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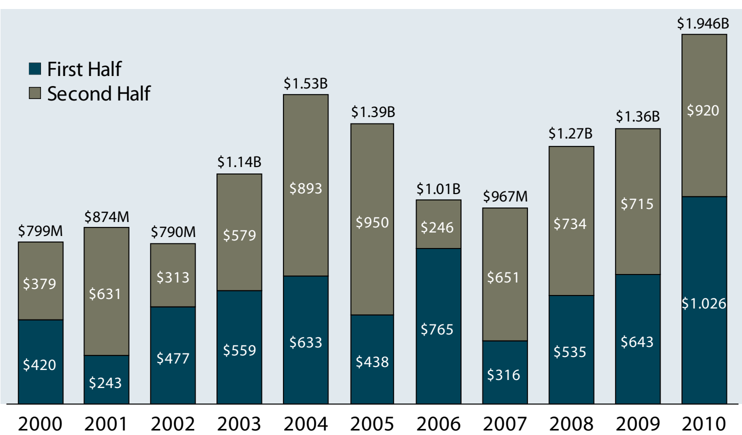
British Columbia Real Estate Investment Review

Year-End 2010

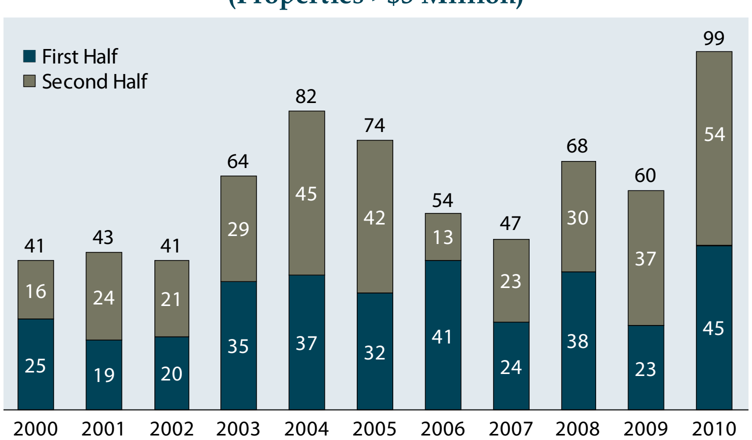
AVISON YOUNG
Intelligent Real Estate Solutions

	1st Half 2010	2nd Half 2010	2010 Total
Total value (sales > $5 million):	$1.026 billion	$920 million	$1.946 billion
Total number of transactions:	45	54	99
Most active buyers:	Private	Private	Private
Most active sellers:	Private	Private	Private
Most active asset class:	Retail	Industrial	Retail

BC Investment Sales by Dollar Volume ($ Millions) (Properties >$5 Million)



BC Investment Sales by No. of Transactions (Properties >$5 Million)



Record year for BC commercial real estate investment market as dollar volume nearly hits $2 billion

Building on the record-setting first half of 2010, dollar volume in British Columbia's commercial real estate investment market reached $1.946 billion for the year – a new high-water mark for the province. With buyers closing the bid-ask gap, deal velocity accelerated in the second half of 2010 for a record 99 deals transacted during the year. (Avison Young tracks investment deals valued at more than $5 million.)

All-time high dollar volume and transaction levels were indicative of the low cost of debt and redeployment of capital accumulated in the wake of the financial downturn of 2008, which now appears firmly in the rear view mirror of many REITs, pension funds and private, public and institutional buyers alike. Metro Vancouver's solid market fundamentals were reinforced by the fact that no single transaction skewed dollar volumes in any asset class in 2010 as had been the case in 2009.

Improved debt markets with fewer restrictions and reallocation of capital to targeted asset type investments propelled 2010 to new heights of commercial real estate activity in BC. Private purchasers were dominant in all asset classes more so than cash buyers such as pension funds, life insurance companies and REITs, which had initially been slower to address private buyers' ability to leverage record low interest rates to hit bids and close deals.

