

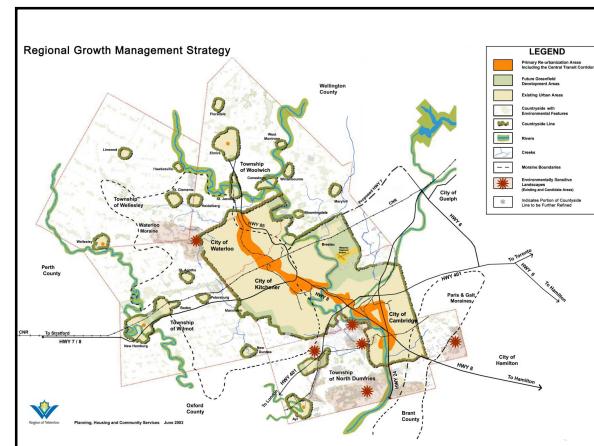
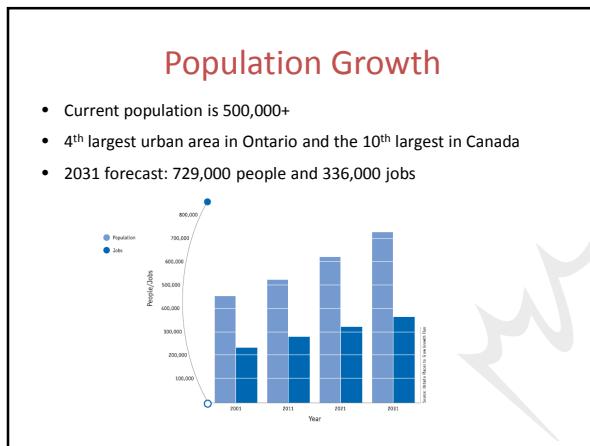
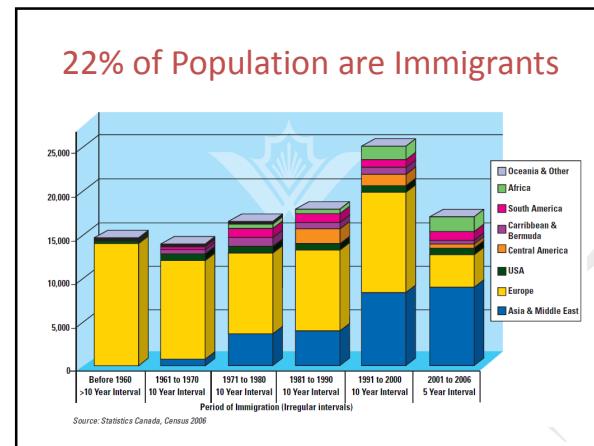
Presented To The Members of The Real Estate Investment Network

 **Waterloo Region** Waterloo Region
Cambridge
Kitchener
Waterloo

Waterloo Region

Presentation to REIN – June 22, 2010

W.T. (Bill) Elliot, Vice President Business Development



Our Key Sectors

| Advanced Manufacturing | ICT | Business and Financial Services | Health and Life Sciences |
|------------------------|---------------|---------------------------------|--------------------------|
| Auto | Digital Media | BPO | Biotech |
| Industrial Design | Hardware | Actuarial Sciences | Pharma |
| Aero | Software | Insurance | Medical Devices |
| Clean Tech | Convergence | Accounting | Health |

