The Calgary Transportation Effect

The Impact of Transportation Improvements on Housing Values in the Greater Calgary Area

CUTTING EDGE RESEARCH INC.

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REIN™ Real Estate Investment Network™

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EXECUTIVE SUMMARY AND REPORT HIGHLIGHTS

- Calgary transportation improvements will deliver a 10%–20% enhancement of real estate values in the regions most affected. In the future, these areas will outperform the rest. If the market goes up everywhere, these areas will increase by about 10%–20% more. If the Alberta values drop, these will drop by 10%–20% less.
- With the completion of the Ring Road and the extension of the LRT, real estate prices in key neighbourhoods will increase more quickly than in other regions of the city due to improved transportation linkages. Improved accessibility drives real estate demand.
- Values in older and more established neighbourhoods are impacted more significantly than in newer developments.

There are three "Tiers of Impact." Only communities that will be impacted by projects that are confirmed have been listed below:

First Tier, which will witness the most positive effects from the combined ring road and LRT improvements: NE — Saddle Ridge, Martindale, Falconridge, Taradale, Castleridge; NW — Rocky Ridge, Tuscany, Scenic Acres, Ranchlands, Silver Springs, Hawkwood.

Second Tier, which will feel positive impacts from either the LRT or the ring road: NE —, Coral Springs, Temple, Montery Park, Pineridge, Abbeydale, Applewood Park, Marlborough Park, Penbrook Meadows; NW — Bowness, Greenwood, Valley Ridge. SE — Chapparal, McKenzie Lake, Cranston, Auburn Bay, Mahogany, Copperfield, and Sundance

Third Tier regions will feel the ripple effect outward from the main impact areas; these include Cochrane, Balzac and Airdrie, as well as new developments near the Ring Road.

New in the 2010 Addition:

The failure of the Province to reach a deal with the Tsuu T'ina nation has resulted in an update to our report as different communities will now be impacted by the southwest portion of the ring road running entirely through city land.

The report also includes more detailed information on the addition of the West LRT Line and proposed future extensions and expansions to the Calgary LRT network.

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ABOUT THE REAL ESTATE INVESTMENT NETWORK™

Founded in 1992, the Real Estate Investment Network™ (REIN™) has grown over the years to become Canada's leading real estate research, investment and education organization. It serves more than 3,000+ member clients who own more than 26,800 properties (valued at over $3 billion) across the country. Members use the unbiased research and proven systems to invest in properties in economically strong regions across the country.

REIN™ does not sell or market real estate to its members or the general public, but instead conducts objective and unbiased research, analysis and investor education

The foundation of REIN™'s work is the research and analysis of current real estate trends and patterns. This information is then disseminated to members through regular private seminars in Toronto, Vancouver, Calgary and Edmonton, and via research reports that detail current and emerging trends.

REIN™'s primary purpose is to provide expert assistance to its members and other Canadians to assist them in making sound decisions about purchasing principal residences and investment/recreational real estate. This Transportation Report is one such educational report, as are Don R. Campbell's bestselling books *Real Estate Investing in Canada (Version 2.0), 97 Tips for Canadian Real Estate Investors, 51 Success Stories for Canadian Real Estate Investors, and 81 Financial and Tax Tips for the Canadian Real Estate Investor: Expert Money-Saving Advice on Accounting and Tax Planning.* One hundred per cent of all of Don Campbell's author Royalties are donated directly to Habitat for Humanity Edmonton and to date has raised over $500,000 for this worthy cause.

All research can be accessed at www.myreinspace.com.

OVERVIEW TO THE TRANSPORTATION EFFECT REPORT

As populations grow in areas across Canada, governments and private sectors attempt to meet the infrastructure needs of its residents by providing road improvements and an increase in mass transit options. With these transportation improvements comes much discussion around the environmental, economic and social impacts of these projects. The effects of these changes on real estate however, is often overlooked. The Real Estate Investment Network™ (REIN™) first recognized the need to examine the impact of transportation changes on housing values with the BC Transportation Minister's announcement of new bridges and additional rapid transit lines in the Greater Vancouver Regional District. Realizing the housing value impact for some communities over others, a study of the transportation effects in Greater Calgary was first undertaken in 2007. With frequent changes in the Calgary region's transportation, a new edition was needed to update dilligent real estate investors. This report focuses on answers to two very important questions that will have a direct financial impact on tens of thousands of Calgary residents. These questions are as follows:

1. How will the expansion of the Ring Road and the LRT projects affect residential property values in the Greater Calgary area?

2. Which areas will be negatively impacted and which will see a positive effect?

For many residents, a vast majority of their personal net worth is tied to the value of their homes, so the answers to these questions are very important as a planning tool. As with our previous reports and books, the goal of this research is not just to assist investors and homeowners in gaining knowledge about how a project may affect their personal net worth, but to cut through the emotions and debate that surround a transportation project of this size and provide an objective, research oriented view of what the future holds when the projects are completed. This will enable readers to see clearly how the proposed transportation projects including the LRT expansion and the completion of the Calgary Ring Road will affect their personal real estate portfolio today and in the future, allowing them to plan long in advance of the program's completion.

For the purposes of this report, we will be considering the following component projects (recently completed or proposed and approved) as part of this Program.

1. Calgary LRT
a. The extension of current CTrain lines to the northwest and northeast.
b. Construction on the West CTrain line.
c. Future extensions and expansions planned for Calgary LRT.

2. Calgary Ring Road
a. Effects on real estate values on the completed portions of the Ring Road.
b. The future construction of the southeast and southwest portions of the ring road.

Peer-Reviewed Studies on Transportation and Real Estate Values

Our analysis is a summary of detailed studies conducted on transportation changes implemented in other regions across North America and Europe. These peer-reviewed journal articles provide us with a snapshot of what we can expect in terms of the impact on real estate prices in Calgary and the surrounding communities as the project continues and is completed.

A synopsis of published works indicate that most studies showed commerical and residential property values generally rise the closer they are to light rail stations and major highway improvemtns. As accessibility increases, so do values. Other factors influence value such as: station design, quality of service, land market, socio-economic status of neighbourhood residents for example. Table 1 outlines is a brief synopsis of some of the findings on the effects of light rail systems across the continent on property values.

Table 1 - Effects of Light Rail Systems on Commercial Property Values	
Light Rail System	Effect on Property Values
Dallas	
2003 Lyons & Hernandez	Value of properties rose 39% more than the control group not served by rail.
2002 Weinstein & Clower	Proximity to DART resulted in a 24.7% increase vs. 11.5% for non-DART properties for office buildings
2002 Weinstein & Clower	Median values of residential properties increased 32.1% near DART compared to 19.5% in the control group areas.
1999 Weinstein & Clower	There was a 5% penalty over time for units nearer stations, less than 1/4 mile.
1999 Weinstein & Clower	The value of offices less than 1.4 miles from a station increased by 10% & retail property increased by 30%
San Diego	
2002 Cevero & Duncan	A 72% premium resulted for parcels near stations in the Mission Valley
2002 Cevero & Duncan	17% and 10% premiums resulted respectfully for multi family homes near East Line and South Line stations.
2001 Cevero & Duncan	The value of condos and apartments from 1/4-1/2 mile from a station increased 2-18%; the value of single family homes decreased 0-4%.
1997 Ryan	No significant premium in 3 market areas; a penalty in 2; and a small premium for industrial areas.
1995 Landis & Huang	There were no significant premiums for property 1/4-1/2 mile from stations.
1995 Landis et al.	The typical home sold for $272 more for every 330 ft. closer it was to a light rail station.
1994 Landis et al.	For every 1, 000 ft. closer to a station, prices increased $337 or 1%, but decreased 4% for units closer than 900 ft. to a station.
Santa Clara/San Jose	
2000/01 Cevero & Duncan	Properties less than 1/4 mile from a station experienced a 23% premium
2001/2000 Weinberger	Rent for units within a 3/4 mile of a station increased 4-12%
Los Angeles	
2002 Cevero & Duncan	Values rose 103.5% for apartments and homes 1/4-1/2 mile from a station, but decreased 6% for condos.
Portland (Eastside)	
1999 Dueker & Bianco	Median house values rose at increasing rates the closer to the station. The largest change, $2, 300, was for homes up to 200 ft. from a station.
1998 Al-Mosaind et al.	A 10.6% premium for homes 500 meters from a station was observed.
1997 Lewis-Workman et al	Property values increased by $75 for every 100 ft. closer to the station (within 2,500 - 5,280 ft. radius).
1996 Knapp et al.	The value of parcels located 1/2 mile of the alignment rose the farther they were from the line; values rose the closer parcels are to stations.
1993 Al-Musaind et al.	The value of homes within 500 metres increased by 10.6% or $4, 324.
Sacramento	
1994/95 Landis et al.	There was no discernable positive or negative impact to property values (not statistically significant). Single family homes rose 0.4% for every 1, 000 ft. closer to a station, and 6.2% if very near a station.
Santa Clara/San Jose	
1994 Landis	The price of single family homes increased by 0.1% for every 1, 000 ft. closer to a station, but decreased 10.8% if closer than 900 ft.
Toronto	
1983 Bajic	There was a $2,237 premium for the average home.
Vancouver	
1998 Ferguson	A $4.90 premium per foot associate with proximity to station was found.
London	
2007 Savills	A one-minute reduction to commuter rail journey increaser the average home value by £1,000.
Source: Huang, H. (1996). "Land Use Impacts of Urban Rail Transit Systems" in Journal of Planning Literature, vol. 11, iss. 17.	

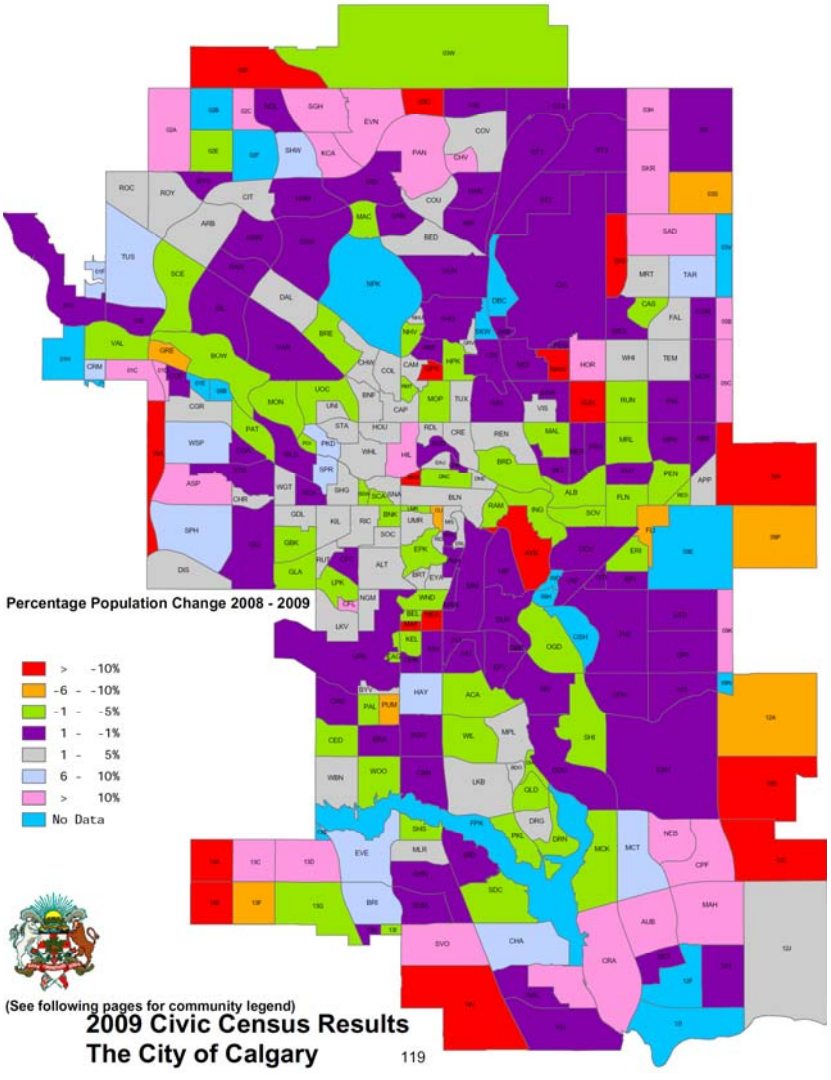
BACKGROUND: CALGARY, ALBERTA

Over the past two decades, Calgary has been put back on track as a dominant business center in Canada. The economic slump felt in the early 1980's due to declining oil prices and the current economic situation have not abated the expansion of Alberta's oil resources that kickstarted a revitalization of the city. According to the latest Federal census (2006), over the past twenty years the population of Calgary has increased by roughly 400,000 people to 1,019,942[1]. The population growth for 2006 set a record with an estimated 98 people per day and a net migration of 25,794 persons per year. Population growth has since slowed from its record levels, but the City is still experiencing a rapid increase in residents. Between April 2008 and April 2009, the population of Calgary increased by 22,563 people[2] (for a detailed look at population changes within each community, see the map below *Population Changes by Community 2008 – 2009* published by the City of Calgary).