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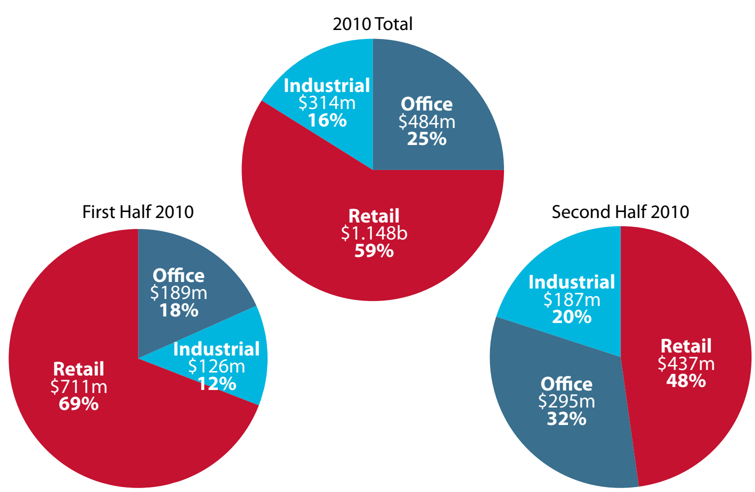
Sales by Property Type



Overall Trends

Record number of transactions and dollar volume in 2010

Office, retail and industrial sales maintained a robust pace in the second half of 2010 with dollar volume of $920 million – nearly matching the record first-half dollar volume of $1.026 billion set in the first six months of 2010.

Deal velocity picked up through the course of 2010 with 54 transactions in the last half of the year compared with 45 during the first half. As a result, total dollar volume for 2010 reached $1.946 billion, up from $1.36 billion in 2009 and $1.27 billion in 2008.

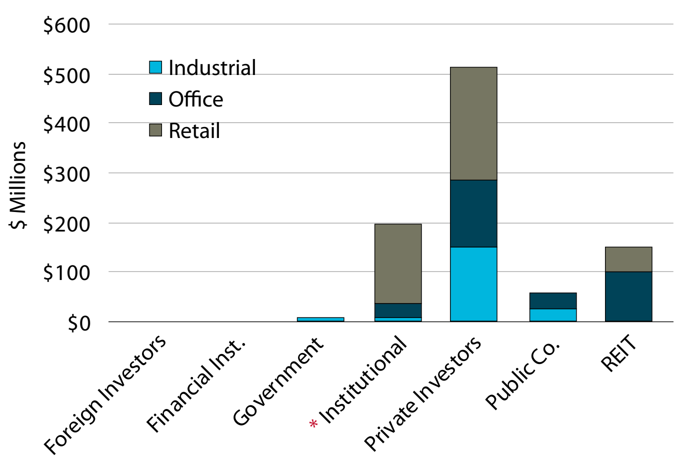
On an annual basis, deal volume increased to 99 in 2010, up from 60 in 2009, 68 in 2008, 47 in 2007 and 54 in 2006.

Private buyers dominated both the buying and selling sides in 2010. Purchasers aggressively pursued retail properties throughout the year, particularly in the first half, but an increase in deal velocity pushed industrial transactions to the forefront in the second half of 2010.

The availability of suitable investment-class properties in any asset class was the significant determinant of what was purchased in 2010 as opposed to buyer preference.

Overall, retail (40 of 99) and industrial (33 of 99) transactions made up almost three-quarters of completed deals in 2010. The remaining 2010 trades were in office (26 of 99). Retail purchases represented 59% ($1.148 billion) of dollar volume in 2010, while office deals generated 25% ($484.2 million) and industrial transactions contributed 16% ($313.5 million) of total sales.

Second Half 2010: Buyer Purchases by Asset Type



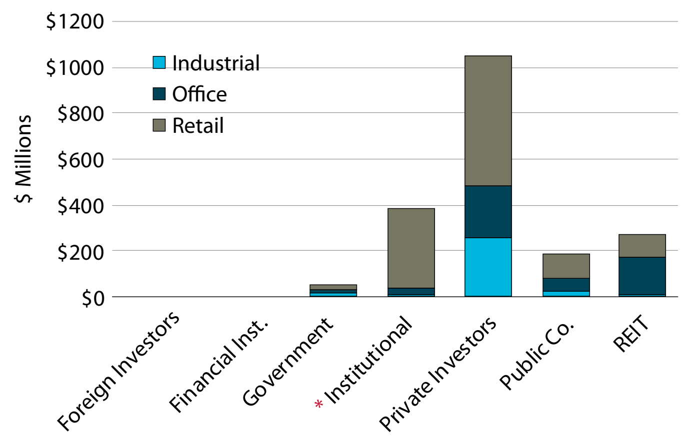
* Institutional investors include pension funds and life insurance companies

Note: Foreign buyers have also been institutional or private investors. Rather than identifying them separately as foreign, Avison Young is categorizing them as institutional or private as the case may be.

Improved and competitive debt markets attracted more private investors into the market in 2010. Capitalization rate compression continued throughout 2010 but may be slowing as interest rates that were slashed to an absolute minimum in the global financial downturn slowly creep back up as an economic recovery takes hold in Canada and elsewhere.

