



ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

DECEMBER 31, 2007

DATED MARCH 7, 2008

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PART I

Forward-Looking Disclaimer

The terms “Allied Properties”, “the REIT”, “we”, “us” and “our” in the following Management’s Discussion and Analysis of Results of Operations and Financial Condition (“MD&A”) refer to Allied Properties Real Estate Investment Trust and its consolidated financial position and results of operations for the year ended December 31, 2007. This MD&A should be read in conjunction with our consolidated financial statements and notes thereto for the year ended December 31, 2007, and the year ended December 31, 2006. Historical results and percentage relationships contained in our consolidated financial statements and MD&A, including trends that might appear, should not be taken as indicative of our future results, operations or performance. Unless otherwise indicated, dollar amounts in this MD&A are in thousands.

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws, including, among other things, statements concerning our objectives and our strategies to achieve those objectives, statements with respect to Management’s beliefs, plans, estimates and intentions and statements concerning anticipated future events, circumstances, expectations, results, operations or performance that are not historical facts. Forward-looking statements can be identified generally by the use of forward-looking terminology, such as “indicators”, “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans”, “continue” or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect Management’s current beliefs and are based on information currently available to Management.

The forward-looking statements in this MD&A are not guarantees of future results, operations or performance and are based on estimates and assumptions that are subject to risks and uncertainties, including those described below in this MD&A under “Risks and Uncertainties”, which could cause actual results, operations or performance to differ materially from the forward-looking statements in this MD&A. Those risks and uncertainties include risks associated with property ownership, property development, geographic focus, asset-class focus, competition for real property investments, financing and interest rates, government regulations, environmental matters, construction liability, unitholder liability and taxation. Material assumptions that were made in formulating the forward-looking statements in this MD&A include the following: that our current target markets remain stable; and that the equity and debt markets continue to provide us with reasonable access to capital. Although the forward-looking statements contained in this MD&A are based on what Management believes are reasonable assumptions, there can be no assurance that actual results, operations or performance will be consistent with these statements.

All forward-looking statements in this MD&A are qualified by this forward-looking disclaimer. These statements are made as of March 7, 2008, and, except as required by applicable law, we undertake no obligation to update publicly or revise any such statements to reflect new information or the occurrence of future events or circumstances.

Business Overview and Strategy

We are an unincorporated closed-end real estate investment trust created pursuant to the Declaration of Trust dated October 25, 2002, as amended and restated on February 6, 2003 (“Declaration”). We are governed by the laws of Ontario. Our units are publicly traded on the Toronto Stock Exchange under the symbol AP.UN. Additional information on us is available on SEDAR at www.sedar.com.

Our objectives are to provide stable and growing cash distributions to our unitholders and to maximize unitholder value through the effective management and the accretive growth of our portfolio.

Property Portfolio

We completed our Initial Public Offering (“IPO”) on February 20, 2003. We used the net proceeds of the IPO to acquire a portfolio of 14 predominantly Class I office properties in downtown Toronto with 820,000 square feet of gross leasable area (“GLA”). By the end of 2006, we had acquired another 25 office properties in downtown Toronto, 24 of them Class I office properties, bringing our total GLA in that market to over two million square feet. We had also acquired five predominantly Class I office properties in downtown Montréal, seven in downtown Winnipeg and five in Québec City, bringing our total portfolio at the end of 2006 to 56 properties with over 3.4 million square feet of GLA.

We made the following acquisitions in 2007, bringing our portfolio to 64 properties with over 4.7 million square feet of GLA:

Property	Acquired	Office GLA	Retail GLA	Total GLA	Parking Spaces
193 Yonge Street, Toronto	January 12, 2007	32,966	16,318	49,284	22
451-481 Saint Catherine Street West, Montréal	February 8, 2007	20,805	9,634	30,439	0
106 Front Street East, Toronto	April 5, 2007	24,388	10,109	34,497	16
Cité Multimédia, Montréal	April 18, 2007	948,803	8,393	957,196	782
45-55 Colborne Street, Toronto	July 3, 2007	28,369	15,039	43,408	0
555 College Street, Toronto	September 1, 2007	41,041	19,145	60,186	23
36-40 Wellington Street East, Toronto	November 15, 2007	12,630	11,750	24,380	3
468, 478 & 496 Queen Street East, Toronto	November 15, 2007	38,050	73,809	111,859	141
Total		1,147,052	164,197	1,311,249	987

Class I office properties are created through the adaptive re-use of light industrial structures in urban areas. They typically feature high ceilings, abundant natural light, exposed structural frames, interior brick and hardwood floors. When restored and retrofitted to the standards of our portfolio, Class I buildings can satisfy the needs of the most demanding office and retail tenants. When operated in the coordinated manner of our portfolio, these buildings become a vital part of the urban fabric and contribute meaningfully to a sense of community.

Our portfolio accommodates a diverse base of tenants. At the end of 2007, business-service and professional tenants represented 37% of our gross revenue, telecommunications and IT tenants 23%, retail tenants 15%, media and entertainment tenants 13%, financial-service tenants 3%, government tenants 1% and other tenants 8%.

We are the leading provider of Class I office and ancillary retail space in Canada and intend to build on this advantage by continuing to make coherent office property acquisitions in our target markets. In doing so, we will strive to enhance on an ongoing basis the quantity and quality of our net rental income.

Three Toronto properties (47 Fraser Avenue, 47A Fraser Avenue and 134 Peter Street), one Montréal property (the land adjacent to 4446 Saint Laurent Boulevard) and one Winnipeg property (1500 Notre Dame Avenue) are properties under development (“Properties Under Development” or “PUDs”). They are undergoing redevelopment, development or intensification. Following December 31, 2007, we acquired 544 King Street West and 1-9 Morrison Street, Toronto, two adjacent Properties Under Development with combined land area of 19,403 square feet and frontage on both King and Morrison Streets.

Our portfolio has operated stably. The chart below summarizes the levels of GLA and leased area in the portfolio since our IPO:

	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007
GLA (square feet)	984,856	1,636,343	2,321,507	3,415,279	4,761,211
% leased	97.5	99.2	97.0*	96.3*	97.9*

*not including Properties Under Development

Stable portfolio operations and manageable growth in assets have enabled us to achieve our overriding objective of providing regular and growing cash distributions to our unitholders. The chart below summarizes the annualized cash distribution level and the total annual return for each fiscal year since our IPO:

	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007
Distribution level per unit annualized	\$1.10	\$1.14	\$1.18	\$1.22	\$1.26
Total return with DRIP	40.7%	17.6%	32.3%	46.8%	(5.29%)
Total return without DRIP	38.0%	16.2%	31.3%	44.3%	(5.40%)

Property Management

Our wholly owned subsidiary, Allied Properties Management Limited Partnership, provides property management and related services to us and to third-party property owners on a fee-for-service basis.

Sustainability

We are committed to sustainability, both as it relates to our business and to the physical environment within which we operate. Most of our buildings were created through the adaptive re-use of structures built nearly a century ago. They are recycled buildings, and the recycling has had considerably less impact on the environment than new construction of equivalent GLA would have had. To the extent we undertake new construction through development or intensification, we are committed to obtaining LEED certification. See *“Properties Under Development”* and *“Intensification”* below. LEED certification is a program established by the U.S. Green Building Council for certifying the design, construction and operation of high-performance green buildings. The program has gained wide acceptance in North America and elsewhere.

Performance Measures

We measure the success of our strategies through key financial and operating performance measures.

Financial Measures

1. Distributions

We are focused on increasing distributions to our unitholders on a regular and prudent basis. During our first 12 months of operations, we made regular monthly distributions of \$1.10 per unit on an annualized basis. In March of 2004, we increased our monthly distributions by 3.6% to \$1.14 per unit on an annualized basis. In March of 2005, we increased our monthly distributions by 3.5% to \$1.18 per unit on an annualized basis. In March of 2006, we increased our monthly distributions by 3.4% to \$1.22 per unit on an annualized basis. In March of 2007, we increased our monthly distributions by 3.3% to \$1.26 per unit on an annualized basis.

2. Distributable Income

Increasing distributions can be achieved prudently by increasing Distributable Income (“DI”), as defined in the Declaration. See “Distributable Income” below. In 2006, DI per unit (diluted) was \$1.414, up 5.6% from 2005. In 2007, DI per unit (diluted) was \$1.653, up 16.9% from 2006.

3. DI Pay-Out Ratio

To ensure we retain sufficient cash to meet our capital improvement and leasing objectives, we strive to maintain an appropriate DI pay-out ratio, the ratio of actual distributions to DI in a given period. In 2006, we achieved a DI pay-out ratio of 85.3%. In 2007, we achieved a DI pay-out ratio of 75.8%.

4. Funds From Operations

Unlike DI, Funds From Operations (“FFO”) has a standardized definition. See “Funds From Operations” below. In 2006, FFO per unit (diluted) was \$1.527, up 2.5% from 2005. In 2007, FFO per unit (diluted) was \$1.656, up 8.4% from 2006. This increase is lower than the increase over the same period in DI per unit. This is because we set up a mark-to-market rent adjustment for Cité Multimédia based on Management’s estimate **at the time of acquisition** that in-place rents were 9% above market rents. See

“Critical Accounting Estimates” below. In 2007, the net mark-to-market rent adjustment for Cité Multimédia reduced our FFO by \$3,280.

