P R O S P E R I T A S

EUGEN KLEIN REAL ESTATE BROKERAGE & MARKETING SYSTEMS

FOURTH QUARTER 2005 ■ PRE-MARKET LISTINGS ■ DEEP IMPACT ■ EDUCATION INITIATIVES

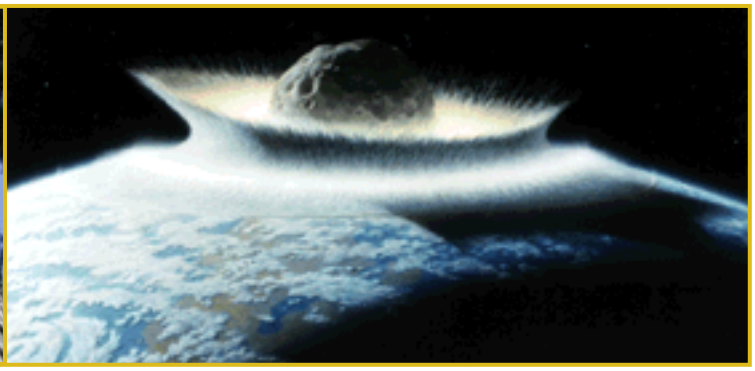
Editorial

This year has been a banner year for our team! I would like to thank all our clients and the industry professionals who have kindly referred their customers to us. We endeavour to do our very best to continue to deserve your business and exceed expectation.

There is one item of sad news. Michael Mustard, a very dear friend and long time real estate associate will be moving on to pursue a career in the technology sector. Michael was a very early addition to my team over four years ago and his contribution has been incredible and exhaustive. Many of you have mentioned to me how insightful he has been in handling your investments; such praise only reflects on Michael's exceptional work ethic. Michael has brought incredible loyalty and intelligence to every client file. I cannot wait to hear of his future successes. Michael will be missed.

In late September, we have been very fortunate to add Hamir Bansal to our team. Over the past eight years Hamir has been an owner and manager of hotel and retail properties. He specializes in the leasing and investment sales of same. Hamir is adding exceptional expertise to our team. ■

Eugen L. Klein
B.Comm(UREC), CRES, ARM®, RI, FRI
eugenklein@shawcable.com
Tel. 604.818.5888
Toll Free 1.800.818.8599



Deep Impact

Four Factors Impacting Commercial Real Estate In the Next 12 Months.

By Eugen Klein, B.Comm(UREC), CRES, ARM®, RI, FRI
Real Estate Investment and Commercial Associate Broker

1. Brokerage Fees

When I attended the National Association of Realtors Conference in San Francisco, the Toronto Real Estate Forum and the Realcomm Conference this year the message on brokerage fees was the same. The days of single transaction commission amounts are dwindling. The client and investor are looking for more services and a more staged approach to fees. As the information age surges forward our clients are overwhelmed by appraisals, site surveys, cap rates, lease information, and the akin. Are these true reflections of how the property performs - should they just trust the numbers and conduct due diligence later?

Today, the offer, acceptance and due diligence process can not be conducted in the traditional fashion. Buyers as well as sellers do not want to be locked into contracts for long subject removal periods in the most active market in recent memory! Buyers want the flexibility to look at three or four investments over a few weeks. Sellers, in the same manner, are looking for knowledgeable purchasers to shorten closing, and maximum pricing as multiple offers are placed for investment properties. Buyers are demanding a three step approach: more initial fact gathering and analysis, a strategy and pricing for an offer and finally a success fee for acquisition. The realtor and client relationship is better served as there is direct service for compensation phased in over the relationship; the client receives more reporting and expertise through the course of the transaction.

2. Technology

Yes, it is pretty safe to say that we all have email and internet connections, websites and some form of contact managers both at work and at home. The challenge now is to keep all this data current to maintain established relationships and communications.

(continued on page 4)

T E S T I M O N I A L S

"We are writing to you to express our gratitude for your significant contribution to the MLS link project. This project will be the most important change in services REBGV has made on the way members do their business."

