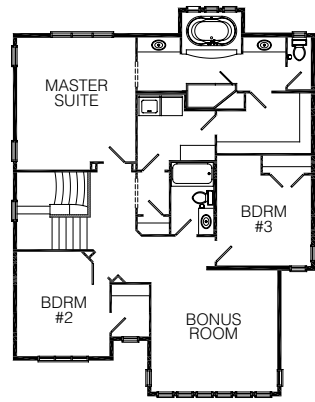
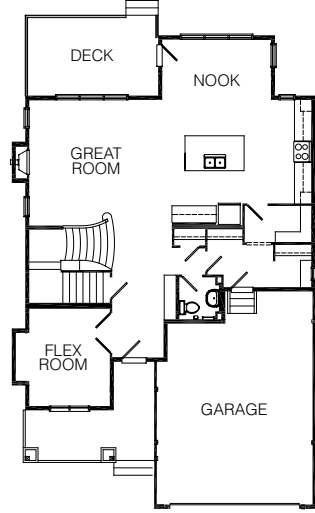


CARMA'S CHOICE THIS WEEK



UPPER LEVEL
1444 SQ. FT.



MAIN LEVEL
1253 SQ. FT.

The Madison III by Albi Homes

The *Madison III* by Albi Homes is an impeccably built two storey, 2,697 sq. ft. home. An expansive front veranda is the focal point of the Madison III exterior; inside the home you are presented with an open main floor design with impressive features: The kitchen is ideal for entertaining and is equipped with a large pantry, an island and a nook. Off the pantry is a large sized mudroom that can be accessed from the main foyer or the pantry. Adding to the beauty of the Madison III is a large staircase that leads up to the second storey of the home where you will find the laundry room, which is accessible from the master walk-in closet and main upstairs hallway. Sound like a home perfect for your family?

- The Master Ensuite features an oversized shower, his and her vanities, vaulted ceiling, walk-in closet to laundry
- Vaulted Bonus Room

THE COMMUNITY
Auburn Bay mixes the best of cottage life with the convenience of city living. The natural beauty of the community is enhanced by treelined streets and sweeping views of both the mountains and downtown. A 43-acre freshwater lake and 13-acre private park are at the heart of Auburn Bay. Four seasons of activities can be enjoyed by every member of your family. In summer – swimming, canoeing, fishing, or just relaxing on the beach. In winter – ice skating, tobogganing, or crosscountry skiing. Auburn House, a 7000 sq. ft. grand community cottage, will be the central gathering place for residents. From the moment you enter Auburn Bay, you'll feel at home in this relaxing lake community.

FEATURES

- Large home with an open main floor design, oversized garage and generously sized secondary bedrooms
- Large home office

Come to Auburn Bay and imagine the memories your family will make.

THE COST

The *Madison III* by Albi Homes in Auburn Bay starts at \$655,500 including house, lot and GST.

When n' where

■ **THE Madison III** can be viewed at 5 & 9 Auburn Sound Green SE. Showhomes are open Monday – Thursday 2pm to 8pm, Friday – Sunday and holidays 12 noon to 5pm. For further information please call Dave Mead at 252-5522.

Carma develops Calgary's best communities. A selection of the finest builders create the homes that complement them. Together we are proud to present this week's choice for outstanding new home quality and value.

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AA681846

Mortgage changes faced by homebuyers

MARTY HOPE
CALGARY HERALD

Canadians considering buying a home will have to move quickly or face the possibility of having to delay their home ownership dreams, says a Calgary mortgage broker.

It's too early to tell what the impact of federal changes recently announced to mortgage rules about government-guaranteed mortgages will be because Ottawa has not yet released full details, says Gary Siegle, regional manager for Invis. The changes take effect Oct. 15.

"Generally speaking, though, there will have to be an adjustment to consumer expectations as these changes are designed to have more stringent requirements for obtaining a government-backed mortgage," he says.

The new measures were recently announced to protect and strengthen the Canadian housing market and to reduce the risk of a U.S.-style housing bubble drifting across the border. The measures include:

■ Fixing the maximum amortization period for new government-backed mortgages at 35 years. There is currently a 40-year option.

■ Requiring a minimum down payment of five per cent. There is currently a zero down payment option.

■ Establishing a consistent minimum credit score requirement.

■ Introducing new loan documentation standards.

Siegle says there are questions that remain to be answered in the wake of the announced changes:

■ Will the zero down payment program remain, but at a higher interest rate?

■ What are the minimum documentation requirements the government is proposing?