Fast paced residential growth continues around the city. With only the Tsuu T'ina Nation Indian reserve to the south west limiting Calgary's spread, urban sprawl will certainly continue. Intense residential development in the west and strong industrial growth in the east have created strong cross-city travel patterns. Rapid growth has put a strain on the labor force, leading to delayed infastructure completion dates, thus driving estimated costs much higher than expected.

With the City's urban expansion comes the need for infrastructure and transportation improvements to provide connectivity to the city and its jobs. Conversely, rail transit often drives urban development and results in transit oriented development[3]. City and Provincial planners are aware of pressing concerns and two major projects are currently underway to help Calgarians navigate their city: 1) the west extension of the current LRT system and 2) the completion of the Calgary Ring Road.

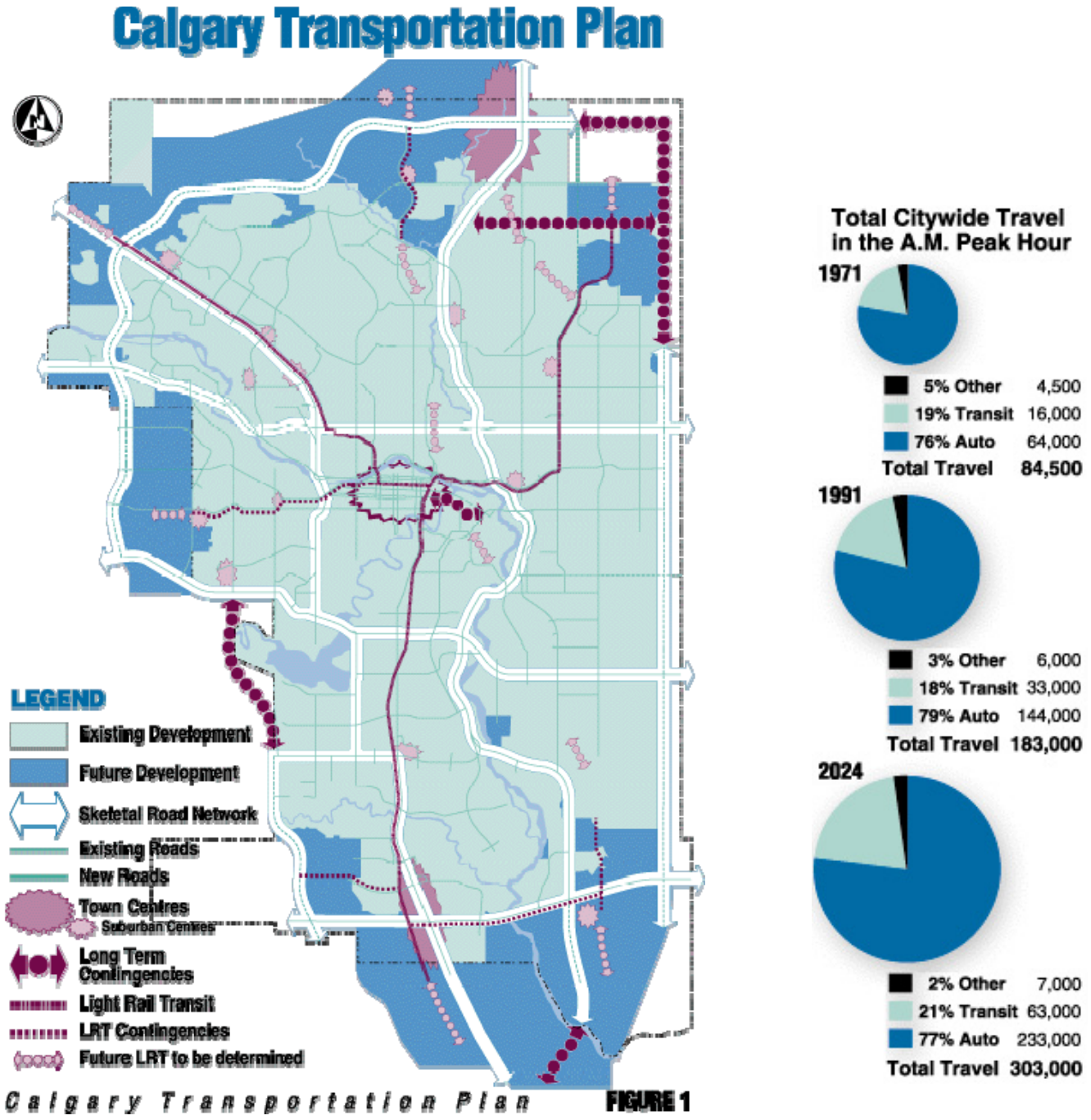
Known as a "driver's city", Calgary Transit



Source: City of Calgary. 2009 Civic Census

[1] City of Calgary (2008). Civic Census Summary. http://www.calgary.ca/DocGallery/BU/cityclerks/city.pdf
[2] City of Calgary (2009). Civic Census. http://www.calgary.ca/DocGallery/BU/cityclerks/city.pdf
[3] Huang, H. *(1996). "Land Use Impacts of Urban Rail Transit Systems" in Journal of Planning Literature, vol. 11, iss. 17.*

has pushed for new initiatives to aid in public transit. The expansion of the Calgary LRT system to the west is designed to offer additional means of traversing the vast city, reducing commute times and helping ease inner city congestion. The Ring Road, once complete, will provide a much needed high capacity collector road system around the city with connections to major roadways leading into the heart of Calgary.



Source: City of Calgary. Transportation Plan.

DIRECT EFFECTS OF TRANSPORTATION IMPROVEMENTS ON REAL ESTATE VALUES

Distance is Now Measured in Minutes, Not Kilometres

Over the past eighteen years, our research has revealed that real estate values are driven both up and down by eight clear fundamentals, of which transportation change is one of the most dramatic catalysts[4]. The basic theory in real estate is that the more attractive the location, the higher the value of the home. As the demand for homes in that area expands, the result is higher housing values. This location theory is often misunderstood, as location is not just a subjective desire (e.g., to be close to the beach), but is actually a combination of all eight fundamentals, each of which contribute to desirability. The key fundamental we are studying in this report is **Transportation Accessibility.**

Accessibility Drives Real Estate Prices

Generally, one of the attributes coveted by home buyers is nearness to the central business district (CBD). As saturation occurs and homes are no longer affordable, people begin to find locations outside the vicinity. Access to good highway systems, mass transit and commuter rail is sought in order to afford easy access to the CBD. Accessibility is a critical determinant of residential land values, and the improved access between urban centres and residential neighbourhoods greatly improves the value of homes[5].

As fuel prices continue to rise across the globe, commute times, commute costs and accessibility to job centres become key determinants for potential home-buyers and commercial enterprises. Residents now measure their commute distances in minutes, not kilometres, a process that leads to higher demand for properties that are located farther from their jobs in distance, yet closer in terms of commute time.

Walkability

Further proving that minutes are becoming more important than kilometres is the growing popularity of walk scores. Launched in 2007, www.walkscore.com calculates an address's walkability by bestowing points for amenities located within a one mile (or 1.6 kilometre) radius. Such amenities include schools, nearby stores, restaurants, and parks.

Realtors are increasingly using walk scores as part of their MLS listings for homes for sale or as part of the advertising for homes for rent. Using an algorithm, the walk score provides a quantitative alternative to the traditional feature often found in ads of properties for sale or rent of "close to amenities". A high walkability score is a big draw for potential buyers. Current market turbulence means people are looking to save money any way they can. The option of saving gas by using mass transit such as bus and LRT adds allure to a property. Advertising nearness to transit and amenities is a huge draw and smart marketers are taking this free walking measure and running with it. Research indicates that a "walk and rider" living close to transit saves over $1,200 per year[6]. The research further posits that the group reaping the largest benefits are renters; wherein, the prices of real estate in areas with improved transit have not increased proportionately to the cost savings of using transit over car commuting and hence the premium has historically not been reflected

4 Campbell, Don R. (2005) *Real Estate Investing in Canada* ISBN 0-470-83588-5 John Wiley & Sons Publishers: Toronto.
5 Smersh, G.T. & M.T. Smith. (2000). "Accessibility Changes and Urban House Price Appreciation: A Constrained Optimization Approach to Determining Distance Effects" in *Journal of Housing Economics, Vol. 9, No. 3*, pp. 187–196.
6 Baum-Snow, N. & M.E. Kahn. (2000). "The Effects of New Public Projects to expand Urban Rail Transit" in *Journal of Public Economics,* Vol. 77, pp. 241-263.

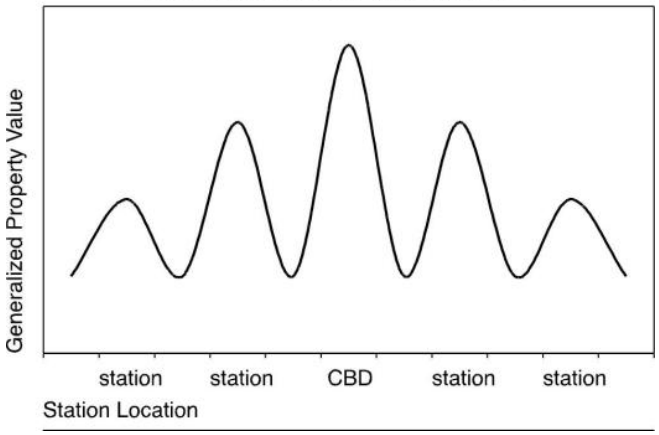
in higher rents for these areas. Renters in these areas can save money in commuting and generally do not pay that difference in rent.

As demonstrated throughout this report, this focus on time and accessibility has been confirmed in other studies conducted in major urban regions, whether the access improvements have been new rail transit or new highway expansion. We'll discuss the CTrain expansion project first.

#1 LIGHT RAIL TRANSIT EXPANSION IMPACT ON RESIDENTIAL PROPERTY PRICES

According to the census, and evident when driving on its streets, Calgary's population is on the rise and road congestion is getting worse. With more people, longer commutes and Calgary's expansion away from the city center, the city knows that the answer lies in an expansion of public transit. At the CTrain's inception, ridership was strong at 40,000 daily passengers. This has now grown to over 220,000 daily riders, with Calgary boasting the highest ridership (both in total and on a per capita basis) of any North American system[7].

Figure 1. Peaks and Valleys of Property Values at Rail Stations in relation to the CBD



The benefits of light transit expansions go beyond the expected decreased commute times and a reduction in carbon emissions. In studies conducted across North America, the values of homes in neighbourhoods close to mass transit had premiums ranging between 3% and 40%, depending on the different types of housing and socioeconomic positions of the real estate owners[8].

