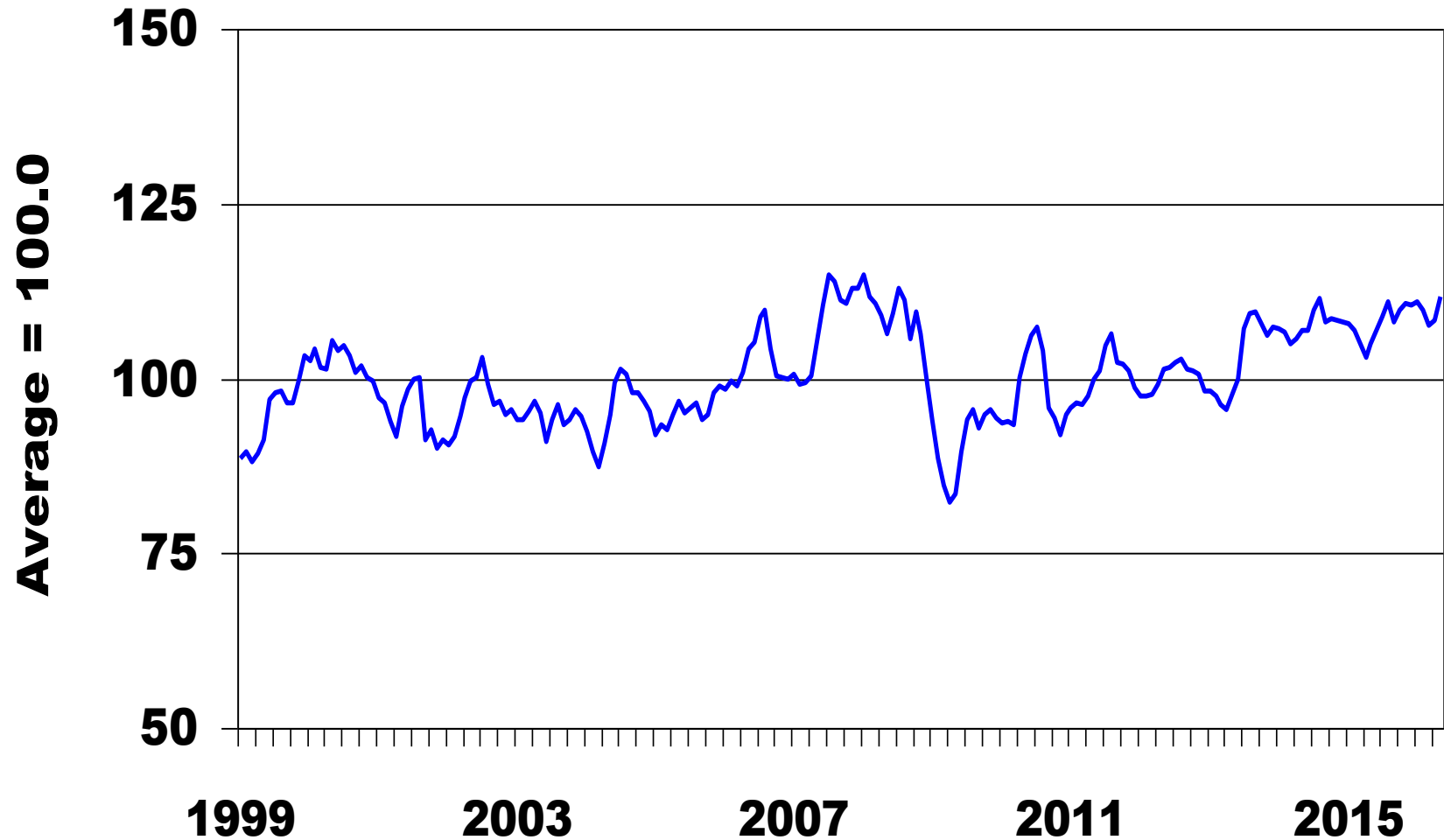


What is a Bubble?

