

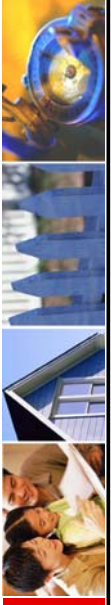
ALGARY ECONOMIC & HOUSING OUTLOOK



AMBA – March 13, 2007

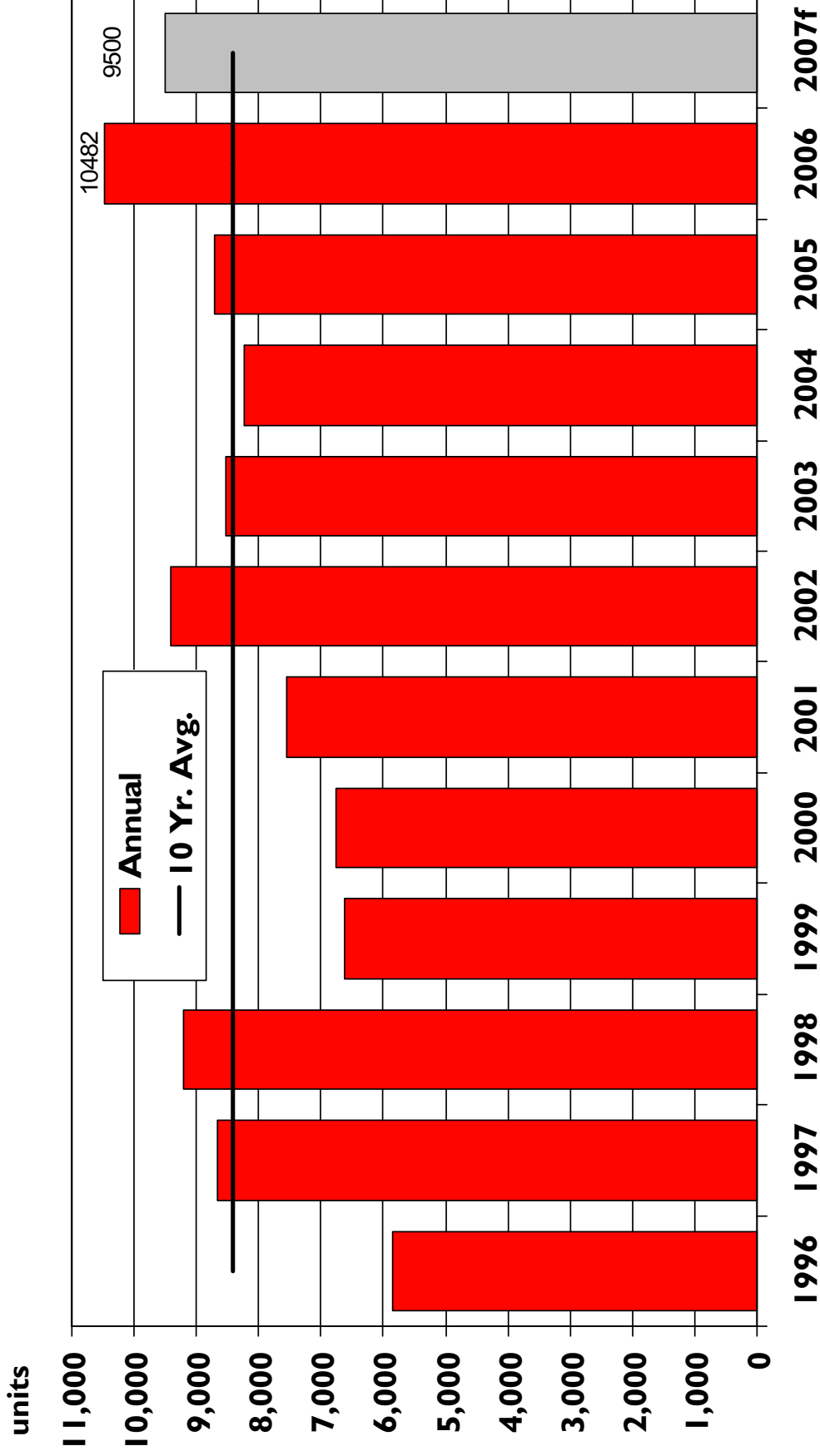
LAI SING LOUIE
SENIOR MARKET ANALYST
CMHC CALGARY





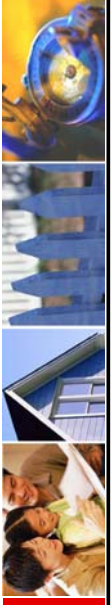
Calgary CMA – Single Detached Starts

Record in 2006, expect 2nd highest year in 2007 (9,500)



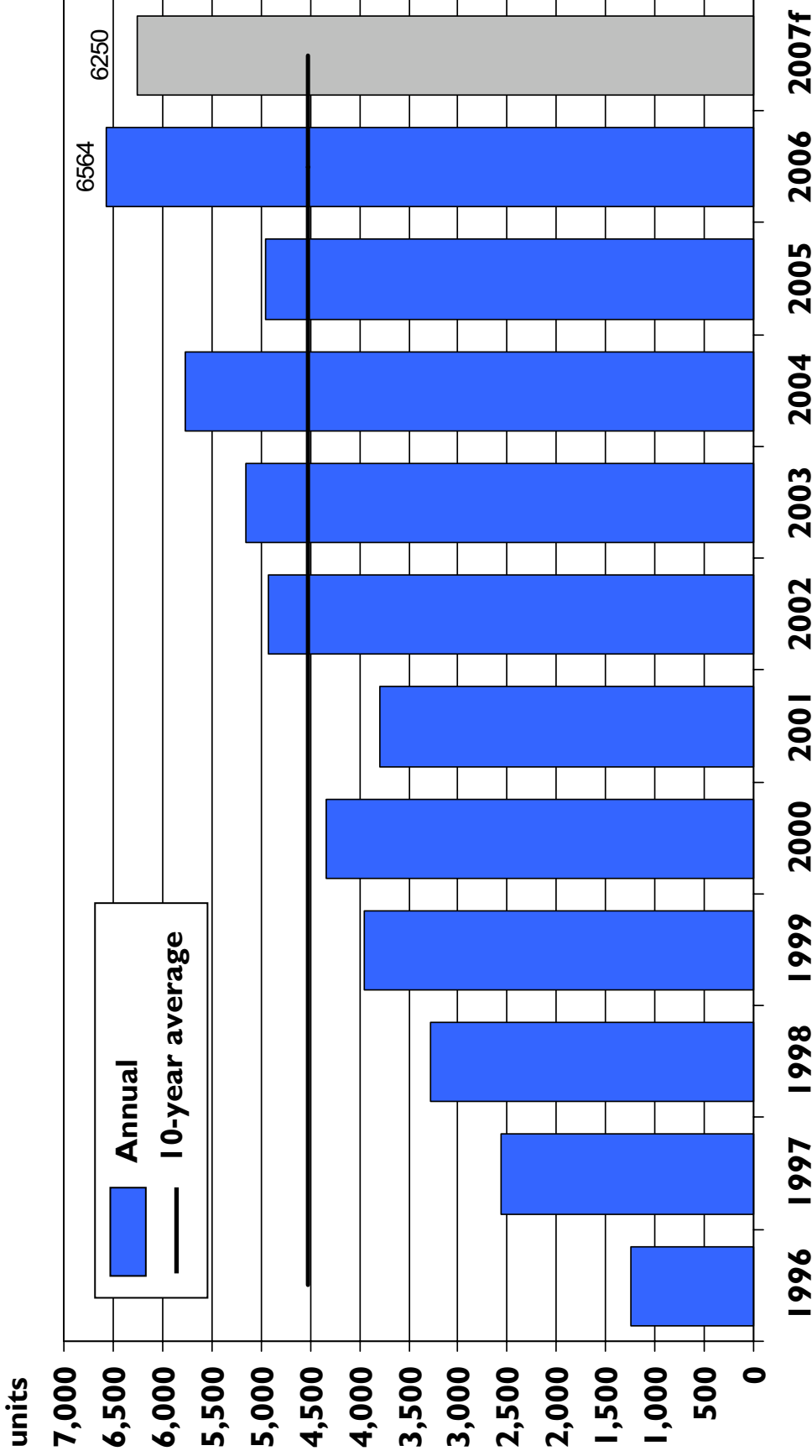
Source: CMHC, CMHC Forecast (f)





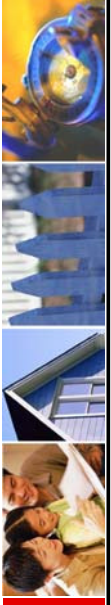
Calgary CMA – Multi-family Starts

2006 at 25-year high, 2007 will still be very high



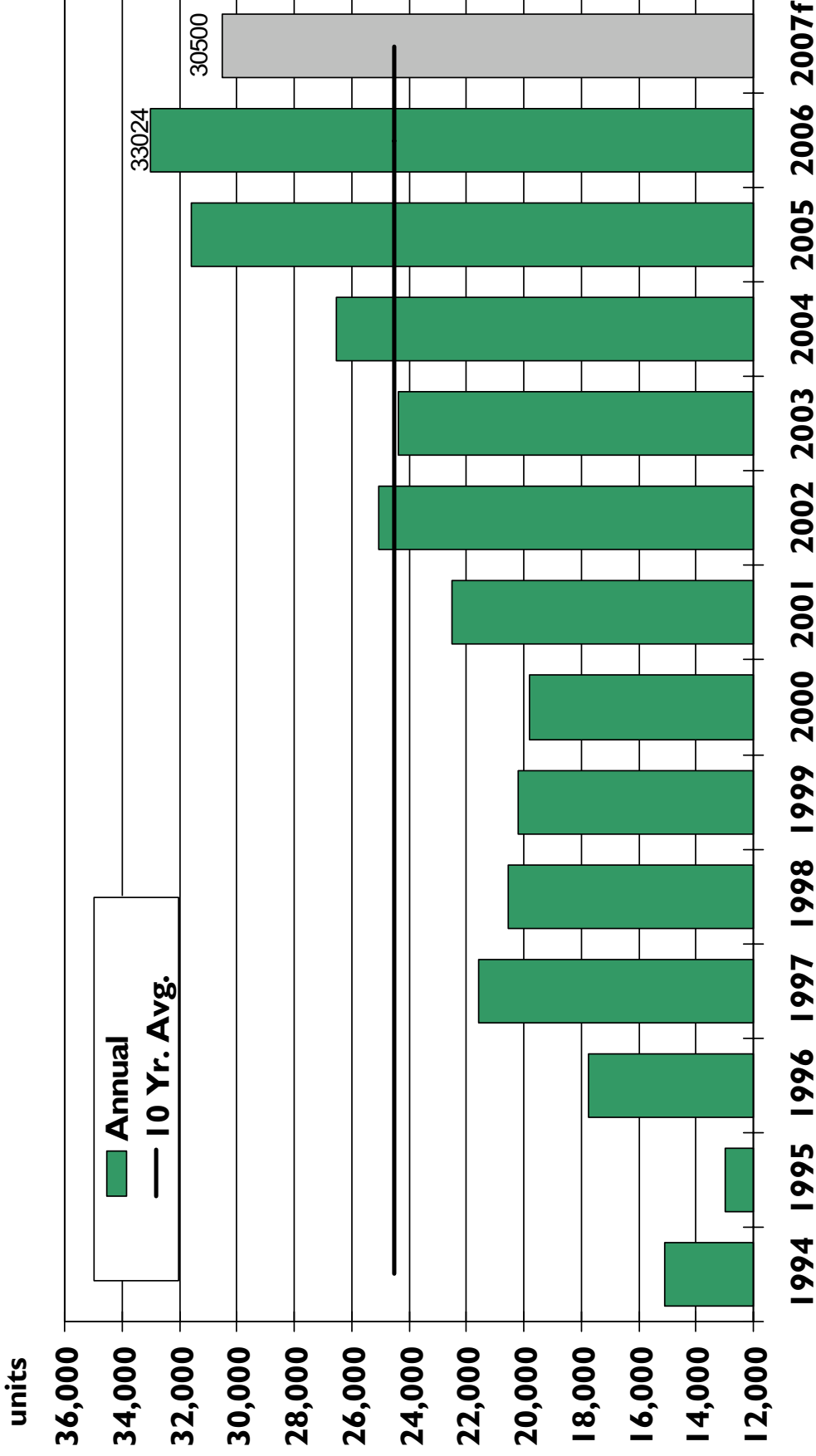
Source: CMHC, CMHC Forecast (f)





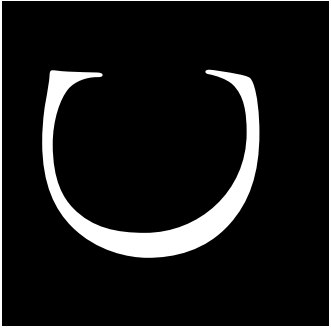
Calgary CMA – Resale Market (MLS®)

2006 record high, 2007 expect 3rd highest level of 30,500 sales

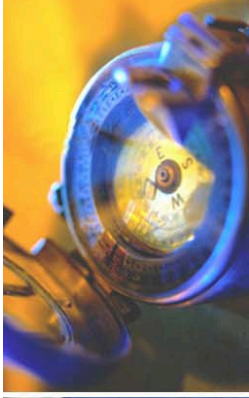


Source: CREB, CMHC Forecast (f)



