



January 3, 2011

The following information was obtained from newspaper articles appearing in the *Globe and Mail* and the *National Post* for the week ending January 2, 2011.

OFFICE

Oxford Properties Group Inc., the property arm of the **Ontario Municipal Employees Retirement System (OMERS)**, and **British Land Co.** have completed a joint venture agreement to build the Leadenhall Building, a 47-storey office tower in London, United Kingdom. Known as the Cheesegrater because of its shape, the new office building is scheduled for completion in mid-2014 at a cost of £340-million (\$530-million). British Land has contributed the site, worth approximately £90-million, and Oxford Properties Group will pay the next £90-million to start the project, and the remaining costs will be split between the two joint venture partners.

RETAIL

The top five malls in Canada ranked in order by sales-per-square-foot are: Pacific Centre in Vancouver at \$1,255 per square foot; Yorkdale Shopping Centre in Toronto at \$1,194 per square foot; Oakridge Centre in Vancouver at \$960 per square foot; Sherway Gardens in Toronto at \$885 per square foot; and Chinook Centre in Calgary at \$882 per square foot.

The 400,000-square-foot, 110-store Bayview Village Shopping Centre in Toronto recently underwent a \$10-million renovation, seeking to differentiate itself from other malls as an upscale retail centre.

According to **Cushman & Wakefield**, Toronto had a 9% vacancy rate in storefront retail as of June, 2010, compared with approximately 15% in the United States. Commercial property that sells for approximately \$1-million in a large Canadian city is available for approximately \$350,000 in the United States.

Pop-up stores, or temporary retail locations that are rolled out during the holiday shopping season to test new products, are becoming more common and now also being used to test new locations. **Toys “R” Us**, for example, opened 600 pop-up locations for the holiday season in the United States this year, compared with 90 last year. Toys “R” Us is also testing a new “express location” concept with stores that are 15,000 square feet instead of the normal 30,000 square feet. **Cushman & Wakefield** predicts that in 2011 shoppers in high-density urban areas will see more big-box retailers open permanent locations in smaller spaces in the United States and Canada.

TRANSPORTATION AND INFRASTRUCTURE

Alberta Investment Management Corp. (AIMCo), Alberta’s pension fund manager, has agreed to purchase a 50% interest in **Sociedad Concesionaria Autopista Central**, a Chilean toll road operator, for US\$850-million from the Swedish construction and engineering group **Skanska AB**. The six-lane highway runs 61 kilometres through the centre of Santiago.

MIXED-USE REDEVELOPMENT

Marcarko Ltd., owner of the 555 Chabanel building in Montreal, has revitalized a 15-storey, one-million-square-foot tower that was once the centre of the city's garment industry by attracting new non-fashion tenants, such as **Laurentian Bank** and **Aviva Insurance Co.**, with lower rents than downtown supported by high-quality services and amenities. The emphasis among fashion tenants in the building has shifted to marketing and creation from cutting and sewing.

REAL ESTATE DEVELOPMENT

Minority shareholders of **MI Developments Inc.** and Frank Stronach have reached an agreement in which Mr. Stronach will gain ownership of its horse-racing and gaming assets, as well as US\$20-million in working capital, in exchange for giving up control of MI Developments. The assets include Santa Anita Park, Golden Gate Fields, Gulfstream Park, Portland Meadows and MI Developments' interests in Maryland Jockey Club, as well as horseracing technology assets, all formerly owned by **Magna Entertainment Corp.**

CONSTRUCTION

Canam Group Inc.'s **Structal-Heavy Steel Construction** business unit has secured a contract worth more than \$44-million to help build and provide steel for a new multisports stadium in Winnipeg, which is expected to cost approximately \$190-million. The contract was awarded by **Stuart Olson Dominion Construction Ltd.**, a **Churchill Corp.** business unit.

Toronto-based **Innovative Composites International Inc. (ICI)** is hoping to popularize the concept of a plastic house and is positioning itself as an earthquake-resistant housing provider for Haiti. ICI is part of a consortium -- including United States partners **3D Global Solutions** and **Barclays Gedi Group** -- that has bid on a contract and been named as a finalist in a competition to rebuild homes in Haiti. ICI also is involved in the initial stages of low-cost housing projects in Iraq, Libya, Mexico and Columbia.

