

CALGARY CMA RENTAL MARKET OUTLOOK

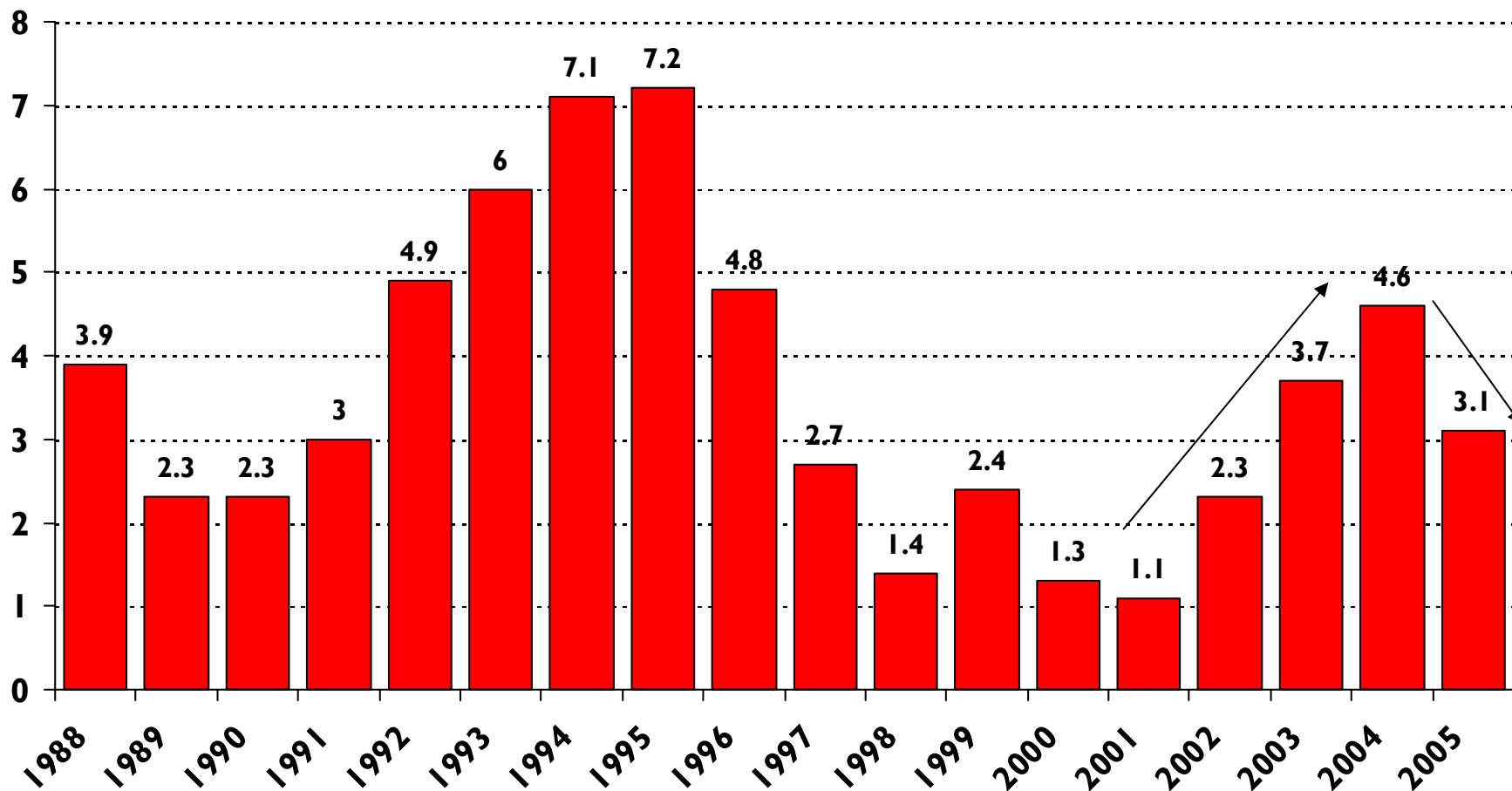


*LAI SING LOUIE
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OCTOBER 19, 2006*



