

Alberta's Economic Prospects

REIN™ Edmonton

June 1, 2010
Mary MacGregor



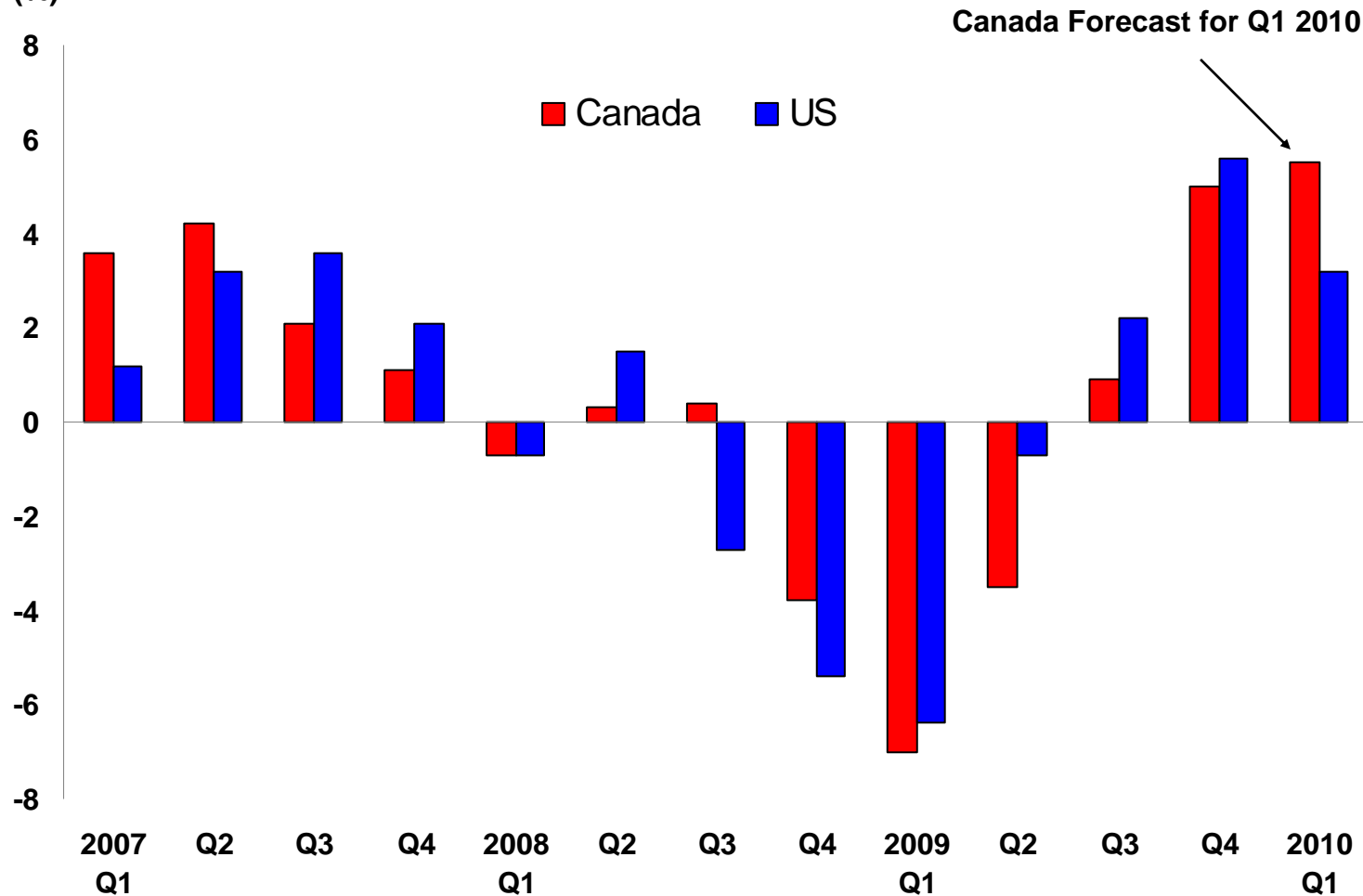
World Economy

From green shoots last year



To the End of the Great Recession

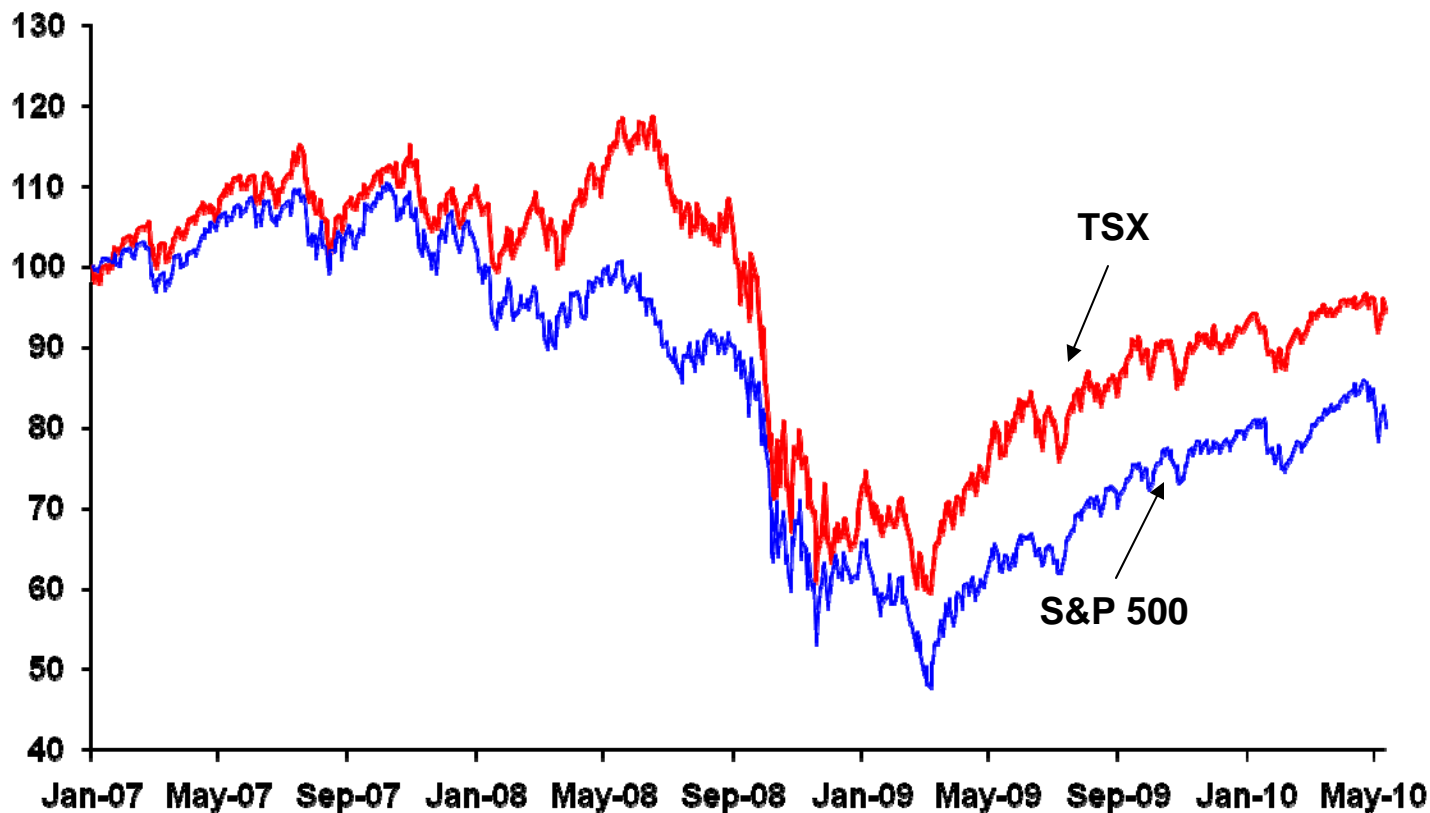
Real GDP Growth (annualized)
(%)



Sources: Statistics Canada and U.S. Bureau of Economic Analysis

Financial Markets Led Recovery

Jan 2007=100



Source: Yahoo Finance

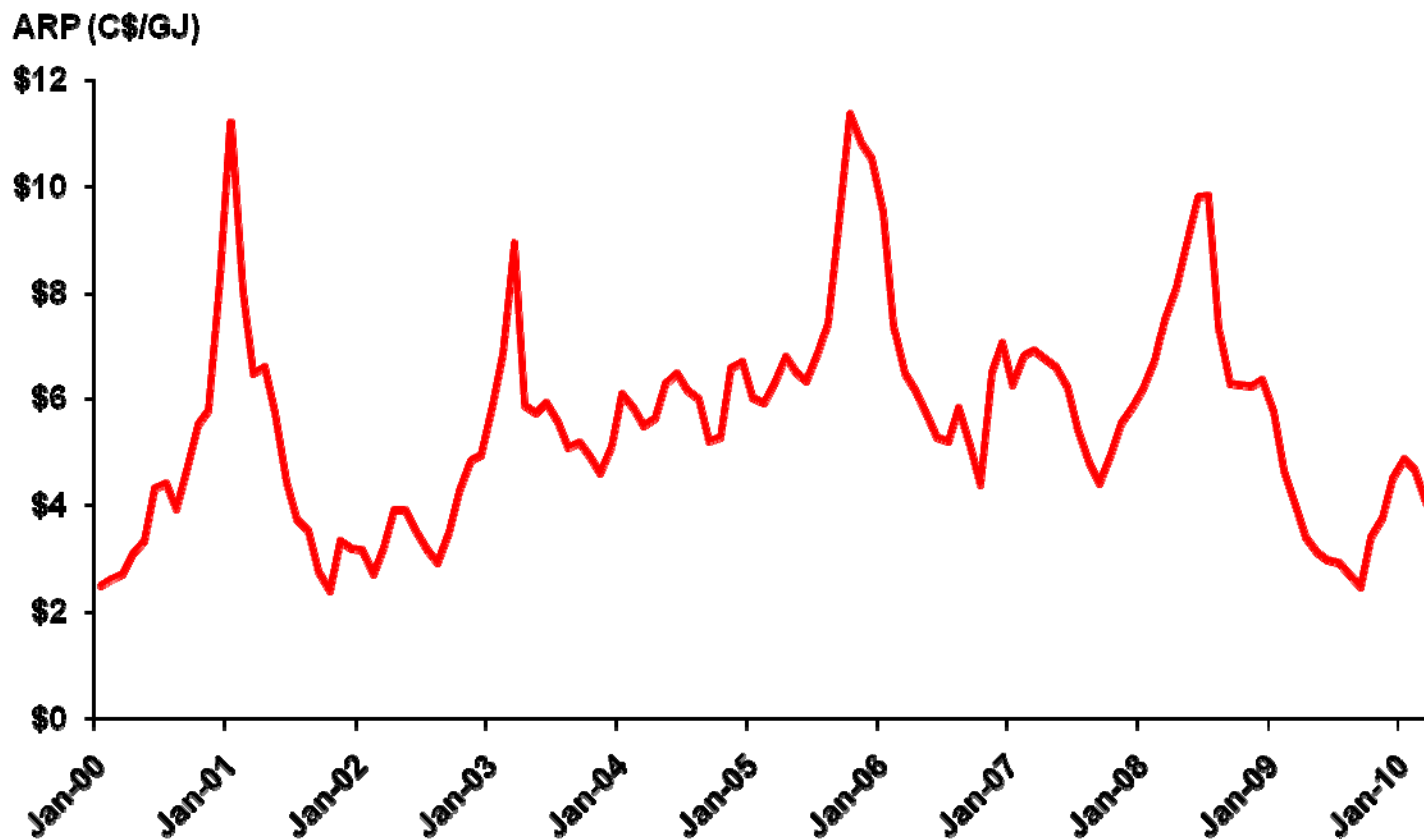
Oil Prices Bounced Back

WTI (US\$/bbl)



Source: Alberta Energy

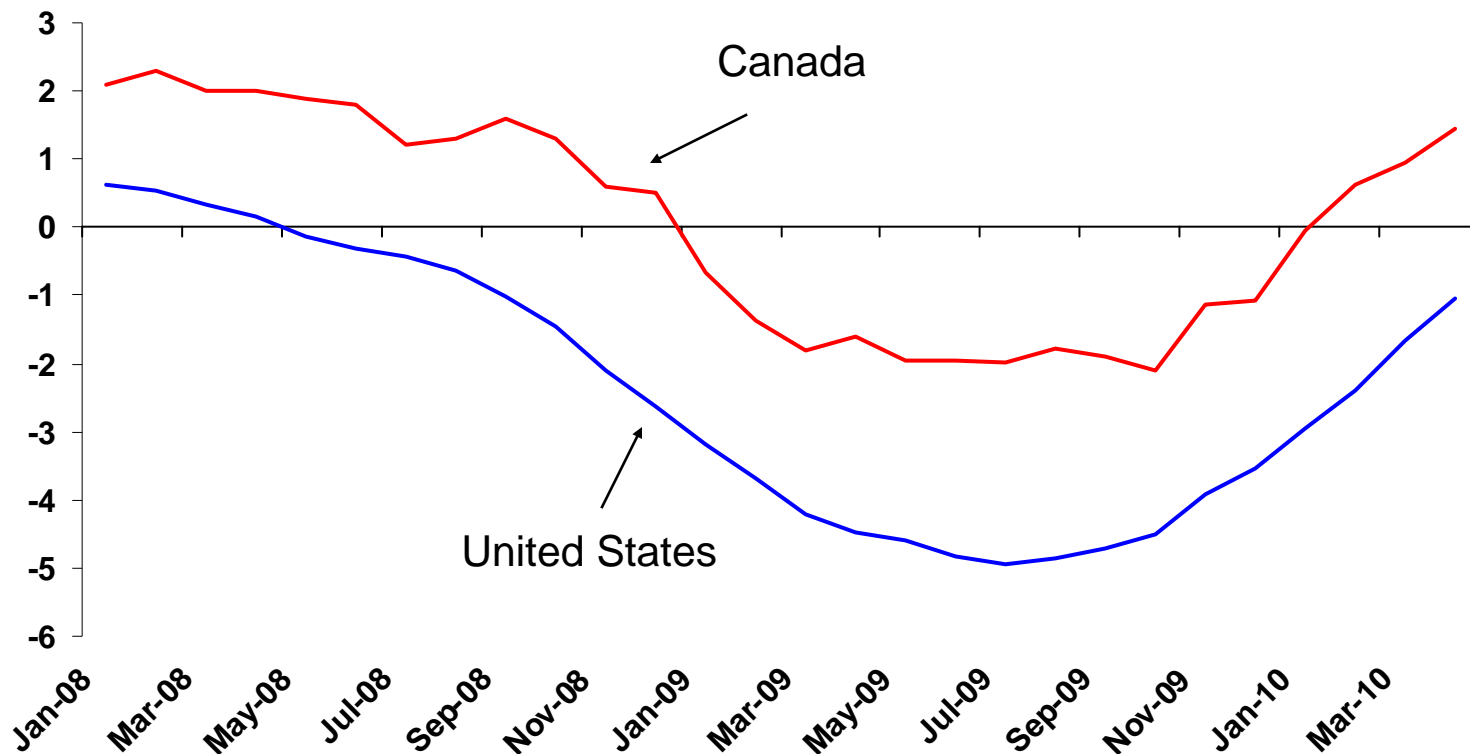
Natural Gas Prices Still Low



Source: Alberta Energy

Employment Slowly Recovering

Employment (% change y/y)



