

# DE GRANDPRÉ REIT Report

DE GRANDPRÉ CHAÏT S.E.N.C.S.L.U.L.P.



Week September 23, 2011 The square foot

Name	09/23/11 Market Cap	09/23/11 close	Last Week close	Variation %	52-Wk Low	52-Wk High	Last distribution %
<a href="#">Allied Property REIT</a> (AP.UN)	1.09B	23.45	23.92	↓ 1.96	20.68	24.40	0.47
<a href="#">Artis REIT</a> (AX.UN)	1.02B	12.28	13.51	↓ 9.10	9.83	14.47	0.73
<a href="#">Boardwalk REIT</a> (BEI.UN)	2.39B	50.00	51.00	↓ 1.96	39.75	51.91	0.30
<a href="#">Brookfield Properties</a> (BPO-T)	7.48B	14.87	15.72	↓ 5.40	14.67	19.24	0.94
<a href="#">BTB REIT</a> (BTB.UN)	55.49M	0.75	0.80	↓ 6.25	0.65	0.99	0.93
<a href="#">Calloway REIT</a> (CWT.UN)	2.99B	25.14	25.95	↓ 3.12	18.00	26.32	0.51
<a href="#">Canadian Apartment Properties REIT</a> (CAR.UN)	1.58B	21.19	21.25	↓ 0.28	16.67	22.19	0.42
<a href="#">CREIT</a> (REF.UN)	2.39B	34.51	35.30	↓ 2.24	30.18	36.30	0.35
<a href="#">Chartwell Senior Housing REIT</a> (CSH.UN)	1.05B	7.30	7.22	↑ 1.09	6.45	9.65	0.62
<a href="#">Cominar REIT</a> (CUF.UN)	1.36B	21.37	21.89	↓ 2.37	20.00	23.00	0.56
<a href="#">Crombie Reit</a> (CRR.UN)	874.00M	12.98	13.27	↓ 2.18	10.26	13.56	0.57
<a href="#">Dundee REIT</a> (D.UN)	1.77B	31.47	31.77	↓ 0.94	27.26	34.87	0.58
<a href="#">Extendicare REIT</a> (EXE.UN)	593.55M	7.12	7.48	↓ 4.81	6.96	13.35	0.98
<a href="#">First Capital Realty</a> (FCR-T)	2.87B	16.97	17.24	↓ 1.57	14.80	17.38	1.18
<a href="#">GT Canada Medical Properties REIT</a> (MOB.UN)	22.29M	1.50	1.40	↑ 6.66	1.15	2.80	0.33
<a href="#">H&amp;R REIT</a> (HR.UN)	3.40B	21.65	21.85	↓ 0.91	18.06	22.42	0.41
<a href="#">Holloway Lodging REIT</a> (HLR.UN)	10.54M	0.27	0.26	↑ 3.70	0.23	0.43	--
<a href="#">Homburg Canada REIT</a> (HCR.UN)	589.55M	12.14	12.48	↓ 2.72	10.60	13.15	0.65
<a href="#">Huntington REIT</a> (HNT.UN)	99.05M	6.98	6.85	↑ 1.86	6.39	7.25	--
<a href="#">Interrent REIT</a> (IIP.UN)	93.21M	2.86	2.60	↑ 6.99	1.41	2.99	0.35
<a href="#">InnVest REIT</a> (INN.UN)	395.63M	4.23	4.45	↓ 4.94	4.08	7.32	0.99
<a href="#">Killam Properties</a> (KMP)	473.95M	10.52	10.48	↓ 0.38	9.32	11.59	0.46

