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Windsor Essex County's industrial market vacancy rate currently is outperforming all other Canadian markets tracked by CBRE.

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## MARKET OVERVIEW

By the end of the second quarter of 2003, the city of Windsor and Essex County held a total vacancy rate of 3.1%. The entire area of the city and county consists of a total of approximately 51,095,325 SF of industrial space.

Some of the most active users in the marketplace currently are automotive production, automotive supply, industrial warehousing and agri-business. The growing trend of activity within this region has consisted of the construction of single-user, medium to large scale buildings in designated industrial parks easily accessed by the E.C. Row Expressway or Highway 401.

Main areas of predicted growth will be seen in industrial areas along the city's perimeter, such as Ojibway Park, where properties such as 635 Sprucewood Avenue have added over 152,000 SF of new space within the last nine months. Along the eastern side of the city, a design-build project began on June 3rd for Praxair's new 14,000 SF facility to be constructed at 4051 County Road 42. Other areas of expected growth will come along the E.C. Row corridor and the Rhodes Drive area, as businesses continue to pursue developments linked to highway access.

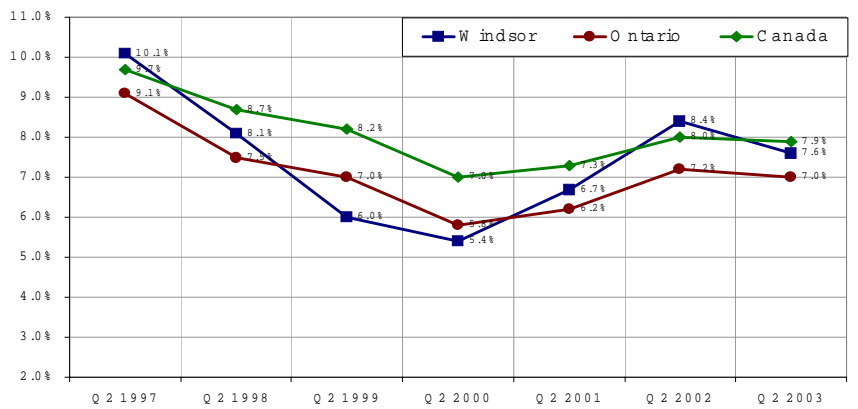
A softening American dollar will force existing Windsor manufacturers to re-evaluate their competitive position. As dollar value discounts on cross-border trade become less of a competitive advantage, the next few years may begin to see businesses expand at less of a pace than they have traditionally taken.

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## INDUSTRIAL MARKET STATISTICS

Sub market	Net Rentable Area SF	Vacant Space	Vacancy Rate	Under Construction SF	Average Asking Lease Rate Range
<b>Windsor</b>					
Central North	24,535,048	862,332	3.5%	27,346	
Central South	3,903,428	76,550	2.0%	16,658	
West Windsor	2,904,928	105,798	3.6%		
<b>City Totals</b>	<b>31,343,404</b>	<b>1,044,680</b>	<b>3.3%</b>	<b>44,004</b>	<b>\$3.75-\$9.00</b>
<b>Suburban</b>					
Tecumseh	6,575,768	212,295	3.2%	13,799	
LaSalle	2,201,109	90,300	4.1%	10,150	
Lakeshore	3,856,466	42,814	1.1%		
<b>Suburban Totals</b>	<b>12,633,343</b>	<b>345,409</b>	<b>2.7%</b>	<b>23,949</b>	<b>\$3.75-\$8.50</b>
<b>Southern Essex County</b>					
Essex	197,155	26,355	13.4%		
Amherstburg	1,471,278	104,440	7.1%		
Harrow	828,123	21,796	2.6%		
Kingsville	1,362,410	16,570	1.2%		
Leamington	3,353,181	39,382	1.7%		
<b>Southern County Totals</b>	<b>7,212,147</b>	<b>208,543</b>	<b>2.9%</b>	<b>0</b>	<b>\$4.00-\$6.00</b>
<b>Windsor/Essex County</b>	<b>51,188,894</b>	<b>1,598,632</b>	<b>3.1%</b>	<b>67,953</b>	<b>\$3.75-\$9.00</b>