Sources: Statistics Canada and US Bureau of Labor Statistics

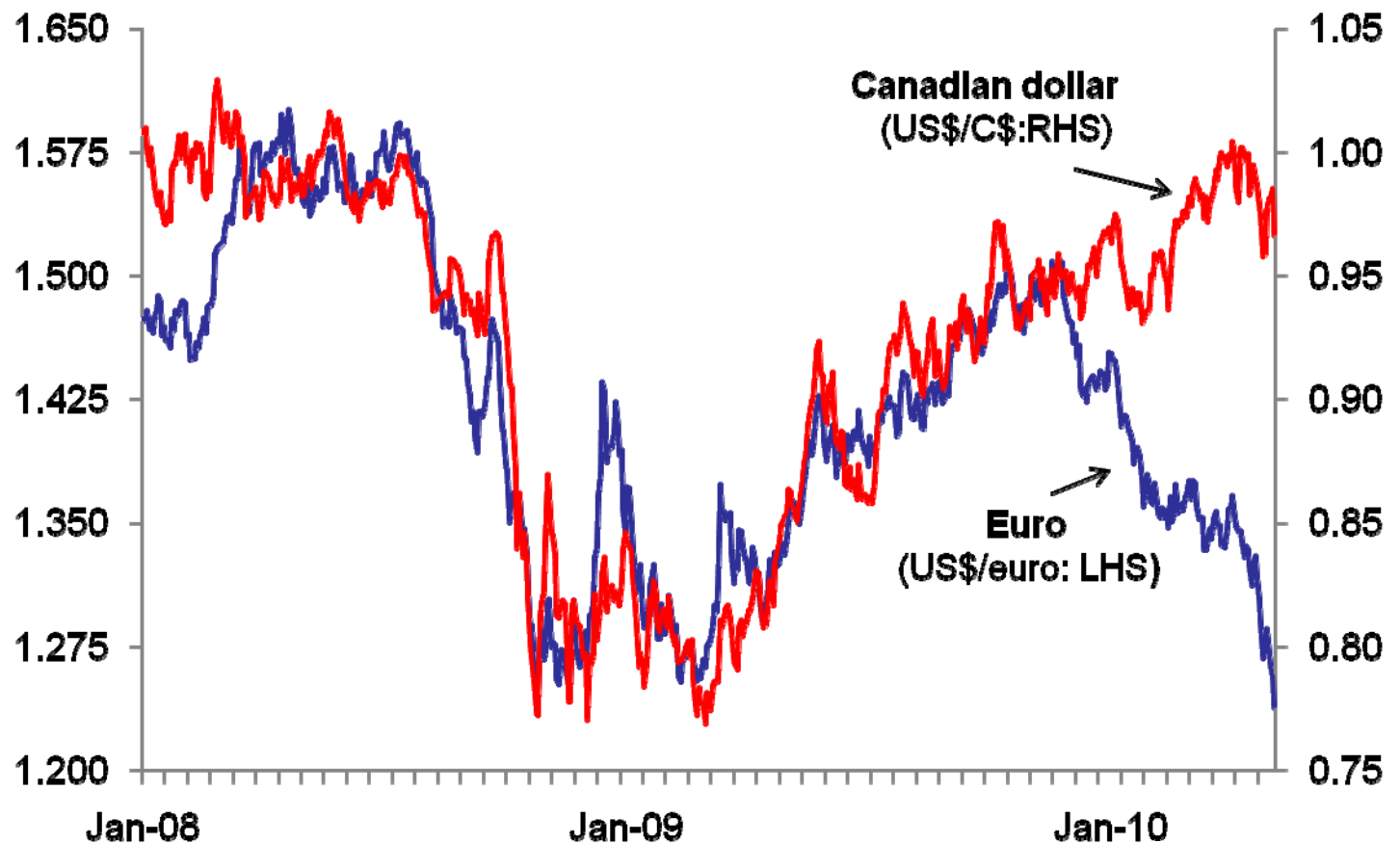
No longer a disaster



But not exactly normal

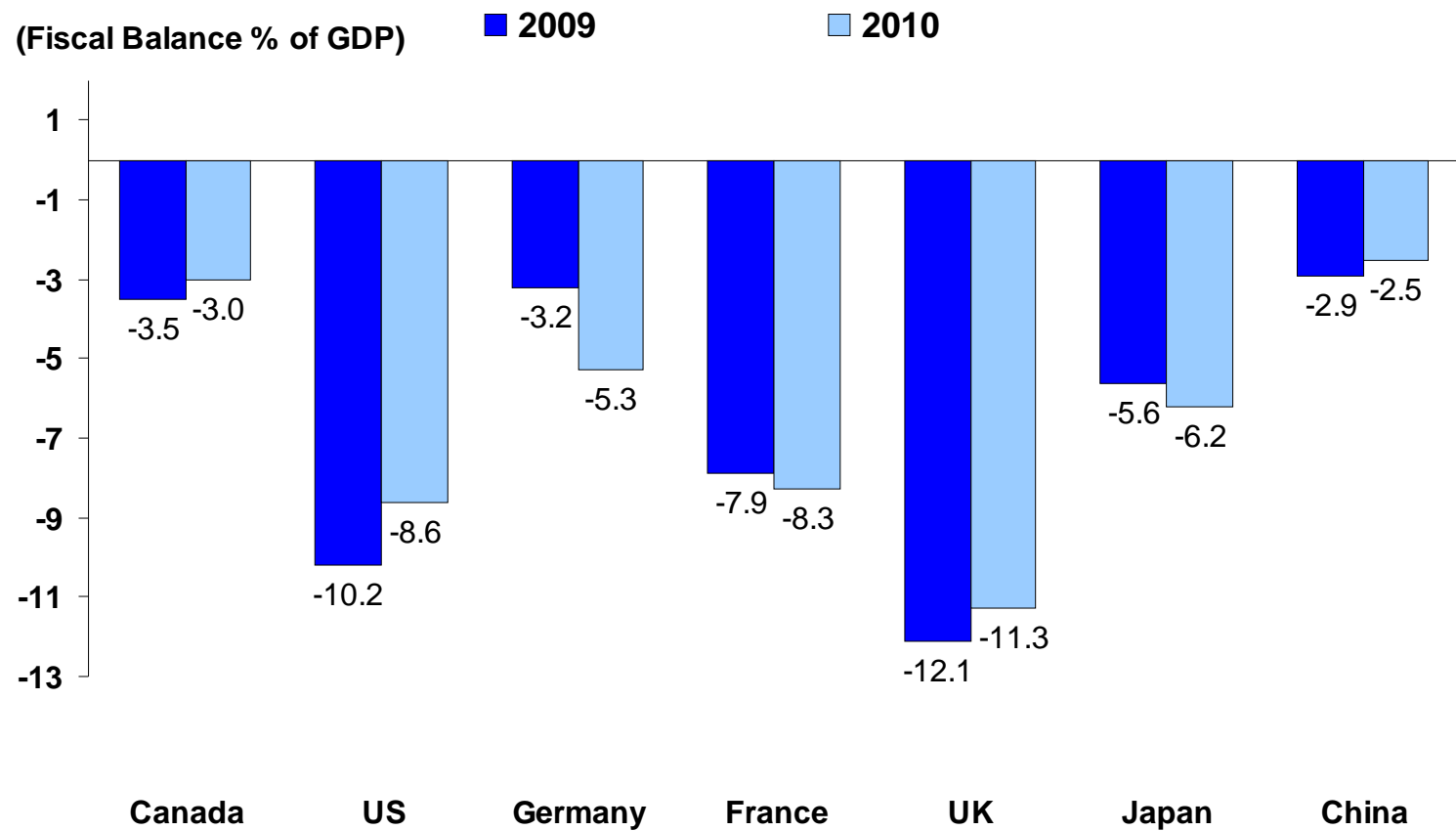


Financial Markets Still Nervous



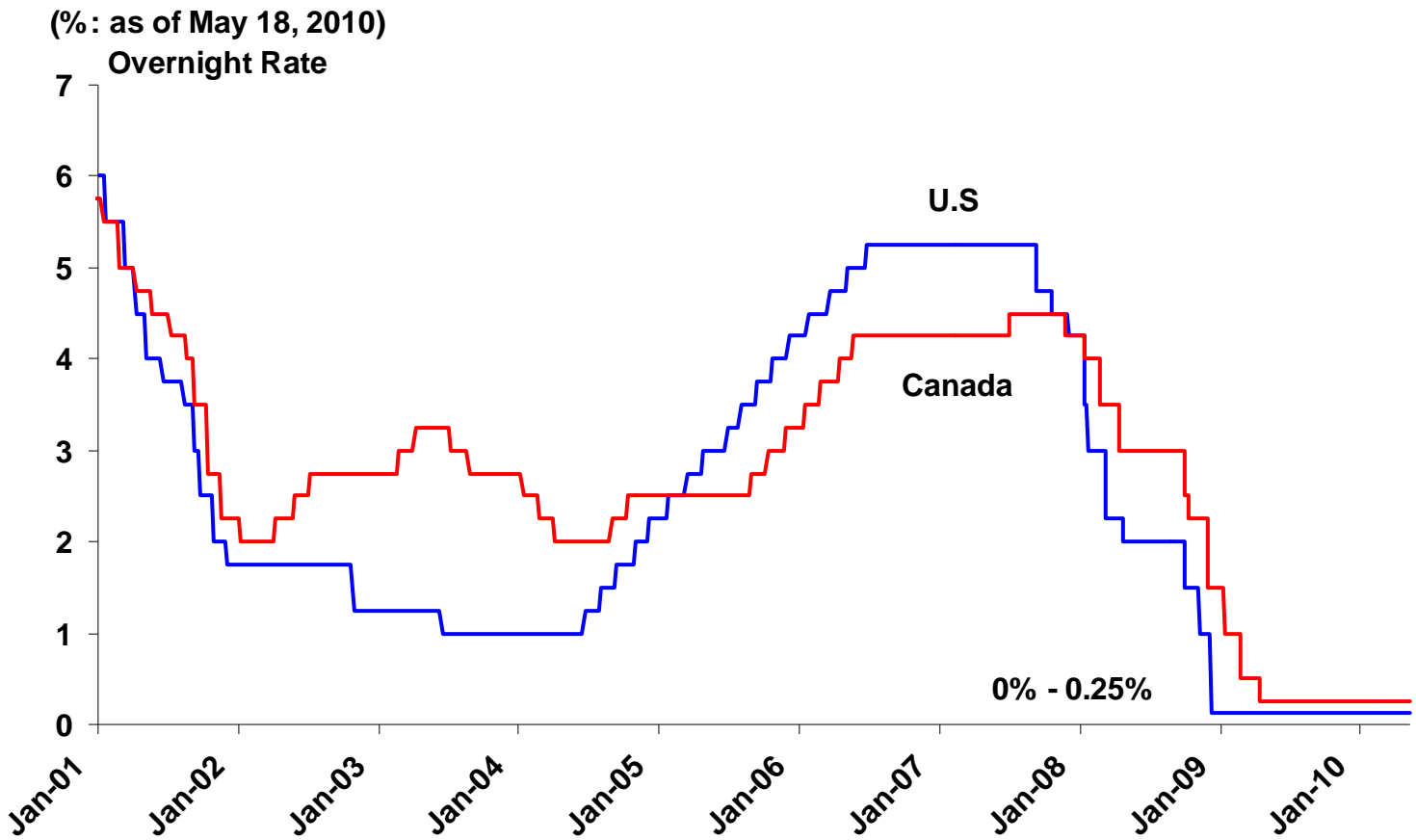
Source: U.S. Federal Reserve Board

Need to Reduce Government Deficits



Source: Deutsche Bank

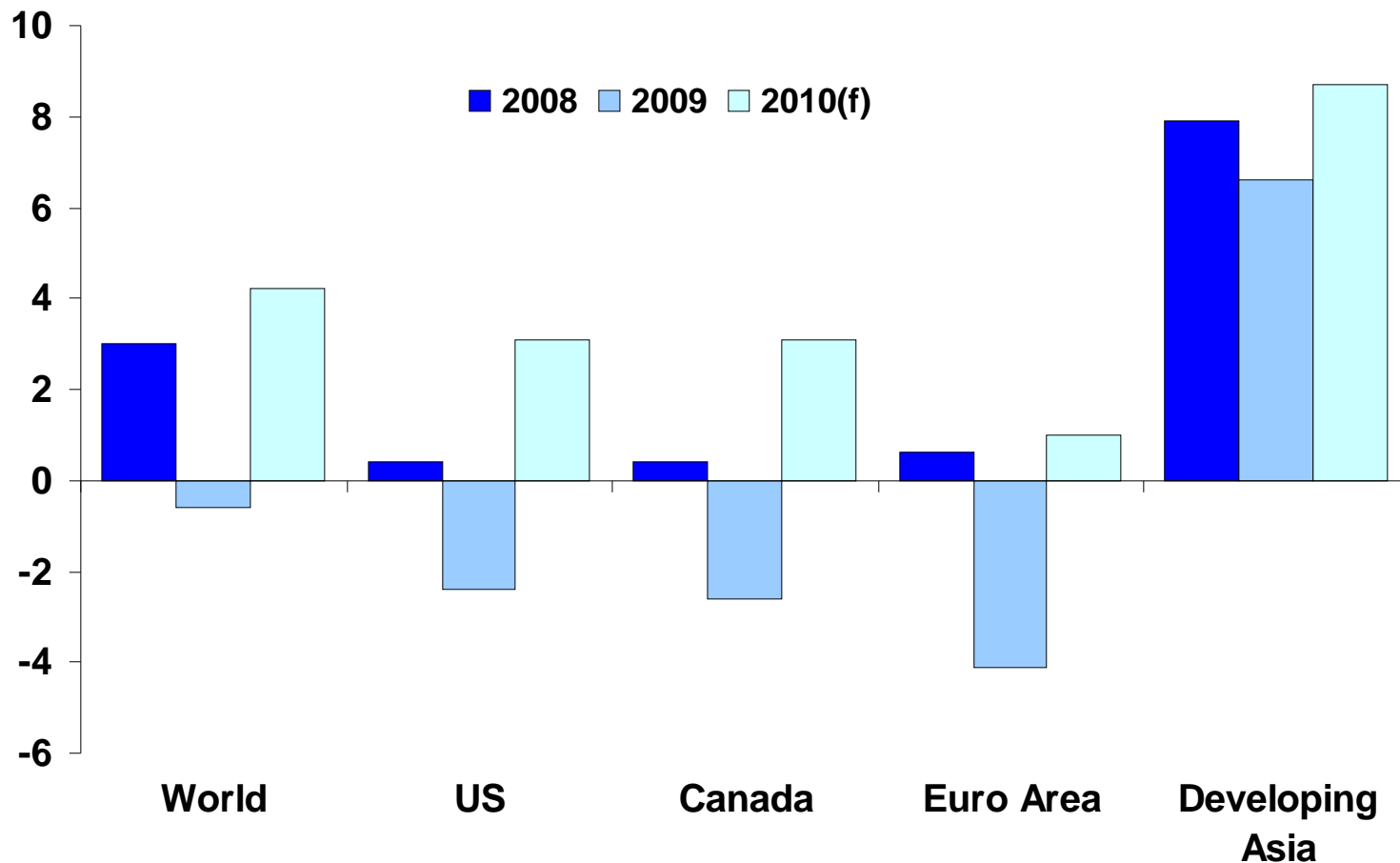
Need to Raise Interest Rates to Normal



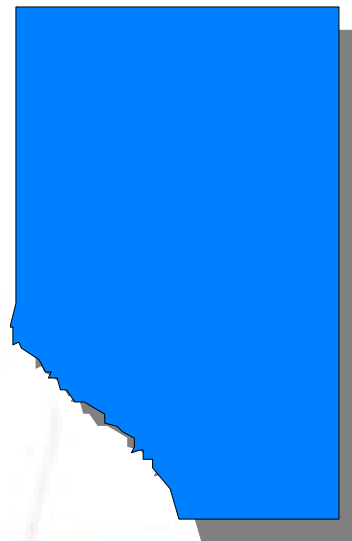
Sources: Bank of Canada, U.S. Federal Reserve

Modest Global Economic Recovery

Real Gross Domestic Product (% change)

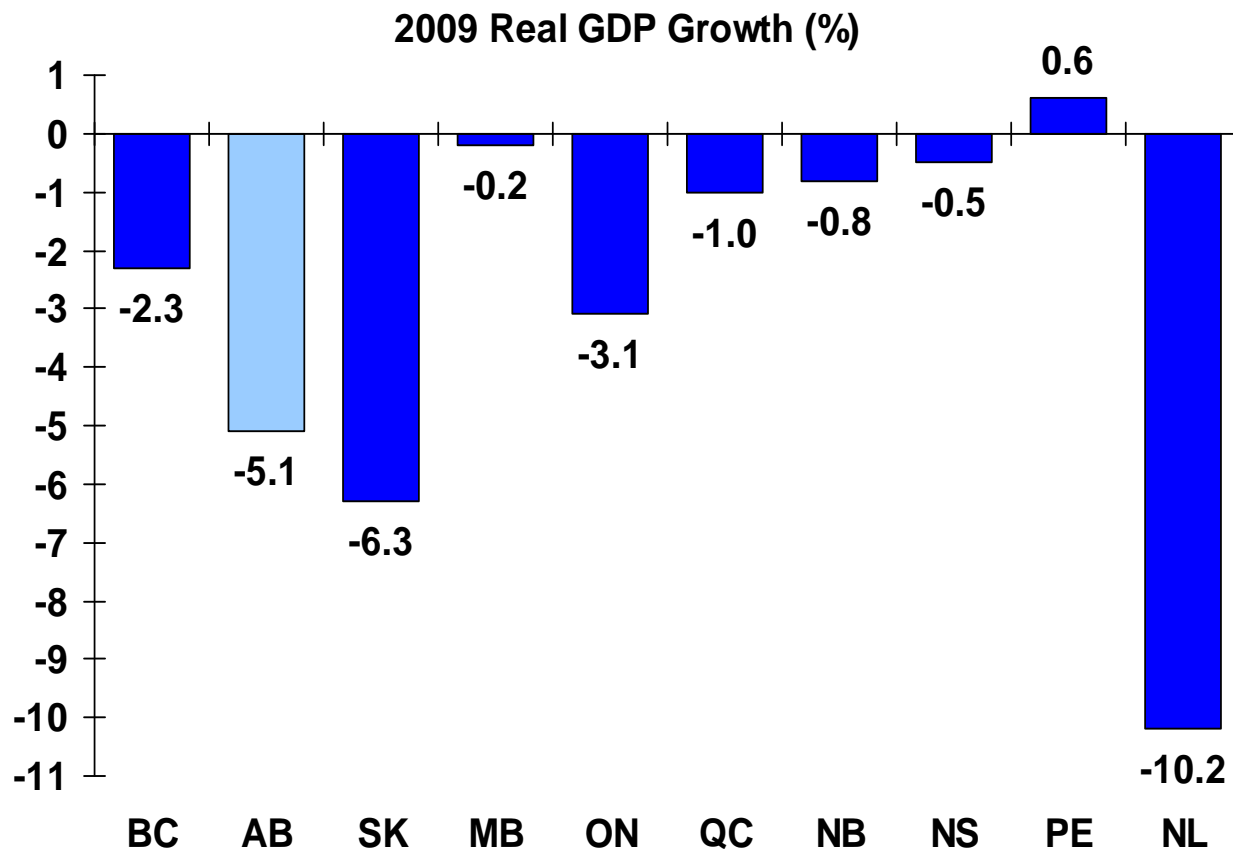


Source: International Monetary Fund



Alberta Economy

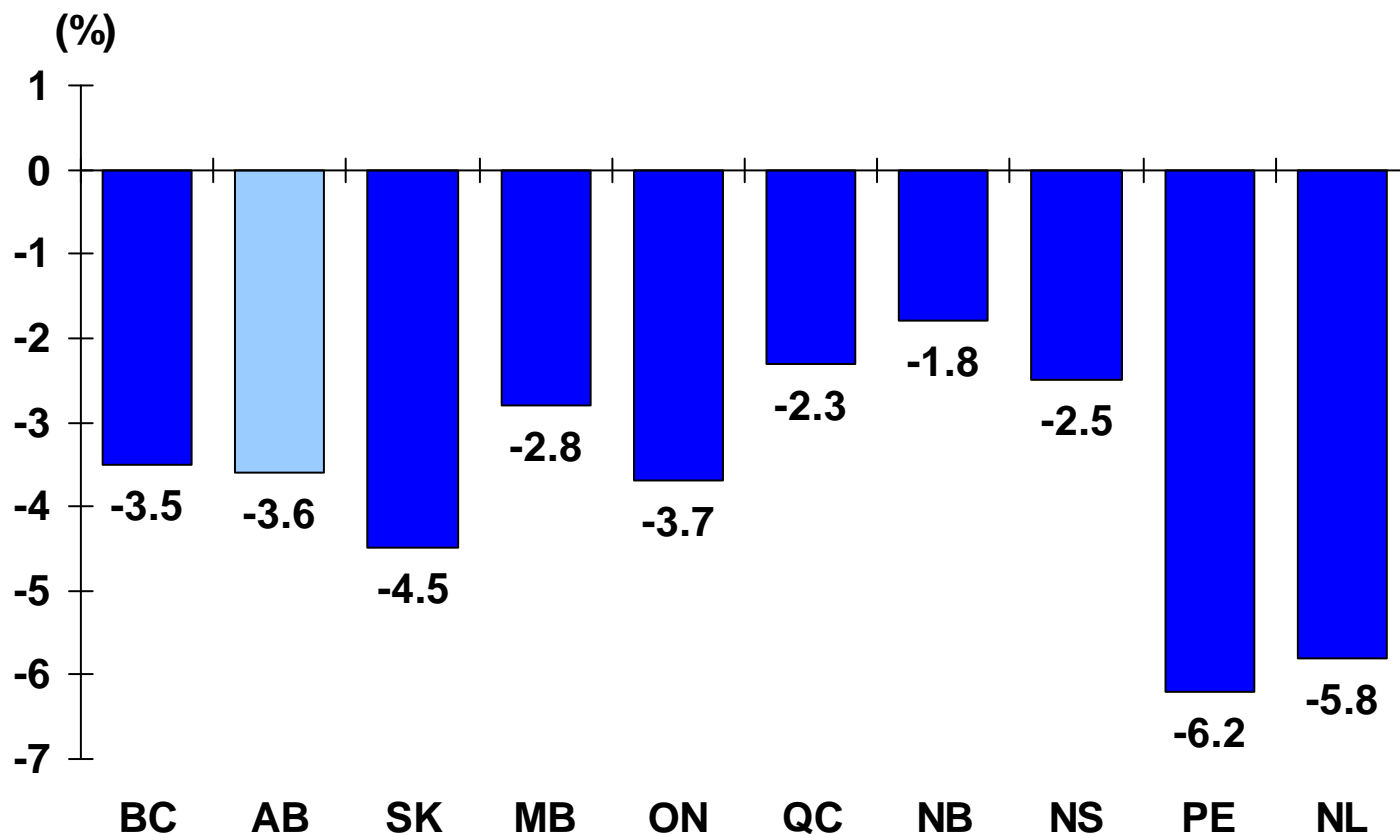
Resource Provinces Hard Hit in 2009



Source: Statistics Canada Preliminary Estimates; *Real GDP by Industry

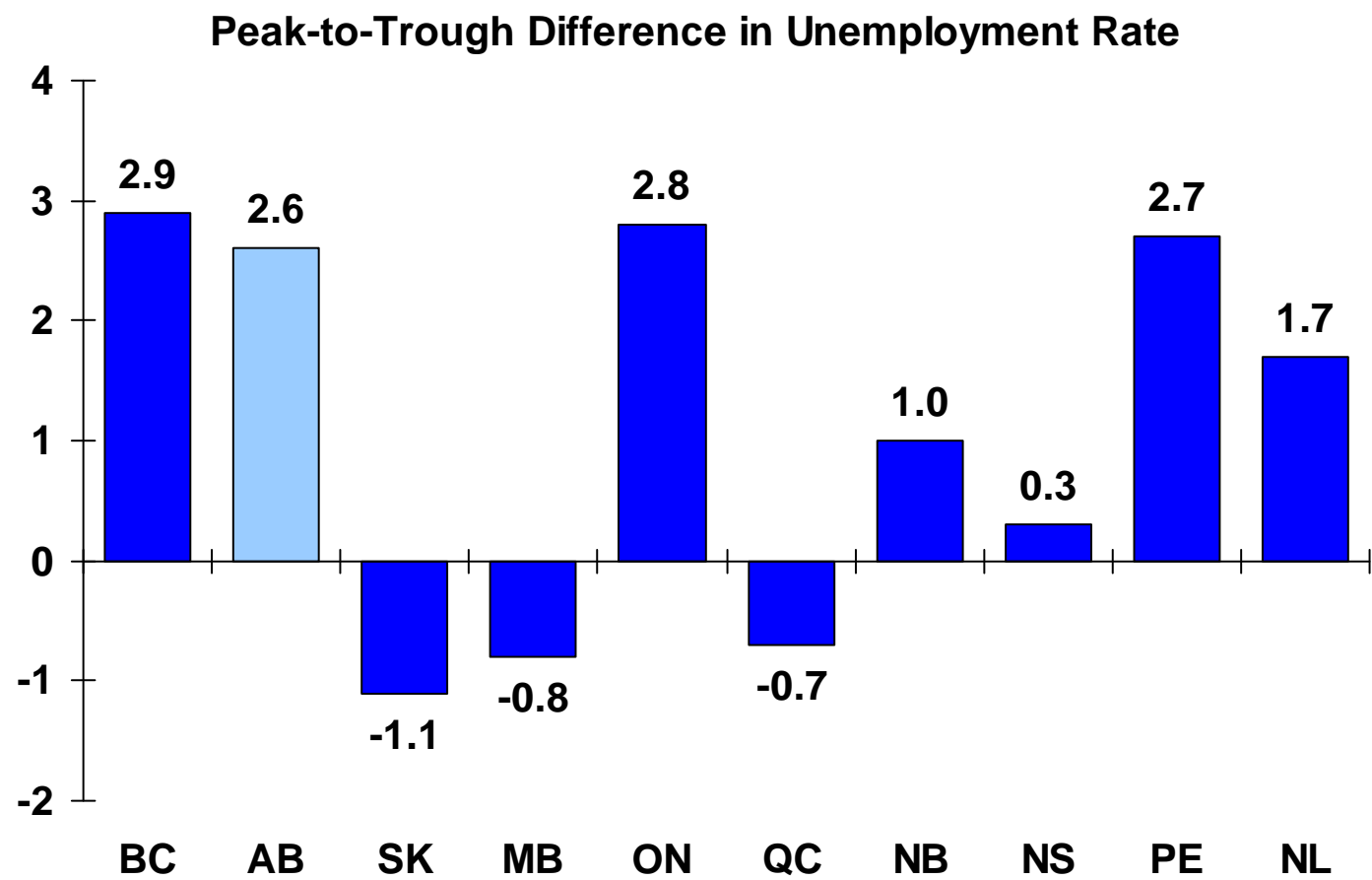
Great Recession Cost Jobs

Employment Change (Peak-to-Trough)



