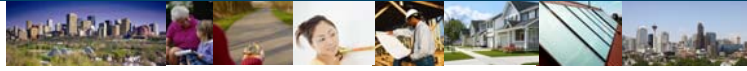


CALGARY RESEARCH SYMPOSIUM



CALGARY ECONOMIC & HOUSING MARKET OUTLOOK

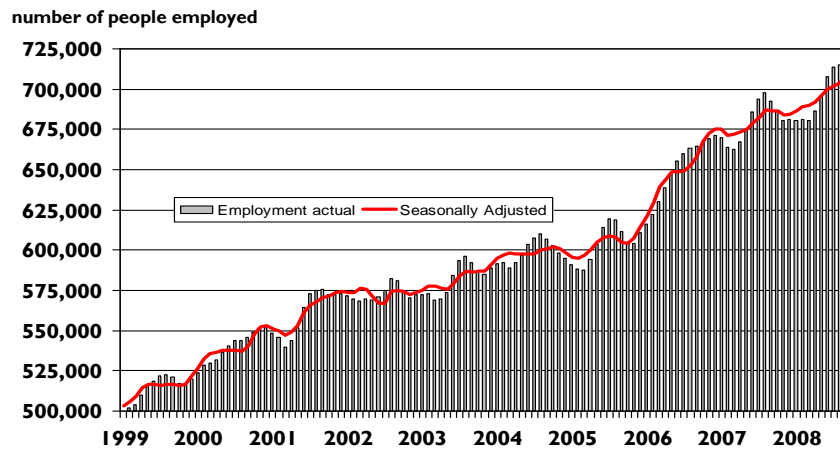


LAI SING LOUIE
SENIOR MARKET ANALYST
PRAIRIE AND TERRITORIES
NOVEMBER 24, 2008



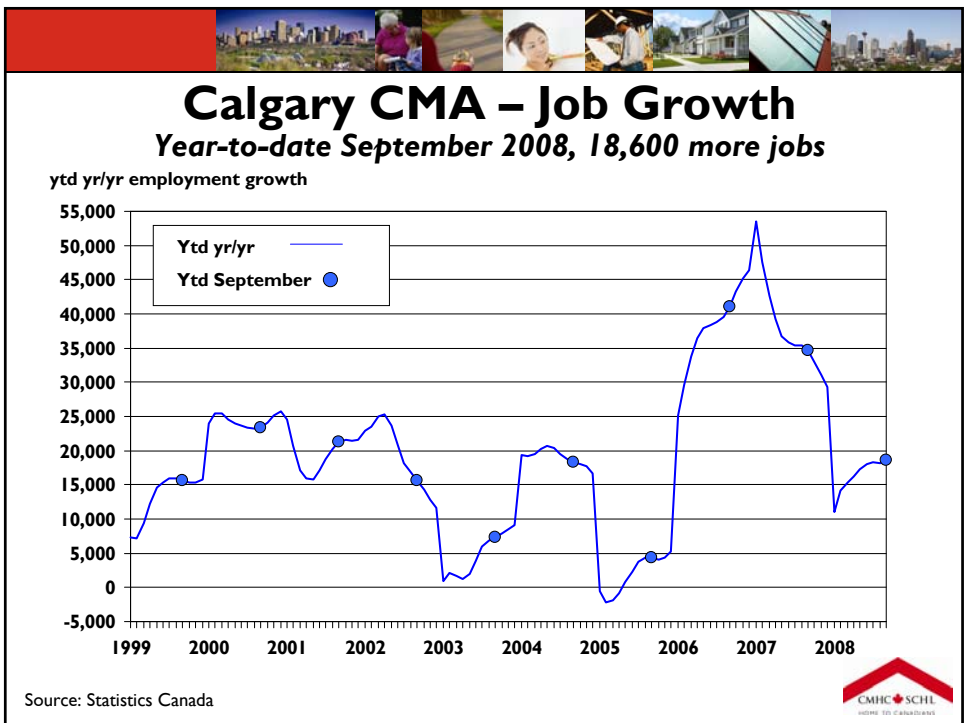
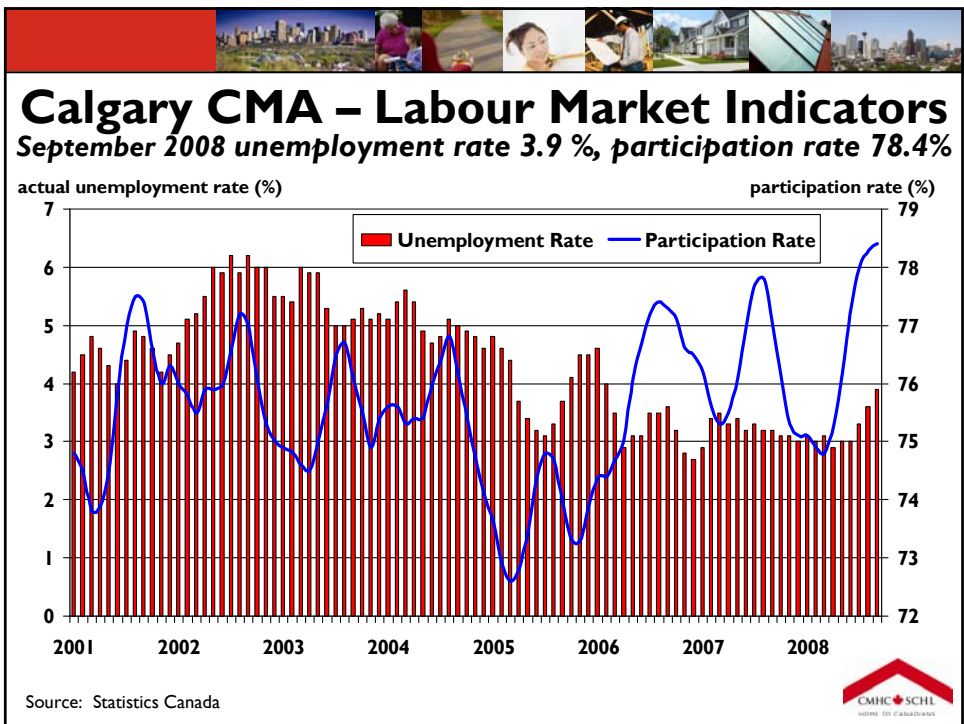
Calgary CMA – Actual Employment