Studies show that there appears to be a higher positive impact on property values located near commuter railway stations over light and heavy railway[9]. The positive effects of proximity to rail transit, however, were limited to homes located within a one-half mile radius of stations. Even announcements of improvements that will shorten and ease commutes have resulted, historically, in high-valued housing developments — in comparison to new developments located a distance from these opportunities. Additionally, development sites near rail stations have tended to draw a higher density of development, resulting in a higher value or rent for these homes.

Areas in which the average income of the residents was at or below the median incomes of the whole region received the largest percentage increase in property values. As the average income of an area increased above the median, rail links did not have as much effect. This is due generally to increased reliance on transit as a means of primary transportation for people with incomes at or below the median.

As detailed in Figure 1[10], the property values nearest to the stations had a dramatic increase in their average value. This effect was maximized in a zone of 500 metres surrounding each station. One study on the impact of the Los Angeles Metro Rail system revealed that properties located within one-quarter mile of a rail station enjoyed a value premium of $31 per square foot[11].

Proximity to Rail Transit and Housing Values and Rents

In areas in which the average incomes were at or below the median, the closer a dwelling was located to transit, the higher its resale value and rent. In San Francisco, for example, one-bedroom apartment units located within one-quarter mile of a suburban Bay Area Rapid Transit System (BART) rented for 10% more per

7 McKendrick et al. (2006) Calgary's CTrain – Effective Capital Utilization
8 Diaz, R. (n.d.) *Impacts of Rail Transit on Property Values*. www.apta.com/research/info/briefings/documents/diaz.pdf.
9 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.
10 Ibid.
11 Fejarang, R. A. (1994). *Impact on Property Values: A Study of the Los Angeles Metro Rail,* Transportation Research Board, 13th Annual Meeting, Washington, D.C.

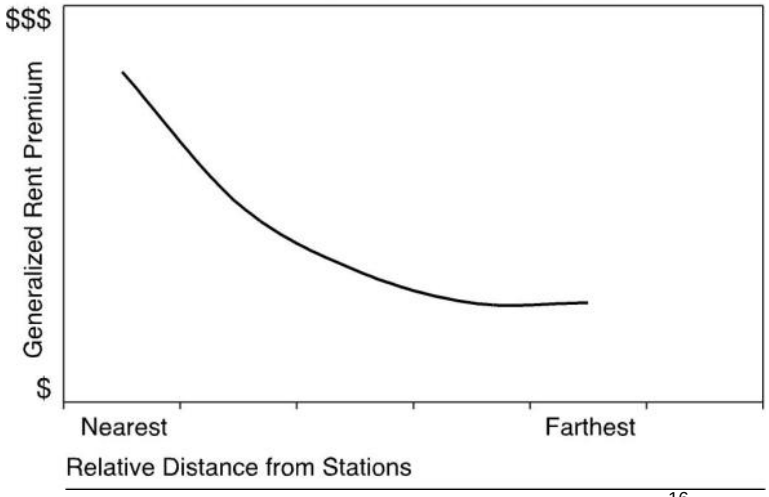
square foot than other one-bedroom units in similar neighbourhoods[12]. The demand for two-bedroom units was even stronger, and they were renting for a 16% premium over similar two-bedrooms not directly associated with the BART station.

Overall, studies have found that rent decreased by approximately 2.5% for every one-tenth of a mile distance from the station[13].

A study examining the long-term effects of the BART system on housing prices over a twenty-year period indicated that homes closer to the system were valued 38% higher than similar homes not located near any BART services[14]. In Alameda County, house prices rose by $2.29 for every metre a house was located closer to a rapid transit station.

New Jersey experienced similar positive effects. The median prices for homes located in census tracts immediately served by the rail line were 10% higher than those in other census tracts[15]. Similar effects were seen in Portland, where homes within 500 metres of light rail sold for 10.6% more than houses located 500 metres or more away.

Figure 2. Residential Rental Premium versus Distance from Commuter Rail Station



A study conducted by the University of Buffalo's Architecture and Planning department found that proximity to a rail station in the Buffalo region was the fourth property characteristic that potential buyers considered in their housing purchases. Property value was assessed at premium in neighbourhoods close to most stations, even when the study factored in house size, number of bedrooms, nearby parks, and average crime rate in the area.[16]

In anticipation of the implementation of Chicago's Midway Line, one study found that the collective increase in the value of homes located near new transit stations was US$216 million more than properties located farther away[17]. A study conducted in the 1980s in Ontario found that, in Metropolitan Toronto, the savings realized from living in an area that afforded a shorter and easier commute using transit translated into a willingness to pay more for homes that delivered these time savings[18]. This is true even today, with a premium being placed on both rents and market values for properties located with walking distance (500 metres) of the subway and commuter train stations.

A report by Savills published in 2007 shows that a one-minute reduction in commuter rail journey in London increases the average value of a home by approximately £1,000. At the same time, the report noted that homes right next to a commuter rail station or a main road may experience a decrease in the average home price as buyers are less attracted to these areas. The Savill report shows a positive correlation between the precentage of commuters in the area and average house prices[19].

12 Cervero, R. (1996). "Transit-Based Housing in the San Francisco Bay Area: market Profiles and Rent Premiums", in *Transportation Quarterly*, *Vol. 50, No. 3, pp. 33-47.*
13 Benjamin J.D., Sirmans G. S. (1996). "Mass Transportation, Apartment Rent and Property Values" in *The Journal of Real Estate Research,* Vol. 12, Issue 1.
14 Landis, J. & R. Cervero. (1995). "BART at 20: Property Value and Rent Impacts." Transportation Research Board, 74th Annual Meeting, Washington, D.C.
15 Voith, R. (1991). "Transportation, Sorting and House Values" in *AREUEA Journal, Vol. 117, No. 19*.
16 Donovan, Patricia. (2007). "Housing Prices Higher Near Most Buffalo Metro Rail Stations". On University of Buffalo website: http://www.buffalo.edu/news/8669
17 McMillen, D. & McDonald, J. (2004). "Reaction of House Prices to a New Rapid Transit Line: Chicago's Midway Line, 1983-1999" in *Real Estate Economics, Vol. 32*, p. 463.
18 Bajic, V. (1983). "The Effects of a New Subway line on Housing Prices in Metropolitan Toronto" in *Urban Studies, Vol. 20, No. 2 May*, pp. 147-158.
16 Weinstein, B. & T. Clower. (1999). *The Initial Economic Impacts of the DART LRT System*. Prepared for Dallas Area Rapid Transit.
19 Cook, L., Barnes, Y., Ward, J., Hudson, N., Rose, L. (2007). "Commuter impact on property". Savills Research.

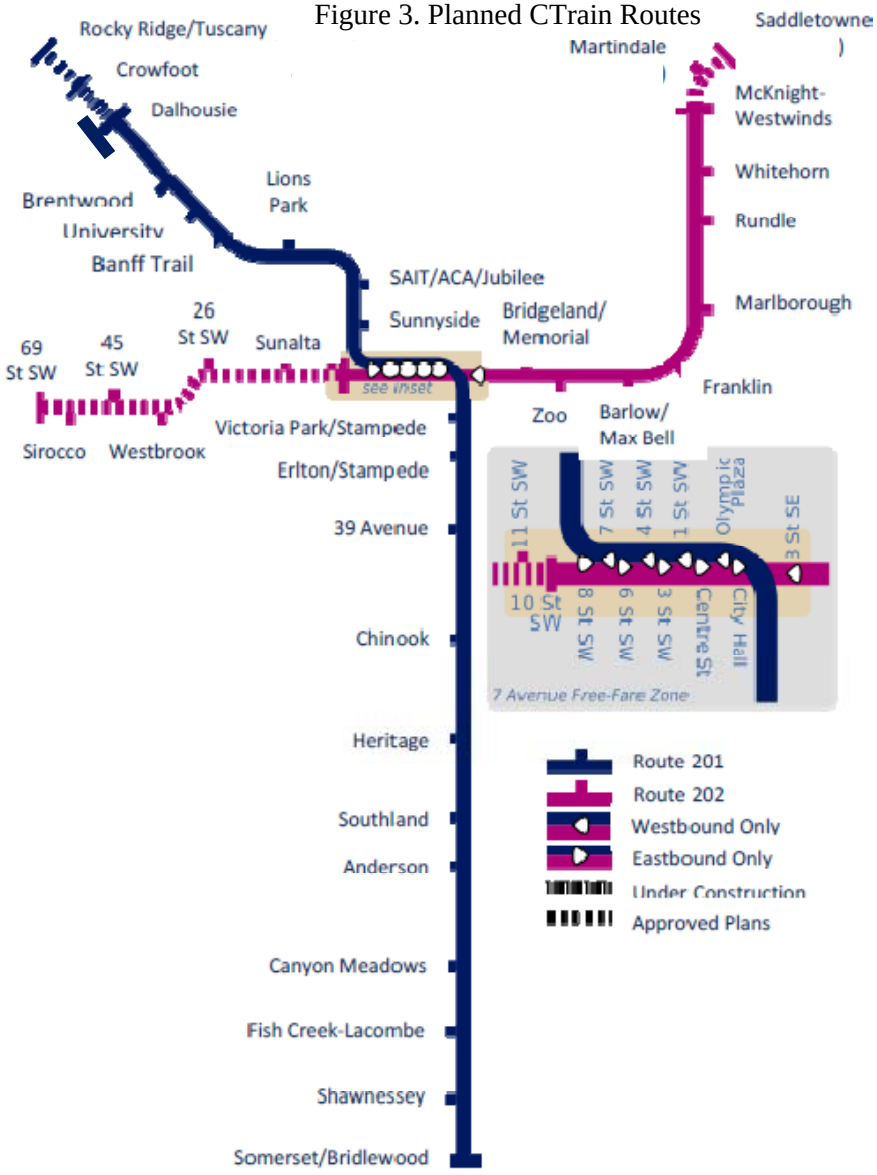
In the majority of the studies reviewed, commuter railway stations have had a significantly higher impact on property values than light or heavy railway stations. This allows us to analyze the impact of the CTrain's new lines with a significant degree of accuracy.

Negative Effects of Rail Transit on Property Values

There were some impacts from transit that negatively affected housing values as well. Noise, nuisance, associated crime and increased traffic combined to decrease property values in the *immediate* vicinity of stations. In two communities in Atlanta, there were two very different effects of rail on housing prices, based solely on the existing median incomes of the areas.

In a neighbourhood south of the tracks, whose population had a lower median income, residents put more value on access to rail transit. Therefore, home values increased by $1,045 for every 100 feet closer to a rail station. Conversely, in a neighbourhood north of the tracks with a higher median income, housing prices dropped by nearly the same amount the closer they were to the stations. This is likely explained by this group's reliance on personal vehicles versus mass transit, in addition to increased noise and associated crime. In the southern (lower median income) neighbourhood, these issues were mitigated by the ease of travel using mass transit.

Figure 3. Planned CTrain Routes



In studies that found transit accessibility had little impact on home values — such as that conducted on the Dallas Area Rapid Transit system — it was determined that these cities had well-maintained, efficient highway networks already available to the residents[20].

Impact of Commuter Rail on Commercial Property

Studies indicate that the proximity to mass transit has even more impact on the values of commercial properties[21]. The movement of a large number of people is conducive to increased retail activities, expanding the attractiveness of the area to commercial investors and retailers. Whereas the value of homes located immediately adjacent transit stops is often less than areas beyond eyesight, the value of retail property is only higher when directly adjacent rail stations[22].

[20] 20 Weinstein, B. & T. Clower. (1999). *The Initial Economic Impacts of the DART LRT System*. Prepared for Dallas Area Rapid Transit.
21 Debrezion, G., E. Pels, & P. Rietveld. (2003). *The Impact of Railway Stations on Residential and Commercial Property Value.* Tinbergen Institute Discussion Paper.
22 Ibid.

Current Calgary Transit Network and Extensions

Light Rail travel is becoming more and more attractive in Calgary as commute times increase due to a population explosion and subsequent auto congestion around the city and suburbs. The current LRT system, the Calgary CTrain, opened in May of 1981 with an initial 12.9 km track running from Anderson Road to the Downtown.