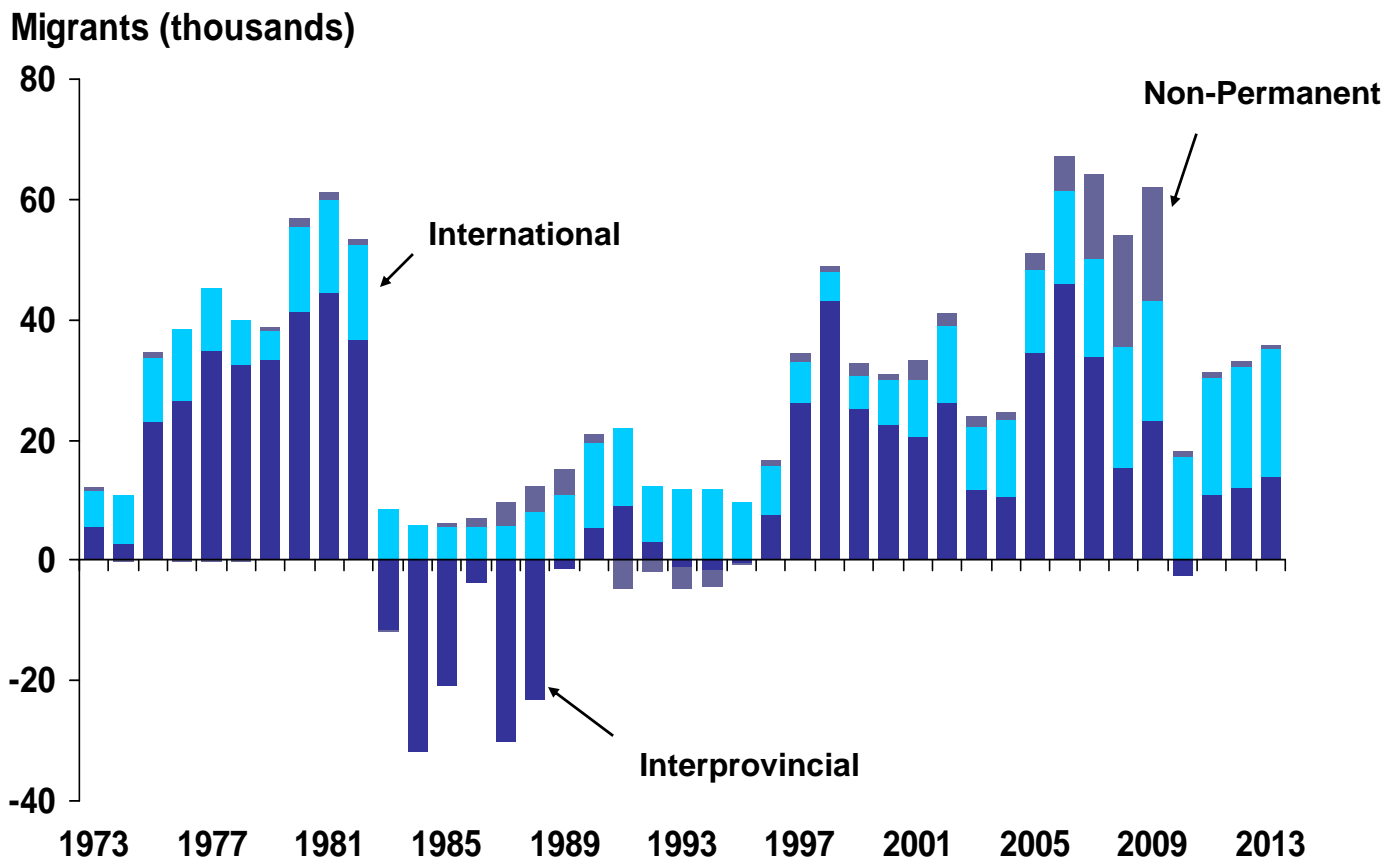
Source: Statistics Canada

Unemployment Rose for Most Provinces



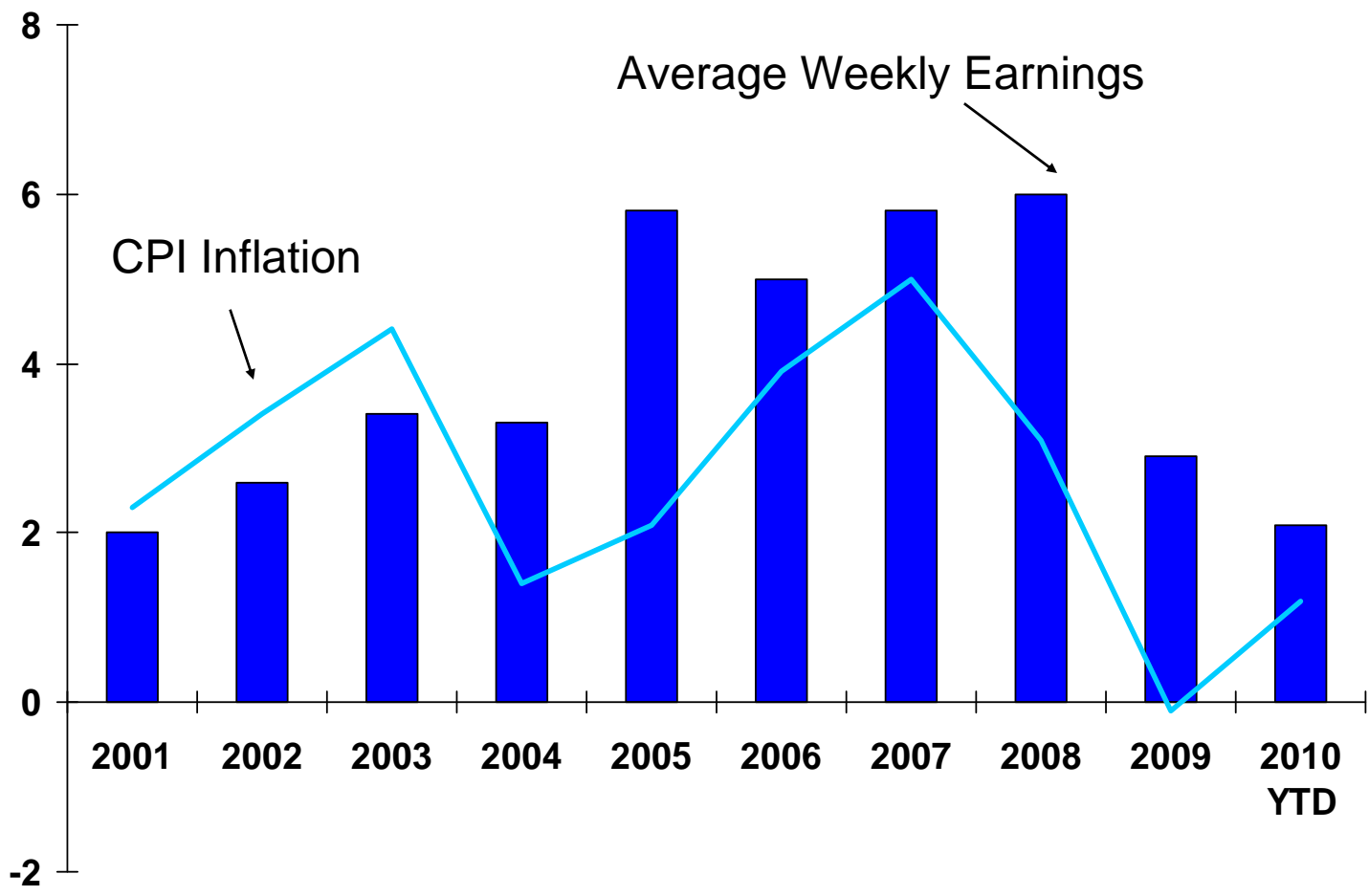
Source: Statistics Canada

Migration to Alberta Slows



Sources: Statistics Canada and Alberta Finance and Enterprise

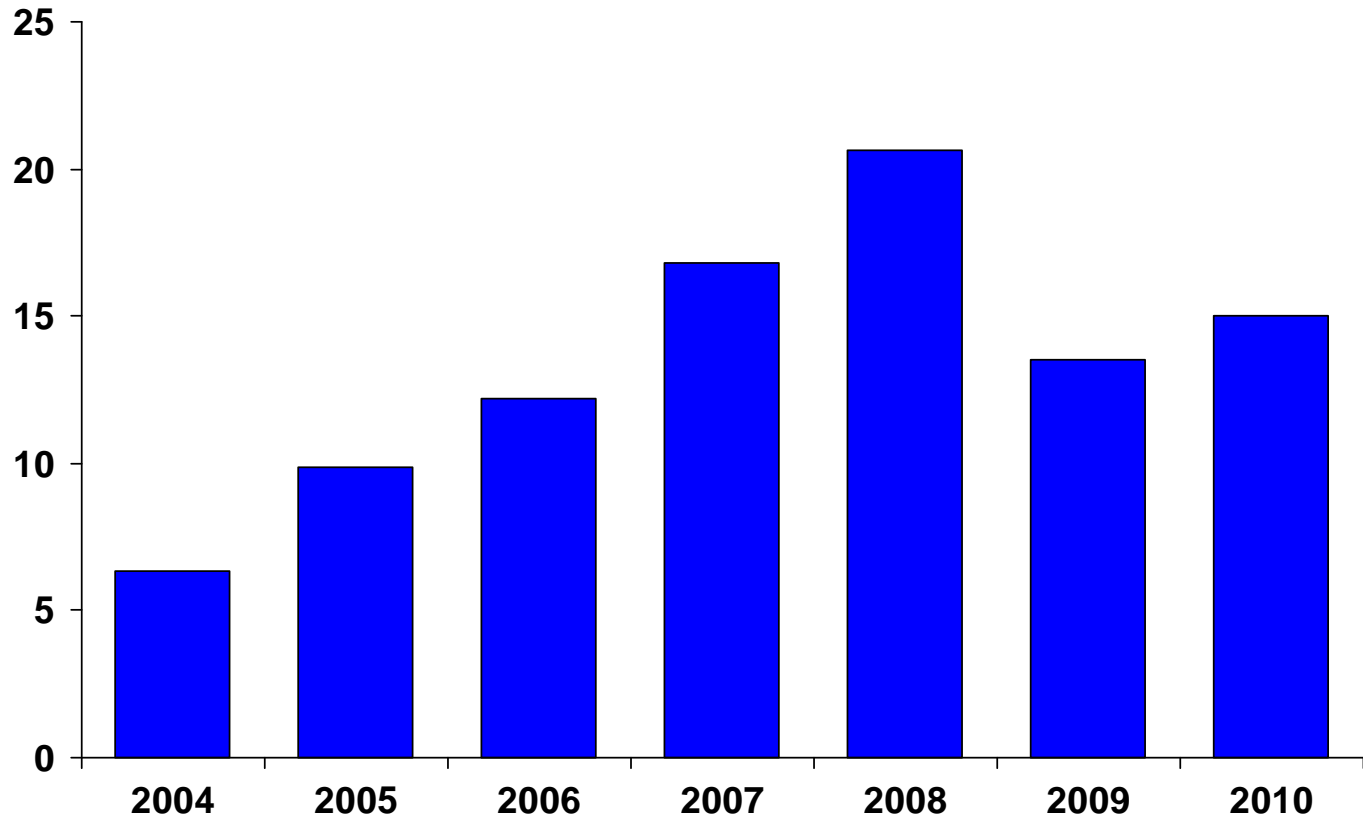
Slower Wage Growth and Inflation



Source: Statistics Canada

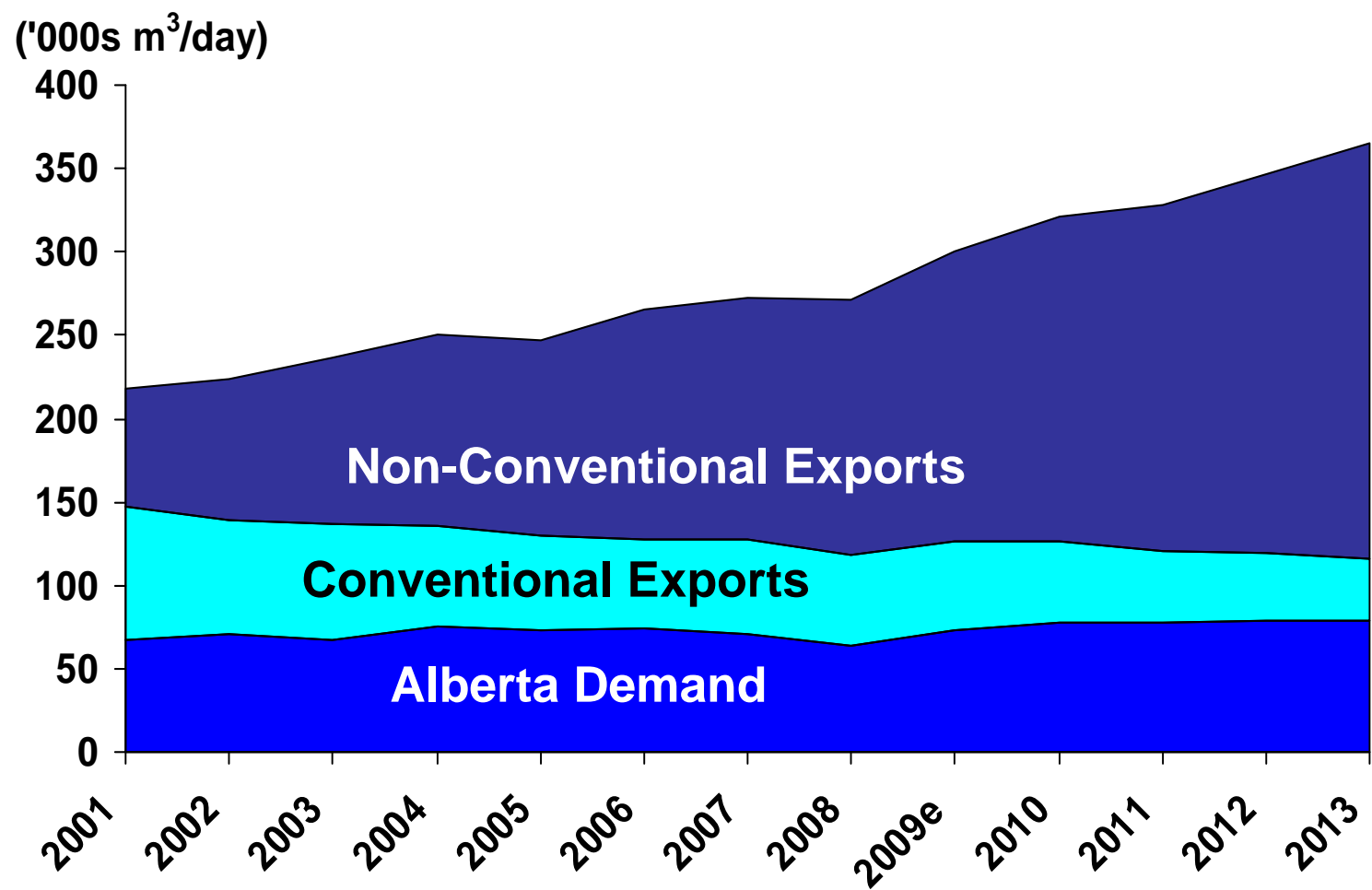
Oil Sands Investment Picking Up

Non-Conventional Energy Investment (billion \$)



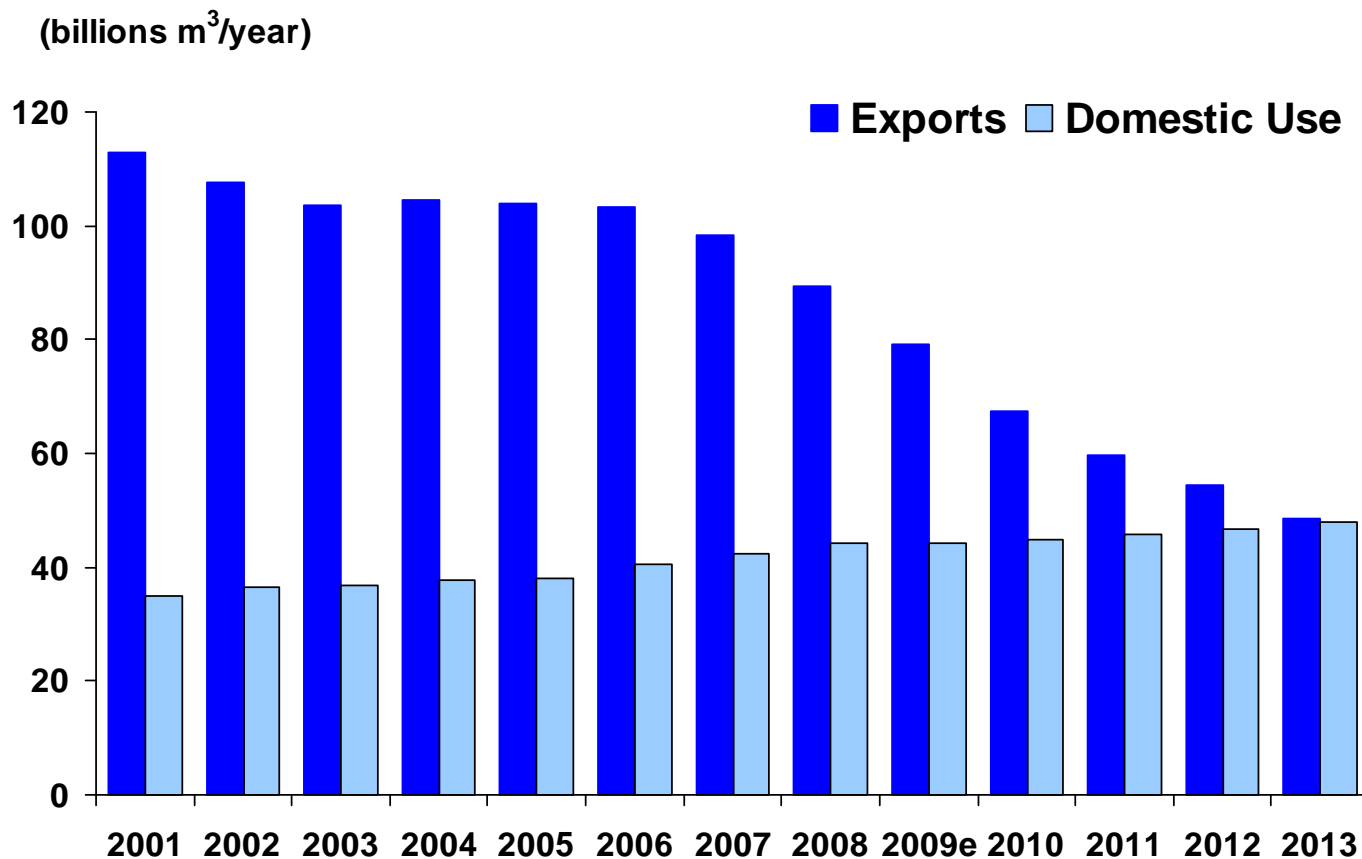
Source: Statistics Canada; 2009 – preliminary actual, 2010 - intentions

