February 2009 BC REIN™ Workshop Supplemental

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Strategies To Prosper During The Big 'W'

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News That Investors Thought Was Exciting

How Does It Measure Up To Today?

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Housing prices forecast to rise by up to 25% by 2011

Calgary to lead nation in growth, study predicts

January 2002

New job growth 'dizzying'

May sees 31,000 more created

Currently...
BC 6.1%
Van 5.5%
AB 4.4%
Calgary 4.1%
Edm 3.8%
Canada 7.2%

June 2002

Oil market on geopolitic

Sorting out stream of conflicting data

Oil Trades in Band of $22 - $25

Spiked Up 20% - Will Drop

'War premium'
US$6

The Downside of The Globalization Cycle Continues

- Dramatic Swings In Economies
- Dramatic Swings in Commodities

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The Downside of The Globalization Cycle Continues

- Increased (then Decreased) Protectionism
- Dramatic Swings in Emotions
- All Leading To…

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The Big "W"

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So What Do Investors Do Knowing The 'W' Reality

It's Simple.

Focus On
Goal, Plan & Yield

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Your Goal

- What EXACTLY Do You Want Your MONEY To Do For You?
- What EXACTLY Is Your Personal Belize?
- How Are You Going To Hold Yourself Accountable To Your Goal?

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Your Plan

- What Steps Does Your Plan Have?
- What Proven System Are You Going To Follow?
- What Risk Mitigation Strategies Have You Included?
- How Will You Deal With Distractions?

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Your Yield

- The income return on an investment.
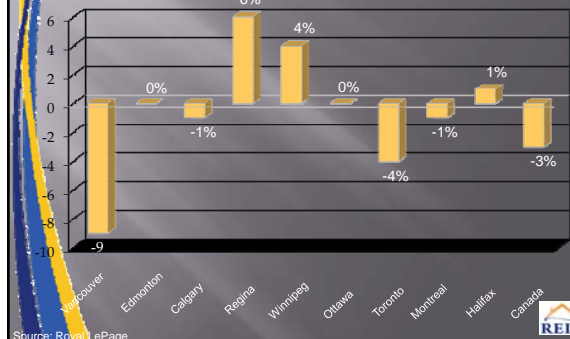- Annual income / Purchase price
- $10,800/ $110,000 = 9.8%

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Your Yield

- **What Realistic R.O.I. Do You Want Your Money To Create?**
- **Over What Timeline?**
- **What Investment Vehicle Can Provide You This Yield?**
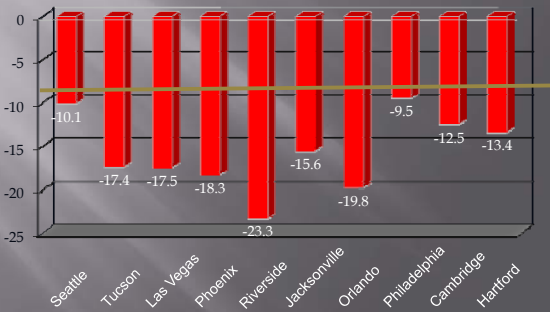
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Predictions for Average Home Prices 2009

Source: Royal LePage

2009 Housing Outlook
Projected Changes in the US Market
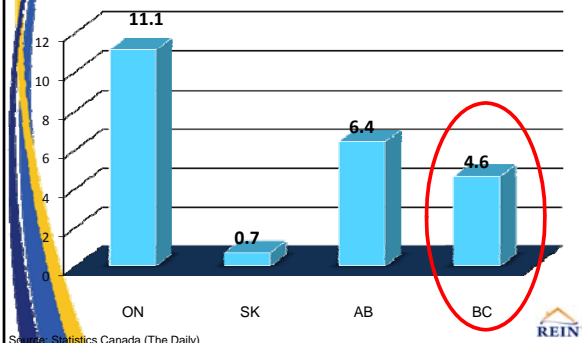

Source: Fortune Magazine

Short Term Investing
Leads To Chaos & Losing The Game

* Buying With No Cash-Flow Plan

* Trying To Continually Flip Properties

* Not Keeping Income Up & Expenses Down

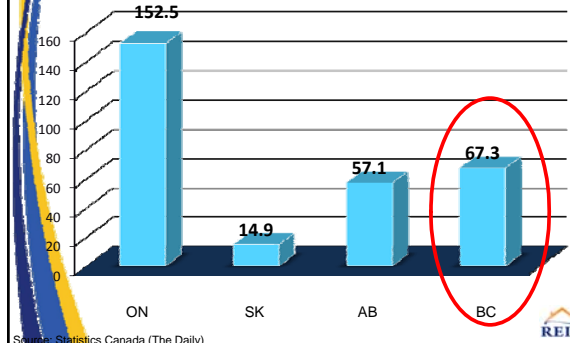**(in other words not running it like a business)**