Barring any macroeconomic developments that could disrupt global financial activity, the fundamentals of the Metro Vancouver industrial real estate marketplace remain solid. In a land-constrained market with a self-regulated development community (which avoids speculative construction that could impact existing property portfolios), oversupply is unlikely to become a factor. With an industrial marketplace dominated by distribution and logistics users primarily linked to the health of consumers in the national economy, demand is not anticipated to decline for industrial product as Canadians continue spending and economic recovery strengthens.

2010 Total: Buyer Purchases by Asset Type



* Institutional investors include pension funds and life insurance companies

Rental rates for office product in the downtown core will continue to increase in 2011. Vacancy will tighten as demand increases and little new supply comes on stream in the near term. Buyers of all types will continue seeking office investments to capitalize on market conditions. Development of office projects outside the downtown core, particularly at transit nodes in Vancouver, Surrey and Richmond, demonstrate the potential for the addition of an enormous supply of lower-cost office space in the suburbs, which may temper downtown deal velocity to some extent.

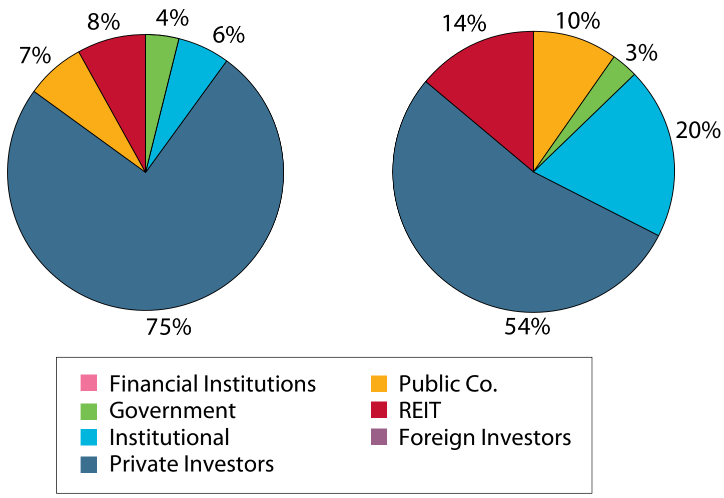
Due in part to its availability in comparison with other asset classes, retail properties will remain the preferred buy for many purchasers, particularly offshore investors, who are seeking haven for some of their capital in safe and stable locales such as Canada. Capital flows from China, Hong Kong and South Korea will continue, and likely increase, as global economic activity pushes back toward pre-recession levels. Canadian consumers have, for the most part, emerged from the downturn and continue spending at levels not seen in markets such as the U.S., which has been much slower to recover.

Buyer Profile

Private buyers accounted for 76% (41 for 54) of transactions and 56% ($512.2 million) of the total $920 million invested in the second half of 2010. Twenty-one of those 54 deals involved industrial properties, all of which were located in Metro Vancouver, and 17 of which were purchased by private buyers. Sixteen of 19 retail transactions in the second half of 2010 also included a private buyer as did eight of 14 office deals.

2010: Number of Transactions by Type of Buyer

2010: Value of Purchases by Type of Buyer



Meanwhile, public companies, REITs and institutional investors (which include pension funds and insurance companies) each participated in 7% of transactions (4 of 54) for a total of 21% (12 of 54) of total transactions during the second half. While posting the same number of transactions, dollar volumes varied among the three. Institutional investors spent $195.9 million, while REITs deployed $147.8 million in capital and public companies invested $57.9 million. Government was involved in only a single $6.1-million acquisition in Surrey.

Overall, for 2010 as a whole, private investors (including syndicates) accounted for three-quarters of total purchases and 54% ($1.052 billion) of the $1.946 billion traded in 2010. Institutional buyers comprised 6% of transactions (6 of 99) but 20% ($385.5 million) of total dollar volume for the year. REITs, which closed four deals in both the first and second half of 2010, accounted for 14% ($269.8 million) of annual investment. Public companies spent $187.9 million in seven transactions, while government transacted four deals valued at $50.4 million.

Most buyer groups were active in 2010 and deployed capital more readily. Retail attracted the most capital from investors in 2010 ($1.148 billion) compared with office ($660.2 million), which attracted the most in 2009 but was skewed by the $297 million disposition of Bentall V. Private buyers dominated each asset class and invested more capital ($1.052 billion) overall in 2010 than all other purchasers combined. Institutional investors primarily focused on retail deals ($349.9 million) in 2010, while REITs focused on office ($163.8 million) properties. Public companies were attracted to retail properties ($109.2 million), but also saw upside in office ($54.6 million) and industrial ($24.1 million) assets. Government spent almost half of its total 2010 expenditure on retail investments ($21.7 million).

