

■ **Mainstreet Equity Corp.** (MEQ/TSX) \$3.20 (\$4.48 - \$2.26). Based in Calgary, this company acquires and manages revenue producing multi-family residential real estate. "The company has generated impressive rental revenue growth per annum and this should continue." It has specialized in Alberta and British Columbia. But, earlier this year, Canadian Apartment Properties Real Estate Investment Trust and Mainstreet Equity announced they were exchanging properties in Calgary and the Toronto area and this would give each a greater national presence in the multi-family residential real estate market. The REIT bought a 188-unit townhouse development in northwest Calgary from Mainstreet for \$16.8-million, its first purchase in Calgary. And Mainstreet Equity is entering Ontario by buying a 104-suite apartment building in Mississauga, Ont., from CAP REIT. This deal is expected to close by April 1. Mainstreet's business model, says Acumen, is "reminiscent of larger cap Calgary-based Boardwalk Equities Inc.'s early strategy to build a strong platform to make larger acquisitions." In evaluating real estate companies Acumen looks at funds from operations (FFO), which is the real estate industry's version of free cash flow. The firm is looking for Mainstreet to produce rental FFO per share of 43¢ for the fiscal year to September, 2003, and 57¢ for the fiscal year to September, 2004. Acumen's one-year price target on this stock is \$5.65.