5. FFO Pay-Out Ratio

To ensure we retain sufficient cash to meet our capital improvement and leasing objectives, we strive to maintain an appropriate FFO pay-out ratio, the ratio of actual distributions to FFO in a given period. In 2006, we achieved an FFO pay-out ratio of 79.0%. In 2007, we achieved an FFO pay-out ratio of 75.6%.

6. Adjusted Funds From Operations

Increasing distributions cannot be achieved prudently without reference to adjusted funds from operations (“AFFO”), as this financial measure takes account of regular maintenance capital expenditures and regular leasing expenditures while ignoring the impact of non-cash revenue. See “Adjusted Funds from Operations” below. In 2006, AFFO per unit (diluted) was \$1.239, up 1.5% from 2005. In 2007, AFFO per unit (diluted) was \$1.487, up 20.0% from 2006.

7. AFFO Pay-Out Ratio

To ensure we retain sufficient cash to meet our capital improvement and leasing objectives, we strive to maintain an appropriate AFFO pay-out ratio, the ratio of actual distributions to AFFO in a given period. In 2006, we achieved an AFFO pay-out ratio of 97.3%. In 2007, we achieved an AFFO pay-out ratio of 84.3%.

8. Debt Ratio

Gross Book Value (“GBV”) is defined as the book value of the assets shown on our most recent balance sheet plus accumulated depreciation and amortization and an amount equal to the property management internalization expense that we have recorded. A conservative ratio of debt to GBV (“Debt Ratio”) mitigates unitholder risk. At the end of 2006, the Debt Ratio was 48.2%. At the end of 2007, the Debt Ratio was 55.2%.

Operating Measures

1. Tenant Retention and Replacement

We place a high value on tenant retention, as the cost of retention is typically lower than the cost of securing new tenancies. If retention is neither possible nor desirable, we strive for high-quality replacement tenants. Leases representing 571,259 square feet of GLA in our opening portfolio matured in 2007. By the end of 2007, we renewed leases representing 380,495 square feet of this GLA and re-leased another 143,384 square feet of this GLA, representing 91.7% of the GLA covered by the maturing leases in our opening portfolio.

2. Occupancy

We strive to maintain consistently high levels of occupancy. At the end of 2006, our leased area was 96.3% (not including Properties Under Development). At the end of 2007, our leased area was 97.9% (not including Properties Under Development).

3. Same-Asset Net Operating Income

We strive to maintain or increase same-asset net operating income (“NOI”) over time. See “Net Operating Income” below. Same-asset refers to those properties that we owned and operated for the entire period in question and for the same period in the prior year. Ignoring the step-rent revenue and the amortization of the fair value assigned to above-market and below-market rents with respect to acquired properties (the mark-to-market rent adjustment), same-asset NOI was \$41,151 in 2007, up 7.1% from 2006.

4. Leasing Expenditures

We monitor leasing expenditures carefully. 660,821 square feet of the GLA leased in 2007 involved new leases or lease-renewals that commenced in the year. \$3,794 in leasing expenditures related to this space, representing \$5.74 per leased square foot, well below the amount per square foot last year.

5. Capital Expenditures

We strive to maintain our properties in top physical condition. In 2007, we incurred \$2,107 in regular maintenance capital expenditures, representing \$0.46 per square foot of our portfolio, in-line with the amount per square foot last year.

Summary

The following table summarizes the key financial and operating performance measures for the year ended December 31, 2007, and the comparable year, as well as the change between the two.

	2007	2006	Change
Year-end distribution level per unit annualized	\$1.26	\$1.22	\$0.04
DI per unit (diluted)	\$1.653	\$1.414	\$0.239
DI pay-out ratio	75.8%	85.3%	(9.5%)
FFO per unit (diluted)	\$1.656	\$1.527	\$0.129
FFO pay-out ratio	75.6%	79.0%	(3.4%)
AFFO per unit (diluted)	\$1.487	\$1.239	\$0.248
AFFO pay-out ratio	84.3%	97.3%	(13.0%)
Debt Ratio	55.2%	48.2%	7.0%
Renewal/replacement % of leases maturing in year	91.7%	87.3%	4.4%
Year-end leased area (not including PUD)	97.9%	96.3%	1.6%
Same-asset NOI	\$41,151	\$38,406	\$2,745
Leasing expenditures	\$3,794	\$2,982	\$812
Leasing expenditures per leased square foot	\$5.74	\$10.74	(\$5.00)
Maintenance capital expenditures	\$2,107	\$1,147	\$960
Maintenance capital expenditures per portfolio square foot	\$0.46	\$0.46	0

Business Environment and Outlook

We operate in five target markets—downtown Toronto, downtown and midtown Montréal, downtown Winnipeg, downtown Québec City and downtown Kitchener. The following is a brief description of our target markets and current outlook:

Downtown Toronto

This target market includes 13.2 million square feet of office inventory in three sub-markets, Downtown East (2.1 million square feet), Downtown West (9.2 million square feet) and King West (1.9 million square feet). Approximately half of the office inventory in this target market falls within the Class I category. The downtown Toronto office market is strong, with the overall vacancy rate having declined to 4.5% by the end of 2007 and the Downtown East, Downtown West and King West sub-markets finishing the year with vacancy rates of 7.6%, 4.9% and 9.9%, respectively.¹

Downtown and Midtown Montréal

This target market includes 17.7 million square feet of office inventory in three sub-markets, Downtown East (7.5 million square feet), Old Montréal (7.7 million square feet) and Mile End (2.5 million square feet). Approximately half of the office inventory in this target market falls within the Class I category. The downtown Montréal office market strengthened significantly, with the overall vacancy rate having declined to 6.1% by the end of 2007 and the Downtown East and Old Montréal sub-markets finishing the year with vacancy rates of 2.9% and 5.7%, respectively.²

¹ Cushman & Wakefield LePage, *Fourth Quarter 2007 Statistical Summary, Toronto Office Market*.

² Cushman & Wakefield LePage, *Fourth Quarter 2007 Statistical Summary, Montréal Office Market*.

Downtown Winnipeg

This target market includes 1.8 million square feet of office inventory, principally in the Exchange District. Most of the office inventory in this target market falls within the Class I category. The downtown Winnipeg office is stable, with the overall vacancy rate finishing 2007 at 8.6%.³

Downtown Québec City

This target market includes 1.5 million square feet of office inventory in the St. Roch office node. Most of the office inventory in this target market falls within the Class I category. The Québec City office market is strong, with the overall vacancy rate declining to 2.9% by the end of the year.⁴

Downtown Kitchener

This target market includes approximately 1 million square feet of existing and potential office inventory in the Warehouse District. Much of the office inventory in this target market falls within the Class I office category. The Kitchener office market is stable, with the overall vacancy rate finishing 2007 at 8.1%.

Outlook—Consolidation, Intensification and Development

Demand for office space in our target markets is solid, and vacancy rates are low. The state of our target markets, the quality of our portfolio and the capabilities of our personnel afford Management a reasonable basis for confidence in our performance outlook. We intend to continue the systematic consolidation of Class I and other office properties and to pursue development and intensification opportunities in our target markets and within our sphere of operating expertise.

³ Cushman & Wakefield LePage, *National Real Estate Market Intelligence, Fourth Quarter 2007*.

⁴ Avison Young, *2007 Annual Review, 2008 Forecast*.

⁵ Cushman & Wakefield LePage.

PART II

Summary Information and Performance for the Year ended December 31, 2007

The following sets out summary information and financial results for the year ended December 31, 2007, and the comparable year and the change between the two.

(In thousands except for per unit and % amounts)	2007	2006	Change	%Change
Revenue from rental properties	105,998	64,229	41,769	65.0%
Rental property operating cost	41,777	23,181	18,596	80.2%
Net rental income	64,221	41,048	23,173	56.5%
Real estate service income	399	436	(37)	(8.5%)
Financing expense				
Interest	22,423	13,109	9,314	71.1%
Amortization - Mortgage premium	(327)	(283)	(44)	15.5%
Amortization – Deferred financing cost	318	-	318	-
Amortization				
Rental properties	13,026	7,628	5,398	70.8%
Deferred leasing cost and tenant improvements	1,777	1,253	524	41.8%
Origination cost and acquired tenant relationships	18,737	8,413	10,324	122.7%
Acquired contracts and customer relationships	96	96	-	0.0%
Deferred financing cost	-	242	(242)	(100.0%)
Computer and office equipment	47	32	15	46.9%
Income from operations	8,523	10,994	(2,471)	(22.5%)
Trust expense	2,713	2,377	336	14.1%
Property management internalization expense	-	900	(900)	(100.0%)
Net income	5,810	7,717	(1,907)	(24.7%)
Amortization				
Rental properties	13,026	7,628	5,398	70.8%
Mortgage premium	(327)	(283)	(44)	15.5%
Acquired leases	5,849	2,719	3,130	115.1%
M-T-M acquired leases	3,206	162	3,044	1879.0%
Acquired tenant relationships	12,888	5,694	7,194	126.3%
Acquired contracts and customer relationships	96	96	-	0.0%
Step-rent adjustments	(1,332)	(921)	(411)	44.6%
Property Management internalization expense	-	900	(900)	(100.0%)
LTIP and Unit Option Plan expense	42	270	(228)	(84.4%)
DI	39,258	23,982	15,276	63.7%
Weighted average units outstanding (basic)	23,349	16,632	6,717	40.4%
Weighted average units outstanding (diluted)	23,757	16,964	6,793	40.0%
Distributions	29,763	20,457	9,306	45.5%
DI per unit (basic)	\$1.681	\$1.442	\$0.239	16.6%
DI per unit (diluted)	\$1.653	\$1.414	\$0.239	16.9%
DI pay-out ratio	75.8%	85.3%	(9.5%)	
FFO	39,350	25,911	13,439	51.9%
FFO per unit (basic)	\$1.685	\$1.558	\$0.127	8.2%
FFO per unit (diluted)	\$1.656	\$1.527	\$0.129	8.4%
FFO pay-out ratio	75.6%	79.0%	(3.4%)	
AFFO	35,323	21,024	14,299	68.0%
AFFO per unit (basic)	\$1.513	\$1.264	\$0.249	19.7%
AFFO per unit (diluted)	\$1.487	\$1.239	\$0.248	20.0%
AFFO pay-out ratio	84.3%	97.3%	(13.0%)	
NOI	66,095	40,289	25,806	64.1%
Same-asset net operating income	41,151	38,406	2,745	7.1%
Total assets	808,627	502,906	305,721	60.8%
Total debt (excludes premium on assumed debt)	490,924	263,464	195,268	74.1%
Debt to GBV	55.2%	48.2%	7.0%	
Total GLA (s.f., excluding PUD)	4,571	3,321	1,250	37.6%
Leased GLA (s.f., excluding PUD)	4,476	3,197	1,279	40.0%
Leased GLA (% total GLA)	97.9%	96.3%	1.6%	