Today, the LRT system consists of three legs: South, Northwest, and Northeast (see figure 3). Already the most used LRT system in Canada with an average of 297,500 weekday riders[23], the expansion of the CTrain to the northeast, northwest, and west will make light rail transit more popular and accessible to Calgary residents.

NW Line to Crowfoot Station

Opened on June 15, 2009, the northwest extension of the LRT system stretches to just past the intersection of Crowchild Trail NW and Nose Hill Drive NW (adjacent to the Crowfoot Towne Centre and Scenic Acres). Two Park and Ride lots on the north and south sides of Crowchild Trail service the station, capable of holding 1,350 cars altogether[24]. Residents of Scenic Acres and Arbour Lake will enjoy the close proximity of the station and properties located within the 800 metre radius of the station can anticipate a 10% - 20% premium in their values. Communities slightly further out (approximately three kilometers away) such as Hawkwood, Ranchlands and Silver Springs to the east and Tuscany, Royal Oak and Rocky Ridge to the west will also enjoy the close proximity to the station, given the Park and Ride complex.

NW Line to Rocky Ridge/Royal Oak and Tuscany Station

Plans have been approved to extend the northwest LRT line past Crowchild Station to a new station in the Rocky Ridge/Royal Oak and Tuscany area. The new station will be located in the median of Crowchild Trail with Park and Ride lots on the north and south sides of the trail, capable of holding approximately 550 cars. A pedestrian bridge will link the Park and Ride lots to the LRT station. There will be two LRT bridges located at the Stoney Trail interchange. Construction was originally supposed to begin in the summer of 2009; however, due to the recession, several of the city's transit improvements were put on hold. City council has upped the project budget to reflect current market conditions

Figure 4. 11 St. SW Station

[23] APTA. (2009). "APTA Public Transportation Ridership Report". http://www.apta.com/research/stats/ridership/riderep/documents/08q4can.pdf

[24] City of Calgary. (2009). "Northwest LRT Extension - Dalhousie CTrain Station to Crowfoot CTrain Station". http://www.calgary.ca/portal/server.pt/gateway/PTARGS_0_0_395_203_0_47/http%3B/content.calgary.ca/CCA/City+Hall/Business+Units/Transportation+Infrastructure/Construction+Projects/LRT/Northwest+LRT+Extensions/Northwest+LRT+Extension+to+Crowfoot+Station.htm

(the project is now expected to cost around $115 million), and changed construction start date to 2012. If the project sticks to the current schedule, the new station will be open in 2014[25]. Properties in the Royal Oak, Rocky Ridge, and Tuscany communities within the 800m radius of the station will experience price premiums.

NE Line to Martindale and Saddle Ridge Stations

- In 2007, City Council approved the construction of two new stations on the northeast LRT line in the Martindale and Saddle Ridge communities. Approximately 2.9 kilometres of track will be laid from the current terminus at McKnight-Westwinds to the new terminus at Saddle Ridge. An interchange will be constructed at Métis Trail and 64th Avenue SE to accommodate the new track. Due to the recession, start of construction on the northeast line was delayed until summer 2009. Construction on the line is now underway and if current schedules are adhered to, the track and stations should be completed sometime in 2012[26]. The communities of Martindale, Taradale, and Saddle Ridge will experience the highest property value increases.

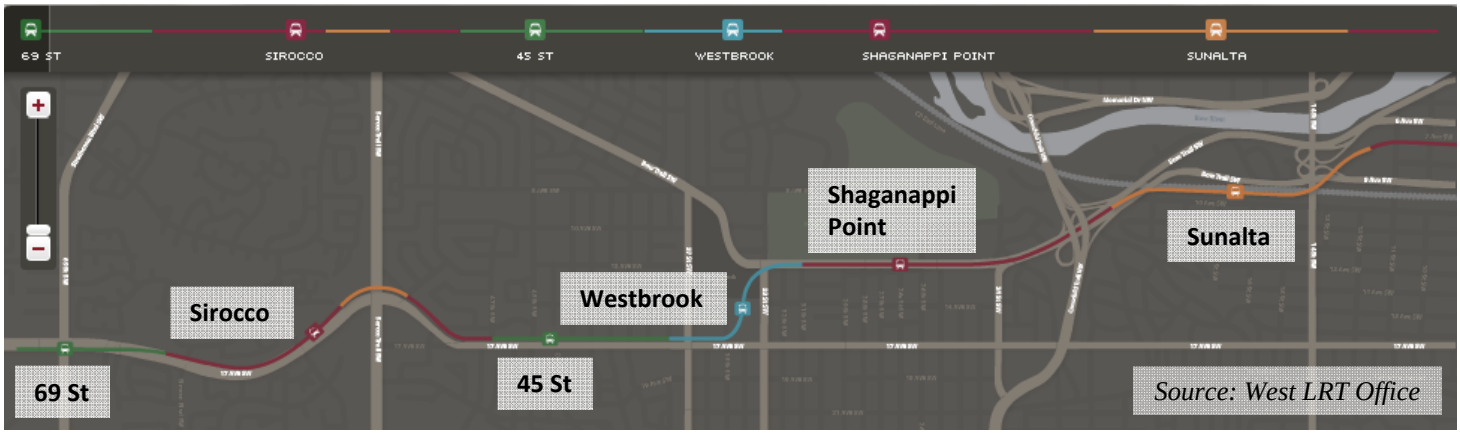
11th Street SW Station

Originally part of the West LRT Line expansion, the 11th Street SW station will be built in conjunction with the 7th Avenue LRT refurbishment project[27]. Both the West LRT and 7th St Refurbishment project teams will work together in the construction of this station, located between 11th Street SW and 10th Street SW. The station will connect the existing LRT at 10th Street SW with the new West LRT line. As part of the refurbishment project, the station's design will match the new 7th Avenue SW LRT stations currently under refurbishment. The tracks become elevated almost immediately after 11th Street SW Station, and remain elevated until shortly before the Crowchild Trail NW interchange. Neighbourhoods that will experience the 800m radius effect from the addition of this station are West Hillhurst, Hillhurst, Sunalta, and Scarboro.

West LRT Line

There has been talk of expanding the CTrain west for over two decades. The West LRT Line was first approved by City Council in 1988, with many updates to the plan that included cost, population growth, and employment figures over the years. In 2007, City Council finally approved an LRT alignment and provided $700 million in funding for the project to proceed. Based on the current schedule, the City believes that

Figure 5. West LRT Line



[25] City of Calgary. (2010). "Northwest LRT Extension to Rocky Ridge/Royal Oak and Tuscany". http://www.calgary.ca/portal/server.pt/gateway/PTARGS_0_0_395_203_0_47/http%3B/content.calgary.ca/CCA/City+Hall/Business+Units/Transportation+Infrastructure/Construction+Projects/LRT/Northwest+LRT+Extensions/Northwest+LRT+Extension+to+Rocky+Ridge+Tuscany.htm

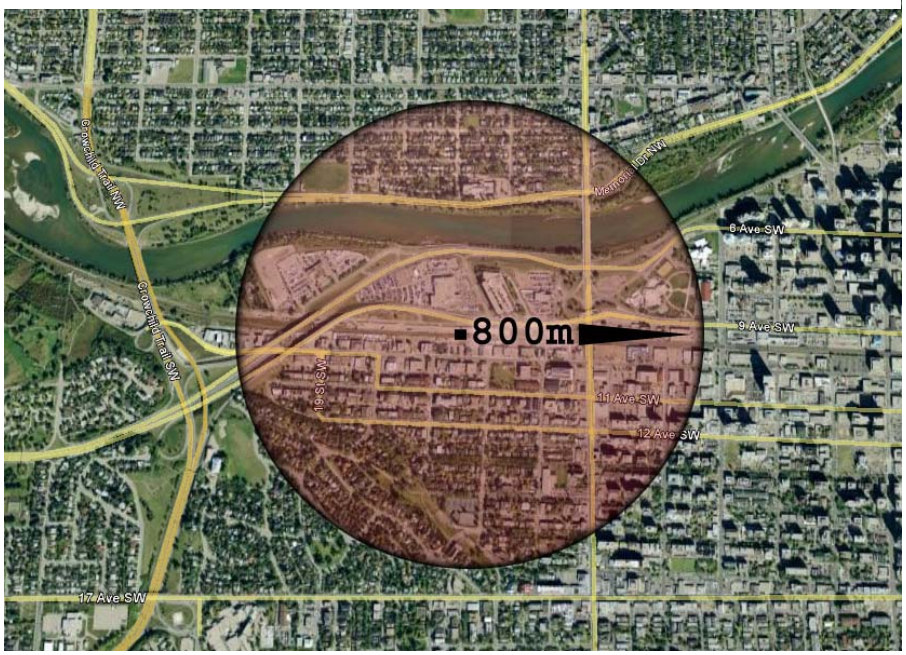
[26] City of Calgary. (2010). "McKnight-Westwinds Station to Saddle Ridge Station". http://www.calgary.ca/portal/server.pt/gateway/PTARGS_0_0_395_203_0_47/http%3B/content.calgary.ca/CCA/City+Hall/Business+Units/Transportation+Infrastructure/Construction+Projects/LRT/Northeast+LRT+Extensions/McKnight+Westwinds+Station+to+Saddle+Ridge+Station.htm

[27] City of Calgary. (2009). "11 St SW". West LRT Office. http://www.westlrt.ca/contentdesign/stations/11st.cfm

construction on the West line should be completed by November 2012, with the lines open and running by December 2012[28].

The West LRT Line will run between 10th Street and 73rd Street SW. The tracks will connect with the current LRT line at 7th Avenue and cross 11th Street SW, following the Bow Trail corridor to 33rd Street SW. From here it will enter the Westbrook Mall area and continue on to 17th Avenue, following the Avenue west to 73rd Street. The 8.2 kilometre line will include six stations; three at grade, one underground, one elevated, and one trenched. Approximately 4.3 kilometres of the track will be at ground level, 1.6 kilometres will be elevated, and 2.4 kilometres will be tunneled. The Line will include two Park and Ride facilities and two bus terminals.

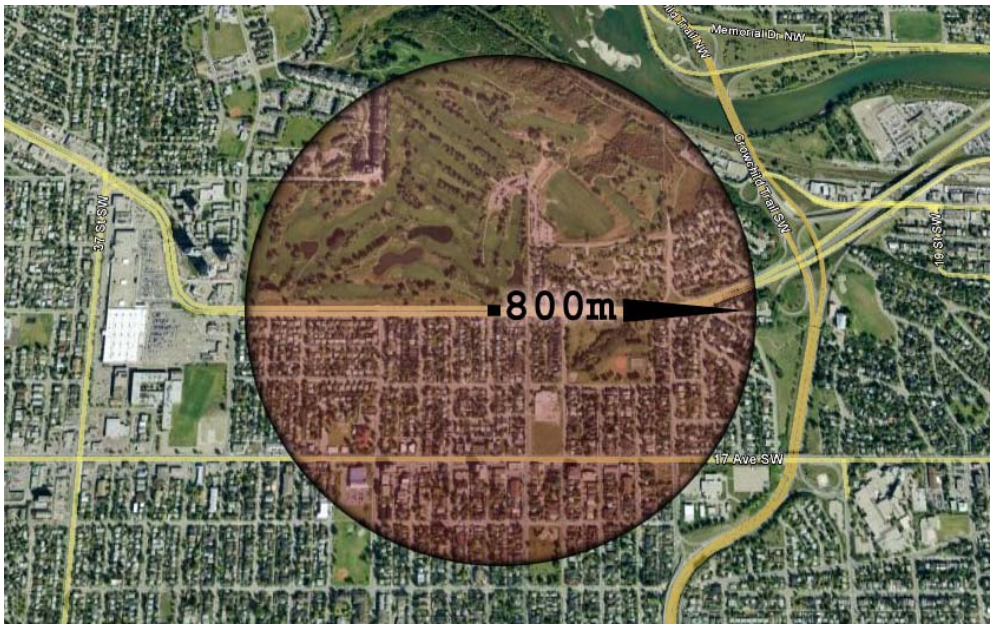
Figure 6. Sunalta Station



Sunalta Station

Located between 16th Avenue SW and 17th Street SW, on the south side of the CP Rail line, the Sunalta Station will be elevated. As a walk-on station, transit users will be able to access the station from 10th Avenue at 16th Street SW, or from a pedestrian bridge which will be located on the north side of the station. The track will return to ground level shortly before the Crowchild Trail NW interchange. Homes located in the areas of Sunalta and Scarboro will all enjoy not only quick access to the station, but also premiums above average home price increases thanks to this new transit access.