September a record 715,300, ytd average up 2.7% yrlyr



Source: Statistics Canada

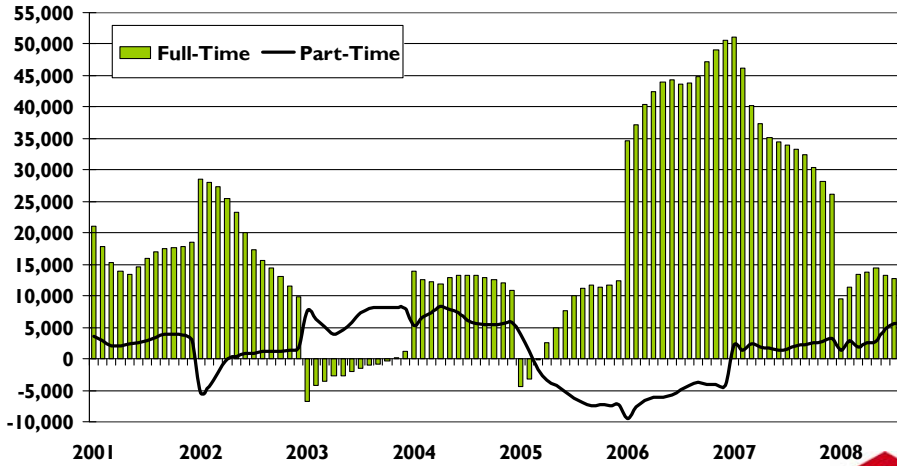




Calgary CMA – FT vs. PT Job Growth

Ytd Sept 2008, 13,200 full-time & 5,400 part-time jobs

ytd average yr/yr employment growth



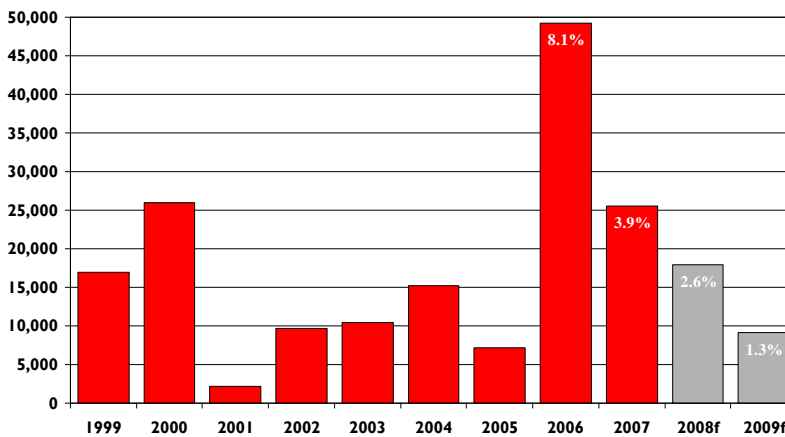
Source: Statistics Canada



Calgary CMA - Employment Growth

Projected 2.6% in 2008, growth of 1.3% in 2009

annual job gains

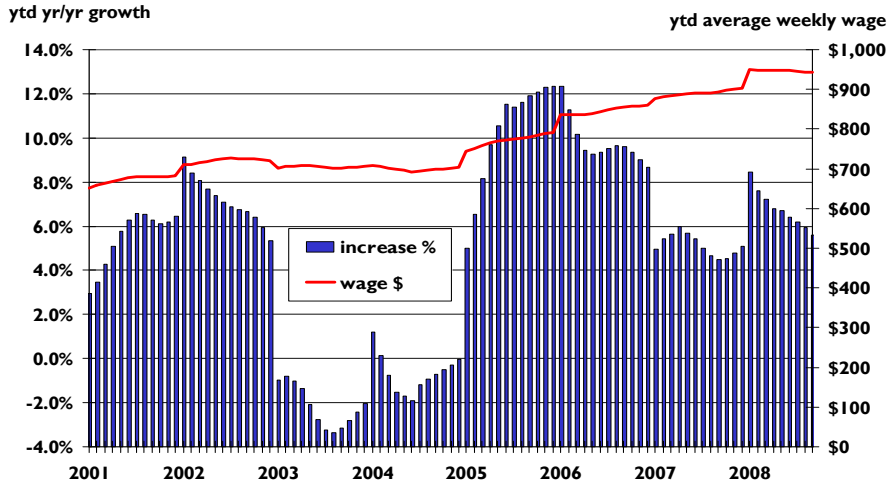


Source: Statistics Canada, CMHC forecast (f)



