

# DE GRANDPRÉ REIT Report

DE GRANDPRÉ CHAÏT S.E.N.C.A.R.L./L.P.



Week ending January 22, 2010 The square foot

Name	12/11/09 Market Cap	22/01/10 close	Last Week close	Variation %	52-Wk Low	52-Wk High	Last distribution %
<a href="#">Allied Property REIT</a> (AP.UN)	778.60M	19.96	19.16	+ 4.01	11.29	19.20	0.55
<a href="#">Artis REIT</a> (AX.UN)	435.77M	11.65	11.45	+ 1.72	5.31	11.71	0.77
<a href="#">Boardwalk REIT</a> (BEI.UN)	1.82B	37.40	37.64	- 0.64	19.76	39.82	0.40
<a href="#">Brookfield Properties</a> (BPO-T)	6.33B	12.63	12.25	+ 3.01	5.31	23.43	1.10
<a href="#">BTB REIT</a> (BTB.UN)	29.31M	0.87	0.80	+ 8.05	0.42	0.94	0.77
<a href="#">Calloway REIT</a> (CWT.UN)	1.94B	19.59	19.58	+ 0.05	8.91	19.96	0.66
<a href="#">Canadian Apartment Properties REIT</a> (CAR.UN)	980.52M	14.30	14.30	0.00	11.77	15.00	0.63
<a href="#">CREIT</a> (REF.UN)	1.87B	28.20	27.30	+ 3.19	18.64	27.75	0.41
<a href="#">Chartwell Senior Housing REIT</a> (CSH.UN)	942.60M	7.34	7.23	+ 1.50	3.63	7.58	0.61
<a href="#">Cominar REIT</a> (CUF.UN)	1.06B	19.48	19.75	- 1.37	10.59	20.40	0.62
<a href="#">Crombie Reit</a> (CRR.UN)	364.66M	11.38	11.14	+ 2.11	5.50	11.59	0.65
<a href="#">Dundee REIT</a> (D.UN)	685.41M	25.62	24.07	+ 6.05	10.65	26.74	0.71
<a href="#">Extencicare REIT</a> (EXE.UN)	682.17	9.33	9.40	- 0.74	3.65	9.82	0.75
<a href="#">First Capital Realty</a> (FCR-T)	2.06B	21.44	21.55	- 0.51	14.11	23.25	1.49
<a href="#">H&amp;R REIT</a> (HR.UN)	2.22B	15.61	16.42	+ 4.93	5.90	16.48	0.38
<a href="#">Holloway Lodging REIT</a> (HLR.UN)	25.44M	0.65	0.65	0.00	0.36	1.23	--
<a href="#">Huntington REIT</a> (HNT.UN)	37.02M	0.51	0.55	- 7.27	0.16	0.65	--
<a href="#">Interrent REIT</a> (IIP.UN)	43.88M	1.54	1.56	- 1.28	1.00	2.28	0.65
<a href="#">InnVest REIT</a> (INN.UN)	503.44M	5.76	5.77	- 0.17	2.40	6.00	0.72
<a href="#">Killam Properties</a> (KMP-T)	319.54M	8.32	8.40	+ 0.95	4.55	9.50	0.56
<a href="#">Lakeview Hotel REIT</a> (LHR.UN)	9.19M	0.47	0.33	+ 29.79	0.24	0.89	--

-- Has suspended distribution

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<a href="#">Lanesborough REIT</a> (LRT.UN)	12.80M	0.73	0.79	- 7.59	0.27	3.90	--
<a href="#">Morguard REIT</a> (MRT.UN)	755.03M	13.13	12.85	+ 2.13	7.82	13.45	0.57
<a href="#">Northern Property REIT</a> (NPR.UN)	571.08M	22.75	22.74	+ 0.04	14.56	23.16	0.54
<a href="#">Primaris Retail REIT</a> (PMZ.UN)	1.01B	16.24	15.97	+ 1.66	8.10	16.44	0.62
<a href="#">Retrocom Mid-Market REIT</a> (RMM.UN)	70.55M	3.81	3.66	+ 3.94	1.22	3.99	0.98
<a href="#">Pure Industrial REIT</a> (AAR.UN)	25.59M	3.40	3.42	- 0.58	1.55	3.50	0.73
<a href="#">RioCan REIT</a> (REI.UN)	4.56B	19.36	19.90	- 2.71	11.23	20.07	0.59
<a href="#">Royal Host REIT</a> (RYL.UN)	59.05M	2.99	2.84	+ 5.02	1.85	3.54	0.84
<a href="#">Scott's REIT</a> (SRQ.UN)	40.05M	8.02	8.06	- 0.50	3.24	8.23	0.88
<a href="#">Whiterock REIT</a> (WRK.UN)	150.95M	15.51	15.54	- 0.19	7.05	15.94	0.90