Oil Sands Production Increasing



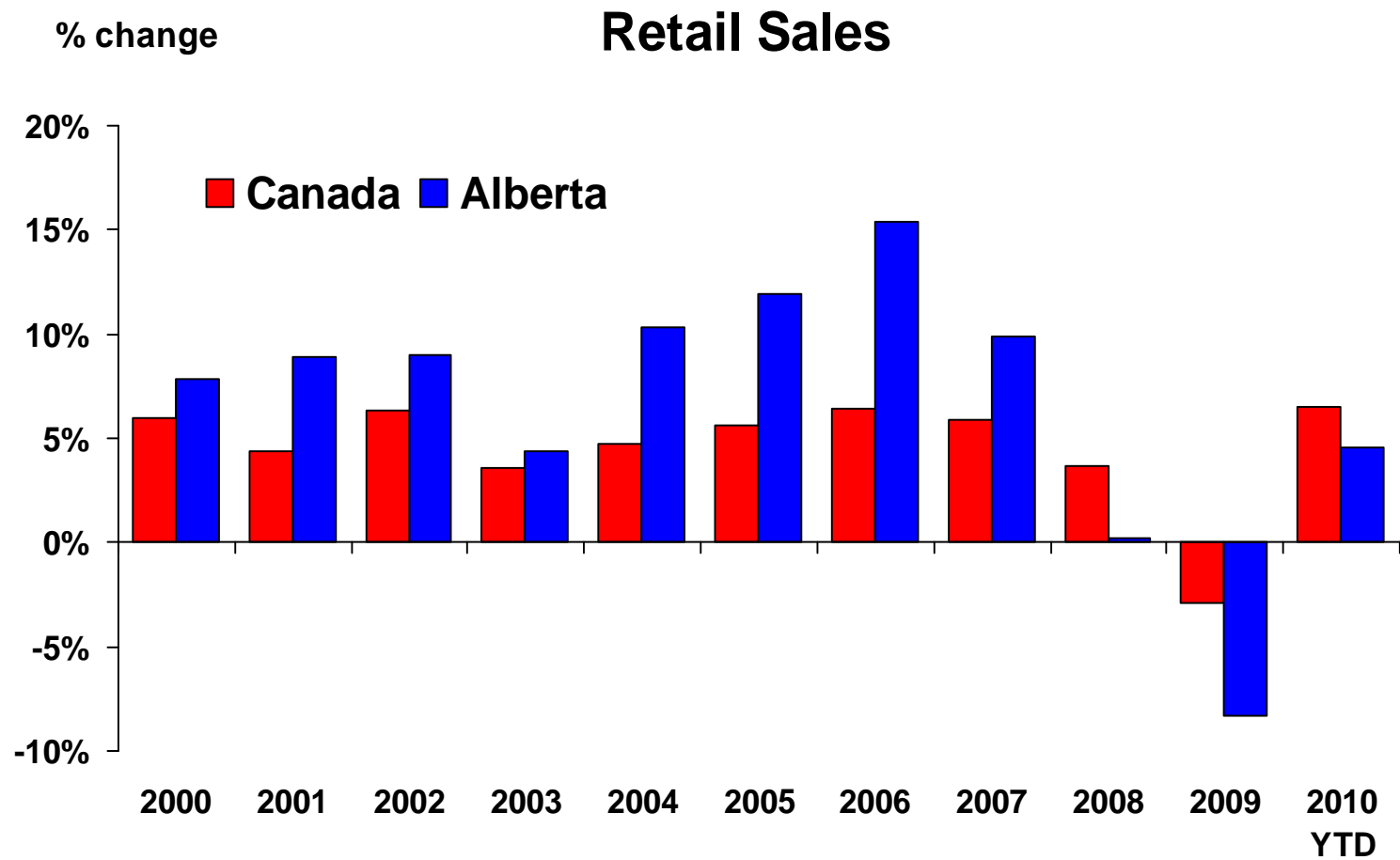
Source: Energy Resources Conservation Board

Natural Gas Exports Declining



Source: Energy Resources Conservation Board and Alberta Finance and Enterprise

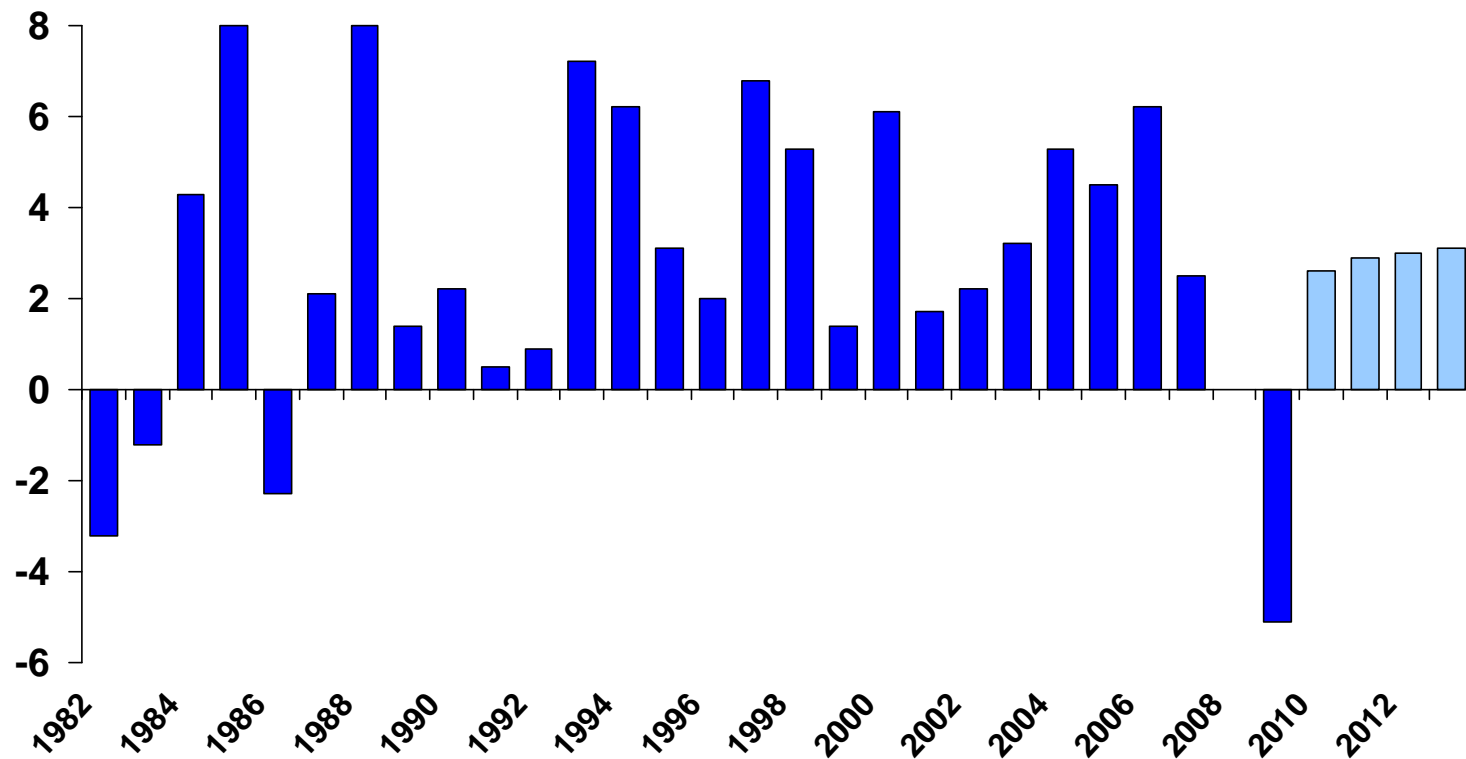
Consumers Recover



Source: Statistics Canada

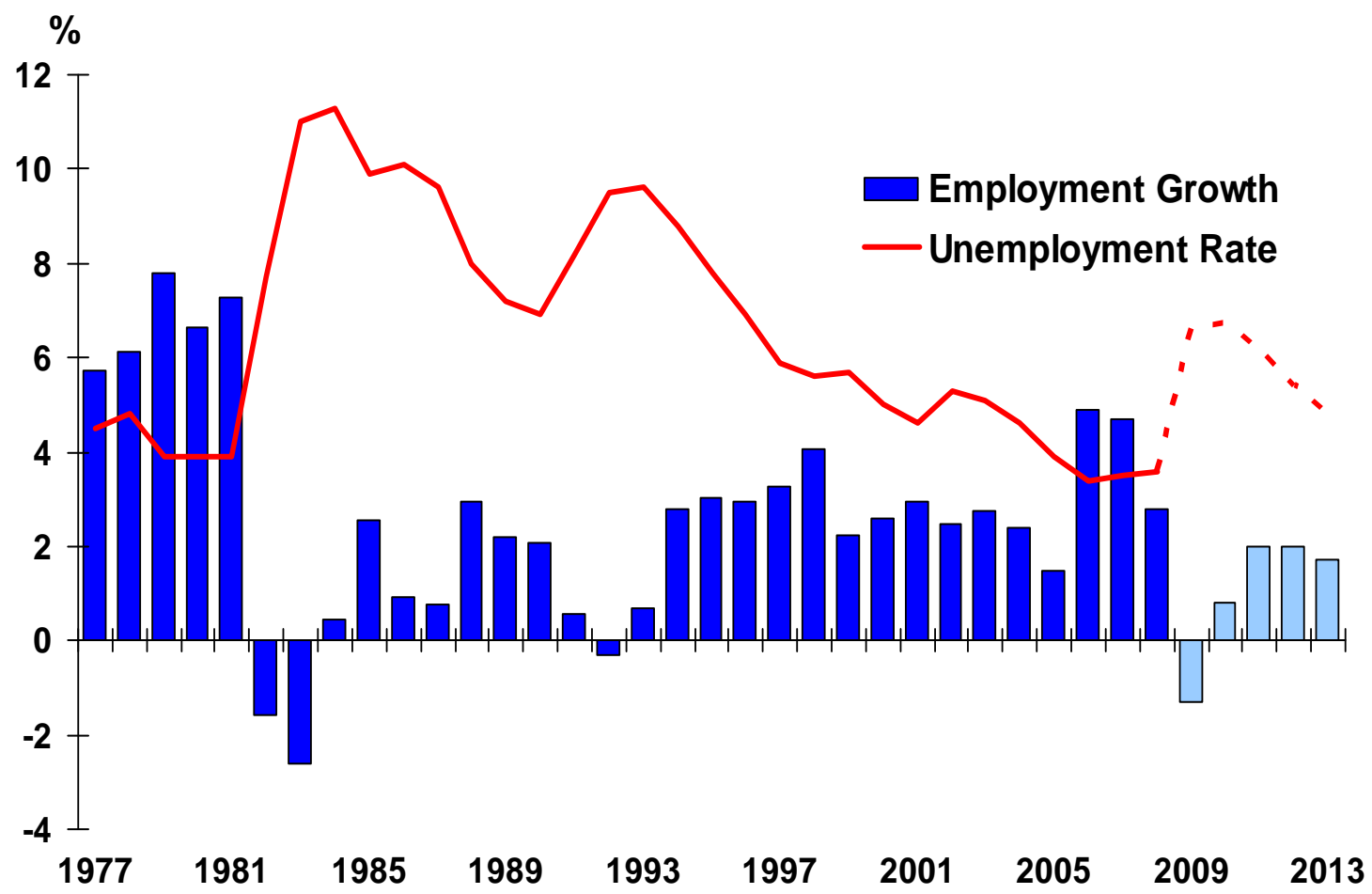
Alberta Economy in Recovery Mode

Real GDP Growth (%)



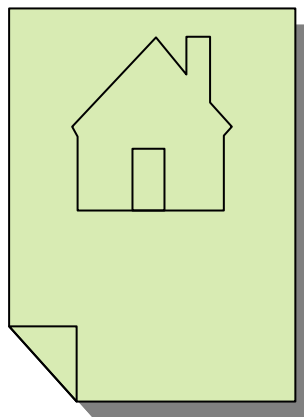
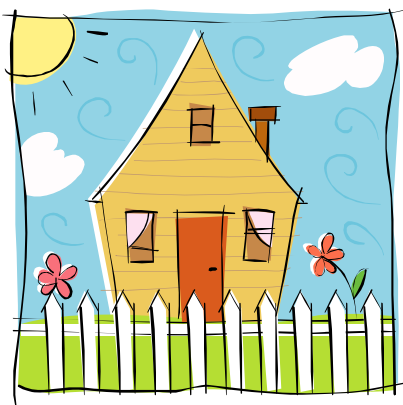
Sources: Statistics Canada and Alberta Finance & Enterprise

Alberta's Labour Market Recovering



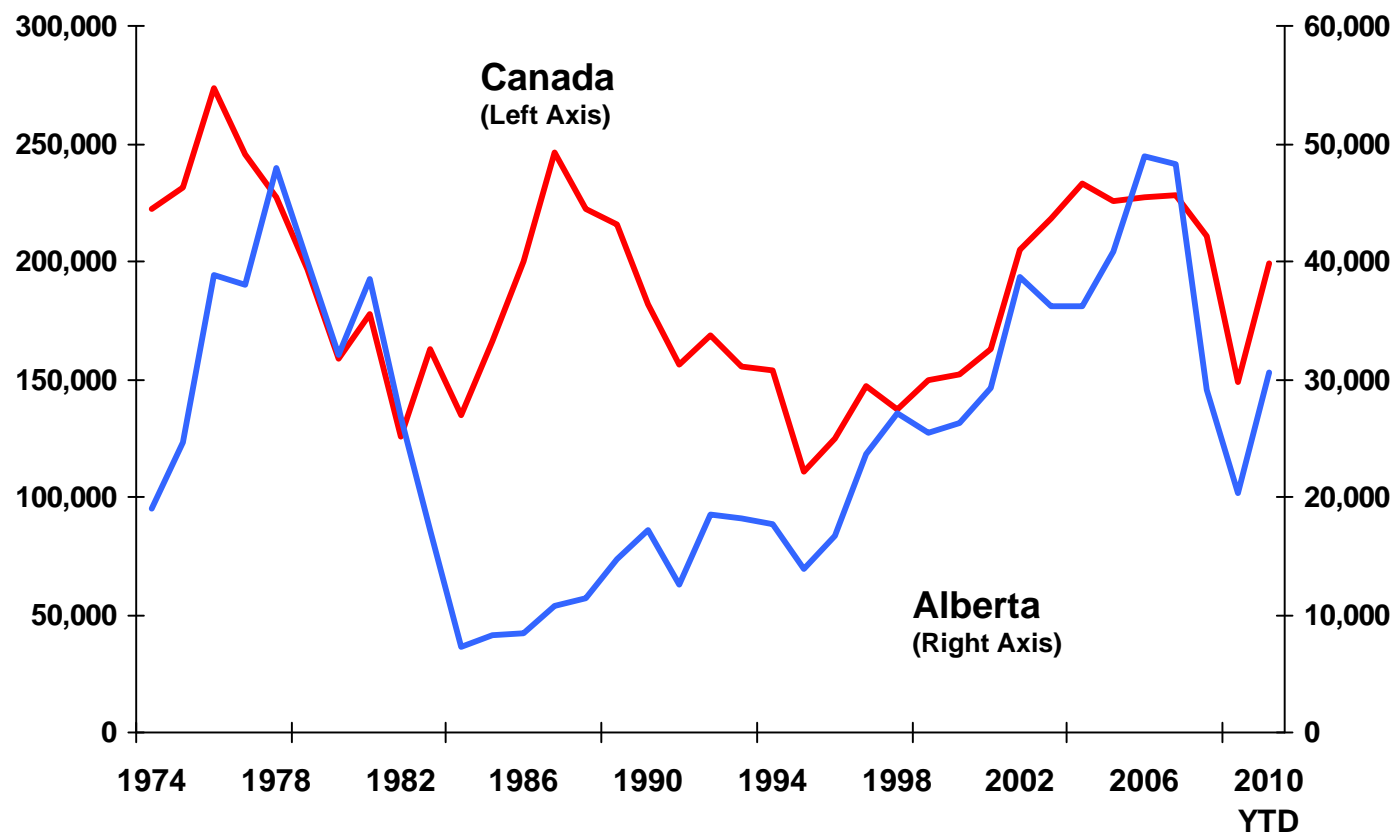
Sources: Statistics Canada and Alberta Finance and Enterprise