Calgary CMA – Average Weekly Earnings

Ytd September 2008, \$944 per week and 5.6% higher

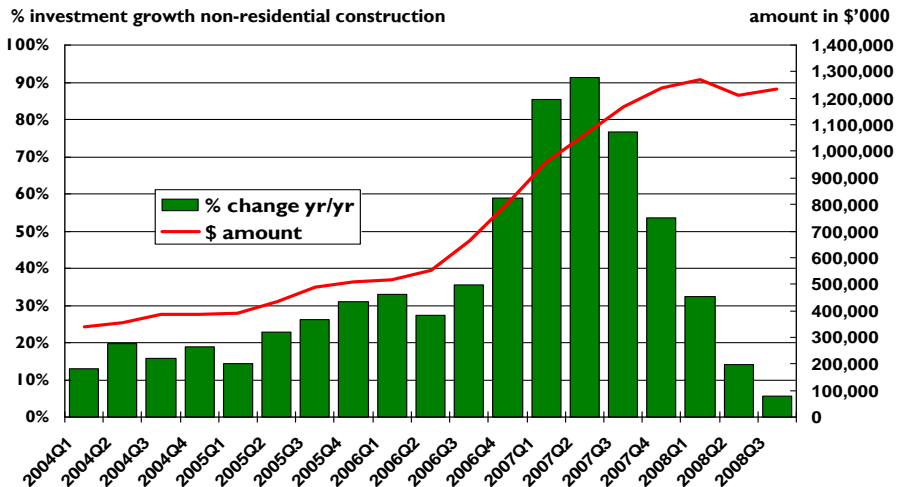


Source: Statistics Canada



Calgary CMA - Non-Residential Bld. Construction

Investment at \$1.2 billion in 2008 Q3, 5.6 % higher yr/yr



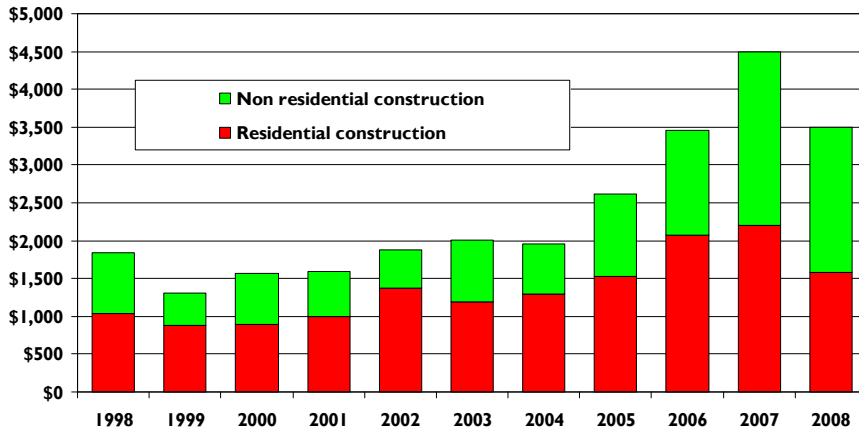
Source: Statistics Canada



Calgary CMA – Total \$ Building Permits

Value reached \$3.5 billion ytd August 2008

millions ytd Aug

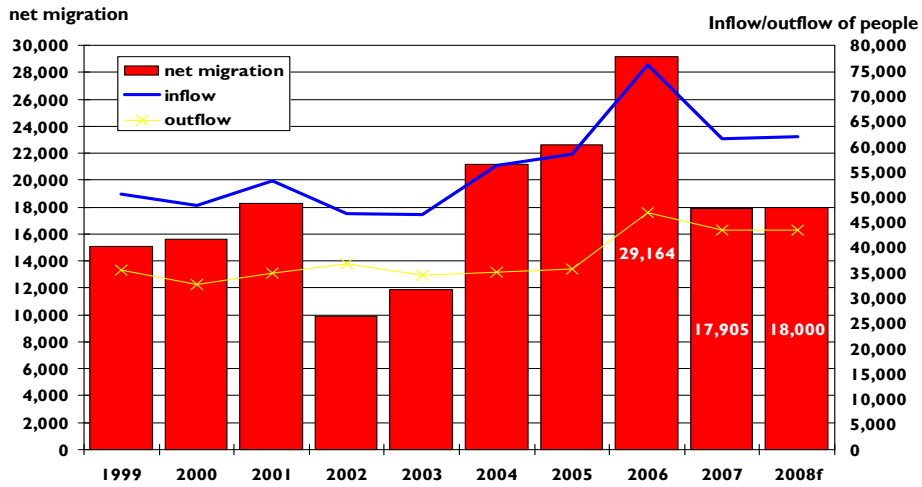


Source: Statistics Canada



Calgary CMA - Migration

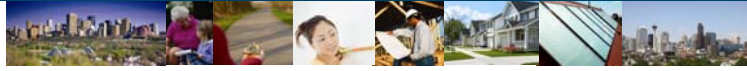
Net migration stabilizing



Source: Statistics Canada, CMHC forecast (f)



CALGARY RESEARCH SYMPOSIUM

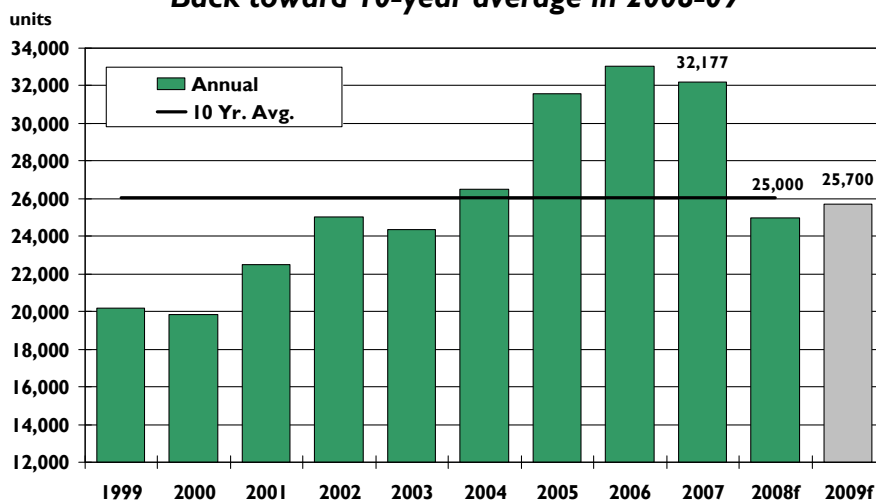


CALGARY RESALE MARKET



Calgary CMA - MLS® Sales

Back toward 10-year average in 2008-09



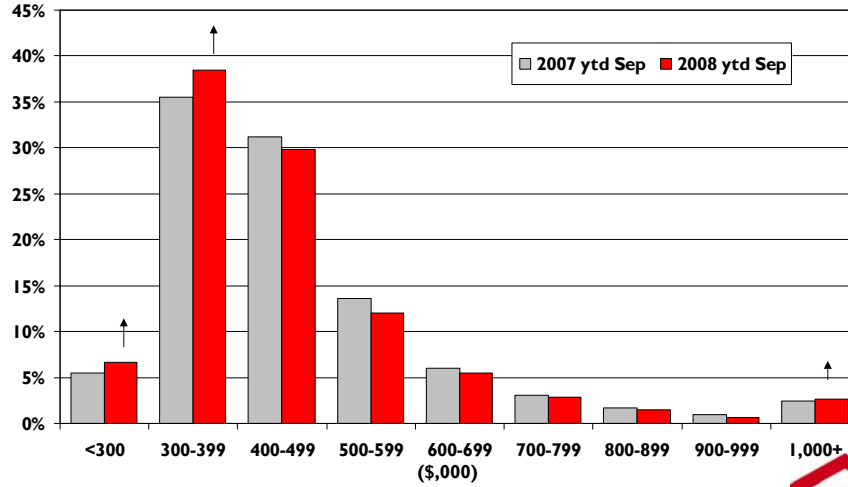
Source: CREB, CMHC forecast (f)