Net income for the year ended December 31, 2007, was \$5,810, as compared to \$7,717 in the year ended December 31, 2006. The year-over-year decrease resulted solely from the amortization of intangibles associated with the acquisition of Cité Multimédia in April of 2007. Net income per unit (diluted) for the year was \$0.245, as compared to net income per unit (diluted) of \$0.455 in the comparable year.

DI for the year ended December 31, 2007, increased by 63.7% to \$39,258 from \$23,982 for the year ended December 31, 2006. DI per unit (diluted) for the year was \$1.653, as compared to DI per unit (diluted) of \$1.414 in the comparable year.

Net Rental Income

Net rental income for the year ended December 31, 2007, increased by 56.5% to \$64,221 from \$41,048 in the year ended December 31, 2006, as follows:

- (i) \$2,096 due to the increase in same-asset net rental income from properties owned for the entire year and the entire comparable year (which includes the year-over-year change in step-rent adjustments); and
- (ii) \$21,077 due to net rental income from properties not owned for the entire year and the entire comparable year.

Of the \$41,048 of net rental income for the year ended December 31, 2006, \$752 of operating cost recoveries is in dispute with a tenant. Of the \$64,221 of net rental income for the year ended December 31, 2007, \$630 of operating cost recoveries is in dispute with a tenant. Based on the advice of legal counsel and an independent firm of chartered accountants, Management is of the view that there is no merit to the tenant's position and is diligently pursuing the matter.

Net rental income per occupied square foot for the year ended December 31, 2007, was \$16.36 annualized, as compared to \$16.37 annualized in the year ended December 31, 2006.

Real Estate Service Income

The Property Manager provides real estate services to third-party property owners. Real estate service income for the year ended December 31, 2007, was \$399, as compared to \$436 in the year ended December 31, 2006. In 2006 and 2007, the Property Manager surrendered four low-margin, third-party property management contracts and had five third-party property management contracts expire as a result of property sales (to us) by Allied Canadian Development Corporation.

Financing Expense

Financing expense includes interest cost on mortgage debt and other credit facilities and the amortization of the premiums and discounts on assumed mortgages. The amortization of the premiums and discounts on assumed mortgages reduced financing expense by \$327 in the year ended December 31, 2007.

Financing expense for the year ended December 31, 2007, increased by 74.8% to \$22,414 from \$12,826 in the year ended December 31, 2006, due to the increase in financing expense associated with additional properties acquired in 2006 and 2007 and the change in accounting policies described in note 3 of our consolidated financial statements for the year ended December 31, 2007.

Amortization

We record amortization on our buildings on a straight-line basis over their expected life. Amortization recorded on buildings for the year ended December 31, 2007, increased by 70.8% to \$13,026 from \$7,628 in the year ended December 31, 2006.

We record amortization of deferred leasing cost, tenant improvements and the assigned fair value of the origination cost and tenant relationships for in-place leases acquired on acquisition of a rental property on a straight-line basis over the term of the corresponding lease.

Trust Expense

Trust expense includes cost not directly attributable to rental property, such as officers' compensation, trustees' fees, professional fees for legal and audit services, trustees' and officers' insurance premiums and general administrative expenses.

Trust expense for the year ended December 31, 2007, increased by 14.1% to \$2,713 from \$2,377 in the year ended December 31, 2006, as a result of increased salary, bonus and occupancy costs, offset in part by a year-over-year decline in the non-cash compensation expense associated with our long-term incentive plan ("LTIP").

Leasing Activity

Leasing activity as at December 31, 2007, is summarized in the following table:

	GLA	Leased by December 31	% Leased by December 31	Vacant on December 31*
Vacancy on January 1, 2007*	124,436	80,580	64.8%	43,856
Vacancy acquired in 2007	21,812	18,337	84.1%	3,475
Vacancy arranged in 2007	24,297	24,297	100.0%	0
Regular maturities in 2007	571,259	523,879	91.7%	47,380
Acquired maturities in 2007	23,434	23,434	100.0%	0
Month-to-month maturities in 2007	14,030	14,030	100.0%	0
Total	779,268	684,557	87.8%	94,711

*not including Properties Under Development

124,436 square feet of GLA was vacant at the beginning of 2007. By year-end, we leased 80,580 square feet of this GLA, leaving 43,856 square feet vacant. We acquired 21,812 square feet of vacant GLA with our 2007 acquisitions. By year-end, we leased 18,337 square feet of this GLA, leaving 3,475 vacant. We also gained access to 24,297 square feet of GLA to accommodate tenants' expansion requirements.

Leases for 571,259 square feet of GLA in our opening portfolio matured in 2007. By year-end, we renewed or replaced leases for 523,879 square feet of this GLA, leaving 47,380 square feet vacant. We acquired 23,434 square feet of maturing GLA with our 2007 acquisitions. By year-end, we renewed or replaced leases for all of this GLA. We also had 14,030 square feet of GLA maturing in connection with month-to-month leases, primarily in our Winnipeg target market. By year-end we renewed leases for all of this GLA.

With respect to the maturing leases renewed or replaced in 2007 (561,343 square feet of GLA), we achieved rental rates

- (i) above in-place rental rates with respect to 63% of this GLA,
- (ii) equal to in-place rental rates with respect to 30% of this GLA and
- (iii) slightly less than in-place rental rents with respect to 7% of this GLA.

We had two larger vacancies in our Toronto portfolio through much of the year ended December 31, 2007. One was 29,851 square feet at 230 Richmond Street East. We leased this space to George Brown College for a term of 10 years and seven months commencing December 1, 2007, at net rental rates slightly less than those payable under the lease to the prior tenant. The other was 27,246 square feet at 358-360 Adelaide Street West. We leased this space to Omnicom Group for a term of 10 years commencing April 1, 2008, at net rental rates considerably above those payable under the leases to the prior tenants.

In the year ended December 31, 2007, Motorola announced the closure of its software-development centre at Cité Multimédia (two floors at Phase V, comprising 73,532 square feet of space) as part of a global restructuring expected to reduce the company's total workforce by over 10%. Motorola's lease expires on May 30, 2011, with the result that Management anticipates no near-term financial exposure as a result of the closure. Management is also of the view that Motorola's net rent (currently \$16.74 per square foot) is below market levels, increasing the likelihood of rental growth upon replacement of Motorola following the expiry of its lease.

We completed 13 lease transactions at Cité Multimédia in the year ended December 31, 2007, all at net rental rates equal to or above in-place rental rates. As a result of this leasing activity, the leased area in Cité Multimédia increased to 100% by the end of the year. Management is especially pleased with the fact that the net rental rates achieved on recent leasing activity are equal to or above in-place rental rates.

Capital Expenditures

Our portfolio requires ongoing maintenance capital expenditures and leasing expenditures. Leasing expenditures include the cost of in-suite or base-building improvements made in connection with the leasing of vacant space or the renewal or replacement of tenants occupying space covered by maturing leases, as well as improvement allowances and commissions paid in connection with the leasing of vacant space and the renewal or replacement of tenants occupying space covered by maturing leases.

In the year ended December 31, 2007, we incurred or committed to (i) \$2,107 in regular maintenance capital expenditures (\$0.46 per portfolio square foot) and (ii) \$3,794 in leasing expenditures (\$5.74 per leased square foot) in connection with new leases or lease-renewals that commenced in the year. In addition, we incurred \$3,077 in revenue-enhancing capital and leasing expenditures in connection space that was significantly reconfigured and retrofitted to accommodate high-value new tenancies.

\$552 of the salary expense incurred in the year ended December 31, 2007, was capitalized in connection with capital improvements to our rental properties and Properties Under Development. This amount was equivalent to approximately 8.16% of the associated construction costs.

Properties Under Development

We believe our Properties Under Development represent risk-appropriate opportunities to enhance DI/FFO/AFFO per unit and create value for unitholders. We also believe Properties Under Development represent an opportunity to capitalize more fully on the experience and expertise of Management.

