



For more information on the market, please contact us

DTZ Barnicke

1200 - 1100, René-Lévesque West Blvd

Montréal, Québec

H3B 4N4

Phone : 514 868-1215

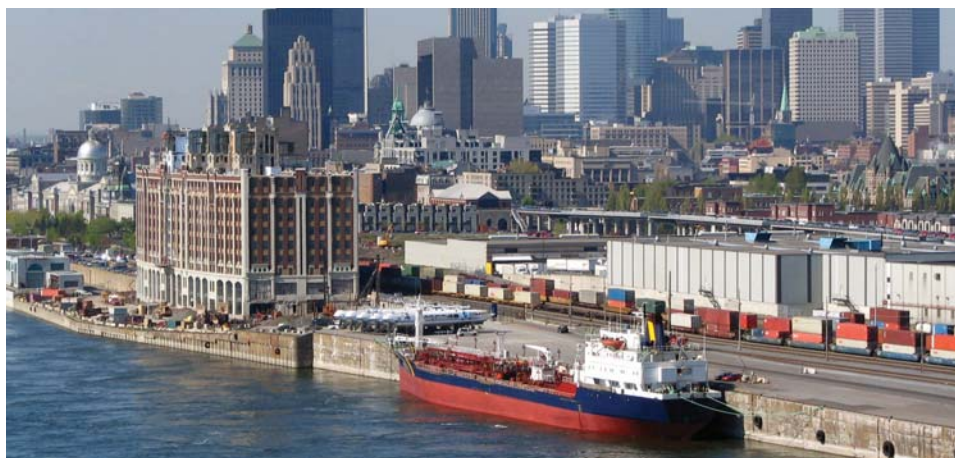
Fax : 514 868-9855

www.dtzbarnicke.com

514 868-1215

DTZ Barnicke (Québec) Ltée, Courtier immobilier agréé

Respecter l'environnement, c'est choisir nos envois courriels - marketing@dtzbarnicke.com
Let's respect the environment, join our e-mailing list - marketing@dtzbarnicke.com



Overview of the current industrial real estate market

Positive momentum from years past spilled over into 2007 and kept the national industrial real estate market performing solidly. With a consistently low supply of properties for sale in most major Canadian markets, demand has remained robust from users and investors alike. Despite the impacts of a strong Canadian dollar, higher commodity prices and a slowing US economic forecast, industrial real estate is expecting to experience conservative growth in 2008.

As for real estate activity in the Montréal industrial market, vacancy is on the rise with many large spaces available for lease in various sub-markets. Demand in the Greater Montréal Area has been and will continue to be driven by warehousing and distribution. Renewal activity is on the rise as users are waiting to evaluate market fluctuations before making expansion or retraction decisions.

Sources: DTZ Barnicke Global Views 2008, Conference Board of Canada

Supply highlights

- Due the high demand for ownership, good leasing opportunities are readily available in most markets and size ranges (especially in 100K sq ft + buildings)
- The “benchmark” clear height for new construction is now 28’ and higher
- Developers have been successful with speculative multi-tenant industrial facilities in 2007. We expect to see more of these projects
- Available off-island land in Vaudreuil-Dorion is still plentiful and prices have remained stagnant

Demand highlights

- The strong Canadian dollar and increased overseas outsourcing have created a decrease in demand for manufacturing space
- Users searching for high-quality distribution space (clear heights of 24’+) are turning to build-to-suit options or speculative multi-tenant facilities
- Industrial real estate demand for warehousing and distribution will be driven by cargo transport, third party logistics services and the shipping industry

Recent sale transactions

1. **Jolina Capital Inc.** purchased 39,379 sq ft at 2280 43rd Avenue, Lachine, Montréal from **Canam Group Inc.**
2. **Fédération des Coopératives du Nouveau-Québec** purchased 49,189 sq ft at 19400 Clark-Graham Avenue, Baie-d’Urfé from **Velux Canada Inc.**
3. **Le Groupe Legerlite Inc.** purchased 94,124 sq ft at 5901 Trans-Canada Highway, Pointe-Claire from **Locatel Ltd.**
4. **Panattoni Development Company Inc.** purchased 52,854 sq ft at 2085 des Entreprises Boulevard, Terrebonne from **Manoir Inc.**
5. **Investors Real Property Fund** purchased 292,898 sq ft at 2345 Sources Boulevard, Pointe-Claire from **Belden CDT (Canada) Inc.**

Recent lease transactions

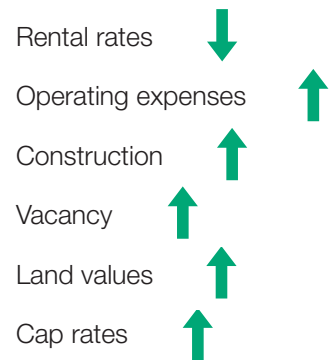
1. **Vesuvius USA Corp.** leased 36,260 sq ft at 1700 50th Avenue, Lachine from **ING Real Estate**
2. **Standard Patio Doors Inc.** leased 136,531 sq ft at 2300 Francis-Hughes Avenue, Laval from **Provigo Distribution Inc.**
3. **Lafarge Canada Inc.** subleased 70,000 sq ft from **Bayer Inc.** at 334 Avro Avenue, Pointe-Claire
4. **Consolidated Bottle corporation** leased 20,160 sq ft at 800 Selkirk Street, Pointe-Claire from a private investor