Alberta – Apartment Vacancy Rate

Per Cent



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

Alberta – Apartment Vacancy Rates and Average Rents



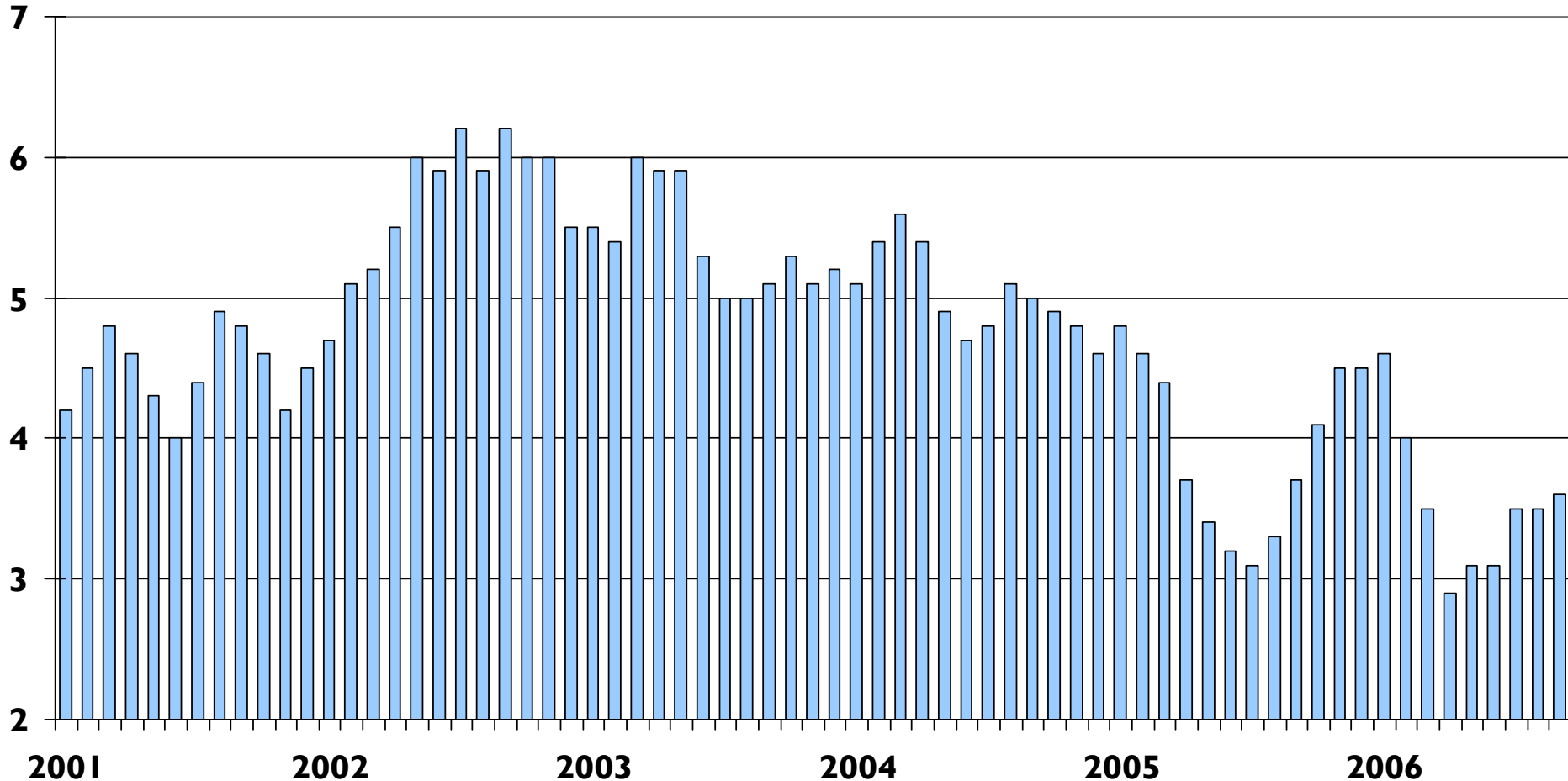
	Apartment Vacancy Rate	Apartment Average Rent
Grande Prairie	0.2 per cent	\$747
Wood Buffalo/Fort McMurray	0.3 per cent	\$1,394
Red Deer	1.0 per cent	\$620
Calgary	1.6 per cent	\$723
Medicine Hat	2.1 per cent	\$549
Lethbridge	2.7 per cent	\$601
Edmonton	4.5 per cent	\$662
All Urban Centres	3.1 per cent	\$694

Source: CMHC Rental Market Survey, October 2005

Calgary Unemployment

September Unemployment at 3.6%

Unemployment rate (%)