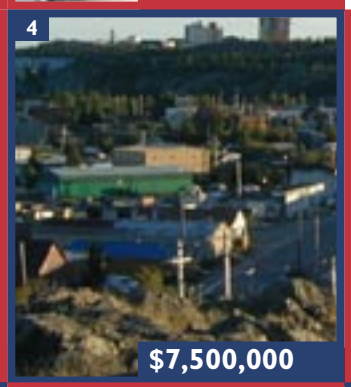
Bill Binnie - 2002 President
Real Estate Board of Greater Vancouver
Bob Wallace - 2002 Executive Officer
Real Estate Board of Greater Vancouver

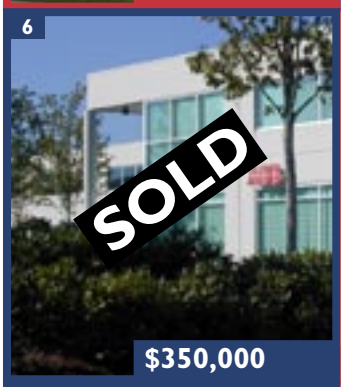
"Rarely does someone come along who attacks life and business with such zeal... I have only met a handful of people with Eugen's credentials. I have no compunction about sending any of my clients or referrals to Eugen as I know they will be well served."

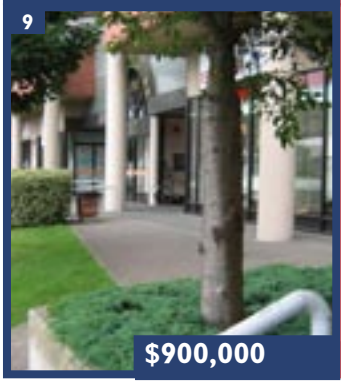
Mr. B. Mark Thiessen
Prairie Region Director, National Commercial Council, CREA

"I take this opportunity to express my sincere appreciation to you for continuing to send me your 'Prosperitas' newsletters... concise and yet very informative. Your articles in the Real Estate Magazine (REM) have also not gone unnoticed."

Wayne Yu, CCIM, FRI, CLO, CRES, RI
President, Real Estate Institute of Canada, Greater Vancouver Chapter







1. **SURREY RETAIL LEASE**
   4 excellent retail spaces King George Hwy & 80th. 1250, 1250, 812, 1104 sq. ft.; latter space good for pizza operation (w/equip & leaseholds). Good access & great parking.

2. **MANUFACTURING BUSINESS**
   Door manufacturing business in Fraser Valley established 20+ years. Well known in industry w/ good reputation. Excellent location & contracts in place.

3. **SURREY WAREHOUSE LEASE**
   Top quality tilt up in Campbell Heights. Corner lot with plenty of retail exposure. Completion set for January 2006. 20,000 sq. ft. available.

4. **SHOPPING CENTRE**
   Largest shopping centre in Yellowknife. NWT and Nunavut experiencing tremendous resource growth. 11% cap.

5. **HOPE MULTIFAMILY LAND**
   4 lots zoned Multi-Family on Scott Drive in Hope. Total 9,874 sq. ft. Easy access from Trans Canada Hwy, Coquihalla, and downtown Hope.

6. **#103 – 8988 FRASERTON COURT**
   South Burnaby, 2,109 sq. ft. incl. 606 sq. ft. mezzanine. Current use: high tech music studio. Owner will lease back @ 7% cap.

7. **RETAIL LEASE LANGLEY**
   Located at 200th Street & #10 Highway. 1600 sq. ft. retail space zoned C1 (Downtown Commercial); adjacent to Willowbrook Mall.

8. **HEALTH FOOD DISTRIBUTOR**
   Wholesaler-distributor of health food products & supliments. Incl. brand new $100,000 website & 2000 sq. ft. warehouse.

9. **PROFESSIONAL TRAINING INSTITUTE**
   Government contracts; multiple campuses, over 20 years established. Industry certification, Microsoft licensing, New certified programs launched Sept. 2005.

10. **PRINTING & SUPPLY BUSINESS**
    65+ contracts & 700 active clients (full lists provided). Business nets $85,000 plus $20,000 benefits. 65% of business in parts. Property included at $215,000.

This communication is not intended to induce a breach of already listed properties or businesses. All information must be verified by the purchaser. Images are representative only.

PROFESSIONALS DIRECTORY

The 'Professional Directory' is dedicated to the extraordinary people who have contributed to either my life or my clients with exceptional service. I would like to share my good fortune of knowing them with you. Please feel free to convey my recommendation.