1. Completed

The following properties have been completed and are now carried as rental properties:

- We acquired **145 Berkeley Street, Toronto**, in November of 2005. At that time, 20% of the GLA in the property was occupied. We leased the vacant space in the property, with the result that it became a rental property for accounting purposes on October 31, 2006. In the first quarter of 2007, the property was appraised at \$2,170 by an independent appraiser. On May 15, 2007, we placed a first mortgage on the property in the principal amount of \$1,630. In doing so, we financed our entire investment in the property.
- We also acquired **QRC South (103 Richmond Street East, Toronto)** in November of 2005. At that time, less than 40% of the GLA in the property was occupied. We redeveloped the property as an annex to The Queen Richmond Centre, a Class I office complex acquired in 2004 and known as QRC, and increased the leased area to 86%. The property became a rental property for accounting purposes on April 1, 2007. We intend to place first mortgage financing on the property this year.
- We acquired **257 Adelaide Street West, Toronto**, in June of 2006. At that time, less than 60% of the GLA in the property was occupied. We redeveloped the property and increased the leased area to 85%. The property became a rental property for accounting purposes on July 1, 2007. We intend to place first mortgage financing on the property this year.

2. In Progress

The following properties are in progress and carried as Properties Under Development:

- We acquired **47 and 47A Fraser Avenue, Toronto** (two satellite buildings at The Castle in Liberty Village) in December of 2006. The upgrade of the two properties will be performed in conjunction with, and customized to, the re-leasing effort, which is underway.
- We initiated the planning and approval stage of a large-scale intensification of **134 Peter Street, Toronto**, and relocated a number of office tenants in late 2007 and early 2008. The property is currently comprised of 49,022 square feet of GLA, a third-party sign and 12 surface parking spaces.

The site includes 23,625 square feet of land in a largely rectangular shape with frontage on Peter Street and Richmond Street West. The portion of the building worth retaining sits on approximately 9,000 square feet of land, leaving approximately 14,625 square feet of surplus land on the northern and western portion of the site that is currently used for parking or for ancillary structures not worth preserving. Our plan is to construct on the surplus land a new, LEED-certified, office building with Class I office attributes, approximately 200,000 square feet of GLA and a lobby that integrates with the main component of the existing building and 364 Richmond Street West, our property immediately to the west. The execution of this project, as currently conceived, is contingent upon obtaining municipal approvals and achieving a level of pre-leasing satisfactory to Management and the Trustees.

- In January of 2008, we acquired **544 King Street West and 1-9 Morrison Street, Toronto**, two adjacent properties with combined land area of 19,403 square feet and frontage on both King and Morrison Streets. Our plan is to demolish the existing buildings on these properties and construct a new, LEED-certified, office building with Class I attributes, approximately 150,000 square feet of GLA and 50 on-site parking spaces. The execution of this project, as currently conceived, is contingent upon obtaining municipal approvals and achieving a level of pre-leasing satisfactory to Management and the Trustees.
- We acquired approximately 5,500 square feet of land adjacent to **4446 Saint Laurent Boulevard, Montréal**, in April of 2006. We have evaluated the potential development of a 22,000 square foot building on the land to accommodate office and ancillary retail users and concluded that it is feasible.
- We acquired **1500 Notre Dame Avenue, Winnipeg**, as part of a portfolio acquisition in December 31 of 2006. The property was historically used for the garment trade and became a Property Under Development on July 1, 2007, after the principal garment tenant's lease expired. We intend to reposition the property for office and ancillary retail use.

Properties Under Development are stated at the lower of cost and net recoverable value. Cost includes the cost of acquisition, other direct cost, realty tax, other operating expense and applicable financing expense during the development period, less the amount of operating revenue during the development period. The principal factors in determining when the development-period ends are (i) the achievement of positive cash flow after applicable interest expense and (ii) the passage of a predetermined period of time. Other criteria may be considered in determining when a development-period ends if warranted by circumstances relating to the relevant Property Under Development.

As at December 31, 2007, the cost of our Properties Under Development was \$15,762, which was equivalent to 1.8% of our GBV. Immediately following the acquisition of 544 King Street West and 1-9 Morrison Street, Toronto, in January of 2008, the cost of our Properties Under Development was \$23,164, which was equivalent to 2.6% of our GBV.

Intensification

The intensification and diversification of Canada's inner-cities is a clear and important trend. As it relates to Toronto, a recent planning report⁵ reveals that the number of residents in Downtown Toronto increased by 65% over the past 30 years, more than triple Toronto's overall population increase over the same period. With over 39,000 residential units in the development pipeline, the high rate of population growth is expected to continue. An interesting statistic for us is that 74% of the residents in Downtown Toronto work or attend school in the area. Equally interesting for us is the fact that the number one reason cited for living in Downtown Toronto is proximity to the workplace.

Another important implication for us stems from the fact that the buildings on most of our 48 Toronto properties have considerably less GLA than is permissible under the current zoning. This affords us the opportunity to create additional GLA without land cost and with correspondingly high returns on equity. Given the steady increase in our financial capacity and the strength of our Toronto target market, we have systematically surveyed our Toronto portfolio with a view to quantifying our intensification opportunities. The combined land area of our 48 Toronto properties is approximately 800,000 square feet or 18.4 acres. The GLA of the buildings on these properties is nearly 2.6 million square feet, just over three times coverage of the land area. Based on the current zoning, Management estimates that we could, **in theory**,

⁵ Toronto City Planning, Policy and Research, *Living Downtown*, October 2007.

create approximately 2.6 million square feet of additional GLA. Because of structural limitations and existing lease commitments, the amount of additional GLA that we could, **in practice**, create in the near-term is considerably less. Management has evaluated the Toronto portfolio on a property-by-property basis and has concluded that it is practically possible to create between 500,000 and 750,000 square feet of additional GLA in the near term, market conditions permitting.

We have initiated the planning and approval stage of a large-scale intensification of **134 Peter Street, Toronto** (discussed above under *Properties Under Development*). Management estimates that we could create additional GLA of 200,000 square feet as a result of this intensification project, market conditions permitting.

We have initiated the planning and approval stage of a large-scale intensification of **230 Richmond Street East, Toronto**. This property is comprised of 62,514 square feet of GLA, 11,097 square feet of storage space, a third-party sign and 62 surface parking spaces. The site includes 48,787 square feet of land in a largely rectangular shape with a small irregular portion on the northwest corner. The current building, which is fully leased to high-caliber tenants, sits on approximately 30,000 square feet of land, leaving approximately 18,787 square feet of land on the western portion of the site that is currently used for parking. Management estimates that we could create additional GLA of 150,000 square feet on the western portion of the site, market conditions permitting. Management is also of the view that we can execute this intensification project without interrupting the income stream from the existing building. Accordingly, we do not expect to carry the property as a Property Under Development. The execution of this project, as currently conceived, is contingent upon obtaining municipal approvals and achieving a level of pre-leasing satisfactory to Management and the Trustees.

Distributable Income

We define DI as the net income determined in accordance with Canadian generally accepted accounting principles (“GAAP”) adjusted by adding back or deducting as required:

- (i) amortization on rental properties;
- (ii) amortization of the premiums or discounts on assumed mortgages;
- (iii) non-cash rental revenue recorded to recognize rental income rateably over the life of each lease;
- (iv) non-cash compensation expense with respect to the LTIP and Unit Option Plan;
- (v) amortization of values ascribed in a building acquisition to in-place leases and tenant relationships;
- (vi) amortization of values ascribed in a building acquisition to above-market and below-market leases;
- (vii) amortization of values ascribed in the property management internalization to acquired contracts and customer relationships; and
- (viii) property management internalization expense.

DI is a non-GAAP financial measure used by some Canadian real estate investment trusts and should not be considered as an alternative to net income, cash flow from operations or any other measure prescribed under GAAP. DI does not have any standardized meaning prescribed by GAAP. As computed by us, DI may differ from similar computations reported by other Canadian real estate investment trusts and, accordingly, may not be comparable to similar computations reported by such organizations. Management considers DI to be a useful measure of cash available for distributions. The following reconciles cash flow from operations, as presented in the consolidated financial statements, to DI.

(In thousands)	2007	2006
Cash flow from operations	\$16,695	\$26,088
Amortization of deferred leasing cost, tenant improvements	(1,777)	(1,253)
Amortization of deferred financing cost	(318)	(242)
Amortization of computer and office equipment	(47)	(32)
Amortization, tenant inducements	(48)	(26)
Property management internalization expense	-	900
Change in non-cash operating items	24,755	(1,453)
DI	\$39,528	\$23,982

Distributions for the year ended December 31, 2007, were \$29,763, representing a DI pay-out ratio of 75.8%, as compared to distributions for the year ended December 31, 2006, of \$20,457, representing a DI pay-out ratio of 85.3%.

Funds From Operations

FFO is a non-GAAP financial measure used by most Canadian real estate investment trusts and should not be considered as an alternative to net income, cash flow from operations or any other measure prescribed under GAAP. While FFO does not have any standardized meaning prescribed by GAAP, the Real Property Association of Canada ("REALpac") established a standardized definition of FFO in its White Paper on Funds From Operations dated November 30, 2004. Essentially, the REALpac definition is net income with most non-cash expenses added back. Management believes that this definition is followed by most Canadian real estate investment trusts and that it is a useful measure of cash available for distributions. The following reconciles net income, as presented in the consolidated financial statements, with FFO, as calculated in accordance with recommendations of the REALpac definition.