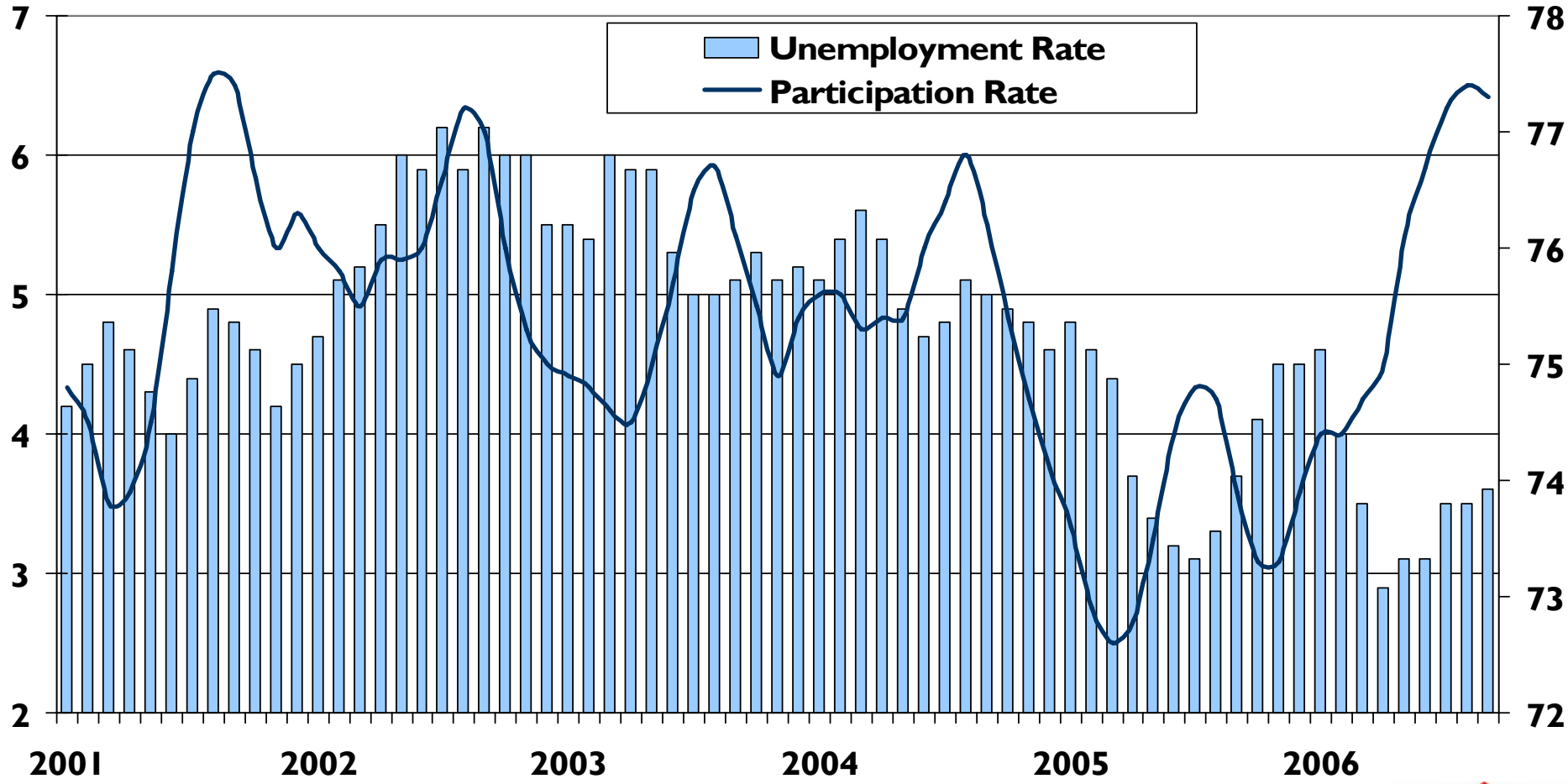
Source: Statistics Canada

Calgary Unemployment, Partic. Rate

September Unemployment at 3.6%, participation rate of 77.3%

Unemployment rate (%)

Participation rate (%)