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Population Change in Thousands
Dec. 2008 – Jan. 2009 (1 month)
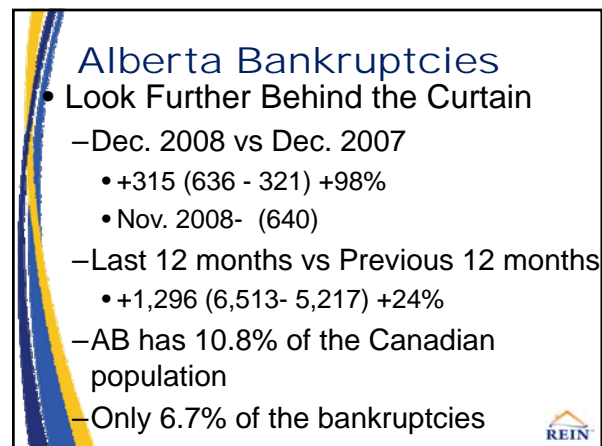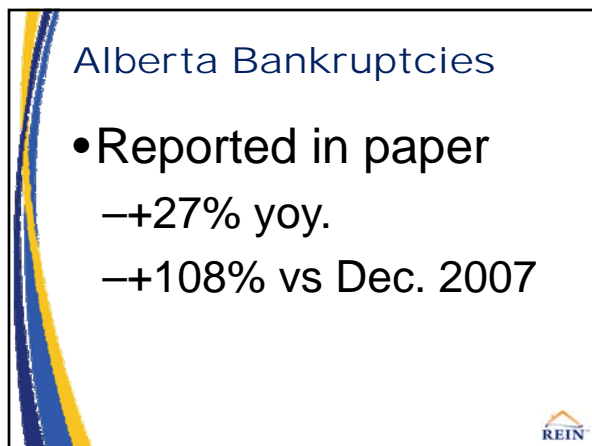

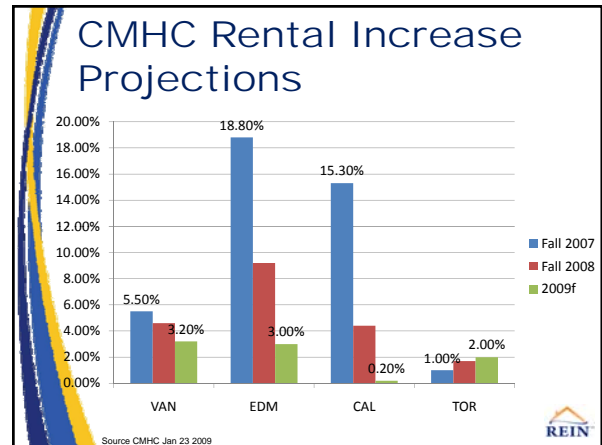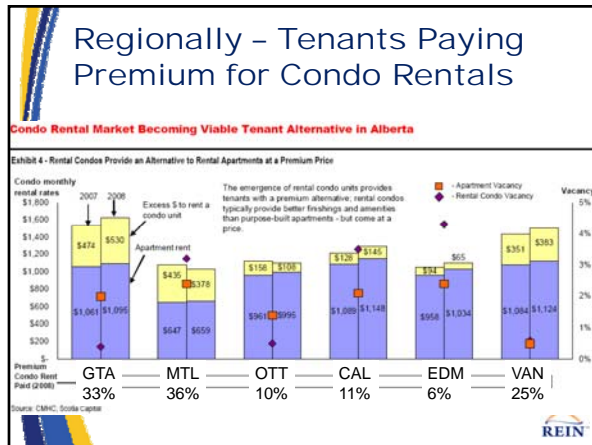Source: Statistics Canada (The Daily)

Population Change in Thousands
Jan. 2008 – Jan. 2009 (12 month)

Source: Statistics Canada (The Daily)

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Population Growth %
Jan. 2008 – Jan. 2009 (12 month)

Source: Statistics Canada (The Daily)

Nationally – Stable Vacancy & Healthy Rent Growth

Despite home price compression in 2008, the gap between the cost of owning and renting remains relatively high. We expect the magnitude of the gap will result in stable apartment occupancy and healthy rent growth in 2009.