Buyers made pro formas work in 2010 with assistance from the cheap debt market and strong market fundamentals – high demand and minimal supply – which remained in play throughout Metro Vancouver.

Seller Profile

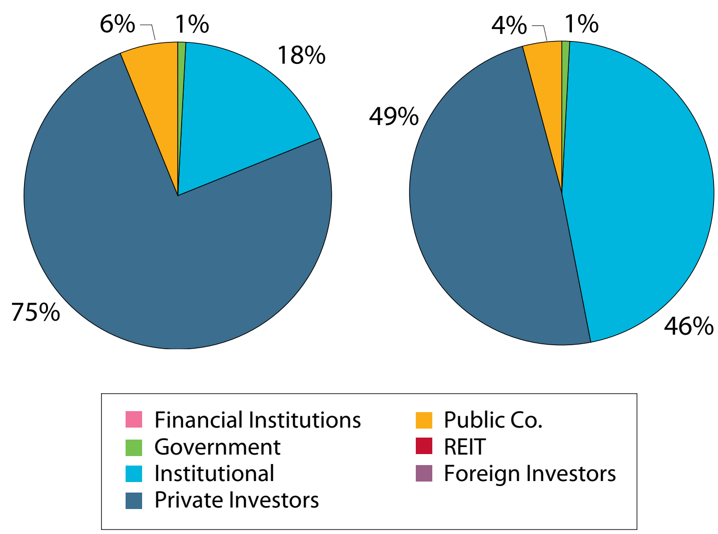
Private investors were the predominant players on the selling side in the second half of 2010. Representing 83% (45 of 54) of sales transactions and 65% ($600.4 million) of dollar volume, private sellers found their price expectations were being met, which improved deal velocity as the number of transactions increased to 54 from 45 in the first half.

Institutions, which played a larger role in the first-half disposition of assets, remained engaged with the market during the latter half of the year through involvement in 9% (5 of 54) of transactions representing 29% ($270.3 million) of dollar volume. Public companies were involved in 7% (4 of 54) of disposition transactions worth $49.2 million in second half of 2010 – a slight increase over the first half.

Looking at 2010 as a whole, private sellers were involved in 75% (74 of 99) of transactions and generated 49% ($944 million) of the total volume of $1.946 billion while institutional investors represented 18% (18 of 99) of properties sold and 46% ($894.8 million) of dollar volume. Public companies accounted for 6% (6 of 99) of properties sold and 4% ($85.1 million) of all sale proceeds. REITs did not divest any properties in 2010, while the government was a vendor in a single transaction for $21.9 million.

2010: Number of Transactions by Type of Seller

2010: Value of Sales by Type of Seller



Throughout 2010, all industrial and office properties bought and sold were located within Metro Vancouver. The majority of retail transactions were also in Metro Vancouver, but buyers were also attracted to properties in West Kelowna, Victoria, Courtenay, Cranbrook and Whistler. Much of the retail and office product sold in the second half of 2010 was non-listed. Slightly less than half of industrial product sold in the second half was unsolicited.

Sellers found a marketplace keen on all commercial real estate asset classes in 2010, particularly in Metro Vancouver, as those with accumulated capital actively sought investment opportunities. Highly favourable pricing witnessed sellers realizing asking expectations previously unseen in the market. With capitalization rates unable to compress further, pricing is unlikely to appreciate in a meaningful way in 2011. Owners contemplating selling assets would be hard pressed to find a better time to do so.

Office

Office properties, particularly those located in Downtown Vancouver, topped buyers' wish lists in 2010.

Deal velocity remained constant throughout the year with 26 transactions – 12 in the first half and 14 in the second half – but dollar volume increased more than 50% in the last six months as primarily private buyers pushed to acquire the office stock that came on the market (and closed nine unsolicited deals in the process). Just five sales in the last half of the year were listed.

Office deals represented 26% (26 of 99) of total commercial real estate transactions in 2010 compared with 32% (19 of 60) in 2009. Dollar volume in 2010 was $484.2 million compared with $660.2 million the year previous. But improved underlying market fundamentals in 2010 – lack of supply and increasing demand – generated a more robust sales profile when compared with 2009. Dollar volume had been skewed in 2009 by the sale of Bentall V for $297 million.