Figure 7. Shaganappi Point Station



Shaganappi Point Station

The Shaganappi Point station will be located in the median of Bow Trail, slightly to the west of 26th Street southwest. The station will remain at ground level until approximately 31 Street SW where the tracks will be tunneled. Transit users will be able to access the station at the intersection of 26th Street SW and Bow Trail via a cross-walk. This station will not have a Park and Ride, and as such, is considered a walk-on station. A

[28] City of Calgary. (2009). "The West LRT Bulletin #2". West LRT Office. http://www.westlrt.ca/files/Industry%20Bulletin%202.pdf

new pedestrian bridge will be located at 24th Street SW and a third eastbound traffic lane will be added on Bow Trail east of 33rd Street S.W.[29] The communities of Shaganappi, west Sunalta and west Scarboro will benefit most from this CTrain station.

Figure 8. Westbrook Station

Westbrook Station

The Westbrook Station will be an underground station, with tracks remaining tunneled until just before 31st Street SW where they will continue on at ground level. Next to Westbrook Mall, between Bow Trail and 17th Avenue and just west of 33rd Street SW, the station site will include a bus terminal which will offer a Bus Rapid Transit route to Mount Royal College. Areas roughly 800 meters from the station which will enjoy increased real estate premiums (as well as access to LRT) include Spruce Cliff, Shaganappi, Rosscarrock and Killarney. In order to build the station, the removal of Ernest Manning High School was required. A new high school (West Calgary High School) is under construction to replace Ernest Manning and will be located beside the station on 20 Springborough Boulevard, near 69th Street. The school is set to open at the start of 2011[30].

Figure 9. 45 St Station Realignment

45 Street SW Station

On October 5, 2009, Calgary city council approved a vertical alignment change for the 45th Street Station from 41st Street to east of 47th Street on the north side of 17th Avenue SW. The station's new location puts it right in front of the Alberta Motor Association building. The 45th Street Station will be a trenched walk-on station, with transit users able to access the station at the intersection of 17th Avenue and 45th or 47th Street[31]. The track between 45th Street Station and Westbrook is almost entirely ground level, with a short elevated section at Sarcee Trail SW. Price premiums will be experienced in the communities of Rosscarrock, Westgate, and Glendale.

[29] City of Calgary. (2010). Shaganappi Point Station. http://www.westlrt.ca/stationareas/26thstreetstation.cfm
[30] Calgary Herald. (2010). "School bigger than planned". (February 10, 2010). http://www.calgaryherald.com/news/School+bigger+than+planned/2591197/story.html
[31] City of Calgary. (2010). "45 Street Station". http://www.westlrt.ca/stationareas/45thstreeystation.cfm

Figure 10. Sirocco Station

Sirocco Station

Sirocco Station (previously referred to as the Signal Hill Station) is located east of Costello Boulevard SW and on the north side of 17th Avenue SW. Commuters wanting to reach the station from the south side of 17th Avenue will be able to access the station via the intersection of 17th Avenue and Sirocco Drive. Commuters wanting to access the station from the north side of 17th Avenue SW will be able to do so via a pedestrian/cycling pathway. The tracks will continue at grade from Sirocco Station until shortly past Simcoe Boulevard SW, where the tracks will be trenched. The station will include a 450 stall Park and Ride lot. Houses in the Christie Park and Signature Park communities should experience an increase in property values.

69 Street SW Station

Adjacent to Westside Recreation Centre, Ambrose College, and the future West Calgary High School, the 69th Street SW Station will be located underneath the intersection of 17th Avenue SW and 69th Street SW in an open trench. Allowing pedestrians to access the station from the east and west sides of 69th Street without having to cross the intersection. The station will include a four-level parkade with over 700 parking stalls. Residents of Christie Park, East Springbank, and Signal Hill will enjoy the close proximity to the CTrain and properties located within the 800 metre radius of the station can anticipate a 10% - 20% premium in their values.

Figure 11. 69 Street SW Station

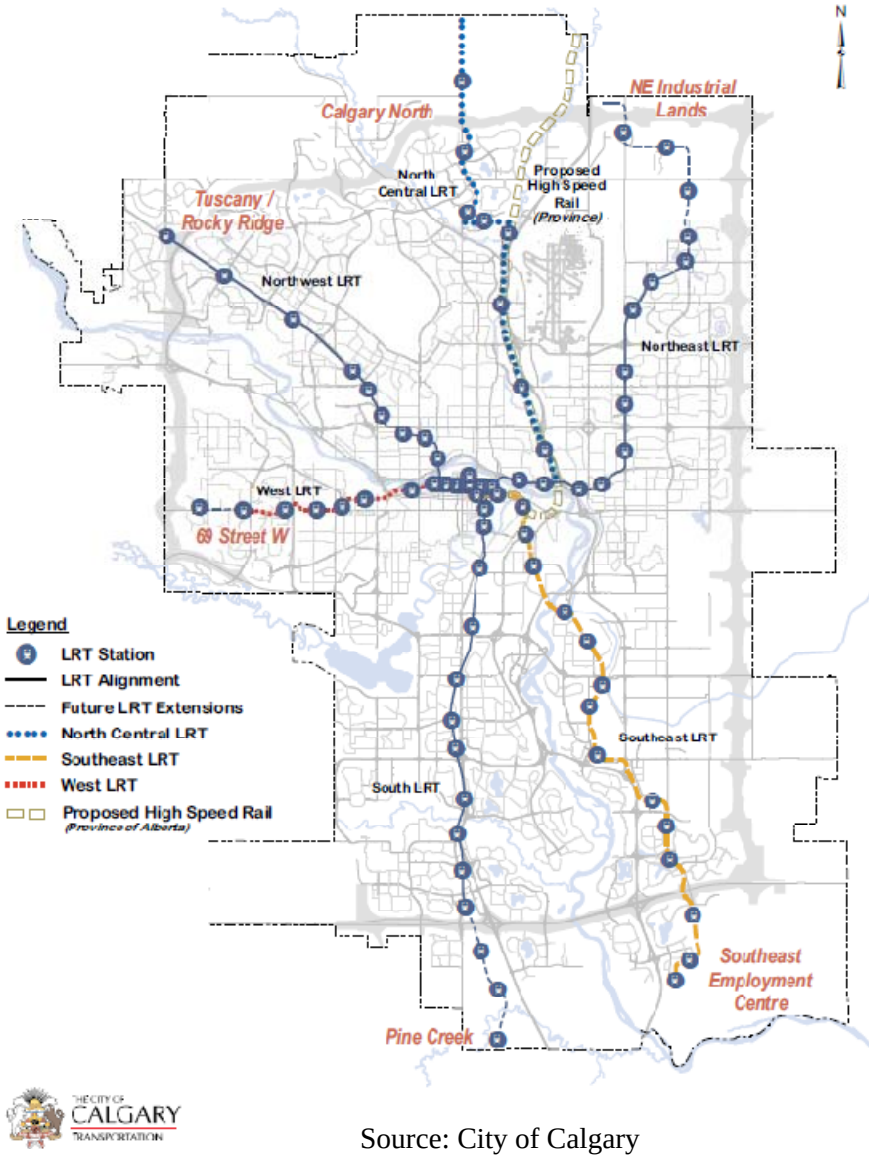
Governments Designate $270 Million to Calgary LRT

On May 19, 2009, it was announced at the Stampede LRT station that the Government of Canada, the Province of Alberta, and the City of Calgary had entered into an agreement to infuse Calgary's transit system with $270 million[32]. The three levels of government will each kick in $90 million in the next two years. The projects the money will be used for include: lengthening station platforms to accommodate four-cars trains on the northwest and south LRT lines ($60 million), improving CTrain power connections ($30 million), relocating 10th Street station to 11th Street as part of the West LRT expansion ($30 million), upgrading the closed circuit

[32] Guttormson, Kim. (2009). "$270M for Calgary transit projects". (May 22, 2009). http://www.calgaryherald.com/270M+Calgary+transit+projects/1609215/story.html

television security system used for the LRT ($6 million), introducing bus rapid transit (BRT) in southeast Calgary including new bus zones and larger bus shelters, along with two Park and Ride lots in the communities of Douglas Glen and McKenzie ($30 million).

Figure 12. Future CTrain Expansion



Source: City of Calgary

Future LRT Extensions

Given that the research indicates that commercial and residential properties increase in value within 800 metres of a light rail station, as a homeowner, business owner or real estate investor, it is prudent to know where the intended expansion and stations will be.

Calgary's "LRT Network Plan" shows several future extensions of existing lines and the construction of entirely new lines. The City hopes to have new lines in the north and southeast before the population of Calgary reaches 1.5 million residents[33].

South LRT Extension

Maps in Calgary's LRT Network Plan show an extension along the South line with stations at Silverado, 212 Avenue S, and Pine Creek. This would provide a property value increase for the neighbourhoods of Silverado, Chapparal, Walden, and Pine Creek.

Northeast LRT Extension

The LRT Network Plan shows a future extension of the Northeast line, adding four new stations after the new terminus at Saddle Ridge has been completed. The proposed names of these stations are 96 Avenue N, Country Hills, 128 Avenue N, and Stoney - all proposed stations show Park and Ride facilities. The current communities of Saddle Ridge and Skyview Ranch would experience a positive impact if the extension was built.

West LRT Extension

Plans show the future extension of the West LRT line further along 17th Avenue SW to a new terminus just west of 85th Street SW. This extension would benefit the communities of Wood Aspen and Springbank Hill.

[33] City of Calgary. (2009). "Calgary LRT Network Plan". http://www.calgarytransit.com/pdf/ct_lrt_network_plan.pdf