Some Current Challenges

Closures and Cut-Backs

| Company | City | Date | Nature | # of Jobs |
|---------------------------------|-----------|-----------------|------------|-----------|
| Lear | Kitchener | Jan 07 – Jan 08 | Reductions | 430 |
| ATS Automation Systems Group | Cambridge | Jan 07 | Reductions | 100 |
| MTD Products Canada | Kitchener | Jun 07 – Oct 08 | Reductions | 410 |
| Wix Filtration – Affinia Group | Cambridge | Jun 07 | Reductions | 150 |
| NCR | Waterloo | Dec 07 | Reductions | 450 |
| Gencor Foods Inc. | Kitchener | Apr 08 | Closure | 124 |
| Campbell's Soup | Listowel | Apr 08 – Apr 09 | Closure | 500 |
| Marusa Marketing | Cambridge | Jul 08 | Closure | 106 |
| Kitchener Frame (formerly Budd) | Kitchener | Dec 08 | Closure | 1200 |
| Crowe Foundry | Cambridge | Jan 09 | Closure | 145 |
| Rockwell Automation | Cambridge | Mar 09 | Reductions | 115 |
| ClosetMaid Corp. | Cambridge | Jun 09 | Closure | 500 |
| Von Weise of Canada Company | Cambridge | Sep 09 | Closure | 100 |

Presented To The Members of The Real Estate Investment Network

World Class Post-Secondary Education



- University of Waterloo (UW)
- Wilfrid Laurier University (WLU)
- Conestoga College Institute of Technology and Advanced Learning
- Nearby University of Guelph



World Class Post-Secondary Education

Leaders in:

- Co-operative education
- Mathematics
- Computer science
- Engineering
- Nanotechnology
- Life Sciences
- Environmental sciences
- Optometry
- Entrepreneurship
- Economics
- Business
- Architecture
- Social work
- Music
- Political science
- Actuarial science



- 50,000 full-time post-secondary students
- Includes 15,000 co-operative education students
- UW accounts for about 20% of all technology spinoffs from Canadian Universities



World Class Research



- Home to 150 research institutes and think tanks with global ambition:
 - Perimeter Institute for Theoretical Physics (PI)
 - The Centre for International Governance Innovation (CIGI)
 - Quantum Nano Centre (QNC)
 - The Academic Council on the United Nations System (ACUNS)

Continued Institutional Investment

UW Research + Technology Park

- TechTown
- Accelerator Centre (multi-tenant building)
- Research Advancement Centre
- innoTECH



Municipal/Post-Secondary Partnerships

- UW School of Architecture, Downtown Cambridge
- WLU Faculty of Social Work, Downtown Kitchener
- UW Health Sciences Campus, Downtown Kitchener
 - School of Pharmacy
 - Michael G. DeGroote School of Medicine
- Balsillie School of International Affairs, Uptown Waterloo
- The Communitech Hub: Digital Media & Mobile Accelerator, Downtown Kitchener



Waterloo Region Named Ontario's Top Investment Town 2009

Average Home Prices

| | |
|----------------------------------|------------------|
| • Cambridge | \$278,527 |
| • Guelph | \$298,076 |
| • Kitchener-Waterloo | \$327,196 |
| • Hamilton-Burlington & District | \$317,909 |
| • Ottawa | \$333,854 |
| • Edmonton | \$390,500 |
| • Calgary | \$395,847 |
| • Greater Toronto Area | \$437,600 |
| • Victoria | \$518,546 |
| • Greater Vancouver | \$673,579 |
| • National Average | \$344,968 |