Capitalization rates trended downward by 50 to 75 basis points in 2010. The perception is that there remains reasonable upside in downtown office buildings because of increasing rents and lack of new construction until at least late 2014. Sellers continue to see "once in a lifetime" pricing for downtown office assets.

The largest 2010 office transaction involved Artis REIT acquiring Production Court in Burnaby for $64 million from Great West Life in the first six months of the year. The $45.3-million purchase of 815 West Hastings Street by a private buyer from Investors Group during the second half of 2010, accompanied by five additional transactions in excess of $25 million each, pushed second-half dollar volume to $295.3 million. That is compared to $188.9 million achieved in the first six months of 2010.

Vancouver was the hottest market for office transactions, with downtown locations on West Hastings, Homer, Richards, Hamilton and Thurlow transacting in 2010. Burnaby saw strong deal velocity in the first half of the year, but trailed off after June. North Vancouver, New Westminster and West Vancouver experienced limited sales activity.

While private buyers ($227.2 million) dominated office transactions in 2010, REITs ($163.8 million) got involved in a more significant way after remaining largely absent from the marketplace in 2009. Public companies ($54.6 million), institutional investors ($27.7 million) and government ($11 million) also purchased office product in 2010.

The sale of 815 West Hastings Street by **Investors Group** to a private buyer for $45.3 million in December 2010 capped a strong year for office investment

While many economists' short-term outlook is for interest rates to hold steady, a rate hike in 2011 could narrow the field of potential purchasers by eliminating those buyers dependent on inexpensive debt. Private and institutional investors along with foreign capital will be active in the market. Declining vacancy, increasing rental rates and no significant new supply for the next three to four years will contribute to making Downtown Vancouver's office asset class highly attractive to buyers of all types in 2011.

OFFICE

PROPERTY	MUNICIPALITY	PRICE	VENDOR TYPE	BUYER TYPE	DATE
815 West Hastings Street	Vancouver	$45,300,000	Institutional	Private	December 2010
840 Cambie Street	Vancouver	$36,300,000	Private	REIT	December2010
4259 - 4299 Canada Way (Canada Way I & II)	Burnaby	$25,500,000	Institutional	REIT	December 2010
2025 West Broadway	Vancouver	$27,650,000	Private	Public Company	December 2010
620 Royal Avenue	New Westminster	$12,100,000	Private	Private	November 2010
140-144 West 15th Street	North Vancouver	$7,980,000	Private	Private	November 2010
111 Forester Street	North Vancouver	$6,250,000	Private	Private	September 2010
163 West Hastings Street (The Flack Block)	Vancouver	$15,531,436	Private	Private	September 2010
1300 Richards Street	Vancouver	$6,150,000	Private	Public Company	September 2010
1040 Hamilton Street	Vancouver	$24,750,000	Private	Private	September 2010
1286 Homer Street	Vancouver	$13,750,000	Private	Private	September 2010
1133 Melville Street	Vancouver	$27,650,000	Private	Institutional	August 2010
541 - 545 & 555 Howe Street	Vancouver	$8,425,000	Private	Private	July 2010
1045 Howe Street	Vancouver	$38,000,000	Institutional	REIT	July 2010
Total		**$295,336,436**			

Retail

Retail investment was clearly the order of the day for private and institutional investors in 2010, which is interesting given that retail tenants were the most negatively affected beginning in the fourth quarter of 2008.

A staggering $1.148 billion was spent in 40 retail transactions, representing 40% (40 of 99) of total transactions for the year and setting a new dollar volume record for the asset class. Private buyers spent nearly $570 million on retail investments in 2010. Institutional investors also saw strength and availability in the asset class and purchased almost $350 million of retail properties during the year.

The lion's share of transactions occurred within Metro Vancouver (33) with Vancouver Island, the Okanagan, Whistler and the Interior experiencing minimal dispositions.

Voracious investor appetite for retail properties in 2010 led sellers to dispose of certain properties that, in a more typical real estate environment, would have been more difficult to transact. The desire of purchasers to buy retail drove capitalization rates down and sellers reacted to the strong interest, which helped keep deal velocity steady throughout the year (21 in the first half, 19 in second half).

Retail dollar volume of $710.8 million in the first half of 2010 demonstrated the willingness of investors to deploy the necessary capital to capture quality availabile product in the asset class. Second-half spending of $437.2 million confirmed buyers' continued purchasing intentions.