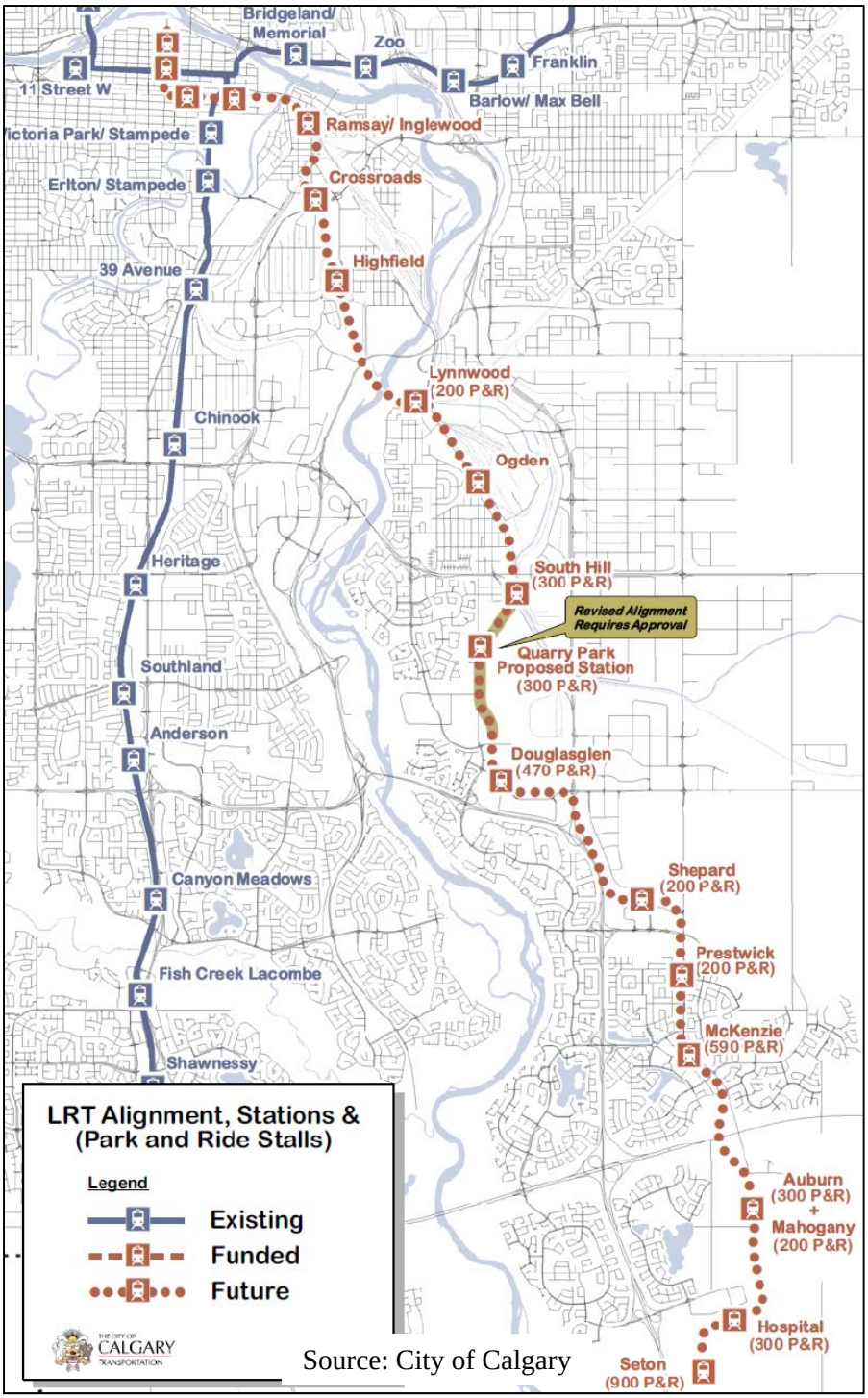
None of the proposed LRT line extensions have been given construction start dates. It is important to monitor the buzz around the creation and expansion of transportation projects in the city. Politics, big business expansions, world events, advances in science and technology and transportation proposals are not certain until the "digging" begins.

Future LRT Expansions

Southeast LRT

According to Calgary's LRT Network Plan, an alignment for the Southeast LRT has already been approved. The 26 kilometre line will run from downtown Calgary to the new communities south of Marquis Lorne Trail. The Calgary LRT Network Plan states that LRT cars on this line will be low-floor vehicles, meaning they will require "minimal station platforms and allow for better community integration"[34]. The downtown section of the line will be underground, along 2nd Street SW. On August 31, 2009, the City of Calgary began to run a southeast Bus Rapid Transit (BRT) service in order to aid transit users in this area until the Southeast LRT line is complete[35]. When and if the new Southeast LRT line is constructed, properties in the communities of Downtown East Village, Ramsay, Inglewoods, Ogden, Riverbend, Douglasdale Glen, New Brighton, west Copperfield, McKenzie Towne, Auburn Bay, Mahogany, and Seton will experience price premiums.

Figure 13. Future Southeast LRT Line



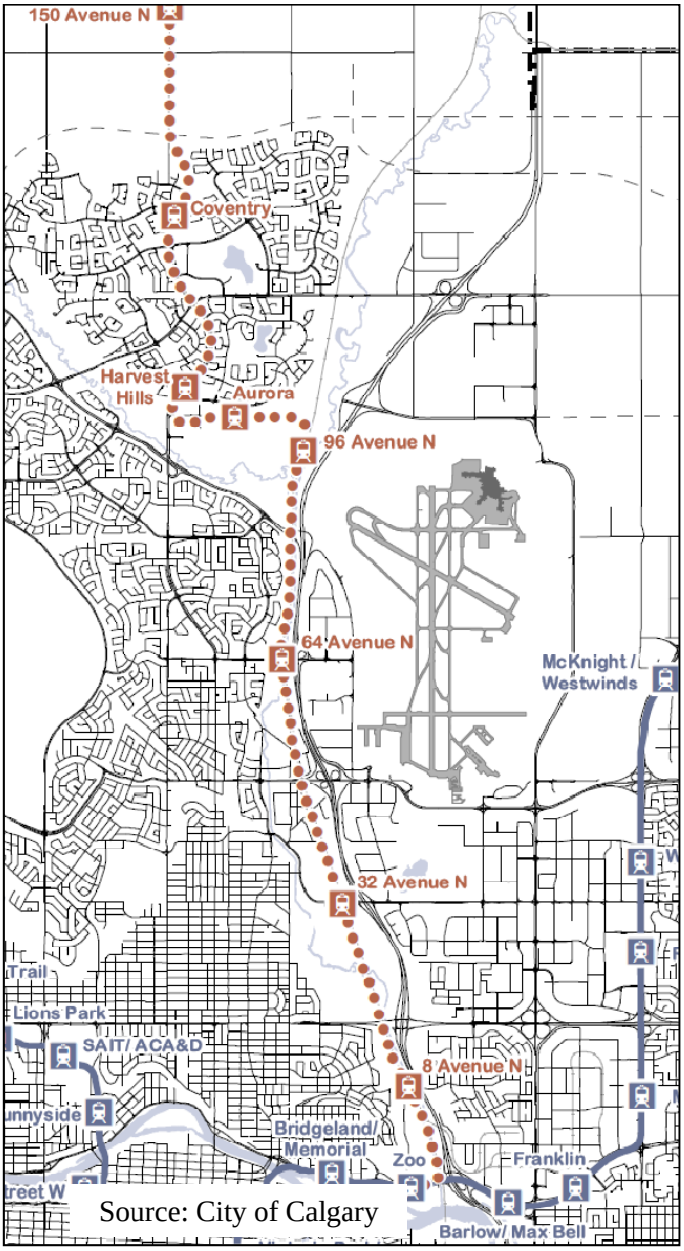
Source: City of Calgary

North Central LRT

The city has begun planning for a North Central LRT line. This line will be high speed, with limited stops between downtown Calgary and the developing communities north of the Beddington Trail. The City of Calgary has projected a population growth of over

[34] Ibid.
[35] City of Calgary. (2009). "New Southeast BRT, Express and Local Bus Services". http://www.calgarytransit.com/html/brt_info_2009.html

Figure 14. Future North Central LRT Line



Source: City of Calgary

200,000 people in the region and the North Central LRT will provide residents with quick easy access to downtown. The line will share a portion of track with the Northeast line from the downtown and then will travel alongside CP Railway line located in Nose Creek Valley, and then along Harvest Hills Boulevard, to the north of 96th Avenue North[36]. The neighbourhoods of Bridgeland Rivers, Mayland Heights, Renfrew, Winston Heights/Mountainview, Thorncliffe, Huntington Hills, Harvest Hills, Country Hills, Country Hills Village, Coventry Hills, and Panorama Hills would experience positive value increases.

Downtown-8th Avenue Subway

Currently, CTrain service on the South and Northwest legs operate on the same continuous route, with the Northeast line joining the same route along 7th Avenue downtown. All three lines share an entry on 7th Avenue where the lines are switched onto a common piece of track. Calgary's LRT planning committee has recognized that the joint section of track will have to be separated in order to prevent the delays that occur daily along this stretch.

In order to prevent these delays in the future, the City has made provisions to build a subway along 8th Avenue S to house the conjunction of the South/ Northwest line as shown in Figure 13. When the West line of the LRT is built, it will connect with the Northeast line at 10th Avenue and the two lines will share the current ground level route at 7th Avenue. Detailed planning for the new underground track has just begun. Plans to build a subway along 2nd Street SW for the Southeast line will also be included in the Downtown-8th Avenue Subway designs.

[36] City of Calgary. (2009). "Calgary LRT Network Plan". http://www.calgarytransit.com/pdf/ct_lrt_network_plan.pdf

#2 HIGHWAY CONSTRUCTION & EXPANSION IMPACT ON RESIDENTIAL AND COMMERCIAL PROPERTY PRICES

As with rapid transit, accessibility to major highways, and highway improvements proved to be major determinants for increased property values in all studies. Studies showed that, as highway networks are created and existing corridors to the central business district (CBD) and major employment centres are improved, the value of real estate in the area increased[37].

The Calgary Ring Road is a high capacity road system around Calgary that was anticipated to accommodate the city's and the province's future growth. In the mid 1990's, the first section of Stoney Trail (the North West portion of the Ring Road) was constructed from the Trans-Canada Highway (TCH) to Crowchild Trail and then subsequently to Country Hills Blvd. The Southwest Calgary Ring Road (SWCRR) is the proposed portion of the Ring Road between Highway 22X and Glenmore Trail/Stoney Trail. The East Freeway, which forms the eastern link of the Ring Road, extends east from the Deerfoot Trail to the eastern city limits, south to the Marquis of Lorne Trail (Highway 22X), and west to Deerfoot Trail.

Under-priced Property in Calgary

Classical economic theory posits that when a highway is initially built, large parcels of land that previously had poor accessibility — or none at all — are suddenly considered underpriced[38]. This results in a rapid correction in the market, driving up the value of the land. Development is usually quick and the impact significant. Additionally, improvements to existing highways showed a positive increase to land prices, although to a lesser degree.

However, during the construction phase of the improvements, prices of homes fell[39]. Noise, emissions, dust, and traffic delays negatively impact the sale price of land in areas immediately adjacent the construction; this price decrease ranges from $0.05 to $0.50 per square foot of land[40]. In fact, one study showed that values did not reach pre-construction levels until *five years* after construction was completed[41].

When studying four key residential areas being affected by new major highway expansion (using over 18,800 property sales as research data), a direct correlation was determined between the accessibility increases provided by the highway and the value of residential property.

The results showed that when a highway increased accessibility to the region by providing new access or shorter commute times, residential property values rose by 12%–15% over similar properties not affected by the new highway[42]. This is a significant and permanent lift in values. In fact, according to one Texas study, of

37 ten Siethoff, B. & K. Kockelman. (2002). Property Values and Highway Expansions: An Investigation of Timing, Size, Locations, and Use Effects. Transportation Research Board, 81st Annual Meeting, Washington, D.C.
38 Giuliano, G. (1989). "New Directions for Understanding Transportation and Land Use" in *Environment and Planning* A21, pp. 145-159.
39 Mikelbank, B. (2001). "Spatial Analysis of the Relationship between Housing Values and Investments in Transportation Infrastructure." Western Regional Science Association, 40th Annual Meeting, Palm Springs, CA.
39 ten Siethoff, ibid.
40 ibid.
41 Downs. A. (1992). *Stuck in Traffic*. The Brookings Institution: Washington, D.C.
42 Palmquist, R. (1980). *Impact of Highway Improvements on Property Values in Washington*, US Department of Transportation, Federal Highway Administration.

all types of land use, single-family residences showed one of the largest per-square-foot increases (approximately $35.00 per square foot)[43].

Difference Between Light-Rail Improvements & Highway Improvements

Surprisingly, the main difference between the rapid transit findings and the highway findings is the impact of the noise factor from operating highways. The increase in value of residential properties located closest to the highways were partially offset by up to a 1.2% reduction for every two-decibel increase in highway noise level[44]. However, counter-intuitively, houses with highway noise were not found to take any longer to sell than those farther removed.

This same study revealed that properties located in commercial–industrial areas serviced by these highway improvements experienced a 16.7% increase in value after the highway was opened. Research into the impacts of specific projects indicates some very pointed effects:

- Design of the freeway is important:
    - Depressed freeways contributed the most to residential property values, yet had limited impact on commercial property values, except for those located adjacent to exit and entrance ramps.
    - At-grade designs had the most positive impact on commercial property values, while still providing a strong positive impact on residential values.
    - Elevated highways had the least impact on all land values[45].