RESIDENTIAL

The **Teranet-National Bank Composite House Price Index** reported that house prices in Canada declined by 0.45% in October, 2010, from September, 2010, but increased by 6.02% from October, 2009. According to **National Bank**, house prices in Canada are expected to decrease by 5% over the next two years.

Statistics Canada reported that home replacement costs in Canada increased by 4.6% in November, 2010.

According to **Statistics Canada**, real estate agents and broker transactions in Canada rose by 5.1% in October, 2010, representing the third consecutive monthly increase.

According to **Scotia Economics**, Canada was one of six countries in 12 advanced nations where inflation-adjusted home prices increased in 2010.

UNITED STATES AND OTHER MARKETS

The average gain for a United States home building stock from the end of 2008 to December 24, 2010, is approximately 67%. The value of **PulteGroup Inc.** shares decreased by 27% in 2010, while the value of **Lennar Corp.** shares rose by 44% during the same period.

According to the **Commerce Department**, sales of new homes in the United States increased by 5.5% to a seasonally adjusted annual rate of 290,000 units in November, 2010.

The **National Association of Realtors** reported that foreigners purchased US\$33-billion worth of residential property in the United States in 2009, with Canadians buying 23% of that total. The median price of a condominium in Phoenix decreased to US\$73,300 in 2010 from US\$182,000 in 2006. The median price of a condominium in the San Diego/Carlsbad/Palm Springs area declined to US\$217,700 in 2010 from \$369,000 in 2006. The median price of a condominium in the Miami/Fort Lauderdale/southern Florida area decreased to US\$82,900 in 2010 from US\$291,800 in 2006. The median price of a condominium in Las Vegas declined to US\$63,600 from US\$201,900 in 2006. Across the United States, homes were expected to lose more than US\$1.7-trillion in value during 2010, compared with a loss of US\$1.05-trillion in value in 2009.

The **National Association of Realtors (NAR)** reported that sales of existing homes in the United States rose by 5.6% in November, 2010, to a 4.68 million-unit annual rate. The NAR's pending home sales index, which is based on signed contracts to buy existing homes in the United States, increased by 3.5% to 92.2 in November, 2010.

According to the **S&P/Case-Shiller Index**, home prices in the United States decreased by 1.3% in October, 2010, from September, 2010, and declined by 0.8% from October, 2009. According to **Standard & Poor's**, home sales decreased by more than 25% in October, 2010, from October, 2009, and the supply of unsold homes increased by approximately 50% during the same period.

According to **Zillow Inc.**, United States home prices are expected to decline 5% to 7% more before reaching a bottom in late 2011.

Mexico City-based **Grupo Carso SAB** acquired a Ramada brand hotel in Kissimmee, Florida, as part of its **Ostar** hotel group in September, 2010, according to a filing to Mexico's banking and securities commission. The Florida hotel is part of an expanding United States real estate portfolio for Mexican billionaire Carlos Slim, who controls 79% of Grupo Carso's shares. Grupo Carso's real estate unit, **Inmuebles Carso**, which buys, sells and develops buildings for offices and malls, and its mining unit, **Minera Frisco**, are expected to begin trading as separate companies on January 6, 2011, the company said in two filings.

Sahara Group, the Indian owner of assets ranging from TV channels to real estate, purchased the Grosvenor House hotel in London's Mayfair district from **Royal Bank of Scotland PLC** for £470-million (\$726-million).

Ireland may change legislation to allow large-scale resort casinos, which offer facilities including hotels, and smaller venues with a maximum of 15 tables to open, the **Justice Ministry** said in a discussion paper.

According to **Essence Securities**, property prices in China are expected to fall in the first six months of 2011, although by less than 10%. The government of China plans to use higher interest rates, lending curbs and a number of direct controls to deflate the real estate market. Approximately 1.2 billion square metres of residential property space now under construction will come onto the market in China in the next few months, which is approximately 45% more than the total sold in 2010.

According to *The Economist*, Australia's real estate market is the most overvalued in the world at 63.2%. House prices in Melbourne rose by 18.8% in a year. According to **Morgan Stanley**, Australia's housing market is overvalued by at least 40%. According to the **Australian Bureau of Statistics**, the average house prices in Australia's eight capital cities as of March, 2010, in Australian dollars are: \$580,000 (\$586,840) in Sydney, \$468,000 in Melbourne, \$460,000 in Brisbane, \$403,500 in Adelaide, \$517,000 in Perth, \$352,300 in Hobart, \$529,000 in Darwin, and \$550,000 in Canberra.

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