Joseph Stiglitz:

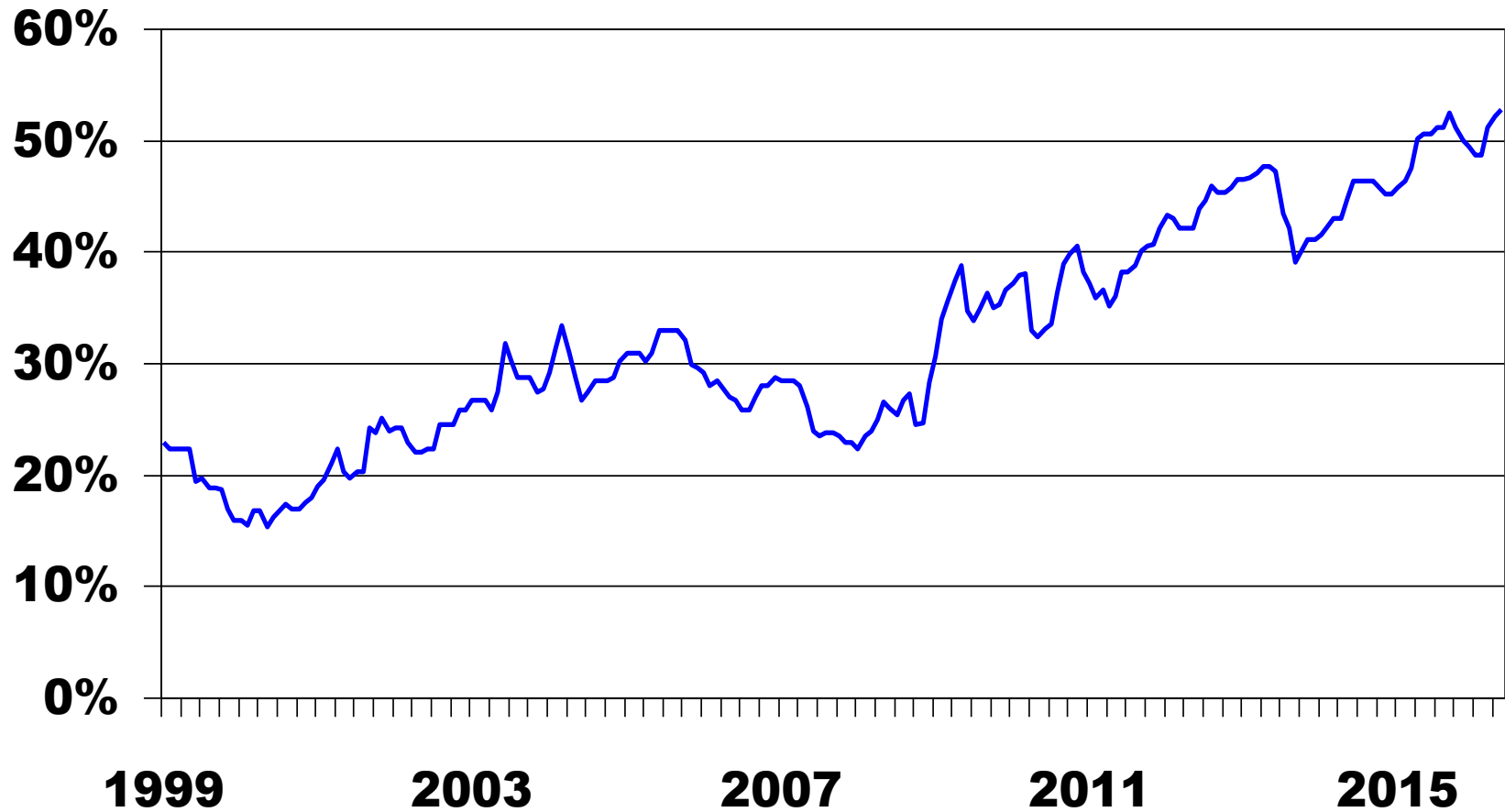
- *If the reason that the price is high today is only because investors believe that the selling price will be high tomorrow - when "fundamental" factors do not seem to justify such a price - then a bubble exists.*

