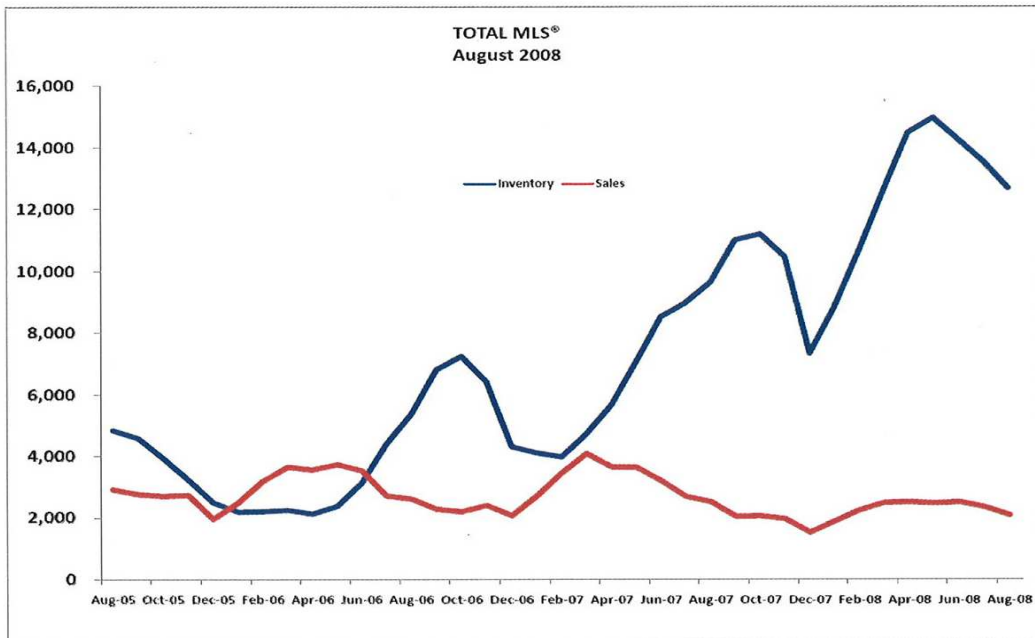


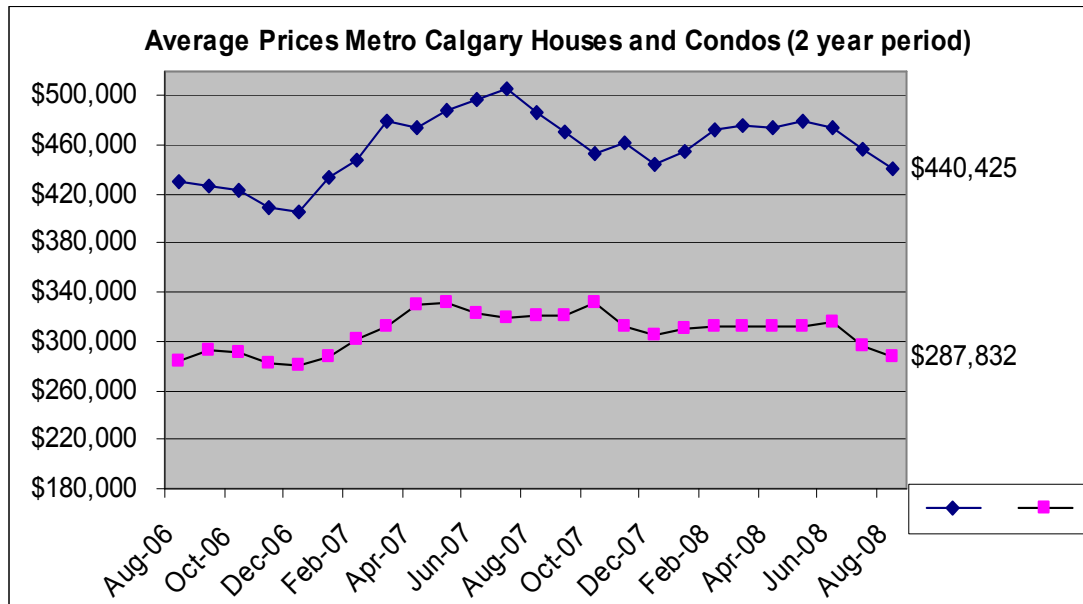
September, 2008

As a home owner I am sure you are wondering how the Calgary housing market is holding up with all the negative news circling. I hope this update will assist you in understanding the underlying conditions affecting our market today and where we may be headed in the near future.

**Overview of Calgary's Market:** The market today is very different than the market we were in two years ago. At the time it was very much a seller's market and homeowners experienced an unprecedented price spike of 40%. Presently, Calgary housing prices have fallen 10 – 12% from our peak in the summer of 2007. How we ended up here was a simple case of supply and demand. At the end of the spring market in 2006 we started to see inventory rise while sales began to slow, this trend continued in 2007 and early 2008. We are just now seeing evidence of inventory falling and the market beginning the long road to a more balance level. The real problem at this time is that the numbers of sales also have decreased from the previous year by about 30%. This keeps us firmly entrenched in a buyer's market. Today for every buyer who purchases there are 5 sellers competing for that sale. This has caused downward pressure on prices.

The chart below dramatically shows the relationship between inventory and sales. As you can see in December of 2005 until June of 2006 we actually had fewer homes for sale than we had buyers. This caused a raging seller's market with substantial price increases. In January 2007 inventory began to build to a peak in May of this year. Now we have to contend with this inventory problem that has arisen and we are entrenched in this buyer's market with price reductions. The positive is that the number of homes on the market began to drop in June of this year much earlier in the year than normally would be the case. There still is a lot of inventory to work through but we may have turned a corner and as the inventory falls and with a healthy 2009 spring market we should see prices stabilize.





**The Future:** Calgary has seen a tremendous period of equity growth in the last decade and with the strength of our economy, I believe we will come out of this housing slow down before other areas of the country. We have already seen positive signs that the end may be near. We have removed many of the speculators from the market, builders have begun to reduce the number of homes being built and we have begun to see a reduction in the resale market. What does this all mean; for the remainder of 2008 I would suspect that we will continue to see a further softening of prices as our selection of homes remains high. As we work through the inventory we will begin to see a stabilizing of prices and a more balanced market possibly as soon as spring 2009.

**Your Advantage:** As prices fall it is a great time to consider moving up in the market. Yes it is difficult to sell your home but with our help we have assisted many seller's accomplish their goal and become buyers. As a buyer you are in a fabulous position with lots of homes to choose from and in this market there are many motivated sellers needing to deal with their properties. If you are thinking of making a move I would be happy to explain this in more detail on just how opportune the timing is to make a move up.