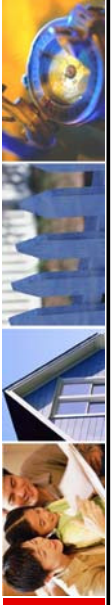


ALGARY ECONOMIC OUTLOOK



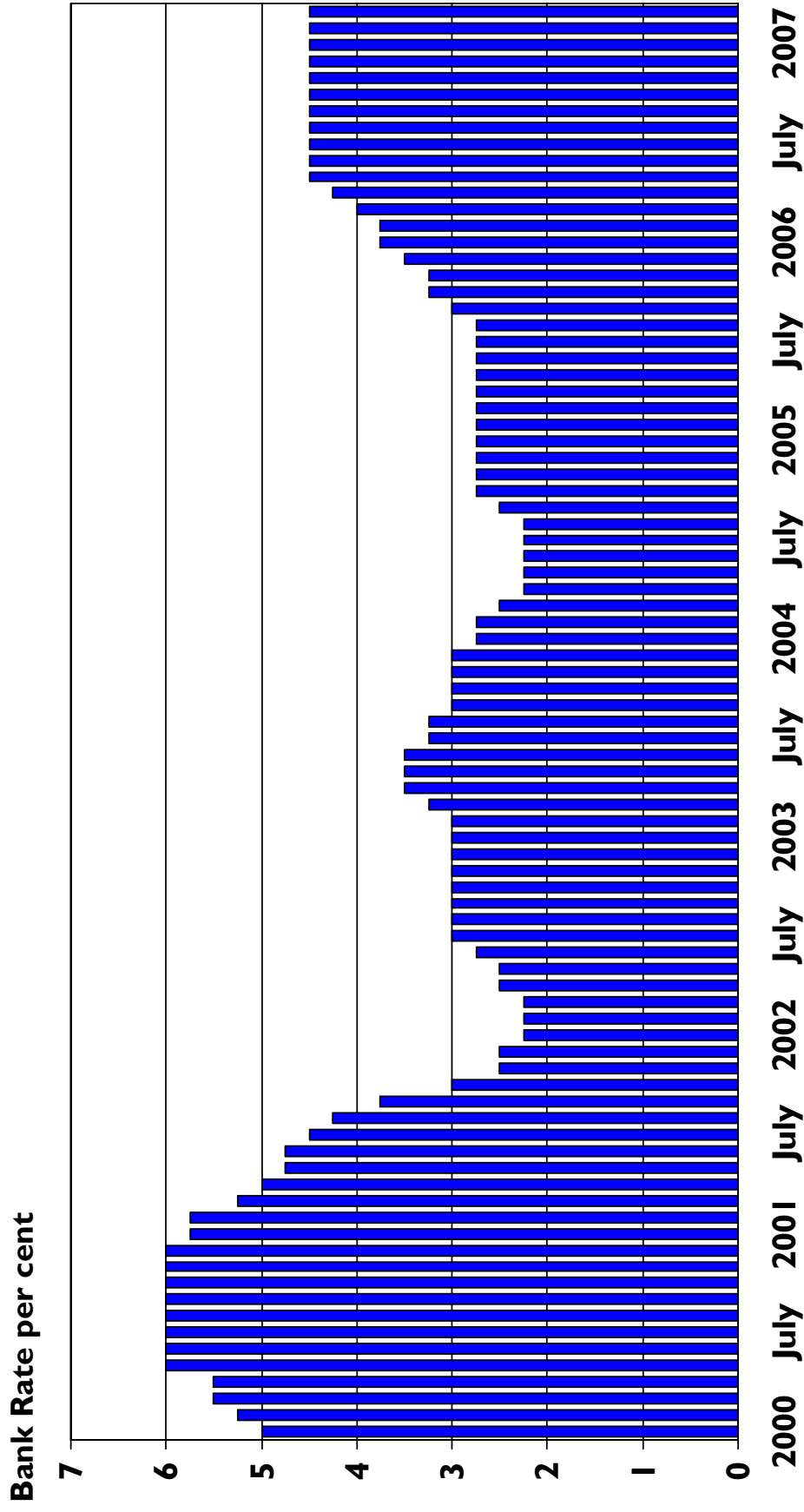
AMBA – March 13, 2007





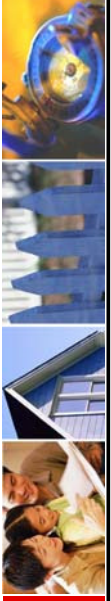
Bank of Canada – Overnight & Bank Rate

Overnight rate at 4.25 % and bank rate at 4.5% - unchanged



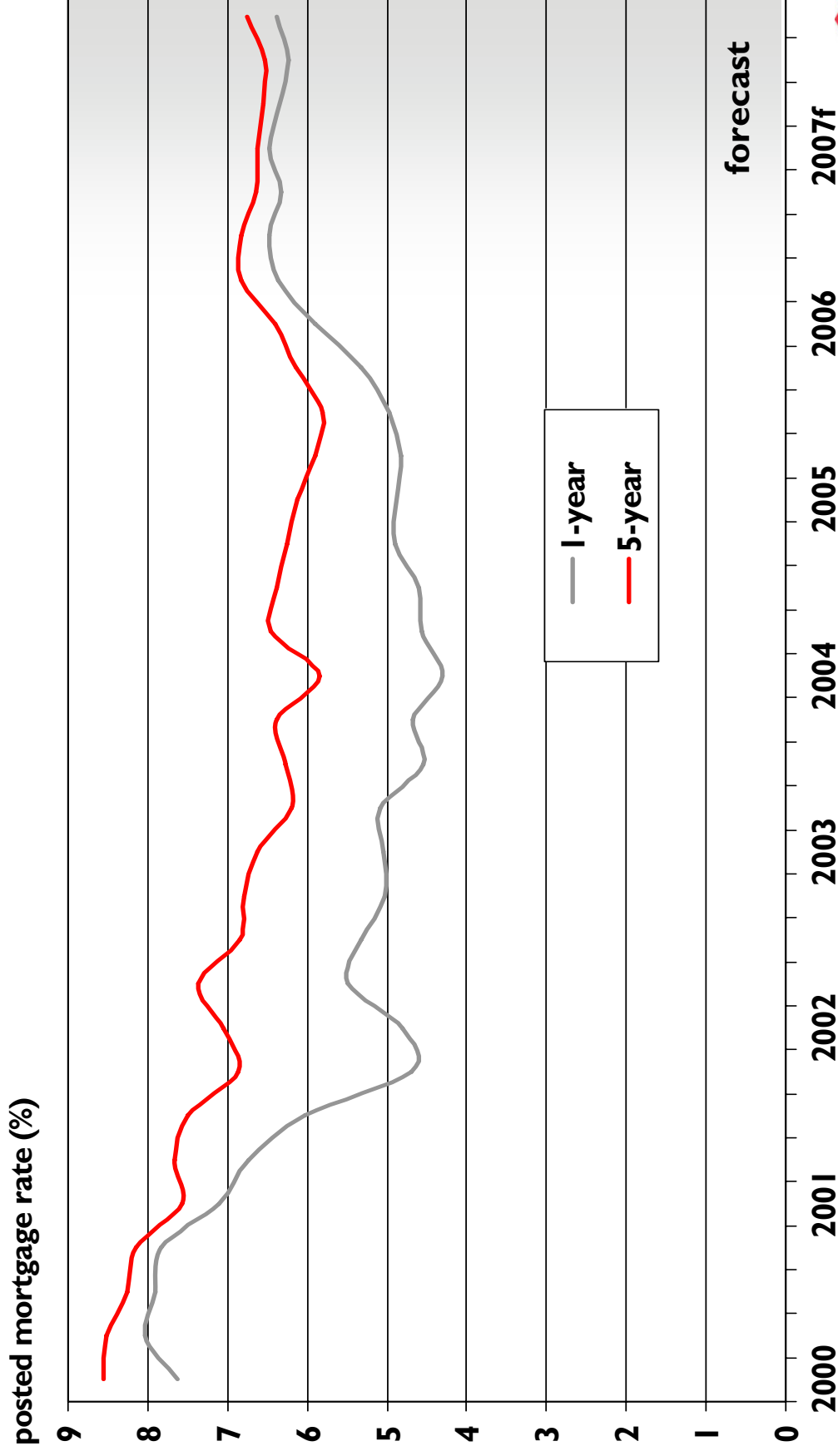
Source: Bank of Canada





Mortgage Rate Outlook

Rates expected to remain low, not much change this year



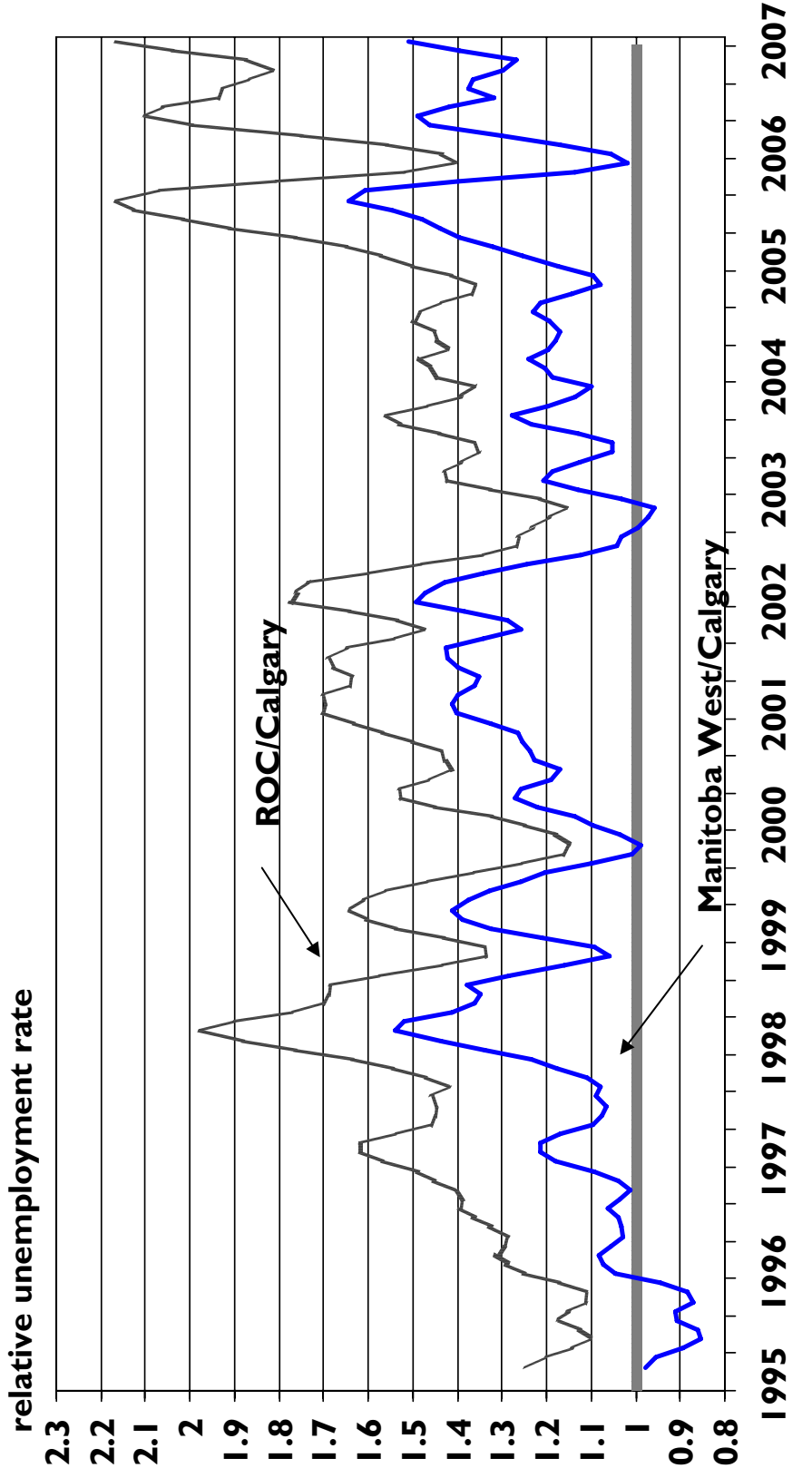
Source: Bank of Canada, CMHC forecast



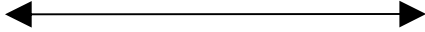


Future of Calgary Net Migration

Migration depends on relative strength of labour market



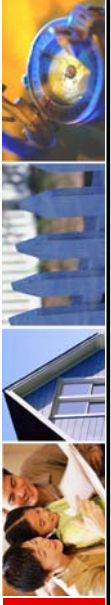
Migrants Drawn to Calgary



Migrants Drawn out/from Calgary

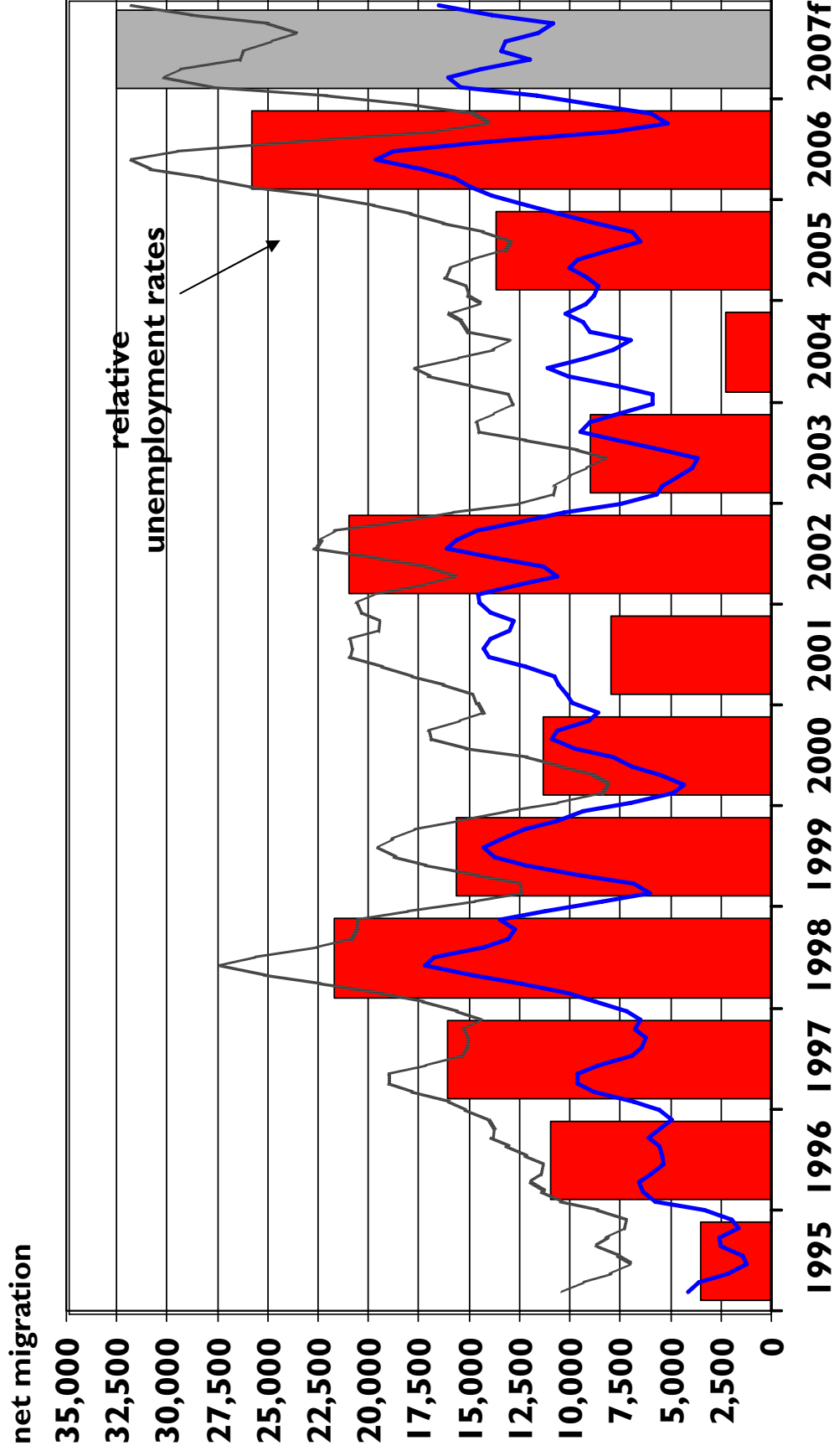
Source: Statistics Canada, CMHC calculation





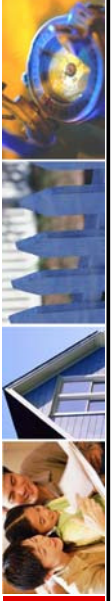
Calgary – Net Migration

Relative unemployment points to higher migration in 2007



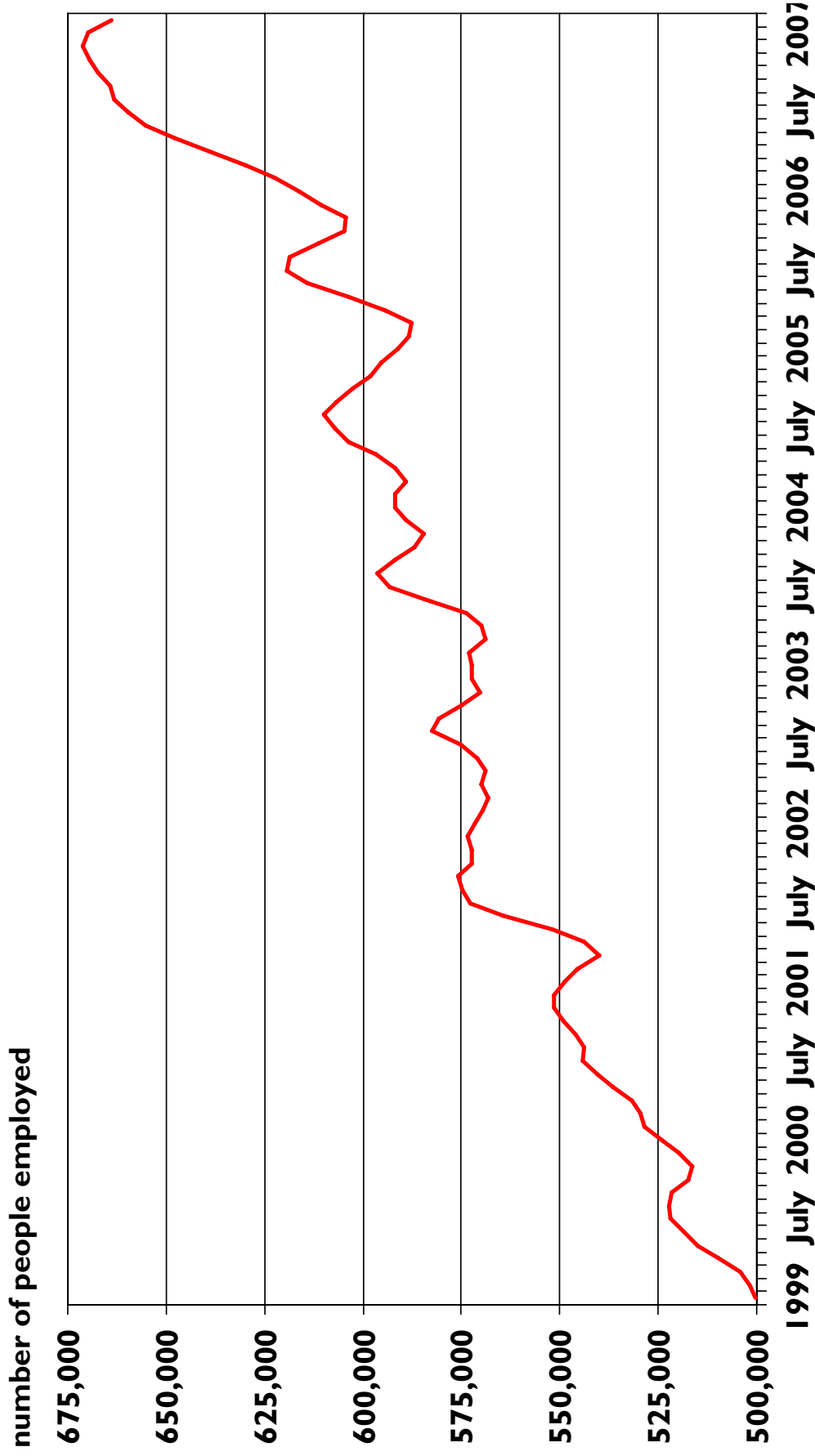
Source: City of Calgary (May to April period), CMHC Forecast (f)





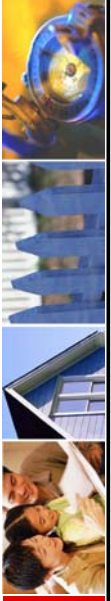
Calgary CMA – Employment

February 2007 employment down 7,400 jobs from December 2006 peak



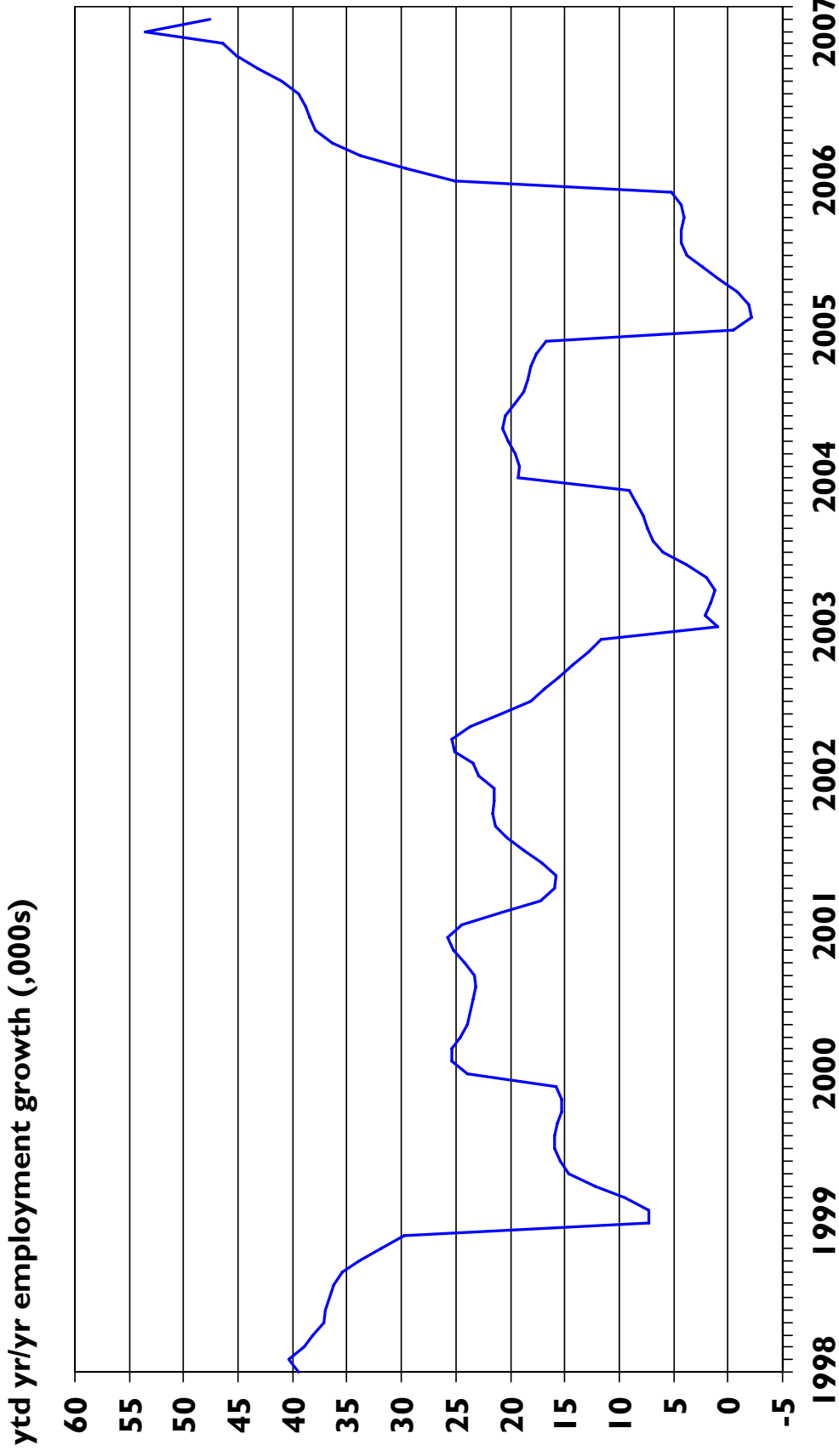
Source: Statistics Canada



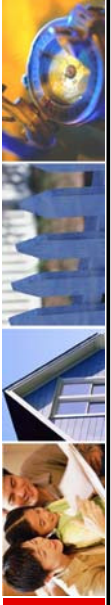


Calgary CMA – Job Growth

47,600 more jobs in Feb 2007 than a year ago



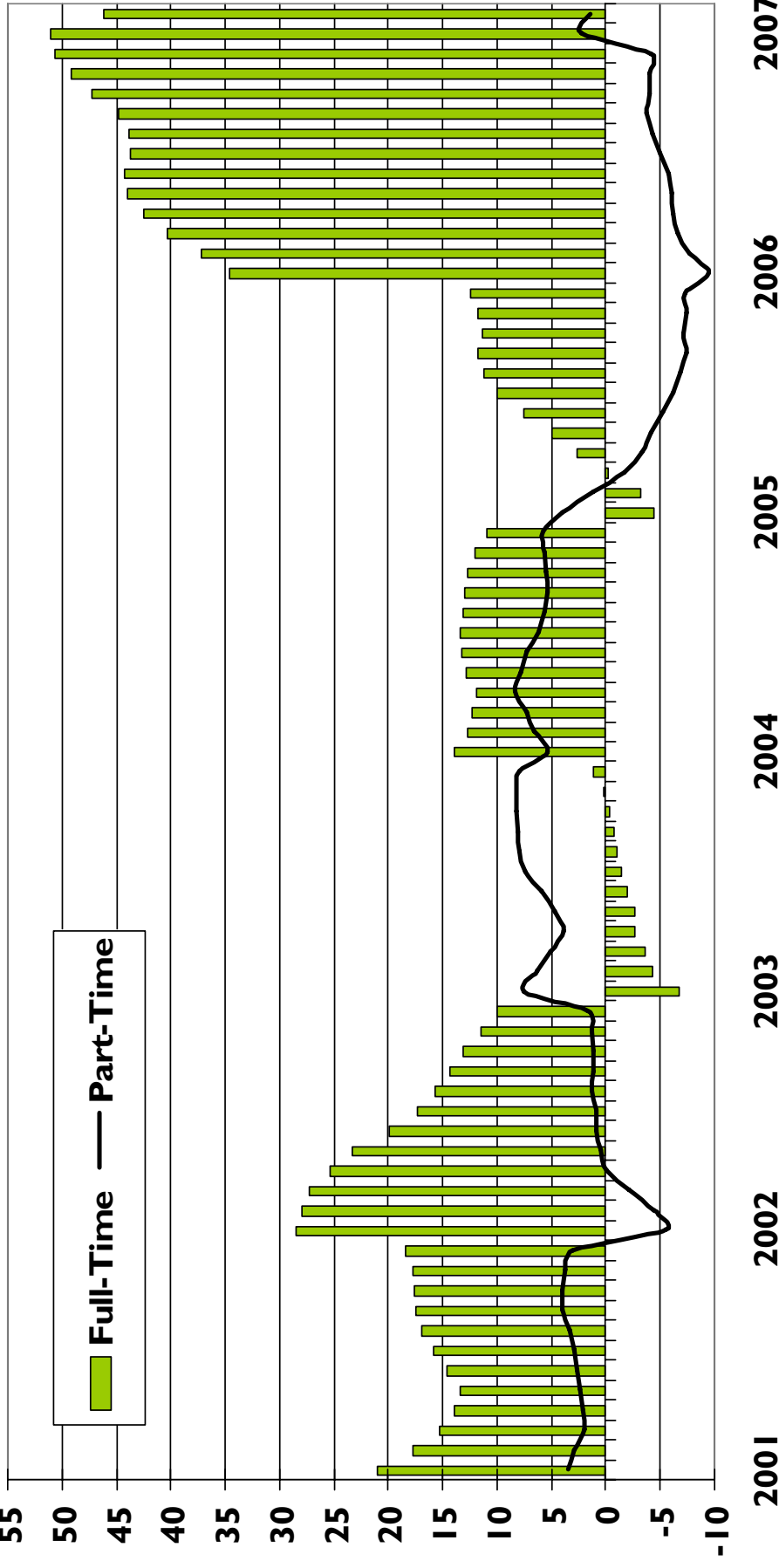
Source: Statistics Canada



Calgary CMA – FT vs. PT Job Growth

Part-time jobs expand by 3,500 in January, first time since Feb 2005

ytd average yr/yr employment growth (,000s)