Mortgage Cost Index for Toronto



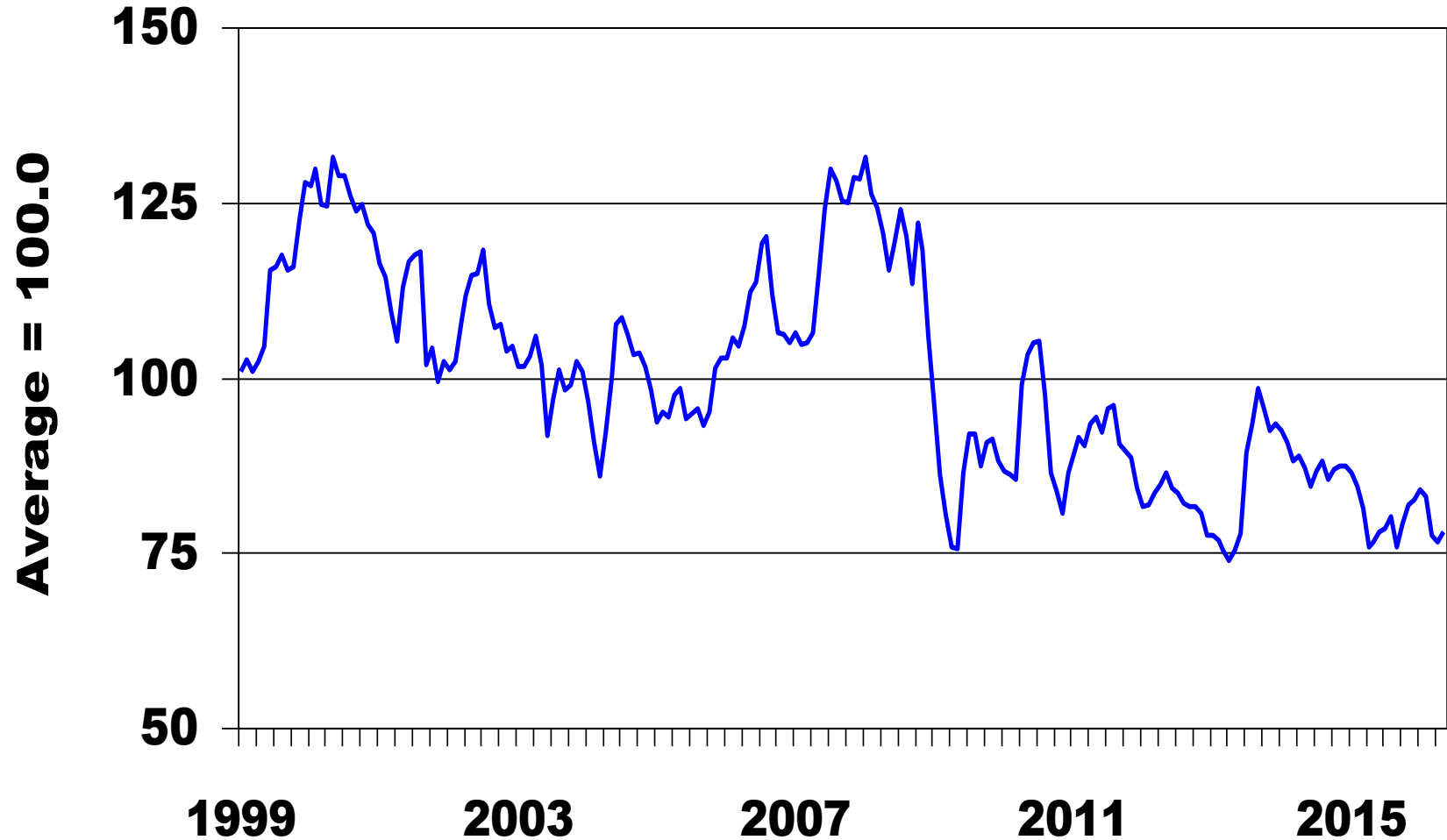
Source: Calculations by Will Dunning Inc.

