

Presented To The Members of The Real Estate Investment Network

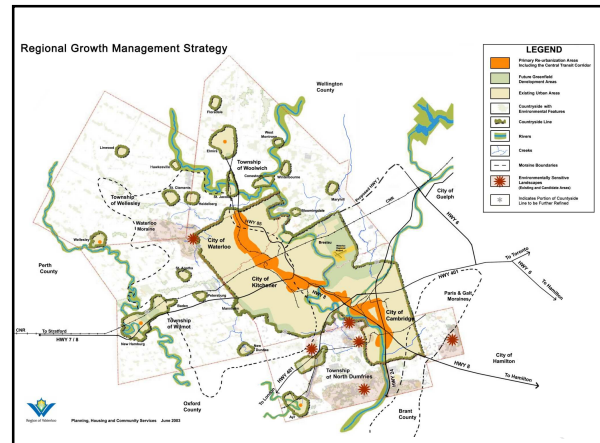
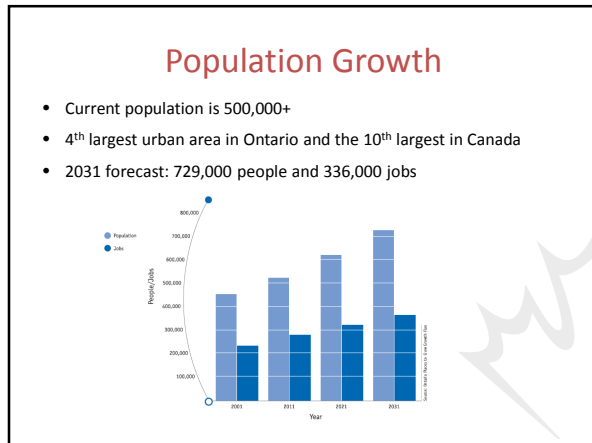
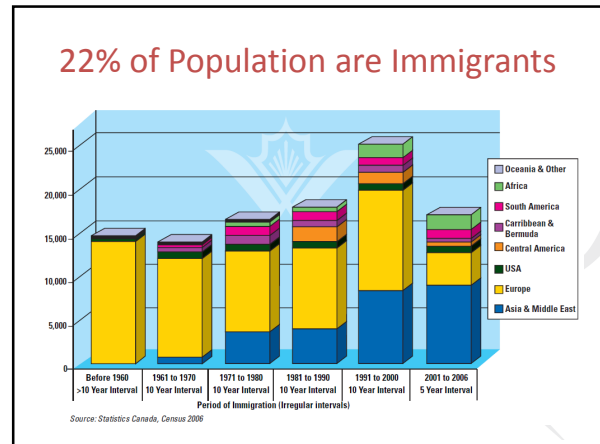


CANADA'S TECHNOLOGY TRIANGLE
Waterloo Region
Cambridge
Kitchener
Waterloo

Waterloo Region

Presentation to REIN – June 22, 2010

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



Our Key Sectors

Advanced Manufacturing

- Auto
- Industrial Design
- Aero
- Clean Tech

ICT

- Digital Media
- Hardware
- Software
- Convergence

Business and Financial Services

- BPO
- Actuarial Sciences
- Insurance
- Accounting
- Regional HQs

Health and Life Sciences

- Biotech
- Pharma
- Medical Devices
- 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

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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)

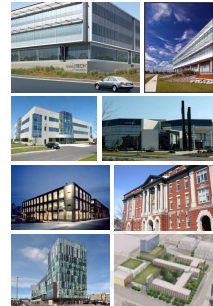
Continued Institutional Investment

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

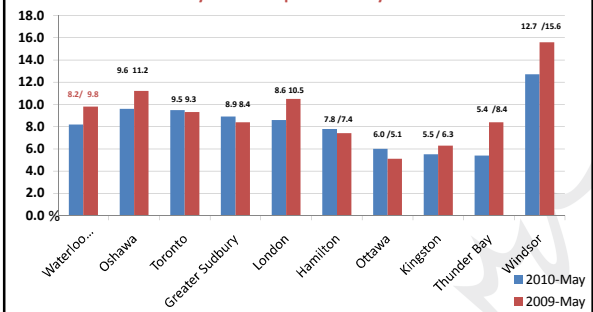
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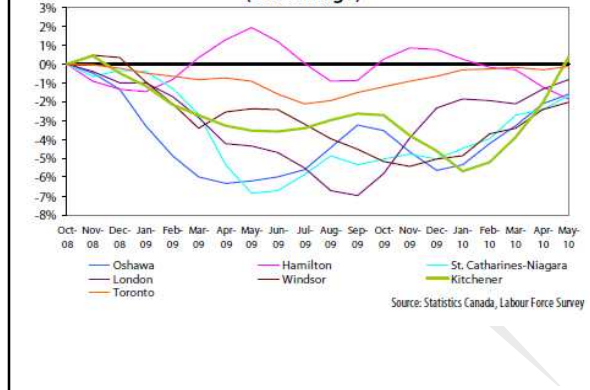
Overview of Employment in Waterloo Region

