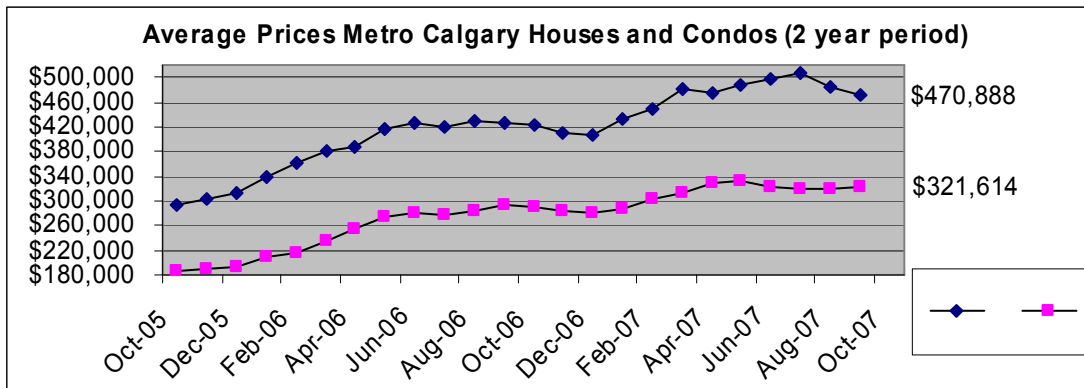


October , 2007

Overview of Calgary's Market: You have probably been hearing the news that the average price is down and the market has switched to a buyer's market. This is true but it is not as bad as the media would like you to believe. We have seen a definite change in the market place with the number of properties on the market increasing from 6800 to 11,000 from the same period last year. This seasonal weakness has had an effect on the average price in the housing market with average prices falling off our yearly highs by about 5%. We expect continued market weakness until at least the end of the year. The Condo market has been steadier for the year, supported by a strong rental market. Year over year our prices are up about 10% from September 2006.

My reports will now reflect the changes to the Calgary market as this information is now available.



Market Direction: As I mentioned in my last update we still have a strong economy and the total number of sales for this year will be close to last year. The current problem is the inventory of homes on the market. This should keep price increases in check through the spring market. I believe we should return to a more balanced market by late spring.