

RED DEER - JUNE 3, 2009



RED DEER HOUSING MARKET OUTLOOK



REGINE DURAND
MARKET ANALYST - CMHC
PRAIRIE AND TERRITORIES

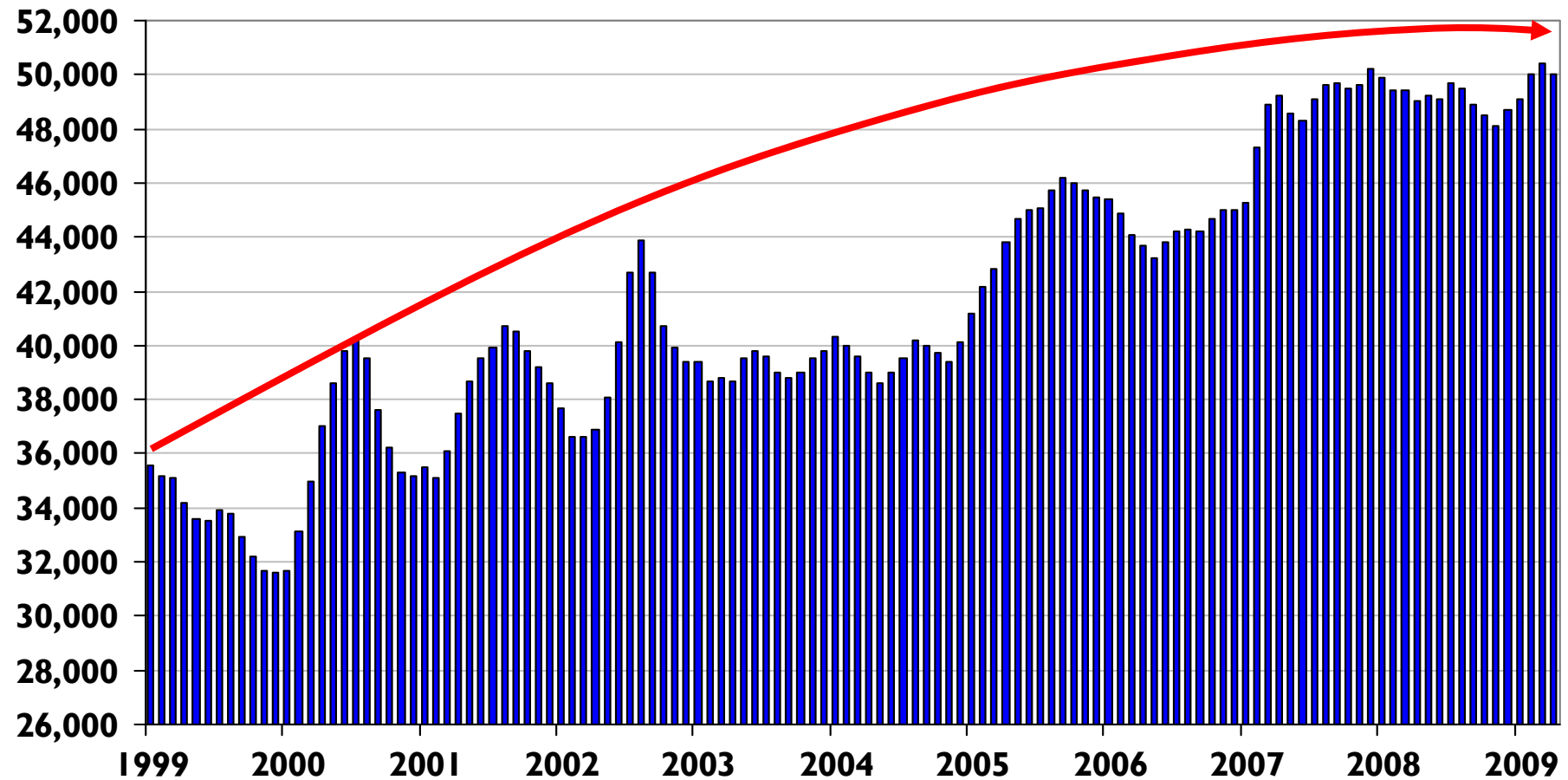




Red Deer City - Employment

50,000 people employed in April 2009

number of people employed



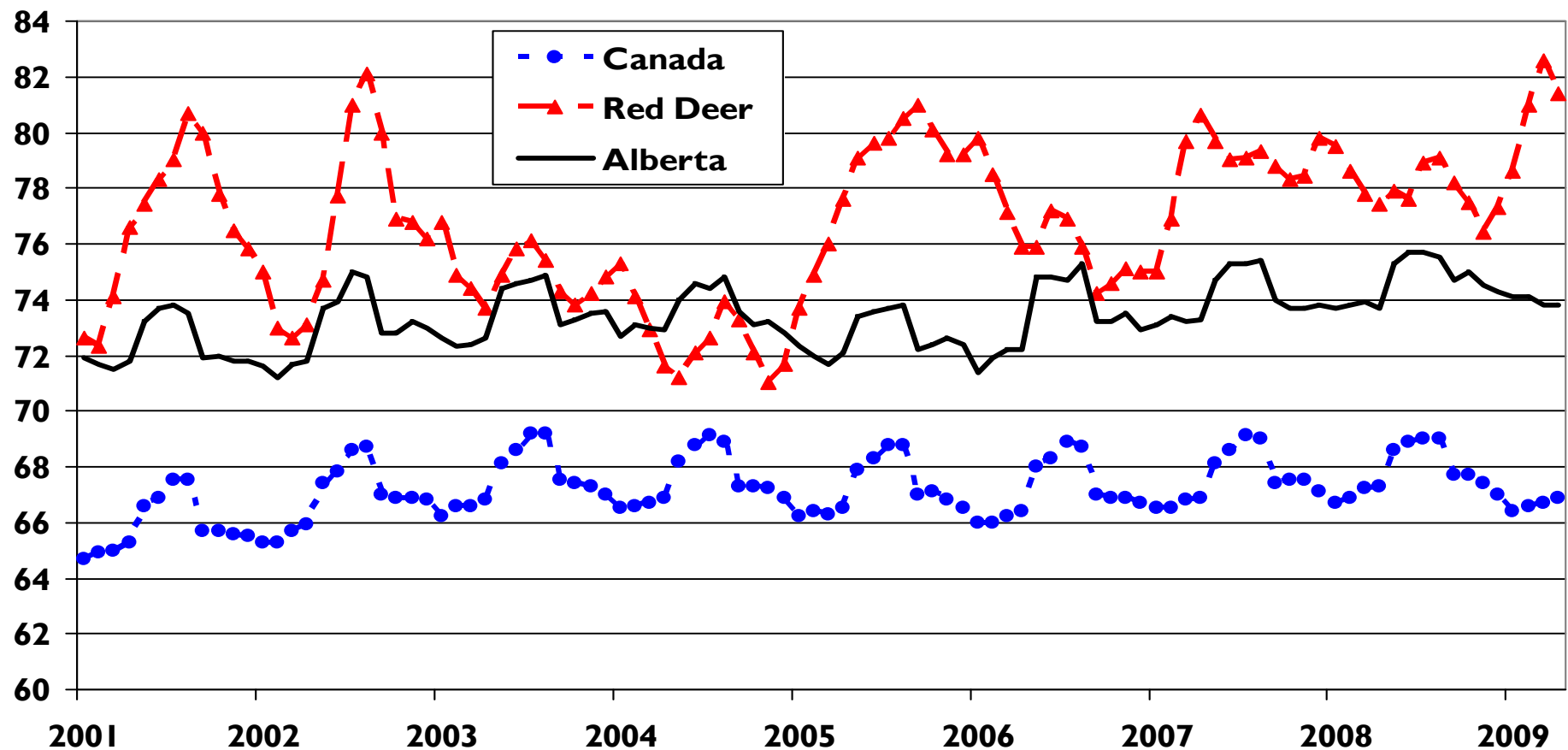
Source: Statistics Canada



Local & Provincial Participation Rates

April 2009 Red Deer participation rate at 81.4 per cent

participation rate (%)