	Apr-10	May-10	April 2010 to May 2010	May 2009 to May 2010	April 2010 to May 2010	May 2009 to May 2010
	thousands		change (thousands)		% change	
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

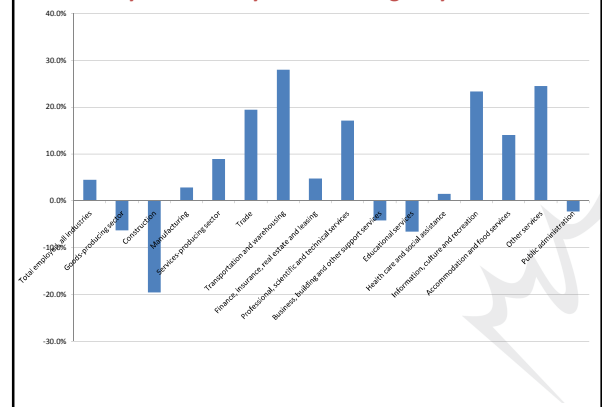
Ontario Unemployment Rate Percentages May 2009 Compared to May 2010



Employment change since October 2008 (Percentage)



May 2009 to May 2010 % Changes by Sector



Sectoral Employment	2007	2008	2009	2010f	2011f	2012f	2013f	2014f
Total employment (000s)	250	257	252	250	256	264	271	276
	-0.4	2.7	-1.8	-1.0	2.6	3.1	2.7	1.8
Goods sector	76	73	71	68	70	72	74	75
	-5.7	-4.2	-2.7	-4.0	2.6	2.7	2.6	1.8
Manufacturing	58.6	51.9	49.6	47.1	48.7	49.5	50.0	50.4
	-5.4	-11.5	-4.5	-5.0	3.4	1.6	1.0	0.8
Construction	14.1	17.2	17.0	17.0	17.1	18.1	19.3	20.1
	-11.6	22.1	-1.0	-0.1	0.6	5.6	6.7	4.4
Primary & utilities	3.6	4.0	4.5	4.2	4.3	4.5	4.6	4.7
	17.1	10.2	13.1	-6.6	1.8	3.8	3.4	2.3
Services sector	174	184	181	181	186	192	197	201
	2.1	5.7	-1.5	0.2	2.5	3.2	2.7	1.9
Transport & communications	14.2	17.5	11.8	12.9	13.5	13.8	14.0	14.2
	2.7	23.0	-32.3	6.8	4.9	2.4	1.5	1.2
Wholesale & retail trade	36.6	39.8	36.0	36.8	37.4	39.0	40.2	41.1
	-6.2	8.9	-9.5	2.1	1.8	4.2	3.1	2.2
Finance, insurance, & real estate	18.4	18.5	19.2	20.0	20.5	21.0	21.4	21.8
	-0.5	0.5	4.0	3.9	2.5	2.5	2.0	1.9
Commercial services	51.5	51.9	54.0	52.2	53.3	55.0	56.7	57.5
	-1.4	0.7	4.0	-3.3	2.2	3.2	3.1	1.5
Non-commercial services	45.9	48.1	52.0	51.5	52.8	54.5	56.0	57.2
	16.5	4.7	8.1	-1.0	2.7	3.2	2.8	2.2
Public administration	7.2	8.0	8.0	8.1	8.4	8.7	8.9	9.0
	-0.7	11.7	-0.7	1.8	3.8	3.1	2.6	1.8

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

Economic Indicators Future Trends

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	1,130	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

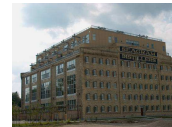
Adaptive Re-Use Redevelopment Projects Residential

- 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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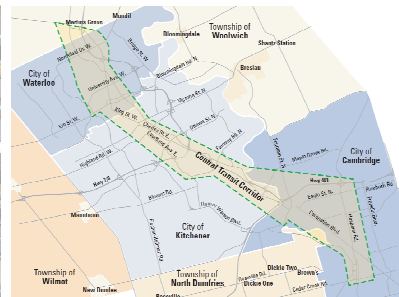


Adaptive Re-Use Redevelopment Projects Commercial

- 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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