Heightened interest in the asset class was partly the result of the overall quality of the assets offered to the marketplace, whether on an exclusive basis or an unsolicited off-market transaction basis, which subsequently attracted substantial private and institutional investors to BC. Offshore interests seeking safe haven for their capital were also attracted by the well-anchored prominent retail product available.

Low capitalization rates for most Metro Vancouver retail properties were the result of investor perception that the region is not yet saturated with retail product and coloured by the asset's ability to deliver consistent cash flow. The upside potential in Metro Vancouver's retail properties, many of which are not yet mature, remains high as new tenants (particularly U.S. brands) seek to enter or expand in the local market.

Avison Young negotiated the sale of **South Point Exchange** for $91 million – the largest retail transaction in Metro Vancouver in the second half of 2010

Disposition of retail assets has been beneficial to both buyers and sellers in 2010. Buyers acquired quality assets that deliver stable cash returns, while sellers were able to maximize their return on investment in one of the strongest pricing environments in recent memory.

Retail will continue to represent a significant component of total dollar volume this year. For the balance of 2011, it is expected that interest rates will remain conducive to a strong investment market, especially for private investors. Sellers considering the disposition of retail assets should proceed in the near term. For quality assets, vendor expectations continue to be met by buyers with significant capital to be allocated, but sellers of more marginal retail assets could start to see the bid-ask gap widen.

RETAIL

PROPERTY	MUNICIPALITY	PRICE	VENDOR TYPE	BUYER TYPE	DATE
2755 Lougheed Highway	Port Coquitlam	$48,000,000	Institutional	REIT	December 2010
8th Avenue & McBride Boulevard	New Westminster	$16,400,000	Public Company	Private	December 2010
1560 & 1578 Marine Drive	West Vancouver	$5,450,000	Private	Private	December 2010
7900 Westminster Highway	Richmond	$5,500,000	Private	Private	November 2010
828 Automall Drive	North Vancouver	$9,400,000	Private	Private	November 2010
1599 Cliff Avenue (Courtenay Crossic Shopping Centre)	Courtenay	$10,525,000	Public Company	Private	November 2010
13100 Smallwood Place	Richmond	$14,700,000	Private	Private	November 2010
1216 - 1226 Bute Street; 1188 Davie Street	Vancouver	$5,100,000	Private	Private	October 2010
803 - 866 Denman Street	Vancouver	$7,700,000	Private	Private	September 2010
1401 Lonsdale Avenue	North Vancouver	$6,300,000	Private	Private	September 2010
1580 Hillside Avenue (Hillside Centre)	Victoria	$113,500,000	Institutional	Institutional	September 2010
18630 & 18640 Fraser Highway	Surrey	$10,300,000	Private	Private	September 2010
2198 West 41st Avenue	Vancouver	$8,775,000	Private	Private	September 2010
3033 - 3191 152nd Street (South Point Exchange)	Surrey	$91,000,000	Private	Private	September 2010
5720, 5726, 5740 Minoru Blvd	Richmond	$10,000,000	Private	Private	August 2010
8500 Alexandra Road	Richmond	$6,750,000	Private	Private	August 2010
845 Marine Drive	North Vancouver	$46,700,000	Private	Institutional	August 2010
604 West Broadway & 2525 Ash Street	Vancouver	$10,380,000	Private	Private	August 2010
700 - 730 Davie Street	Vancouver	$5,190,003	Private	Private	July 2010
835 Granville Street	Vancouver	$5,500,000	Private	Private	July 2010
Total		**$437,170,003**			

Industrial

An ongoing lack of available industrial investment properties in Metro Vancouver coupled with strong demand led private investors to redouble efforts to close more deals in the last half of 2010.

Deal velocity increased significantly between the first and second half of 2010 with sales representing 33% (33 of 99) of total transactions valued at $313.5 million, compared with $198.5 million in 2009. Twelve deals valued at $126.1 million transacted in the first half of 2010, while 21 sales valued at $187.4 million closed in the final six months of the year. In comparison, 21 and 23 industrial sales transacted in *all* of 2009 and 2008, respectively.

Vendor expectations on price are currently being met due to the cost and availability of debt. If debt under 5% was no longer available, the yield required by investors would not result in capitalization rates low enough to hit vendor pricing. Cash buyers such as pension funds and institutional buyers had difficulty acquiring Metro Vancouver industrial properties in 2010 as they were unable to use the leverage that inexpensive debt enabled other buyer types to bid aggressively for product.

Private buyers achieved vendor expectations in 2010 because they were able to leverage the acquisitions using cheap debt and increase their yields. Constrained supply of quality assets continues to fuel investor interest.