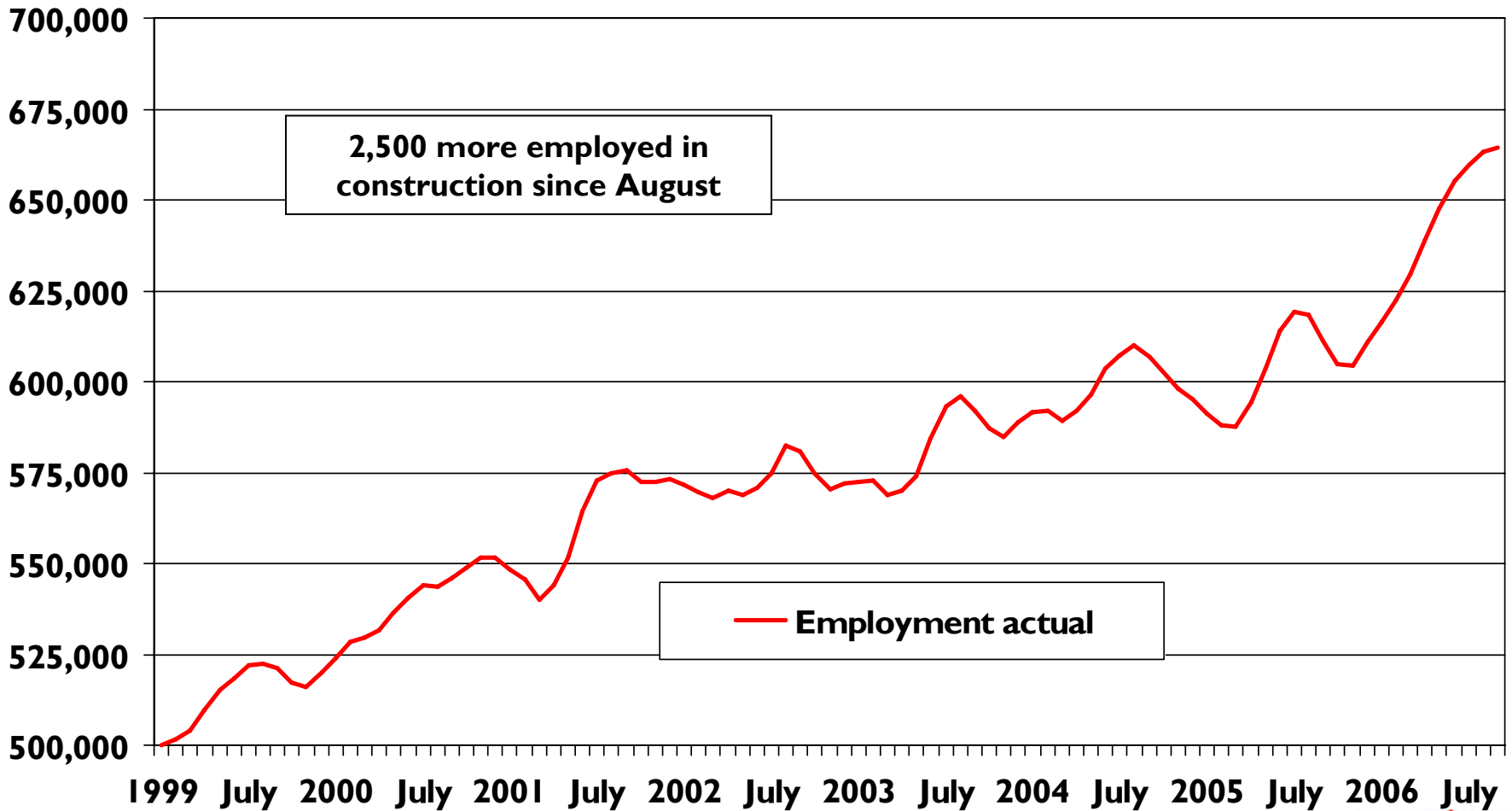


Source: Statistics Canada



Calgary Employment

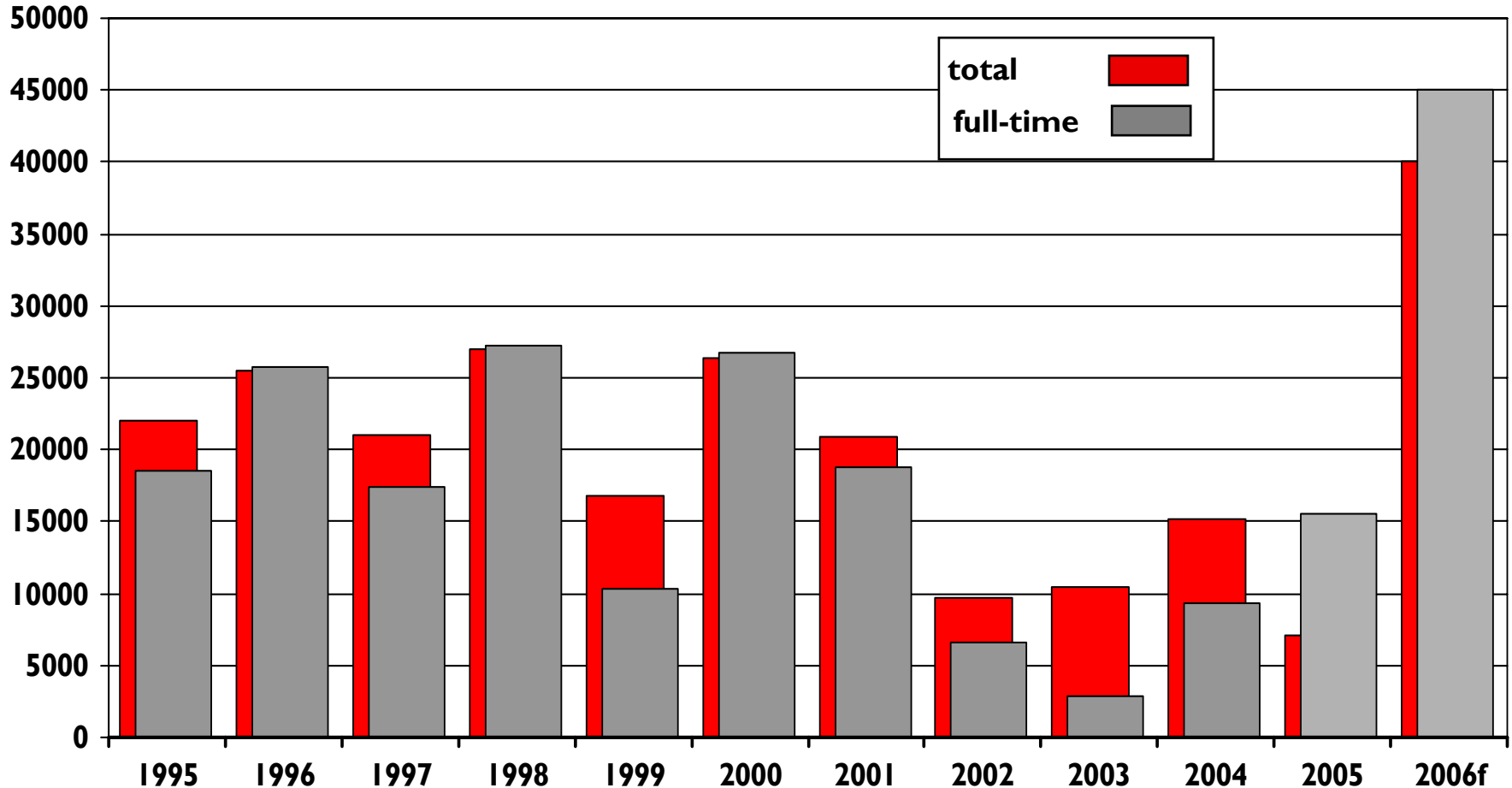
September employment at highest level ever 664,300