-- Has suspend distribution

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<a href="#">Lanesborough REIT</a> (LRT.UN)	4.68M	0.26	0.31	↓ 16.13	0.26	0.75	--
<a href="#">Morquard REIT</a> (MRT.UN)	829.08M	14.55	15.25	↓ 4.59	13.55	16.02	0.51
<a href="#">Northern Property REIT</a> (NPR.UN)	852.59M	28.98	29.73	↓ 2.52	25.35	31.25	0.44
<a href="#">Northwest Healthcare REIT</a> (NWH.UN)	402.26M	11.48	11.84	↓ 3.04	10.80	12.51	0.58
<a href="#">Partners REIT</a> (PAR.UN)	49.56M	1.60	1.70	↓ 5.88	1.51	2.00	0.81
<a href="#">Primaris Retail REIT</a> (PMZ.UN)	1.66B	20.19	20.77	↓ 2.79	18.27	21.78	0.50
<a href="#">Retrocom Mid-Market REIT</a> (RMM.UN)	201.46M	4.58	4.89	↓ 6.34	4.25	6.25	0.83
<a href="#">Pure Industrial REIT</a> (AAR.UN)	188.43M	3.72	3.98	↓ 6.53	3.58	4.65	0.67
<a href="#">RioCan REIT</a> (REI.UN)	6.77B	25.68	25.84	↓ 0.62	21.05	26.90	0.45
<a href="#">Scott's REIT</a> (SRQ.UN)	46.10M	6.59	6.40	↑ 2.88	5.95	8.19	1.08
<a href="#">Whiterock REIT</a> (WRK.UN)	328.79M	12.05	13.30	↓ 9.40	10.02	14.50	0.78

Note: List comprises of selected REITs

-- Has suspend distribution

Interest	Close	Change
CND Overnight Rate	0.9919 (September 23, 11)	↑ 0.0067
U.S. Fed Funds Rate	0.09 (September 21, 11)	↑ 0.01
1-Y-Treasury Bill	0.81 (September 23, 11)	↓ 0.11
6-Month	0.84 (September 23, 11)	↓ 0.06
3-Month	0.83 (September 23, 11)	↓ 0.05

Economic Activity	Rate	Change
<a href="#">Unemployment rate</a>	7.3% (August 2011)	↑ 0.01 %
<ul style="list-style-type: none"> <li>Employment was little changed for the second consecutive month in August and the unemployment rate edged up 0.1 percentage points to 7.3%</li> <li>In the past 12 months, employment has grown by 1.3% (+223,000), primarily in Ontario and Alberta, and among private sector employees. Over this period, full-time employment increased 2.2% (+300,000), part-time work declined 2.3% (-77,000) and total actual hours worked rose by 2.6%.</li> <li>In August, there were employment losses in construction; transportation and warehousing; and natural resources. These declines were offset by an increase in health care and social assistance.</li> <li>Declines in several industries: Construction (-24,000), transportation and warehousing (-14,000), healthcare and social assistance (+50,000).</li> </ul>		

#### IN THE NEWS

[Calloway REIT](#) (TSX: CWT.UN) has entered into an agreement with Target Corporation to convert two of Calloway's four Zeller's locations into full-line Target stores. The conversion is scheduled to commence during 2012 with store openings scheduled for summer 2013. These stores are located at Hopedale Mall in Oakville, Ontario and in the Laurentian Power Centre in Kitchener, Ontario. "The introduction of Target stores to these Centres will further strengthen Calloway's high caliber portfolio of tenants" said Al Mawani, Calloway's President and CEO. "Calloway expects the increased tenant demand to enhance cash flow in these Centres and facilitate future intensification plans." ([Calloway REIT](#), September 26, 2011)

[Cominar REIT](#) (TSX: CUF.UN) has entered into an agreement to sell, on a bought deal basis, 4,652,000 Units from treasury to a syndicate of underwriters led by National Bank Financial Inc. and BMO Capital Markets. The Units will be offered at a price of \$21.50 per Unit, for gross proceeds to Cominar of \$100,018,000. The proceeds from the sale of the Units will be used to pay down debt outstanding under current credit facilities, which debt were used to finance Cominar's ongoing acquisition and development pipeline, and will be used to finance future acquisitions and developments.

Cominar has also granted the underwriters an over-allotment option to purchase 697,800 additional Units, representing 15% of the size of the offering. The over-allotment option may be exercised until 30 days following the closing of the offering. Cominar will, by October 5, 2011, file with the securities commissions and other similar regulatory authorities in each of the provinces of Canada a preliminary short form prospectus relating to the issuance of the Units. Closing of the offering is expected to take place on or about October 20, 2011.