BANK OF MONTREAL
Mr. Joe Corrado & Mr. Mark Tower
Vancouver 604.665.2682

BONNIE LEE CHARTERS
Mr. Kevin Addie
Vancouver 604.290.7447

CHAMBAR RESTAURANT
Mr. Quentin Kayne
Vancouver 604.879.7119

CIBC RESIDENTIAL FINANCE
Mr. Derek Christiansen
Vancouver 604.220.6161

COMFORT INN
Mrs. Valerie Orr
Vancouver 604.605.4339

VANCITY COMM MORTGAGES
Mr. Gary Khangura
Vancouver 604.879.0235

CYPRESS INSPECTIONS LTD.
Mr. Noel Murphy
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DIGITAL PRINTING
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Vancouver 604.420.3400

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Mr. Jack M. Yong
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11. 3544 KINGSWAY RETAIL LEASE
2700 sq. ft. sublease corner unit on Kingsway west of Boundary. Improved space, turn key. Available immediately.

12. YALETOWN CAFE
Profitable Mediterranean home-cook style café adjacent to main office entry of Yaletown Galleria. Ex. low gross rent of $1,605 / month. ANI approx $60,000.

13. CONSTRUCTION MANAGEMENT
Award winning construction mgmt. company. Revenues $1.5 to $2 million. Owner will stay & generate business.

14. PRIME RECREATIONAL LAND
112 acres spectacular creek-side rec. land in ALR with a designated large building site ideal for private residence or outfitting lodge, B&B. Approx 1 hour from Whistler, 2-1/2 hrs to Vancouver.

15. PEDROS ORGANIC COFFEE HOUSE
Organic, fair trade coffee franchise. Operating locations avg. > 225 sales/day @ $5.25/sale. Excellent opty. - growing enterprise. Area licenses also available.

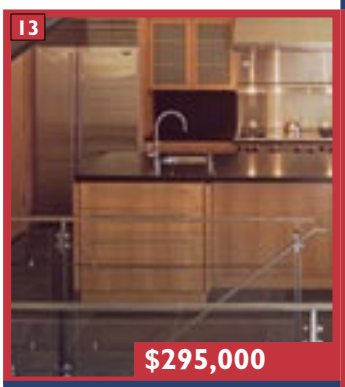
16. KOOTENAYS PUB/RESTAURANT
Family eatery/pub & 2 bdrm living quarters w/ mountain & lake view north of Creston. Idyllic lakeside setting; loyal clientele, stable revenues.

17. NORTH VANCOUVER DELI
Well central Lonsdale deli. Assets & Equipment $31,000; 30 Seats; 4 table patio; 2002, 2003, 2004, 2005 NS News Reader's Choice Award Winner.

18. CHILLIWACK MOBILE HOME PARK
Excellent park, city centre Chilliwack. Good income. Gas station & restaurant. Redev. opty: ~170 units residential.

19. OFFICE LEASE – N. VANCOUVER
1,328 sq. ft., 975 sq. ft. for lease on 2nd floor of Plaza 15 building in central Lonsdale business district. Taxes & OPC - $7.86 / sq. ft. 1 pkg. w/ each space.

20. RETAIL LEASE – NORTH VANCOUVER #102 - 88 Lonsdale; 1,459 square feet. Heart of lower Lonsdale: sea-bus, Lonsdale Quay, public transit and Versatille Shipyard development site. 15'+ ceiling.



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PROFESSIONALS DIRECTORY

GRAPHIC DESIGN & ART WORK
Mr. Denis Meyer Jr.
Burnaby 604.777.0550

INVESTMENT PLANNING
Mrs. Vanessa Stenner-Campbell
White Rock 604.535.4749

KITS PLUMBING & ELECTRIC
Mr. Stefen Kim
Vancouver 604.618.7684

MEDIATION & ARBITRATION
Mr. Kenneth J. Glasner, Q.C.
Vancouver 604.683.4181

MAHOVLICH MARBLE & GRANITE
Mr. Frank Mahovlich
Vancouver 604.293.0093

MCKITRICK CLARK MCLEOD
Mr. Bruce J. Preston
Vancouver 604.736.6717

NATIONAL HOME REVIEWS
Mr. Dean Kazoleas
Vancouver 604.681.2108

PAUL'S TAILOR
Ms. Julie Minichello
North Vancouver 604.985.9222

PINK LIME SALON & SPA
Mr. Youssef Jawhari
Vancouver 604.683.7444

RBC COMMERCIAL BANKING
Ms. Saadi Lau
Richmond 604.665.0968

URBAN CONSULTANTS
Mr. Jose Andio
Vancouver 604.669.2724

VANCITY VENTURE CAPITAL
Mr. Axel Christiansen
Vancouver 604.877.6582

Education Changes Coming...