In 2010, the industrial asset class attracted more capital from private investors ($256.4 million) than office product did ($227.2 million). Private buyers dominated industrial sales (27 of 33), while public companies, institutional investors, REITs and government primarily watched from the sidelines. However, if interest rates rise, the impact on industrial sales will manifest as weakened demand with the subsequent disappearance of aggressive buyers from the market as deal velocity slows.

Dayhu Investments Ltd. acquired this warehouse and distribution facility at 450 Derwent Place in Richmond from **Rimrock Investment Corporation** for $16.5 million. It was the third largest industrial property sale in 2010.

All deals occurred exclusively in Metro Vancouver in 2010. The largest transaction involved IKEA Properties' strategic purchase of Key West Business Centre in Richmond for $35.2 million to accommodate a new store. In another notable deal, KingSett Capital acquired 7878 & 7861 82nd Street and 7848 Hoskins Street in Delta from North American Tea & Coffee for $28.5 million in September.

Industrial tenants/users seeking additional space in 2010, along with stable tenant relations more typical of industrial assets, continued to boost overall demand.

All buyer types should close on a deal if they are able to achieve an accretive spread of more than 100 basis points on any industrial transaction in the Metro Vancouver market in 2011. For those planning a disposition strategy, pricing and demand are unlikely to strengthen further. Capitalization rates will not continue to compress as interest rates are unlikely to go much lower; in fact, interest rates are anticipated to increase.

INDUSTRIAL

PROPERTY	MUNICIPALITY	PRICE	VENDOR TYPE	BUYER TYPE	DATE
17761 66th Avenue	Surrey	$6,100,000	Private	Government	December 2010
2771 Viscount Way	Richmond	$5,328,888	Private	Private	December 2010
28686 Fraser Highway	Abbotsford	$9,000,000	Private	Private	December 2010
5800 Minoru Boulevard	Richmond	$6,380,000	Private	Private	December 2010
1275 Kingsway avenue	Port Coquitlam	$15,200,000	Private	Public	December 2010
1700 & 1900 No. 6 Road	Richmond	$14,700,000	Public	Private	December 2010
122280 & 12320 Trites Road	Richmond	$7,775,000	Private	Private	November 2010
7978 North Fraser Way	Burnaby	$5,204,500	Private	Private	November 2010
70 Golden Drive	Coquitlam	$8,500,000	Private	Private	November 2010
1500/1510/1520 Derwent Way	Delta	$8,000,000	Private	Institutional	October 2010
6511 Graybar Raod	Richmond	$5,100,000	Private	Private	September 2010
7898 North Fraser Way	Burnaby	$5,579,980	Private	Private	September 2010
5 Capilano Way	New Westminster	$7,600,000	Public	Private	September 2010
27049 Gloucester Way	Langley	$8,360,400	Private	Private	September 2010
900 Parker Street	Vancouver	$7,100,000	Private	Private	September 2010
11720 Horseshoe Way	Richmond	$5,368,000	Private	Private	September 2010
7878 & 7861 82nd Street & 7848 Hoskins Street	Delta	$28,500,000	Private	Private	September 2010
116 - 144 East 7th Avenue	Vancouver	$5,000,000	Private	Private	September 2010
5400 Minoru Boulevard	Richmond	$13,550,000	Private	Private	August 2010
2381 Rogers Avenue	Coquitlam	$6,150,000	Private	Private	August 2010
3811 North Fraser Way	Burnaby	$8,900,000	Private	Public	July 2010
Total		**$187,396,768**			

Multi-Family

BC's multi-family investment market has found a home among private buyers.

Purchasers completed 10 deals with a total value of $106.4 million in the second half of 2010. (Avison Young tracks investment deals valued at more than $5 million.) Half of the trades occurred within Vancouver, while the remainder were divided among Burnaby (3), Surrey (1) and Coquitlam (1).

First-half dollar volume in the multi-family asset class was $157.7 million over 10 transactions, with more than half transacting in the Vancouver marketplace. Abbotsford (1), Burnaby (1), Coquitlam (1) and West Vancouver (1) saw minimal dispositions. Overall, multi-family investment totalled $264.1 million in Metro Vancouver in 2010.

The sale of the 162-unit Georgian Towers to CAP REIT for $37.5 million was the single largest multi-family investment in 2010, followed closely by the disposition of Bellevue Tower in West Vancouver for $36.5 million. There were two other transactions valued at more than $20 million each in 2010.

