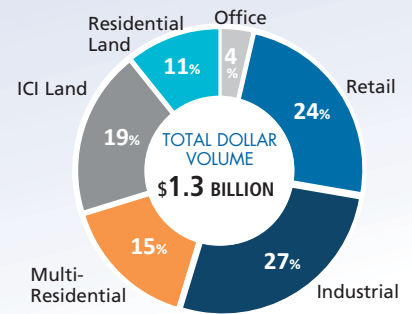


COMMERCIAL REAL ESTATE INVESTMENT UPDATE

Investor sentiment regarding the Calgary market showed signs of renewed confidence as 2016 progressed. To September 30th, total dollar volume invested reached \$1.3 billion; just shy of the \$1.5 billion transacted

during the entirety of 2015. While low energy prices during the first half of 2016 kept the Alberta economy moving at a slower pace, the third quarter recovery to the high \$40/low \$50 range began motivating investors to move from sidelines. Barclay Street observed an ongoing healthy appetite displayed for quality properties and a continued demand for lesser-quality assets as the hunt for low-priced bargains continued.

Q3 2016 YTD COMMERCIAL REAL ESTATE INVESTMENT SALES OF \$1M AND GREATER

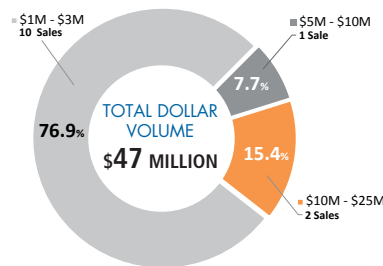


	Mid-Year 2016	Q3 2016	2016 YTD Total
Total Dollar Volume	\$827,284,029	\$480,323,688	\$1,307,607,717
Volume Excluding Residential Land	\$748,142,467	\$418,887,688	\$1,167,030,155
Residential Land Only	\$79,141,562	\$61,436,000	\$140,577,562

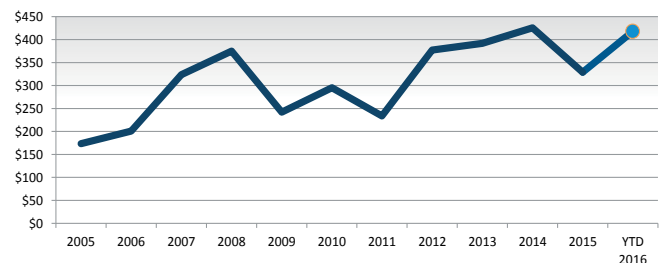
Office Investment

The office investment market in Calgary saw 13 office transactions equal to or greater than \$1 million, totalling \$47 million during the first nine months of 2016. During this period, investors demonstrated renewed interest in quality office properties while continuing to seek deals among lesser-quality assets. A notable

2016 YTD OFFICE INVESTMENT ACTIVITY DISTRIBUTION



AVERAGE PRICE PER SQUARE FOOT

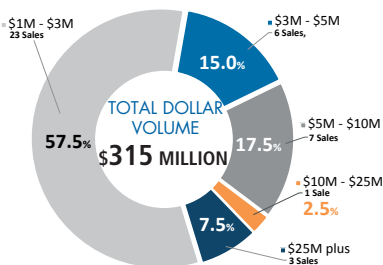


dichotomy emerged in the types of commercial office transactions to September 30th, 2016; commercial office buildings changing hands were typically B Class and C Class while office condominiums were either in new developments or in upper-scale neighbourhoods of the city.

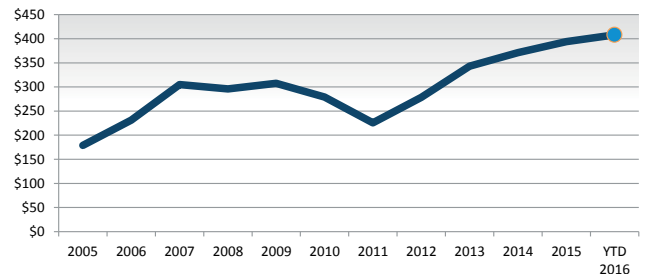
Retail Investment

The retail sector demonstrated surprising staying-power as an investment asset class, with 40 transactions totalling more than \$315 million completed. The majority of activity continued to focus on retail properties priced in the \$1 million to \$3 million dollar range though we have noted an increase in appetite for slightly

2016 YTD RETAIL INVESTMENT ACTIVITY DISTRIBUTION



AVERAGE PRICE PER SQUARE FOOT



higher-priced product in the \$3 to \$5 million dollar range. To the end of September 2016, three big-ticket transactions greater than \$25 million boosted overall investment; the most significant of which was the \$106 million purchase of Beacon Hill Shopping Centre by RioCan.

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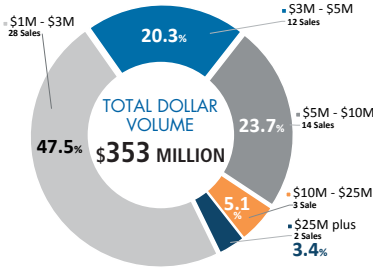
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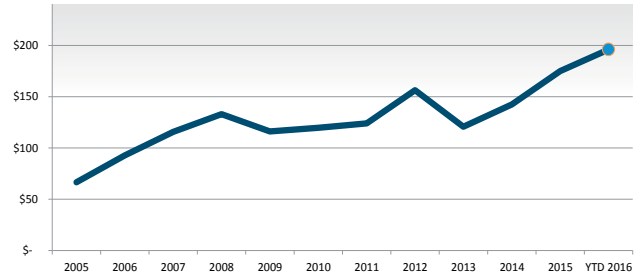
Industrial Investment

Significant changes in industrial market leasing dynamics further shifted property valuations in favour of prospective buyers. As such, investor activity was robust with \$120 million transacted during the third quarter. Of the 21 transactions during this period, private investors were the chief drivers of activity though several properties – primarily warehouse & distribution facilities – were bought by current users.