Calgary City - Single-Detached MLS[®] Sales

Under \$400,000 increased from 41% to 45% of market

share of sales by price, ytd September



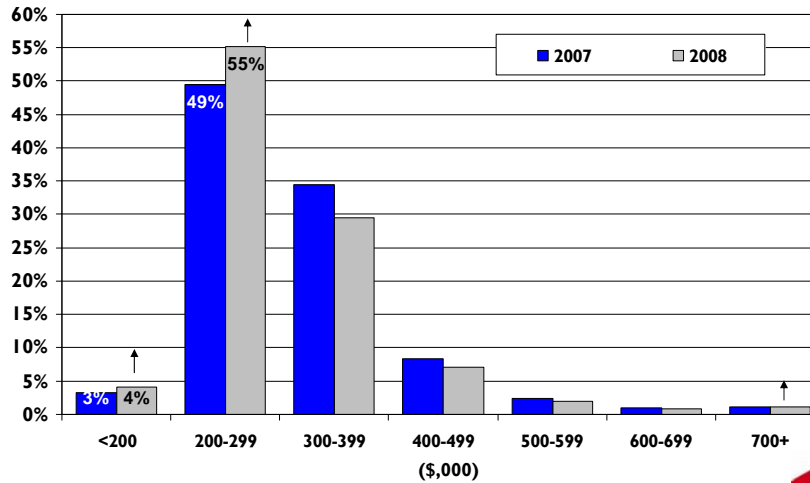
Source: CREB



Calgary Condo MLS[®] sales by price

Share under \$300,000 up from 52% to 59% of market

share of sales ytd September

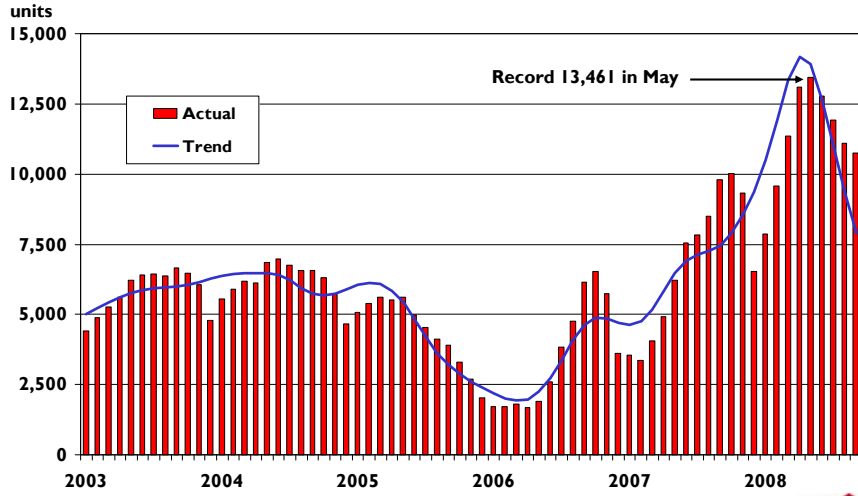


Source: CREB



Calgary CMA – MLS® Total Active Listings

Active listings past their peak

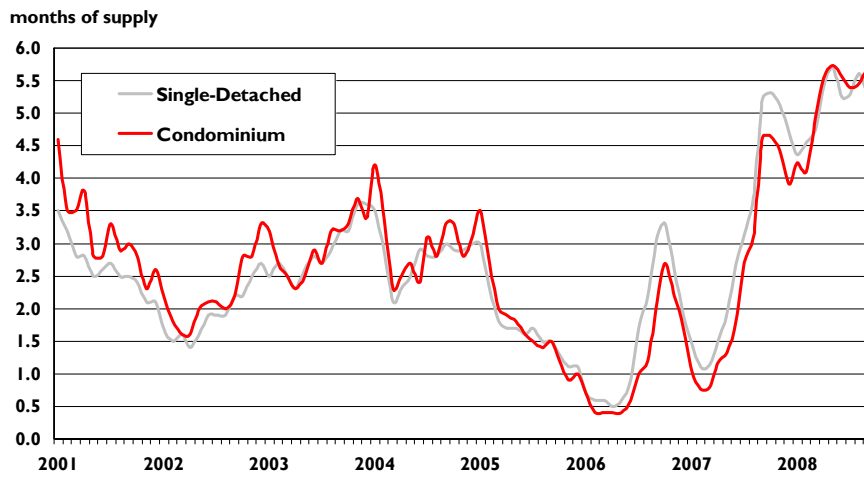


Source: CREB, CMHC calculation



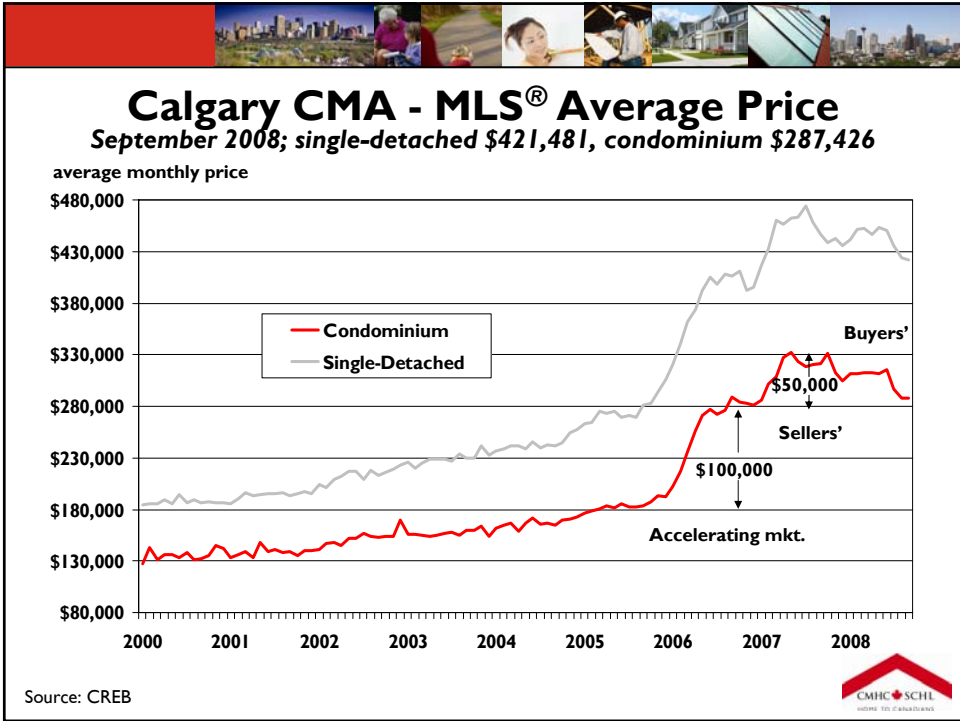
Calgary CMA – MLS® Months of Supply

About 5.4 months of supply in September 2008



Source: CREB, CMHC calculation





CALGARY RESEARCH SYMPOSIUM

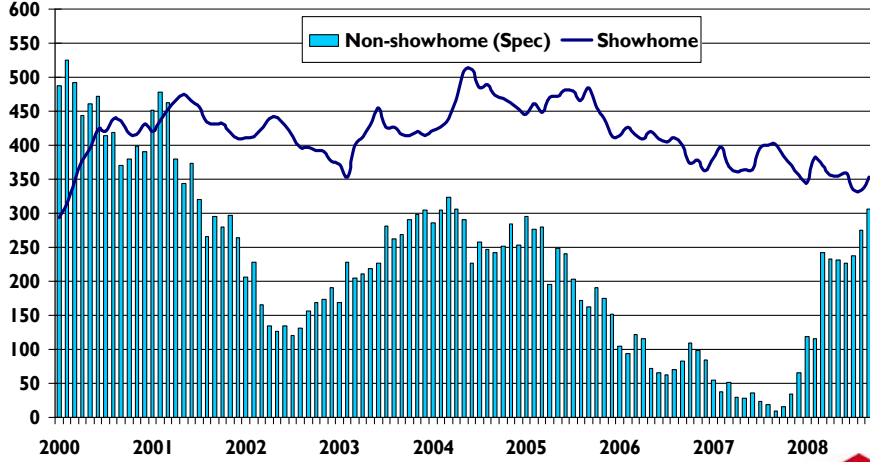
CALGARY
 SINGLE-DETACHED
 CONSTRUCTION

CMHC SCHL
 www.30.ca/mhsc

Single-Detached Spec vs. Show homes

Sept 2008, inventory of 307 specs units and 353 show homes

complete and unabsorbed units (inventory)