The Units have not been and will not be registered under the United States Securities Act of 1933 and accordingly will not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to applicable exemptions from the registration requirements. ([Cominar REIT](#), September 29, 2011)

**Crombie Reit** (TSX: CRR.UN) has reached conclusion with regard to the seven Zellers leases in its portfolio. Target announced on September 23, 2011 that it had selected four of Crombie's Zellers leases.

Both 1180 Prospect St. E. Fredericton, New Brunswick (Uptown Centre) and Prince St., Sydney, Nova Scotia (Sydney Shopping Centre) are planned as future Target stores. The lease at 470 Topsail Road, St. John's, Newfoundland Labrador (Zellers Plaza) is planned as a future Walmart store and the lease for 142 South Albion St., Amherst, Nova Scotia (Amherst Centre) is to be acquired by Crombie REIT.

The remaining three Zellers leases, in New Glasgow and New Minas, Nova Scotia and Summerside, Prince Edward Island, not included in the Target transaction, will continue to operate as Zellers stores pursuant to existing lease terms.

Crombie also announces the acquisition of a Sobeys grocery anchored plaza in Shawinigan, Quebec on September 15, 2011 and the pending acquisitions of two free standing Sobeys stores in Bradford and Parry Sound, Ontario which are anticipated to close on or about September 28, 2011. These three properties, to be purchased from subsidiaries of Empire Company Limited for a total amount of \$24.8 million, are 100% leased and comprise approximately 132,000 square feet of gross leasable area. The weighted average cap rate is 7.18%. Shawinigan was 70% financed with a 10 year fixed rate mortgage at 4.23% while Bradford and Parry Sound are anticipated to be mortgage financed early in the fourth quarter of 2011.

([Crombie REIT](#), September 29, 2011)

**First Capital Realty** (TSX: FCR) announced a \$181 million of new acquisitions and a disposition of \$42.6 million. In addition, the Company announced the assignment of leases for 17 of the 19 Zellers locations in its portfolio. ([First Capital Realty](#), September 23, 2011)

**GT Canada Medical Properties REIT** (TSX: MOB.UN) has completed the previously announced September 23 the acquisition of the Huronia Medical Centre, a prominent medical office building anchored by the North Simcoe Family Health Team, in Midland, Ontario. The property was acquired at an 8.27% capitalization rate applied to the year one net operating income for a total purchase price of \$5.21 million. The purchase price was funded in cash and with a new \$3.25 million 5-year first mortgage bearing interest at a fixed rate of 4.0% per annum. The purchase is expected to be immediately accretive to the REIT. The Huronia Medical Centre is adjacent to the Georgian Bay General Hospital and has served the Midland and surrounding communities for over twenty years. The 23,026 square foot building is occupied by 22 tenants including a pharmacy, lab and x-ray and is currently 100% occupied. The property was acquired from an ownership group consisting of thirteen doctors and healthcare professionals that have all entered into new leases.

CANMARC Real Estate Investment Trust ([www.canmarcreit.com](http://www.canmarcreit.com)) is the new name for Homburg Canada Real Estate Investment Trust, (TSX: HCR.UN) effective immediately, as approved by the REIT's board of trustees. The date that the REIT will commence trading on the Toronto Stock Exchange under its new name will be announced shortly, following fulfilment of the customary requirements of the TSX. A new trading symbol will be announced simultaneously.

"CANMARC is a simple, bilingual and recognizable name, rich with references to what the REIT is today and to what it aspires to be," said Jim Beckerleg, President and Chief Executive Officer. "CANMARC reflects our goal of continuing to do more of what we have been engaged in since our creation sixteen months ago."

"The CANMARC name is being introduced to reflect and affirm the REIT's evolution as an independent real estate investment trust with strong governance, a solid growth record and an experienced management team focussed on building a national Canadian real estate portfolio with landmark and other quality properties in the office and retail segments of the commercial real estate market."