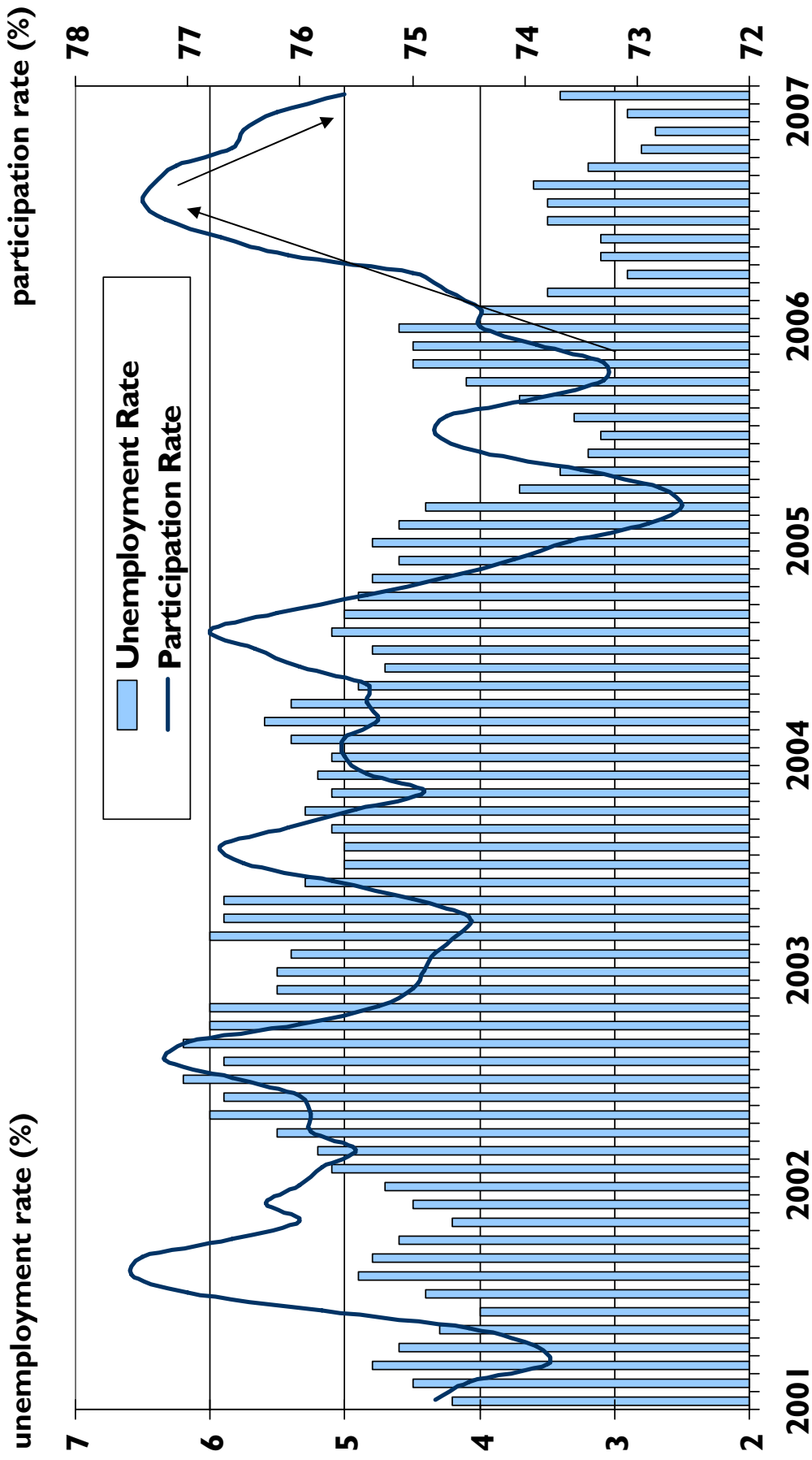
Source: Statistics Canada





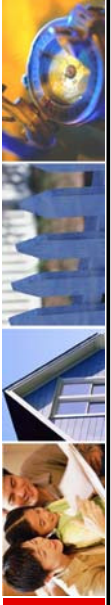
Calgary CMA – Labour Market Indicators

February unemployment 3.4 %, participation rate 75.6%



Source: Statistics Canada

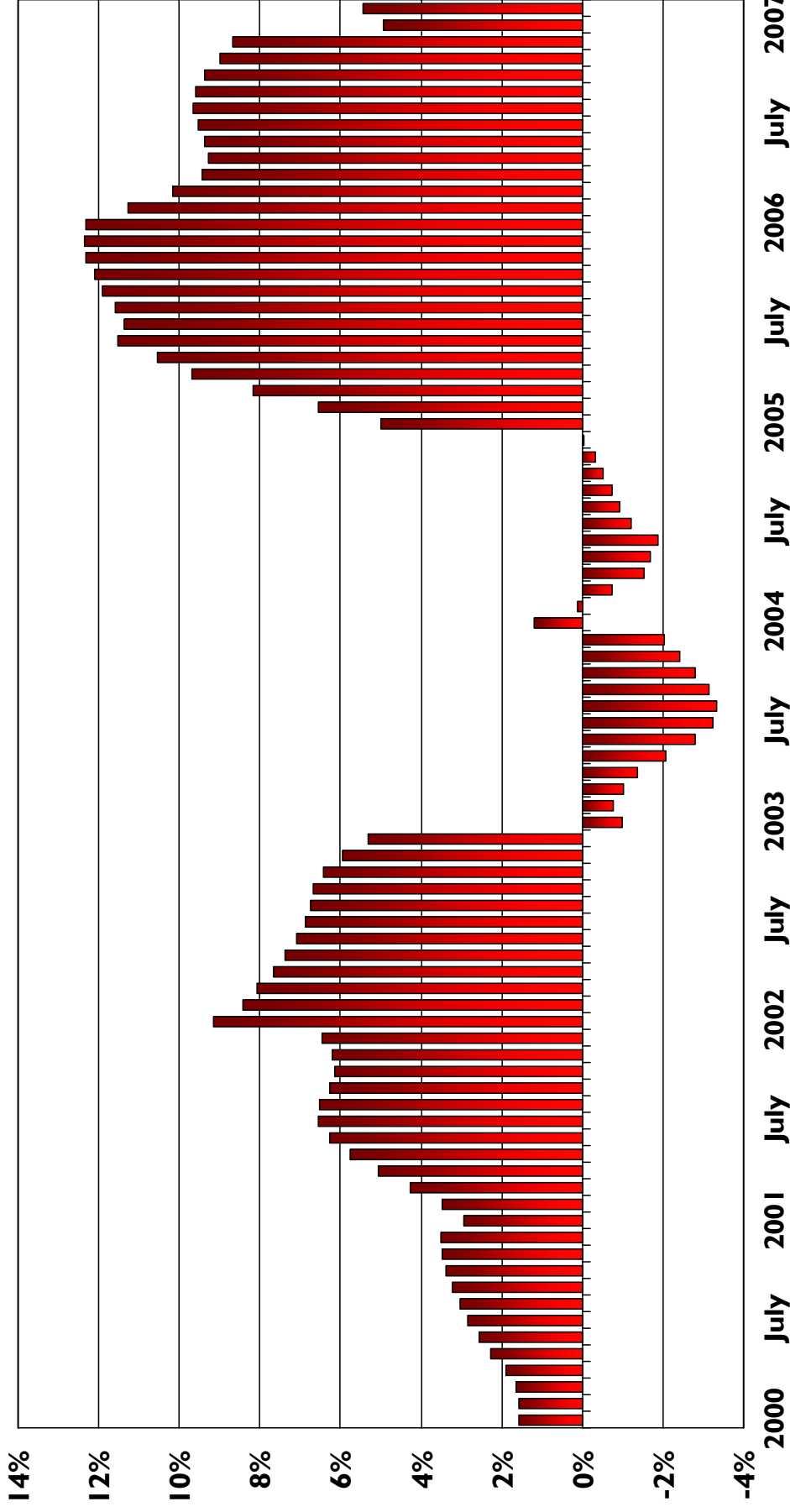




Calgary CMA – Average Weekly Earnings

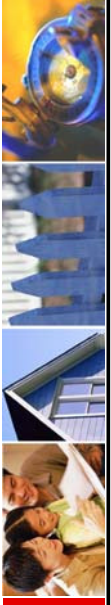
Wage growth moderates, Feb 2007 wages 5.4% higher than Feb 2006

ytd yr/yr growth



Source: Statistics Canada

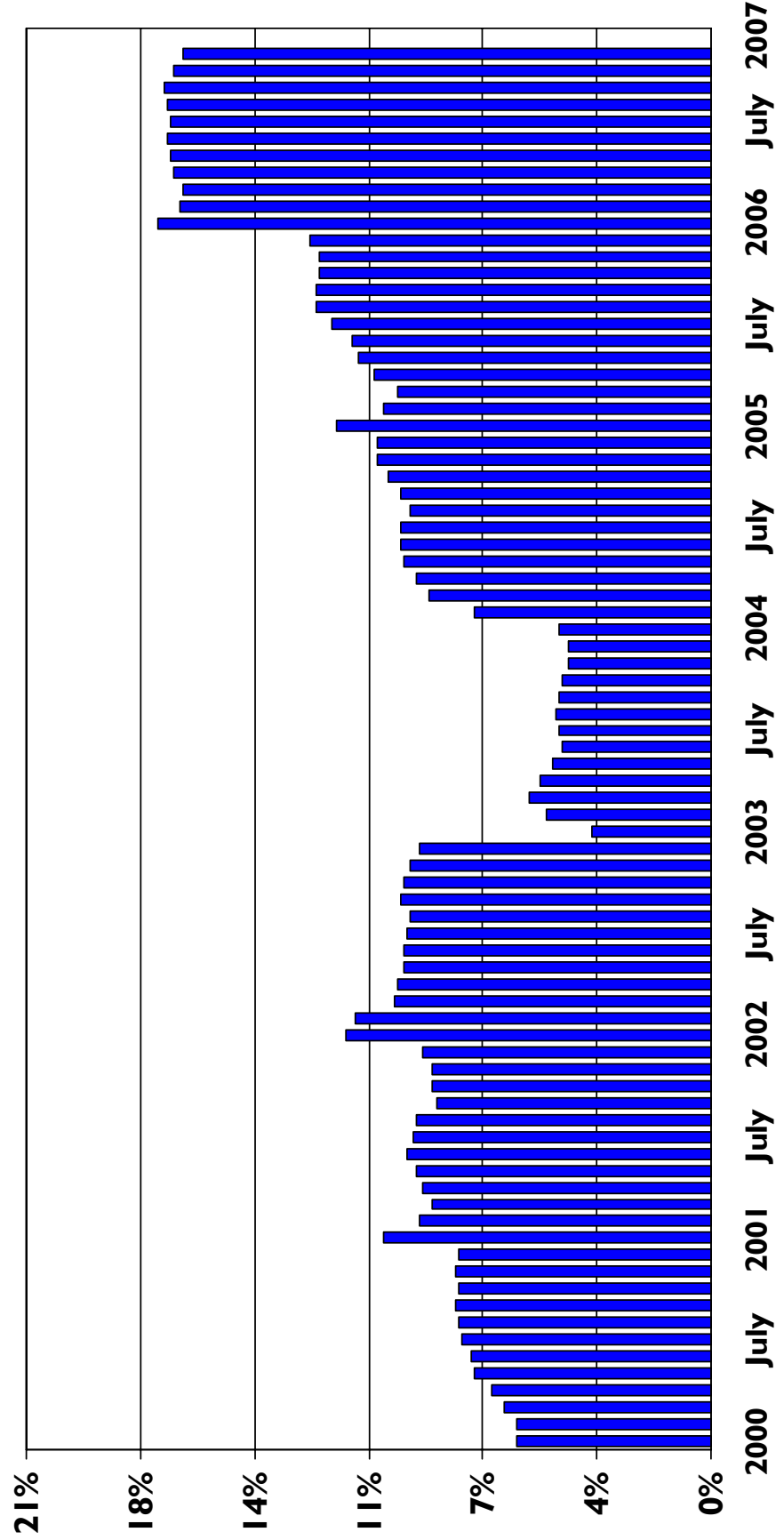




Alberta Nominal Retail Sales

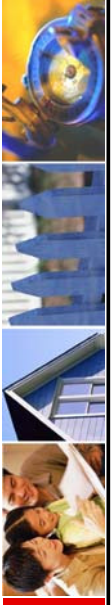
2006 sales very strong, up over 16% from 2005

YTD Yr/Yr change in retail sales (%)



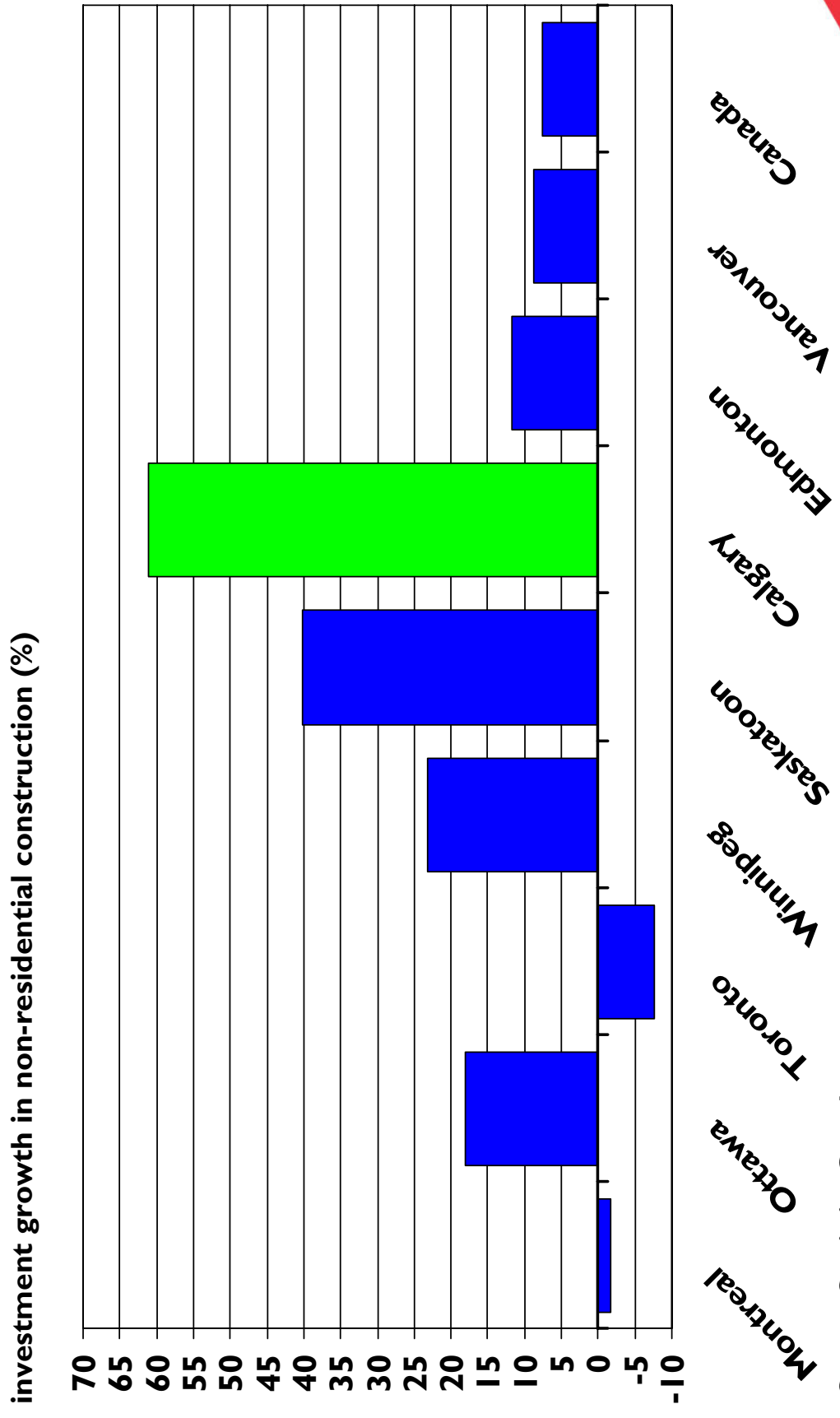
Source: Statistics Canada





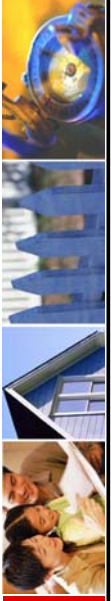
Non-Residential Building Construction

Investment yr/yr 2006 Q4, up over 60% in Calgary



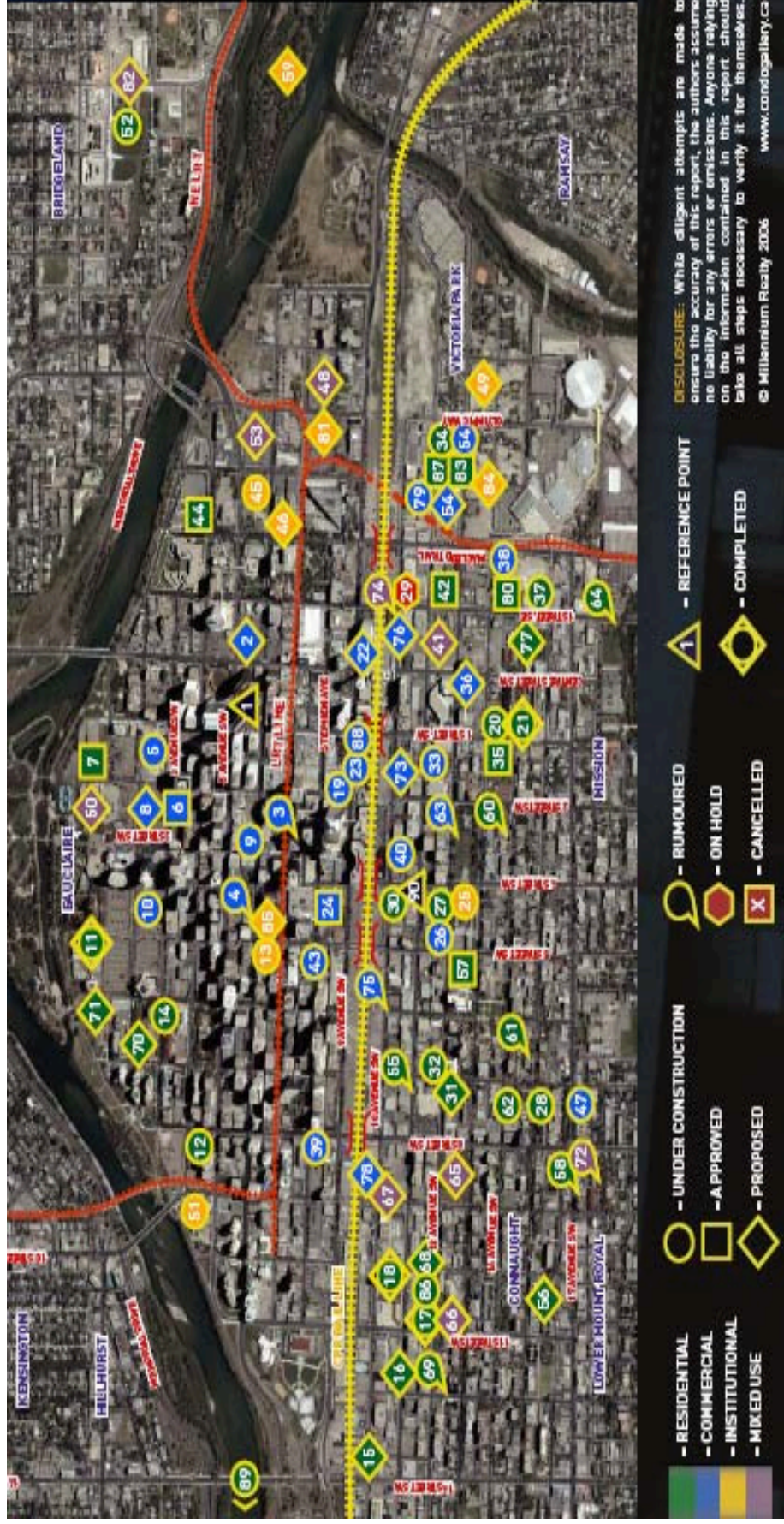
Source: Statistics Canada





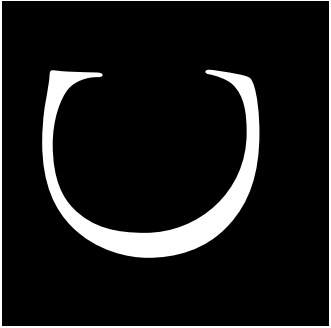
Calgary – Downtown Constriction

\$Billions proposed or under construction, boosting labour demand

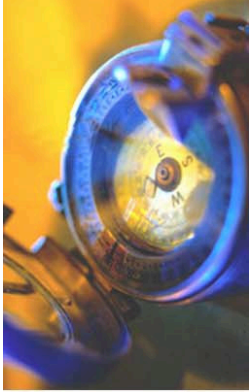


Source: The Millennium Group





ALGARY'S RESALE MARKET



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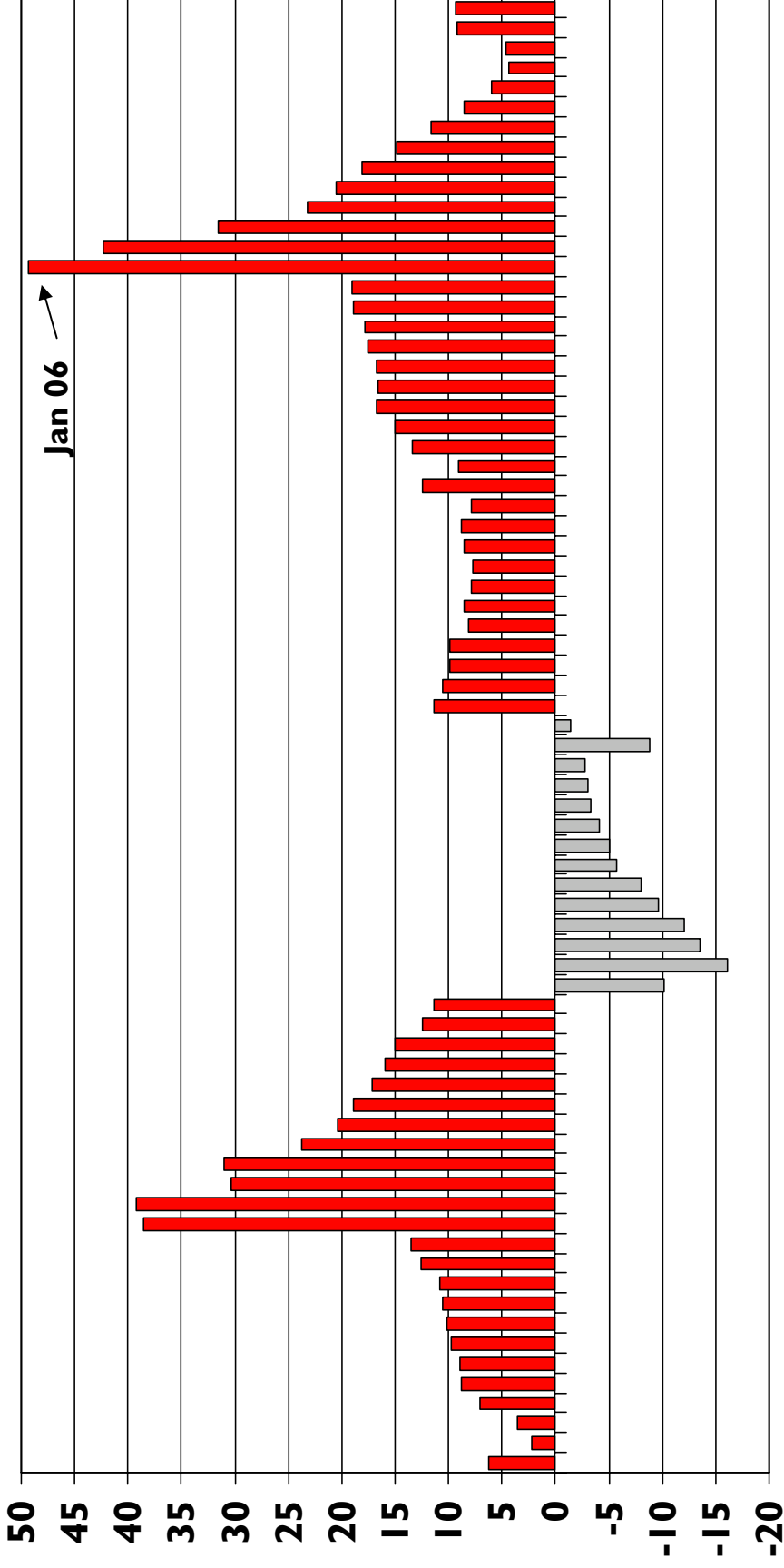




Calgary CMA – Change in MLS® Sales

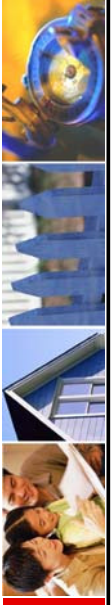
Sales in 2007 are at a pace ahead of record set in 2006

ytd yr/yr change in sales (per cent)