Commercial Property Values

Values of commercial properties located 800 metres or more from a freeway exit were valued at $50,000 per acre of land and $3 per square foot of structure less than properties located closer, proving once again that accessibility and visibility is key.

Overall, the completion or expansion of major arterial highways has a significant positive impact on accessibility and, therefore, property values. This ripples across all types of property from single-family and multi-family residential to commercial and industrial.

43 Lewis, C.A., J. Buffington, & S. Vadali. (1997). "Land Value and Land Use Effects of Elevated, Depressed, and At-Grade Level Freeways in Texas." Texas Transportation Institute Research Report Number 1327-2. Texas A&M University: College Station, TX.
44 Palmquist, R. (1980). Ibid.
45 Lewis, C.A., J. Buffington, & S. Vadali. (1997), ibid.

CALGARY RING ROAD EFFECT ON PROPERTY VALUES: PRIMARY IMPACTS

Which Regions Will Experience a Positive Impact?

Designed to provide travelers with a quick way to pass through Calgary, Highway 201 (more commonly referred to as the Calgary Ring Road) is one of the two Ring Roads currently under construction in the Province of Alberta. Construction has already begun on the northwest and northeast sections, with construction on the southwest portion scheduled to begin in spring of 2010. The City's goal is to finish the entire Ring Road by 2015[46]; however, with construction of southwest leg of the road yet to begin, this is highly unlikely. Failure to come to an agreement with the Tsuu T'ina nation to purchase reserve land on which to build the southwest portion of the ring road has left the city scrambling to come up with an alternate plan.

Even with troubles on the southwest portion of the ring road, price premiums will be experienced in communities near the Ring Road exit and entrance ramps on completed portions of the ring road (the northwest and northeast sections).

Northwest

The northwest portion of the Calgary Ring Road boasts five interchanges in total with on/off access at Highway 1/Trans-Canada Highway, Scenic Acres, Crowchild Trail, Country Hills Boulevard and Highway 2/Deerfoot Trail with one flyover bridge at Shaganappi Trail (there are no on/off ramps). Neighbourhoods within close proximity to these interchanges will benefit from easy access to the Ring Road. The largest effect on real estate prices due to accessibility will be felt in the neighbourhoods of Scenic Acres, Arbour Lake, Hawkwood, Ranchlands and Silver Springs to the east and Tuscany, Royal Oak and Rocky Ridge to the west. Slightly north, the areas of Coventry Hills, Country Hills, Hidden Valley and Harvest Hills will also enjoy premium prices thanks to new found accessibility.

The existing residential communities of Scenic Acres, Tuscany, Royal Oak, Rocky Ridge and Arbour Lake are intersected north/south by the NW Stoney Trail and are bisected east/west by Crowchild Trail. Located along the segment of the NW Stoney Trail from Nose Hill Drive to Country Hills Boulevard, these communities as well as the Crowfoot Business and Commercial Centre, may be the locations for future crossings.

[46] Podkul, Cezary. (2009). "Alberta launches Calgary ring road PPP". Infrastructure Investor. http://www.infrastructureinvestor.com/Article.aspx?article=34877&hashID=1E7073BBA61F5150A2A9DC806AE945A8F8A4A3C4

With an original completion date of 2007, the northwest leg of the Ring Road is still unfinished. Deadlines were pushed back to the fall of 2009. The government has stated that the prolonged construction of this leg of the Ring Road was due to the need to use more than 20 contractors for construction. This frustration has lead the Province and City to consider the benefits of a P3 contract, which they believe they will use for all future portions of the Ring Road[47]. Increased traffic volume on the route (higher than originally anticipated) also lead the Province to include three interchanges that had previously been slated for construction in future upgrades to the route[48].

Northeast

With the opening of the northeast section, 45 percent of the Ring Road is now complete[49]. The entire northern portion of the Ring Road stretches 36 km from Highway 1 in the west to 17 Avenue SE and includes interchanges at Deerfoot Trail, Métis Trail, Country Hills Boulevard, Airport Trail, McKnight Boulevard and 16 Avenue NE.

Figure 15. Construction on the Deerfoot Trail/NE Stoney Trail interchange

Source: North East Stoney Trail Project

The northeast leg of Calgary's Ring Road from Deerfoot Trail NE to 17th Avenue SE was completed by the Stoney Trail Group in November 2009. A temporary signalized intersection will exist at 17 Avenue SE until the Ring Road is extended south. The road is six lanes from Deerfoot Trail to Métis Trail and McKnight Boulevard to 16th Avenue NE. This 21 kilometre section of the Ring Road also provides better access to LRT stations, as interchanges at Crowchild in the west and McKnight in the east line up nicely with new LRT extensions. Areas positively impacted by the new edition include Temple, Falcon Ridge, Martindale, Monterey Park, Pineridge, Forest Lawn, and Penbrooke.

Southeast

The southeast section of the Calgary Ring Road will be a P3 project, running from the northeast ring road terminus at 17th Avenue SE to the east side of the existing portion of the Macleod Trail interchange. The 25 kilometre southeastern portion will be six lanes and free flow (with no signalized intersections) from Chapparal Boulevard to Highway 1A. The leg will include nine interchanges and a total of 29 bridge structures, with two flyover railway crossings. The southeast Ring Road will also connect Highway 22X from 84th Avenue to 17th Avenue. In May 2009, it was announced that the southeast portion of the Ring Road would receive $100 million in federal funding[50]. Construction on this portion of the Ring Road is expected to begin sometime in spring 2010 with a completion date in fall 2013[51]. Southeast neighbourhoods that will experience an increase in property values include Chapparal, McKenzie Lake, Cranston, Auburn Bay, Mahogany, Copperfield, and Sundance.

[47] CTV. (2008). "Ring Road Tour". http://www.stoneytrailgroup.ca/CTV/GIS.Servlets.HTMLTemplate.htm
[48] Logan, Shawn. (2008). "Northwest ring road delayed another year". Sun Media. http://calsun.canoe.ca/News/Alberta/2008/06/11/5845616.html
[49] Government of Alberta. (2009). "Calgary ring road's northern sections open to traffic". (November 2, 2009). http://alberta.ca/acn/200911/27237B57CE7BD-07F7-95FC-3B9656FD02EEBBAA.html
[50] CBC News. (2009). "$100M for S.E. ring road announced". (May 22, 2009). http://www.cbc.ca/canada/calgary/story/2009/05/22/calgary-ring-road-money.html
[51] CBC News. (2009). "Province announces SE ring road, revs up for SW portion". (March 2, 2009). http://www.cbc.ca/canada/calgary/story/2009/03/02/cgy-se-ring-road-p3.html?ref=rss

Figure 16. Calgary Ring Road Plan

Source: Government of Alberta

Southwest

The City and Province have left construction on the southwest portion of the Calgary Ring Road for last, as it was the most difficult section for which to reach an agreement. The proposed plan for the southwest leg of the Ring Road had the highway going through the Tsuu T'ina Nation's native settlement. However, in June 2009, the Province and the Tsuu T'ina Nation failed to reach an agreement for four square kilometres of land to be handed over to the City of Calgary. If the deal had been accepted, the Ring Road would have run from Glenmore Trail to Highway 22X on the western end of Calgary[52]. The failure of the deal has left the province and the city scrambling to find alternatives.

The Province of Alberta has the right to expropriate all the properties it will need to run the Ring Road through Calgary instead of the settlement; however, this is a last resort[53]. Previous proposals, such as building over or under the Weaselhead Flats area, are likely to be revisited[54]. Other options include widening 14th Street or expanding 37th Street[55]. As plans have not yet been finalized, it is difficult to say which neighbourhoods will see positive price increases from the completion of the southwest Ring Road.

Calgary's Future

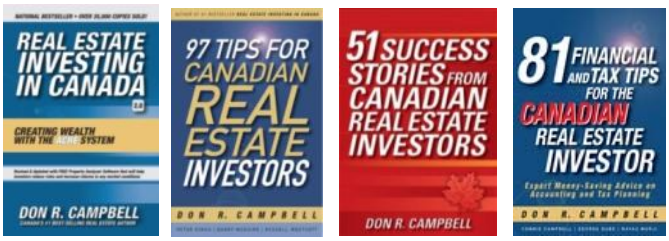
Transportation plans are on the table and action is being taken. The grand opening for the West LRT line is slated for November 2012 and construction is set to begin on the southeast portion of the Ring Road.

It is easy to see how the Ring Road and LRT extensions will be increasingly important to the City's residents. With industrial and residential growth corridors outlining the city proper, the Ring Road is essential for business, both for companies and their employees. As funding becomes available for more transportation initiatives, Calgary is set to remain a great place to work, play, live and invest.

Please Note: Not ALL properties in these regions will make for great investments, so make sure you complete your due diligence on all properties before you purchase.

[52] RoadTrafficTechnology.com. (2009). "Calgary Ring Road". http://www.roadtraffic-technology.com/projects/calgary-ring-road/
[53] Guttormson, Kim. (2009). "Calgary's SW ring road faces hurdles despite Tsuu T'ina land deal". Calgary Herald. (March 26, 2009). http://www.canada.com/calgaryherald/Calgary+ring+road+faces+hurdles+despite+Tsuu+land+deal/1429973/story.html
[54] CBC News. (2009). "Failed SW ring road deal could revive Weaselhead plan". (July 1, 2009). http://www.cbc.ca/canada/cal"gary/story/2009/07/01/sw-ring-road-weaselhead-calgary.html
[55] D'Aliesio, Renata. (2009). "Talks launched on new SW Calgary ring road plans. (July 6, 2009). http://www.nationalpost.com/news/world/story.html?id=1764378

ABOUT THE AUTHORS



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Don is also author of the best-selling Canadian real estate book *Real Estate Investing in Canada***.** Published in May 2005, *Real Estate Investing in Canada* has just been updated to "Version 2.0" and with over 50,000 copies sold, it is the all-time best-selling real estate book in Canadian history. He is also the author of *97 Tips for Canadian Real Estate Investors*, released in April 2006, 51 Success Stories from Canadian Real Estate Investors, released in 2007, and *and 81 Financial and Tax Tips for the Canadian Real Estate Investor: Expert Money-Saving Advice on Accounting and Tax Planning* released in 2010. He is highly sought by national, regional and local media to provide expert opinions on current topics and trends in real estate.

Don shares his analyses and strategies through the Real Estate Investment Network (REIN) and entertaining and informative presentations have been attended by thousands of real estate investors across North America and in Australia and Ireland. Based on his continuing factual research and personal contact with investors in most Canadian markets, Don can speak in detail on any market across Canada and is not afraid to talk frankly about where the market is headed. His company's research and systems have been developed and continuously refined over the last seventeen years and are based solely on proven Canadian strategies that work in today's market environment.

Melanie Reuter

Research Analyst, Real Estate Investment Network

Melanie joined REIN™ in 2006 as a research analyst and has contributed in many areas including Top Investment Towns; the Impact of Transportation Improvements on the Lower Mainland, Calgary, Edmonton and Greater Toronto and the Hamilton region; grow-ops and methamphetamine labs in rental housing and crime prevention through environmental design. Melanie holds a Master's Degree in Criminal Justice from California State University, San Bernardino and a Bachelor's Degree in Criminology from Simon Fraser University. She has worked with law enforcement agencies in southern California on many projects including a methamphetamine task force and Community Oriented Policing initiatives. In Canada, Melanie consulted with local transit agencies to help reduce crime at rapid transit stations along the Millennium line and has helped develop crime prevention and safety projects with various law enforcement agencies around the Lower Mainland.

Allyssa Epp

Research Analyst, Real Estate Investment Network

Allyssa is one of the latest additions to the research team and has contributed research to the Top BC Investment Towns report, Top Alberta Investment Towns report, Top Ontario Investment Towns report, The Gateway Effect, and Calgary and Edmonton Transportation Effect projects with REIN™. She is currently pursuing her Bachelor of Arts Degree at the University of the Fraser Valley.