2016 YTD INDUSTRIAL INVESTMENT ACTIVITY DISTRIBUTION



AVERAGE PRICE PER SQUARE FOOT

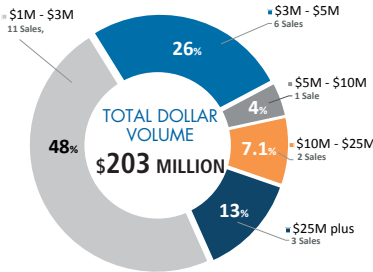


Total dollar volume to September 30th totalled \$353 million in this asset class, exceeding full-year 2015 investment. Average price per square foot (psf) increased to \$196 from \$192 psf at year-end 2015. The largest transaction to date in 2016 remains the sale of 25 Dufferin Place SE & 5500 Dufferin Boulevard SE from Sears Canada to Canadian Tire for \$84 million, which represents approximately one-quarter of year-to-date Industrial investment dollar volume.

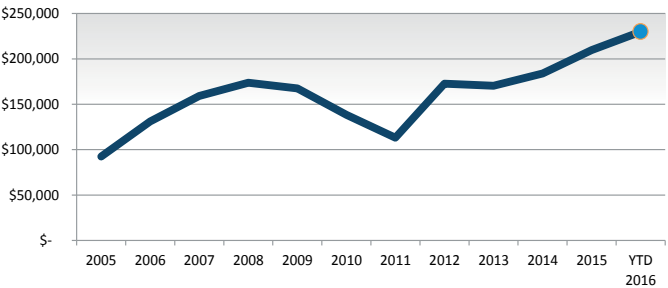
Multi-Residential Investment

The Multi-Residential market witnessed a marked increase in investment to September 30th 2016. During this period, \$203.3 million transacted; exceeding full-year 2015 dollar volume by approximately \$52 million. This increase is reflective of both a higher activity level and greater size of properties purchased. Over

2016 YTD MULTI-RESIDENTIAL INVESTMENT ACTIVITY DISTRIBUTION



AVERAGE PRICE PER UNIT



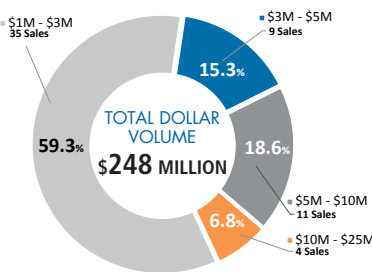
the first nine months of 2016, three significant Multi-Residential transactions took place: Auburn Landing Apartments which comprise 238 units, The Birkenshaw which contains 215 units and Aura II which encompasses 158 units. It should be noted that the above-noted properties generally transacted at above average price per unit, with Aura II going for \$443,000 per door.

ICI & Residential Land Investment

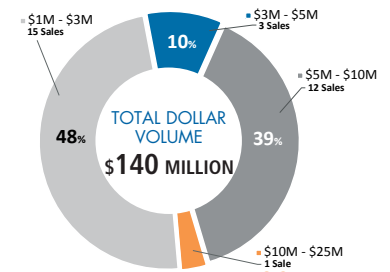
The ICI Land (Industrial, Commercial and Investment) sector represented the lion's share of land investment sales, contributing more than \$248 million of the \$389 million in total land sales to the end of September, 2016. The average ICI transaction sat at \$4.2 million with four transactions greater than \$10 million.

In terms investment activity, 59 ICI Land transactions were completed during the nine months to September 30th; exceeding

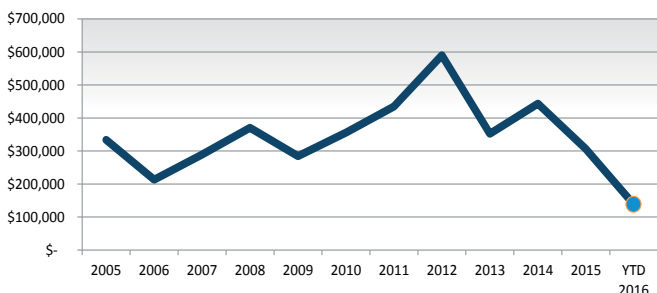
2016 YTD ICI LAND INVESTMENT ACTIVITY DISTRIBUTION



2016 YTD RESIDENTIAL LAND INVESTMENT ACTIVITY DISTRIBUTION



AVERAGE PRICE PER ACRE (ICI & RESIDENTIAL)



the 38 sales completed during 2015. Barclay Street's analysis shows the majority of purchases continue to occur in the \$1 million to \$3 million dollar range, where over half of overall activity took place.

At more than \$140 million, Residential Land sales to the end of the third quarter averaged \$4.5 million per transaction, boosted by one sale greater than \$10 million. Sales in this asset class continue to be hampered by surplus inventory of multi-family product on the market. Additionally, servicing costs continue to escalate and developers are exercising caution by reducing speculative residential lot development.