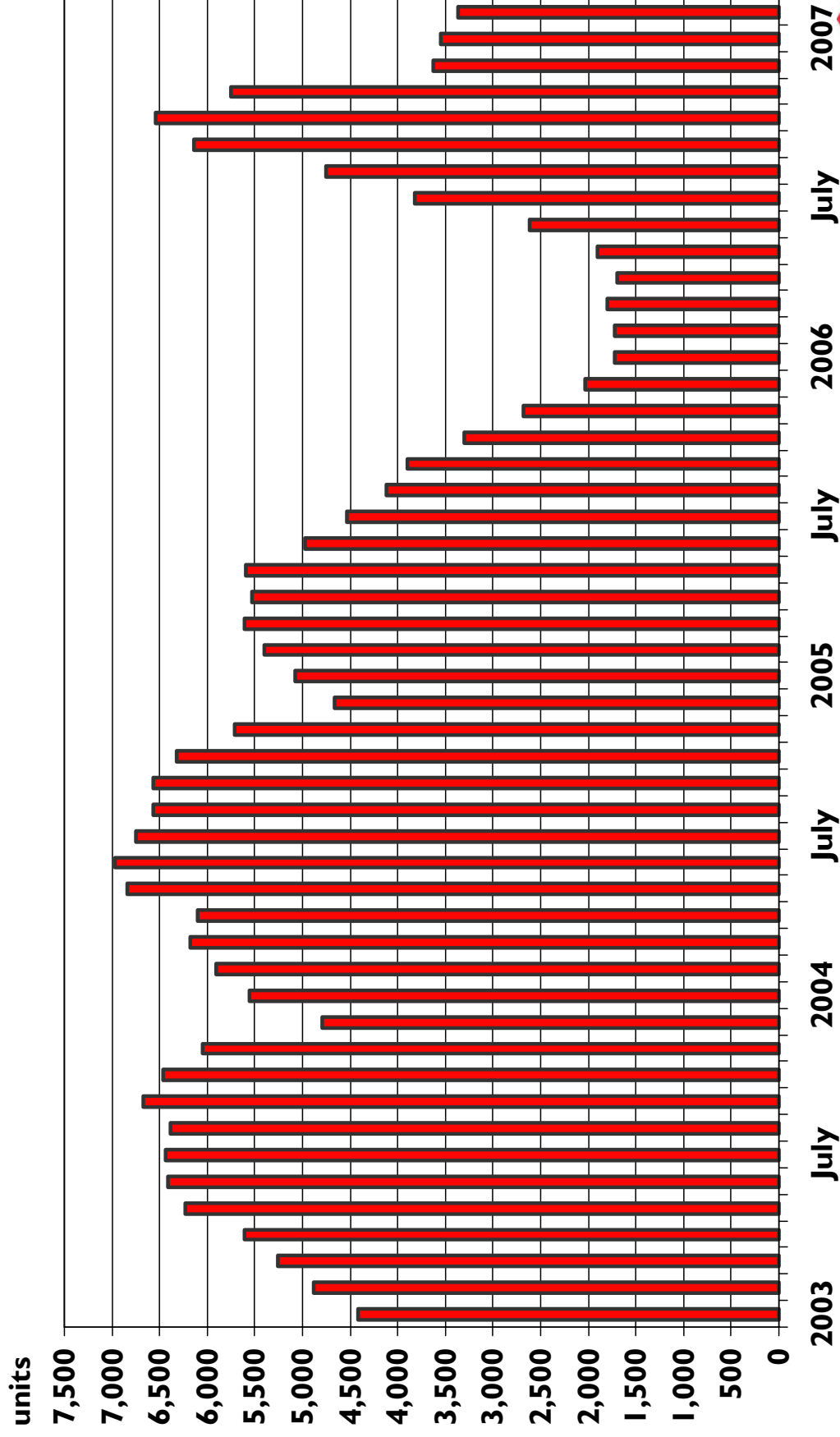
Source: CREB





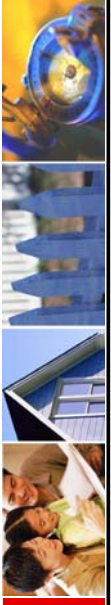
Calgary CMA – MLS® Active Listings

Supply was at record low levels in 2006, going back 25 years



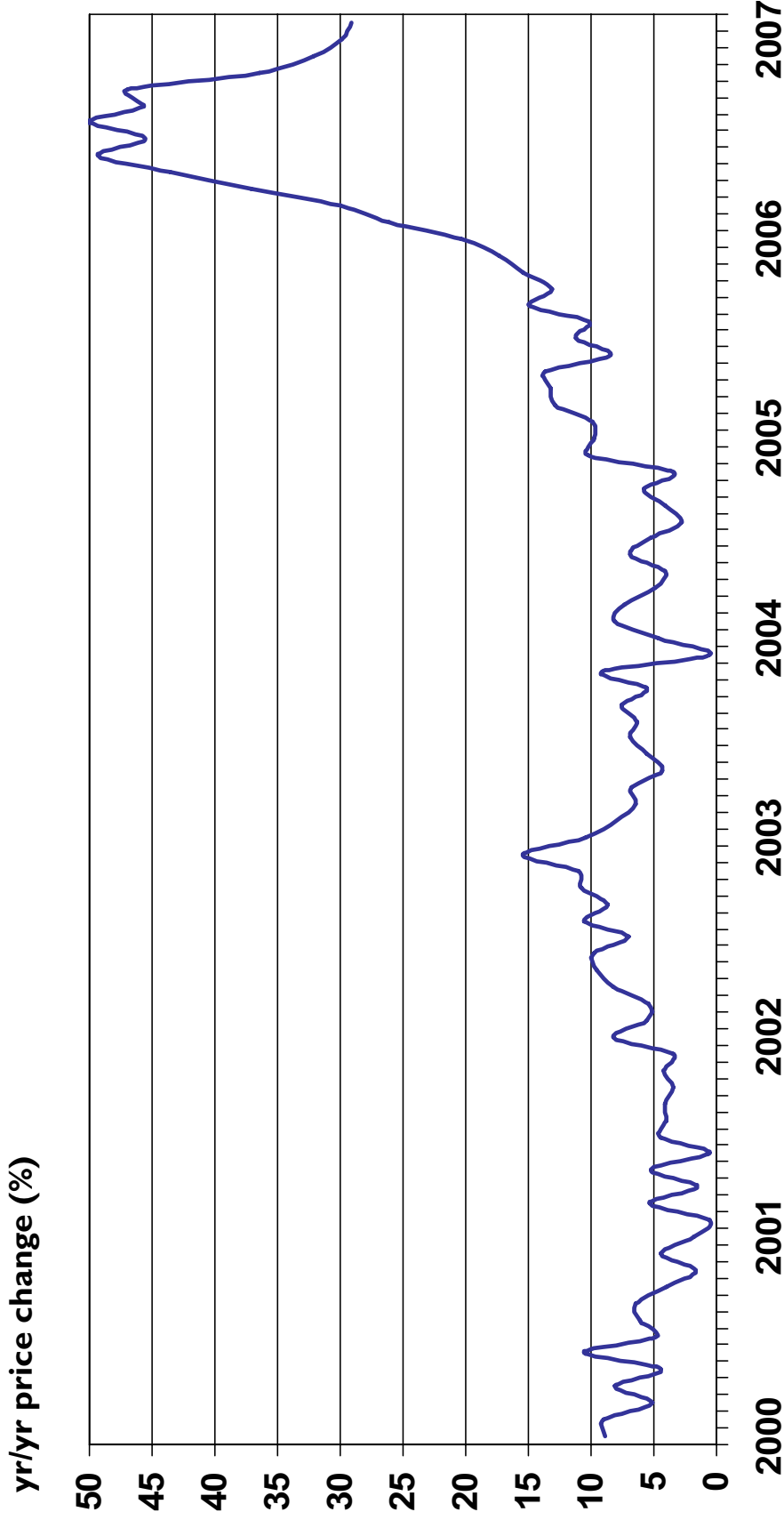
Source: CREB





Total MLS[®] Yr/Yr Price Change

Growth rate of prices peaked at 50%



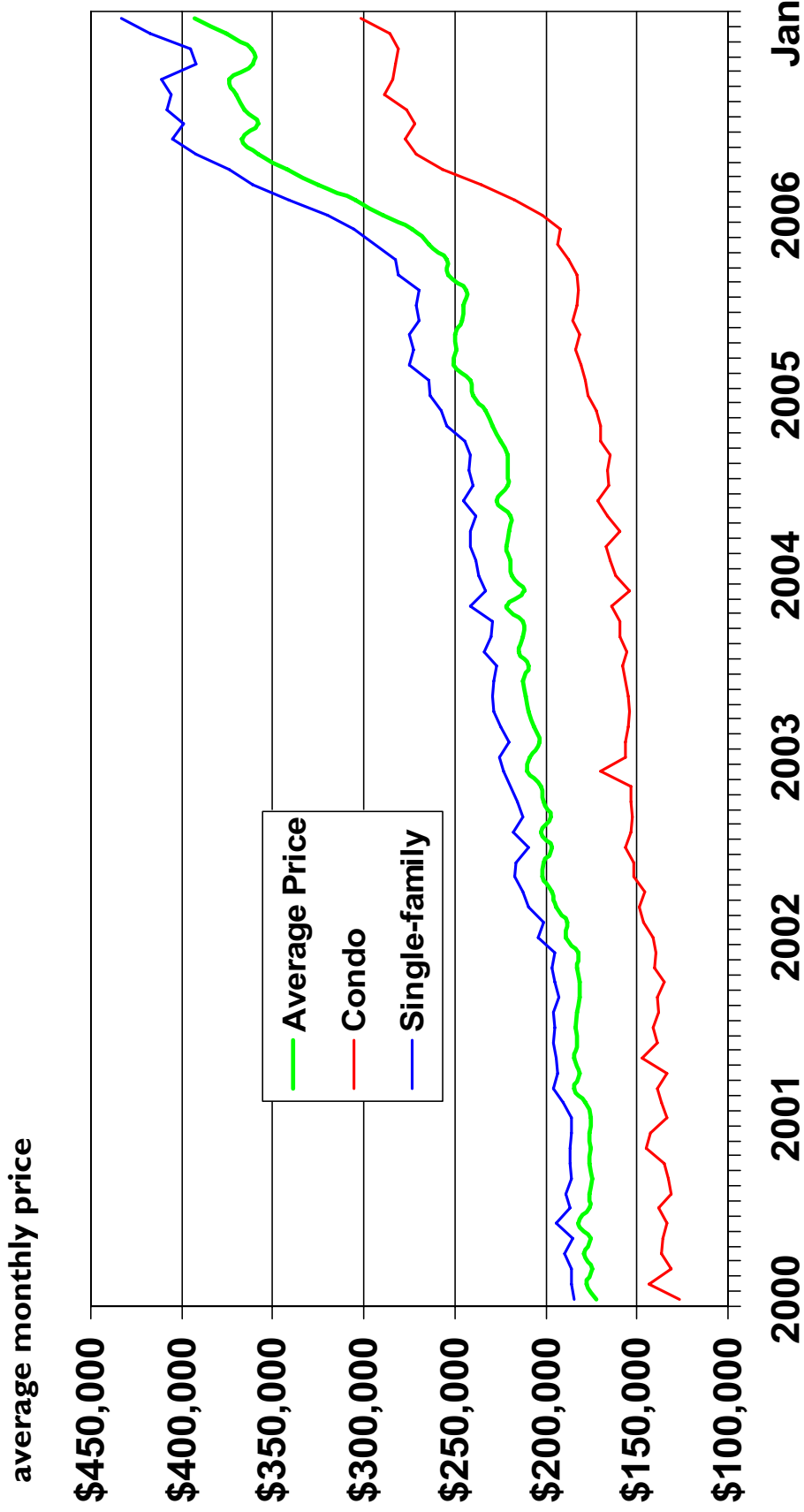
Source: CREB





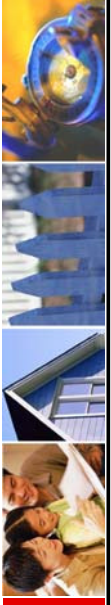
MLS[®] Average Prices

Total average for Feb was \$393,307, prices moving up again



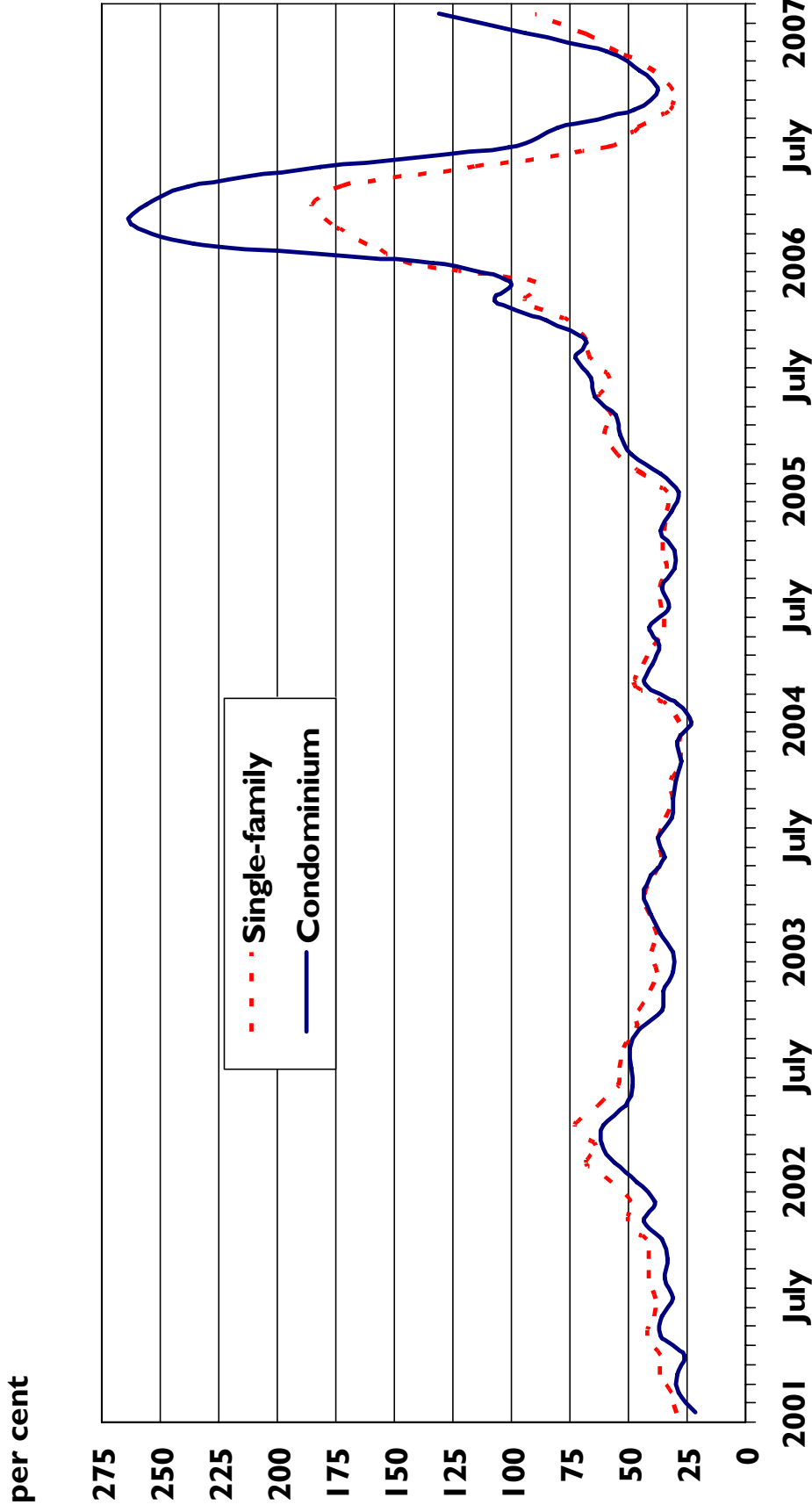
Source: CREB





Calgary CMA – Sales to Active Listings Ratio

Market pressure has returned in 2007, expect prices to rise

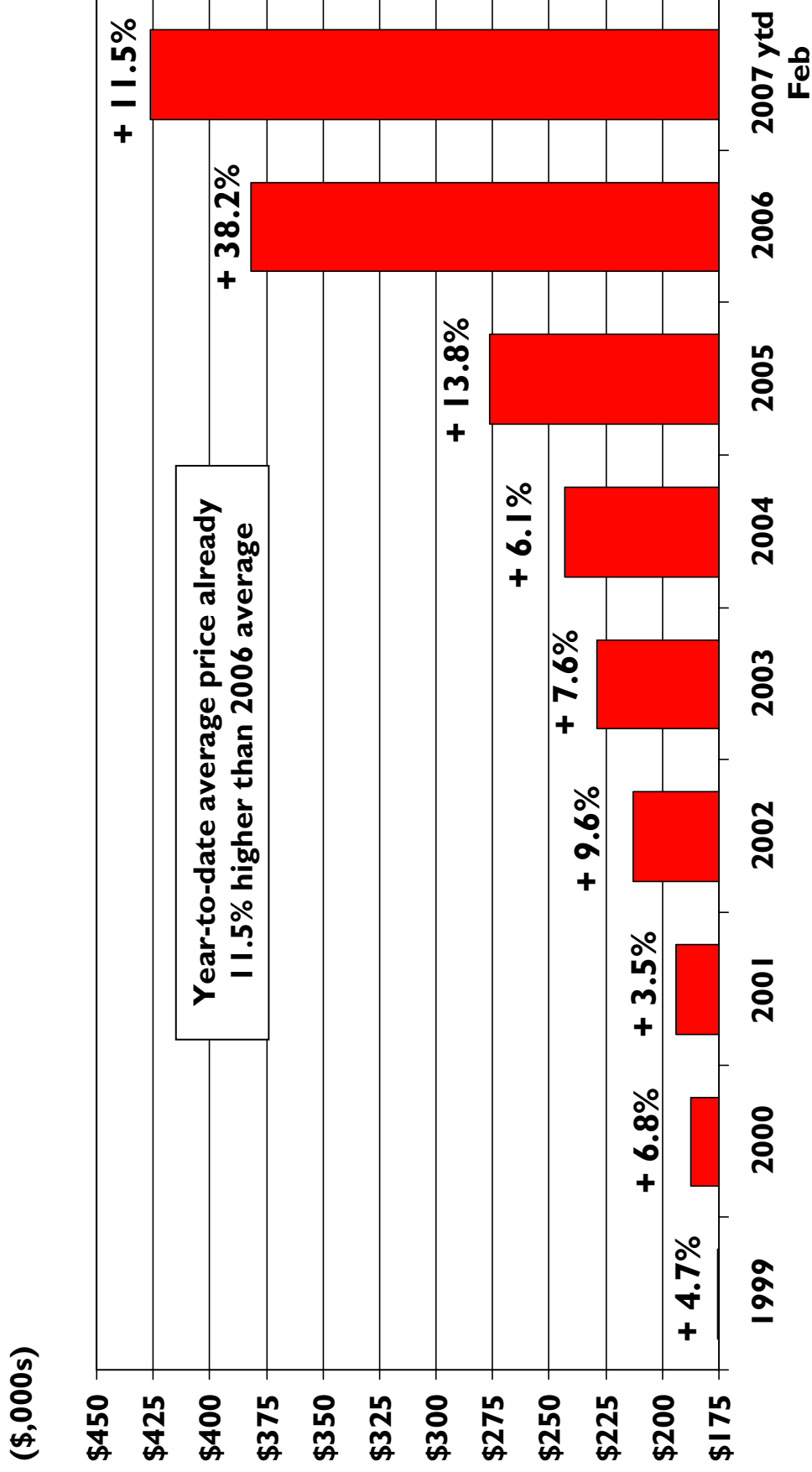


Source: CREB



Calgary CMA – MLS® Price Single Detached

Average price about doubled in five years, and rising in 2007



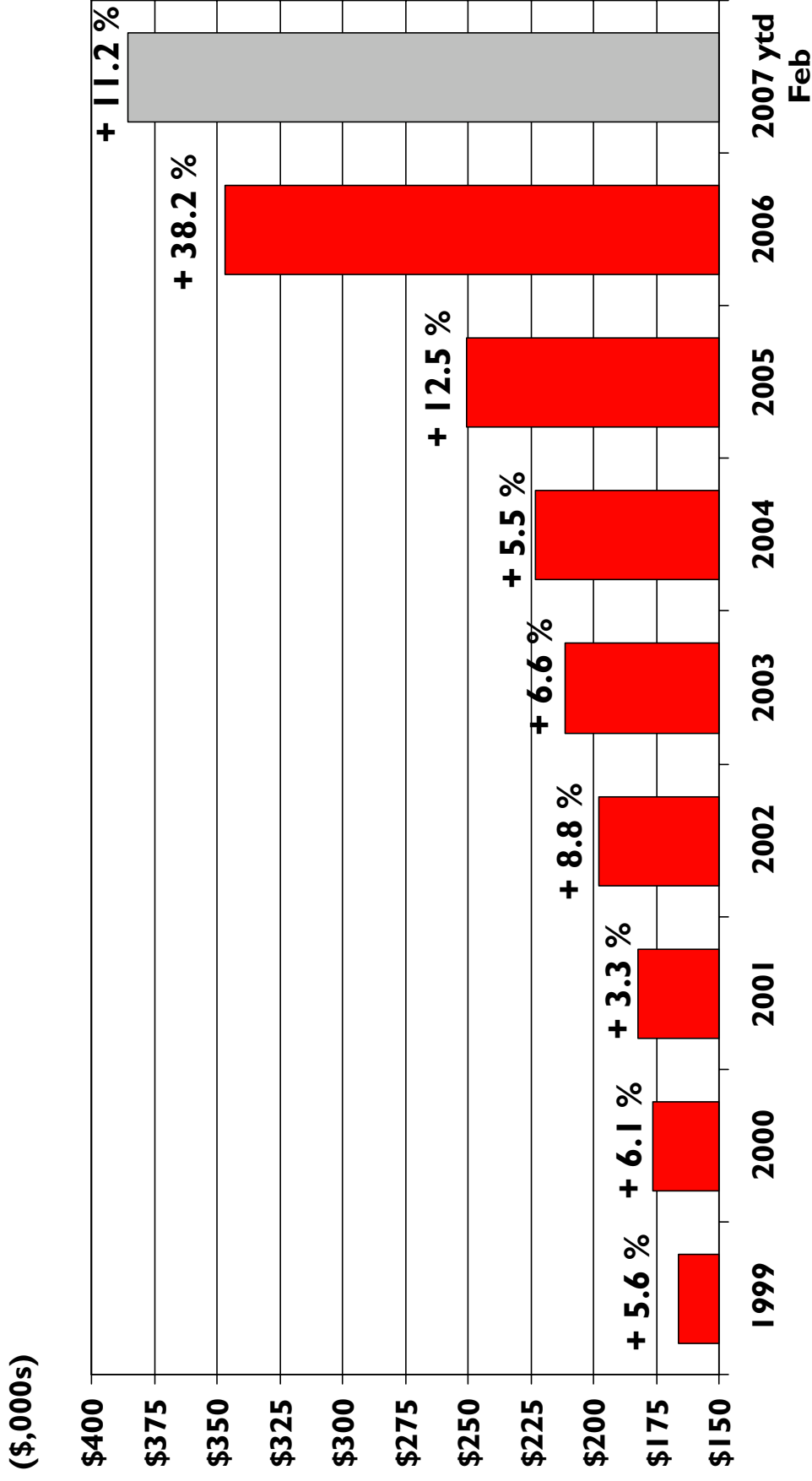
Source: CREB, CHMC Forecast (f)





Calgary CMA – Average MLS[®] Price

Growth to moderate in 2007 due to greater selection but still rising rapidly



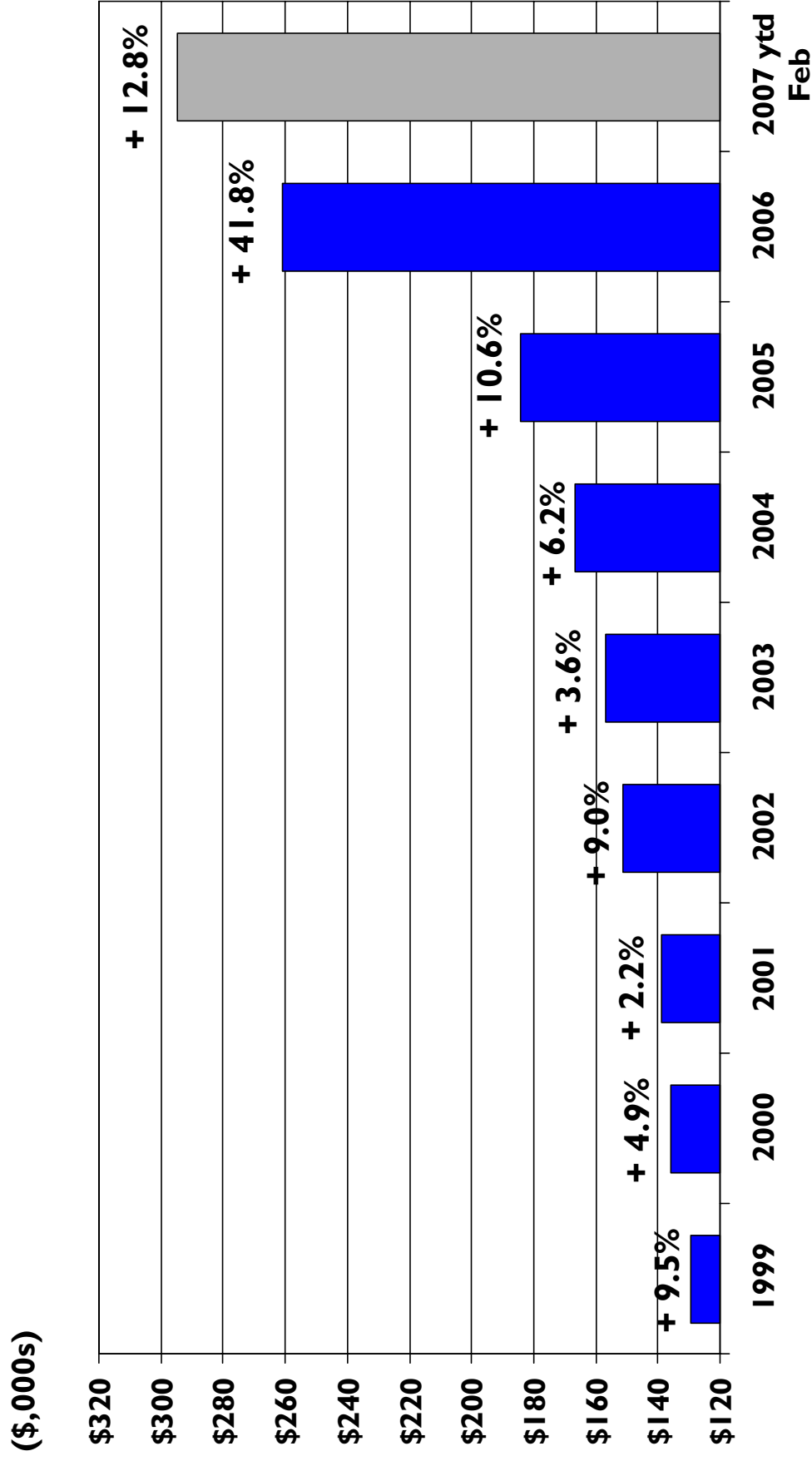
Source: CREB, CHMC Forecast (f)