### Unemployment Rate



Source: Human Resource Development Canada (HRDC)

### JOB GROWTH

Job growth in Windsor has stayed fairly stable throughout the past few years, and unemployment has decreased from 8.4% to 7.6% from Q2 2002 to Q2 2003. This positive gain came in light of 800+ jobs that were displaced on June 18, 2003 when the DaimlerChrysler Truck Assembly Plant, on Pillette Road was closed. Most of those jobs were absorbed back into other existing plants in the area.

Expect unemployment rates to go down over the next quarter as temporary food processing, canning and other agri-business jobs are needed for harvest. Over the next year, unemployment rates will start to stabilize, with the appreciation of the Canadian dollar forcing some Windsor industries, such as the tool & mold sector, to re-think their position on cross-border pricing, slowing job creation.



## MARKET TRENDS

### VACANCY

The Windsor industrial vacancy rate in the second quarter of 2003 is 3.1%. The low vacancy can be attributed to a stable automotive economy and a high ratio of single-user buildings in the marketplace. The low level of vacancy creates a frictional position between tenant requirements for space and available space suitable to those needs. Lack of multi-tenant business plazas and industrial malls in the marketplace, also means that the low vacancy rate for 2Q 2003 can be expected to continue in the future. In comparison to some of Canada's major cities, the Windsor market continues to demonstrate its strength as a very active market.

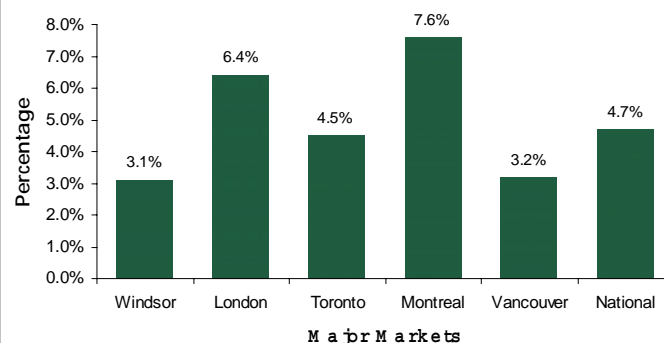
### AVERAGE ASKING NET LEASE RATES

Quoted asking net rental rates for industrial space in Windsor have an average of \$6.18 PSF, with the range being \$3.75 to \$9.00 per square foot. Increased lease rates can be attributed to a very low supply of available properties, and a significant level of new construction in recent years. The main factors causing this is the city's excellent location as an automotive manufacturing region, possessing a highly productive workforce, good access to local and provincial highways, and close proximity to the United States market. The lack of available industrial space between 10,000 SF and 40,000 SF, coupled by a strengthening North American economy, will mean continued upward pressure on lease rates.

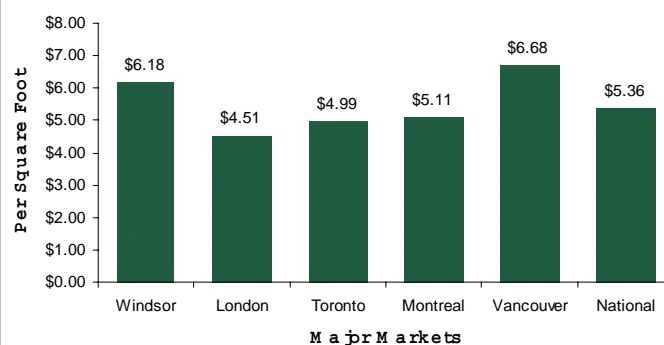
### CONSTRUCTION ACTIVITY

New construction activity for 2Q 2003, in the Windsor area experienced an additional 67,948 SF being developed into the overall market. The total amount of new construction for the year 2003 is now approximately 230,251 SF. Main areas of this new construction have occurred along the E.C. Row corridor and the Ojibway Industrial Area, in LaSalle. Future growth can be expected to continue along this area due to the ease of highway access and availability of acquiring large parcels of serviced land.

