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National Investment Team – Edmonton

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To Whom It May Concern:

Re: 2005 – 2nd Quarter Market Index Brief

Enclosed herewith please find a copy of the CB Richard Ellis National Investment Team's Market Index Brief for multi-family properties in Edmonton, Alberta.

Vacancy rates have decreased from year-end 2004 as the Edmonton market is starting to see a slight shift back to rental units as house prices continue to rise. It is anticipated that this trend will continue throughout 2005, due to higher construction costs and expected higher interest rates and net immigration, which should continue to bring vacancy rates down.

On a selective basis, demand for product is strong but vendor expectations have had a significant impact in the reduction of sales volume in first half of 2005. We can expect similar activity in the second half of 2005.

Although operation costs have increased in the first half of 2005, property values have also increased. This can be primarily attributed to the compression of cap rates. We are seeing buildings sell at sub 8% cap rates, whereas in 2002-2003, we were at 8.5% to 9%. The lower interest rates play a major role in determining the cap rates.

2005 is looking to be another great year for multi-family properties. We hope you will consider our services should you be buying or selling. We welcome your inquiries.

Yours truly,

CB RICHARD ELLIS ALBERTA LIMITED

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