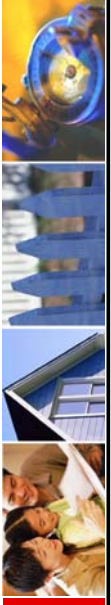
Resale Condominium Prices

Average condo price rising faster than single-detached in 2006



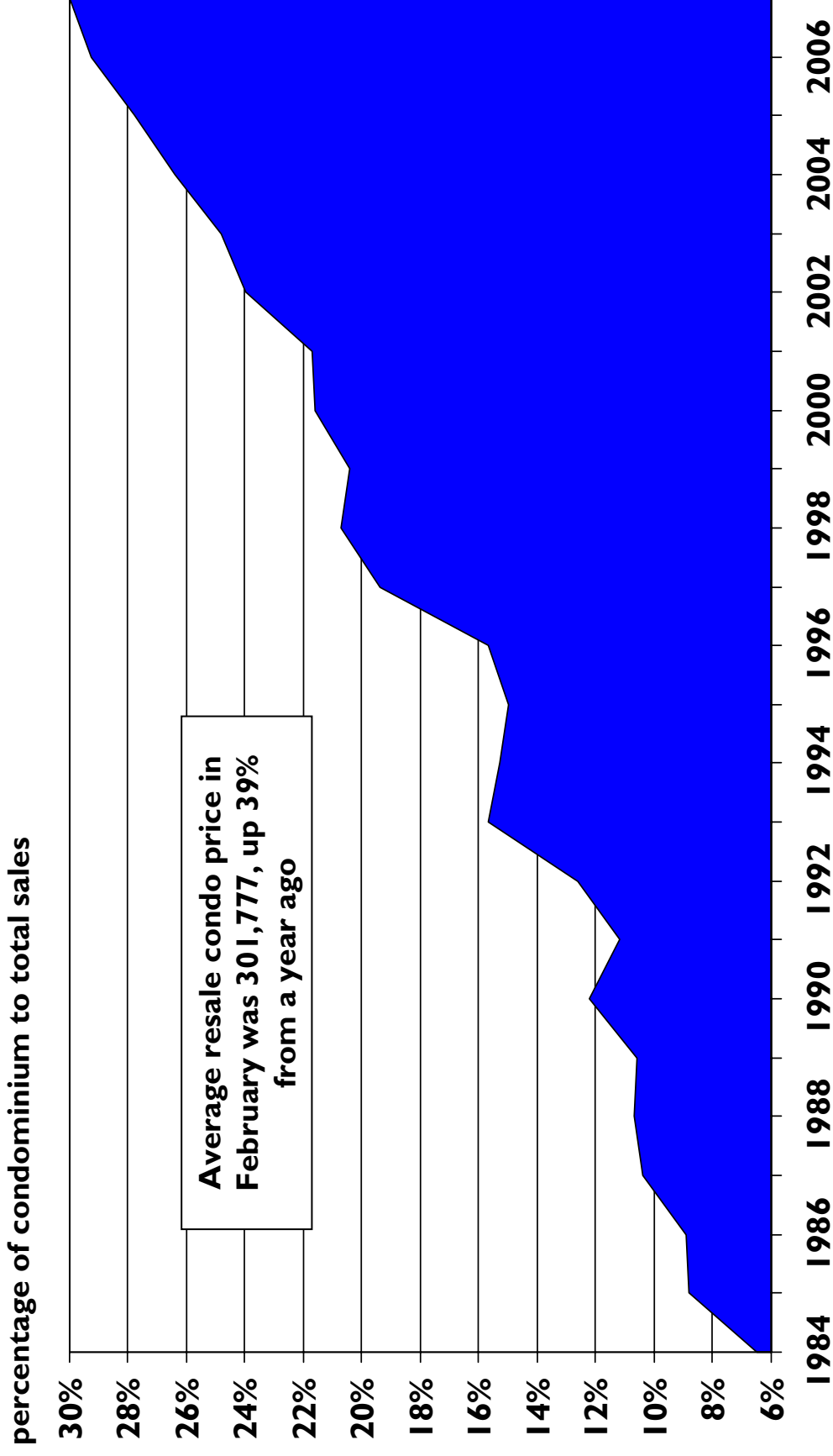
Source: CREB, CHMC Forecast (f)





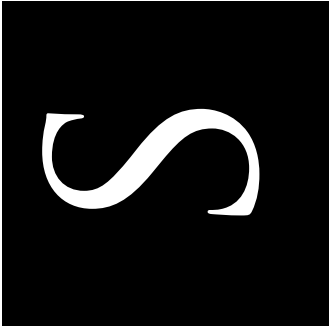
Calgary CMA – Condo Sales On MLS[®]

Condos continue to capture a larger share of market

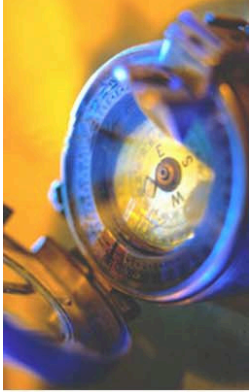


Source: CREB, CMHC Forecast (f)



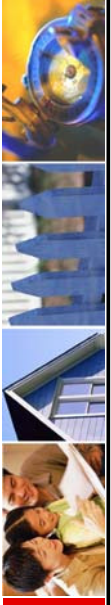


SINGLE-DETACHED CONSTRUCTION



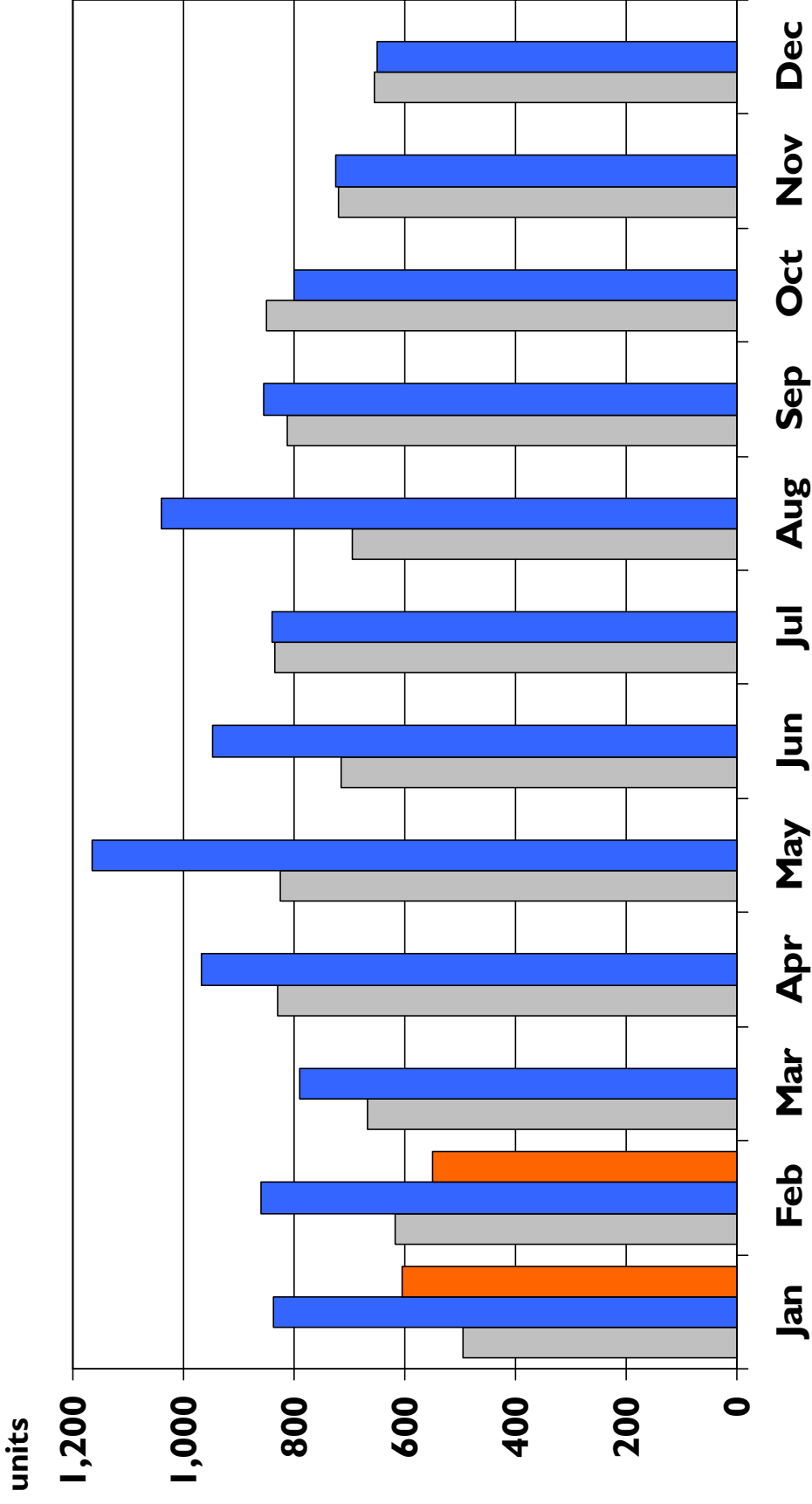
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Calgary CMA – Single Detached Starts

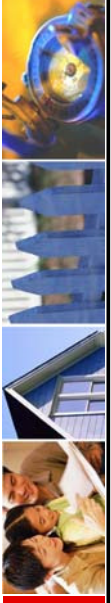
Ytd Feb down 32%, compared to record in 2006



■ 2005 ■ 2006 ■ 2007

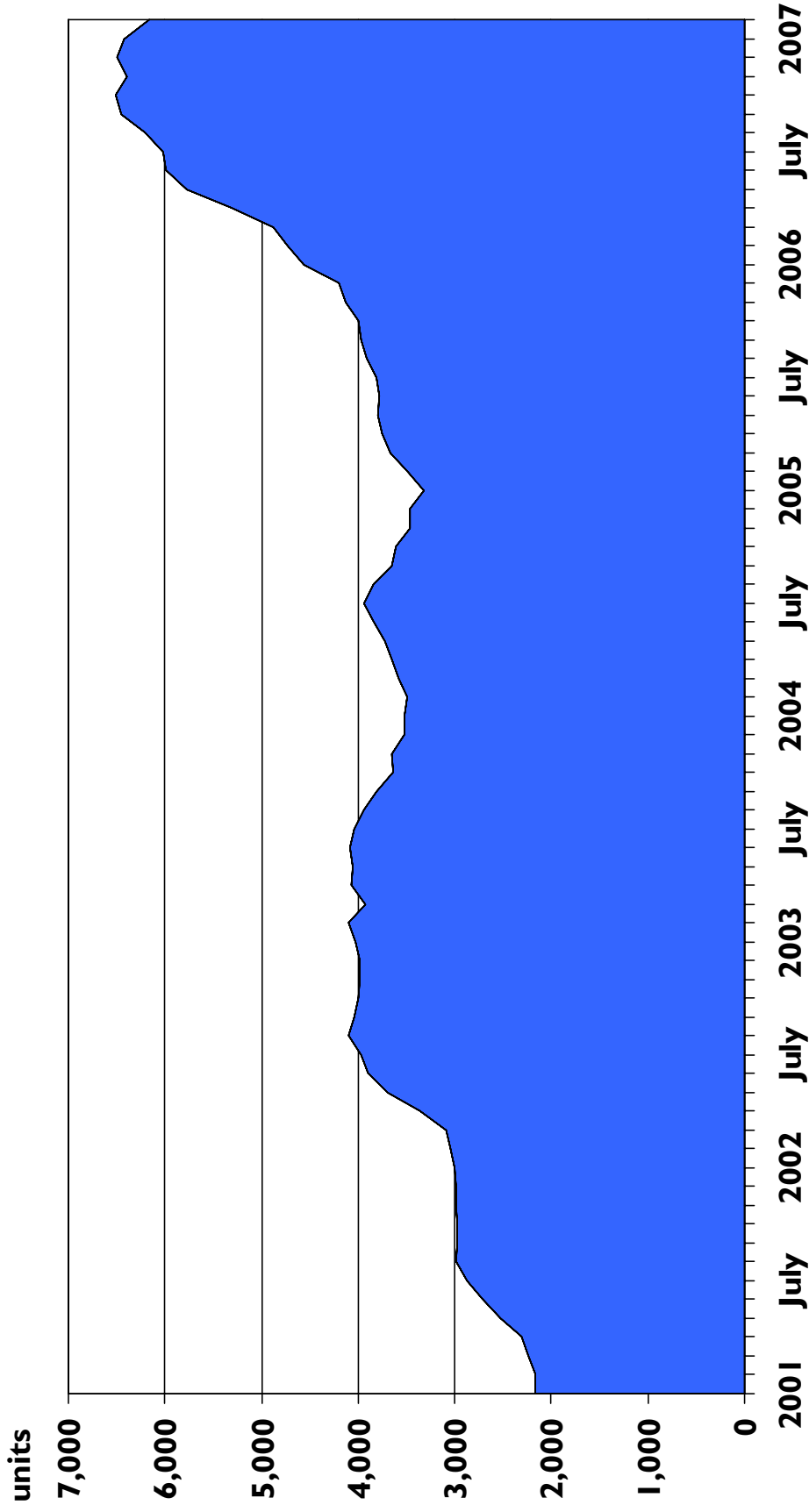
Source: CMHC





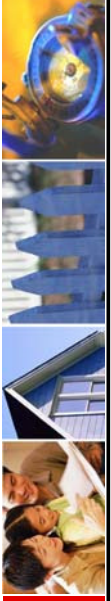
Calgary CMA – Single Detached Homes

February under construction 30% higher yr/yr - near record level



Source: CMHC

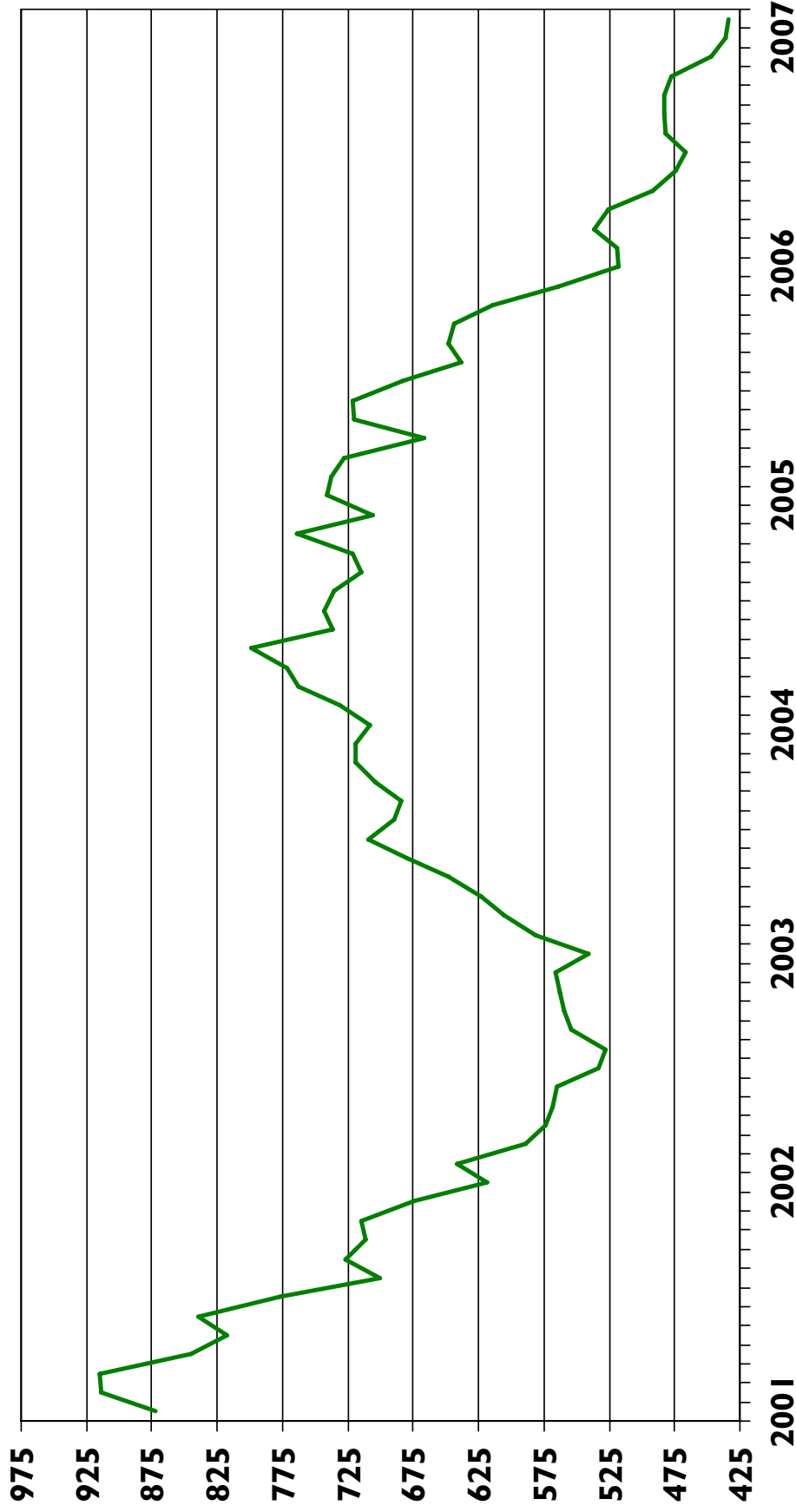




Calgary CMA – Single Detached Inventory

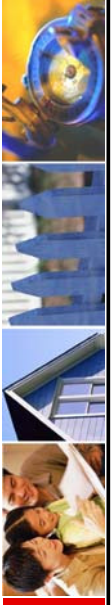
434 completed and unabsorbed in Feb, down 16% yr/yr

complete and unabsorbed units (inventory)



Source: CMHC

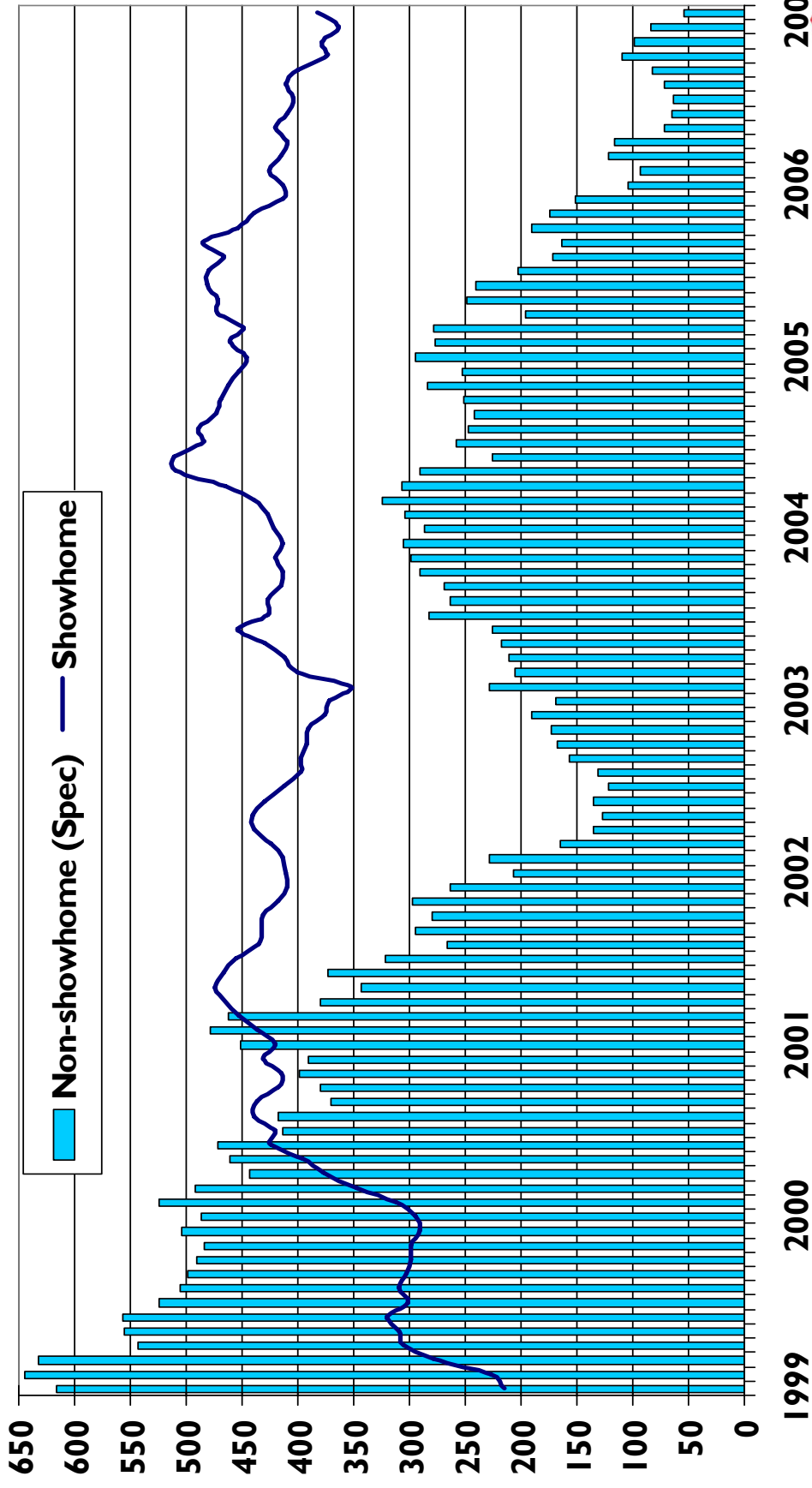




Single-Family Spec vs. Showhomes

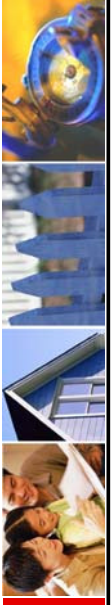
Specs down 48% yr/yr in Jan to 84 units, Showhomes down to 381

