

June 19, 2007

Mr. John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario
M5H 3S8
Email: jstevenson@osc.gov.on.ca

Dear Mr. Stevenson:

We are writing with respect to the Notice and Request for Comment on National Instrument 31-103.

REALpac, the Real Property Association of Canada is Canada's senior national real property association whose mission is to collectively influence public policy, educate government and the public, and ensure stable and beneficial real estate capital and property markets in Canada. Our Members currently own in excess of CDN \$150 Billion in real estate assets located in the major centres across Canada and include real estate investment trusts (REITs), publicly traded and large private companies, banks, brokerages, crown corporations, investment dealers, life companies, and pension funds. Visit REALpac at www.realpac.ca.

Our concerns relate to the potentially adverse effect of requiring investments through a limited partnership to be subject to these rules, on the real property sector. Given the broad definition of the term "security", real estate transactions could be subject to compliance with these rules. Many real estate investments are structured with limited partnerships as a simple and easy way for co-investors to structure a direct investment in real estate, so as to divide active from passive management, while enabling limited liability in a tax efficient vehicle. It is very common.

Compliance with this instrument would be onerous for real estate investors, make it more difficult and expensive for the small investor to buy investment real estate, increase red tape, and duplicate provisions already existing under the *Real Estate*

and Business Brokers Act and the *Securities Act* if otherwise applicable. We believe that this is not the intended purpose of this amendment.

We are therefore requesting an exemption for real estate from the application of this instrument.

Please don't hesitate to contact us if you require any further information regarding this issue.

Regards,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

Michael Brooks
Executive Director