Industrial rates

(The following are approximate rates)

Net rent	
New construction	\$ 6.00 to \$ 6.75 /sq ft
Class A	\$ 4.75 to \$ 5.25 /sq ft
Class B	\$ 4.25 to \$ 4.75 /sq ft
Class C	\$ 3.50 to \$ 4.25 /sq ft
Vacant sales	\$ 45.00 to \$ 65.00 /sq ft
Land (Off-island)	\$ 0.60 to \$ 6.00 /sq ft
Land (On island)	\$ 6.00 to \$ 15.00/sq ft

Market indicators



Source : DTZ Barnicke Global Views 2008



Technoparc zoning admissibility

The City of Montréal amended its urban plan to allow a wider range of industries to operate within the Technoparc. The changes will add medicine, energy, textile, and natural resources to the list of acceptable industries. Other industries will be evaluated on a case by case. Minimum research and development restrictions have been reduced from 30%-100% of operations to 15%-85%. The changes were made to encourage new development in the park, particularly on the perimeter lots.

According to George Geracimo, VP Real Estate of the Technoparc, we can expect one or two new developments in 2008. Plans are underway to construct a new multi tenant flex space building with commercial operations on the ground floor. This multi-tenant building will also allow for smaller companies to operate within the park who were unable to set up shop in the past due to their size.

Sources : Montreal Gazette; George Geracimo, VP Real Estate, Technoparc Saint-Laurent

Large vacancies multiplying in Laval

Currently, there are numerous large industrial spaces available in Laval. In total, there is over 2 million square feet of industrial space available in this region. Some examples include:



2750, Francis-Hughes Ave.



1250, Dagenais Blvd.



5555, des Rossignol Street

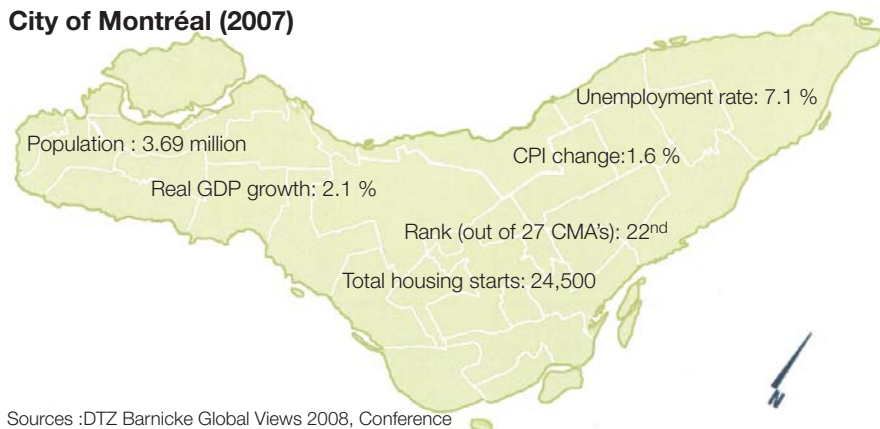


2025, Cunard Street

The zoning of many parcels of land allow commercial and/or industrial use, thus encouraging new development. Group Montoni's land on the Aut. 13 is a good example of this (± 2,400,000 sq ft). Also, Loracon and ING Real Estate have become partners for the future development of over 2.5 million square feet of land.

Montréal economics at a glance

City of Montréal (2007)



Sources : DTZ Barnicke Global Views 2008, Conference Board of Canada, Statistics Canada

Montréal real estate at a glance

GMA Industrial real estate

- Industrial inventory: 329 million (sq ft) (2006)
- Vacancy rate: 6.5% (2006)
- Canadian market place rank: 2nd
- Industrial building permits (\$000s): 606,690 (From Jan. 2007 – Nov. 2007)

Sources : DTZ Barnicke Global Views 2008, Conference Board of Canada, Statistics Canada

J.J. Barnicke becomes DTZ Barnicke

J.J. Barnicke Limited has become the Canadian operation of DTZ, one of the world's top four global advisers in commercial real estate. This is a tremendously exciting and positive move for us and will enhance our service delivery to clients. DTZ is a leading global real estate adviser with over 11,000 staff operating across 157 cities in 46 countries providing solutions for clients around the world.

Our Industrial Team

Robert Mercier President	robert.mercier@dtzquebec.com	514 868-5300
Erik Charton Senior Vice-president	erik.charton@dtzquebec.com	514 868-5301
Brandon Allen Affiliated Real Estate Agent	brandon.allen@dtzquebec.com	514 868-5315
Jean-Philippe Daunais Affiliated Real Estate Agent	jp.daunais@dtzquebec.com	514 868-5306
Jean-Marc Dubé Affiliated Real Estate Agent	marc.dube@dtzquebec.com	514 868-5307
Michael David Owen Affiliated Real Estate Agent	michael.owen@dtzquebec.com	514 868-5323

DTZ Barnicke

1200 - 1100, boul. René-Lévesque Ouest
 Montréal (Québec)
 H3B 4N4