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"Our name is changing to CANMARC, but the organization and team that have driven the growth and success of the REIT in its first sixteen months, remain the same," concluded Mr. Beckerleg. "All of us at CANMARC look forward to continuing to build our relationships and reputation in the real estate and financial communities across Canada."

CANMARC begins immediately to put the name change into effect at all of its locations and business operations, and in its external and internal communications.

([Canmarc REIT](#), September 27, 2011)

Unitholders of [Huntington REIT](#) (TSX: HNT.UN) have overwhelmingly approved the proposed conversion of the Trust into a corporation ("New Huntingdon") at a special meeting of the Trust's unitholders held on September 26, 2011. Subject to receipt of a final order from the Supreme Court of British Columbia and the satisfaction or waiver of all other closing conditions, the Conversion is expected to take effect on or about December 31, 2011. At the Unitholder Meeting, unitholders also ratified and confirmed the Trust's existing deferred unit plan and further ratified the grant by the Trust of 9,402 deferred units from June 18, 2011 to the date of the Unitholder Meeting under the Deferred Unit Plan, each as more particularly described in the management information circular dated August 29, 2011 delivered to unitholders in connection with the Unitholder Meeting.

Conditions precedent to the completion of the Conversion include, without limitation, the approval of an extraordinary resolution of the holders of the Trust's 5-Year 7.5% Series C convertible redeemable unsecured subordinated debentures providing for an amendment to the definition of "Change of Control" in the trust indenture governing the Debentures to clarify that the Conversion does not constitute a "Change of Control" within the meaning of the Debenture Indenture. The meeting of holders of Debentures was scheduled to take place on September 26, 2011, following the Unitholder Meeting. As the requisite quorum was not present, the Debentureholder Meeting stands adjourned and is expected to be reconvened, with notice, on a date that is not less than 14 days and not more than 60 days following the Debentureholder Meeting, in accordance with the terms of the Debenture Indenture.

([Huntington REIT](#), September 26, 2011)

[Partners REIT](#) (TSX: PAR.UN) has entered into an agreement with Wal-Mart Canada Corp., effective September 23, 2011, for the transfer and assignment of the lease of the space currently occupied by Zellers Inc. at the REIT's recently-acquired Place Desormeaux shopping center located in Longueuil, Quebec. Under the agreement, Zellers has entered into a sublease agreement with Wal-Mart Canada to expire on or before March 31, 2013 in order to wind down and close the Zellers' business at the location. Once Zellers vacates the premises, the approximately 81,000 square feet store at the center will be converted to a Walmart store. The current term of the lease expires in May 2016; however, Wal-Mart Canada has options to renew the lease for up to nine successive option periods, each for a five-year term. The provisions of the amended lease include various modifications of the prior lease with Zellers. ([Partners REIT](#), September 26, 2011)

[Scott's REIT](#) (TSX: SRQ.UN) has finalized the acquisition of nine retail properties from certain wholly owned subsidiaries of Shoppers Drug Mart Corporation (TSX: SC). The \$33-million sale and leaseback transaction is the second purchase agreement between the REIT and Canada's largest full-service retail drug store chain. It is also Scott's REIT's largest transaction since its inception. Under the terms of the agreement, Scott's REIT will purchase a total of 146,093 square feet of predominantly single-tenant retail space in Ontario and Saskatchewan. The properties are all leased on a long-term basis to Shoppers Realty Inc. and will operate under the Shoppers Drug Mart® banner.

With this acquisition, Scott's REIT now owns a portfolio of 229 retail properties and more than 1.1 million square feet of retail space in eight provinces across Canada. The REIT has completed more than \$140 million in acquisitions since its IPO and this transaction further contributes to and diversifies Scott's REIT's core holdings of health care, financial and restaurant properties. Scott's REIT financed this acquisition with certain proceeds from its recently completed convertible debenture offering and a \$22.6-million first mortgage secured by the properties. ([Scott's REIT, September 26, 2011](#))