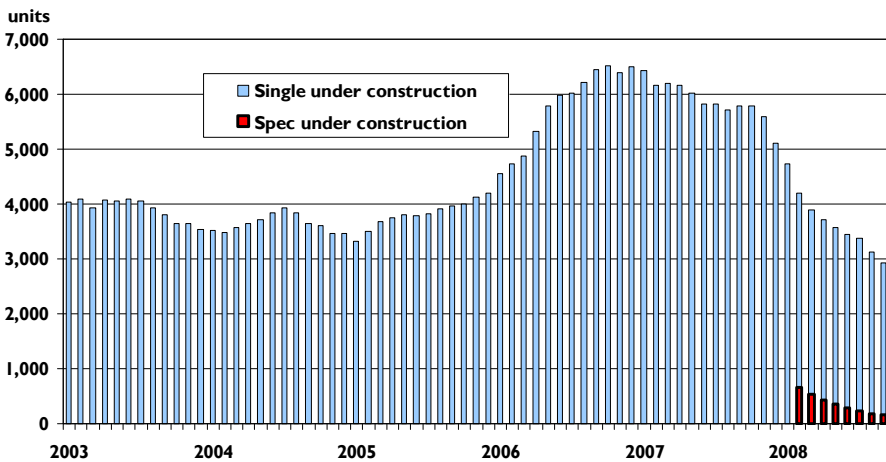


Source: CMHC



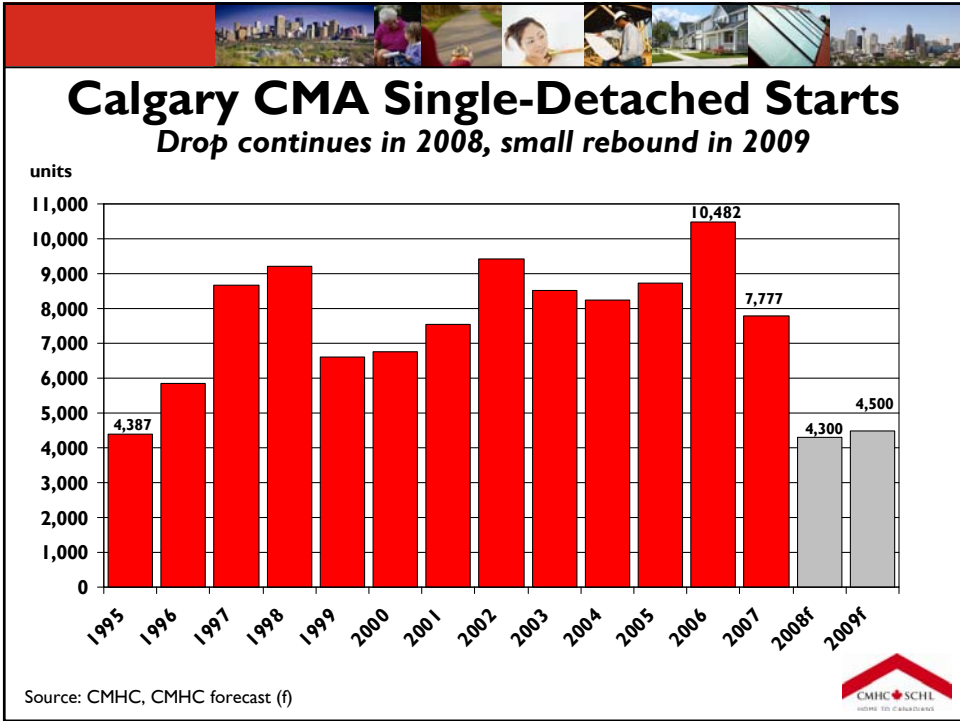
Single-Detached Units Under Construction

September 2008 at 2,933, down 49% yrly and 5% are spec



Source: CMHC

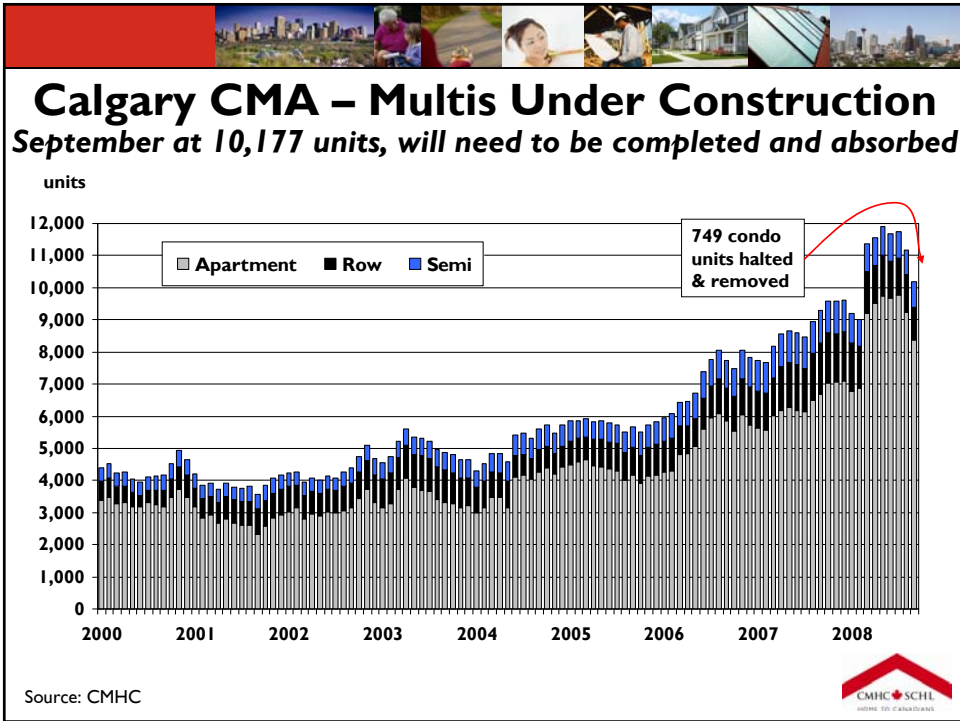
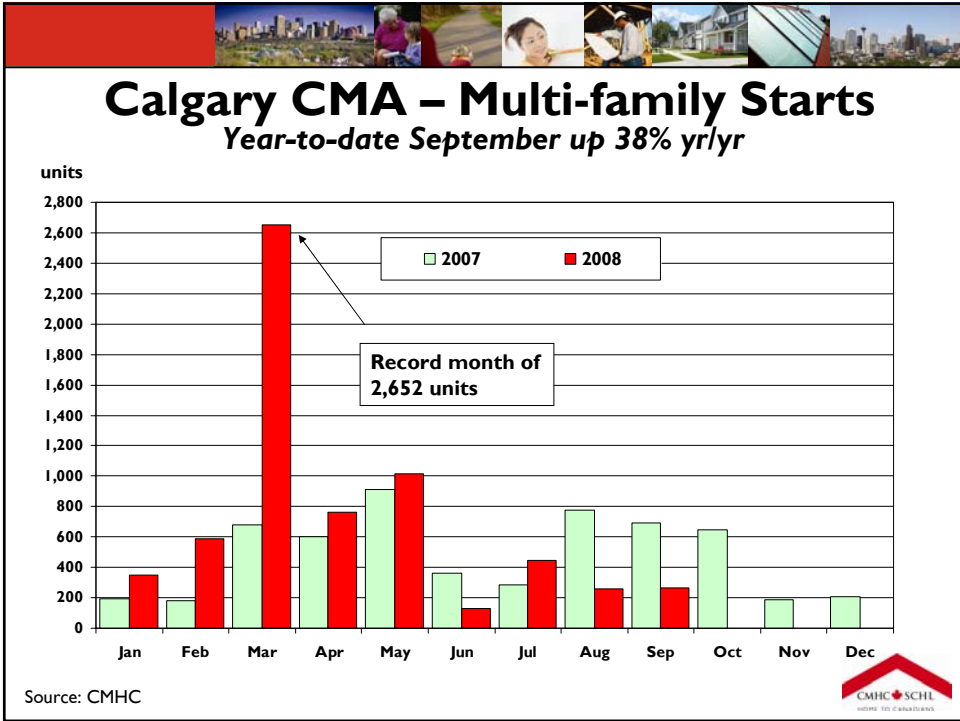


