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Oh what a difference 12 months can make! In my comments in our 2007 Global Views Report there was an oversupply of money for the real estate market and cap rates for good properties were extremely competitive. Today, I have to say there is an undersupply of money, and until the supply of money is stabilized, cap rates will remain in a state of flux.

Canada, however, has not been hit as badly as Europe and the US in the aftermath of the sub-prime mortgage meltdown. Our main safety factor is that our institutions have not invested as heavily in these instruments as some of the others around the world, and we still have a shortage of supply of good investment properties, even if we have a limited resource of funds. Regardless, 2008 should be a positive year, but with cautions.

During my over 45 years in the industry, there have been four or five dips in the market, and the signal I look for is the deferrals of build to suits or relocates from major users. In the past, I have found that once we hear of three of these deferrals, you know that there is trouble ahead and adjust for tougher times that are on the way. To date we have not had such an indication in Canada.

In the money market field, the problems in financing are at times overstated. Nevertheless, I do not believe it will be anywhere near as serious as the 1989-92 situation. We have weathered these problems before, and with the indicators available, we will weather them again.

Across the country, all segments of our industry (office, industrial, investment and retail) are strong and, if the currency differential is kept in balance by the authorities, we may be fortunate enough to have the major force of the worldly financial storm pass us by.

For our organization, the most significant event that took place in 2007 was the sale arrangement to DTZ Holdings of London, England. As part of the transaction, many of our senior people have become shareholders in DTZ Holdings, indicating our confidence in this relationship. DTZ is aggressively pursuing expansion in the Americas, and we look forward to this masthead being as well-known in the Americas as it is known in the rest of the world. Our people are already receiving the many advantages of this international relationship, along with the worldly clients that DTZ has added to our inventory.

Equally important is that in our arrangements in the sale to DTZ, all of the employees of J.J. Barnicke Limited will stay intact, and the full services that have been available over the years will remain across the country. Chris Ridabock is our new chief executive officer, with Peter Sweeney remaining as chief administrative and financial officer. As an added bonus, Bob Shibuya, a long time associate of our firm, will be providing strategic guidance to our Canadian operation as a senior executive member with DTZ in the Americas.

Our new integrated global team of professionals look forward to assisting you with your local, national and international real estate needs.