Complete and unabsorbed units (inventory)



Source: CMHC

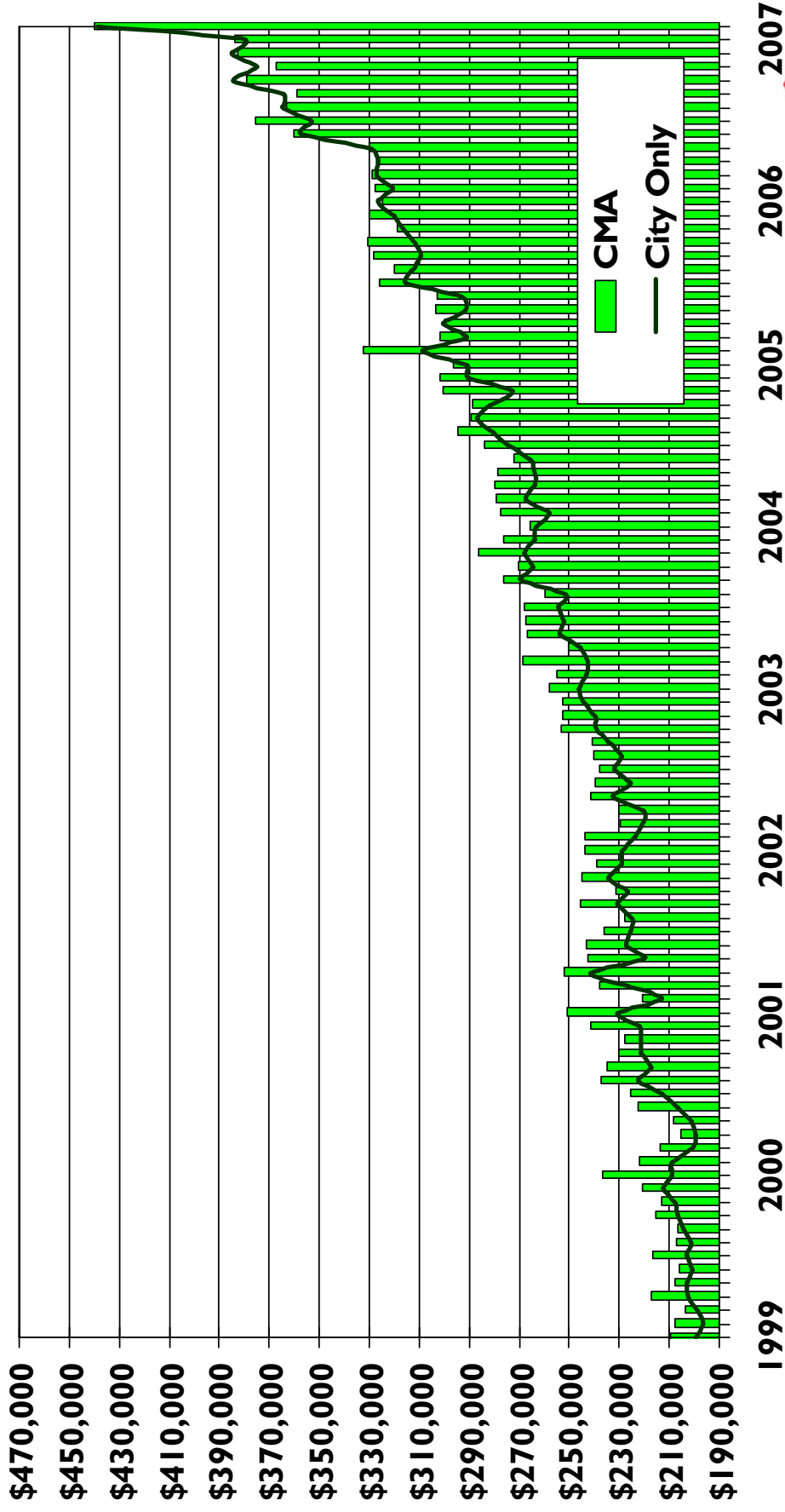




Calgary CMA – Single Detached Price

At \$439,757 in February, up 34 per cent yr/yr

average CMA and city absorbed price (\$)



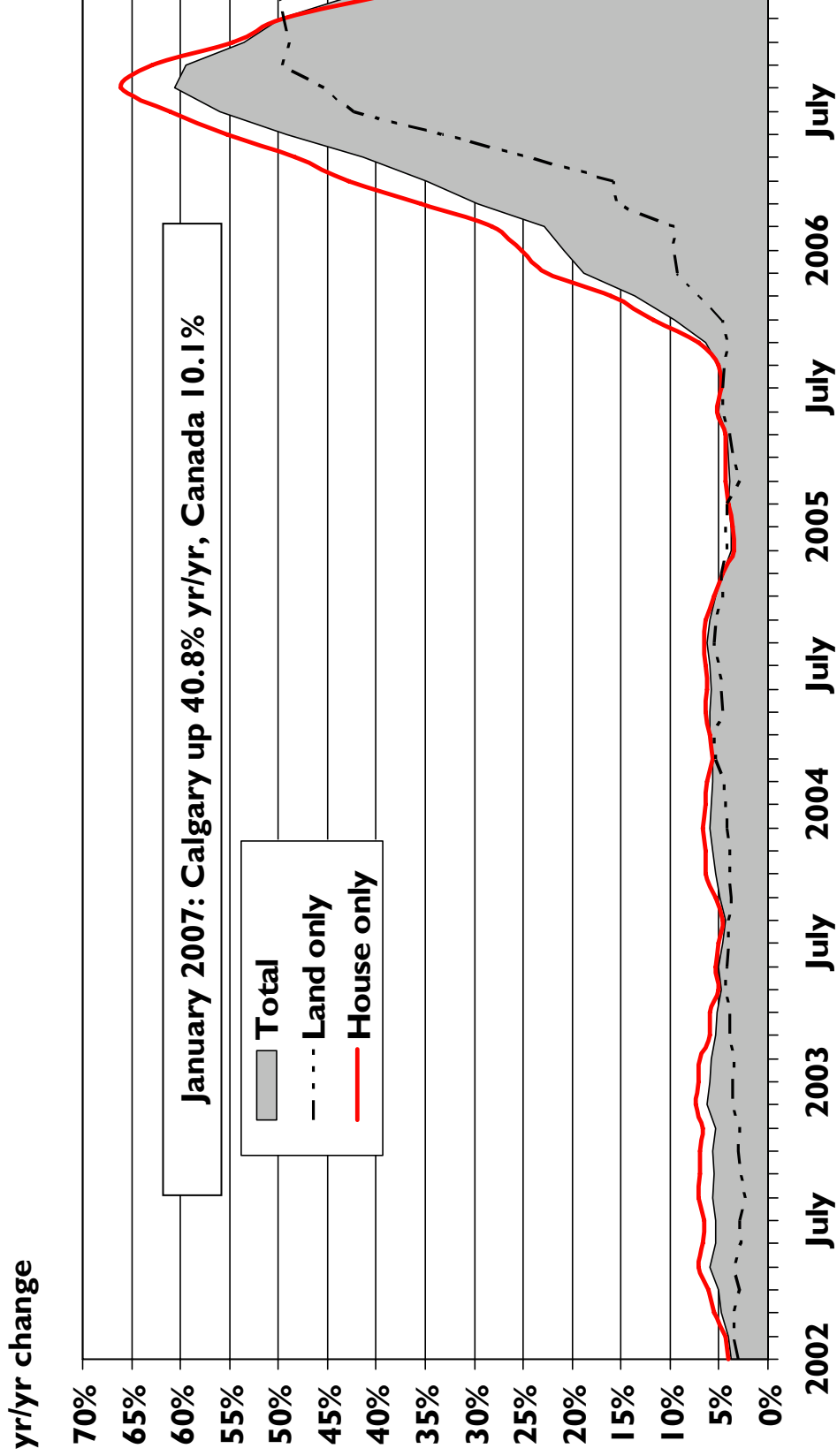
Source: CMHC, NOTE: Presales not counted until construction is completed





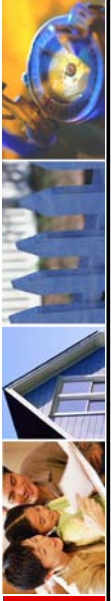
Calgary CMA – New House Price Index

Has peaked, Calgary had highest growth rate in metropolitan areas in 2006



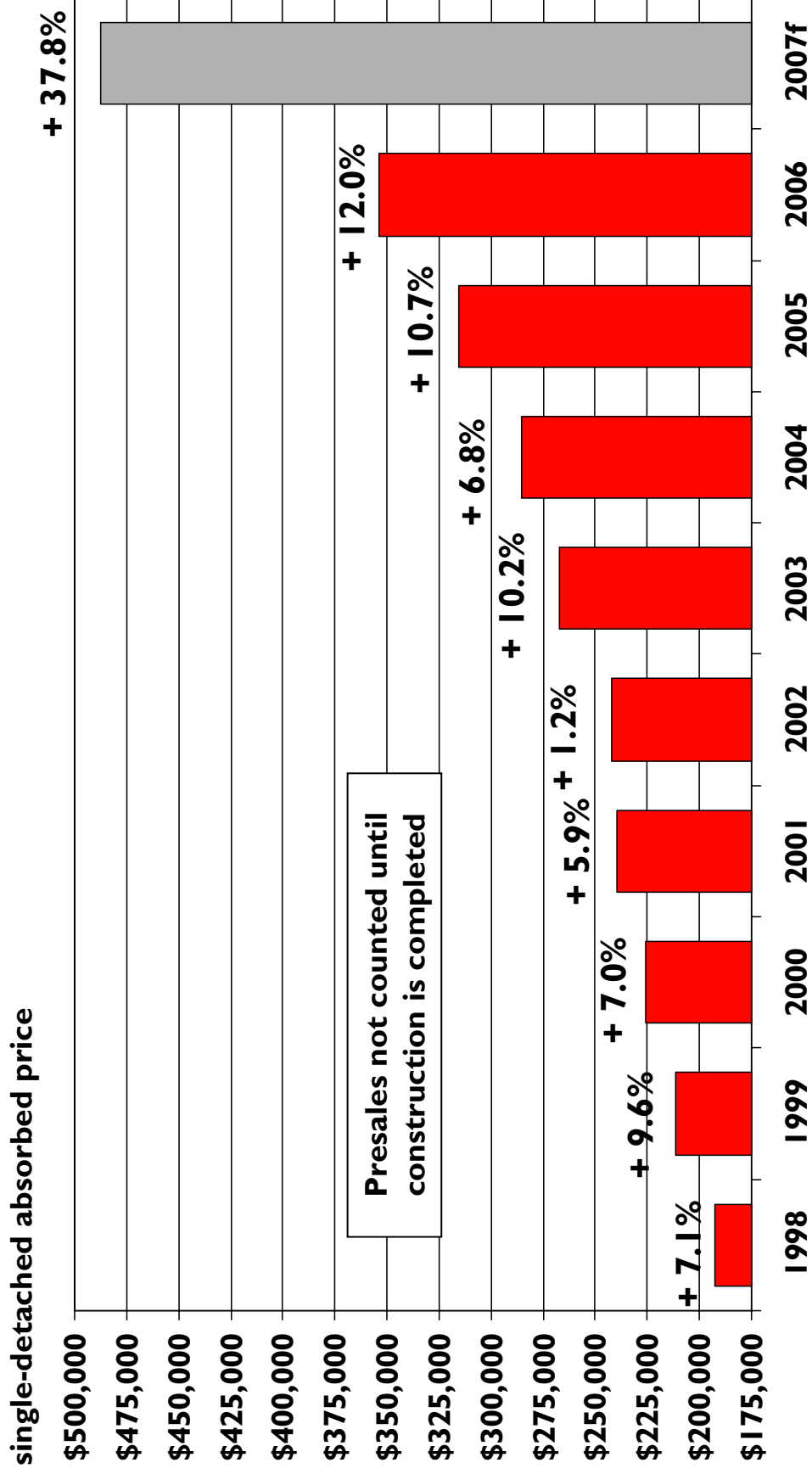
Source: Statistics Canada





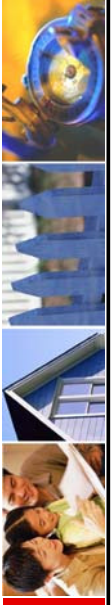
Calgary CMA – Single Detached Price

Average absorbed price will continue to rise in 2007



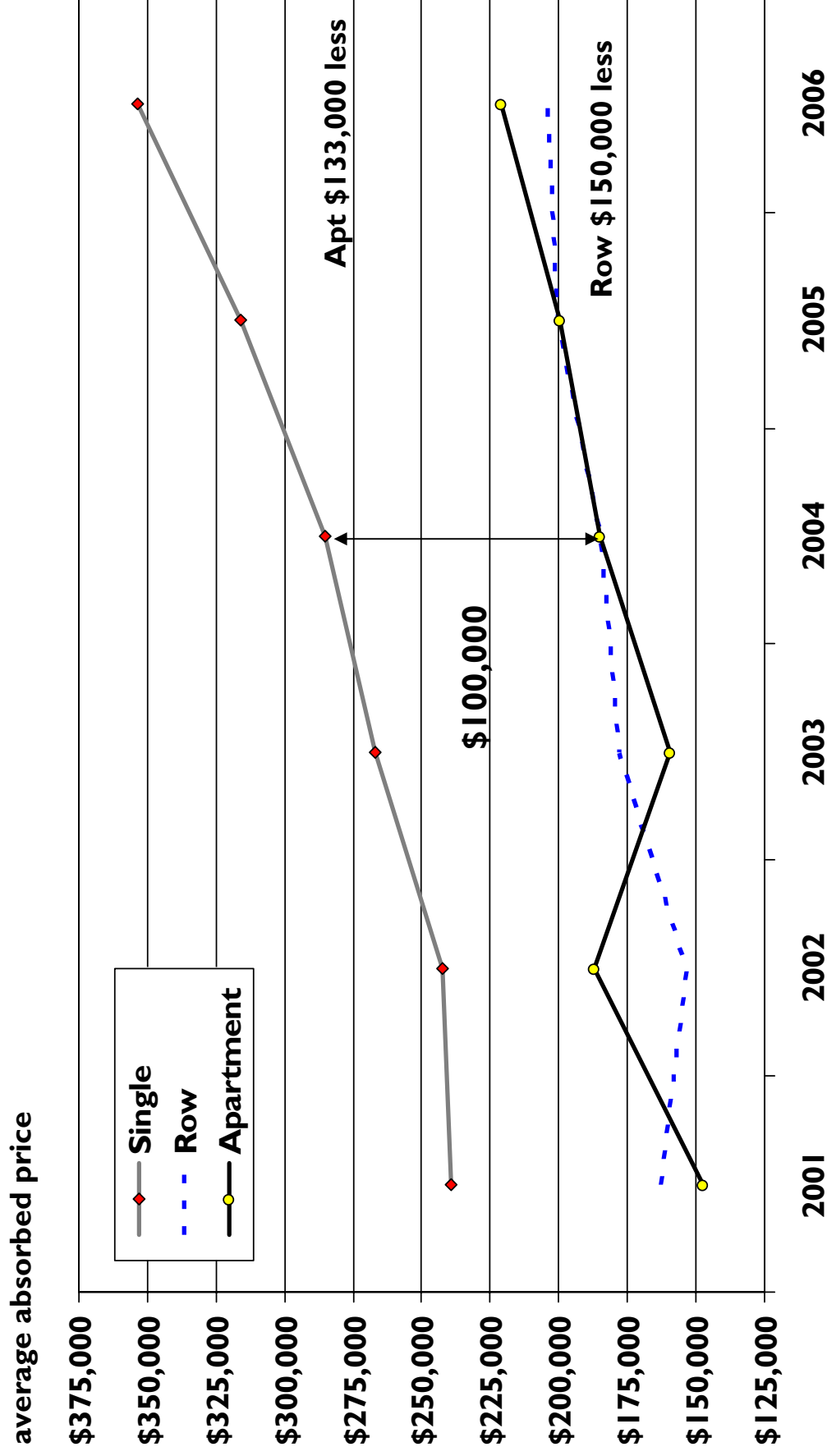
Source: CMHC, CMHC Forecast (f)
 NOTE: Presales not counted until construction is completed





Calgary CMA – New Home Price Gap

Row and apartment affordability will ensure their success

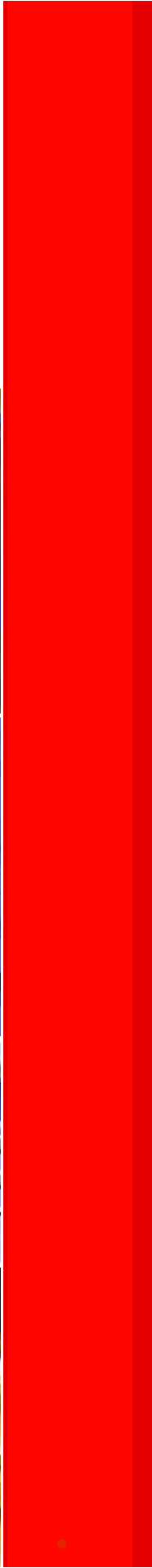
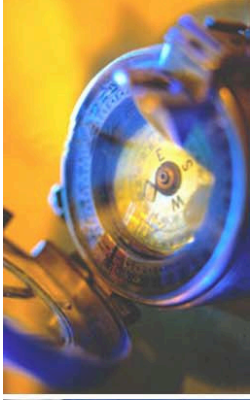