Note: List comprises of selected REITs



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Interest	Close	Change
CND Overnight Rate	0.25 % (Jan. 19, 09)	0.00 %
U.S. Fed Funds Rate	0.11 % (Jan. 13, 10)	0.03 %
1-Y-Treasury Bill	0.60 % (Jan. 13, 10)	- 0.05 %
6-Month	0.27 % (Jan. 13, 10)	- 0.02 %
3-Month	0.18 % (Jan. 13, 10)	- 0.01 %

Economic Activity	Rate	Change
Unemployment rate	8.5 % (Dec. 09)	0.00 %
Highlights:		
<ul style="list-style-type: none"> <li>Employment rose in health care and social assistance, as well as in professional, scientific and technical services. The largest declines were in transportation and warehousing; business, building and other support services; and public administration;</li> <li>In December, employment increased in Alberta, while it declined in Manitoba and New Brunswick. In recent months, employment in Quebec, Ontario and British Columbia has been on a slight upward trend.</li> </ul>		

## IN THE NEWS

**Cominar REIT** (TSX: CUF.UN) and **Overland Realty Limited** (TSXV: OVL) announced Jan. 19 that they have entered into a definitive support agreement that provides for an offer to be made by Cominar, by way of a take-over bid, to purchase all of the outstanding common shares of Overland, for \$0.82 per share in cash. The transaction, including the assumption of debt by Cominar, values Overland at approximately \$70.9 million. "We are excited about this acquisition, which represents the beginning of a platform for Cominar in Atlantic Canada, which we intend to grow via acquisitions and developments in the coming years," said Cominar's President and Chief Executive Officer, Michel Dallaire. (Cominar REIT, Jan. 19, 2010)

**AM Total Investments** announced Jan. 20 its intention to sell its 6,628,701 units in **BTB REIT** (TSX: BTB.UN), which represent approximately 19.7% of BTB's outstanding units before dilution, in compliance with the applicable securities legislation and on the basis of market conditions and other relevant factors. AM Total was informed that Cominar REIT deposited with BTB a non-binding expression of interest to acquire all of BTB's units, in the form of a friendly and negotiated transaction between Cominar and BTB. The President and Chief Executive Officer of BTB advised Cominar and AM Total that BTB does not intend to act on Cominar's approach. Therefore, AM Total intends to reduce all of its investment in BTB, in accordance with the above mentioned terms and conditions. (AM Total Investments, Jan. 20<sup>th</sup>, 2010)

**Crombie REIT** (TSX: CRR.UN) announced Jan. 18 that it has reached an agreement with a syndicate of underwriters co-led by CIBC World Markets Inc. and TD Securities Inc., to issue, on a bought-deal basis, \$45 million of convertible unsecured subordinated debentures. The debentures have a maturity date of June 30, 2017. They have a coupon of 5.75% per annum and will pay interest semi-annually in arrears on June 30 and December 31 in each year commencing on June 30, 2010. Each \$1,000 principal amount of debenture is convertible into approximately 65.3595 units of Crombie, at any time, at the option of the holder, representing a conversion price of \$15.30 per unit. Crombie will use the net proceeds from this offering to repay debt and for general trust purposes. (Crombie REIT, Jan. 18, 2010)

**First Capital Realty** (TSX:FCR) announced Jan. 21 that it closed its public offering of C\$125 million principal amount of Series H senior unsecured debentures. These debentures bear interest at the rate of 5.85% and mature on January 31, 2017. The offering was underwritten by a syndicate co-led by RBC Capital Markets and Scotia Capital Inc. and included TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and National Bank Financial Inc. The debentures are rated BBB with a stable trend by DBRS and Baa3 by Moody's Investors Service. These debentures were issued pursuant to the Company's trust indenture dated June 21, 2005, as supplemented and rank pari passu with the Company's outstanding senior unsecured debentures. The net proceeds of the offering will be initially applied by the Company to pay down amounts

owing on certain of its revolving credit facilities and for general corporate purposes. (First Capital Realty, Jan. 21, 2010)