(In thousands)	2007	2006
Net income	\$5,810	\$7,717
Amortization on rental properties	13,026	7,628
Amortization of deferred leasing cost and tenant improvements	1,777	1,253
Amortization of origination cost and acquired tenant relationships	18,737	8,413
Property management internalization expense	-	900
FFO	\$39,350	\$25,911

Distributions for the year ended December 31, 2007, represented an FFO pay-out ratio of 75.6%, as compared to distributions for the year ended December 31, 2006, which represented an FFO pay-out ratio of 79.0%.

Adjusted Funds From Operations

AFFO is a non-GAAP financial measure used by most Canadian real estate investment trusts and should not be considered as an alternative to net income, cash flow from operations or any other measure prescribed under GAAP. AFFO does not have any standardized meaning prescribed by GAAP. As computed by us, AFFO may differ from similar computations reported by other Canadian real estate investment trusts and, accordingly, may not be comparable to similar computations reported by such organizations. Management considers AFFO to be a useful measure of cash available for distributions. The principal advantage of AFFO is that it starts from the standardized definition of FFO and takes account of maintenance capital expenditures and regular leasing expenditures while ignoring the impact of non-cash revenue. Because maintenance capital expenditures and regular leasing expenditures are not incurred evenly throughout a fiscal year, there can be volatility in AFFO on a quarterly basis. The following reconciles net income, as presented in the consolidated financial statements, with AFFO, calculated in accordance with what Management believes to be industry practice.

(In thousands)	2007	2006
FFO	\$39,350	\$25,911
Step-rent adjustments	(1,332)	(920)
M-T-M acquired leases	3,206	162
Leasing expenditures	(3,794)	(2,982)
Maintenance capital expenditures	(2,107)	(1,147)
AFFO	\$35,323	21,024

Distributions for the year ended December 31, 2007, represented an AFFO pay-out ratio of 84.3%, as compared to distributions for the year ended December 31, 2006, which represented an AFFO pay-out ratio of 97.3%.

Net Operating Income

NOI is a non-GAAP financial measure and should not be considered as an alternative to net income, cash flow from operations or any other measure prescribed under GAAP. NOI does not have any standardized meaning prescribed by GAAP. As computed by us, NOI may differ from similar computations reported by other Canadian real estate investment trusts and, accordingly, may not be comparable to similar computations reported by such organizations. Management considers NOI to be a useful measure of performance for rental properties. The following reconciles net rental income, as presented in the consolidated financial statements, to NOI.

(In thousands)	2007	2006
Revenue from rental properties	\$105,998	\$64,229
Rental property operating cost	41,777	23,181
Net rental income	64,221	41,048
M-T-M acquired leases	3,206	162
Step-rent adjustments	(1,332)	(920)
NOI	\$66,095	\$40,290

PART III

Financial Condition

We finance our operations through three sources of capital: (i) mortgage debt secured by our rental properties, (ii) secured short-term debt financing with a Canadian chartered bank and (iii) equity. As at December 31, 2007, we had mortgage debt of \$458,732, short-term debt of \$32,192 and unitholders' equity of \$289,865.

Unitholders' Equity

As at December 31, 2007, we had a market capitalization of approximately \$520,775 based on a closing unit price of \$20.74 on the Toronto Stock Exchange. As at December 31, 2006, we had a market capitalization of approximately \$468,029 based on a closing unit price of \$23.25 on the Toronto Stock Exchange.

In the year ended December 31, 2007, we issued a total of 4,979,395 units for equity contributions of \$103,319. Costs incurred to issue the units were \$4,850. Units were issued as follows:

- (i) 4,825,000 units at \$20.75 per unit for gross proceeds of \$100,119, pursuant to a bought deal that closed on April 12, 2007;
- (ii) 51,500 units at \$22.64 for \$1,166 to certain officers and trustees under the LTIP;
- (iii) 89,895 units under its distribution re-investment plan at an average price of \$21.19 per unit for \$1,904; and
- (iv) 13,000 units at \$10.00 per unit for \$130 to certain officers who exercised options under the Unit Option Plan.

As of March 7, 2008, we had 28,082,191 units issued and outstanding.

We adopted a Unit Option Plan at the time of our IPO. In May of 2004, we adopted the LTIP whereby our trustees and officers ("Participants") may from time to time, at the discretion of the trustees and subject to regulatory approval, subscribe for units at a market price established in accordance with the provisions of the LTIP. The price for the units is payable as to 5% upon issuance and as to the balance ("LTIP Loan") over 10 years with interest on the LTIP Loan at an annual rate established in accordance with the provisions of the LTIP. The units issued pursuant to the LTIP are registered in the name of a Custodian on behalf of the Participants who are the beneficial owners. The units are pledged to us as security for payment of the LTIP Loan, and all distributions paid on the units are forwarded by the Custodian to us and applied first on account of interest on the LTIP Loan and then to reduce the outstanding balance of the LTIP Loan. In May of 2007, we amended the Unit Option Plan and the LTIP to limit the number of units authorized for issuance under the Unit Option Plan, the LTIP or any other equity compensation plan to 5% of the issued and outstanding units from time to time.

Mortgages Payable

Mortgages payable as at December 31, 2007, consisted of mortgage debt of \$458,732. The following sets out the maturity schedule of our mortgage debt, together with the weighted average interest on the mortgages that mature in the respective year.

	Periodic Principal Payments	Balance Due at Maturity	Total Principal	% of Total Principal	WA Interest Rate of Maturing Mortgages
2008	11,153	6,486	17,639	3.8%	6.29%
2009	11,346	14,022	25,368	5.5%	6.40%
2010	11,673	4,478	16,151	3.5%	5.35%
2011	12,106	8,496	20,602	4.5%	6.57%
2012	12,253	12,317	24,570	5.4%	7.38%
Thereafter	41,939	312,463	354,402	77.3%	5.44%
Total	100,470	358,262	458,732	100.0%	

Interest rates on the mortgage debt are between 4.94% and 8.10% with a weighted average interest rate of 5.6%. The weighted average term of the mortgage debt is seven years.

Each individual mortgage loan is secured by a mortgage registered on title of a rental property and by security agreements covering assignment of rents and personal property with respect to such property. The mortgage debt provides the holder with recourse to our assets. We attempt to stagger the maturity of its mortgages and to have mortgages maturing each year to be in a position to upward finance the principal amount of maturing mortgages as needed. Additionally, we attempt to maintain 15 to 20% of our rental properties free from traditional long-term mortgage financing with a view to providing these assets as security for bank credit facilities.

Bank Credit Facility

We have a \$50,000 revolving credit facility ("Facility") with a Canadian chartered bank bearing interest at bank prime and maturing on August 31, 2010. The credit facility is secured by a combination of mortgage charges and security agreements on certain of our rental properties. In the year ended December 31, 2007, the average borrowings under the Facility and prior credit facilities were \$19,076. As at December 31, 2007, the borrowings under the Facility were \$32,192.

On January 3, 2008, we completed an offering of 2,900,000 units at a price of \$20.75 per unit for gross proceeds of just over \$60,000. We used a portion of the net proceeds to repay amounts drawn on the Facility.

Liquidity and Commitments

Net operating income generated from our rental properties is the primary source of liquidity to fund our financing expense, trust expense and distributions to unitholders. The Declaration requires us to declare distributions each year not less than the greater of (i) 75% of our DI or (ii) an amount to ensure that we will not be subject to tax on our income and capital gains. We intend to pay distributions of approximately 75 to 80% of DI.

We expect that increased financing on maturing mortgages will provide sufficient cash flow to fund mortgage repayments. We plan to fund anticipated ongoing commitments, obligations, capital expenditures and leasing expenditures by using retained cash flow from operations and availing ourselves of borrowing capacity under the Facility.

The Facility, new mortgage financing and the access to the public equity markets will provide the necessary capital we require for acquisitions. Our acquisition capacity, meaning our ability to use unutilized borrowing capacity while not exceeding the 60% Debt Ratio, is \$106,000.

As at December 31, 2007, we had future commitments as set out below.

(In thousands)	December 31, 2007
Leasing commissions	\$ 564
Tenant improvements	595
Building renovations and maintenance capital expenditures	805
Revenue-enhancing capital and leasing expenditure	1,010
Expenses	339
Total	\$3,313

PART IV

The following sets out summary information and financial results for the quarter ended December 31, 2007, and the comparable quarter and the change between the two.