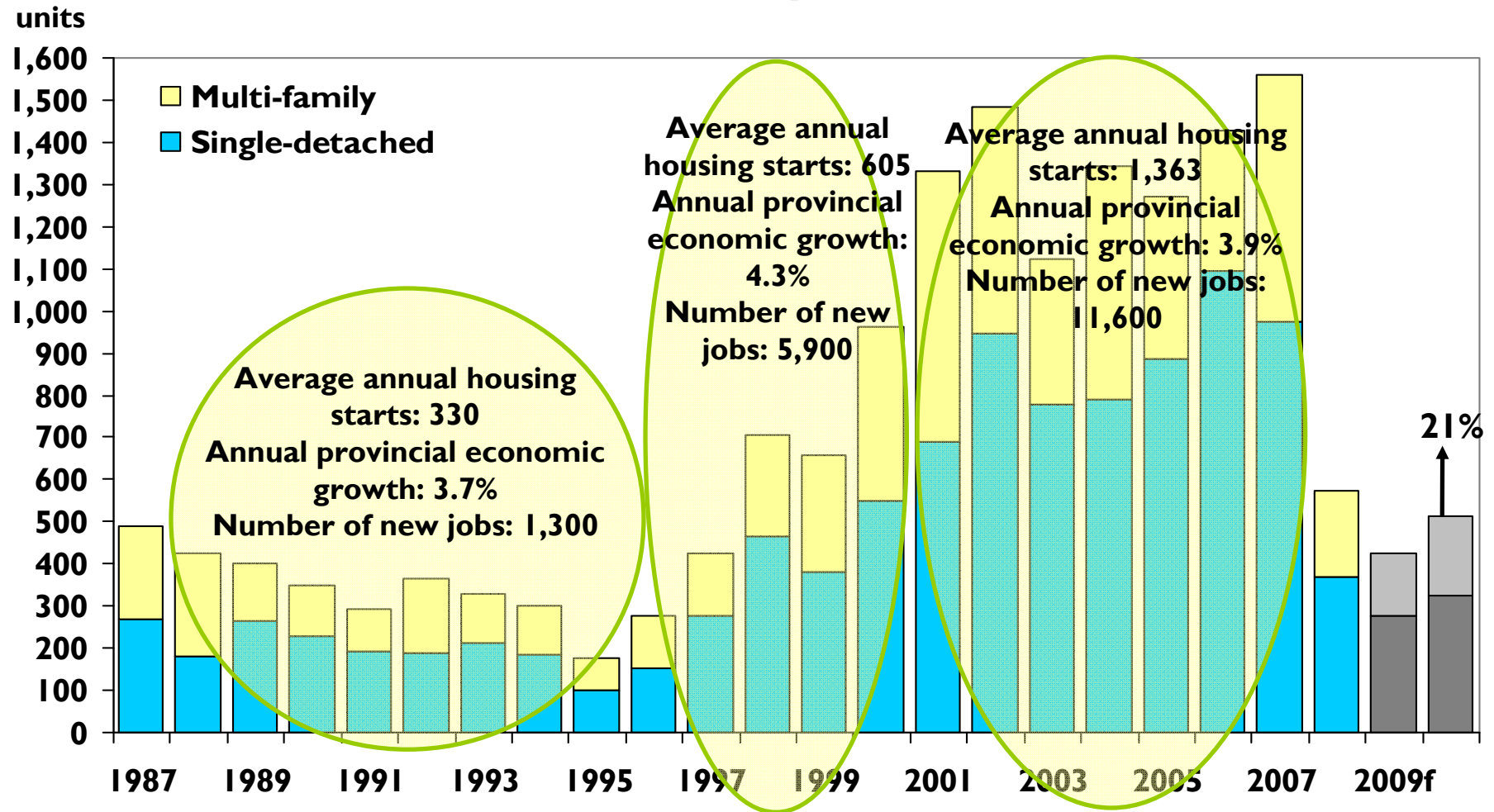


Source: Statistics Canada



Red Deer CA - Housing Starts

Three economic cycles since 1988

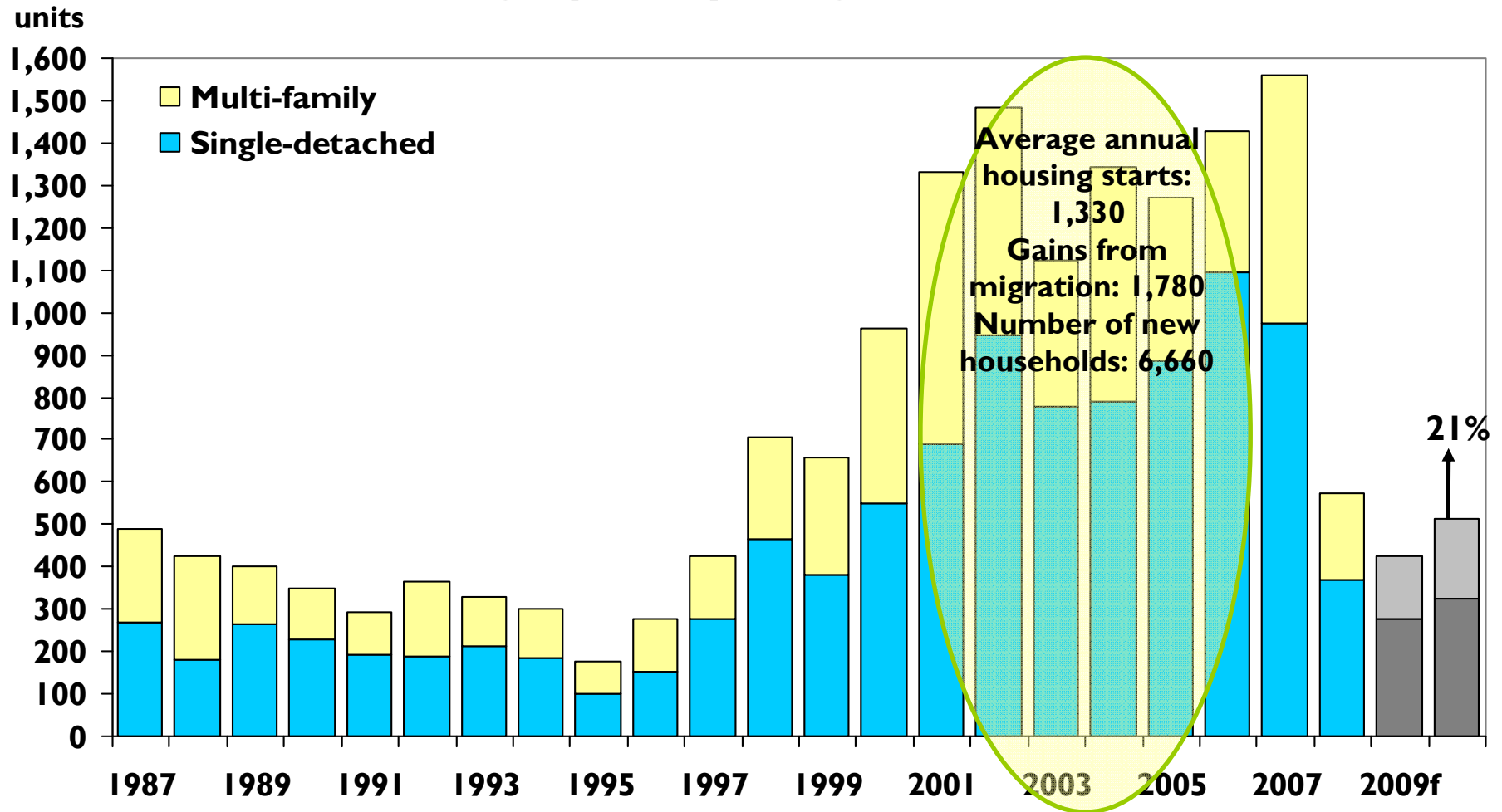


Source: Statistics Canada, CMHC, CMHC forecast (f)



Red Deer CA - Housing Starts

After 2001-06 demographic cycle, growth to come back in 2010



Source: Statistics Canada, CMHC, CMHC forecast (f)