Representatives from all 12 real estate Boards in British Columbia approved in principle the creation of a Professional Development Program (PDP) on September 21st 2005. When implemented, participation in the new program will be required as a condition of Board membership.

"Staying on top of practice issues and other changes will help you demonstrate your professionalism, inspire confidence in your clients, increase your earning power, advance your career and help you manage risks," says BCREA Education Committee Chair Moss Moloney.

Each REALTOR® in the province will be required to complete 18 education credits during the first cycle of the program, which ends in December 2008. REALTORS® can accumulate up to 12 credits in the four months prior to implementation of the PDP.

Courses will initially be available in a classroom format, but other formats will be introduced gradually. It's expected that course providers will include BCREA, many member Boards, and other organizations. ■

Source: CREA
Reprinted from the BC Real Estate Association Website

Change is in the Air...

(continued from page 1)

Data needs to become useful information.

As the investment real estate market remains active, investors are looking to be apprized of new product on a daily basis. Moreover, the information must speak to them; it must meet their profile and needs. Buyers and sellers want to be involved in a transaction, not through a phone call from the broker or being carbon copied in an email but being able to login and see the paper-flow and communications in real time. This is no different than remotely tracking your UPS parcel or login to see your child's report card through the local school board.

The other challenge for those brokers who are not yet updated with digital faxes, PDF photocopiers and real-time connectivity to their offices is that they are slow to respond to the clients request to send information to other advisors in the transaction process: lawyers, accountants, inspectors, financiers. The realtors that are able to move this type of information quickly will be at the edge - the NextGen Broker.

3. City to City Mobility

With low interest rates, a demand for real estate investments, and low cap rates, the investment in urban areas is becoming more and more competitive. Clients are slower to purchase in their local urban centre because of a perceived compression of the margin for appreciation, and are looking to other markets in Canada or even into the United States. The commercial realtor now has the responsibility to have an expert on the ground in that city sourcing product, to

"...realtors that are able to move this type of information quickly will be at the

have the comparable information at his fingertips, and to control the client and the transaction, while keeping a constant and transparent communication flow. The client who owns property needs the same services to penetrate the extended market. In order for the trusted commercial realtor to provide the best services outsourcing of other professional to keep the agency responsibility at the heart of the relationship must occur.

4. Agency and Cooperation

As property information is becoming more readily available more players in organized and independent real estate practices are entering commercial real estate: smaller brokerages, boutique firms, tenant representatives, even further specializations in the larger brokerage houses. At the same time there is a progressive movement afoot with some of the largest brokerage houses in the United States, consolidating internationally to be able to provide a global scope to the largest clients. Maybe with the recent purchase of Royal LePage Commercial Inc. by Cushman Wakefield we will see more of these new emerging trends. Commercial real estate transactions can be some of the most complex and, as such, have great liability in representation for the realtor. The days may be numbered for dual agency transactions.

The 2010 games should prove both a catalyst and measuring stick. Those brokers and specialists who have embraced these ideas and put them into practice, well in advance, will be in the best position to serve clients as the world's attention is focused here. Those who have not, though in the race, will find that the pack has left them behind. ■

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Eugen L. Klein
B.Comm (UREC), CRES, ARM®, RI, FRI
Associate Broker

Email:	eugenklein@shawcable.com
Cell:	604.818.5888
Toll Free:	1.800.818.8599
Office:	604.408.9311
Fax:	604.484.9311

Hamir Bansal
BHM
Licensed

Email:	hamirbansal@royallepage.ca
Office:	604.408.9311
Fax:	604.484.9311

Please do not hesitate to call me at 604.818.5888
It is my pleasure to serve your real estate needs.

Royal Lepage City Centre ROYAL LEPAGE