Real Estate



Housing Market On the Mend

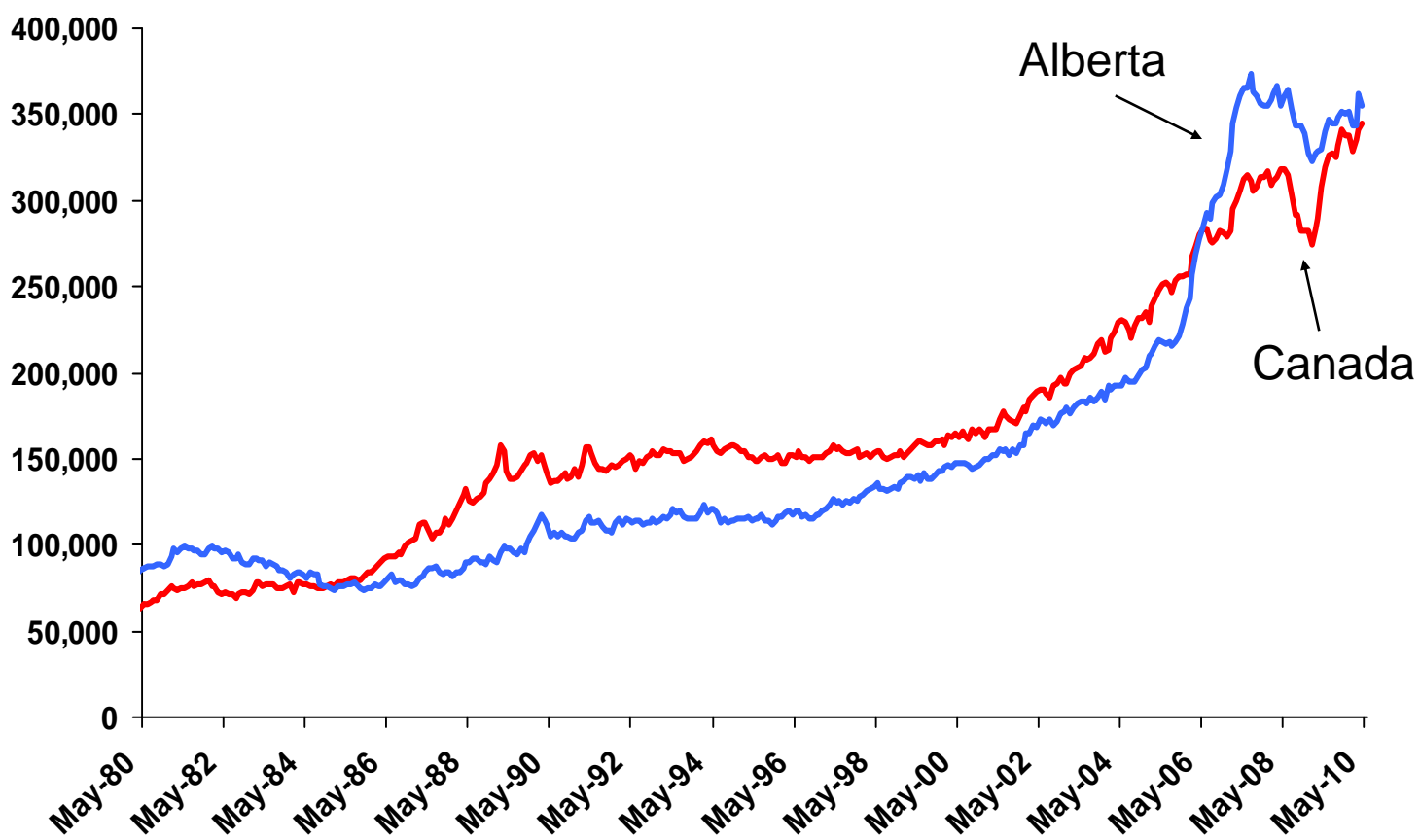
Housing Starts



Source: Canada Mortgage and Housing Corporation

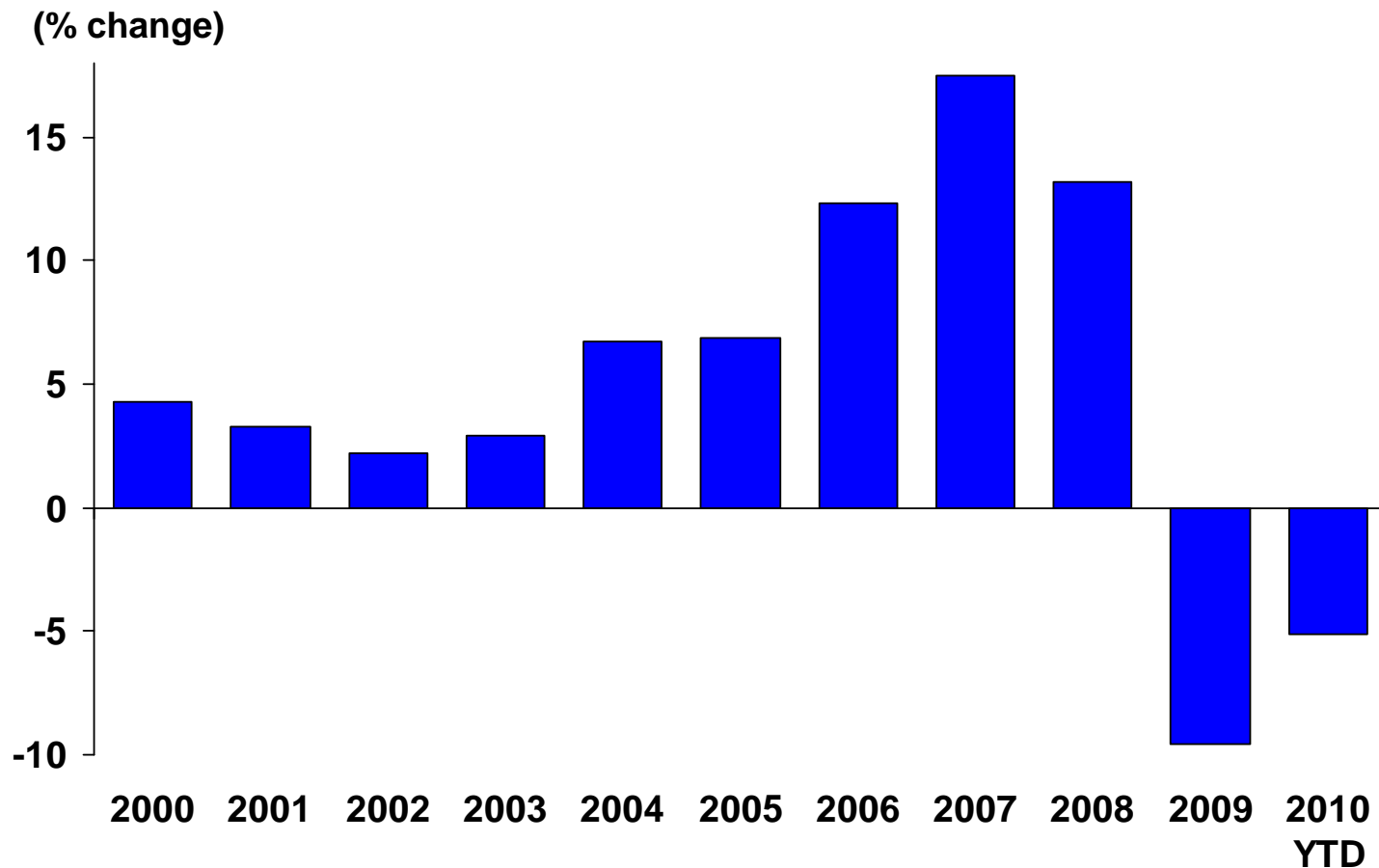
House Prices Stabilizing

Average Resale Prices



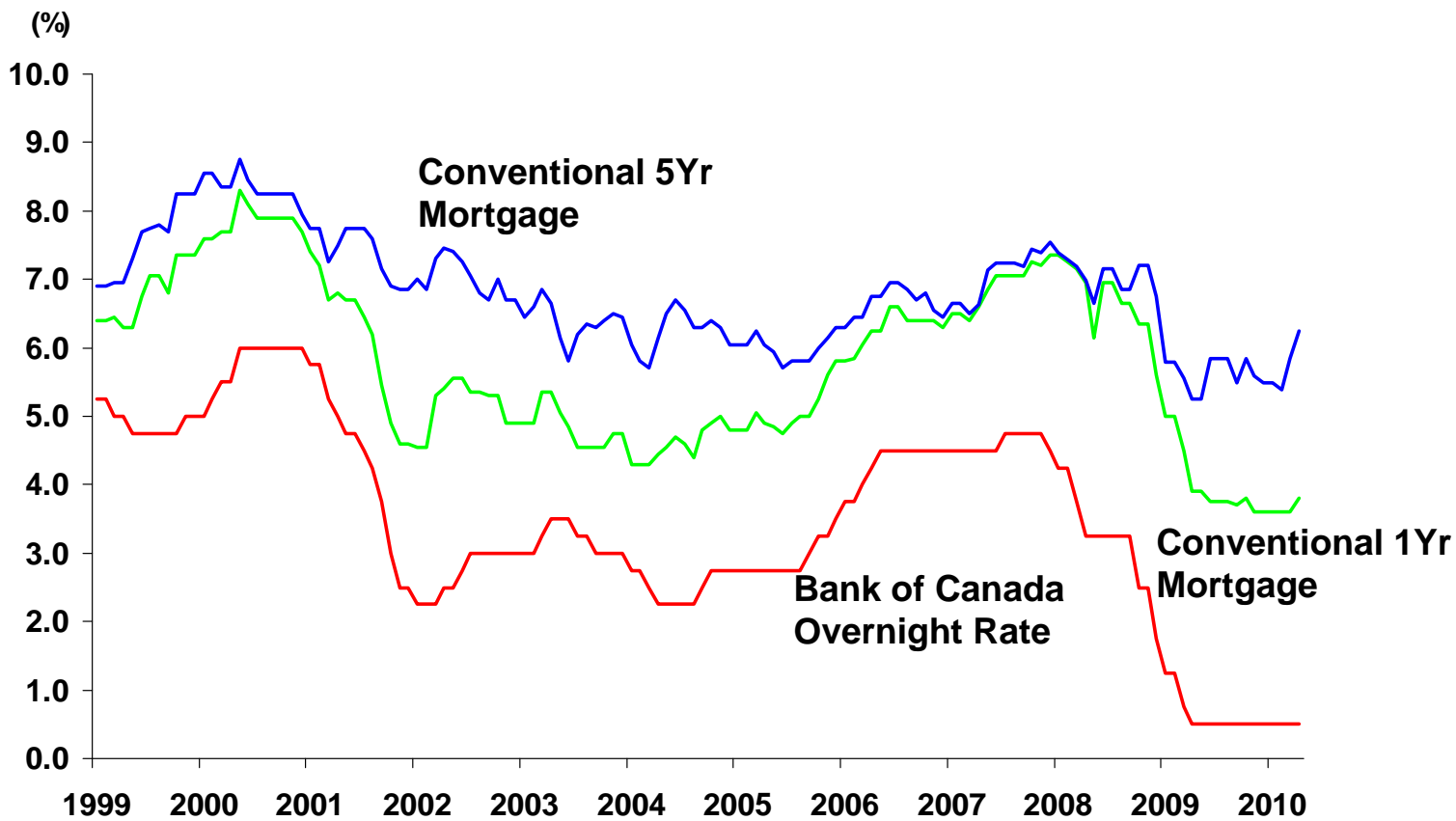
Source: Canadian Real Estate Association

Alberta Construction Prices Ease



Source: Statistics Canada

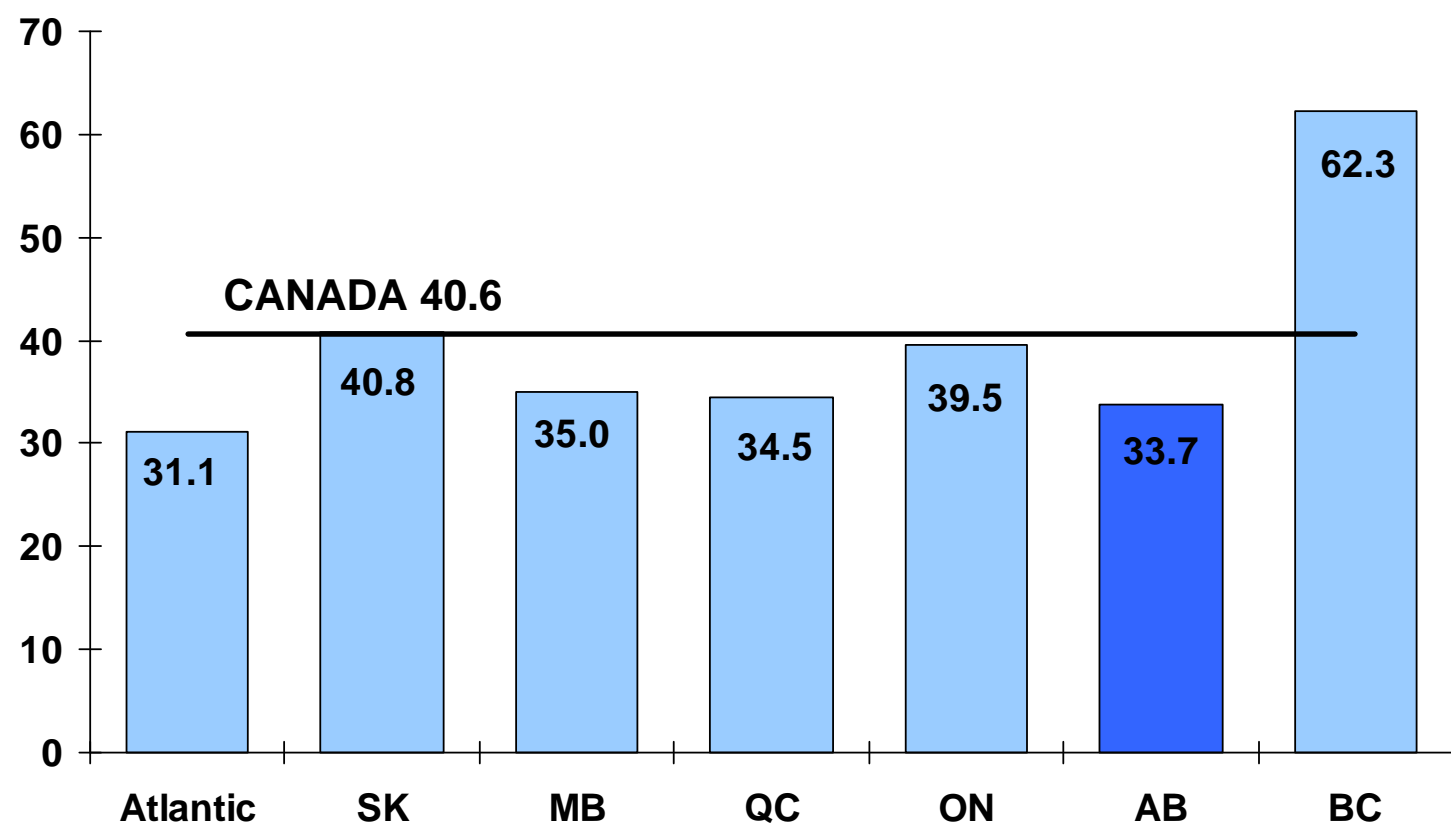
Mortgage Rates On the Rise



Source: Bank of Canada

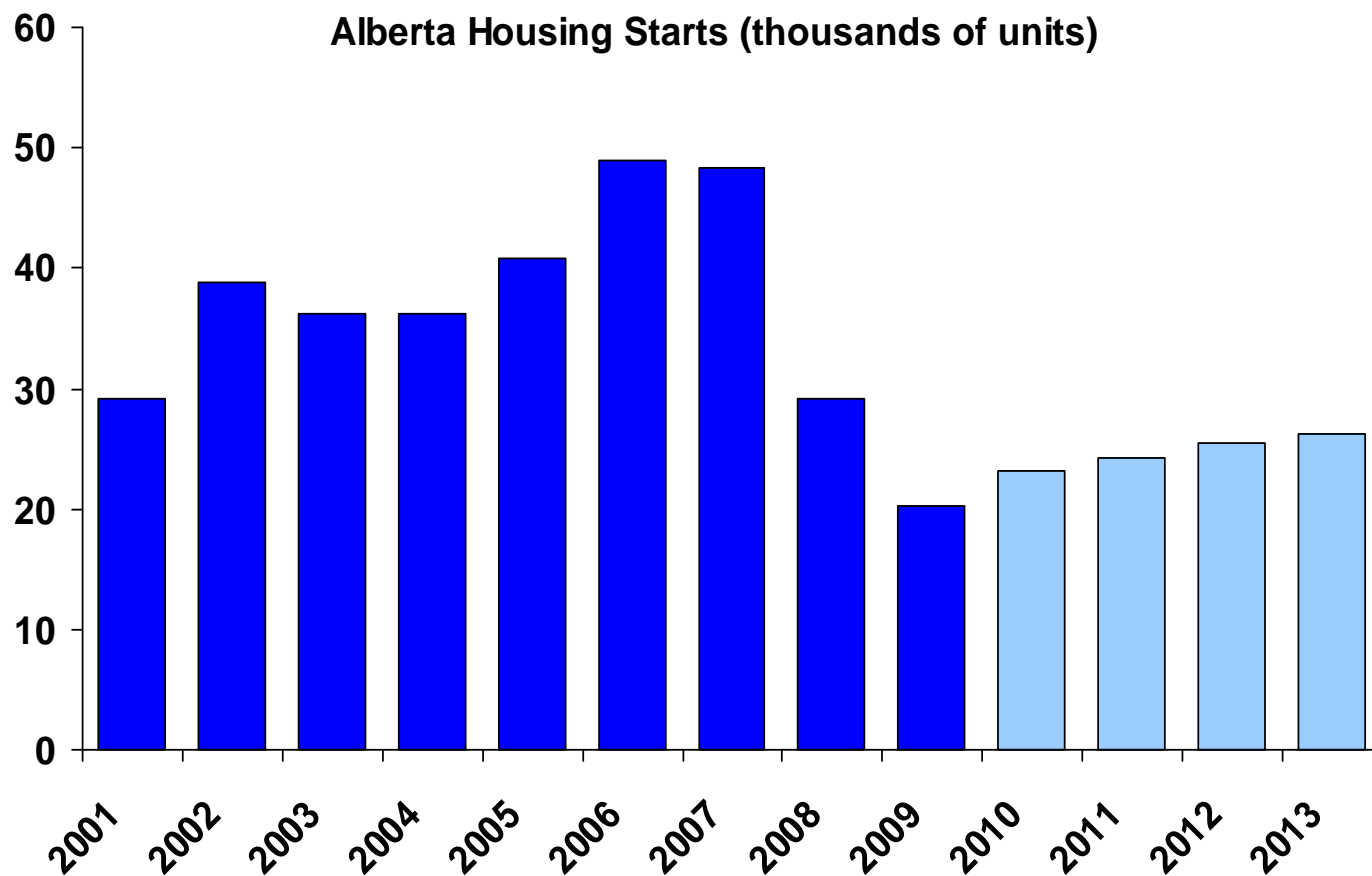
Housing Affordability Improves

% of Household Income Taken Up By Ownership Costs

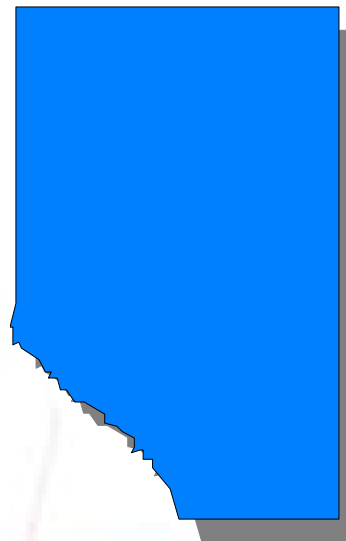


Source: Q4 2009 RBC Housing Affordability Index (for detached bungalow)

Alberta Housing Market Strengthens



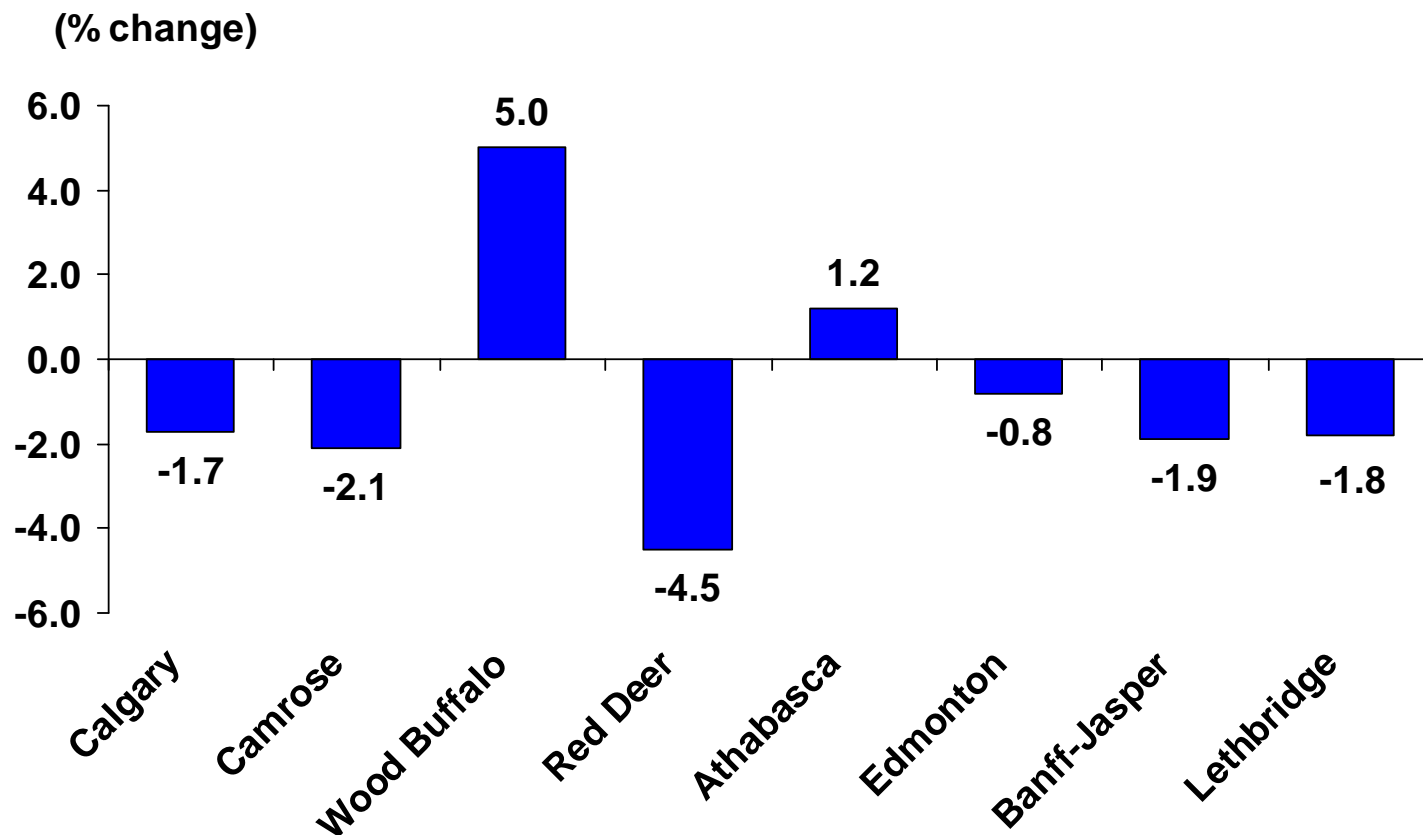
Source: Canada Mortgage and Housing Corporation, Alberta Finance & Enterprise