**Artis Real Estate Investment Trust** (TSX: AX.UN) announced Dec. 11 that it has received approval from the Toronto Stock Exchange to renew its existing normal course issuer bid for a further year. The period of the normal course issuer bid will extend from December 15, 2009, to December 14, 2010, or an earlier date, should Artis complete its purchases. Artis may purchase up to 3,172,816 trust Units, representing approximately 10% of the REIT's float of 31,728,167 Units. For the past six months, the average daily trading volume of Artis Units was 86,524. A maximum of 21,631 units may be purchased by Artis on any one day under its normal course issuer bid, except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. (Artis REIT, Dec. 11, 2009)

**Chartwell Seniors Housing Real Estate Investment Trust** (TSX - CSH.UN) announced Dec. 7th that it agreed to acquire from ING Real Estate Investment Management Australia PTY Limited and its affiliates the remaining 50% ownership interests in eight long term care properties situated in Ontario and six retirement home properties located in the United States that it does not already own. Chartwell has managed these portfolios and owned the other 50% interests in these portfolios in joint venture relationships with ING since their original acquisition. The closings of these transactions are subject to limited due diligence, regulatory and lender approvals and are expected to occur in the first quarter of 2010. The purchase will be effected through the transfer of ING's interests in the joint venture vehicles ultimately owning the properties. The closing costs related to these transactions are estimated at approximately \$4.0 million. (Chartwell Seniors Housing REIT, Dec. 7<sup>th</sup>, 2009)

**Dundee REIT** (D.UN-TSX) announced Dec. 9 that it has entered into an agreement to acquire Adelaide Place, a 655,000 square foot two tower Class A office complex located in the financial core of Toronto for \$211.5 million (excluding closing costs). This prominent property was extensively retrofitted in 2001, including a full exterior re-cladding, re-glazing and connection to the Enwave Deep Lake Water Cooling System, and is certified BOMA BEST Level 3. The complex offers a strong and diverse tenant roster with 79 tenants and a staggered rollover profile. The transaction is expected to close by February 1, 2010, subsequent to completing satisfactory due diligence.

The REIT has five additional properties comprising 1.15 million square feet of office space in Toronto and Ottawa under contract, subject to various conditions. Altogether, Dundee REIT's acquisition pipeline currently contains \$352.7 million of high quality properties at an approximate 8.1% cap rate. The acquisitions are expected to be financed with the net proceeds from this offering, cash on hand, \$184.3 million of new and assumed debt, and will be levered well below the REIT's third quarter debt-to-gross book value of 58.4%.

Dundee anticipates closing two of the five previously announced office property transactions by the end of 2009 with the other transactions closing early in the first quarter of 2010. Taken together, the properties being acquired have an average occupancy rate of 98%, an average remaining lease term of 4.6 years and an average in-place net rent per square foot of about \$13.50. (Dundee REIT, Dec. 9, 2009)

**Lanesborough Real Estate Investment Trust** (TSX: LRT.UN) announced December 7<sup>th</sup> that it has completed the previously announced sales of eight apartment properties. Details of the sales transactions are as follows:

- 404-suite portfolio of six apartment properties in Prince Albert, Saskatchewan, known as Marquis Towers, Borden Estates, Cedar Village, MGM Apartments, Carlton Manor and Riverside Apartments. The portfolio was sold for \$17.4 million and resulted in net cash to LREIT of approximately \$6.24 million, net of expenses, closing adjustments, and approximately \$10.65 million of first mortgage debt either repaid or assumed by the purchaser. The gain on sale was approximately \$2.87 million.
- 93-suite apartment property in Sherwood Park, Alberta, known as Broadview Meadows. The property was sold for \$9.1 million and resulted in net cash to LREIT of approximately \$3.6 million, net of expenses, closing adjustments, and the assumption by the purchaser of approximately \$5.23 million of first mortgage debt. The gain on sale was approximately \$2.84 million.
- 183-suite apartment property in Surrey, British Columbia, known as Greenwood Gardens. The sale price was \$13.82 million of which \$6.55 million was satisfied by LREIT providing second mortgage financing to the purchaser for an 18-month term, bearing interest at 3% for the first six months and 6% thereafter. Net of the

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second mortgage, the sale resulted in net cash to LREIT of approximately \$2 million, after expenses, closing adjustments and the assumption by the purchaser of approximately \$5.21 million of first mortgage debt. The gain on sale was approximately \$3.27 million.

LREIT will use the \$11.84 million of net cash from the property sales to repay maturing debt and for general working capital purposes. Further asset sales are expected during 2010 as part of the property divestiture programme announced earlier this year. (LREIT, Dec. 7, 2009)