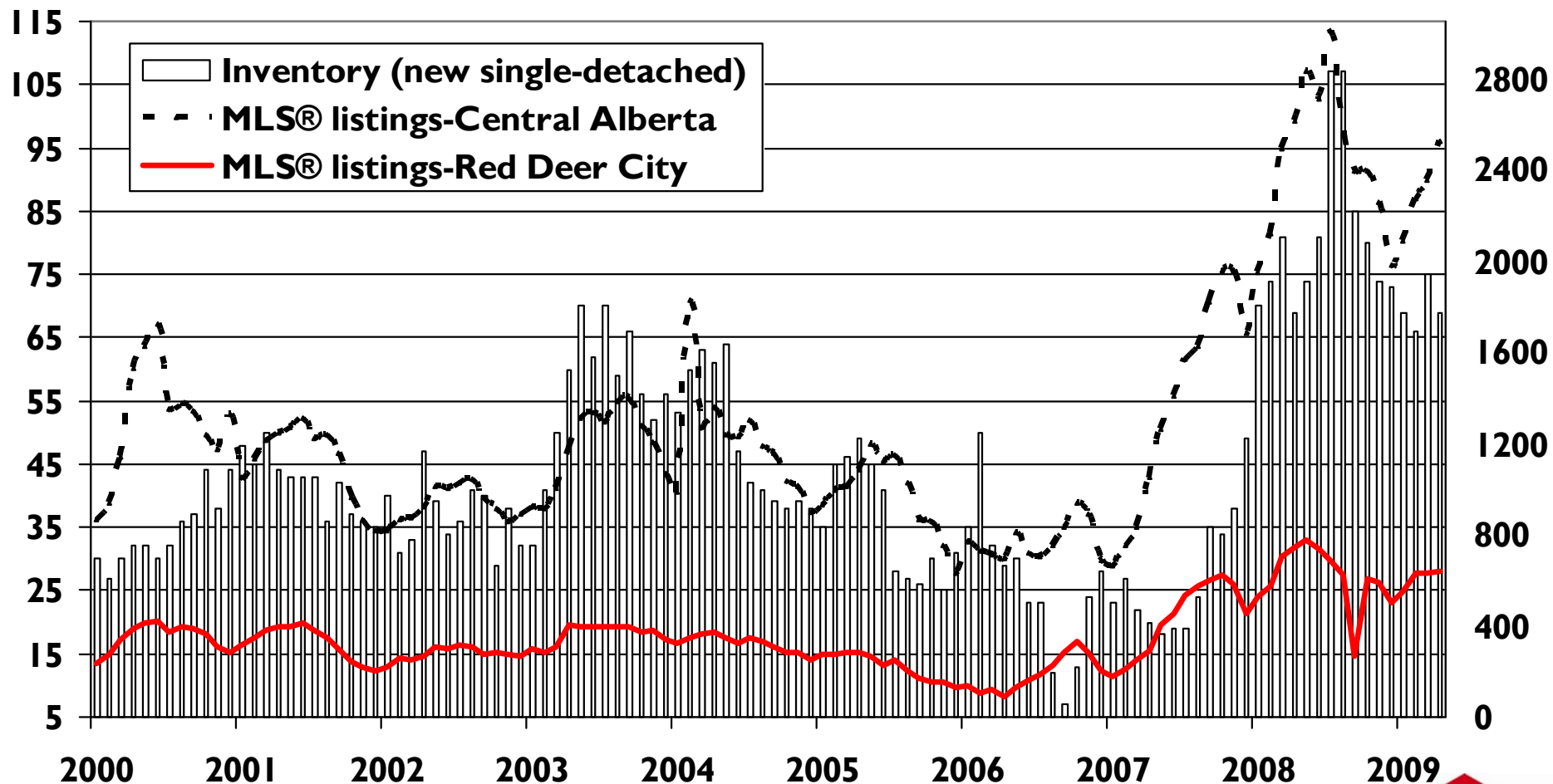


Red Deer CA - New & Resale Inventories

Drop in inventories warrant higher starts in 2010

new single-detached units

MLS® units



Source: CMHC, CREA, Central Alberta Realtors Association