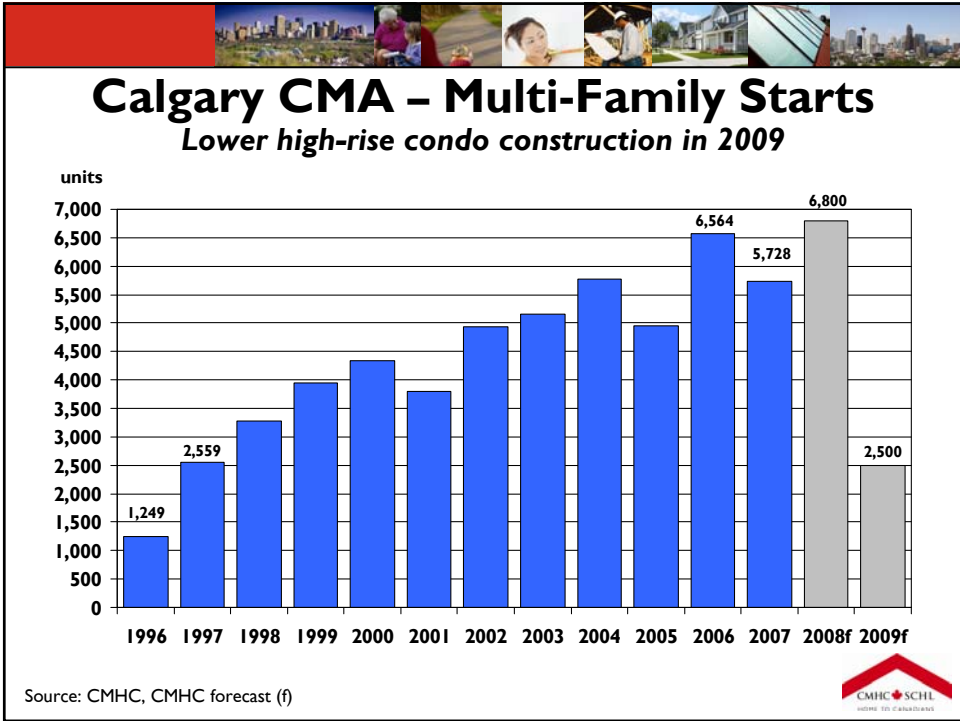


CALGARY RESEARCH SYMPOSIUM

**CALGARY
 MULTI-FAMILY CONSTRUCTION**

CMHC SCHL
 www.cmhc.ca





CALGARY RESEARCH SYMPOSIUM

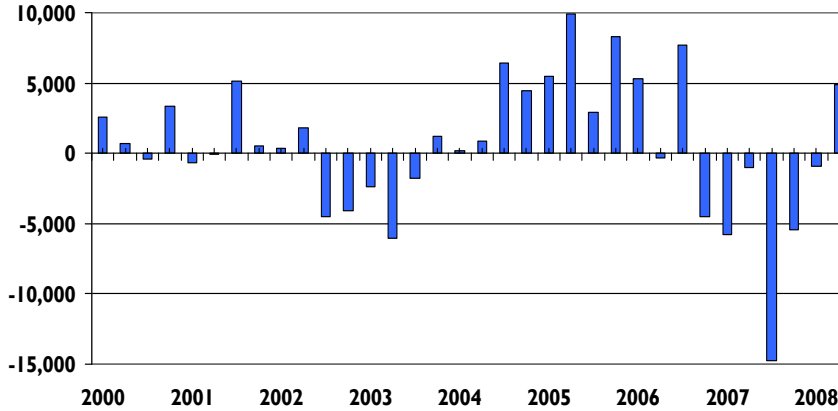
CALGARY RENTAL MARKET

CMHC SCHL
www.cmhc.ca

Alberta – Change in Total Net Migration

Weaker growth since 2006 impacting rental demand

quarterly year/year net change



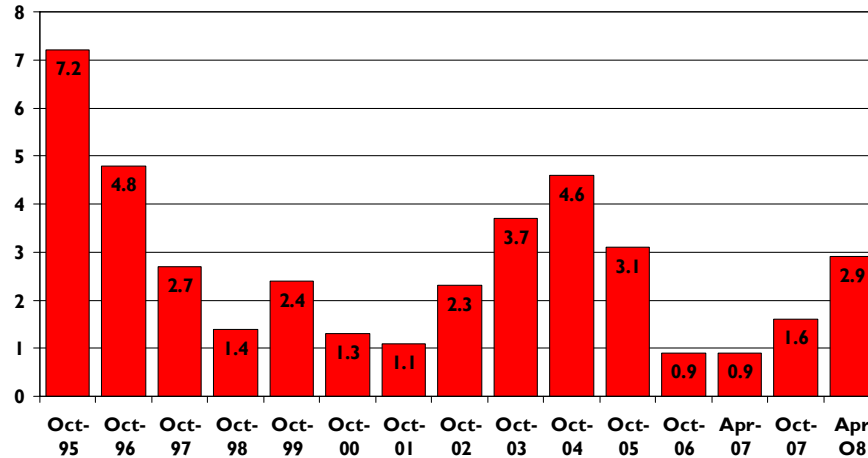
Source: Statistics Canada, 2008Q2



Alberta – Apartment Vacancy Rate

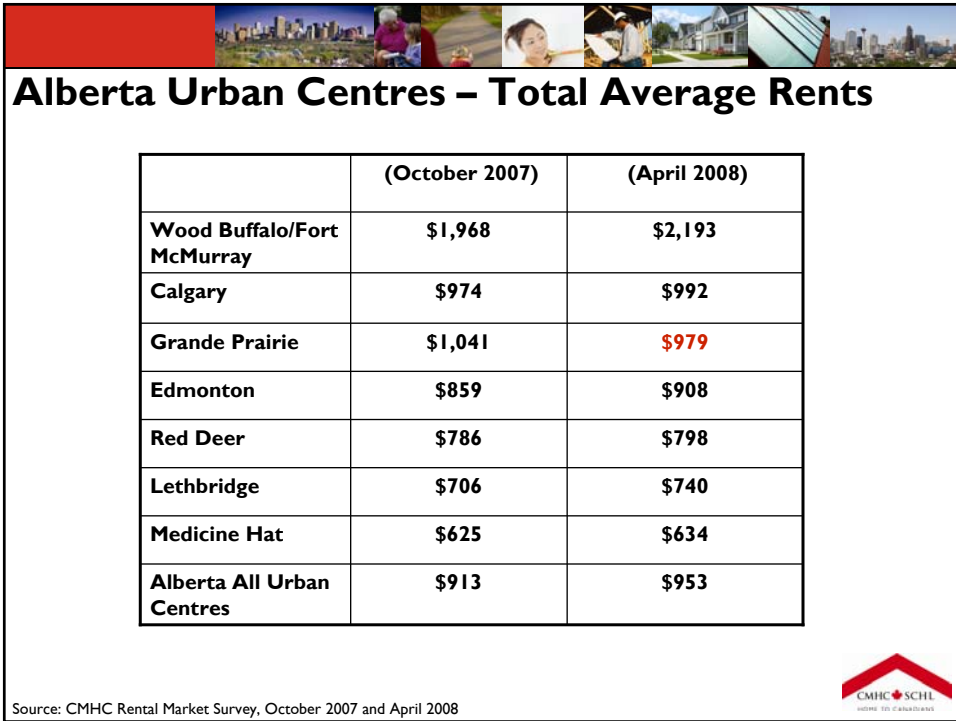
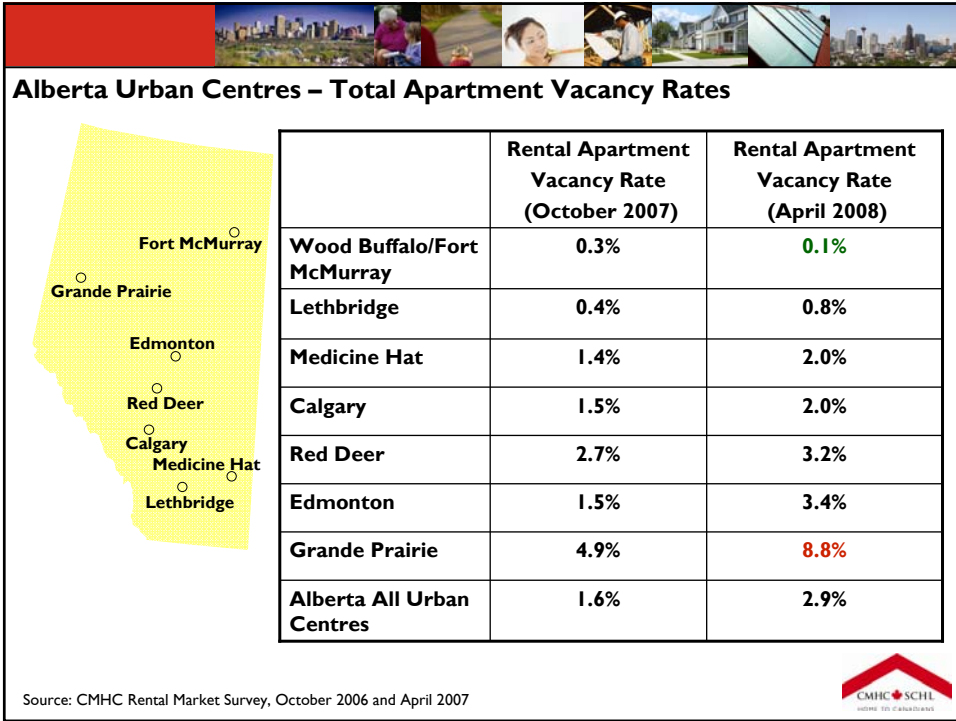
Vacancy rate rising with weaker net migration

