

COMMERCIAL

INDUSTRIAL MARKET REVIEW

Park Capital Inc., Brokerage

Q4 2009

Volume 1, Issue 2

Selected Government of Canada Benchmark Bond Yields

2 Year	1.43%
3 Year	1.88%
5 Year	2.74%
7 Year	3.08%
10 Year	3.60%

Rates as of Dec. 30, 2009
Source: Bank of Canada

Economic Indicators

	2008	2009F	2010F
Real GDP Change	0.4%	-2.5%	2.7%
CPI Change	2.4%	0.2%	1.1%
Unemployment Rate	6.2%	8.3%	8.5%

Source: TD Bank Financial Group

Technology Triangle tops list for Real Estate Investments



Source: cbcnews.ca, REIN Canada

According to a report published early in October 2009 by the Real Estate Investment Network, Canada's Technology Triangle (Kitchener, Waterloo, Cambridge) was rated as the best area in Ontario to buy a house or invest in business property with hopes of making money. This is mainly due to the region's reputation as a "technology hub". The area's investment in recent years in the information technology sector, has protected the Triangle from the steep increases in job losses experienced in other Ontario communities. The Top Ontario Investment Towns report lists the following communities as the Top 10:

1. Kitchener, Waterloo, Cambridge
2. Hamilton
3. Simcoe Shores: Barrie - Orillia
4. Brampton
5. Durham Region: Whitby, Pickering, Ajax
6. Ottawa
7. Brantford
8. Toronto
9. Vaughan
10. Whitchurch-Stouffville

Bank of Canada maintains overnight rate at 1/4%

On December 8, 2009, the Bank of Canada announced that it is maintaining its target for the overnight rate at 1/4% and reiterated its conditional commitment to hold current policy rate until the end of the second quarter 2010. The Bank continues to expect economic growth in Canada to become more solidly entrenched over the projection period and inflation to return to the 2 per cent target in the second half of 2011. On the upside, the main risks are stronger-than-projected global and domestic demand. On the downside, the main risks are a more protracted global recovery and persistent strength in the Canadian dollar that could act as a significant further drag on growth and put additional downward pressure on inflation. The Bank views all of these risks through the prism of achieving the 2 per cent inflation target. The next scheduled date for announcing the overnight target rate is January 19, 2010.





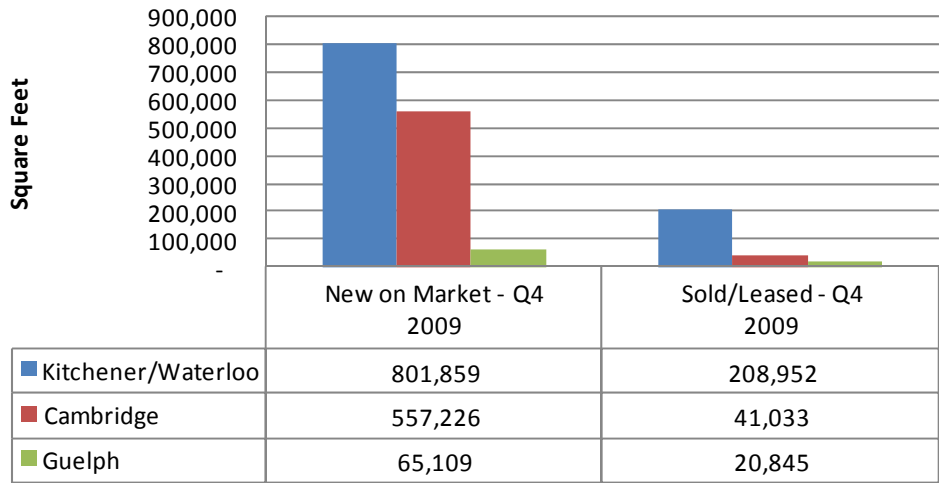
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Industrial Real Estate Activity Q4 - 2009



Source: Kitchener/Waterloo Real Estate Board, Guelph & District Association of Realtors, Realtrack

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Although there appears to be a renewed sense of confidence in the economy, the region's industrial real estate sector is still sluggish to respond. The amount of industrial properties coming available on a steady basis far exceeds the amount being absorbed in the market, giving Buyers and Tenants a wider inventory to choose from. The majority of the transactions that took place in the third quarter were for spaces in the smaller size range (< 20,000 Sq.Ft.), with only 2 of the area's 30 transactions involving spaces over 20,000 Sq.Ft. Net rental rates in the region appear to be declining slowly, in an attempt by Landlords to fill the vacancies. It is anticipated that lease rates will have to continue to decline to reverse the ongoing trend of negative absorption. In the current economic climate and with the oversupply of industrial space, no new construction is anticipated in the near future. Approximately 35 acres of industrial land was sold in the region for the quarter.

SIGNIFICANT Q4 2009 SALE TRANSACTIONS

BUILDING	SQ.FT.	DEAL PRICE	PSF
Cambridge	12,000	\$995,000.00	\$82.92
Waterloo	16,081	\$1,275,000.00	\$79.29
Kitchener	11,235	\$885,000.00	\$78.77

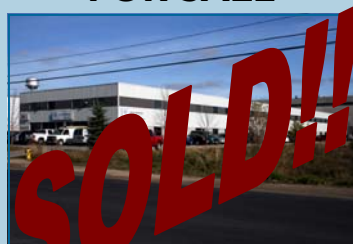
Source: Kitchener/Waterloo Real Estate Board, Realtrack



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FOR SALE



31 Arrow Rd., Guelph
 +/- 1,235 Sq.Ft.

FOR LEASE



7026 Wellington Rd. 124, Guelph-Eramosa
 +/- 24,300 Sq.Ft.

FOR LEASE



76 Dawson Rd., Guelph
 +/- 27,000 Sq.Ft.