Calgary Full-time Employment Growth

Quality over quantity as full-time positions dominate job growth

annual job growth

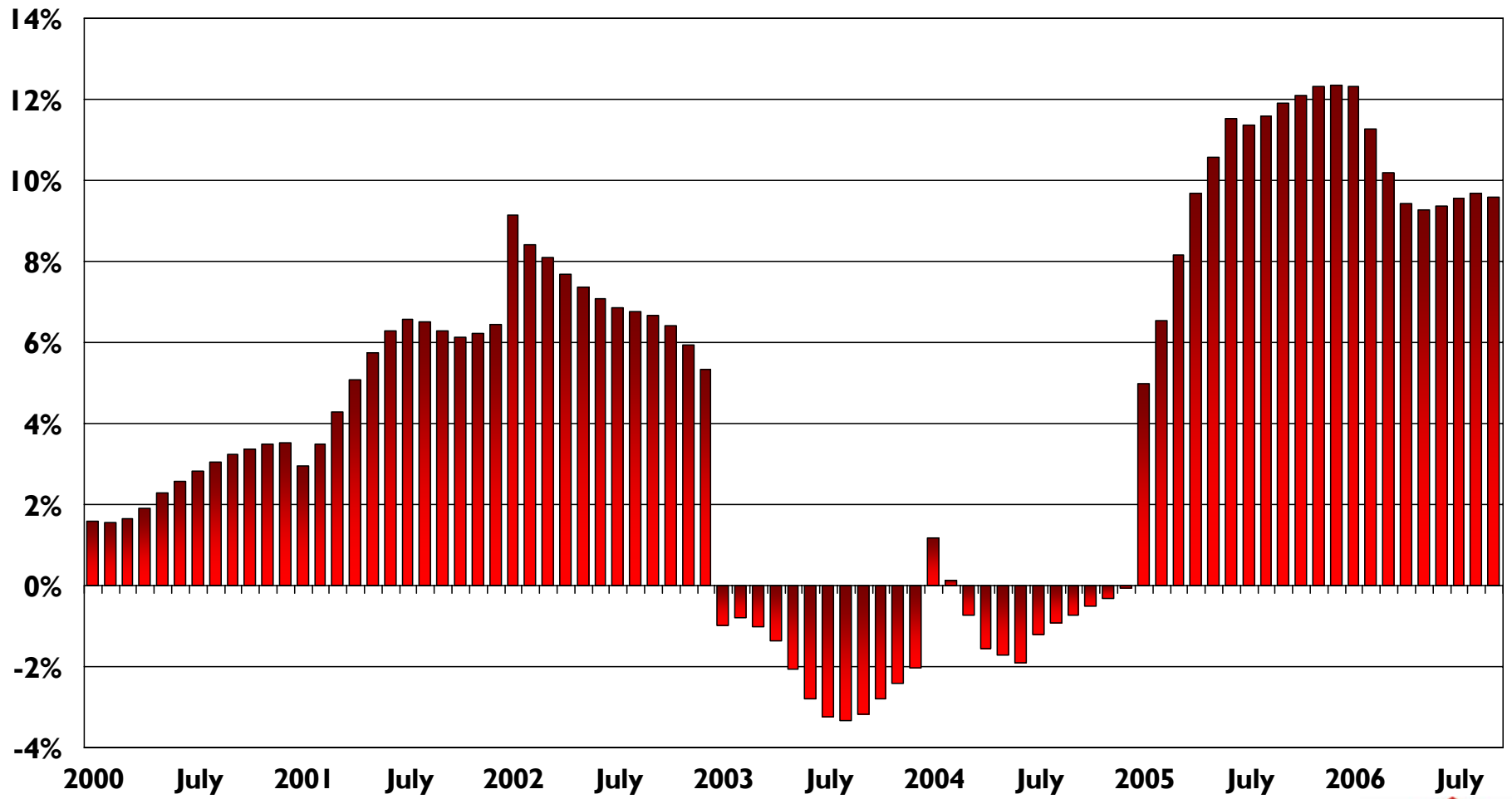


Source: Statistics Canada, CMHC forecast (f)