per cent



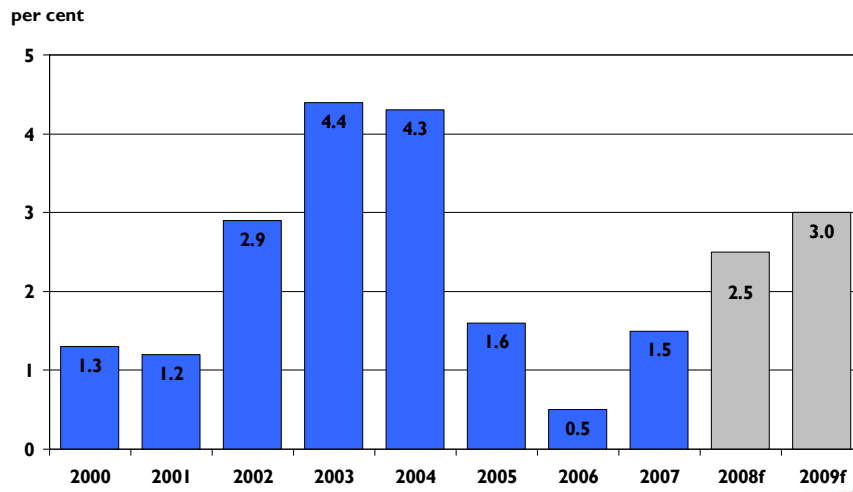
Source: CMHC Rental Market Survey, Average Vacancy Rate for all Urban Centres in Alberta





Calgary CMA – Apartment Vacancy Rate

Vacancy rate to rise

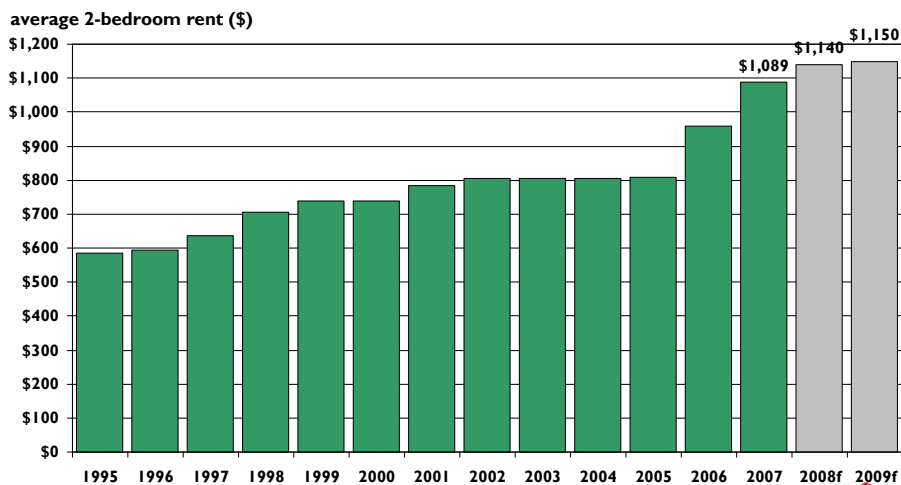


Source: CMHC, CMHC forecast (f)



Calgary CMA Average Apartment Rents

Average Rent levelling as vacancy rate rises

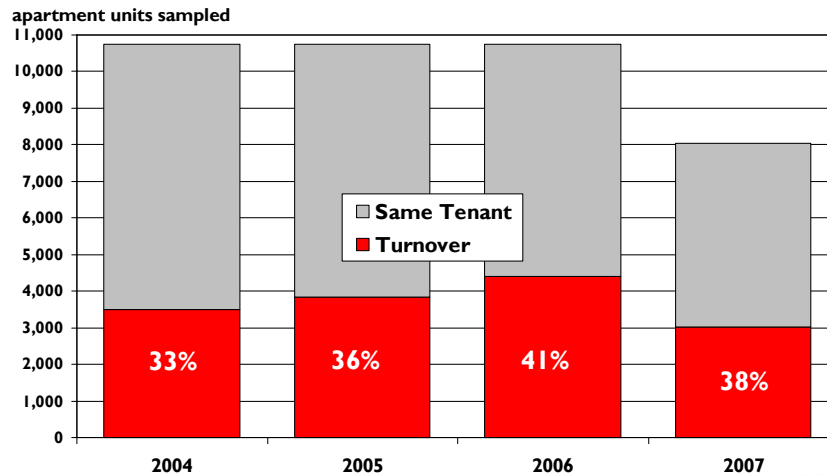


Source: CMHC, CMHC Forecast



Calgary CMA – Turnover Rate Survey

Turnover was 38 per cent in 2007



Source: Calgary Apartment Association, CMHC



Calgary CMA – Reasons for Turnover

Home purchase remained primary reason

Reasons	2004	2005	2006	2007
# 1	Condo/House Purchase	Condo/House Purchase	Condo/House Purchase	Condo/House Purchase
# 2	Job Relocation	Job Relocation	Job Relocation	Job Relocation
# 3	<ul style="list-style-type: none"> • Pregnant • Divorce • Eviction, • Share 	<ul style="list-style-type: none"> • Pregnant • Divorce • Home • Not like area 	<ul style="list-style-type: none"> • Personal • Rent default • Not like area 	<ul style="list-style-type: none"> • Rent increase - financial