■ Will this slow the approval process by requiring more property appraisals?

■ Will borrowers, especially those self-employed, have to provide more paperwork to get a mortgage?

■ Will there be some flexibility around the minimum credit score, or will anyone below the threshold be disqualified?

A credit score is a judgment about a person's financial health at a specific point in time. It indicates the risk a potential borrower represents to lenders compared to other borrowers.

There are definite implications for borrowers and their ability to buy a home, says Siegle.

"If the 40-year amortization disappears, that will mean borrowers will need to have higher earnings in order to qualify for the same house they can buy today or before the rule changes are implemented," he says. "Those people may very well decide to take advantage of the good supply of homes available in Calgary and get into the market before mid-October."

After that, it's a different ball game. They may well have to wait until their earnings picture im-

proves, save for a larger down payment, or reduce their expectations.

Bryan Morrow of Re/Max First in Calgary doesn't like the idea of government implementing "restrictive guidelines" on granting mortgages.

He questions the changes, particularly the impact of having to borrow the five per cent required for a down payment.

He is also concerned about the way credit scores are calculated — and what numbers are used to establish a score — as they may vary from lender to lender, and that interest-only mortgages and lines of credit will no longer qualify for mortgage default insurance.

Calling the measures "ill-conceived," Morrow says "government should not be allowed near real money, i.e. ours and theirs. They should also be barred from making rules that affect our ability to borrow and/or spend as we see fit."

He is critical of the measures taken by Ottawa, particularly at a time when Canada "sits on the brink" of perhaps a deep and long recession — maybe not so much in Alberta with its strong, oil-based economy, but in the rest of the country.

"Look out, for as we see it these more restrictive lending policies will just be one more stick of wood that will be used to feed the recession fires that are burning throughout the land," says Morrow.

But builders say it's too early to really decide what impact the changes will have.

The five per cent down payment minimum was always in force, says Jay Westman, president of Jayman MasterBuilt.

About one per cent of all the company's business involved something less than five per cent down, he says.

"But the change in the 40-year amortization was a surprise," says Westman.

"I would say that more than 50 per cent of the people we have dealt with used that option. At first, it was just a way of minimizing their payments and then they would switch to a 25-year period later on."

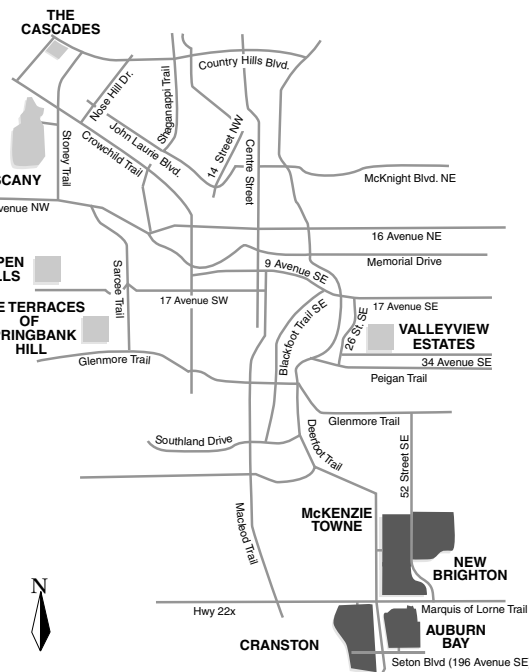
The changes may have had something to do with a surge of business around Stampede time, says Dave Hooge, general manager of Stepper Homes. "It all might have been part of what shook some people out of the tree, made them decide to buy now instead of waiting until the fall."

He also said he has seen very little business because of zero per cent down.

Shane Wenzel, executive vice-president of sales and marketing for Shane Homes, says it's a bit early to try to gauge what impact the changes will mean, but suggests they may take some people out of the marketplace as prices continue to escalate. "But we might see a boost in sales between now and when the changes become official in October," he says.



Gary Siegle



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A community is more than just where you live. It's where you thrive. That's why we carefully plan and develop our communities to include more recreational space. You'll find everything from parks and playgrounds to residents' clubs and quaint shopping areas. We also go to great lengths to preserve the natural beauty of our lands. Not to mention, our builders are some of the best in the business. So if you're looking for a new home, visit a Carma community today!



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2-8 PM MON. - THURS.,
NOON-5 PM WEEKENDS AND HOLIDAYS

Imagine living in cottage country, right here in Calgary. Welcome to Auburn Bay, a four-season lake community in south Calgary. If your family has always dreamed of owning a home in a lake community, this is your opportunity.