Alberta Regions

Regional Employment Patterns Vary

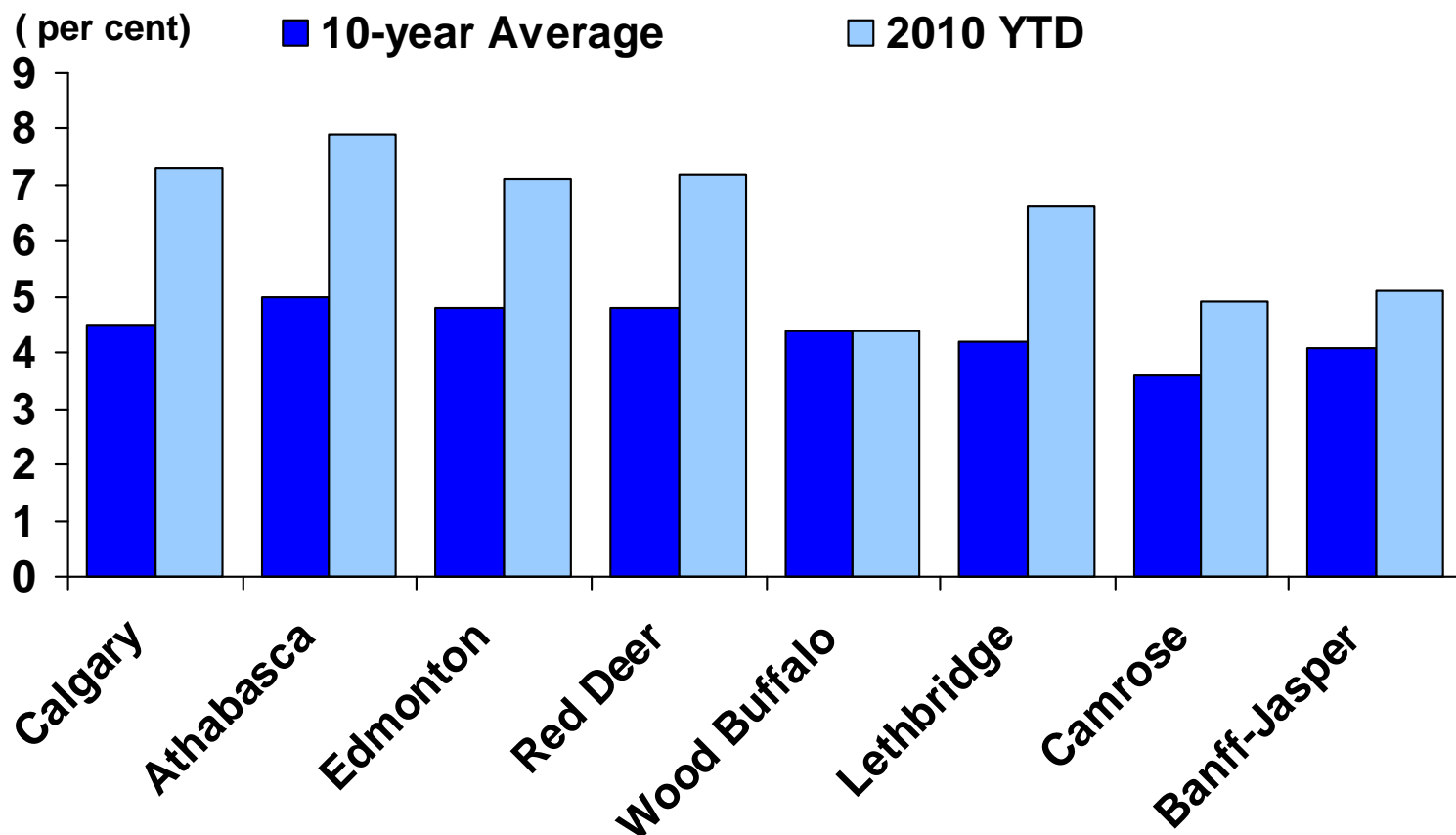
Year-to-Date Employment Change



3-month non-seasonally adjusted moving average

Source: Statistics Canada

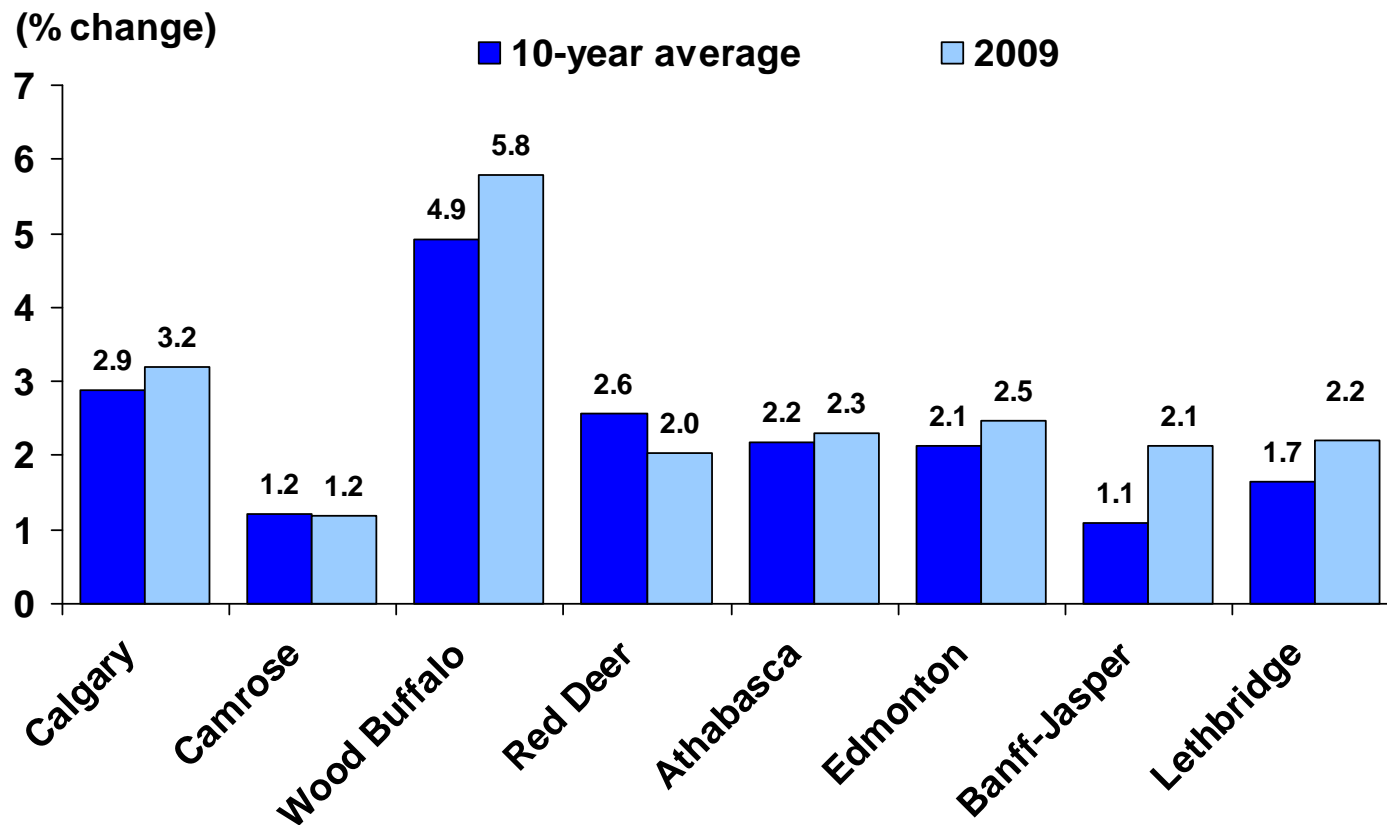
Regional Unemployment Rates



Regions are a 3-month non-seasonally adjusted moving average

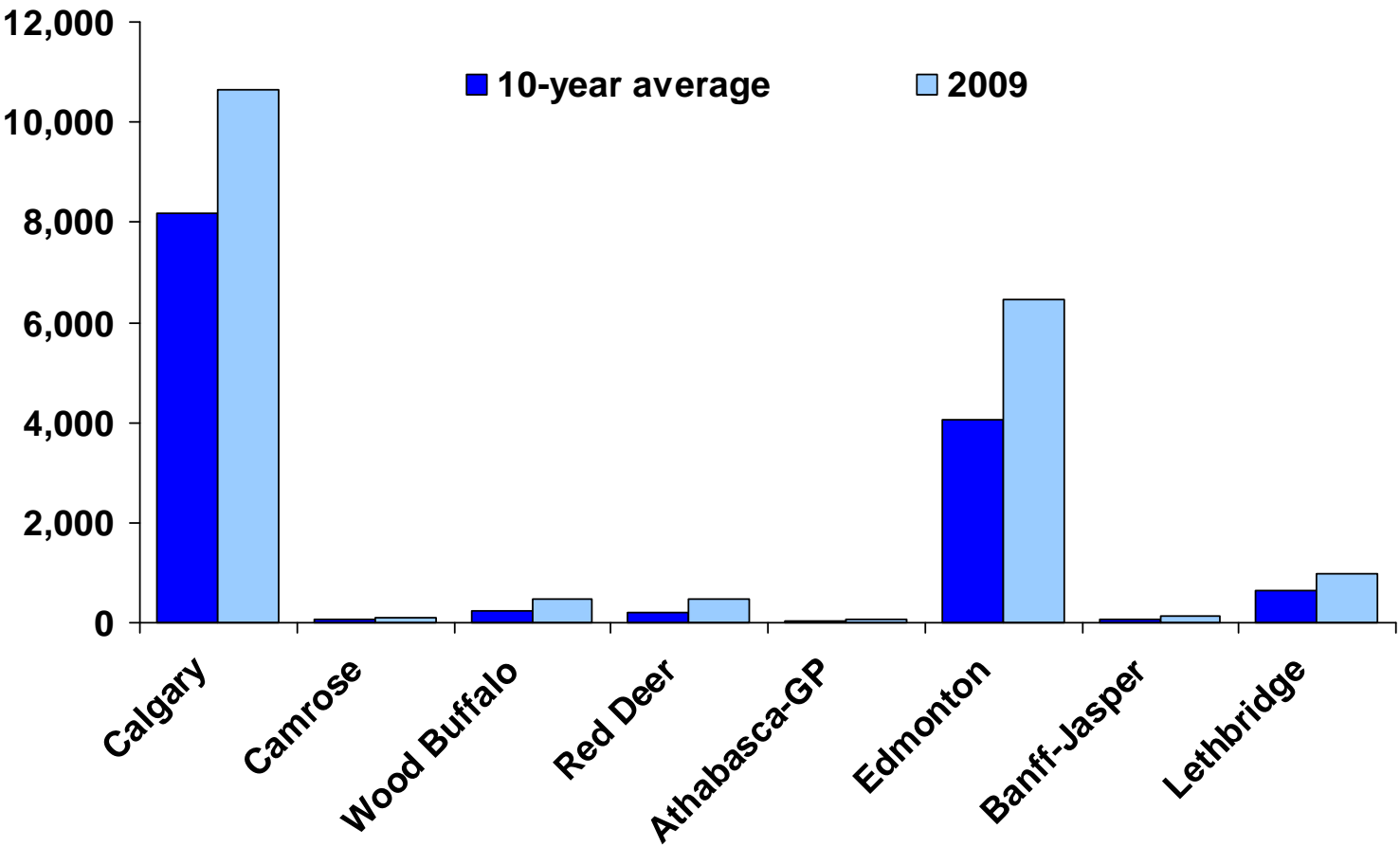
Source: Statistics Canada

Regional Population Growth



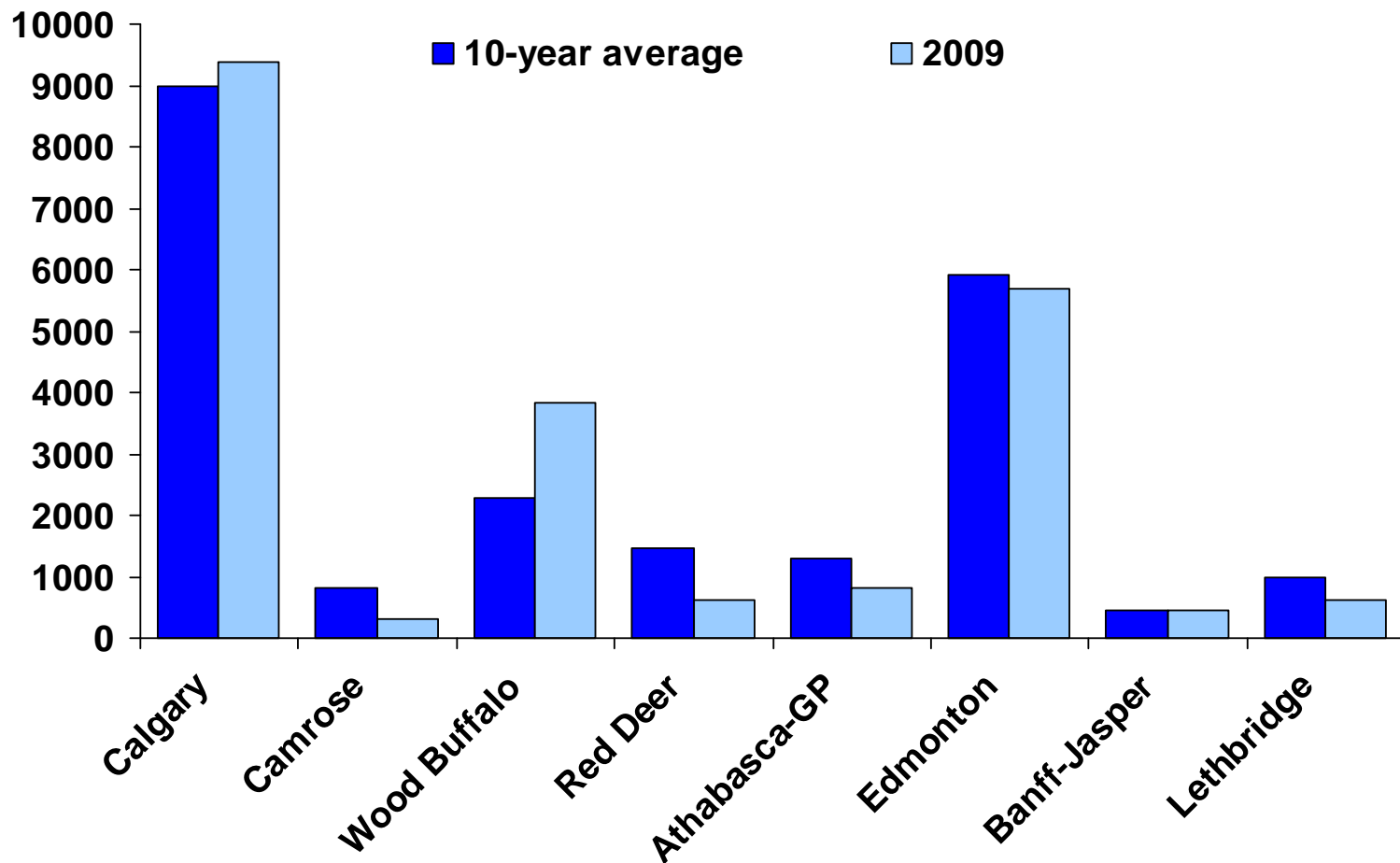
Source: Statistics Canada; * by Census Division (CD). Banff-Jasper comprised of CDs 9, 14 and 15

International Migrants by Region



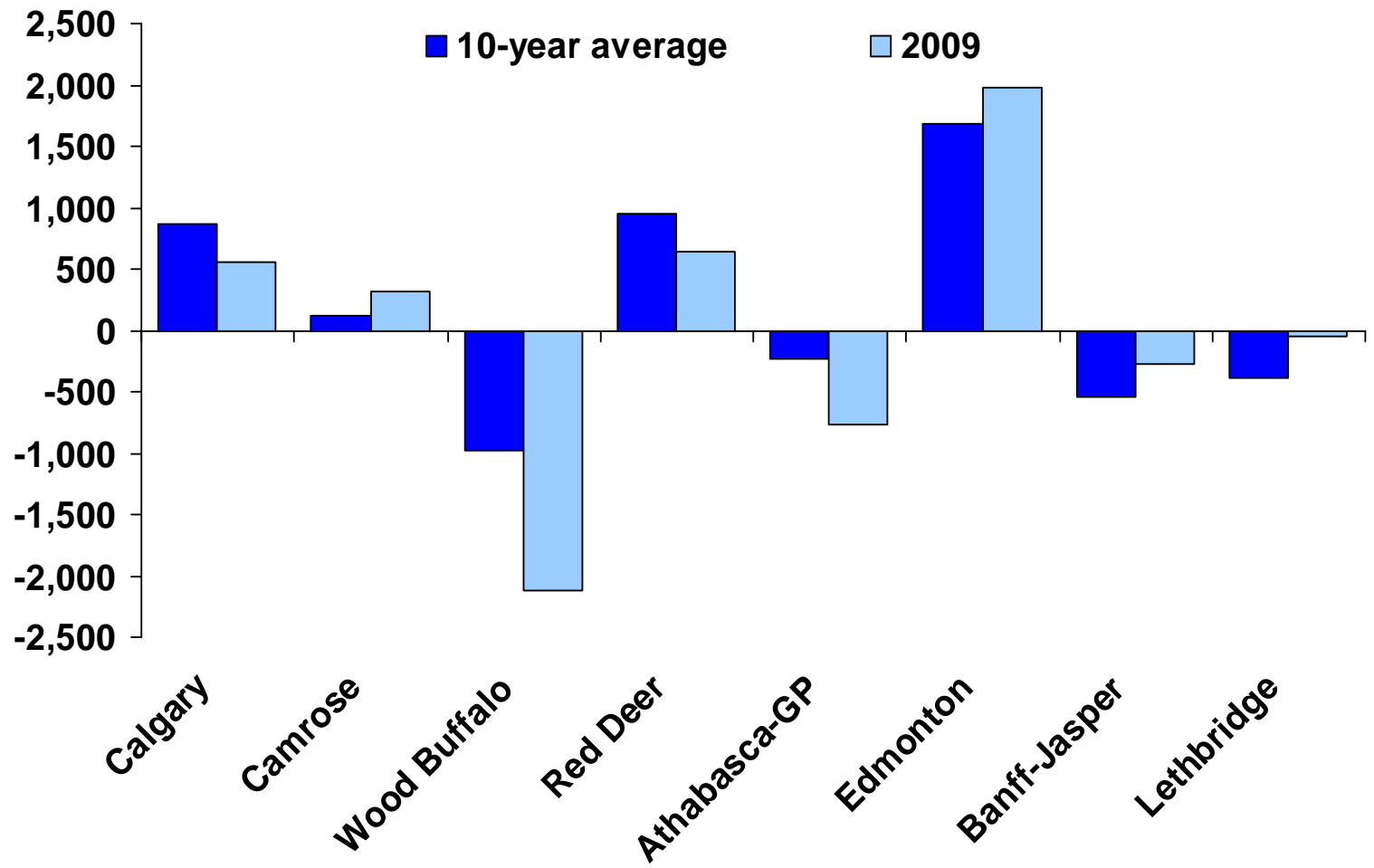
Source: Statistics Canada; * Census Division (CD). Banff-Jasper comprised of CDs 9, 14 and 15

Interprovincial Migrants by Region



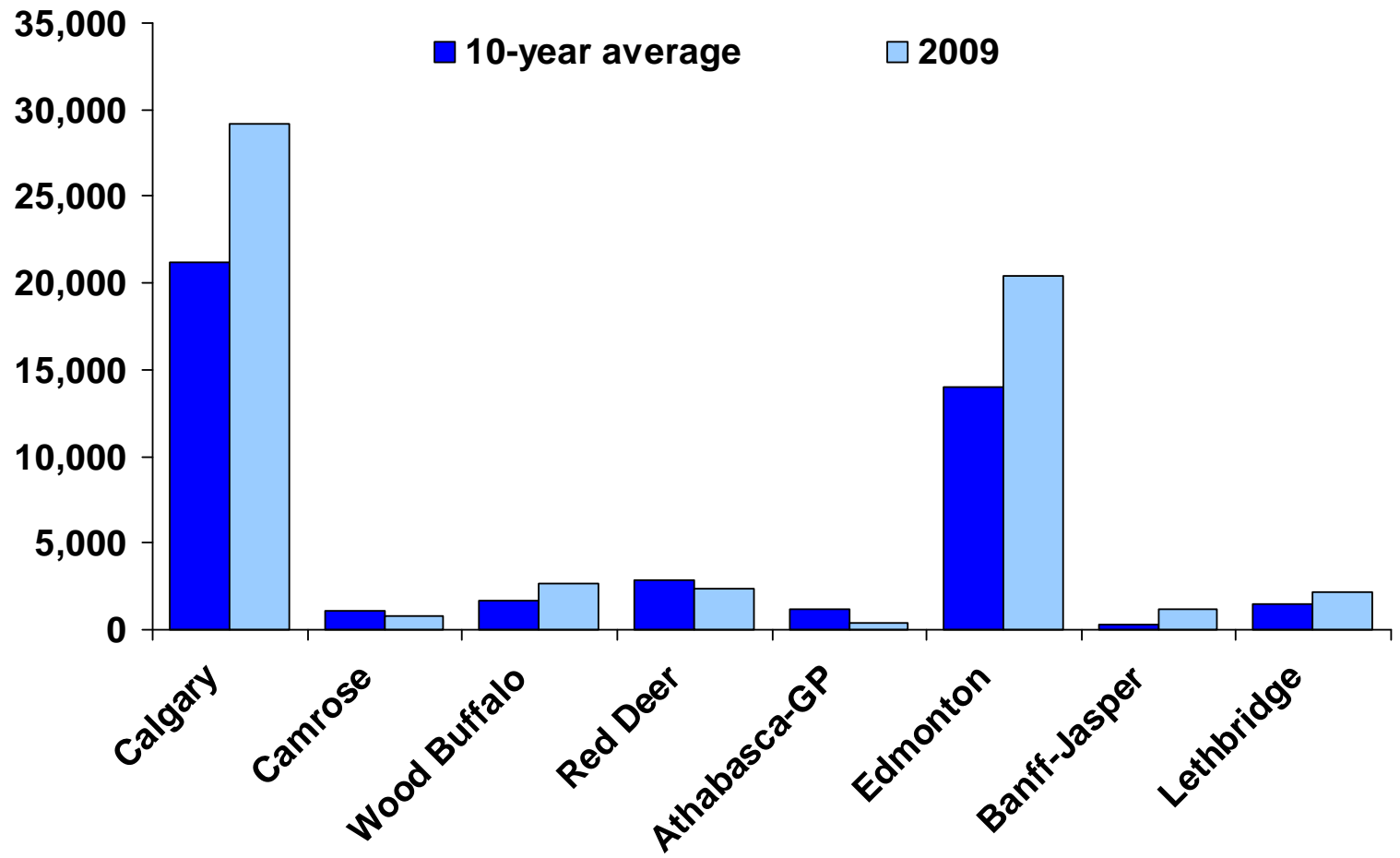
Source: Statistics Canada; * by Census Division (CD). Banff-Jasper comprised of CDs 9, 14 and 15