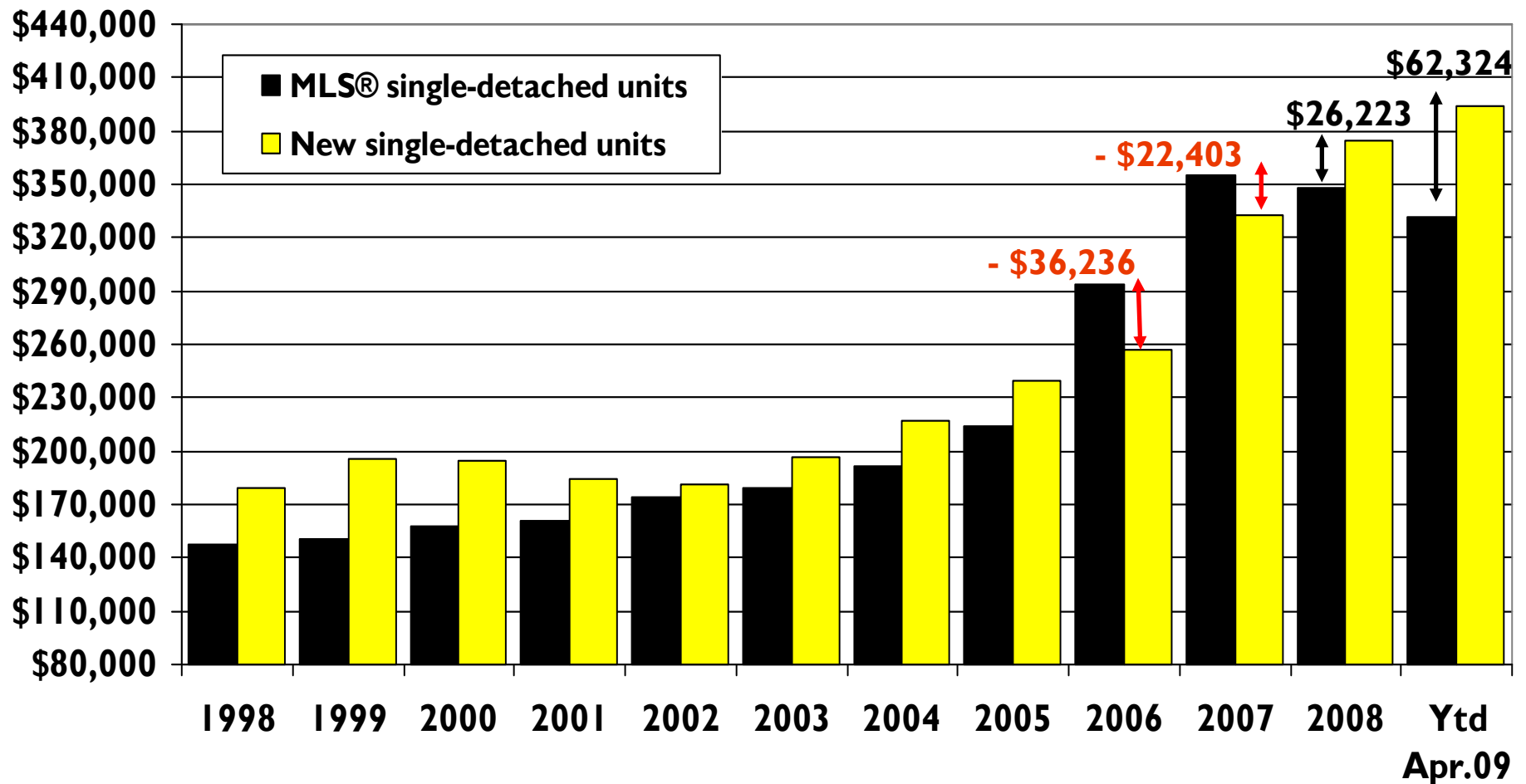




Red Deer City - New and Resale Prices

Price differential impacts demand for new homes

average price



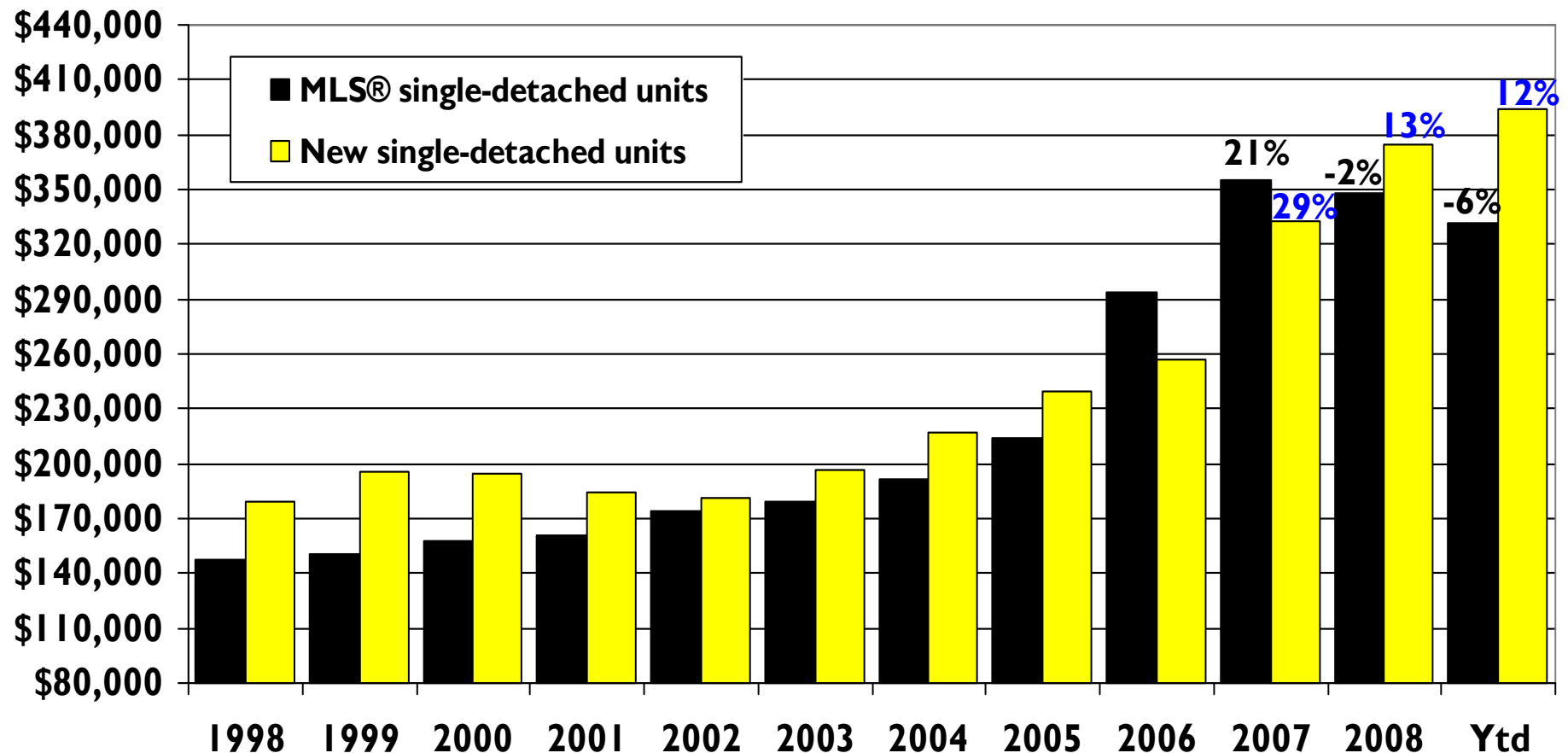
Source: CMHC, CREA, Central Alberta Realtors Association