Source: Canadian Real Estate Association, April 2010 Average Home Prices

Waterloo Region Recent Employment Highlights

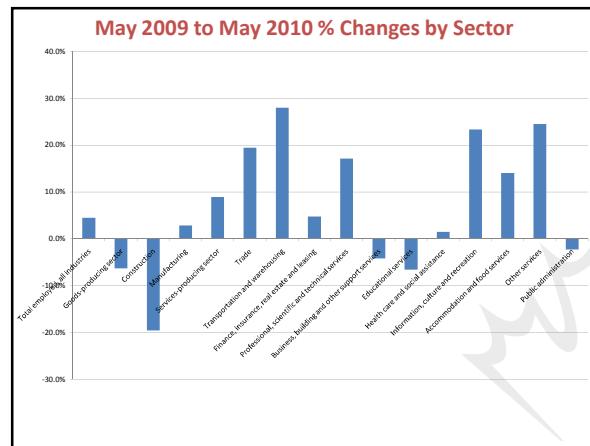
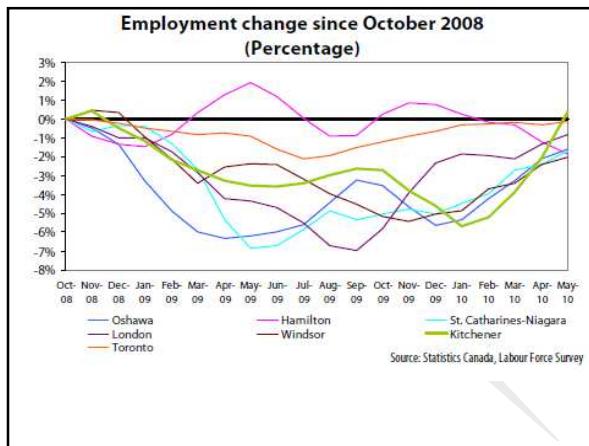
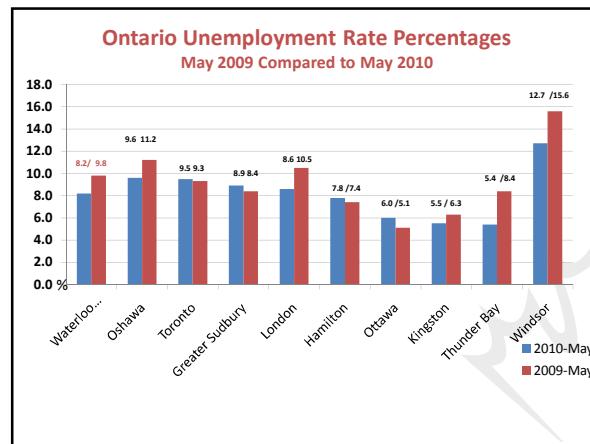
- The unemployment rate from May 2009 to May 2010 has dropped 1.6% to 8.2%
- The unemployment rate hasn't been this low since December 2008 (7.7%)
- Job growth in Waterloo Region has been outpacing most of Canada
- The participation rate in the region is currently the fourth highest in the country, behind only Ottawa, Saskatoon and Calgary
- Our economy contributed 36% of the total employment growth in the province in May 2010
- The employed labour force totaled 260,500 in May 2010, up from 254,100 a month earlier resulting in 6,400 more people working
- The number of unemployed people fell by 1,800 to 23,400 last month

Source: Statistics Canada Labour Force survey estimates 2010-06-04

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| Overview of Employment in Waterloo Region | | | | | | |
|---|-----------|--------|------------------------|----------------------|------------------------|----------------------|
| | Apr-10 | May-10 | April 2010 to May 2010 | May 2009 to May 2010 | April 2010 to May 2010 | May 2009 to May 2010 |
| Population | thousands | | | change (thousands) | | |
| Population | 391.8 | 392.3 | 0.5 | 5.4 | 0.1 | 1.4 |
| Labour force | 279.3 | 283.9 | 4.6 | 6.4 | 1.6 | 2.3 |
| Employment | 254.1 | 260.5 | 6.4 | 10.2 | 2.5 | 4.1 |
| Unemployment | 25.2 | 23.4 | -1.8 | -3.8 | -7.1 | -14 |
| Participation rate (%) | 71.3 | 72.4 | 1.1 | 0.7 | ... | ... |
| Unemployment rate (%) | 9 | 8.2 | -0.8 | -1.6 | ... | ... |
| Employment rate (%) | 64.9 | 66.4 | 1.5 | 1.7 | ... | ... |