Principal Repayment as Share of 1st Mortgage Payment



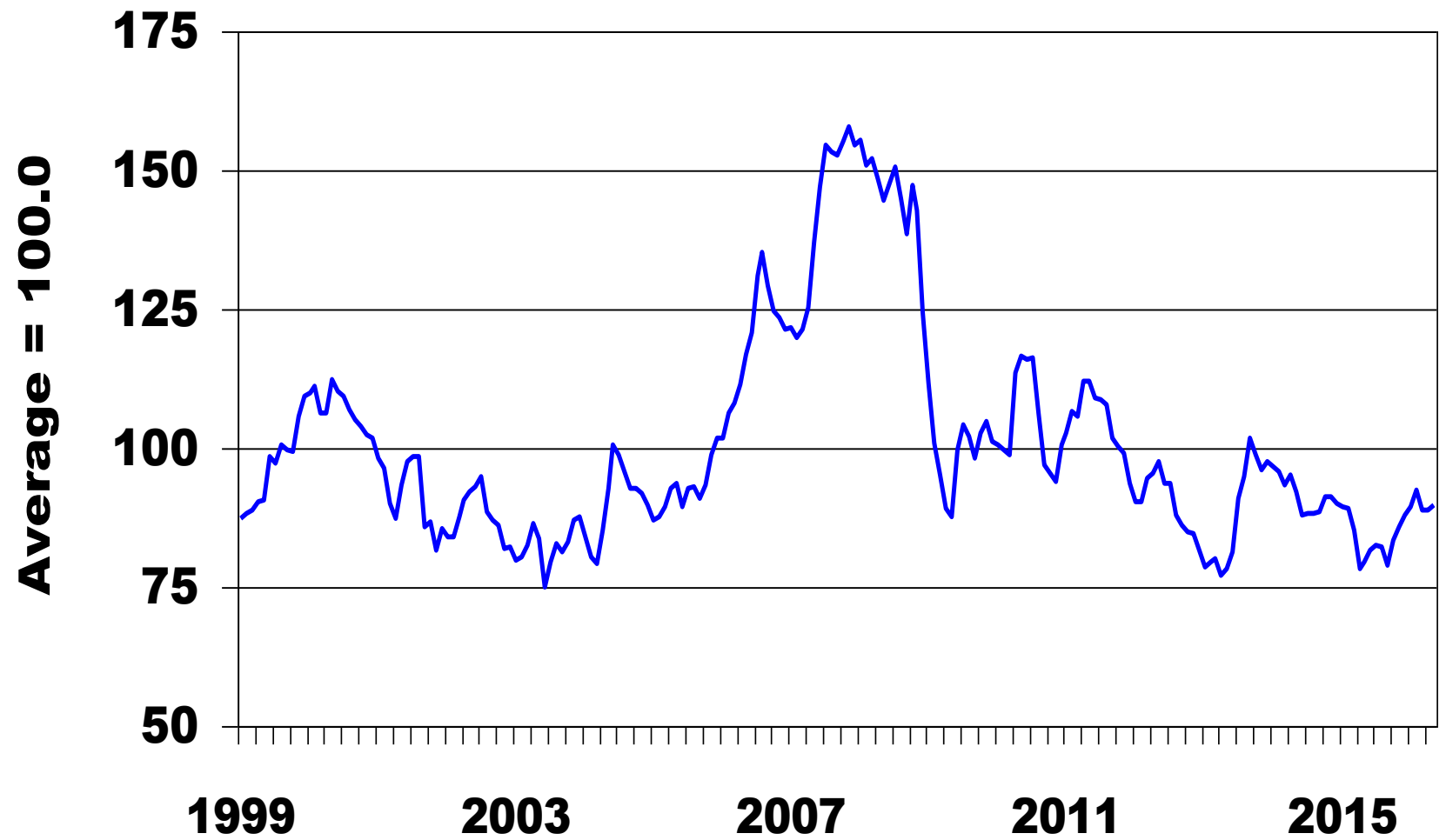
Source: Calculations by Will Dunning Inc.

Index of Net Interest Cost for Toronto



Source: Calculations by Will Dunning Inc.

Index of Net Interest Cost for Vancouver



Source: Calculations by Will Dunning Inc.