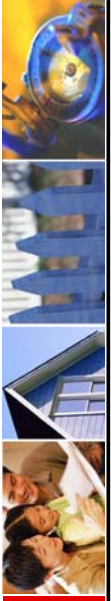
Source: CMHC, CMHC forecast



M

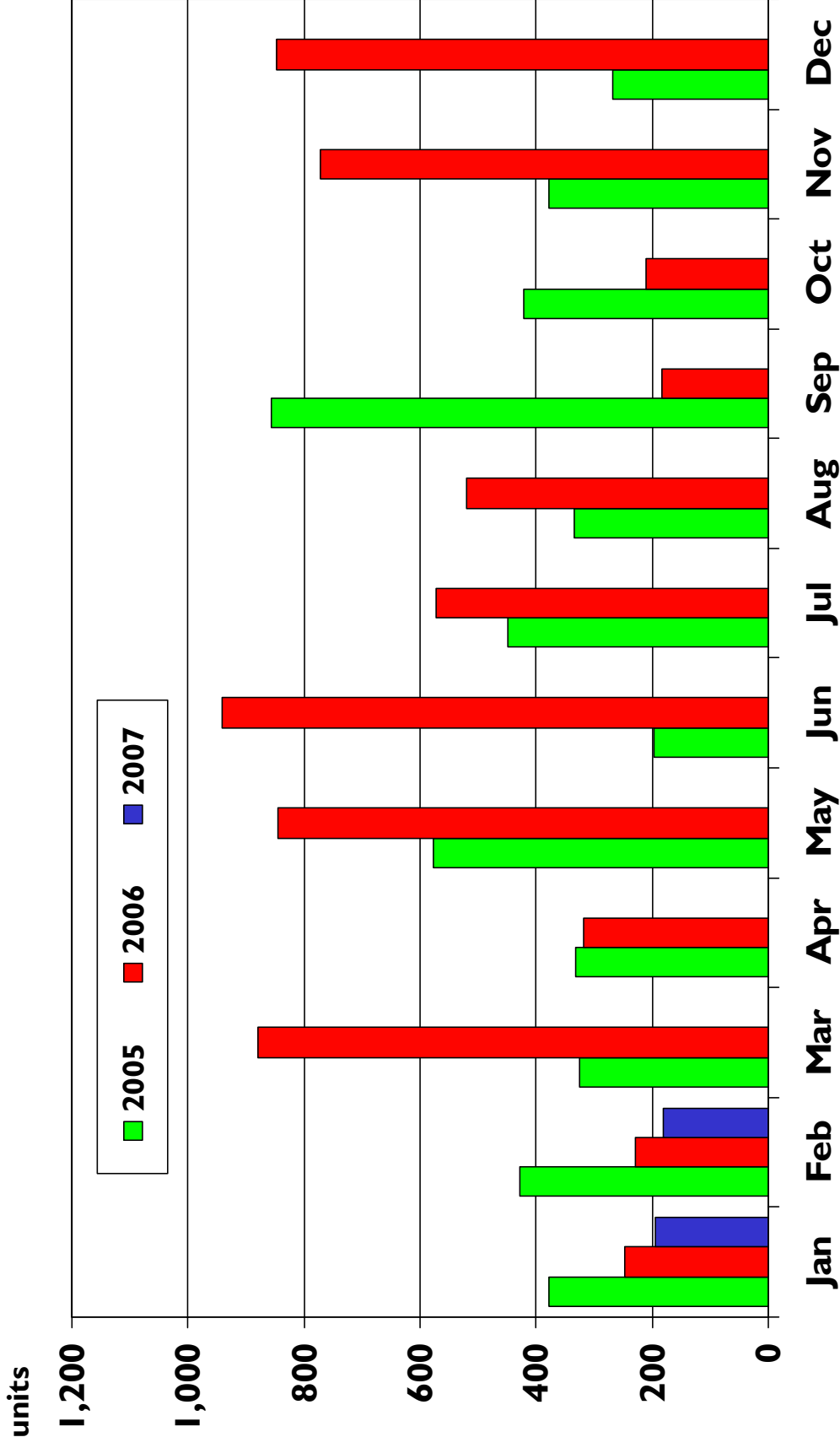
ULTI-FAMILY CONSTRUCTION





Calgary CMA – Multi-family Starts

Slow start to 2007 – multis come in spurts



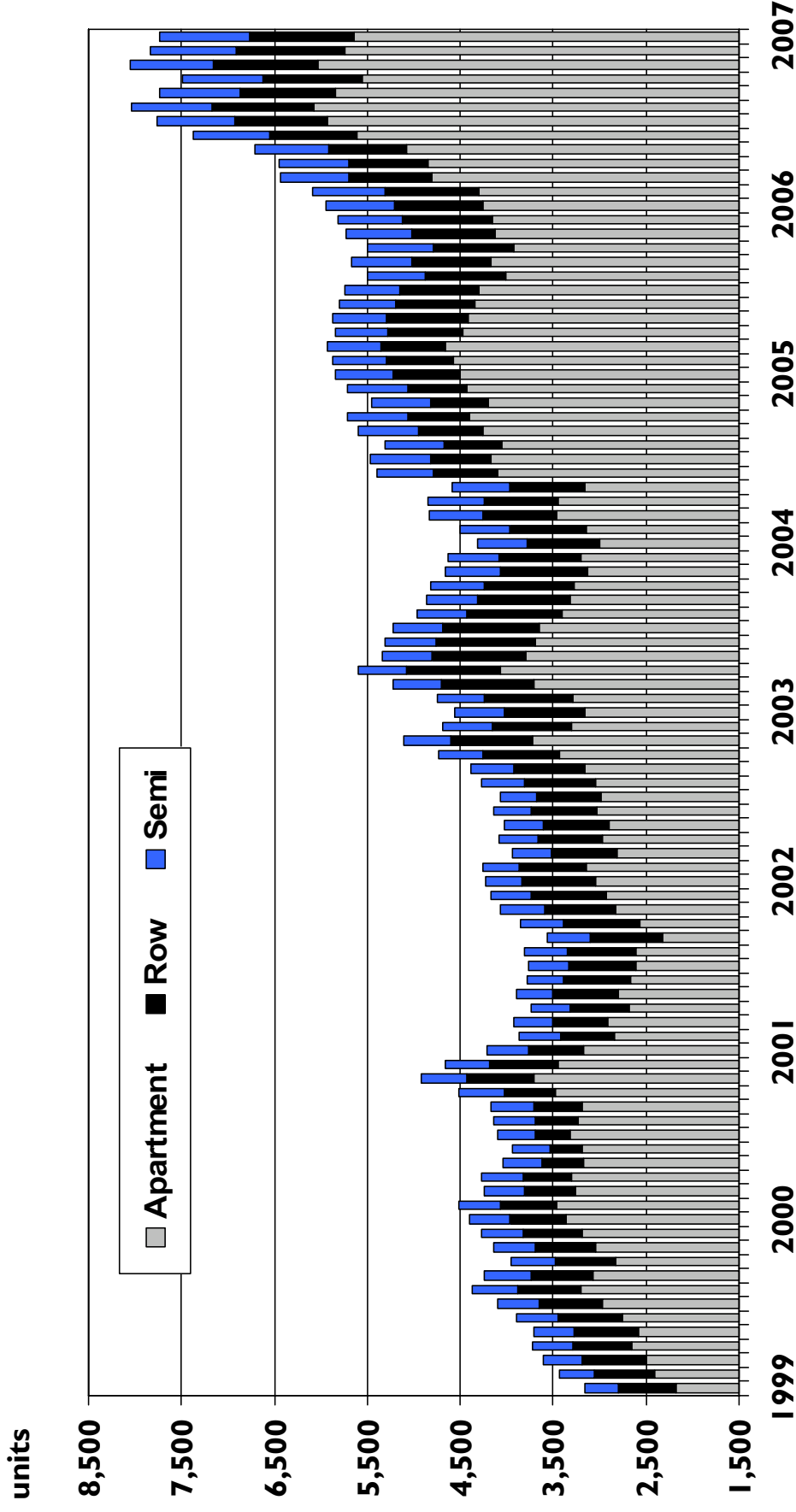
Source: CMHC





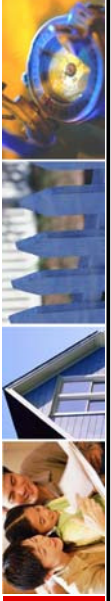
Calgary CMA – Multis Under Construction

7,660 units under construction in February, at a very high level



Source: CMHC

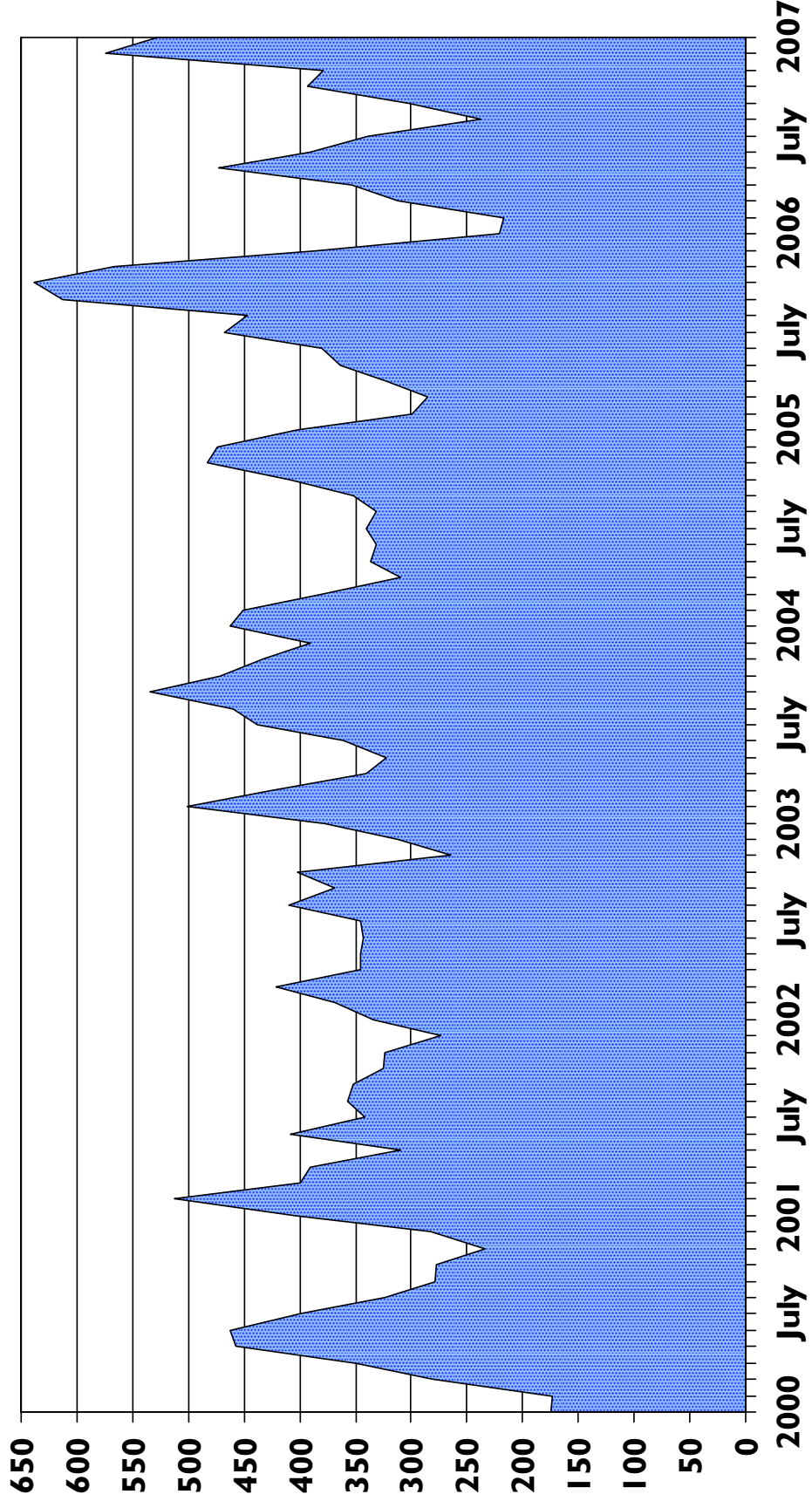




Calgary CMA – Multi-Family Absorptions

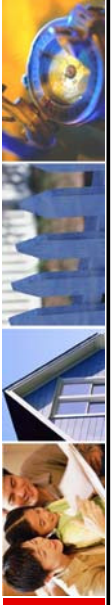
Most completed units are absorbed, absorptions will rise with completions

three-month moving average



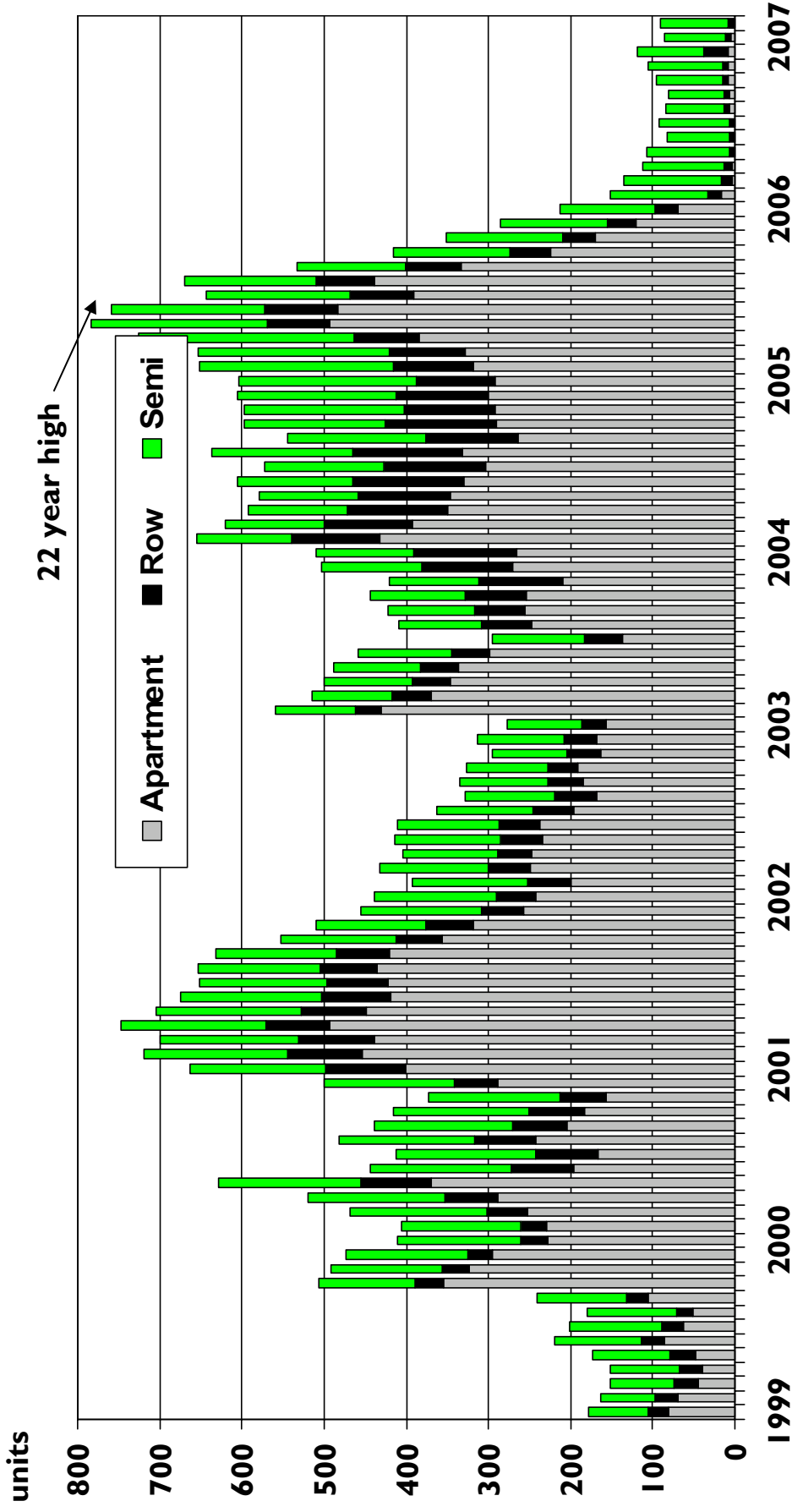
Source: CMHC





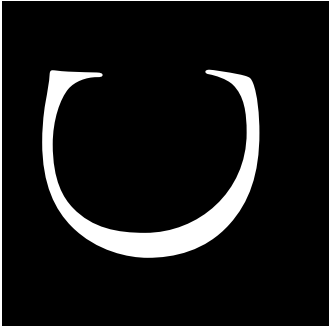
Calgary CMA – Multi-Family Inventory

Low at 90 units in February, mostly semis, zero apartment units

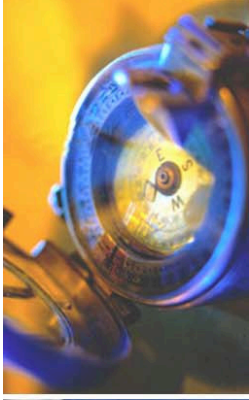


Source: CMHC



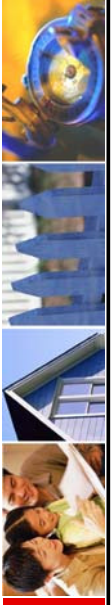


ALGARY'S RENTAL MARKET



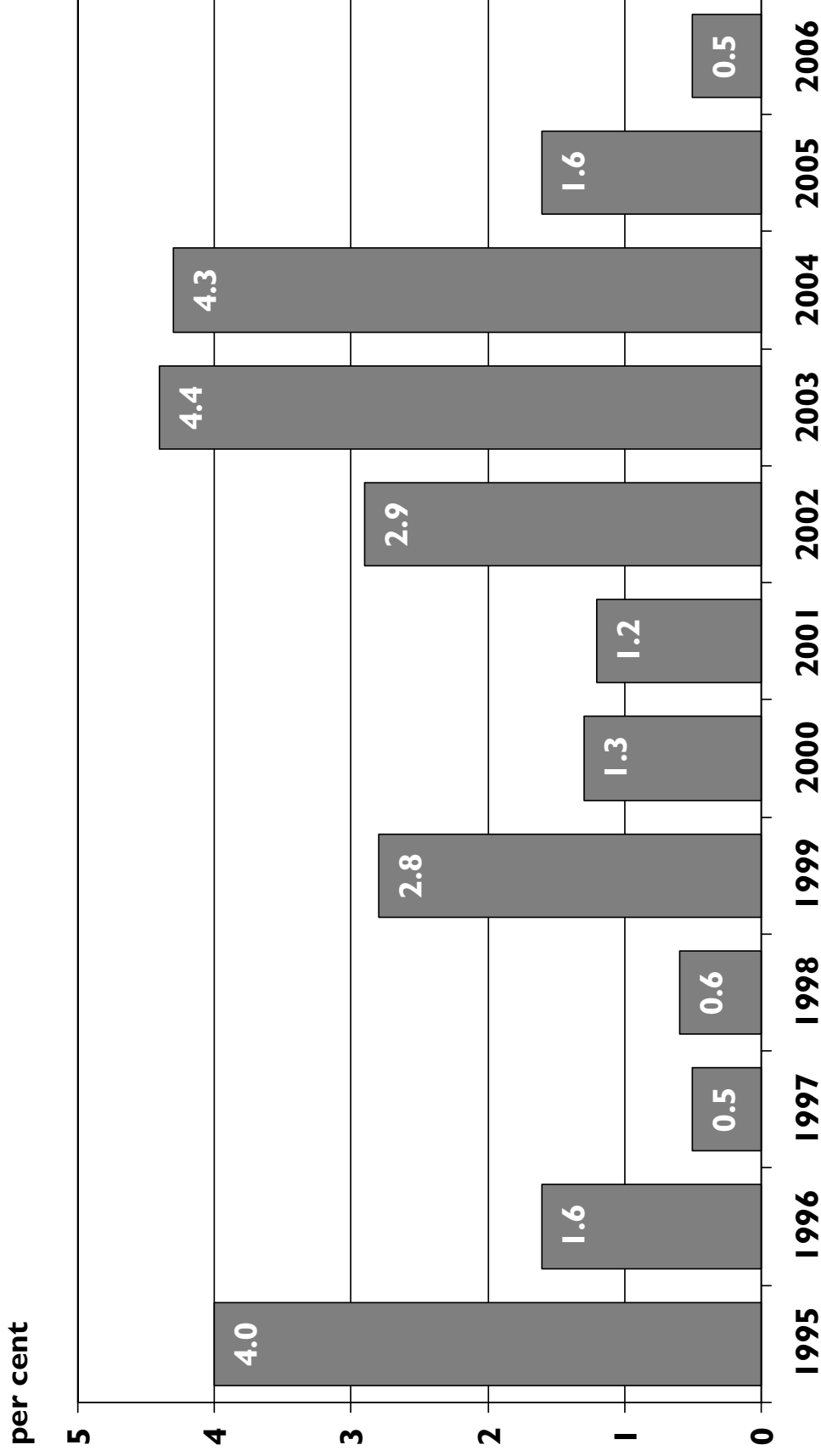
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Calgary CMA – Apartment Vacancy Rate

Rental market tight in 2006 and will be tight in 2007



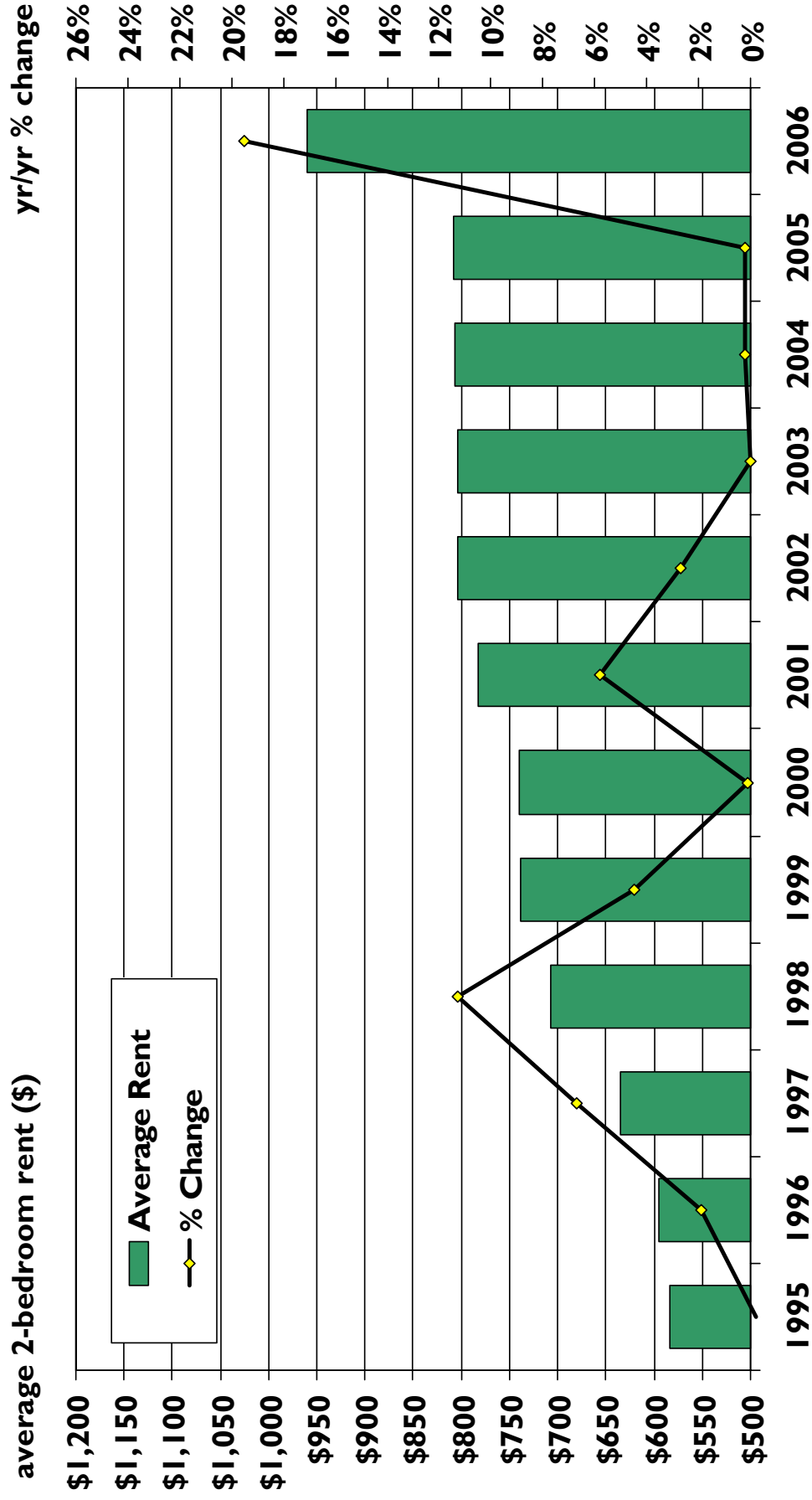
Source: CMHC, CMHC Forecast





Calgary CMA – Average Apartment Rent

Escalated in 2006 after being flat since 2002



Source: CMHC, CMHC Forecast



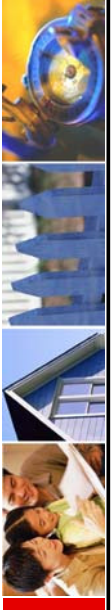


Calgary CMA New Condo Rental Survey

- Survey of 26,689 condo apartment units
- About 18% are rented
- Condo vacancy rate was 0.7%
- Condo Rent about 31% higher than rental apartment – \$1,257 per month for 2-bedroom condo vs. \$960
- Significant demand for condos as rental investment.

