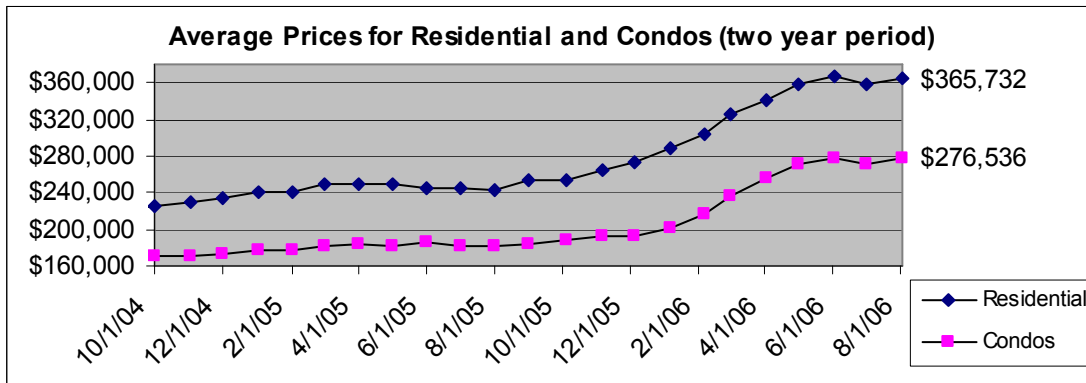


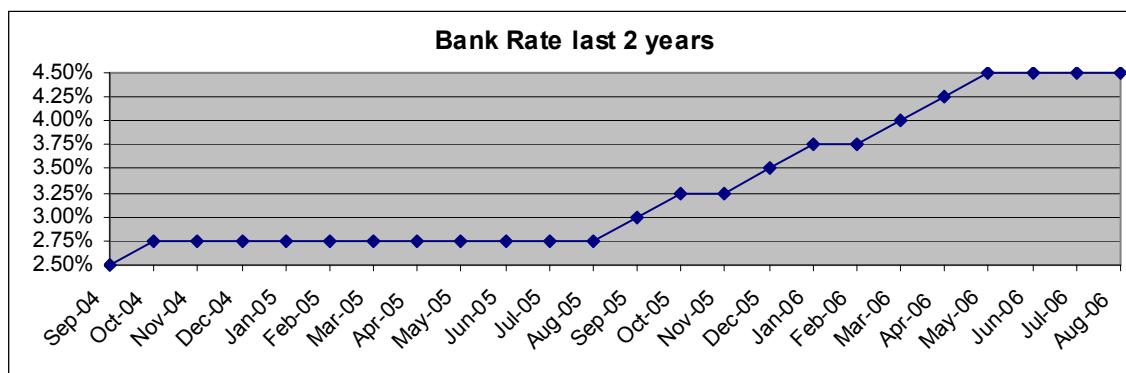
September, 2006

Overview of Calgary's Market: This year has been an exciting year to own real estate. Equity gains have been substantial and the demand on the market has been impressive. As we entered the summer we began to see an increase in the number of listings which has had the effect of slowing down the market. Prices are stabilizing and although demand is still good it is not as strong as earlier in the year. Our economy is still very healthy and we continue to see a strong employment market which will keep prices stable over the next few months.



Stable Interest Rates Continue: In May of this year the Bank of Canada ended its interest rate tightening cycle at the current rate of 4.5%. September 6th the Bank of Canada held firm on the interest rates and analysts are suggesting, that with the US economy expected to weaken, that the inflationary pressures will be off the Canadian economy and we may be in line for a reductions in the bank rate in the future. This is good news for those of you considering renewing your mortgage.

With the increase in mortgage values the mortgage companies have needed to become more innovative with their lending procedures. They have recently introduced interest-only mortgages, sub-prime mortgages, hybrid mortgages, and mortgages amortized over 35 years rather than the conventional 25 years. All of these options are designed to reduce the payments and add flexibility to the mortgages. 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: On August 31, 2006, the Calgary Herald had a headline article predicting Calgary will reach a population of 1,250,000 by 2016, ten years from now. Most of this increase will come from net migration flowing into this dynamic city. They estimated that 1,000 people per month will be moving to Calgary over the next 10 years. This along with the strong economy and increased job growth will help keep the pressure on Calgary and surrounding areas housing.

Another factor playing into the market is the need for rental accommodations. Over the last 25 years the city has seen a decline in the number of rental accommodations in the city. Now that prices have increase the demand for rental properties will outstrip supply and we will begin to see large rental increases. I would suggest that we will see double digit rental increases until it becomes economical for investors to again build rental accommodations. This is good news for a portion of the market that has seen declines in returns over the last 10 years.