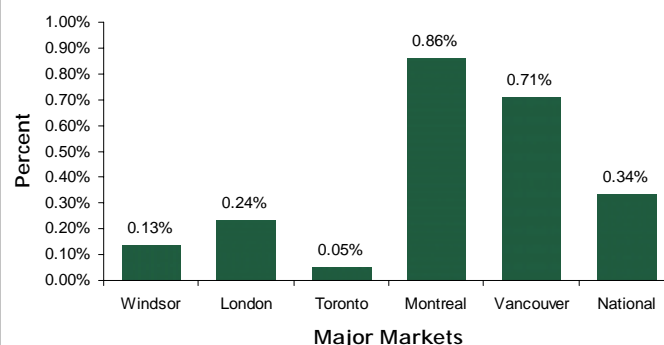
### Vacancy

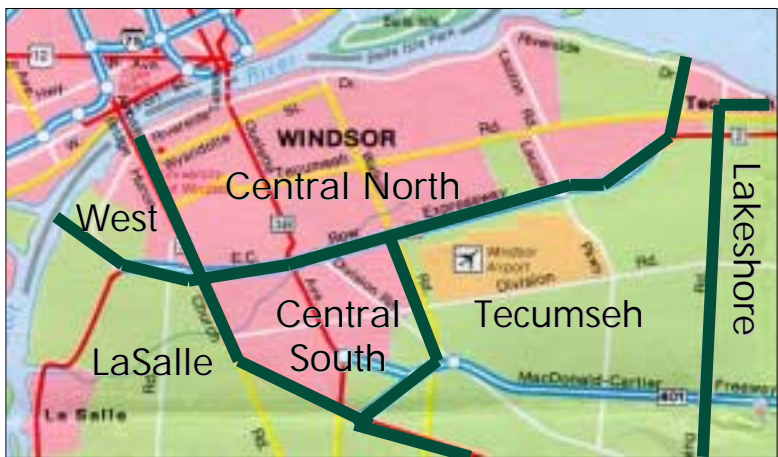
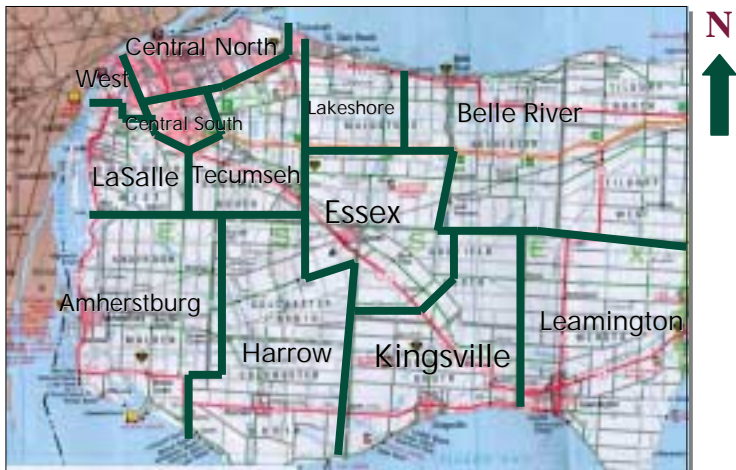


### Average Asking Net Lease Rates



### 2Q 2003 New Construction as a Percentage of Total Market Space





**TERMINOLOGY**

**AVERAGE NET RENTAL RATE**

The asking rental rent not including taxes and operating costs (\$/PSF).

**MARKET COVERAGE**

Includes all competitive industrial buildings.

**ABSORPTION**

A measure of the net change in occupied space over a given period of time (SF).

**AVAILABLE SPACE**

Space that is considered available for lease, sub-let, or sale, but is not necessarily vacant (SF).

**NEW SUPPLY**

A newly completed building where construction is complete and/or the building is ready for occupancy (SF).

**UNDER CONSTRUCTION**

Buildings which have begun construction as evidenced by site excavation or foundation work (SF).

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