Calgary Average Weekly Earnings

Wages continue to grow fast, ytd September just under 10%

% Change in YTD AWE



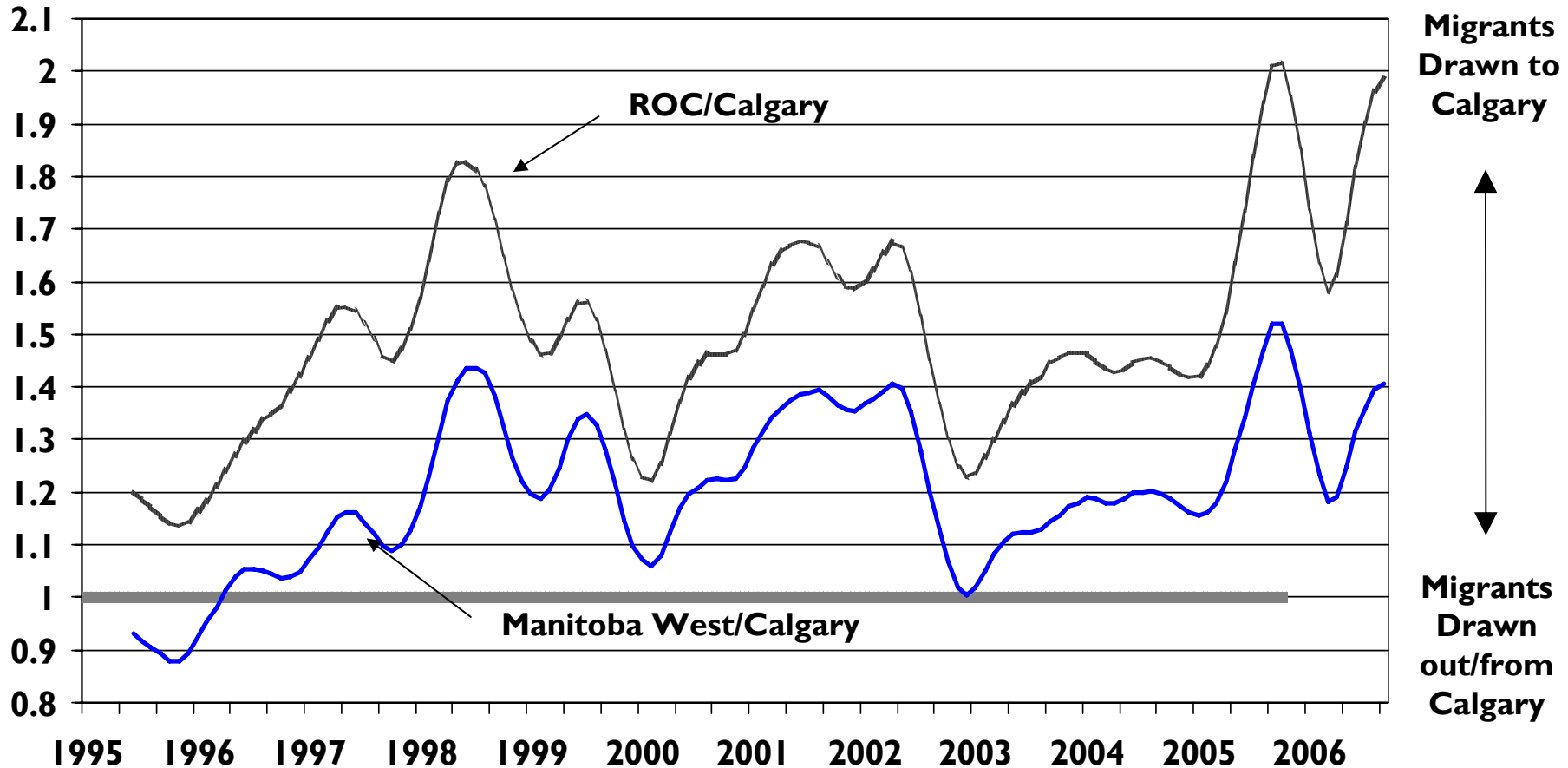
Source: Statistics Canada



Future of Calgary Net Migration

Migration depends on relative strength of labour market