(In thousands except for per unit and % amounts)	Q4 2007	Q4 2006	Change	%Change
Revenue from rental properties	30,310	17,871	12,439	69.6%
Rental property operating cost	12,369	6,775	5,594	82.6%
Net rental income	17,941	11,096	6,845	61.7%
Real estate service income	69	113	(44)	(38.9%)
Financing expense				
Interest	6,515	3,493	3,022	86.5%
Amortization - Mortgage premium	(63)	(98)	35	(35.7%)
Amortization – Deferred financing cost	71	-	71	-
Amortization				
Rental properties	3,677	2,107	1,570	74.5%
Deferred leasing cost and tenant improvements	485	390	95	24.4%
Origination cost and acquired tenant relationships	5,414	2,675	2,739	102.4%
Acquired contracts and customer relationships	24	24	-	0.0%
Deferred financing cost	-	60	(60)	(100.0%)
Computer and office equipment	13	8	5	62.5%
Income from operations	1,874	2,550	(676)	(26.5%)
Trust expense	899	597	302	50.6%
Property management internalization expense	-	900	(900)	(100.0%)
Net income	975	1,053	(78)	(7.4%)
Amortization				
Rental properties	3,677	2,107	1,570	74.5%
Mortgage premium	(63)	(98)	35	(35.7%)
Acquired leases	1,740	770	970	126.0%
M-T-M acquired leases	1,088	67	1,021	1523.9%
Acquired tenant relationships	3,673	1,904	1,769	92.9%
Acquired contracts and customer relationships	24	24	-	0.0%
Step-rent adjustments	(525)	(165)	(360)	218.2%
Property management internalization expense	-	900	(900)	(100.0%)
LTIP and Unit Option Plan expense	36	-	36	-
DI	10,626	6,562	4,064	61.9%
Weighted average units outstanding (basic)	24,722	18,445	6,277	34.0%
Weighted average units outstanding (diluted)	25,132	18,824	6,308	33.5%
Distributions	7,866	5,696	2,170	38.1%
DI per unit (basic)	\$0.430	\$0.356	\$0.074	20.8%
DI per unit (diluted)	\$0.423	\$0.349	\$0.074	21.2%
DI pay-out ratio	74.0%	86.8%	(12.8%)	
FFO	10,551	7,125	3,426	48.1%
FFO per unit (basic)	\$0.427	\$0.386	\$0.041	10.6%
FFO per unit (diluted)	\$0.420	\$0.379	\$0.041	10.8%
FFO pay-out ratio	74.6%	79.9%	(5.3%)	
AFFO	9,383	5,928	3,455	58.3%
AFFO per unit (basic)	\$0.380	\$0.321	\$0.059	18.4%
AFFO per unit (diluted)	\$0.373	\$0.315	\$0.058	18.4%
AFFO pay-out ratio	83.8%	96.1%	(12.3%)	
NOI	18,505	10,998	7,507	68.3%
Same-asset net operating income	11,728	10,799	929	8.6%
Total assets	808,627	502,906	305,721	60.8%
Total debt (excludes premium on assumed debt)	490,924	263,464	195,268	74.1%
Debt to GBV	55.2%	48.2%	7.0%	
Total GLA (s.f., excluding PUD)	4,571	3,321	1,250	37.6%
Leased GLA (s.f., excluding PUD)	4,476	3,197	1,279	40.0%
Leased GLA (% total GLA)	97.9%	96.3%	1.6%	

Net income for the quarter ended December 31, 2007, was \$975, as compared to \$1,053 in the quarter ended December 31, 2006. The quarter-over-quarter decline in net income resulted solely from the amortization of intangibles associated with the acquisition of Cité Multimédia in April of 2007. Net income per unit (diluted) for the quarter was \$0.039, as compared to net income per unit (diluted) of \$0.056 in the comparable quarter.

DI for the quarter ended December 31, 2007, increased by 61.9% to \$10,626 from \$6,562 for the quarter ended December 31, 2006. DI per unit (diluted) for the quarter was \$0.423, as compared to DI per unit (diluted) of \$0.349 in the comparable quarter.

Net Rental Income

Net rental income for the quarter ended December 31, 2007, increased by 61.7% to \$17,941 from \$11,096 in the quarter ended December 31, 2006, as follows:

- (i) \$998 due to the increase in same-asset net rental income from properties owned for the entire period and the entire comparable period (which includes the period-over-period change in step-rent adjustments); and
- (ii) \$5,847 due to net rental income from properties not owned for the entire period and the entire comparable period.

Of the \$17,941 of net rental income for the quarter ended December 31, 2007, \$165 of operating cost recoveries is in dispute with a tenant. Based on the advice of legal counsel and an independent firm of chartered accountants, Management is of the view that there is no merit to the tenant's position and is diligently pursuing the matter.

Net rental income per occupied square foot for the quarter ended December 31, 2007, was \$16.20 annualized, as compared to \$16.44 annualized in the quarter ended December 31, 2006.

Real Estate Service Income

The Property Manager provides real estate services to third-party property owners. Real estate service income for the quarter ended December 31, 2007, was \$69, as compared to \$113 in the quarter ended December 31, 2006. In 2006 and 2007, the Property Manager surrendered four low-margin, third-party property management contracts and had five third-party property management contracts expire as a result of property sales (to us) by Allied Canadian Development Corporation.

Financing Expense

Financing expense includes interest cost on mortgage debt and other credit facilities and the amortization of the premiums and discounts on assumed mortgages. The amortization of the premiums and discounts on assumed mortgages reduced financing expense by \$63 in the quarter ended December 31, 2007.

Financing expense for the quarter ended December 31, 2007, increased by 92.1% to \$6,523 from \$3,395 in the quarter ended December 31, 2006, due to the increase in financing expense associated with additional properties acquired in 2006 and 2007 and the change in accounting policies described in note 3 of our consolidated financial statements for the year ended December 31, 2007.

Amortization

We record amortization on our buildings on a straight-line basis over their expected life. Amortization recorded on buildings for the quarter ended December 31, 2007, increased by 74.5% to \$3,677 from \$2,107 in the quarter ended December 31, 2006.

We record amortization of deferred leasing cost, tenant improvements and the assigned fair value of the origination cost and tenant relationships for in-place leases acquired on acquisition of a rental property on a straight-line basis over the term of the corresponding lease.

Trust Expense

Trust expense includes cost that is not directly attributable to rental property, such as officers' compensation, trustees' fees, professional fees for legal and audit services, trustees' and officers' insurance premiums and general administrative expenses.

Trust expense for the quarter ended December 31, 2007, increased by 50.6% to \$899 from \$597 in the quarter ended December 31, 2006, as a result of a period-over-period increase in salary, bonus, LTIP expense and occupancy costs.

PART V

Summary Quarterly Information and Performance

The following sets out summary information and financial results for the eight most recently completed fiscal quarters.

(In thousands except for per unit and % amounts)	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Revenue from rental properties	30,310	27,718	27,424	20,546	17,871	15,948	15,467	14,943
Rental property operating cost	12,369	10,578	10,831	7,999	6,775	5,478	5,385	5,543
Net rental income	17,941	17,140	16,593	12,547	11,096	10,470	10,082	9,400
Real estate service income	69	106	137	87	113	110	103	110
Financing expense	6,523	6,251	5,914	3,726	3,395	3,262	3,188	2,981
Amortization	9,613	9,778	8,615	5,677	5,264	4,366	4,047	3,987
Income from operations	1,874	1,217	2,201	3,231	2,550	2,952	2,950	2,542
Trust expense	899	537	587	690	597	495	767	518
PM internalization expense	-	-	-	-	900	-	-	-
Net income (loss)	975	680	1,614	2,541	1,053	2,457	2,183	2,024
Amortization								
Rental properties	3,677	3,758	3,280	2,311	2,107	1,908	1,837	1,776
Mortgage premium	(63)	(80)	(92)	(92)	(98)	(89)	(54)	(42)
Acquired leases	1,740	1,778	1,531	800	770	678	635	636
M-T-M acquired leases	1,088	1,188	907	23	67	(61)	68	88
Acquired tenant relationships	3,673	3,804	3,412	1,999	1,904	1,355	1,191	1,244
Acquired contracts and customer relationships	24	24	24	24	24	24	24	24
Step-rent adjustments	(525)	(218)	(465)	(125)	(165)	(192)	(209)	(355)
PM internalization expense	-	-	-	-	900	-	-	-
LTIP and Unit Option Plan expense	36	-	-	6	-	-	270	-
DI	10,626	10,934	10,211	7,487	6,562	6,080	5,945	5,395
Weighted average units (basic)	24,722	24,722	24,087	19,793	18,445	16,397	15,848	15,809
Weighted average units (diluted)	25,132	25,132	24,517	20,176	18,824	16,772	16,166	16,064
Distributions	7,866	7,866	7,922	6,109	5,696	5,102	4,891	4,768
DI per unit (basic)	\$0.430	\$0.442	\$0.424	\$0.378	\$0.356	\$0.371	\$0.375	\$0.341
DI per unit (diluted)	\$0.423	\$0.435	\$0.416	\$0.371	\$0.349	\$0.363	\$0.368	\$0.336
DI pay-out ratio	74.0%	71.9%	77.6%	81.6%	86.8%	83.9%	82.3%	88.4%
FFO	10,551	10,423	10,192	8,184	7,125	6,734	6,139	5,913
FFO per unit (basic)	\$0.427	\$0.422	\$0.423	\$0.413	\$0.386	\$0.411	\$0.387	\$0.374
FFO per unit (diluted)	\$0.420	\$0.415	\$0.416	\$0.406	\$0.379	\$0.402	\$0.380	\$0.368
FFO pay-out ratio	74.6%	75.5%	77.7%	74.6%	79.9%	75.8%	79.7%	80.6%
AFFO	9,383	9,762	8,648	7,530	5,928	5,004	5,026	5,066
AFFO per unit (basic)	\$0.380	\$0.395	\$0.359	\$0.380	\$0.321	\$0.305	\$0.317	\$0.320
AFFO per unit (diluted)	\$0.373	\$0.388	\$0.353	\$0.373	\$0.315	\$0.298	\$0.312	\$0.315
AFFO pay-out ratio	83.8%	80.6%	91.6%	81.1%	96.1%	102.0%	97.3%	94.1%
NOI	18,505	18,110	17,035	12,445	10,998	10,217	9,941	9,133
Net income per unit (basic)	\$0.039	\$0.028	\$0.067	\$0.128	\$0.057	\$0.147	\$0.138	\$0.128
Net income per unit (diluted)	\$0.039	\$0.027	\$0.066	\$0.126	\$0.056	\$0.144	\$0.135	\$0.126
Total assets	808,627	789,876	771,353	532,302	502,906	443,945	405,827	384,963
Total debt	490,924	464,633	443,334	295,776	263,464	241,765	224,498	212,226
Debt Ratio	55.2%	54.2%	53.3%	50.7%	48.20%	50.2%	53.2%	51.2%
Total GLA (excluding PUD)	4,571	4,484	4,446	3,409	3,321	2,657	2,387	2,266
Leased GLA (excluding PUD)	4,476	4,391	4,295	3,272	3,197	2,599	2,346	2,202
Leased Area (%GLA)	97.9%	97.9%	96.6%	96.0%	96.3%	97.8%	98.3%	97.2%