| Sectoral Employment | | | | | | | | |
|-----------------------------------|------|------|------|-------|-------|-------|-------|-------|
| | 2007 | 2008 | 2009 | 2010f | 2011f | 2012f | 2013f | 2014f |
| Total employment (000s) | 250 | 251 | 252 | 250 | 256 | 264 | 271 | 276 |
| Goods sector | 76 | 73 | 71 | 68 | 70 | 72 | 74 | 75 |
| Manufacturing | 58.6 | 51.9 | 49.6 | 47.1 | 48.7 | 49.5 | 50.0 | 50.4 |
| Construction | 14.1 | 17.2 | 17.0 | 17.0 | 17.1 | 18.1 | 19.3 | 20.1 |
| Primary & utilities | 3.6 | 4.0 | 4.5 | 4.2 | 4.3 | 4.5 | 4.6 | 4.7 |
| Services sector | 174 | 184 | 181 | 181 | 192 | 197 | 201 | 205 |
| Transport & communications | 14.2 | 17.5 | 11.8 | 12.9 | 13.5 | 13.8 | 14.0 | 14.2 |
| Wholesale & retail trade | 36.6 | 39.8 | 36.0 | 36.8 | 37.4 | 39.0 | 40.2 | 41.1 |
| Finance, insurance, & real estate | 18.4 | 18.5 | 19.2 | 20.0 | 20.5 | 21.0 | 21.4 | 21.8 |
| Commercial services | 51.5 | 51.9 | 54.0 | 52.2 | 53.3 | 55.0 | 56.7 | 57.5 |
| Non-commercial services | 45.9 | 48.1 | 52.0 | 51.5 | 52.6 | 54.5 | 56.0 | 57.0 |
| Public administration | 7.2 | 8.0 | 8.0 | 8.1 | 8.4 | 8.7 | 8.9 | 9.0 |

Shaded area represents forecast data.
First line of employment data is in thousands and second line is percentage change.
Source: Statistics Canada, The Conference Board of Canada.

| Economic Indicators | 2007 | 2008 | 2009 | 2010f | 2011f | 2012f | 2013f | 2014f |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| Real GDP at basic prices (2002 \$ millions) | 19,178 | 19,110 | 18,456 | 19,065 | 19,895 | 20,851 | 21,680 | 22,451 |
| percentage change | 2.5 | -0.4 | -3.4 | 3.3 | 4.4 | 4.8 | 4.0 | 3.6 |
| Total employment (000s) | 250 | 257 | 252 | 250 | 256 | 264 | 271 | 276 |
| percentage change | -0.4 | 2.7 | -1.8 | -1.0 | 2.6 | 3.1 | 2.7 | 1.8 |
| Unemployment rate | 5.6 | 6.0 | 9.6 | 9.4 | 8.4 | 6.9 | 5.8 | 5.7 |
| Personal income per capita | 35,219 | 36,123 | 36,013 | 36,406 | 37,857 | 39,509 | 41,296 | 42,895 |
| percentage change | 1.8 | 2.6 | -0.3 | 1.1 | 4.0 | 4.4 | 4.5 | 3.9 |
| Population (000s) | 476 | 482 | 487 | 492 | 498 | 505 | 511 | 519 |
| percentage change | 1.2 | 1.2 | 1.0 | 1.1 | 1.2 | 1.3 | 1.4 | 1.4 |
| Total housing starts | 2,740 | 2,634 | 1,933 | 2,744 | 3,343 | 3,764 | 3,780 | 3,743 |
| Retail sales (\$ millions) | 5,296 | 5,482 | 5,341 | 5,560 | 5,913 | 6,340 | 6,698 | 7,019 |
| percentage change | 1.9 | 3.5 | -2.6 | 4.1 | 6.4 | 7.2 | 5.6 | 4.8 |
| CPI (2002 = 1.0) | 1,108 | 1,133 | 1,138 | 1,165 | 1,195 | 1,222 | 1,248 | 1,274 |
| percentage change | 1.8 | 2.3 | 0.4 | 2.4 | 2.5 | 2.3 | 2.1 | 2.0 |

Shaded area represents forecast data.
Sources: Statistics Canada, CMHC Housing Time Series Database, The Conference Board of Canada.

