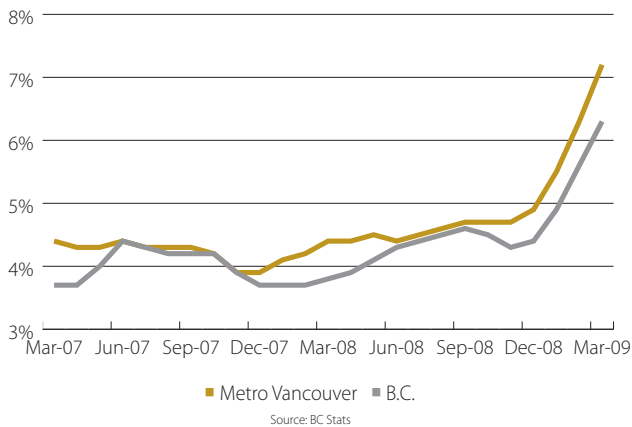


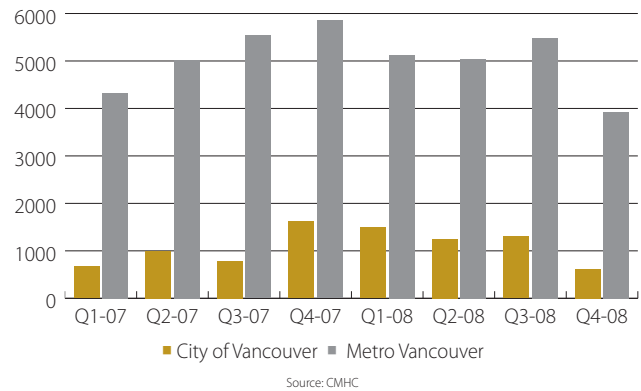
OVERALL

- Vancouver's economy turned down sharply in the first quarter of 2009
- Unemployment up from record low levels: most sectors have seen employment growth flatten, construction hit hard
- In services and retail, high-end business is sharply down while value-oriented businesses are doing well
- Vancouver's high-tech and creative sectors are doing well relative to competitors, though future investments are being curtailed
- Transportation and commodities have turned down, but investments continue and mining and transportation expect to be at the forefront of the recovery

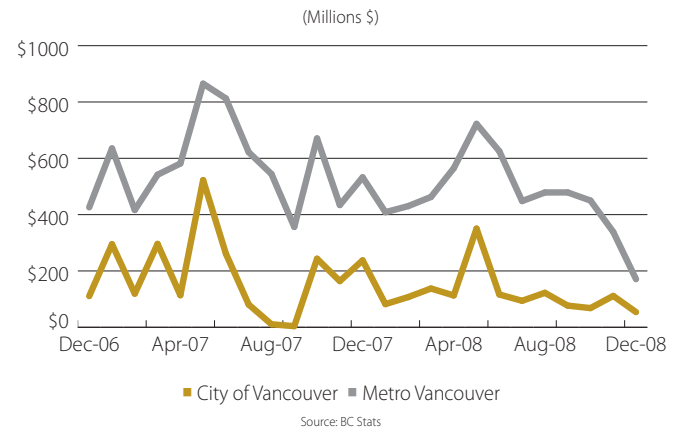
Unemployment Rate



Housing Starts



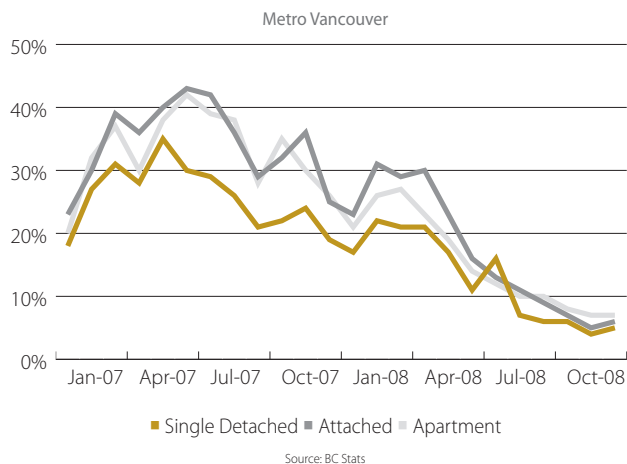
Building Permits Values



HOUSING AND CONSTRUCTION

- Sales have declined sharply, though lower prices have produced a slight uptick
- Regional construction employment down about 10% from historic highs of Summer 2008
- As Canada Line and Convention Centre projects are completed, nearly all active infrastructure projects will be outside of Vancouver; further projects expected to start late 2009 or 2010

Sales-to-Active Listings Ratio



FREIGHT/CARGO

- With consumer spending down, both export and import volumes have been reduced
- Long-term infrastructure investment is continuing, and expectations are that any rebound will begin in Asia