Red Deer City – New and Resale Prices

Price differential impacts demand for new homes

average price



Apr.09

Source: CMHC, CREA, Central Alberta Realtors Association

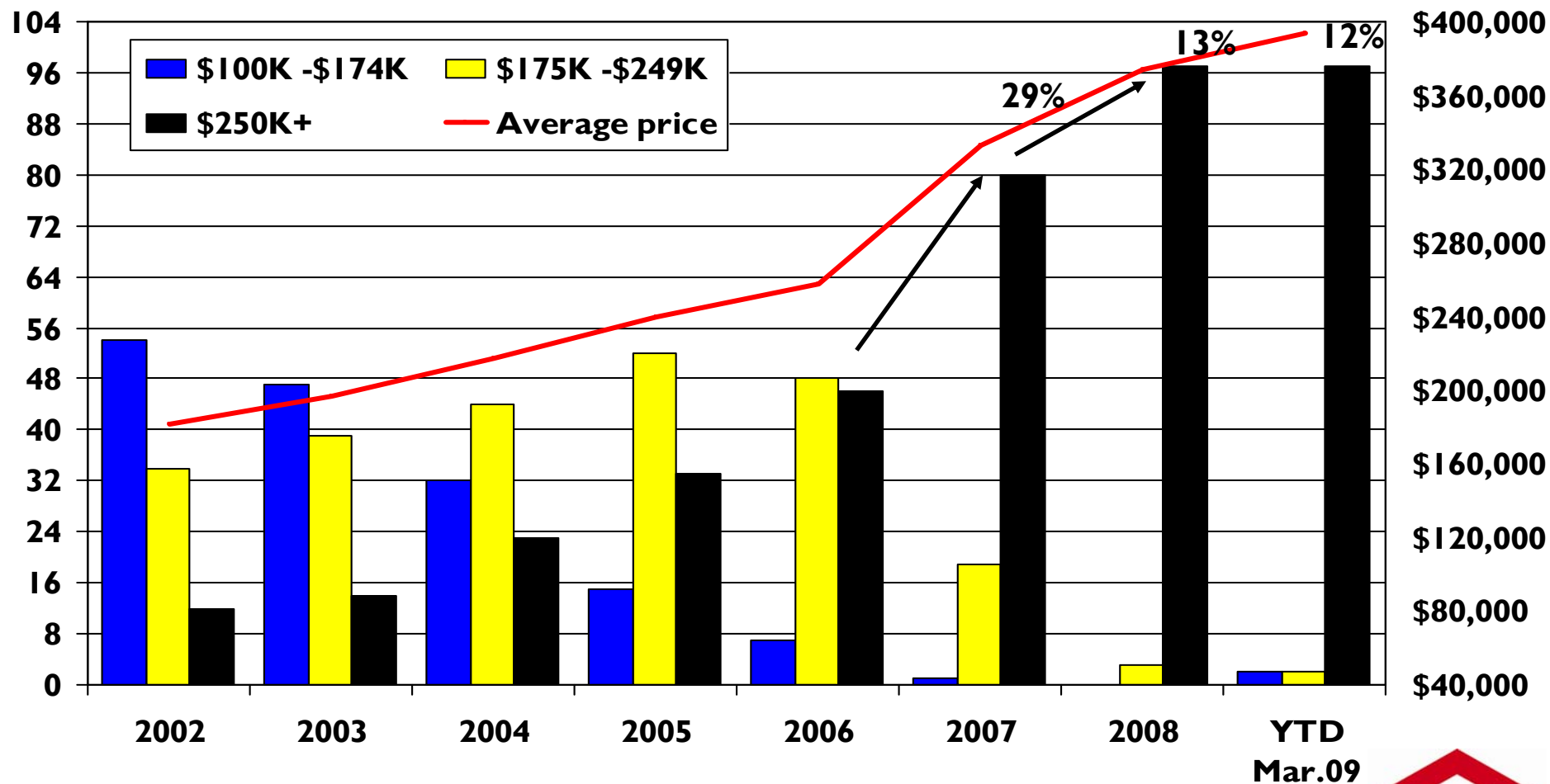




Red Deer CA - Absorptions by Price

Shift toward higher priced homes pulled the average price up

% share of market – new single-detached units

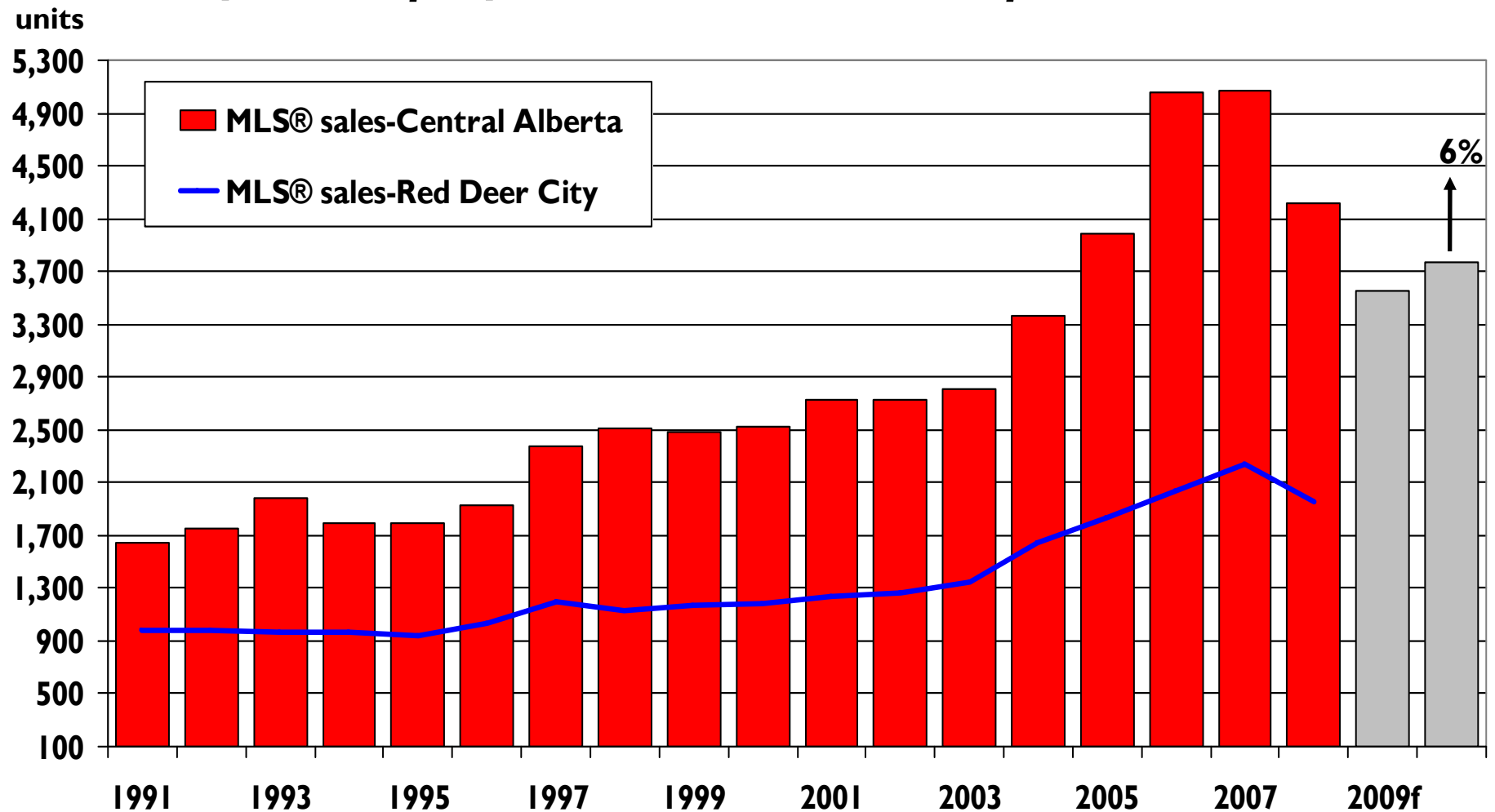


Source: CMHC