relative unemployment rate

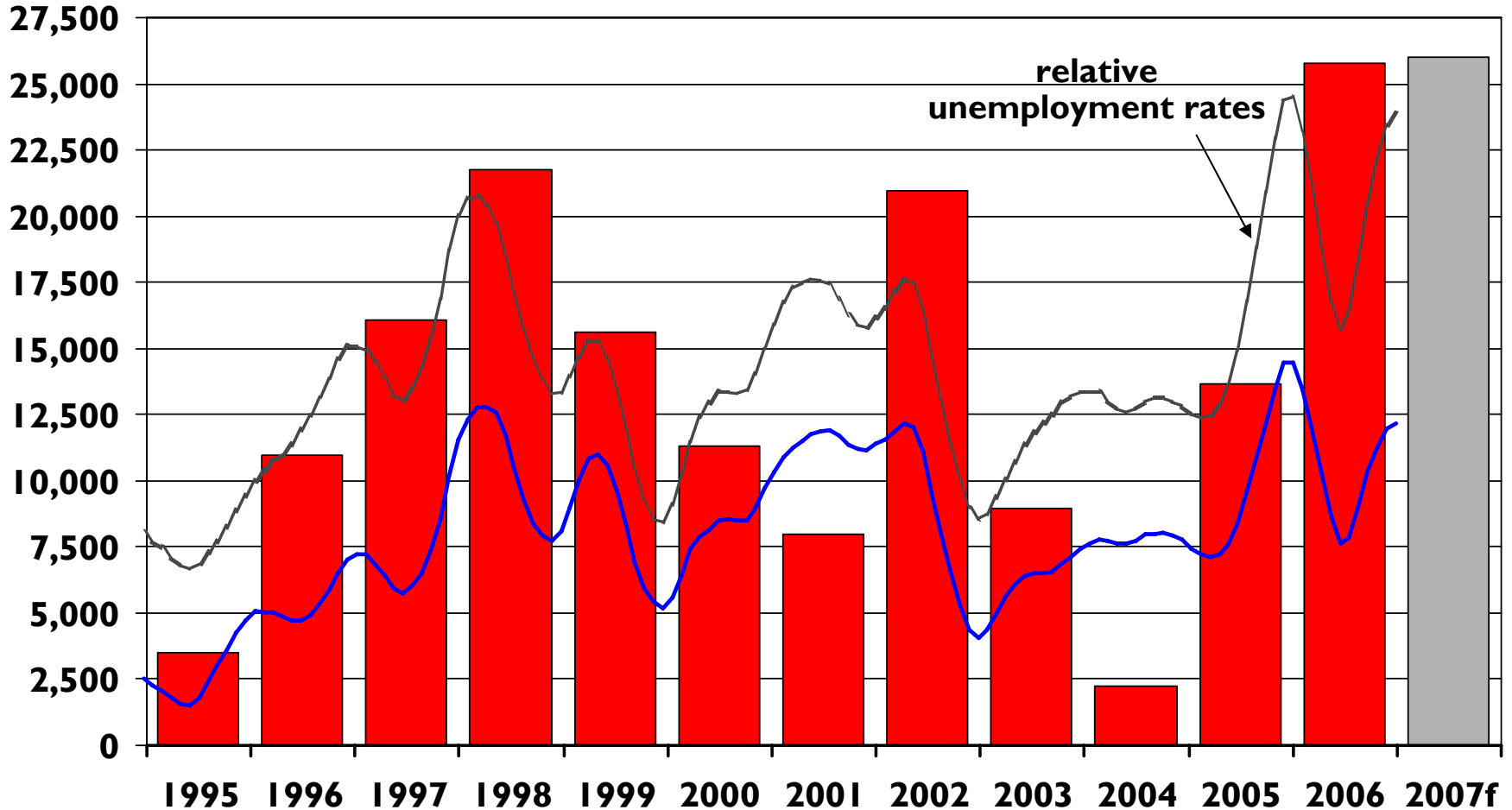


Source: Statistics Canada

Calgary Net Migration

Relative unemployment points to higher migration

net migration

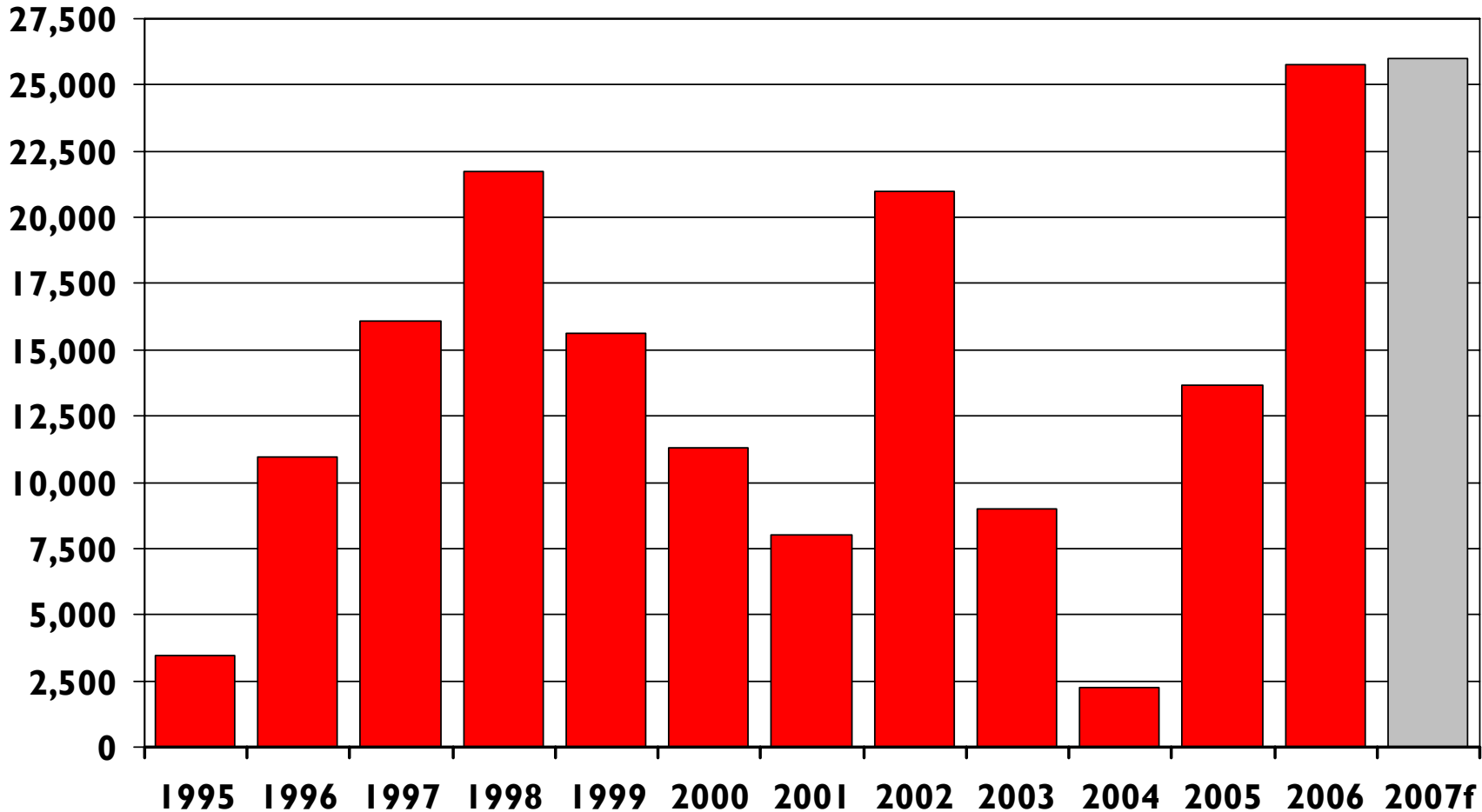


Source: City of Calgary (May to April period), CMHC Forecast (f)

