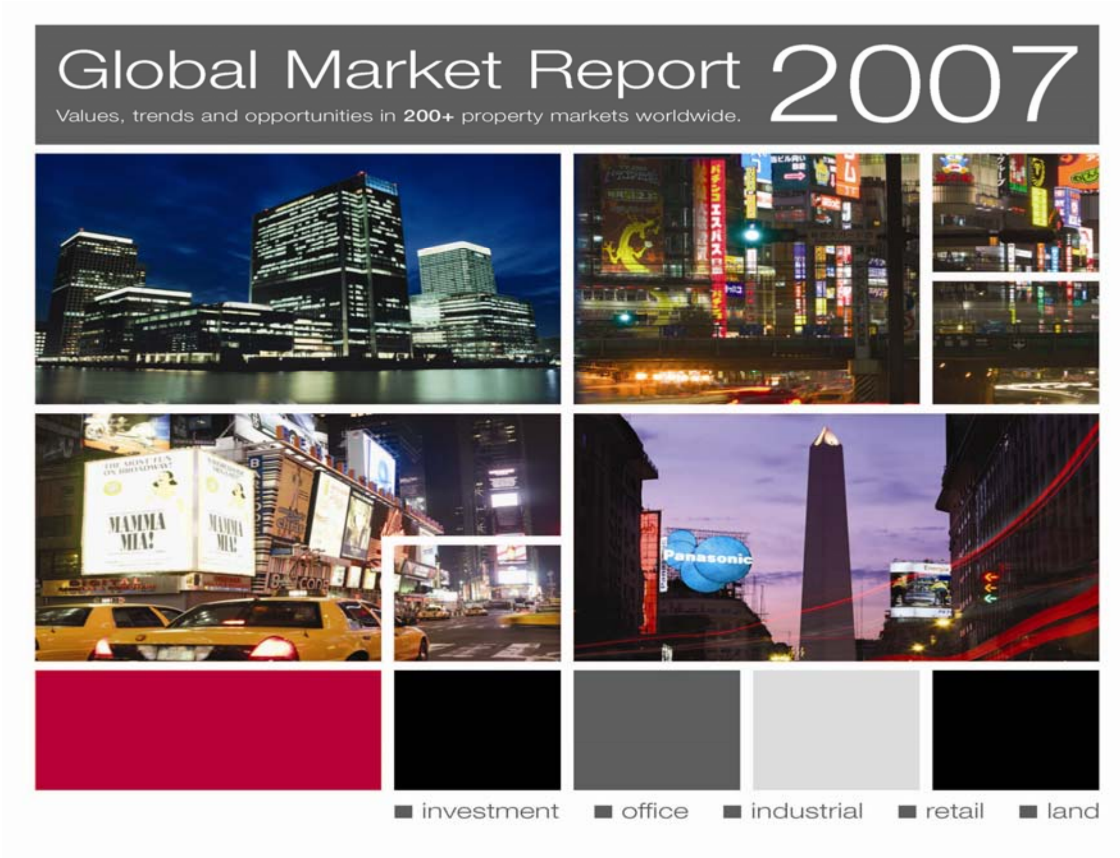

NAI Commercial
Commercial Real Estate Services, Worldwide.

Press Release

For more information:
Greg McPhie
Managing Partner BC
(604) 691-6643
www.naicommercial.ca

For Immediate Release

PROPERTY MARKETS STRENGTHENED IN 2006; GEO-POLITICAL RISK TEMPERS POSITIVE OUTLOOK FOR 2007

NAI Global Issues 21st Annual Global Market Report; Forecast For Over 200 Commercial Property Markets Worldwide

[Vancouver, B.C. January 8, 2007] — "Our commercial real estate market is buoyant, typified by a lack of good investment opportunities across most product lines. Continued strong demand for lease space has resulted in vacancy rates at record low levels. This dynamic is driven by a robust economy, strong employment and continued migration to Western Canada." stated Greg McPhie, Managing Partner B.C. for NAI Commercial.

British Columbia mirrors the national and global trend as commercial property markets across the globe continued their steady climb in 2006, with 2007 promising continued growth, according to the 21st annual *Global Market Report* issued by NAI Global, the world's largest network of independently owned commercial real estate brokerage firms. However, the *2007 Global Market Report* concludes growth could be hurt by increased geo-political concerns in major markets worldwide.

"Commercial real estate fundamentals are strong in most major markets around the world," stated NAI Global President & Chief Operating Officer Jeffrey M. Finn. "In some of the fastest growing markets of recent years, the biggest issues we're seeing are political in nature. From efforts to rein in the hot economy in China, to new governments in Chile, Peru, Ecuador and Peru in Latin America, to lingering political favoritism in the European Union, market risk pales in comparison to political risk factors for several geographies. More than ever, it's imperative for companies to find a local partner on the ground that has the market experience needed to navigate through these challenges."

The 2007 *Global Market Report* features data and analysis on office, industrial and retail market performance in 2006 for over 200 locations worldwide. Narrative reports and statistical charts provide market highlights, trends, demographic and business profiles, rental rates, vacancy rates, and land prices. All of the market information included in the report is available online at www.naiglobal.com.

"Our annual Global Market Report is a unique resource that combines the strength of our network—deep local market knowledge and broad geographic coverage--and the keen insight of our Chief Economist, Dr. Peter Linneman," stated Finn. Linneman is Professor of Real Estate at The Wharton School, University of Pennsylvania, and principal in Linneman Associates, a Philadelphia, Pennsylvania-based research consultancy. "The 21st edition is our most comprehensive to date and reflects the scale our network has achieved. Our reports provide individual market analysis from our member firms–local professionals with a deep understanding of market conditions and the issues that will impact them."