Source: Statistics Canada; CMHC; Bank of Canada; Scotia Capital estimates

Regionally – Tenants Paying Premium for Condo Rentals

Condo Rental Market Becoming Viable Tenant Alternative in Alberta

Exhibit 4 - Rental Condos Provide an Alternative to Rental Apartments at a Premium Price

Source: CMHC, Scotia Capital

CMHC Rental Increase Projections

Source CMHC Jan 23 2009

Alberta Bankruptcies

- Reported in paper
  - +27% yoy.
  - +108% vs Dec. 2007

Alberta Bankruptcies

- Look Further Behind the Curtain
  - Dec. 2008 vs Dec. 2007
    - +315 (636 - 321) +98%
    - Nov. 2008- (640)
  - Last 12 months vs Previous 12 months
    - +1,296 (6,513- 5,217) +24%
  - AB has 10.8% of the Canadian population
  - Only 6.7% of the bankruptcies
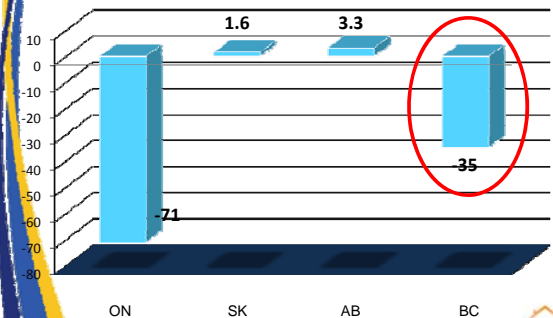
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BC Bankruptcies
- Look Further Behind the Curtain
  - Dec. 2008 vs Dec. 2007
    - +206 (724 - 518) +39%
    - -21 Nov. 2008- (745 - 724)
  - Last 12 months vs Previous 12 months
    - +626 (7,747 - 7,121) +8%
  - BC has 13% of the Canadian population
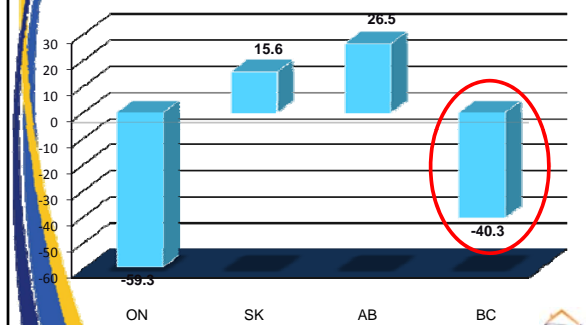 - Only 8.0% of the bankruptcies

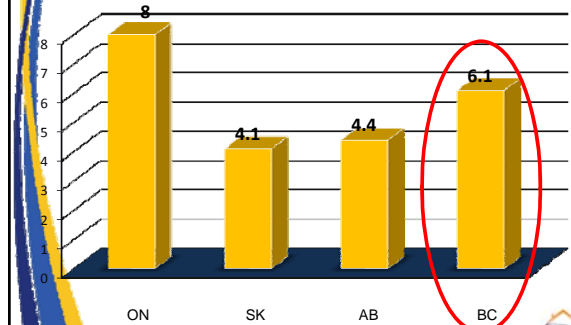Employment Change in Thousands
Dec. 2008 – Jan. 2009 (1 month)

ON -71, SK 1.6, AB 3.3, BC -35

Source: Statistics Canada (The Daily)

Employment Change in Thousands
Jan. 2008 – Jan. 2009 (12 month)

ON -59.3, SK 15.6, AB 26.5, BC -40.3

Source: Statistics Canada (The Daily)

Current **Unemployment Rate**
Jan. 2009

ON 8, SK 4.1, AB 4.4, BC 6.1

Source: Statistics Canada (The Daily)

Current **Employment Rate**
Jan. 2009

ON 62.3, SK 67.4, AB 71.6, BC 61.7
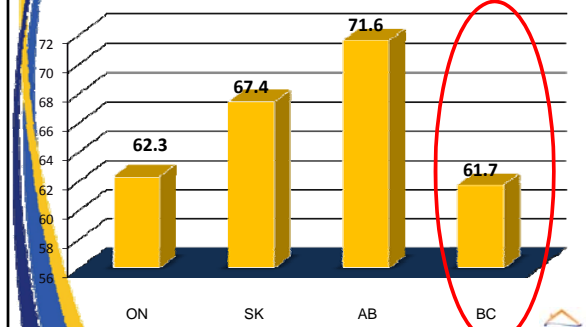
Source: Statistics Canada (The Daily)

**Average Weekly Earning Growth
for all Employees**
Nov. 2007 – Oct. 2008

ON 2.6%, SK 4.2%, AB 5.8%, BC 1.3%

Source: Statistics Canada (The Daily)

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