PART VI

Critical Accounting Estimates

The significant accounting policies used in preparing our consolidated financial statements are described in Note 3 to those statements. The following is a discussion of Management's estimates that are most important to the presentation of our results of operations and financial condition and are most subjective as a result of matters that are inherently uncertain.

Fair Value of Assumed Mortgages Payable and Fair Value of Mortgages Payable

Most of our mortgage indebtedness was assumed in conjunction with rental property acquisitions. GAAP requires that the mortgages payable assumed on acquisition of properties be recorded at fair value. The fair value of the mortgages payable has been determined by discounting the cash flows of these financial obligations using market rates for debt of similar terms and credit risks. Market rates for debt are based on the yield of Canadian government bonds with similar maturity dates plus a credit spread based on Management's experience in obtaining financing and the current market conditions.

Impairment of Assets

We are required to write down to fair value any long-life assets that are determined to have been permanently impaired. Our long-life assets consist of rental properties. Our policy is to assess any potential impairment by making a comparison of the current and projected operating cash flow of a rental property over its remaining useful life, on an un-discounted basis, to the carrying amount of the rental property. If such carrying amount was in excess of the projected operating cash flow of the rental property, impairment in value would be recognized to adjust the carrying amount to its estimated fair market value. Current operating cash flows are based on leases in place and projected operating cash flows are based on Management's estimates of future rental rates. Prior to acquiring a rental property, we commission an appraisal and conduct due-diligence to satisfy itself that the acquisition price is representative of fair market value.

Amortization

A significant portion of the purchase price of rental properties is allocated to buildings. The amortization recorded on buildings is based on the straight-line basis over their expected useful life. The allocation of purchase price to buildings and the estimated useful life are based on Management's estimates and, if these estimates prove incorrect, the amortization will not be appropriately recorded.

Mark-to-Market Rent Adjustment, Cité Multimédia

We completed the acquisition of Cité Multimédia on April 18, 2007, with an effective date of April 1, 2007. At the time of acquisition, based on data compiled by an independent real estate appraiser, Management estimated that the average in-place rental rates for the tenants at Cité Multimédia exceeded current market rental rates by approximately 9%. Accordingly, our financial statements for the year ended December 31, 2007, recognize a \$3,280 net mark-to-market rent adjustment in respect of Cité Multimédia for the period from April 1, 2007, to December 31, 2007. Our net income was affected by this mark-to-market rent adjustment. Our DI and AFFO was not affected, as we add non-cash items back in calculating DI and AFFO. Our FFO was affected by this mark-to-market rent adjustment, as we do not add mark-to-market rent adjustments back in calculating FFO.

PART VII

Related Party Transactions

At the time of our IPO, a subsidiary of Allied Canadian Development Corporation⁶ leased 29,102 square feet of office space from us pursuant to a lease expiring on December 31, 2010. Effective July 1, 2005, we entered into a direct lease of this space with Loblaws Properties Limited for a term ending October 31, 2010, on the condition that the original indemnity of the Developer protecting us from any revenue shortfall (on a cash basis) from the original lease remain in full force and effect.

⁶ Allied Canadian Development Corporation (“Developer”) is a company controlled by the Chief Executive Officer of the REIT and in which the Executive Vice President of the REIT has an interest. We have an option agreement (“Option Agreement”) with the Developer, pursuant to which the Developer must offer to sell us at fair market value all developed or redeveloped office properties upon substantial completion. Seven of the properties in our portfolio were acquired pursuant to the Option Agreement. The Developer has no further properties under development or redevelopment at this time. While the Option Agreement permits the Developer to engage in development and redevelopment activity on an ongoing basis, the Developer is not currently pursuing office development or redevelopment opportunities and does not expect to do so in the foreseeable future.

PART VIII

Risk and Uncertainties

There are certain risk factors inherent in the investment and ownership of real estate. Real estate investments are capital intensive, and success from real estate investments depends upon maintaining occupancy levels and rental income flows to generate acceptable returns. These success factors are dependent on general economic conditions and local real estate markets, demand for leased premises and competition from other available properties.

Our portfolio is focused on a particular asset class in five metropolitan real estate markets in Canada. This focus enables Management to capitalize on certain economies of scale and competitive advantages that would not otherwise be available.

Financing and Interest Rate Risk

We are subject to risk associated with debt financing. The availability of debt to re-finance existing and maturing loans and the cost of servicing such debt will influence our success. In order to minimize risk associated with debt financing, we strive to re-finance maturing loans with long-term fixed-rate debt and to stagger the maturities over time.

Interest rates on our mortgage debt are between 4.94% and 8.10% with a weighted average interest rate of 5.6%. The weighted average term of our mortgage debt is seven years. As at December 31, 2007, the borrowings under the Facility were \$32,192. On January 3, 2008, we completed an offering of 2,900,000 units at a price of \$20.75 per unit for gross proceeds of just over \$60,000. We used a portion of the net proceeds to repay amounts drawn on the Facility.

Credit Risk

We are subject to credit risk. Credit risk arises from the possibility that tenants may not be able to fulfill their lease obligations. We strive to mitigate this risk by maintaining a diversified tenant- mix and limiting exposure to any single tenant.

The following sets out our tenant-mix on the basis of percentage of rental revenue for the year ended December 31, 2007.

Category	% of Rental Revenue 2007
Business service and professional	37
Telecommunications and information technology	23
Retail (head office and storefront)	15
Media and entertainment	13
Financial services	3
Government	1
Other	8

The following sets out the percentage of rental revenue from our top-10 tenants by rental revenue for the year ended December 31, 2007.

Tenant	% of Rental Revenue 2007
CGI	5.5
Desjardins	4.7
Cossette Communications	3.2
MTS Allstream	1.9
Publicis Toronto	1.9
SAP Labs	1.6
St. Joseph Media	1.6
Motorola	1.5
Algorithmics	1.4
Indigo Books & Music	1.4

Lease Roll-Over Risk

We are subject to lease roll-over risk. Lease roll-over risk arises from the possibility that we may experience difficulty renewing or replacing tenants occupying space covered by leases that mature. We strive to stagger its lease maturity schedule so that it is not faced with a disproportionately large level of lease maturity in a given year.

97.9% of the GLA in our portfolio was leased as at December 31, 2007 (not including Properties Under Development). The following sets out the total GLA of the leases that mature during the period from January 1, 2008, to December 31, 2012, assuming tenants do not exercise renewal options, and the percentage of total GLA represented by the maturing leases.

Year Ended	Square Feet	% of Total GLA
December 31, 2008	555,152	12.1%
December 31, 2009	615,828	13.5%
December 31, 2010	1,008,086	22.1%
December 31, 2011	726,945	15.9%
December 31, 2012	656,059	14.4%

The weighted average term to maturity of our leases is 4.1 years.

Environmental Risk

As an owner of real property, we are subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that we could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect our ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against us. We are not aware of any material non-compliance with environmental laws at any of the properties in our portfolio. We are also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the properties in our portfolio or any pending or threatened claims relating to environmental conditions at the properties in our portfolio.

Development Risk

As an owner of Properties Under Development, we are subject to development risks, such as construction delays, cost over-runs and the failure of tenants to take occupancy and pay rent in accordance with lease arrangements. In connection with all Properties Under Development, we incur development costs prior to (and in anticipation of) achieving a stabilized level of rental revenue. In the case of the development of ancillary or surplus land, these risks are managed by not commencing construction until a satisfactory level of pre-leasing is achieved. Overall, these risks are managed by ensuring that Properties Under Development do not represent a large component of our GBV. As at December 31, 2007, the cost of Properties Under Development was equivalent to 1.8% of our GBV. Immediately following the acquisition of 544 King Street West and 1-9 Morrison Street, Toronto, in January of 2008, the cost of our Properties Under Development was equivalent to 2.6% of our GBV.