<u>Select U.S. Markets Highlights:</u>

In 2006, U.S. markets reported generally tightening vacancies, particularly in downtown areas. The elimination of the remnants of the dot-com bust and other factors caused a decline in Class A downtown office vacancies rates to 9.85% in 2006 from 11.91% a year earlier. This led to slightly upward trending rental rates for the sub-sector, from $34.37 per square foot in 2005 to $36.02 in 2006. While vacancy rates show signs of increasing, this seems to be caused by new supply entering the market. The outlook for 2007 calls for steady growth as excess liquidity holds investment yields relatively low and developers respond cautiously with additional office development projects.

A few select regional market findings from the report include the following:

Atlanta: Office demand gained momentum in 2006, continuing a two-year trend. Because of its transportation options and low construction and operating costs, Atlanta continues to attract national and international companies of all sizes.

Boston: A dearth of retail-zoned land has led to skyrocketing lease rates and vacancy rates as low as 5%. In areas like Newbury Street, rents have soared as high as $140 per square foot, almost $100 higher than a decade ago.

Chicago: An improving local economy has the office market inching toward recovery. Retail markets continued to improve. Claire's Stores, Motorola and Nokia are among the corporations to open flagship stores in the Chicago area in recent months.

Dallas: Dallas continued to thrive in 2006, largely because of its central location and transportation hub. Available land, limited barriers to entry and a competitive development market have helped to keep lease rates competitive. As a result, Dallas remains a favorite spot for corporate headquarters relocations. Forecasted employment gains support an optimistic outlook for 2007.

Los Angeles: Sales prices have reached new highs for all property types and cap rates are at record lows in the face of intense competition. The local economy remains strong and continues to drive demand in the Southland. Market tightness is expected to persist through spring of 2007.

New Orleans: Progress toward recovery over the past 12 months has far exceeded expectations. Industrial space remains tight throughout the area, while the downtown office market has displayed surprising resilience. An enormous rebuilding task lies ahead, but as the business climate continues to settle, companies will be better equipped to assess their real estate requirements.

New York: Steady demand from the banking and legal industries have combined with declining supply to push office vacancies below 6% for the first time in five years. Despite rising rental rates, New York remains inexpensive compared to London and Hong Kong, but the gap continues to close. Overall demand remained highest in Midtown, where asking rents have climbed to an average of over $52 per square foot.

Phoenix: Phoenix continues to be one of the strongest new housing markets in the nation. The local economy benefits from the presence of high-tech sectors such as aerospace and semiconductors, and retail continues to expand along with population.

Washington, D.C.: Commencement of construction on a new stadium for the Washington Nationals baseball team combined with ongoing redevelopment projects have spurred demand in the Southeast submarket. This once-neglected neighborhood is attracting developers from across the country. Overall demand for commercial real estate in D.C. during 2006 was steady, with vacancy rates falling slightly from 7.9% in 2005 to 7.6% in 2006.

<u>Select Global Market Highlights</u>

A few select global findings from the report include the following:

Asia: China and India continue to experience exceptional growth. With two of the largest populations and fastest growing economies, both countries are starting to enact WTO policies that will open their economies to foreign trade and business. However, governmental efforts to cool the hot economy in China are beginning to impact real estate markets. Meanwhile, manufacturing companies looking to reduce reliance on

Chinese production are beginning to employ a “China plus one” strategy, shifting low-cost manufacturing to other venues, including Vietnam.

Europe: European investment markets remain strong, with focus on Germany both internationally and domestically in response to a surprisingly strong local economy, though the office market is lukewarm. In Russia, foreign investment is expected to increase as the office market experiences strong growth and record levels of pre-leasing. The housing market in Spain has driven prices up across all property sectors. Tax incentives for home ownership, restricted land supply and booming foreign demand have all contributed to an overheated market.

Latin America: Rapid changes are taking place in South America. New governments in Ecuador and Chile will please President Chavez of Venezuela, but bode poorly for their economies. Decreasing risk levels and increased liquidity create a brighter outlook for the Brazilian market. In Sao Paulo, where premium area costs have leveled, and risk levels decreased, the outlook is particularly positive.

Mexico is emerging as a retirement spot for U.S. citizens. Mexico currently boasts the largest retirement community of English-speaking residents outside of the U.S. and Canada. As it improves infrastructure and basic services in coastal areas, Mexico should see increased activity as the Baby Boomers reach retirement age.

Canada: “Petro-nomics” are shifting economic power west to Calgary and Edmonton as Canada aims to become the world’s next energy super power. Canadian Petroleum stores are among the largest in the world and the country also has significant hydro power resources. Canada is already the largest external supplier of oil to the United States.

United States: Steady, stable growth is predicted as excess liquidity will continue to hold investment yields relatively low. There is a continued trend toward adaptive reuse of older industrial properties for retail and residential. Long dormant downtown areas in secondary and tertiary markets are being bolstered by mixed use development.

About NAI Commercial

When it comes to commercial real estate, NAI Commercial has the local insight and global resources your business requires. Our deep roots in Canada are enhanced by our connection to NAI Global, a managed network of 5,000 professionals in over 45 countries worldwide. Local experts working together with global management, shared processes and technology to produce consistent, quality results.

Serving the Canadian market with 11 offices coast to coast, we provide a full range of services to meet your needs, including retail, office, industrial sales and leasing, apartment and land sales. Whether you are looking locally or thinking globally, our advisors have knowledge, experience and network to bring you real estate solutions.