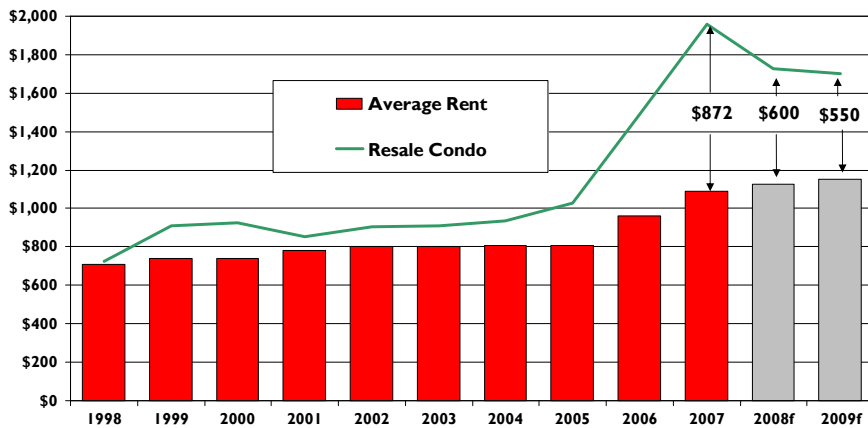
Source: Calgary Apartment Association, CMHC



Calgary Cost of Owning vs. Renting

Homeowner affordability improving

monthly carrying cost*, rent



* assumption: 10% down payment, average 5-year fixed discounted mortgage rates

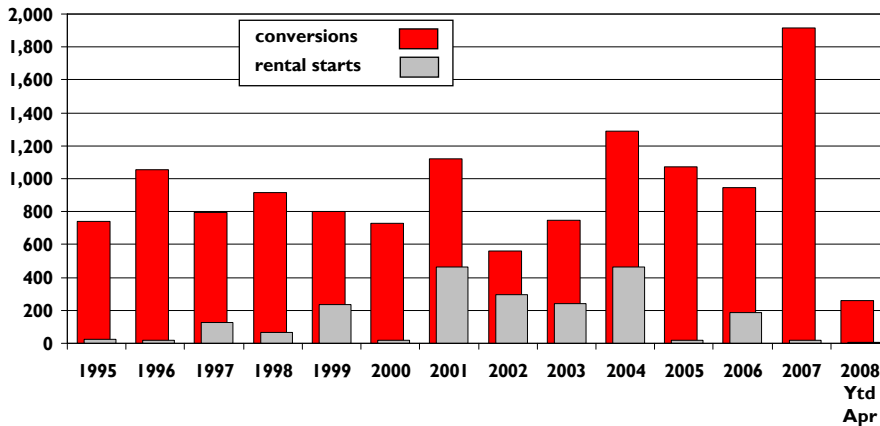
Source: CREB, Bank of Canada, CMHC, CMHC forecast (f)



Condominium Conversions vs. Rental Starts

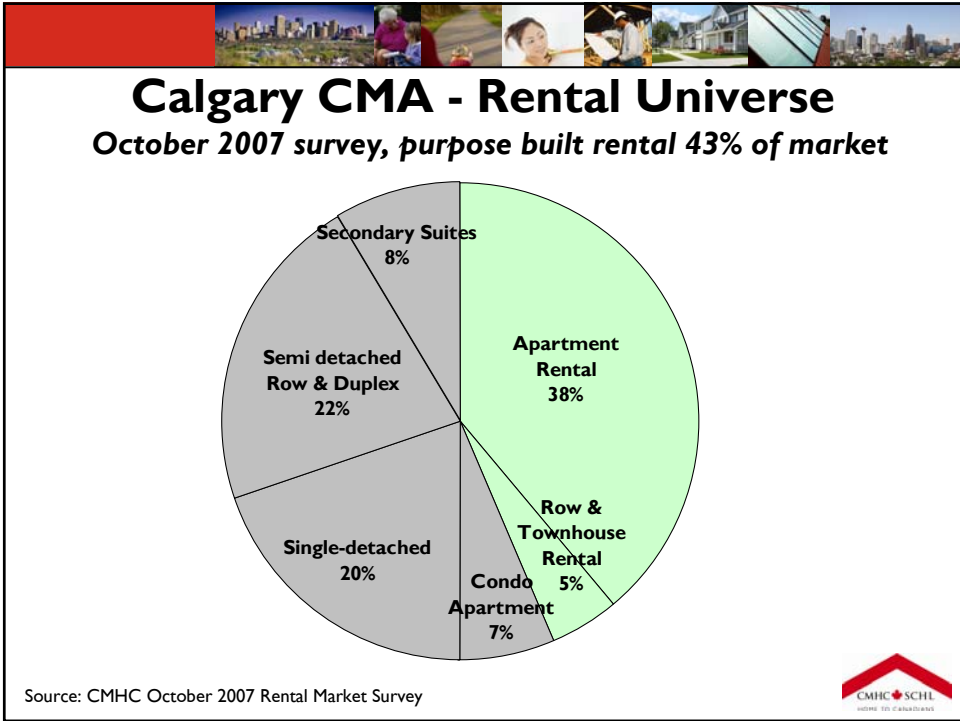
Record conversions in 2007, activity reduced in 2008

conversions from rental to condominium



Source: CMHC





Calgary CMA - Rental Market
 Condominium rentals growing

Rental Product	Vacancy Rate	Average 2-Bedroom Rent	Universe
Condo Apartment	2006: 0.7 per cent 2007: 0.7 per cent	2006: \$1,212 2007: \$1,217	•Grew from 17.6% to 21.1% of condos.
Apartment	2006: 0.5 per cent 2007: 1.5 per cent	2006: \$960 2007: \$1,089	Shrank by 5.4% to 38,150 units
Single		2007: \$1,043	19,305 rented
Semi/Row		2007: \$861	21,414 rented
Suites		2007: \$763	8,334 rented

Source: CMHC Rental Market Report October 2007



Calgary CMA – Forecast Summary

	2006	2007	2008f	2009f
Economy				
Employment Growth	49,200	25,500	17,900	9,100
Net Migration	29,164	17,905	18,000	18,500
New Home Market				
Single-Detached Starts	10,482	7,777	4,300	4,500
Multi-Family Starts	6,564	5,728	6,800	2,500
Resale Market*				
Total Sales**	33,027	32,176	25,000	25,700
Average Price **	\$346,675	\$414,006	\$405,000	\$406,000
Rental Market (Oct. Survey)				
Apt. Vacancy Rate (%)	0.5	1.5	2.5	3.0
Two-bedroom Average Rent	\$960	\$1,089	\$1,140	\$1,150

*Source: CREB, ** Total Residential, CMHC Forecast (f)




CALGARY RESEARCH SYMPOSIUM

THANK YOU!



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SENIOR MARKET ANALYST
PRAIRIE AND TERRITORIES