Central Alberta - MLS® Total Sales

Fifth best performance on record expected in 2010



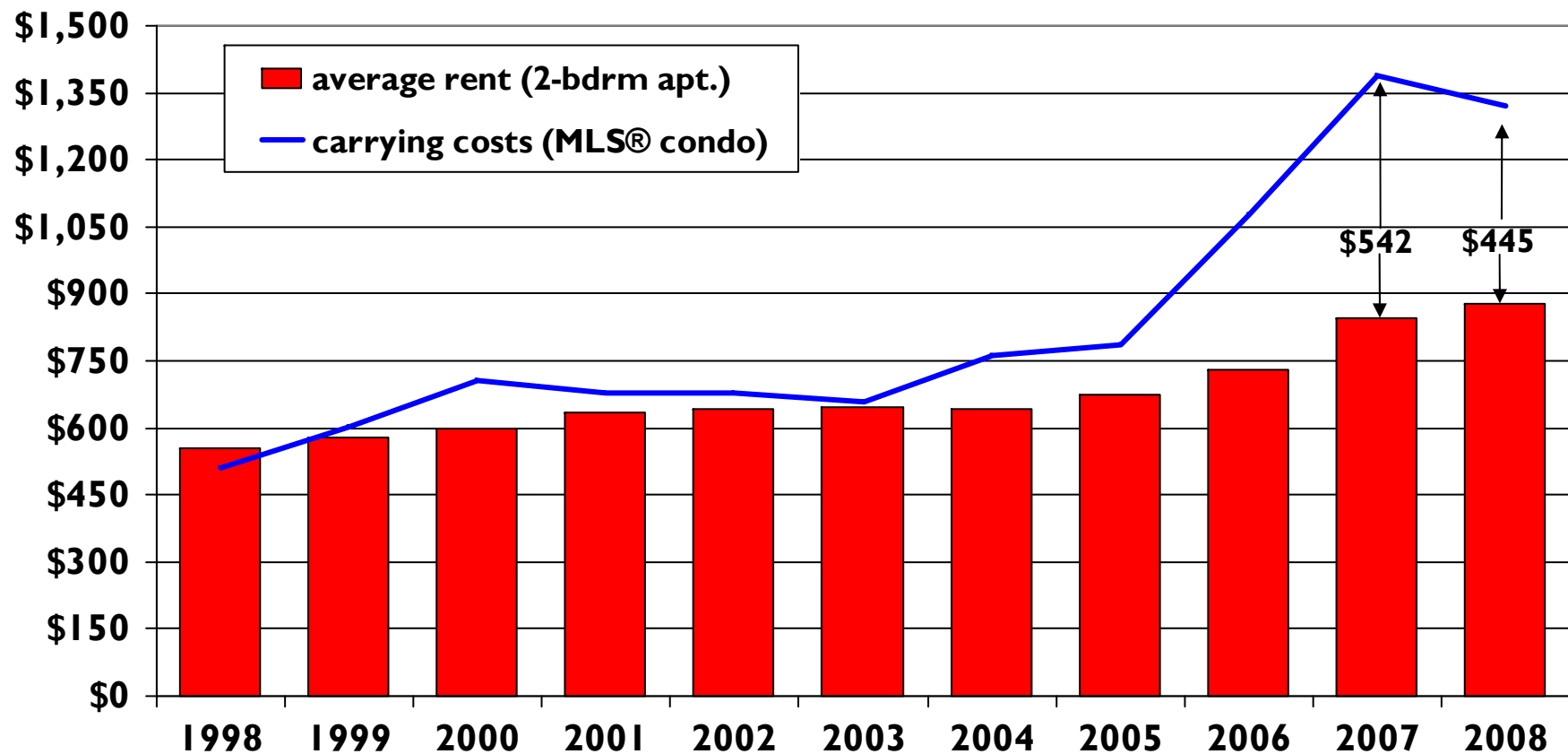
Source: CREA, Central Alberta Realtors Association, CMHC Forecast (f)



Red Deer - Cost of Owning Vs. Renting

Ownership premium decline will lead to higher sales

monthly carrying cost*, rent



* assumptions: 10% down payment, average 5-year posted mortgage rates, 25 years amortization