Taxation Risk

On October 31, 2006, the Minister of Finance (Canada) announced proposed changes to the taxation of income trusts. On December 21, 2006, the Ministry introduced the related draft legislation, under which qualifying REITs are excluded from the proposed changes, provided they meet a series of conditions relating to the nature of their income and investments. The Notice of Ways and Means Motion that accompanied the Federal Budget announced on March 19, 2007, proposed modifications to the draft legislation. The draft legislation, as modified, was passed into law as part of Bill C-52 on June 22, 2007. Based on the legislation, as passed, we have completed the necessary restructuring of our operations and assets to become a qualifying REIT under Bill C-52 in 2008 and beyond; however, there can be no assurance in this regard, due to the uncertainty surrounding the interpretation of the relevant provisions of the legislation and the possibility of upcoming changes to the legislation. The Minister of Finance introduced guidelines for permitted normal growth (measured by the issuance of new equity) for non-exempt income trusts that, if exceeded, will cause an income trust to lose its four-year tax holiday. We took measures to ensure that we did not exceed the normal-growth guidelines in 2007. On June 18, 2007, we announced that we had suspended the issuance of units under our distribution re-investment plan in order to remain within the normal-growth guidelines. We reinstated our distribution re-investment plan in January of 2008.

PART IX

Subsequent Events

On January 3, 2008, we completed an offering of 2,900,000 units at a price of \$20.75 per unit for gross proceeds of just over \$60,000. We used the net proceeds to repay amounts drawn on the Facility, to fund a portion of the purchase price for acquisitions that closed later in January and for general corporate purposes.

From January 9 to 11, 2008, we completed the acquisitions of 544 King Street West and 1-9 Morrison Street in Toronto (see *Properties Under Development*) and 72 Victoria, an 85,610 square foot, Class I office building located in the Warehouse District of downtown Kitchener.

On February 13, 2008, we announced an agreement to acquire 179 John Street, a 67,393 square foot, Class I office building located in the Downtown West sub-market of Toronto, and 96 Spadina Avenue, an 89,275 square foot Class I office building located in the Dominion West sub-market of Toronto that we intend to upgrade and lease-up over the remainder of 2008.

On March 4, 2008, we completed the acquisitions of 179 John Street and 96 Spadina Avenue in Toronto.

PART X

Disclosure Controls and Procedures

As at December 31, 2007, the Chief Executive Officer, the Chief Financial Officer and other members of Management evaluated the effectiveness of our disclosure controls and procedures, as defined in Multilateral Instrument 52-109. They have concluded that these controls and procedures were adequate and effective to provide reasonable assurance that material information regarding our affairs and operations was accumulated and communicated to them, as appropriate to allow timely decisions to be made by them regarding required disclosure.

As at December 31, 2007, the Chief Executive Officer, the Chief Financial Officer and other members of Management evaluated the design of our internal controls over financial reporting. These controls were designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements in accordance with GAAP. The Chief Executive Officer, the Chief Financial Officer and other members of Management have concluded that the design of these internal controls were adequate and effective to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. There were no significant changes made to internal controls in 2007.

PART XI

Property Table

December 31, 2007 Properties	Office GLA	Retail GLA	Total GLA	% Total GLA	Office Vacant	Retail Vacant	Total Leased	Leased %
555 College	41,041	19,145	60,186		2,764	-	57,422	95.4%
905 King W	103,054	9,832	112,886		-	-	112,886	100.0%
The Castle	109,046	34,323	143,369		-	-	143,369	100.0%
King West	253,141	63,300	316,441	6.92%	2,764	-	313,677	99.1%
141 Bathurst	10,521	-	10,521		-	-	10,521	100.0%
420 Wellington W	33,813	3,137	36,950		-	-	36,950	100.0%
425 Adelaide W	74,008	4,104	78,112		8,835	-	69,277	88.7%
425-439 King W	74,053	25,134	99,187		-	-	99,187	100.0%
441-443 King W	6,820	3,065	9,885		-	-	9,885	100.0%
445-455 King W	27,565	23,048	50,613		-	-	50,613	100.0%
468 King W	65,039	-	65,039		-	-	65,039	100.0%
469 King W	62,594	11,250	73,844		-	-	73,844	100.0%
500-522 King W	94,945	27,705	122,650		-	-	122,650	100.0%
579 Richmond W	29,311	-	29,311		-	-	29,311	100.0%
602-606 King W	37,299	23,113	60,412		-	-	60,412	100.0%
662 King West	29,691	2,126	31,817		-	-	31,817	100.0%
King-Brant Parking	-	-	-		-	-	-	
King West Central	545,659	122,682	668,341	14.62%	8,835	-	659,506	98.7%
116 Simcoe	13,819	-	13,819		-	-	13,819	100.0%
185 Spadina	55,814	-	55,814		-	-	55,814	100.0%
200 Adelaide W	28,024	-	28,024		-	-	28,024	100.0%
208-210 Adelaide W	12,330	-	12,330		3,711	-	8,619	69.9%
217-225 Richmond W	34,877	21,684	56,561		-	3,094	53,467	94.5%
257 Adelaide W	45,893	-	45,893		6,761	-	39,132	85.3%
312 Adelaide W	63,904	7,891	71,795		-	-	71,795	100.0%
331-333 Adelaide W	20,951	3,209	24,160		-	-	24,160	100.0%
358-360 Adelaide W	54,249	-	54,249		8,948	-	45,301	83.5%
364 Richmond W	21,300	17,300	38,600		-	-	38,600	100.0%
388 King W	32,529	11,765	44,294		-	-	44,294	100.0%
82 Peter	38,623	8,287	46,910		-	-	46,910	100.0%
99 Spadina	39,267	12,613	51,880		-	-	51,880	100.0%
Entertainment District	461,580	82,749	544,329	11.91%	19,420	3,094	521,815	95.9%
67 Richmond W	44,870	5,794	50,664		2,339	-	48,325	95.4%
193 Yonge	32,966	16,318	49,284		-	-	49,284	100.0%
Downtown	77,836	22,112	99,948	2.19%	2,339	-	97,609	97.7%
106 Front E	10,109	24,388	34,497		3,298	-	31,199	90.4%
35-39 Front E	30,811	16,606	47,417		-	-	47,417	100.0%
36-40 Wellington E	12,630	11,750	24,380		-	-	24,380	100.0%
41-45 Front E	19,799	13,735	33,534		-	-	33,534	100.0%
45-55 Colborne	28,369	15,039	43,408		-	-	43,408	100.0%
50 Wellington E	21,144	11,049	32,193		-	-	32,193	100.0%
St. Lawrence Market	122,862	92,567	215,429	4.71%	3,298	-	212,131	98.5%
145 Berkeley	7,938	2,687	10,625		2,050	-	8,575	80.7%
230 Richmond E	62,514	-	62,514		-	-	62,514	100.0%
489 Queen E	32,592	-	32,592		7,663	-	24,929	76.5%
Dominion Square	38,050	73,809	111,859		-	711	111,148	99.4%
QRC South	44,600	-	44,600		6,446	-	38,154	85.5%
Queen Richmond Centre	175,081	48,818	223,899		-	-	223,899	100.0%
Queen Richmond	360,775	125,314	486,089	10.63%	16,159	711	469,219	96.5%
Total Toronto	1,821,853	508,724	2,330,577	50.99%	52,815	3,805	2,273,957	97.6%

December 31, 2007 Properties	Office GLA	Retail GLA	Total GLA	% Total GLA	Office Vacant	Retail Vacant	Total Leased	Leased %
3575 Saint-Laurent	164,797	17,464	182,261		2,536	-	179,725	98.6%
400 Atlantic	86,034	-	86,034		8,560	-	77,474	90.1%
425 Viger W	205,314	820	206,134		-	-	206,134	100.0%
4446 Saint-Laurent	72,613	10,000	82,613		-	-	82,613	100.0%
451-481 Saint Catherine W	20,805	9,634	30,439		-	-	30,439	100.0%
6300 Avenue du Parc	217,022	950	217,972		2,881	-	215,091	98.7%
Cite Multimedia	948,803	8,393	957,196		-	-	957,196	100.0%
Total Montreal	1,715,388	47,261	1,762,649	38.56%	13,977	-	1,748,672	99.2%
115 Bannatyne	39,310	-	39,310		-	-	39,310	100.0%
138 Portage East	43,960	-	43,960		8,186	-	35,774	81.4%
165 Garry	4,400	10,362	14,762		-	-	14,762	100.0%
250 McDermot	41,446	10,200	51,646		3,845	-	47,801	92.6%
309 Hargrave	21,460	1,400	22,860		2,384	-	20,476	89.6%
50-70 Arthur	110,918	10,500	121,418		6,605	-	114,813	94.6%
Total Winnipeg	261,494	32,462	293,956	6.43%	21,020	-	272,936	92.8%
390 Charest	66,771	6,348	73,119		1,294	-	71,825	98.2%
410 Charest	-	24,937	24,937		-	1,300	23,637	94.8%
420 Charest	44,051	13,285	57,336		500	-	56,836	99.1%
622 Saint Joseph	3,620	3,300	6,920		-	-	6,920	100.0%
633 Saint Joseph	15,558	6,000	21,558		-	-	21,558	100.0%
Total Quebec City	130,000	53,870	183,870	4.02%	1,794	1,300	180,776	98.3%
Total Rental Portfolio	3,928,735	642,317	4,571,052	100.00%	89,606	5,105	4,476,341	97.9%
47 Fraser, Toronto	11,626	-	11,626					
47A Fraser, Toronto	18,111	-	18,111					
134 Peter, Toronto	29,218	19,804	49,022					
1500 Notre Dame, Winnipeg	111,400	-	111,400					
Adjacent Land, Montreal	-	-	-					
Total PUD	170,355	19,804	190,159					