About Us:

The Real Estate Investment Network™ ("REIN™") is a business that has been in operation since 1992 and is registered in Alberta as Cutting Edge Research Inc. To date, its Members have purchased over $3 Billion of Canadian real estate.

REIN™ is a successful business resource that provides economic research, educational workshops, services and products for its Members. Its 3,000+ Members are individuals, corporations and government officials who are interested in learning how economic events affect real estate markets across Canada and how they can position themselves to take advantage of this information. REIN™ does NOT sell real estate directly or indirectly to its Members, it provides unbiased research combined with investment strategies.

REIN™ employs and partners with individuals and businesses that have a specific expertise in areas of buying and investing in Canadian real-estate or that provide supporting services. For instance, RONA is a major industry partner who provides our Members with discounted renovations and repair items. In the past, our Members spent over $1,250,000 a year with this partner alone.

There are currently 4 cities in which REIN™ members are able to attend regular monthly research and market strategy workshops; they are Edmonton, Calgary, Toronto, and Vancouver.

The concept of the REIN™ group is unique in several aspects:

- Access to industry partners who understand, support and share similar values of the REIN™ philosophy (industry partners are screened and must meet REIN™ standards). Examples of partners include RONA and Totem, Corporate Express, Canadian Mortgage Team, CMHC and others.
- REIN™ **does not** sell its members real estate directly or indirectly as we perceive this as a direct conflict of interest. We believe that a company should either be an unbiased research company like ourselves or be a property promoter; the two should never mix.
- REIN™ provides local and national media with research on the real estate markets.
- REIN™ membership provides several valuable benefits specific to investing in Canadian real estate such as:
  - A monitored, but open website forum that provides members with a significant network of support from a very broad base of knowledge and experience in the real estate investment world.
  - E-mail and phone support for questions in all areas of investing in real estate, including un-biased opinions on Members' specific deals.
  - Discounted price structure of educational materials.
  - Monthly payment program.
  - Discounted monthly fee for associate, corporate and family members.

- **Monthly meetings designed to provide ongoing support and information such as:**
  - Unbiased research on local, national and global economic fundamentals that may affect real estate markets across the country
  - Networking opportunities for a wide range of investment experiences
  - Insights into the most common, as well as unique, real estate buying strategies
  - Guest speakers including provincial and national economists, Mayors and representatives of key target cities and towns, banking and financing experts, veteran investors and best-selling authors
  - Written and recorded educational material

- Additional all-day workshops, which help support the personal and professional development of its members
- Access to industry partners that understand, support and share similar values of the REIN™ philosophy

Monthly Real Estate Workshops: Every month, workshops feature some of Canada's & North America's top real estate experts. Members meet face-to-face and hear from experts at any or all of the Monthly Workshops, in ANY city they choose.

Special Benefits In Other REIN™ Chapters: Regardless of where the Members are located, they automatically have access to the benefits of all REIN™ groups across the country.

Detailed Economic and Real Estate Research: On a monthly basis we do research on where to buy in Canada (and when to sell)… With this exclusive research, we keep our clients ahead of the markets and ahead of the general public. This includes detailed research into the Top Investment Towns across Canada.

Being informed of both good and bad economic news makes all of the difference in the world to make strategic investment decisions.

Exclusive Banking Opportunities: Because of our long and successful track record, banks want our members' business. Members have purchased over $3 billion of Canadian real estate and financial institutions know that they can rely upon the level of due diligence put forth by our Members and therefore know that their mortgages are low risk. This allows our Members to tap into unique programs not offered to the public such as dramatically reduced interest rates and fees, plus less onerous approval processes.

In some cases, REIN™ Members can receive Automatic Approval in an exclusive deal with a major lender. These banks enjoy funding revenue properties and have developed unique formulas to service REIN™ Members.

Exclusive REIN™ Panel of Experts: Members have direct access to a veteran panel of experts to assist them in making their deals come together. For instance:

Property Questions: Providing them a confidential second pair of eyes to use for opinions on deals BEFORE buying a property.

Legal Questions: Members have access to legal experts who will answer any of their basic legal questions at no charge.

Tax Questions: Insights from experts in the field of Real Estate accounting are available.

Advertising Questions: Access to marketing and ad writing experts who can review members' ads prior to them spending any marketing money.

Bookkeeping Questions: Access to information on bookkeeping for real estate investors and basic accounting questions.

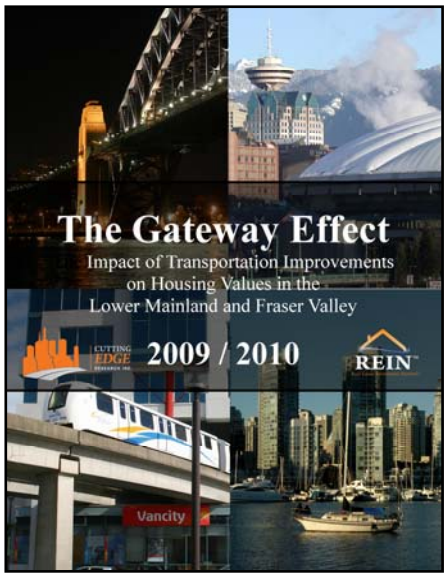
These hand-picked groups of real estate oriented professionals know exactly how to position a real estate portfolio to maximize profits and minimize taxes.

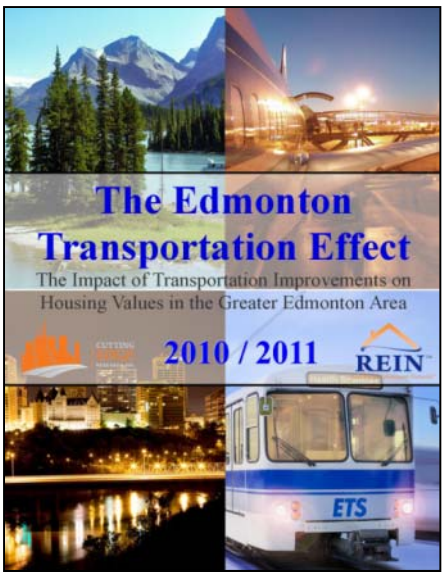
Access to the Exclusive Members' Only Section of the Research Web-site: Members have access to a discussion forum with investors across the country and overseas. In this area, they also have access to over 100 forms that investors require to manage their investments. From analysis tools to landlording forms, they have instant access to this information.

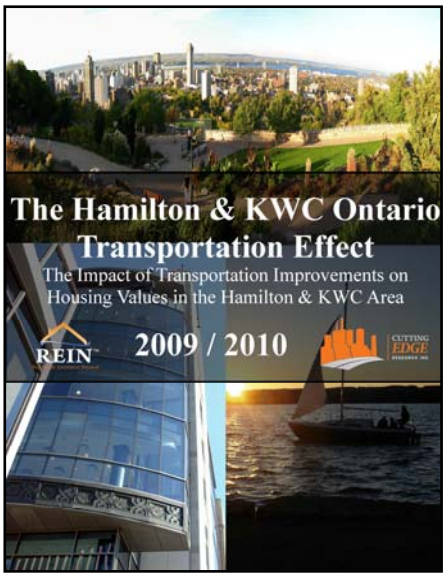
REIN™ "What's Behind the Curtain" Newsletter: At every REIN™ Workshop members receive an information-packed newsletter that's published exclusively for them and is not available to the public. We access dozens of research sources in order to uncover the important economic announcements that can have a direct affect on the real estate markets. Even Members who do not have an economics background can understand, as the explanations for how each economic shift could affect them is presented in layman's terms.

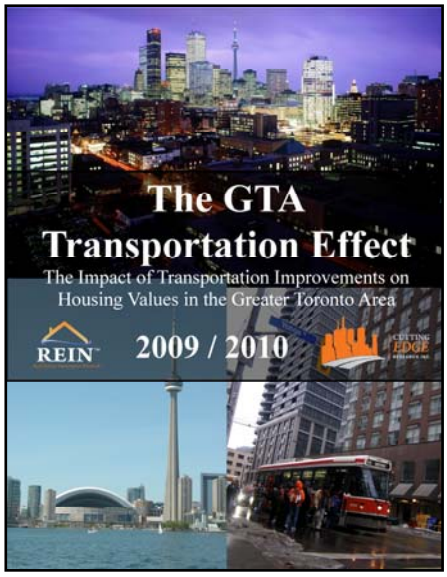
To Learn of more benefits, contact our office at 1-888-824-7346 or www.realestateinvestingincanada.com

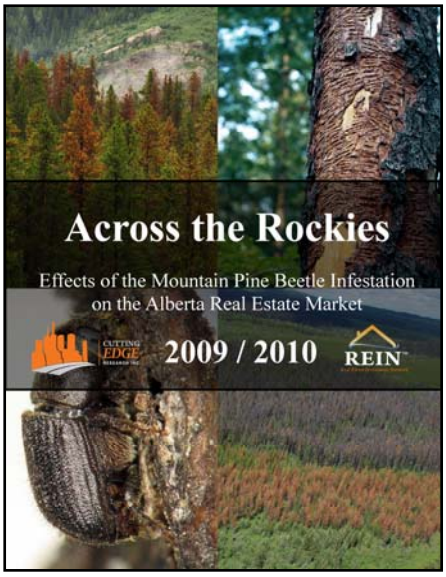
OTHER RESEARCH REPORTS AVAILABLE:

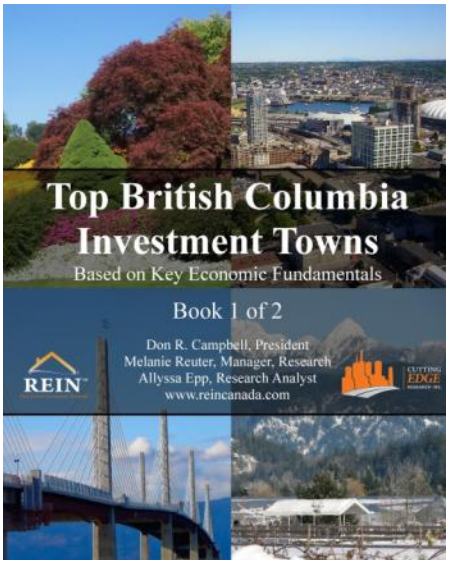


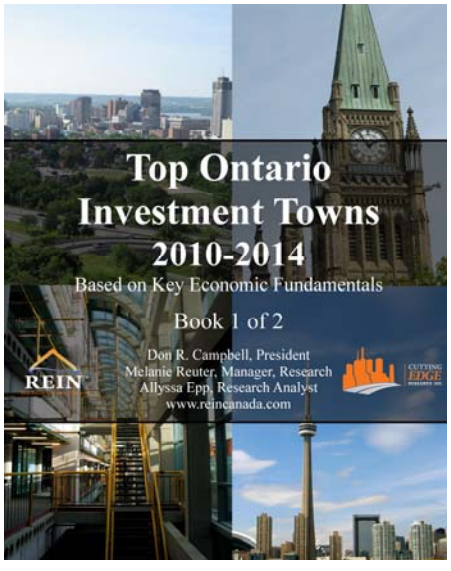


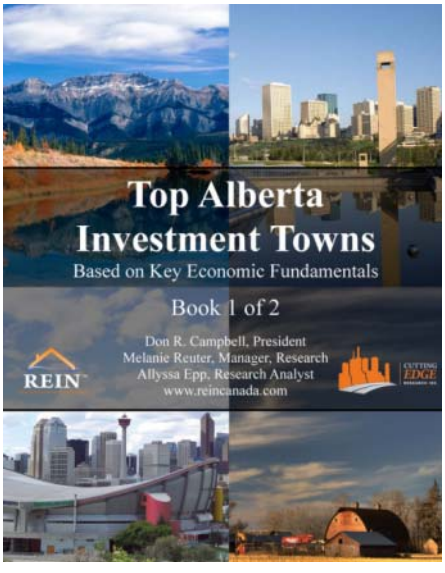












VISIT WWW.REINCANADA.COM OR CALL 1-888-824-7346
FOR MORE INFORMATION