Port Metro Vancouver

Accumulated Container Traffic	Total TEU
Jan-09	166,708
Jan-08	185,511
% change	-10.14%

Source: Port of Vancouver

Vancouver Airport (Cargo)

2008	Cargo in Tonnes	% Change y/y
Q1	51,348	2.6%
Q2	53,729	-0.3%
Q3	56,556	-11.6%
Q4	49,680	-14.8%
Total	211,313	-6.6%

Source: YVR International Airport

RESOURCES

- Resource industries headquartered in the city are feeling a squeeze, with low base metal prices, and a prolonged recession in the forest sector
- Further investments are expected in precious metals and energy

HIGH TECH

- Hiring freeze and small layoffs at larger companies; Gaming sector has seen layoffs in teams without hit products
- Experienced management teams trying to apply lessons from the bursting of the tech bubble in 2000-2001, making only targeted expenditures
- Tight credit a problem, particularly for Life Sciences; Vancouver is a target for Venture Capital investment, but competitors may get a boost from public investment in stimulus packages

FILM

- Lower Canadian dollar and changes in other jurisdictions (e.g., cancelation of tax credits) has re-established BC as a key film location
- Major scouting activity bodes well for the future

ARTS & CULTURE

- Attendance at events is still good, but corporate sponsorships are drying up
- Senior government budget cuts create concern for the future

TOURISM

- Olympic-related missions have mitigated the sharp drop-off in current quarter
- Long-term prospects better than competitors: despite decline in US visitors, Olympics will make Vancouver a global destination of choice

Total Passengers at Vancouver Airport

2008	Passengers	% Change y/y
Q1	4,309,543	9.9%
Q2	4,587,652	6.0%
Q3	5,132,040	-1.4%
Q4	49,680	-5.3%
Total	17,852,459	2.0%

Source: YVR International Airport

Total Convention Participant Days

Metro Vancouver

Q4-07	138,642
Q4-08	76,100
% change Q4-08/Q4-07	-45.11%
% change 08/07	-3.38%

Source: Tourism BC

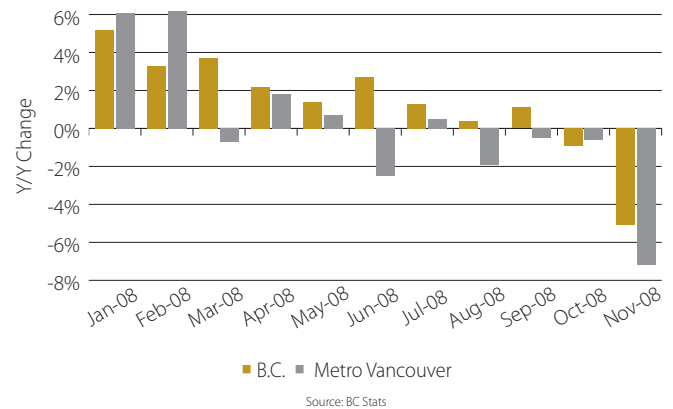
OTHER KEY SECTORS

- Architects report a severe slowdown, expect some planning to begin Spring 2009 for projects expected to break ground in 2010
- International education has seen a decline in 4- to 6-week language ("vacation") students, while demand for longer-duration vocational training programs is up

NEIGHBORHOODS

- Weakness in retail sector highlighted by worst holiday season in years
- Yaletown reports a "stunning and sudden decline"; Point Grey and Marpole also experienced steep downturns (well over 10%)
- Robson Street, Kitsilano, South Granville report reduced business (10%), Chinatown reports lesser decline (5-10%)
- Commercial Drive, Downtown, Hastings North, Kerrisdale, and Dunbar reported only a marginal decrease (0-5%)
- In nearly all areas, locally-oriented businesses and necessities are faring reasonably well, while luxury business has dropped off sharply

Retail Sales



COMINGS & GOINGS

New Companies/Expansions in Vancouver Q1-2009

(approximate # of employees)

- AltaGas – Canadian energy services firm (Natural gas/power generation/transmission), office to include renewable energy team (**20**)
- Baron Group – Major Hong Kong investment banks establishes international head office outside of Hong Kong (**12**)
- ID Frew & Company – Accounting (**5-10**)
- Xstrata Technology Canada – Technology arm of global mining giant (**5**)
- Triton Consultants – Oceanography (**5**)

Major Contractions in Vancouver Q1-2009

(approximate # of employees)

- Electronic Arts relocating Black Box studios to Burnaby, laying off some employees (**350, expected 50% layoffs**)
- Humanature Video Game Studio closes (**100**)
- Great West Life relocating division to Langley (**50-80**)
- 700,000-800,000 square feet of office sub-lease space has come on the market