Intra-Provincial Migration by Region



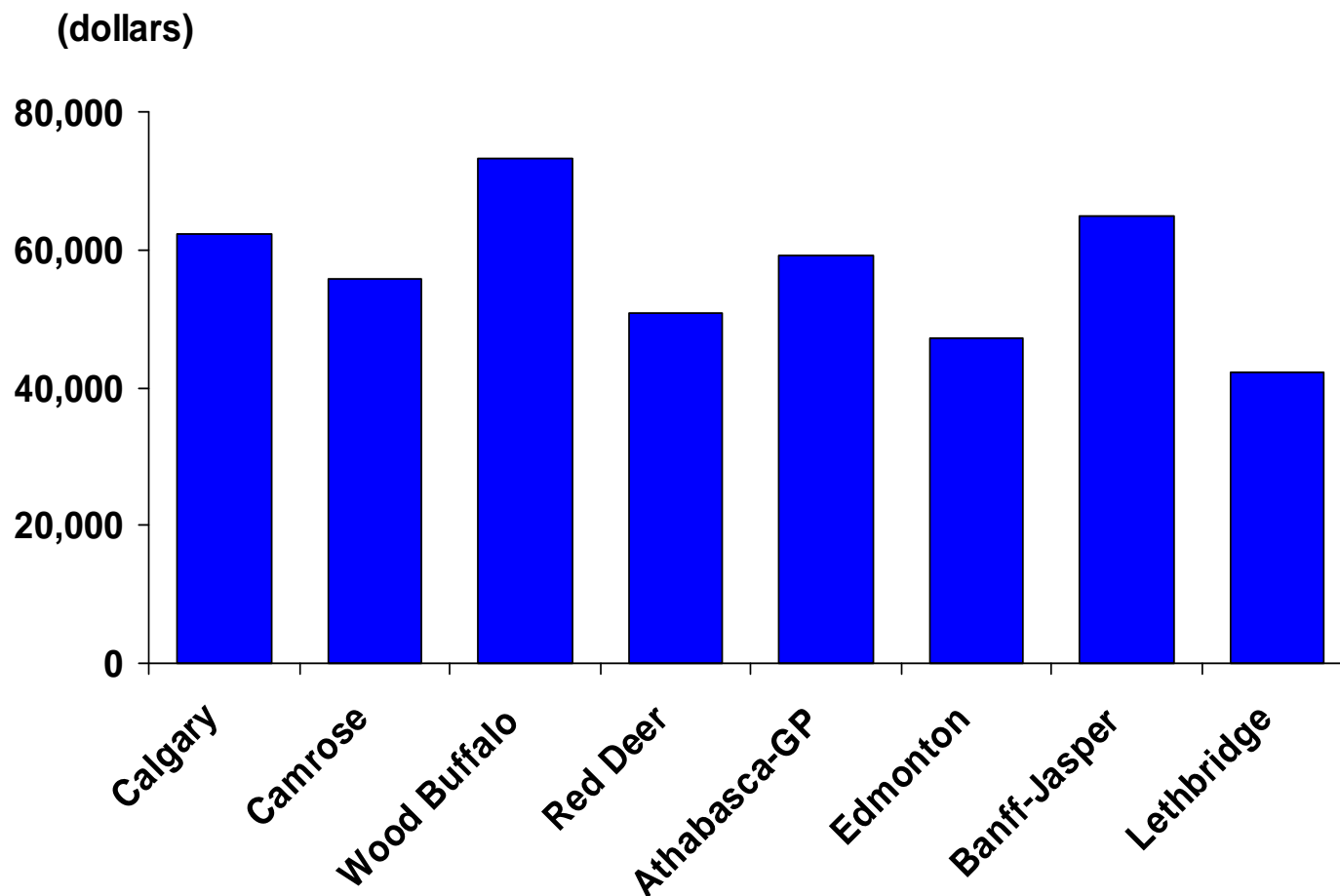
Source: Statistics Canada; * by Census Division (CD). Banff-Jasper comprised of CDs 9, 14 and 15

Net Migration by Region



Source: Statistics Canada; * by Census Division (CD). Banff-Jasper comprised of CDs 9, 14 and 15

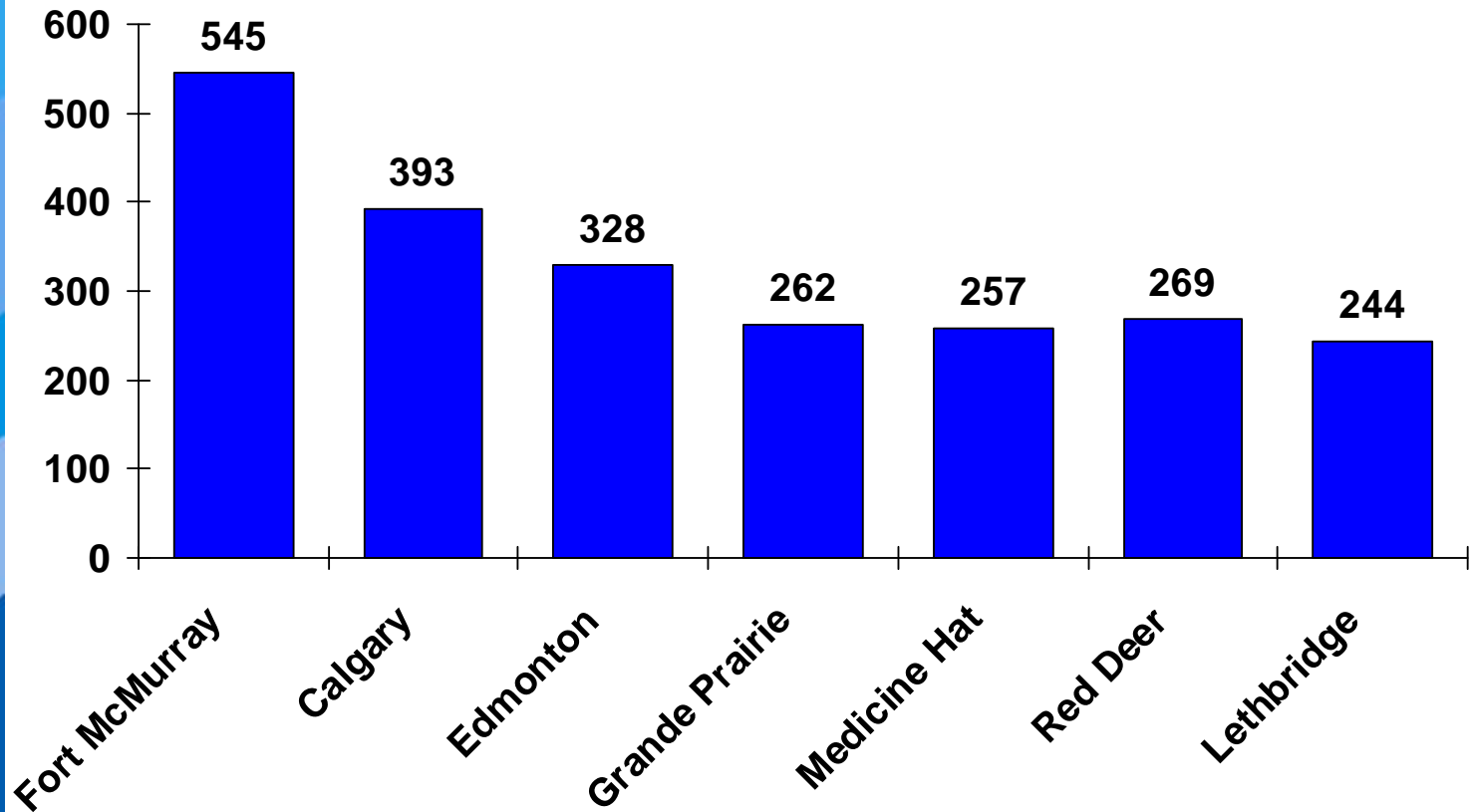
Average Personal Income Across Alberta



Source: Canadian Revenue Agency; based on 2007 Tax Year

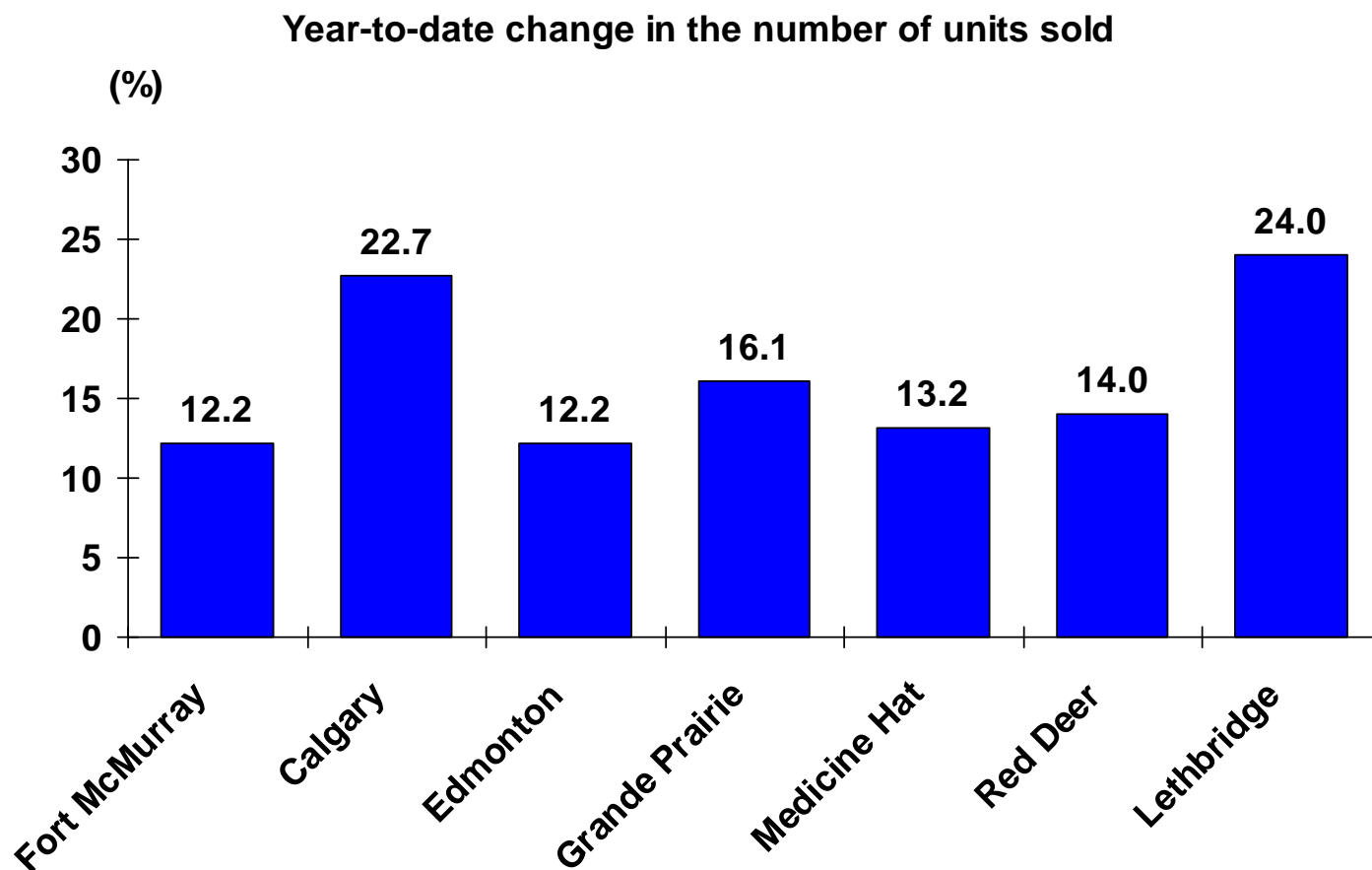
Alberta Residential Resale Prices

Year-to-date Average Resale Price (\$000s)



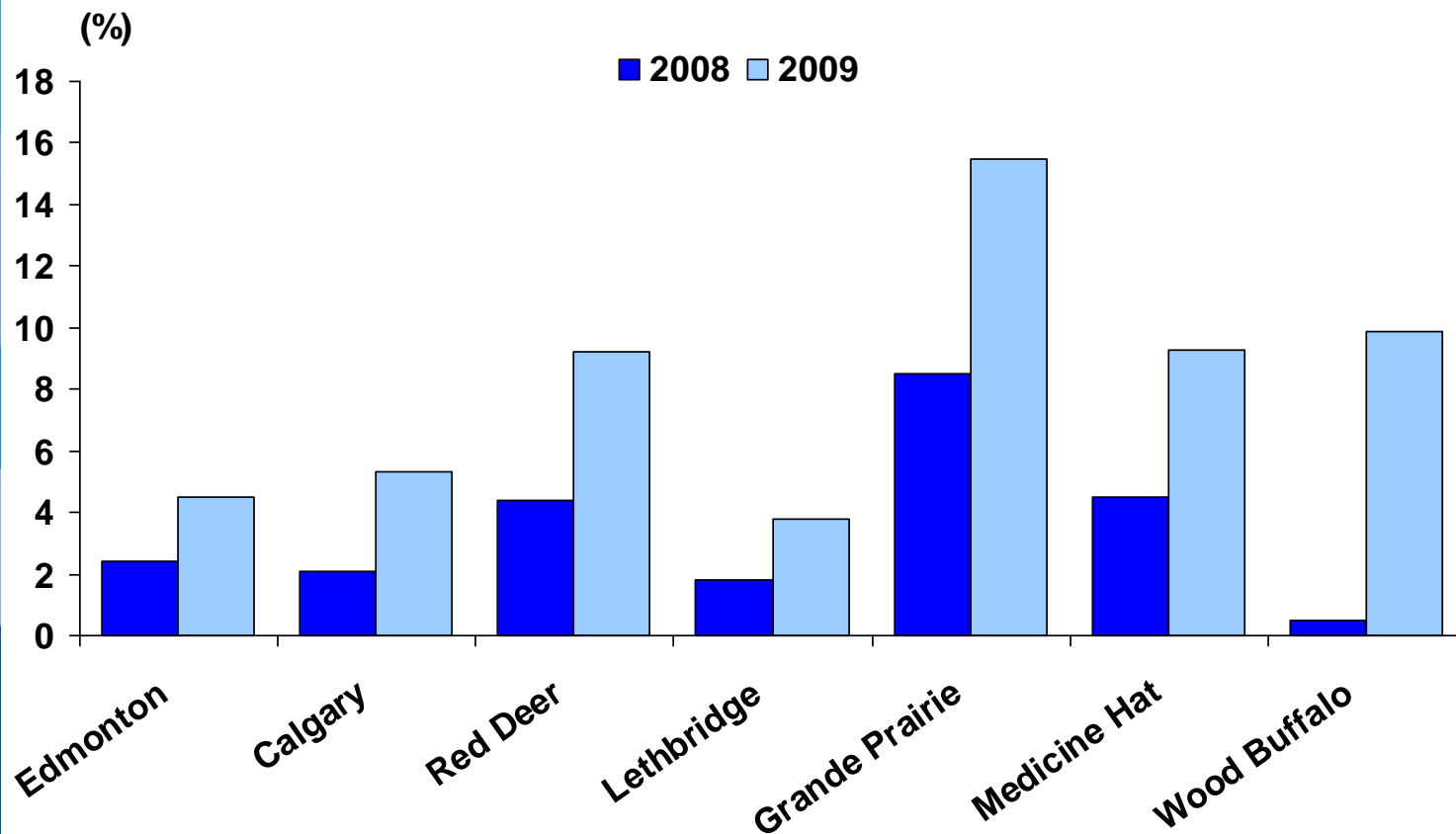
Source: Canadian Real Estate Association, Multiple Listing Service

Alberta Residential Resale Numbers



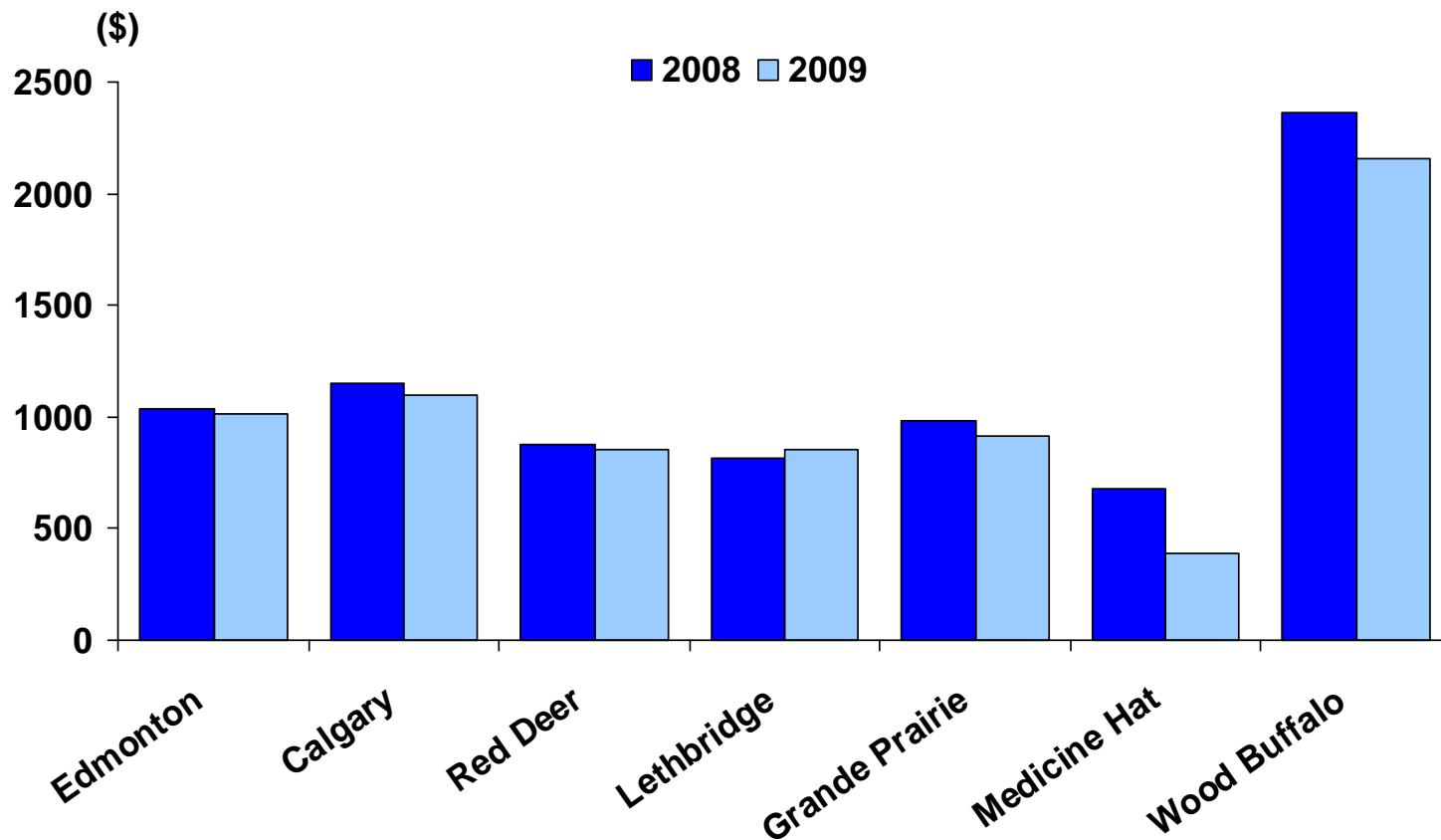
Source: Canadian Real Estate Association, Multiple Listing Service

Apartment Vacancy Rates Increase Across the Province



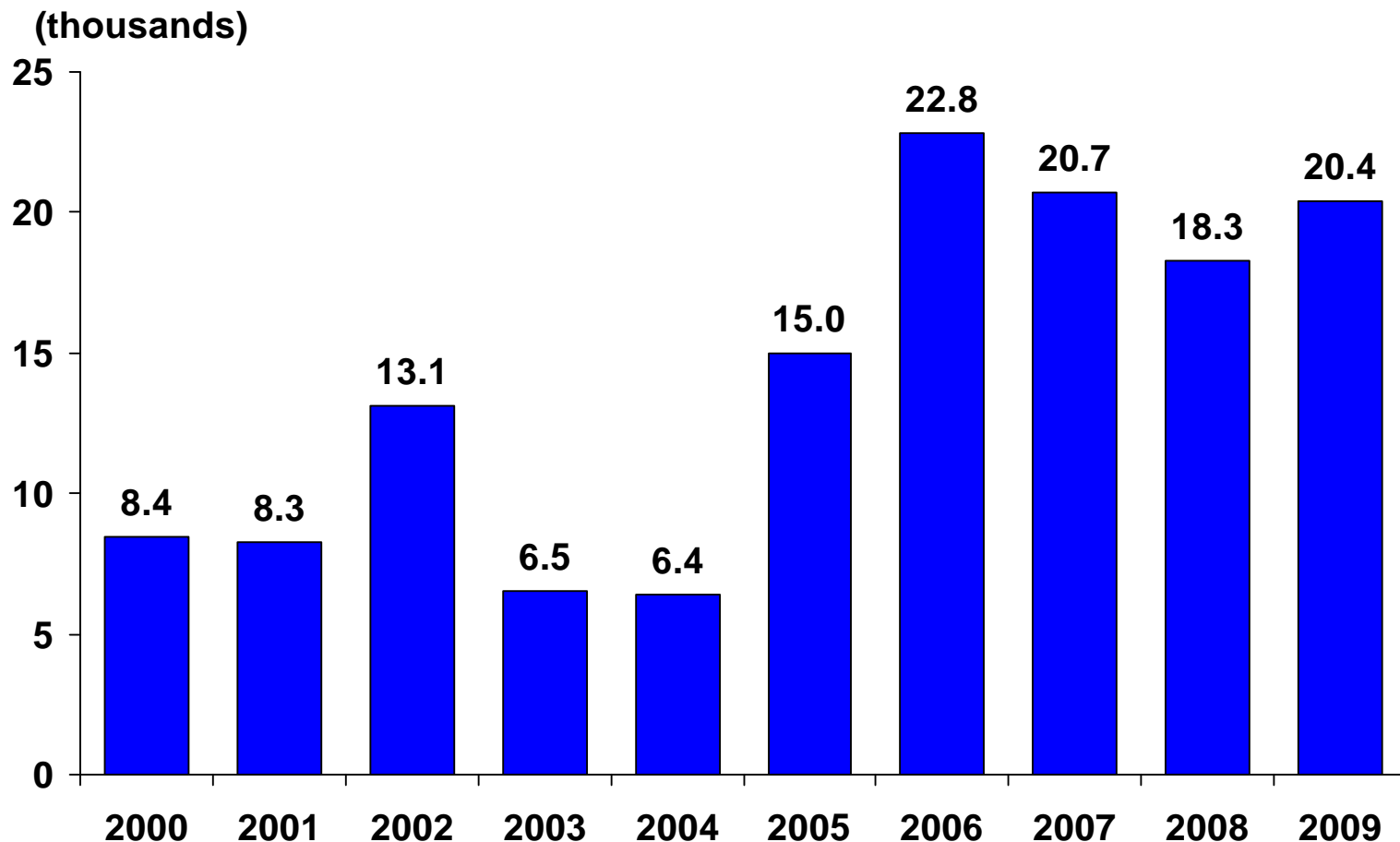
Source: Canada Mortgage and Housing Corporation; based on Fall Market Survey