Source: CMHC

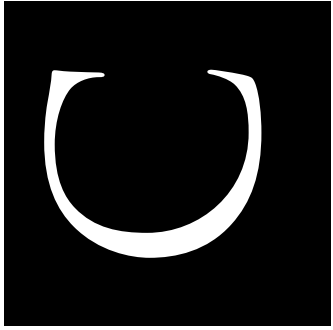




	2004	2005	2006	2007f
Economy				
Employment Growth	15,200	7,150	46,400	26,000
Net Migration	2,253	13,677	25,794	32,500
New Home Market				
Single-Detached Starts	8,233	8,719	10,482	9,500
Multi-Family Starts	5,775	4,948	6,564	6,250
Single Average Price	\$285,243	\$315,796	\$353,662	\$487,500
Resale Market *				
Total Sales**	26,512	31,567	33,024	30,500
Average Price **	\$222,851	\$250,789	\$346,673	\$416k ????
Rental Market				
Apt. Vacancy Rate (%)	4.3	1.6	0.5	0.6

*Source: Calgary Real Estate Board, ** Total Residential, CMHC Forecast





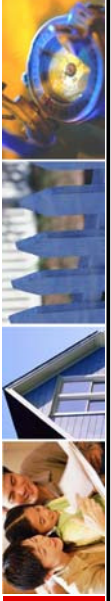
CMHC

HOME BUYING INTENTION SURVEY



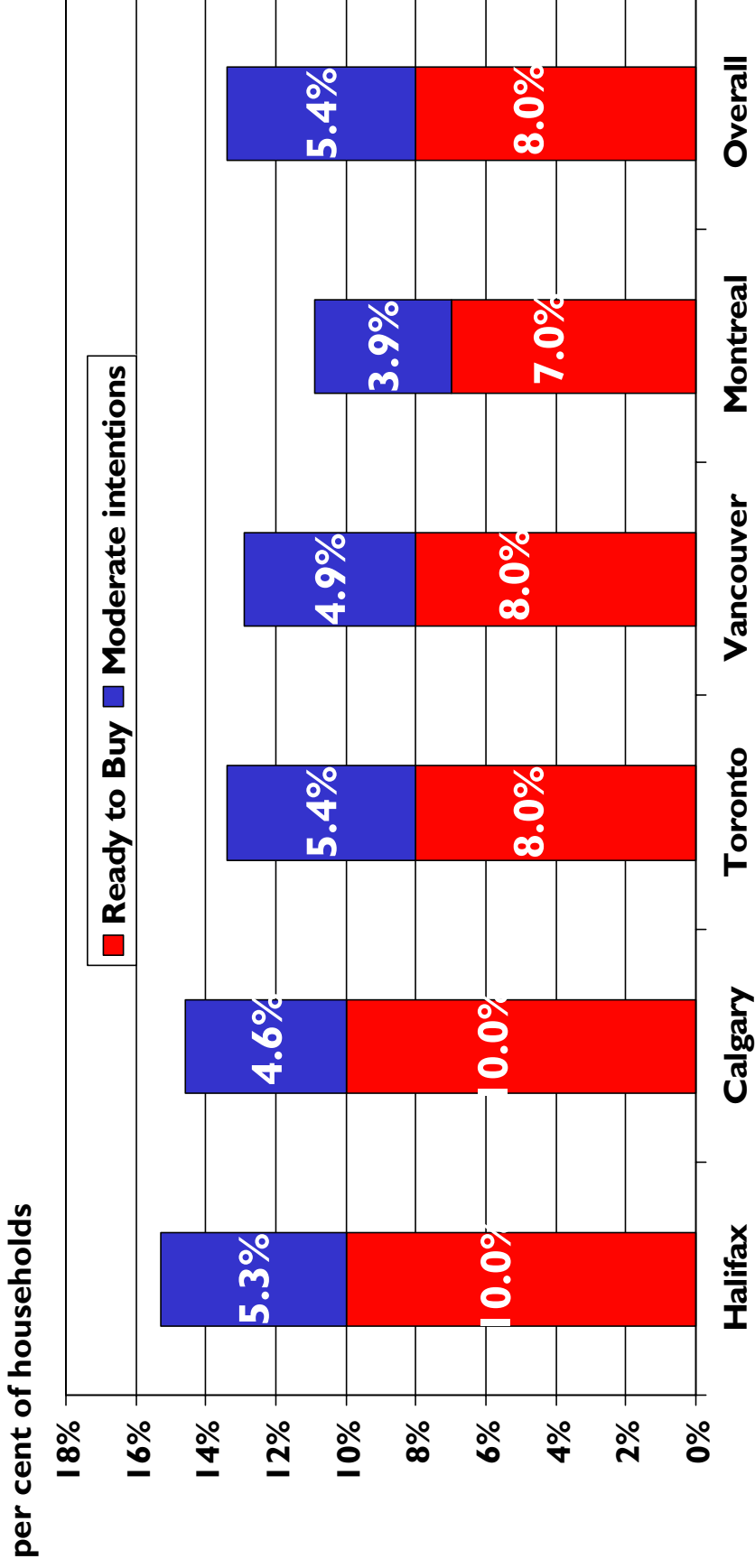
AMBA – March 13, 2007





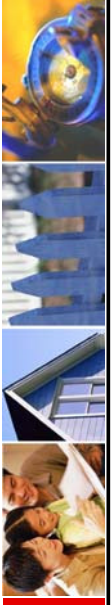
Serious Intentions to Buy

Calgary was amongst the leaders



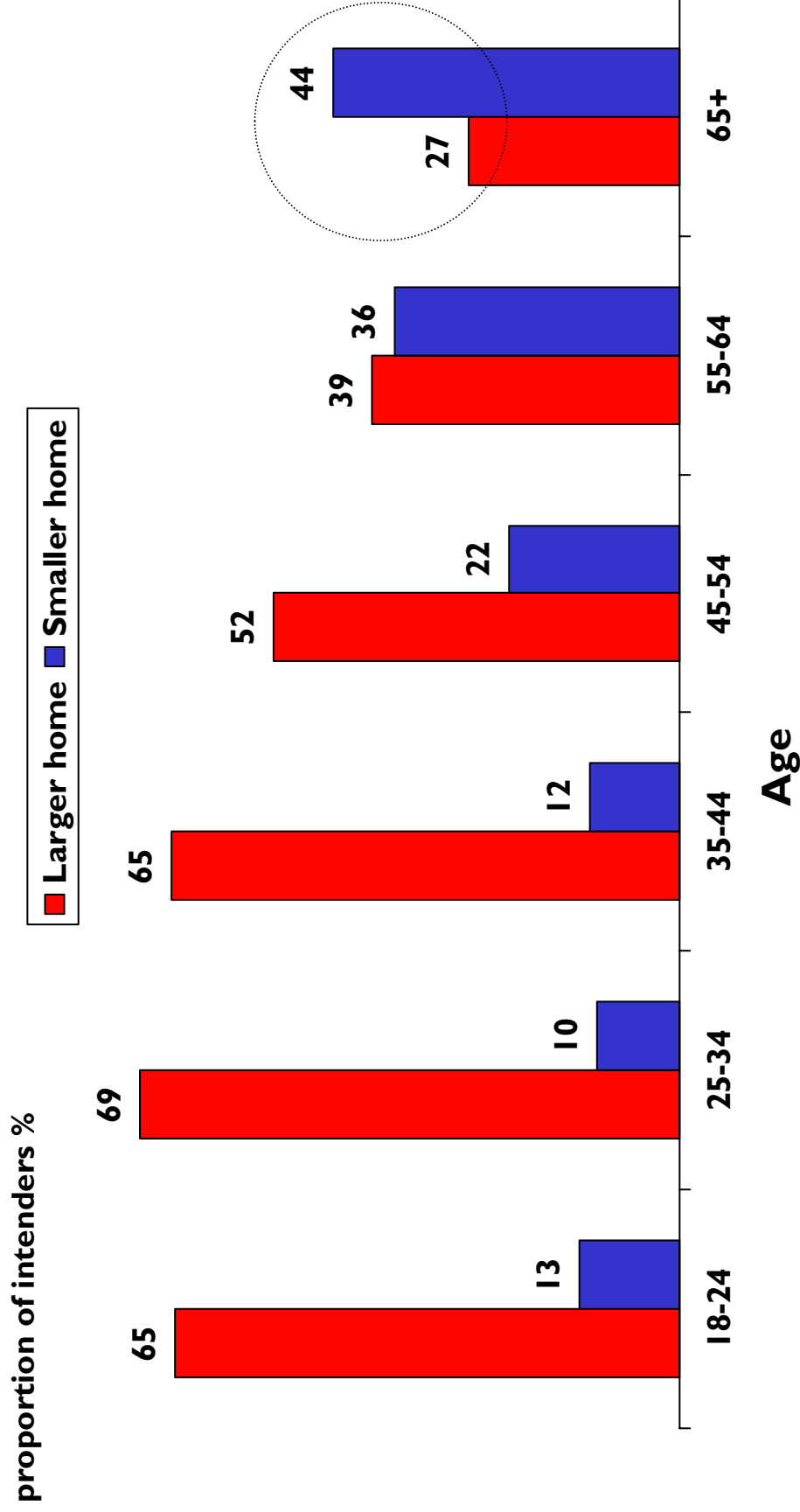
Source: CMHC Survey of Home Buying Intentions





Purchase Intentions by Age – Size of Homes

Folks over the age of 65 intended to move down in terms of size



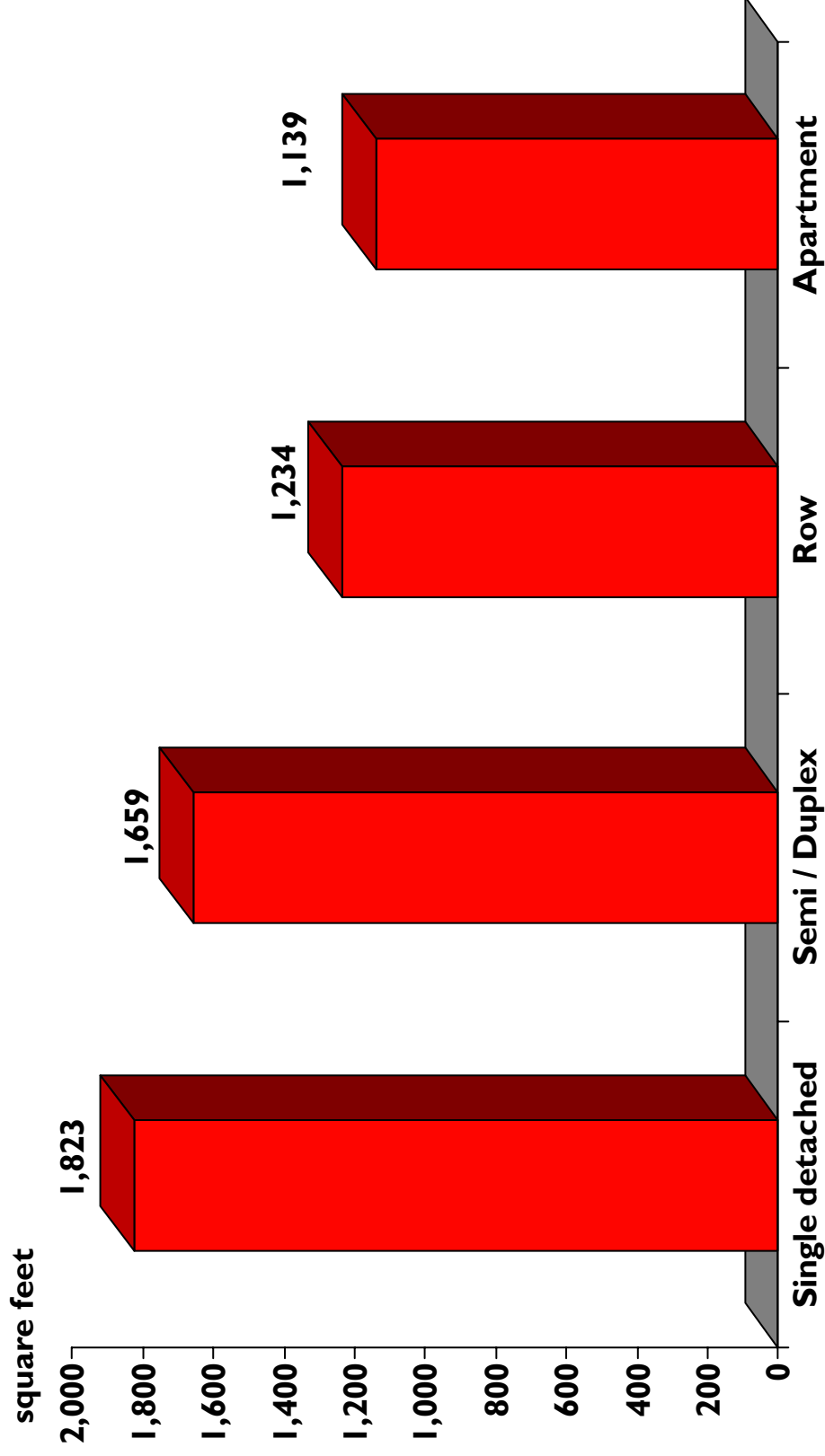
Source: CMHC Survey of Home Buying Intentions





Calgary – Purchase Intentions by Size of Home

On average intenders sought a home of 1,718 sq. ft



Source: CMHC Survey of Home Buying Intentions





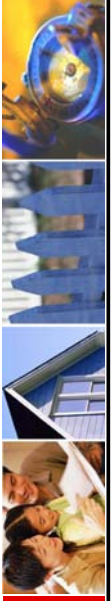
Purchase Intentions by Size of Home

Calgarians weren't seeking the largest homes

	Single detached Home (Sq. ft.)	Semi / Duplex (Sq. ft.)	Row (Sq. ft.)	Apartment (Sq. ft.)	All dwelling types (Sq. ft.)
Calgary	1,823	1,659	1,234	1,139	1,718
Montréal	1,988	1,803	2,094	1,248	1,839
Vancouver	2,279	1,241	1,467	1,041	1,863
Halifax	1,931	1,930	1,693	1,168	1,894
Toronto	2,180	1,745	1,475	1,060	1,933
Overall	2,100	1,745	1,503	1,106	1,874

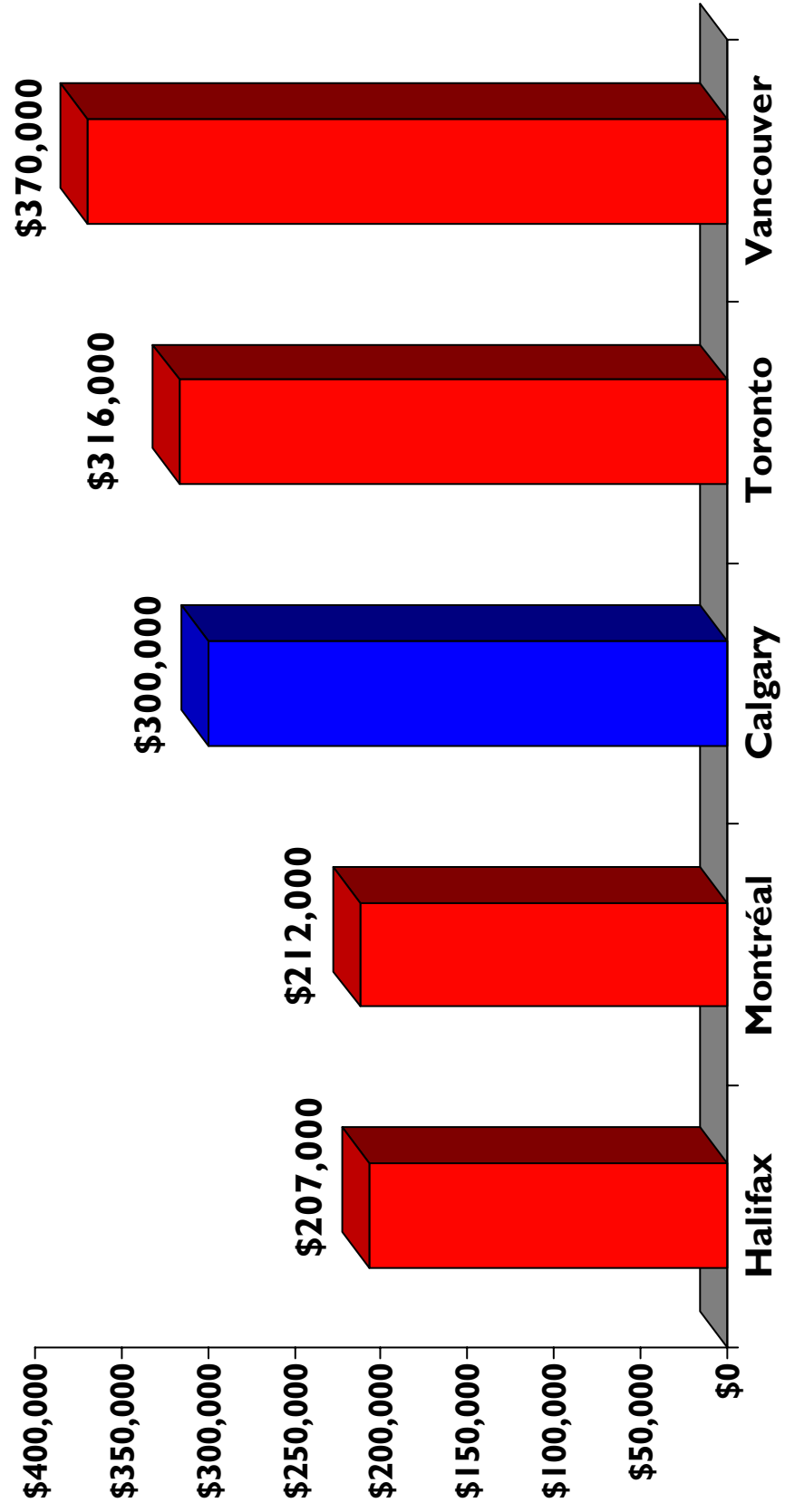
Source: CMHC Survey of Home Buying Intentions





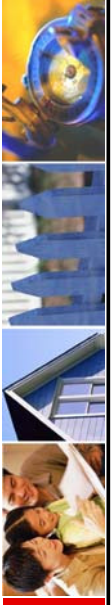
Average Expected Purchase Price by Centre

Purchasers in Calgary probably encountered sticker shock



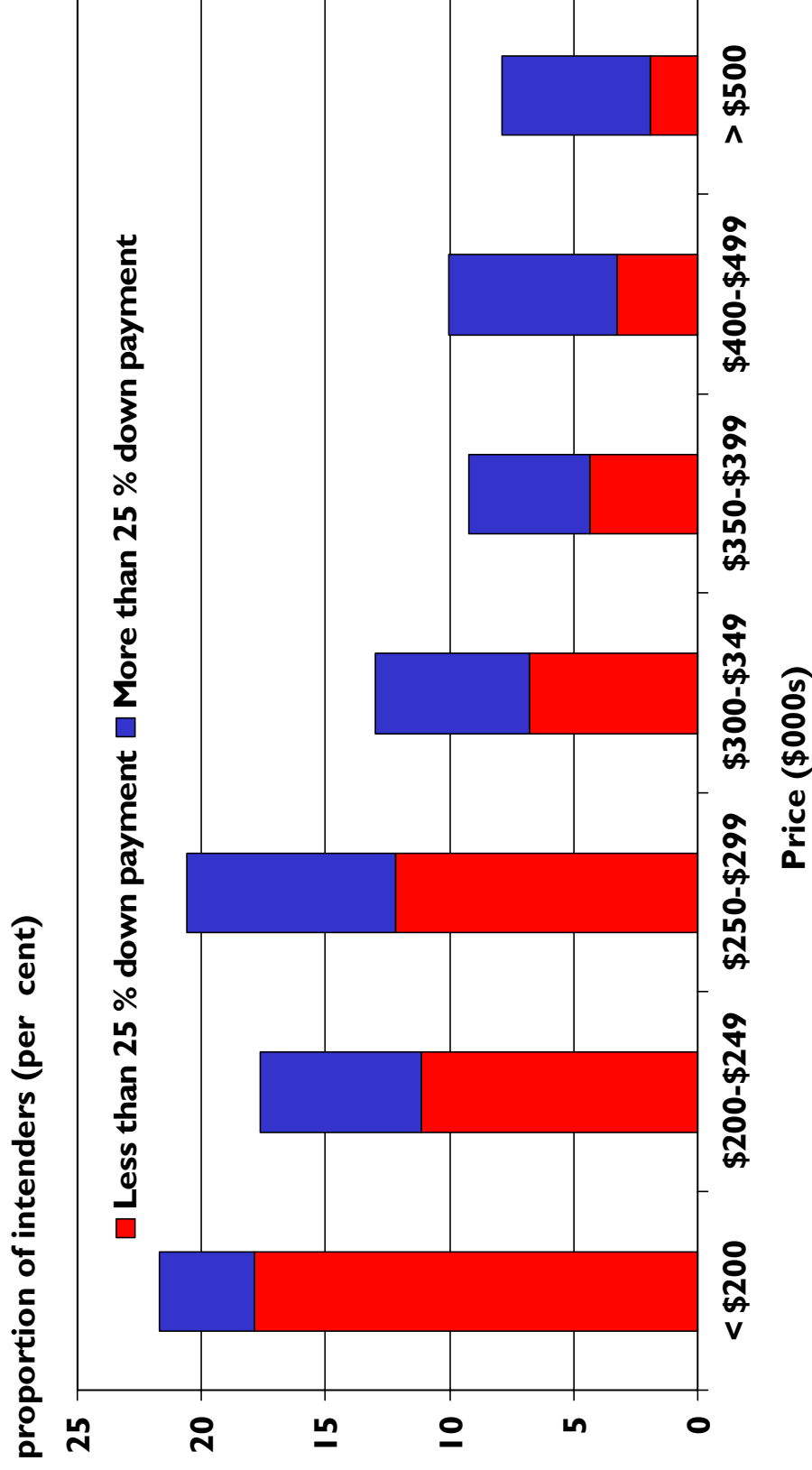
Source: CMHC Survey of Home Buying Intentions





Calgary – Level of Payment by House Price

Level of down payment increases by expected price



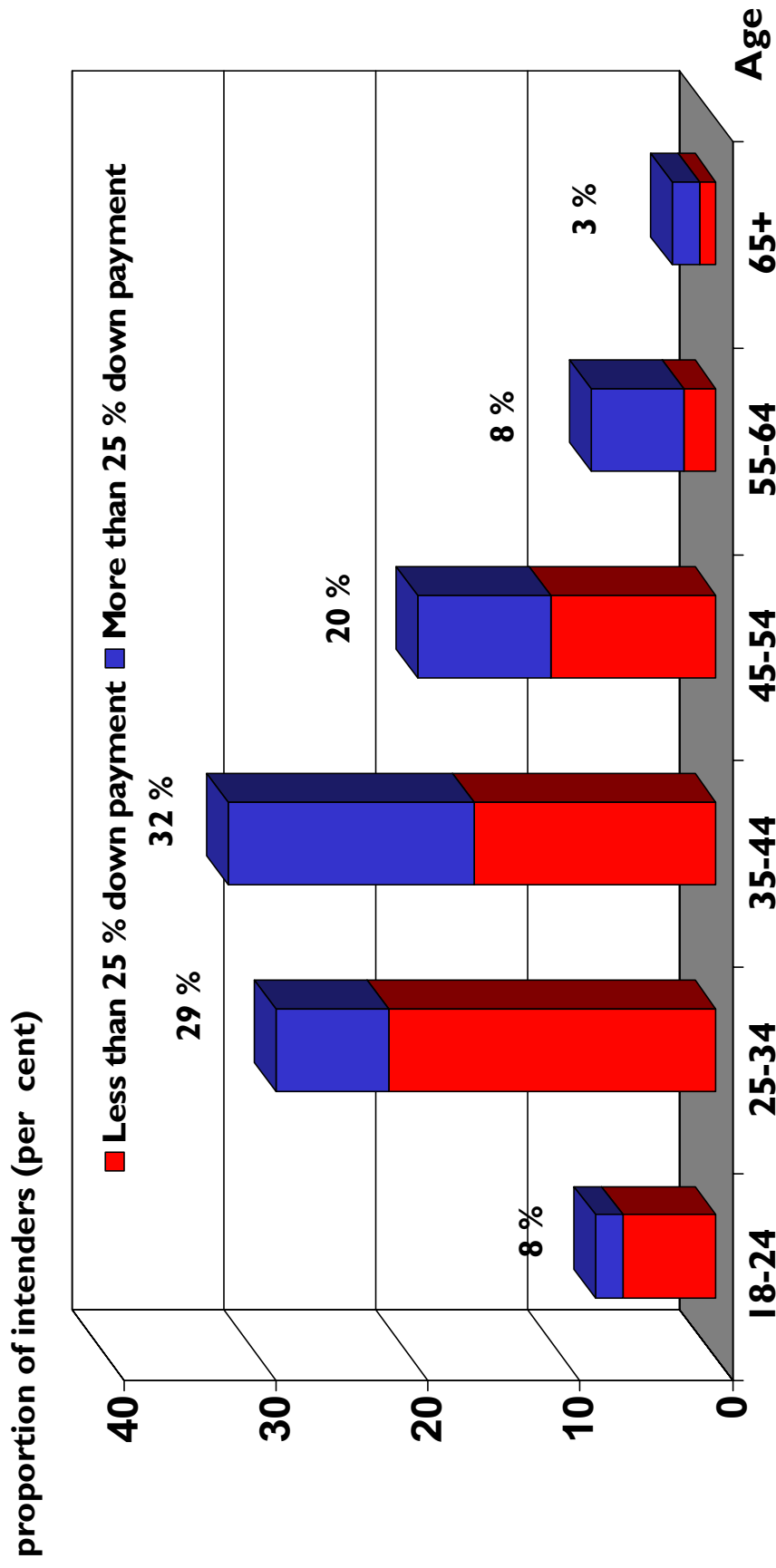
Source: CMHC Survey of Home Buying Intentions





Calgary – Level of Payment by Intender Age

Level of down payment increases by age

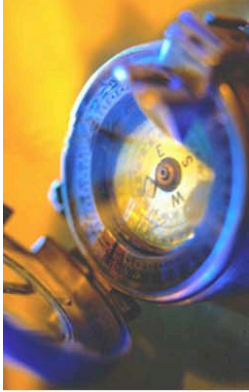


Source: CMHC Survey of Home Buying Intentions



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HANK YOU!



AMBA – March 13, 2007

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CMHC CALGARY