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Waterloo Region Housing and Construction Highlights

- The Region's construction output dropped an estimated 5.8% in 2009, the first decline since 1995, following little change in 2008. Output is forecast to expand a robust 8.7% in 2010, then post 4.9% average annual growth between 2011 and 2014
- House sales in Waterloo Region took a bit of a breather in May with year-over-year sales declining for the first time in months. Despite the dip, sales through the **first five** months of the year are outpacing last year's totals by **25.5% over the first 5 months of 2009.**

Source: The Conference Board of Canada Metropolitan Outlook 2 Winter 2010

Waterloo Region Real Estate Market Conditions

Office:

- Inventory:** 13,508,367 million sq. ft.
- Vacancy Rate:** 6.8%
- Average Asking Net Rental Rate:** \$11.89 per sq. ft.

Industrial:

- Inventory:** 111,895,750 million sq. ft.
- Availability Rate:** 8.5%
- Average Net Rental Rate:** \$4.33 per sq. ft.
- Average TMI:** \$2.44 per sq. ft.
- Average Sale Price:** \$31.31 per sq. ft.

Source: Adapted from CB Richard Ellis Market View Office and Industrial Reports, 1st Quarter, 2010

Adaptive Re-Use Redevelopment Projects Residential

- The Kaufman Lofts, Kitchener
- Former Arrow Shirts Warehouse Lofts, Kitchener
- Tiger Lofts, Cambridge
- Wellington Square Townhomes, Cambridge
- Waterscape Riverside Condominiums, Cambridge
- The Bauer Lofts, Waterloo
- The Seagram Lofts, Waterloo



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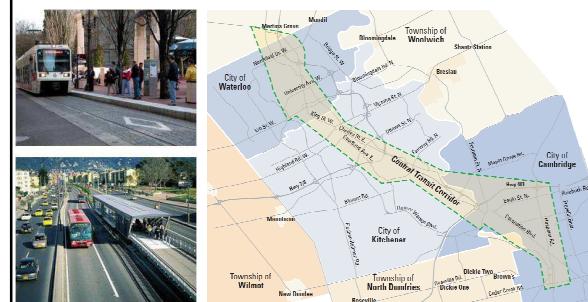


Adaptive Re-Use Redevelopment Projects Commercial

- Lang Tannery, Kitchener
- Warehouse District, Kitchener
- Southworks Outlet Mall, Cambridge
- The Barrel Yards, Waterloo



Regional Central Transit Corridor



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What Defines Canada's Technology Triangle

- Diverse. Innovative. Entrepreneurial. Collaborative.
 - A growth leader
 - Skilled and educated talent pool
 - Internationally oriented
 - Incredible sense of working together as team players
- Outstanding post-secondary educational institutions
- Leverages its strategic location
- Aims to be cost-effective
- Quality of life: rich traditions and a vibrant lifestyle

Recent Headlines

- **Video game giant drawn to area - Electronic Arts makes first foray into Ontario, opening office in Kitchener**
- **Technology the new engine of central Canada**
- **Kitchener is Home to New Canadian Subsidiary of Schöck Group**
- **Rimowa Targets North America with Canadian Operations - Legendary German Luxury Luggage Maker Opens New Facility in Cambridge, Ontario**
- Another global technology giant, **Intel Corp.**, has established a foothold in this region, with the purchase of RapidMind, a five-year-old University of Waterloo spinoff.
- **Ottawa invests \$10.7 million in digital media** commercialization in Waterloo region and Stratford

More Headlines

- Ontario Government Infuses **\$26 Million** into Kitchener Digital Media Hub
- **Food sector** is now manufacturing's biggest employer - A 17% gap in payroll employment growth puts food manufacturing on top for the first time.
- Wilfrid Laurier University **Declared Kings** of Equity Research in Toronto CFA Society's Inaugural Investment Research Challenge

Our Vision & Mission



Waterloo Region is known worldwide as a community of choice for investment, generating prosperity and a high quality of life for all residents.

We promote Waterloo Region as Canada's Technology Triangle to attract and expand strategic investment, working with partners to bring capital and talent to the region.

Our Partners



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