Average 2-Bedroom Apartment Rent Across the Province



Source: Canada Mortgage and Housing Corporation

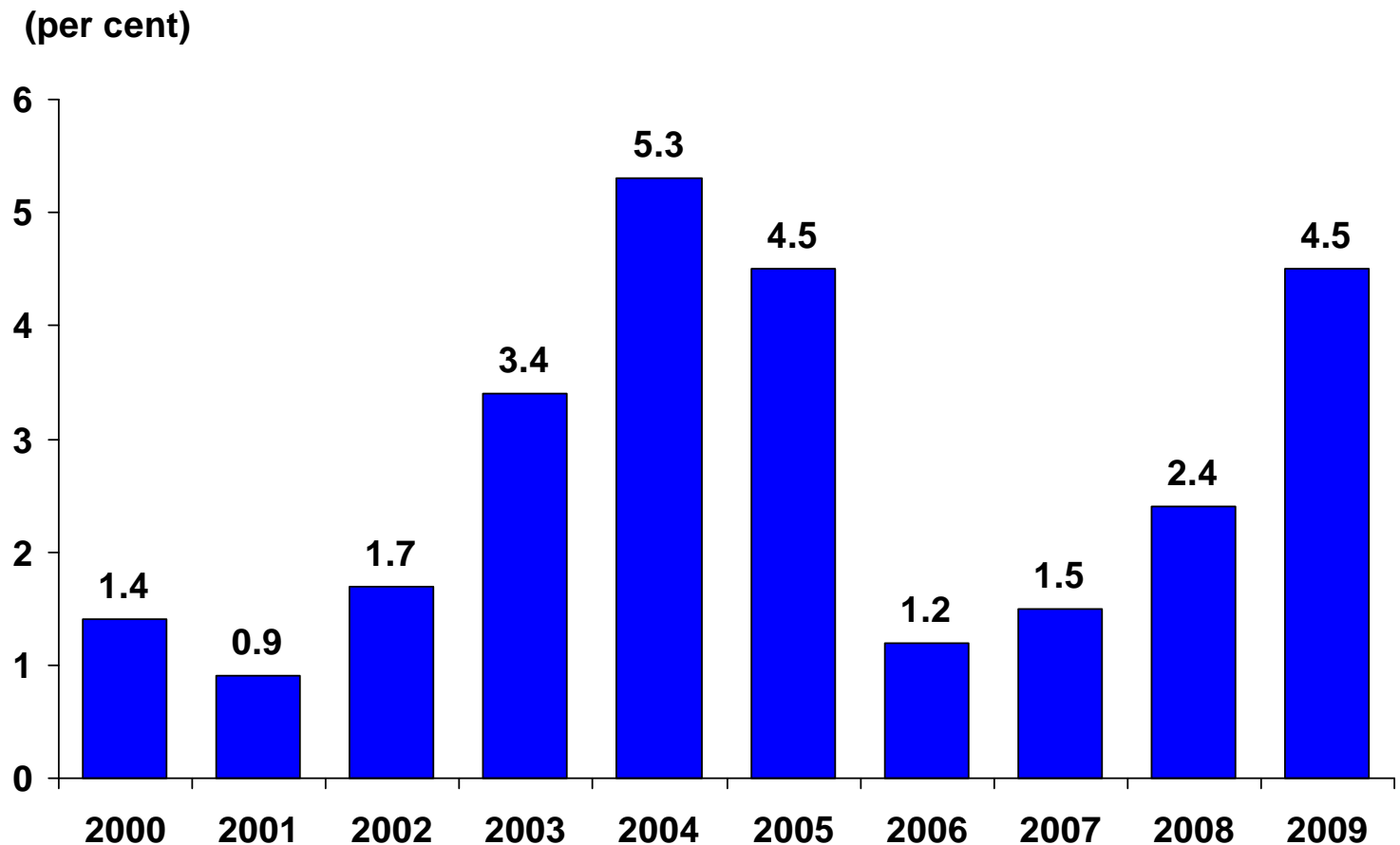
Net Migration To Edmonton*



* Based on July 1st to June 30th year. Data is represented as of July 1st.

Source: Statistics Canada; *Census Division

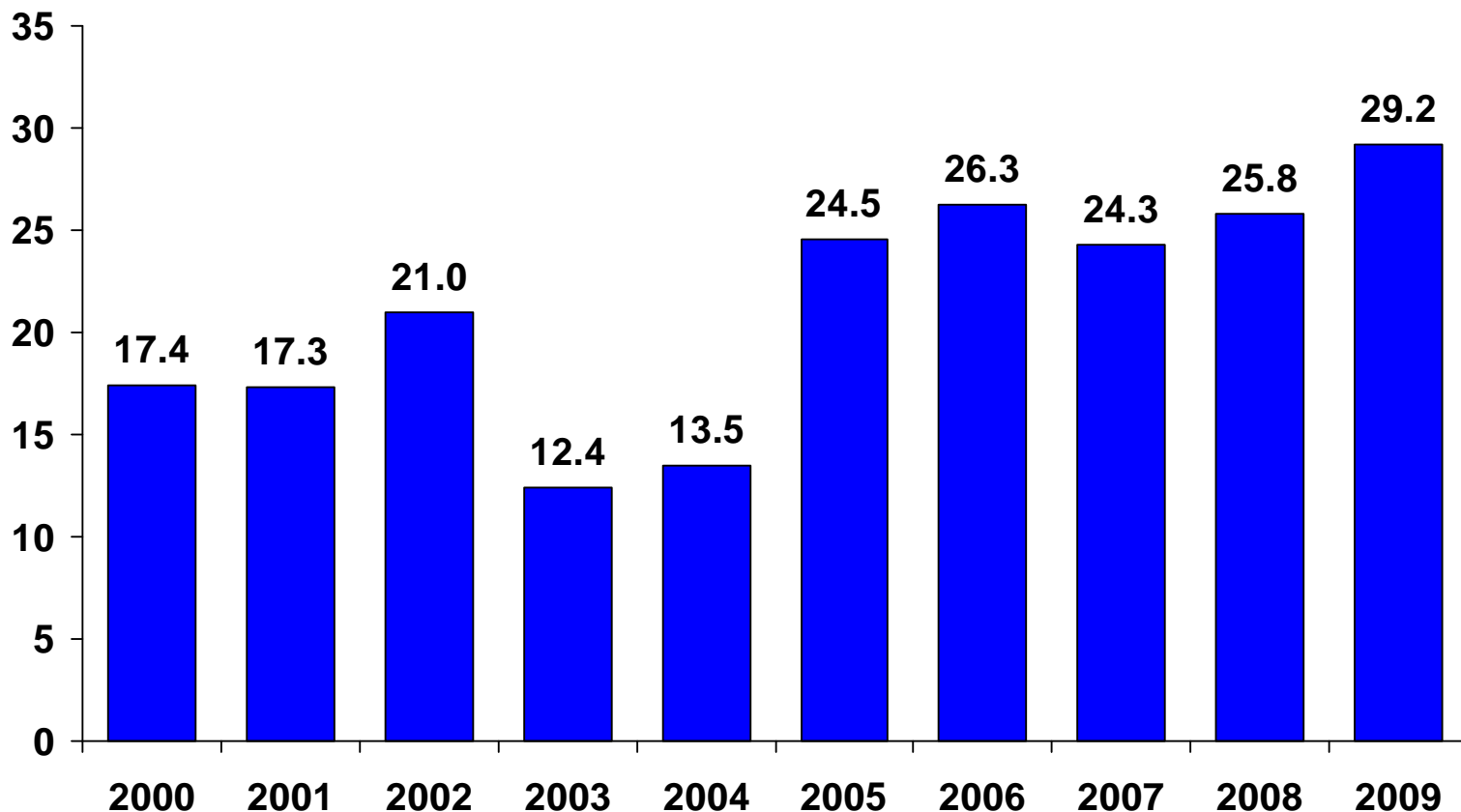
Edmonton Apartment Vacancy Rates



Source: Canada Mortgage and Housing Corporation

Net Migration To Calgary*

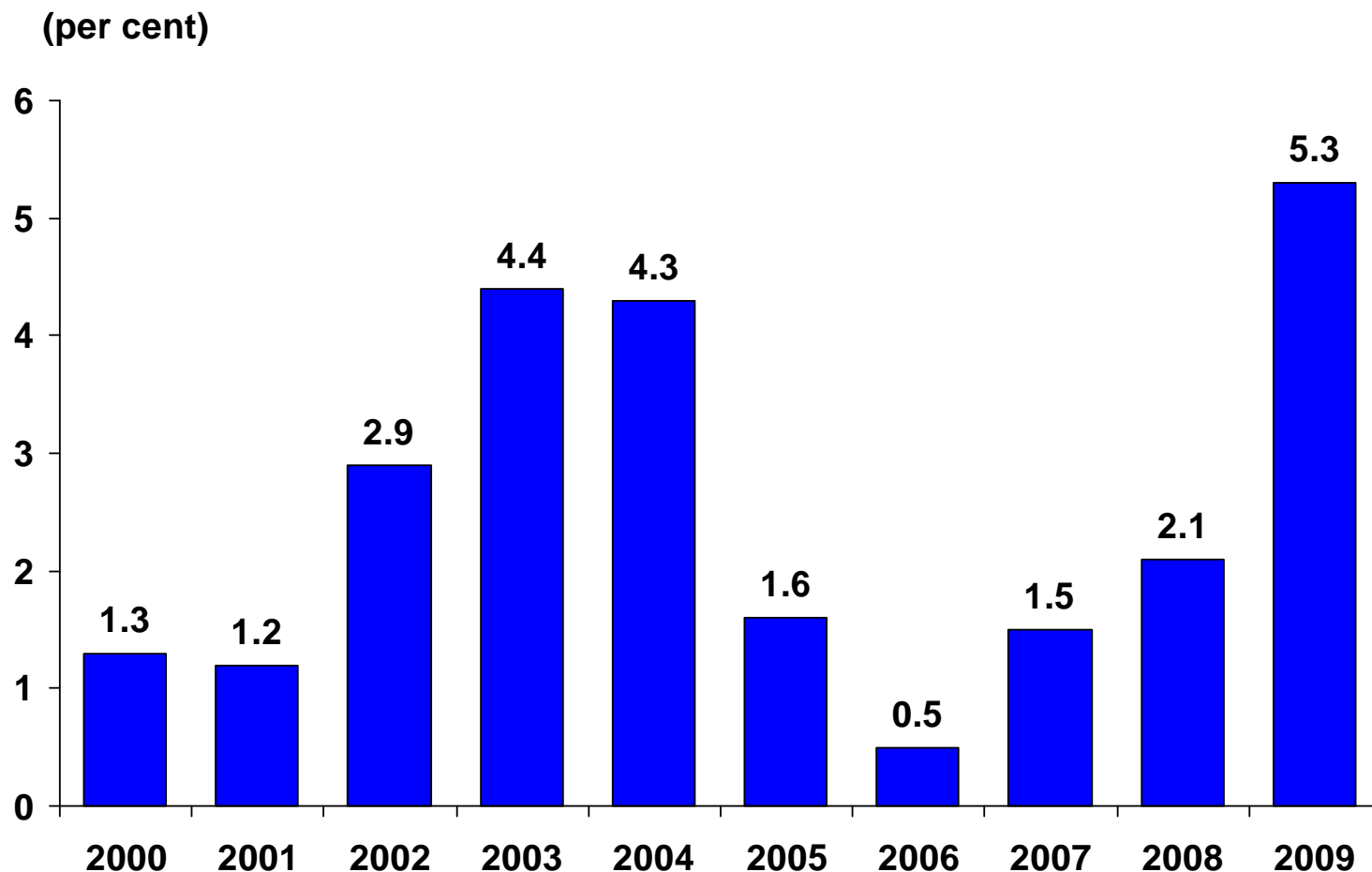
(thousands)



* Based on July 1st to June 30th year. Data is represented as of July 1st.

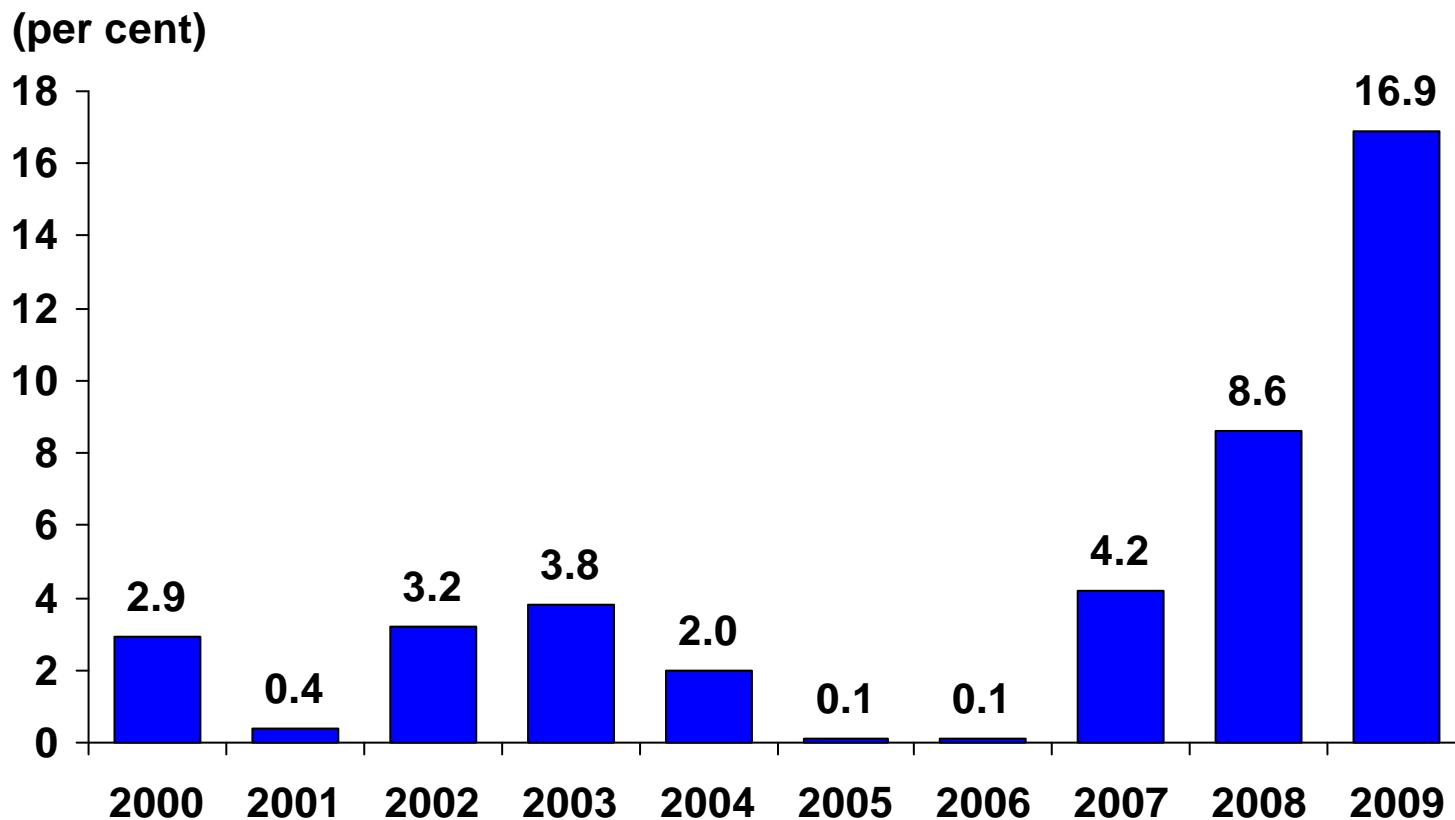
Source: Statistics Canada; * Census Division

Calgary Apartment Vacancy Rates



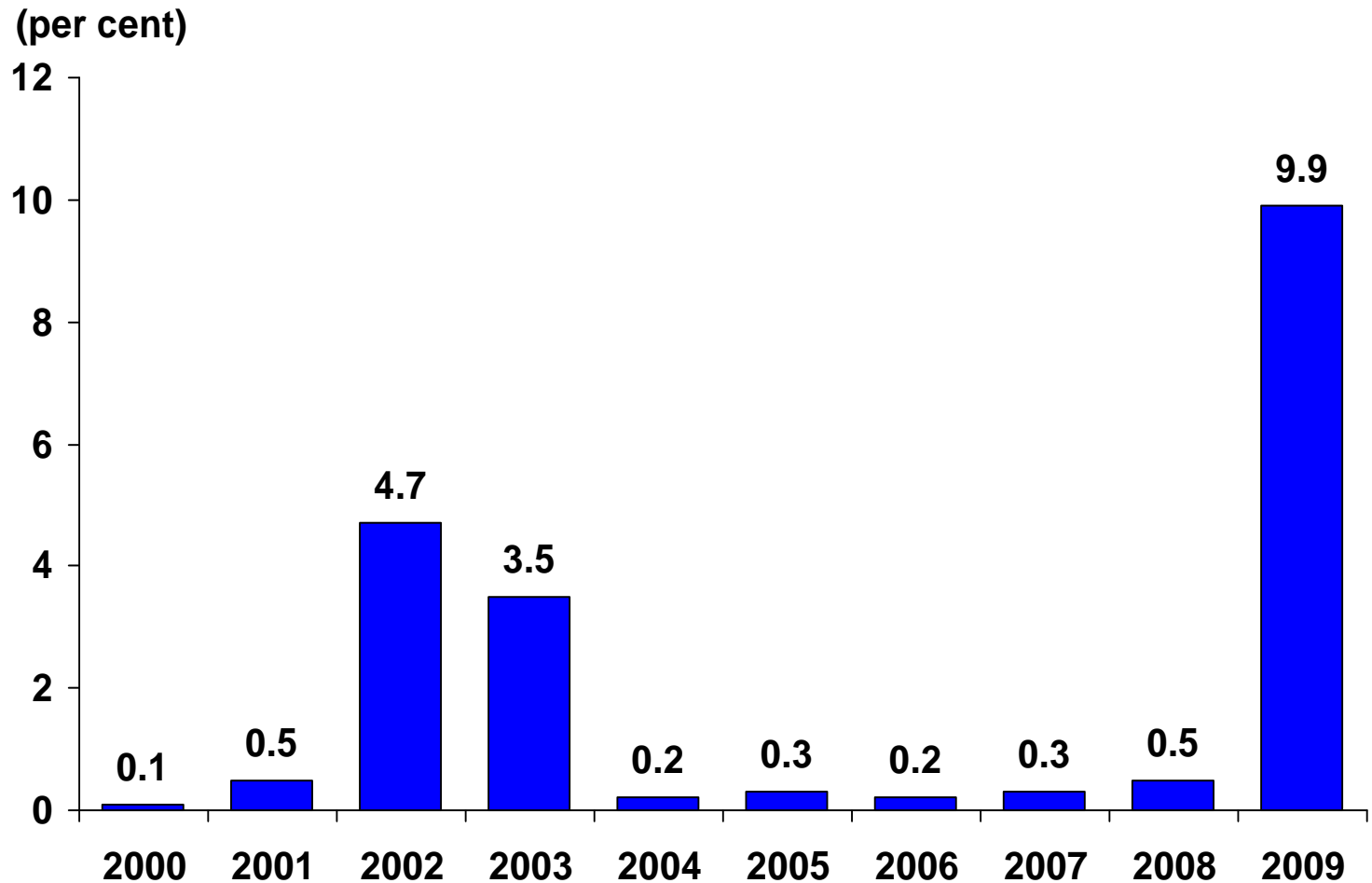
Source: Canada Mortgage and Housing Corporation

Grande Prairie 2-bedroom Apartment Vacancy Rates



Source: Canada Mortgage and Housing Corporation

Fort McMurray Apartment Vacancy Rates



Source: Canada Mortgage and Housing Corporation

Alberta Economic Prospects

- **Global economy still facing risks.**
- **Alberta's economy in recovery mode.**
- **Regional differences within Alberta.**