Source: CREA, Central Alberta Realtors Association, Bank of Canada, CMHC

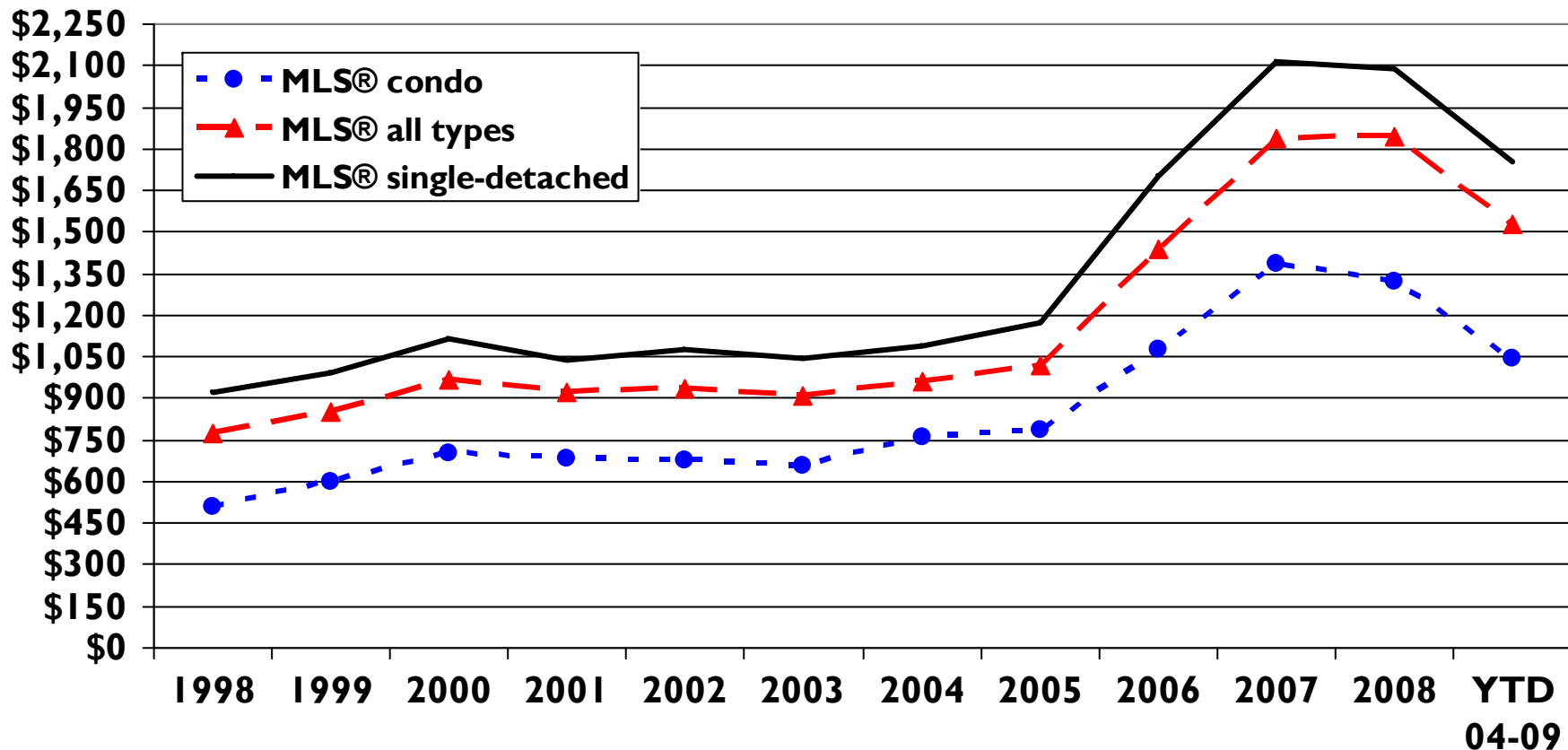




Red Deer City - Cost of Owning

Carrying costs decline will lead to higher sales

monthly carrying cost*



* assumptions: 10% down payment, average 5-year posted mortgage rates, 25 years amortization

Source: CREA, Central Alberta Realtors Association, Bank of Canada

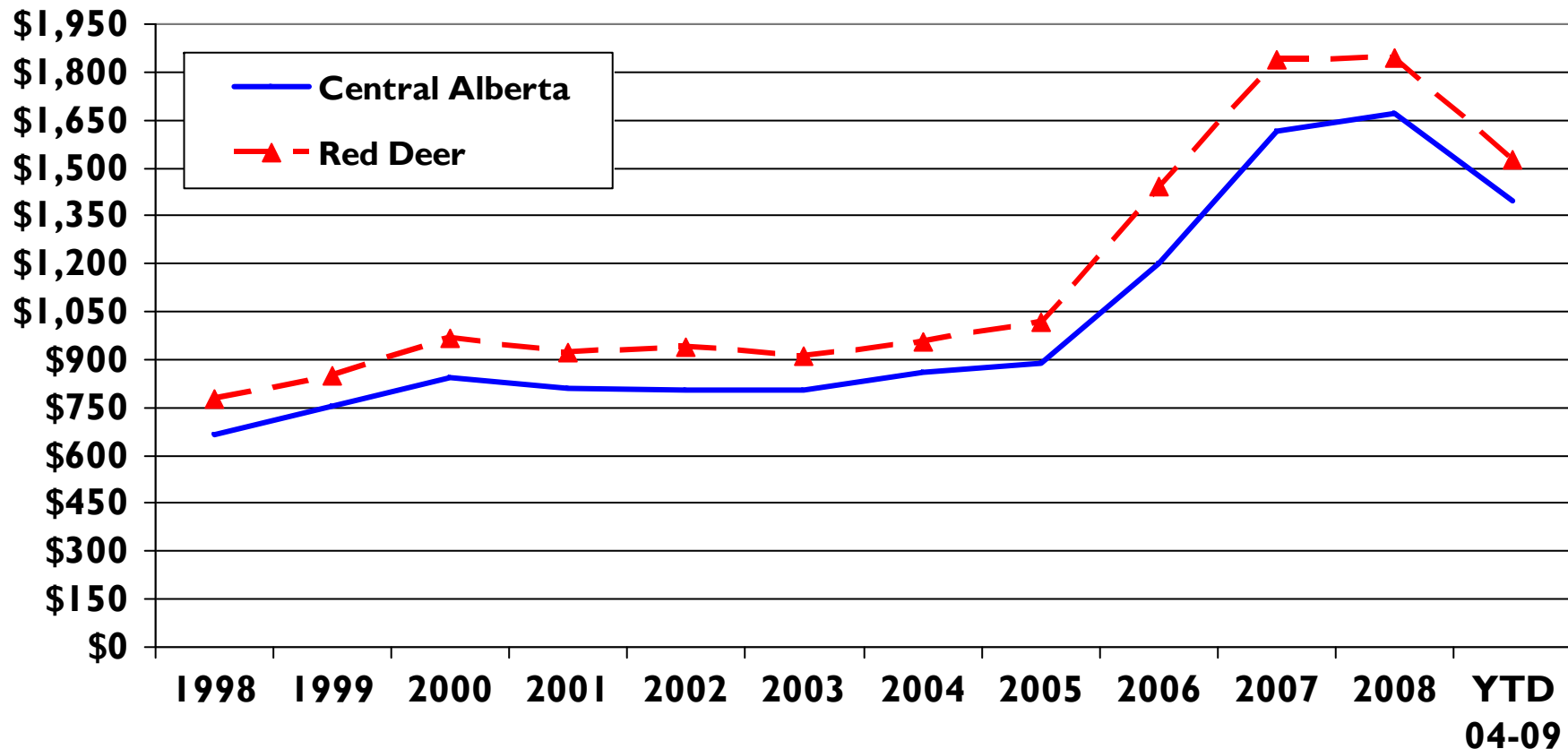




Central Alberta - Cost of Owning

Carrying costs decline will lead to higher sales

monthly carrying cost*, MLS® all types



* assumptions: 10% down payment, average 5-year posted mortgage rates, 25 years amortization

