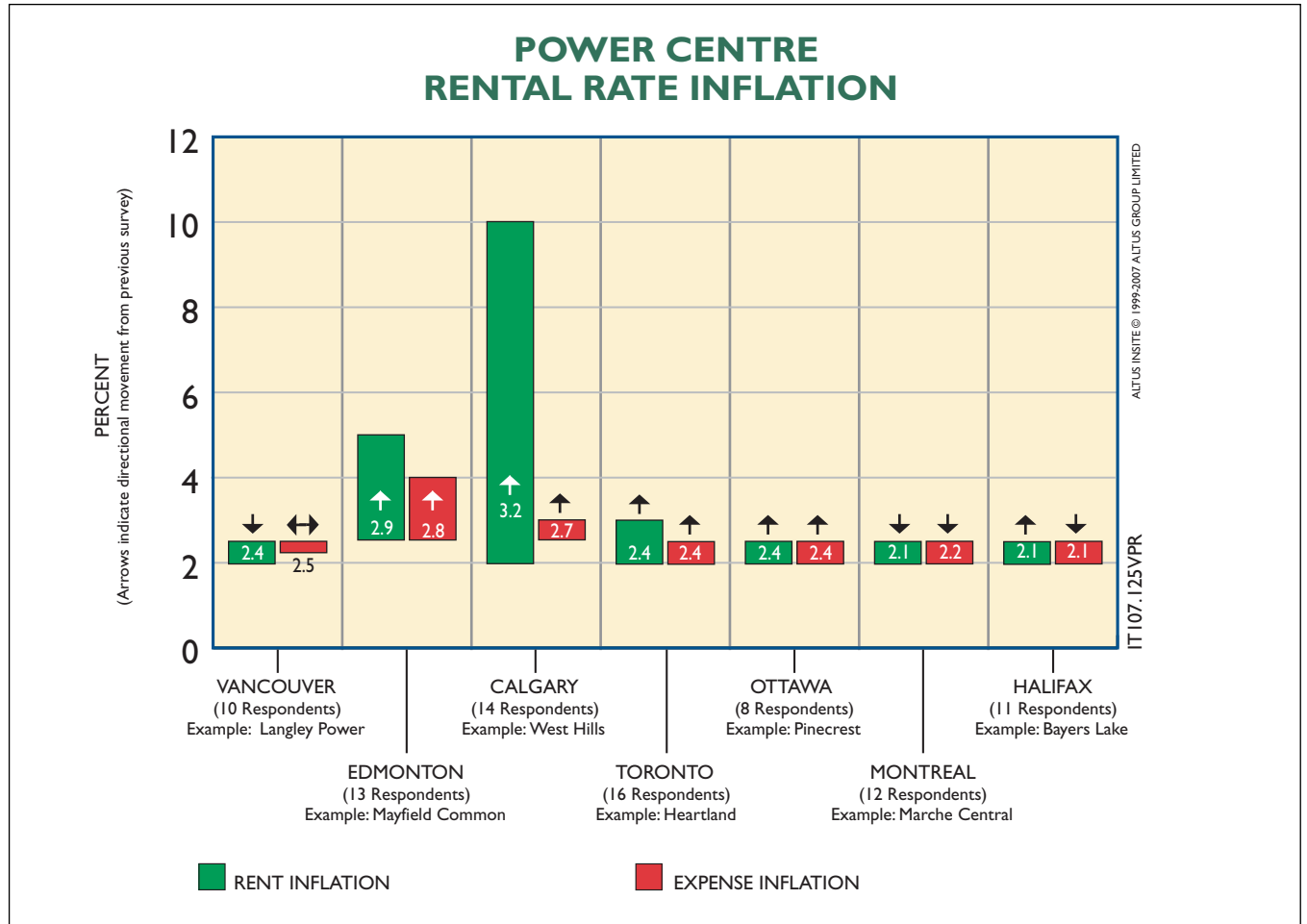
Sustained demand for Power Centres has resulted in investment yields declining since the third quarter of 2006. The national Overall Capitalization Rate (OCR) average dropped from 6.5 to 6.1 per cent.



Power Centre Rent Inflation Up Slightly

Power Centre rental rate inflation expectations averaged 2.5 per cent across the country, a little higher than the 2.4 per cent recorded in 2006. Expenses are expected to rise an average of 2.4 per cent, generally in keeping with rental rate inflation.

Both Toronto's rents and expenses are expected to rise 2.4 per cent.



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