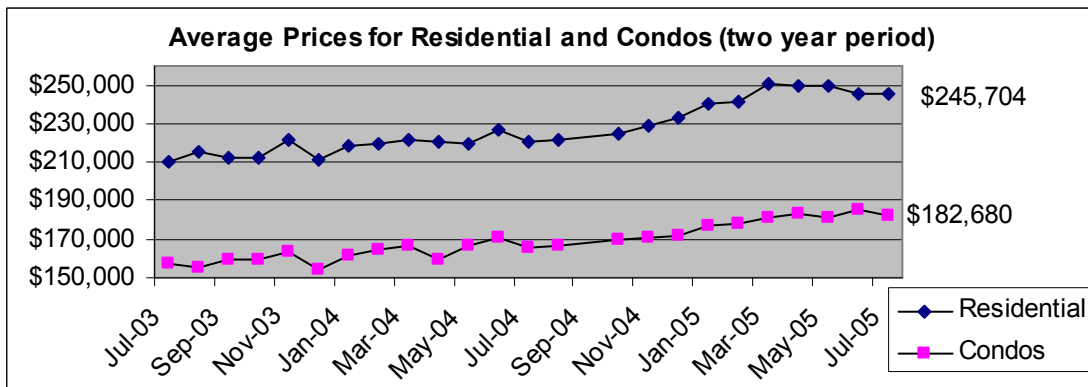
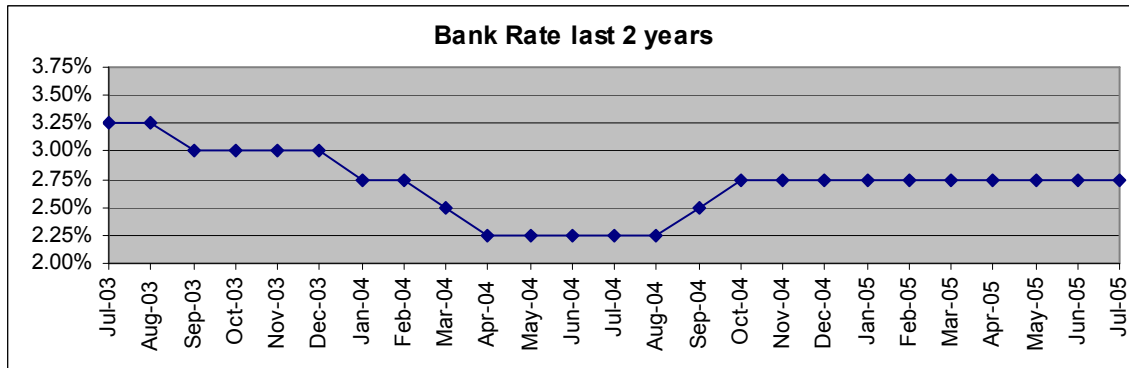


September, 2005

Overview of Calgary's Market The last quarter for 2005 is quickly approaching and I wanted to share with you an update to the market. Alberta is the province to reside in and specifically Calgary is the city of choice. Phil Soper, President of Royal LePage Ltd. was quoted this month in the Globe and Mail as stating. "When it comes to where the action is, the West is the best. There will be some positive impact in B.C. but the biggest impact will obviously be felt in Alberta where the lion's share of the country's oil cash reserves are, \$65 – 75 (U.S.) a barrel oil will draw people to the province, and with immigration will come a shortage of supply of homes. When you have a supply demand imbalance, prices rise. So we expect prices to rise in Alberta above the national average for the next couple of years."



Stable Interest Rates Continue After the gains in the Canadian dollar last year the dollar has begun to solidify in the mid to low .80 cent range against the US currency. So far this year the Bank rate has remained steady at 2.75%. However, slight increases in the inflation rate and inflationary pressures from across the boarder will put pressure on the bank of Canada to increase the bank rates marginally as soon as September. We continue to seeing 5 year mortgage rates at less than 5%. If you are about to renew your mortgage please feel free to contact me to discuss your options. I am always watching the rates and can help you make the right choice with your mortgaging decisions.



Market Direction In my last update in April I mentioned that the upper end of the market was moving faster than the lower end. I believe we will continue to see strong price increases in all sectors of the market, however it is likely we will see the lower

priced homes close the gap on the price increases that have been obtained by the higher priced homes. I see the strong economy sparking job growth and with the increased activity the vacancy rate drop. This should allow landlords the opportunity to raise rents and obtain improved returns. In turn this will jump start price increases in the lower end and first time home buyers market. It may be an ideal time to consider investment property again.

Oil and natural gas prices are holding their gains and this is a windfall for the provincial government and all Albertans. With money to spend we are seeing a flurry of local infrastructure projects. This is easing the stresses that were on the system in the late 90's and ensuring all of us a better life style. Calgary will continue to be a destination city and we can expect net migration to our city to continue for years to come.