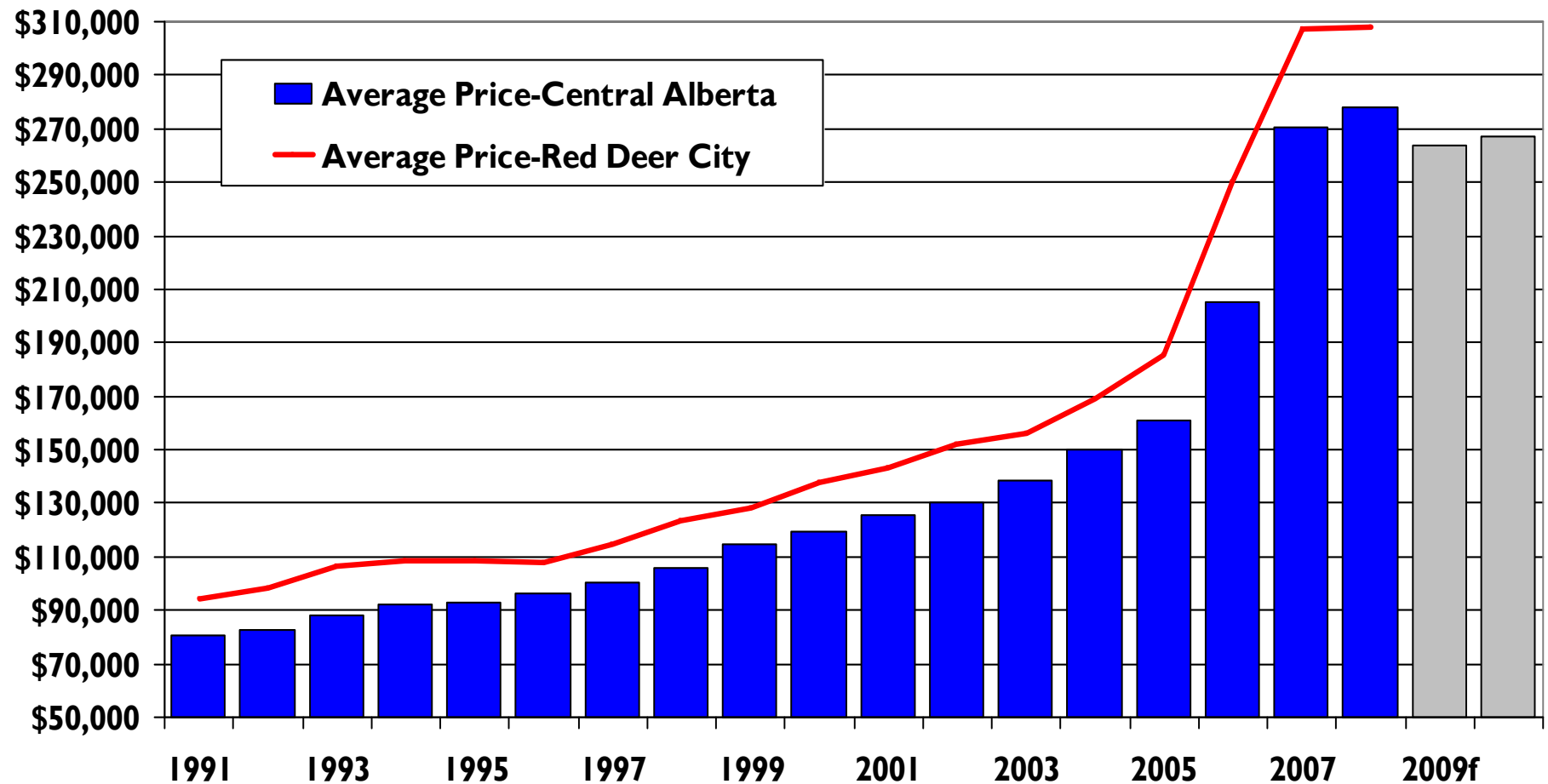
Source: CREA, Central Alberta Realtors Association, Bank of Canada





Central Alberta - MLS® Average Price

MLS® average price to firm up in 2010

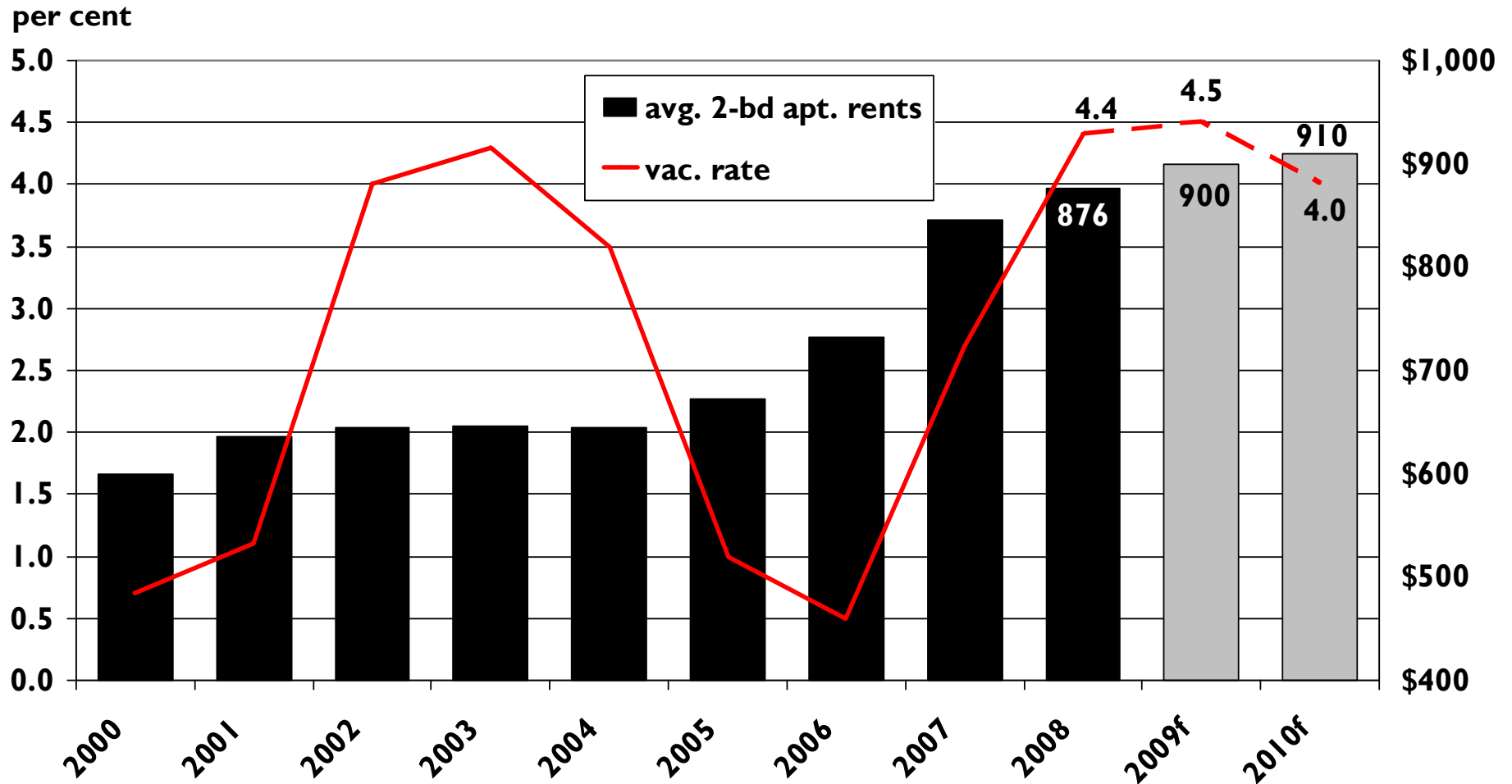


Source: CREA, Central Alberta Realtors Association, CMHC Forecast (f)



Red Deer - Apt. Vacancy Rate Vs. Rents

Average two-bedroom apartment rents to level off in 2010



Private Structures of 3+ Units

Source: CMHC, CMHC Forecast (f)



Red Deer CA - Forecast Summary

	2007	2008	2009f	2010f
New Home Market				
Single-Detached Starts	974	367	275	325
Multi-Family Starts	584	205	150	190
Total Starts	1,558	572	425	515
Resale Market*				
Total Sales	5,075	4,214	3,550	3,770
Total Average Price	\$270,494	\$278,040	\$264,000	\$267,000
Rental Market				
Apt. Vacancy Rate (all units)	2.6%	4.4%	4.5%	4.0%
Average 2-Bdrm Apt. Rent	\$845	\$876	\$900	\$910

Source: CMHC, *CREA, *Central Alberta Realtors Association, CMHC forecast (f)