While private investors continued to dominate the buying and selling sides, institutional investors began selling their multi-family assets. Institutional vendors are taking advantage of strong pricing and healthy demand for quality multi-family buildings to take some profits and redeploy capital in markets with higher yields.

The stability of BC's multi-family market and the Canadian economy in general continues to attract foreign capital seeking a safe haven. Offshore buyers seeking quality rental buildings continue to make inroads in the Metro Vancouver multi-family market.

Rental vacancy rates in the Vancouver census metropolitan area (CMA) slipped to 1.9% in October 2010 compared with 2.1% in October 2009, according to Canada Mortgage and Housing Corporation (CMHC). Strong migration flows and fewer first-time homebuyers moving out of rental accommodations into homeownership pushed the vacancy rate lower.

Meanwhile, vacancy in the Abbotsford CMA increased to 6.5% from 6.1% over the same period due to strong competition from investor-owned rental housing, accessory rental suites and home ownership. The average rental vacancy rate in Canadian CMAs was 2.6% in October 2010 compared with 2.8% the year previous. Stable demand and increased supply from the secondary rental market slowed rent increases during the same period.

Avison Young negotiated the sale of **Washington Court** at 998 Thurlow Street in Vancouver for $12.1 million in July 2010

Off-market deals

A number of the largest multi-family transactions in 2010 were off-market deals, including Georgian Towers. While many owners opt to go through the listing process, it can be a drawn-out experience that does not necessarily achieve a satisfactory outcome. Some vendors are increasingly considering unsolicited offers to purchase.

A lack of high-quality product continues to restrain potential deal velocity, while those trophy assets that do come on the market generate significant interest as buyers use the debt market to gain leverage through inexpensive credit. Capitalization rates in Metro Vancouver are expected to remain low in 2011.

MULTI FAMILY

PROPERTY	MUNICIPALITY	PRICE	VENDOR TYPE	BUYER TYPE	DATE
California Gardens	Burnaby	$12,250,000	Institutional	Private	December 2010
Braemar Court	Coquitlam	$16,150,000	Institutional	Private	December 2010
Cedartree Village Apartments	Surrey	$16,700,000	Private	Institutional	November 2010
1131-1151 Haro Street	Vancouver	$8,000,000	Private	Private	August 2010
Arlington Apartments	Vancouver	$5,200,000	Private	Private	August 2010
Willow Stan Park Apartments	Vancouver	$13,700,000	Private	Private	July 2010
Marco Court	Burnaby	$8,200,000	Private	Private	July 2010
Royal Colonial (share purchase)	Burnaby	$7,300,000	Institutional	Private	July 2010
Grace Court	Vancouver	$6,765,000	Private	Private	July 2010
Washington Court	Vancouver	$12,100,000	Private	Private	July 2010
Total		**$106,365,000**			

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BC commercial real estate transactions in 2010 were overwhelmingly focused in Metro Vancouver. Secondary and tertiary BC office and industrial markets were less active as many buyer groups altered their investment criteria to focus on major core markets. Retail transaction activity outside Metro Vancouver was limited to two deals in the Interior (West Kelowna and Cranbrook), one in Whistler and four on Vancouver Island (Victoria [2], Courtenay and Saanich).

In 2010, the rush to retail, particularly during the first six months of the year, fuelled the growth of BC's commercial real estate investment market. Comprising 40% (40 of 99) of all 2010 transactions and generating 59% ($1.148 billion) of total dollar volume, the retail asset class was far and away the most active for all buyer types, particularly private and institutional investors. The greater availability of retail assets boosted overall deal velocity and dollar volume. The total value of retail investment in BC in 2010 was more than double that in 2009 ($499.3 million).

Overall office sales (26 of 99) remained steady throughout 2010, generating $484.2 million in dollar volume. Downtown Vancouver office properties transacted more frequently in 2010 than the year previous (despite no class A or AAA assets changing hands), but downtown trades did not experience a comparable dollar volume due to two Vancouver office acquisitions accounting for more than $380 million in sales volume in 2009.

Industrial property transactions (33 of 99) witnessed improved dollar volume in 2010, climbing to $313.5 million compared with $198.5 million in 2009, as deal velocity increased in the second half of the year. Fuelled by inexpensive debt, industrial properties were more popular investments (based on dollar volume) among private investors than office buildings in 2010 as buyers met the expectations of sellers to close deals.

Barring significant interest rate hikes in 2011, local, national and international buyers will continue to aggressively pursue Metro Vancouver's office, retail and industrial asset classes as strong market fundamentals and the region's stable investment climate attract capital from around the world. ■

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