Calgary Net Migration

Net migration increased sharply in 2006 and will be high in 2007

Calgary net migration

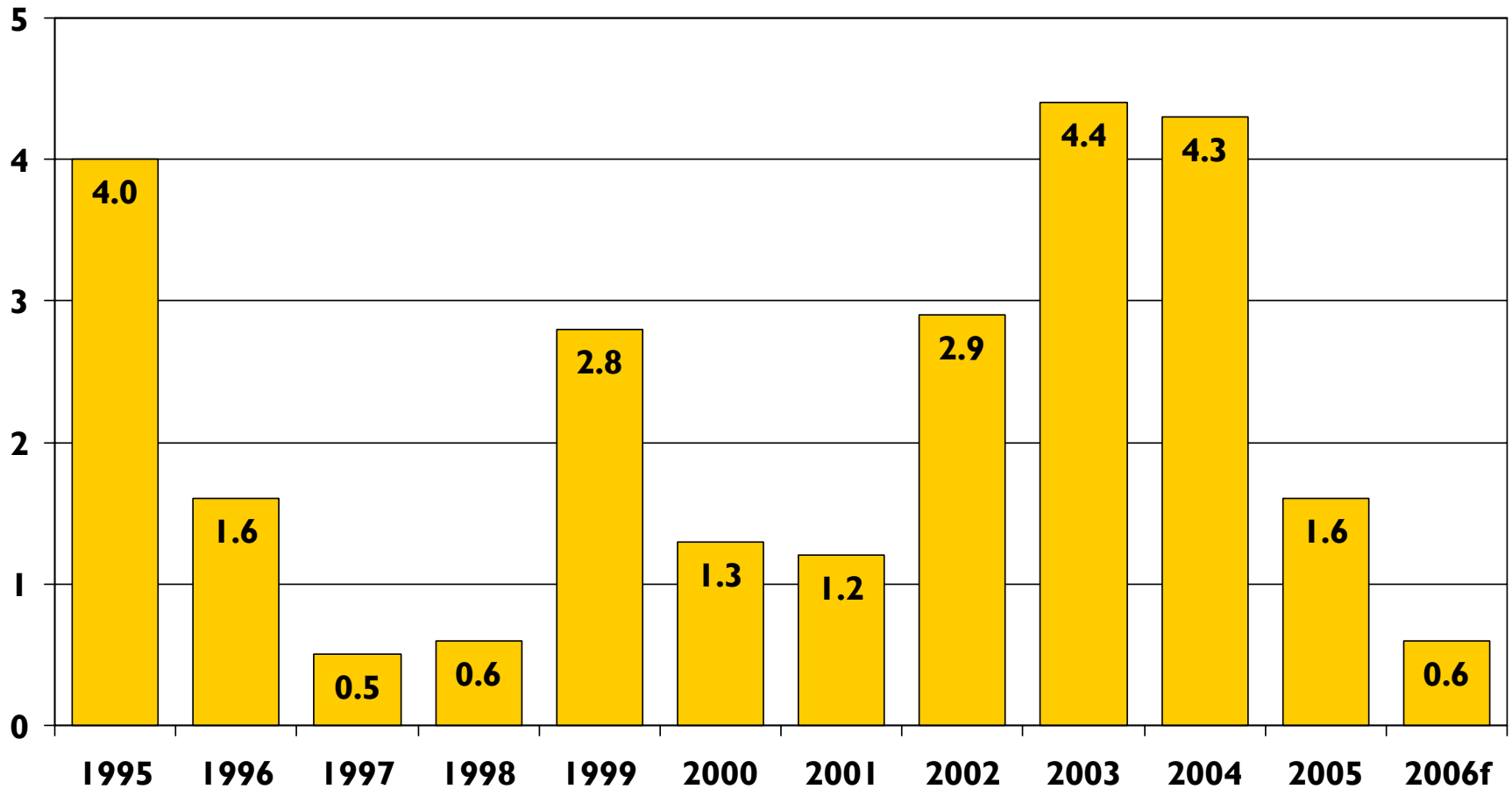


Source: City of Calgary (May to April period)

Calgary CMA Apartment Vacancy Rate

Rental market tightened

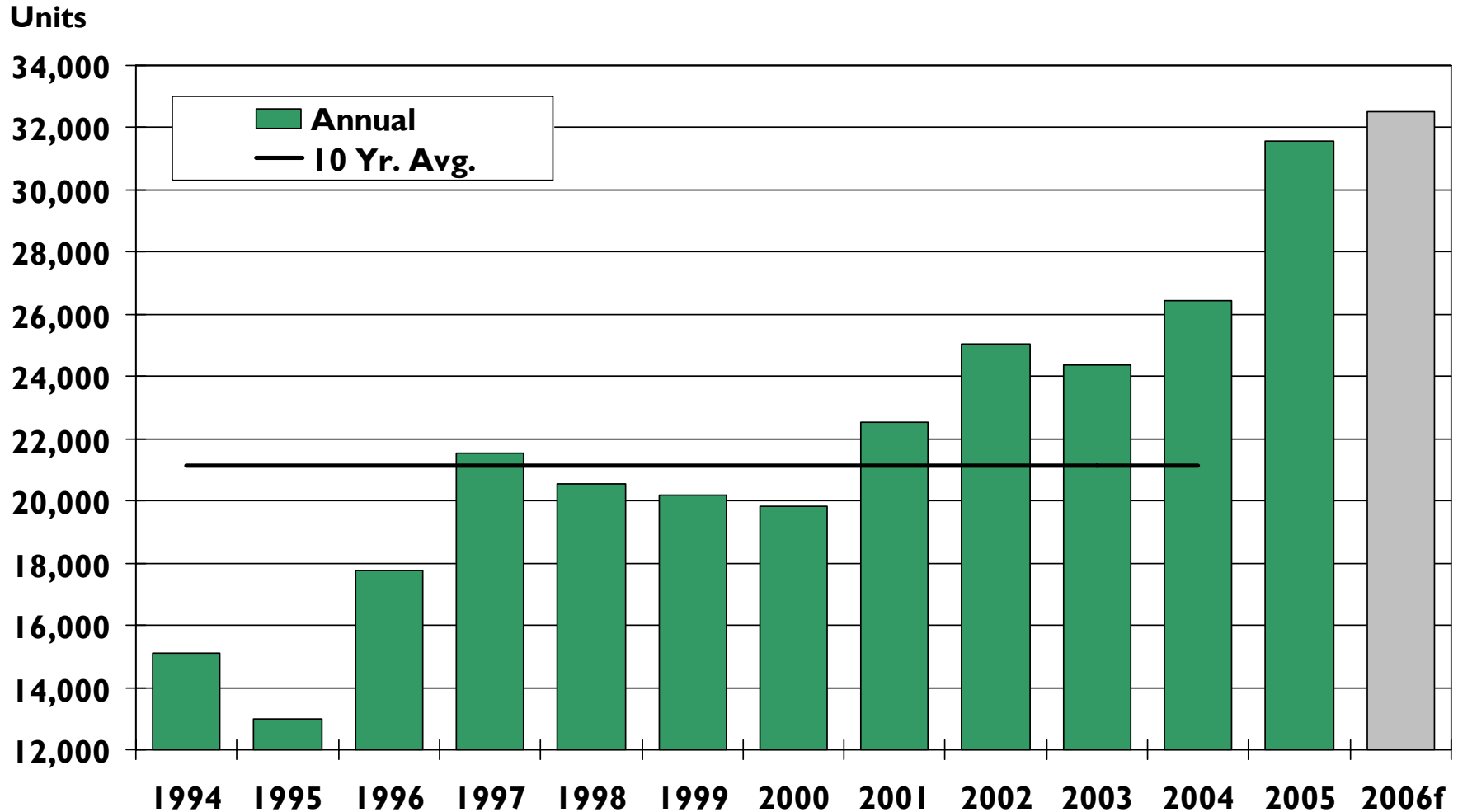
per cent



Source: CMHC

Calgary MLS® Sales

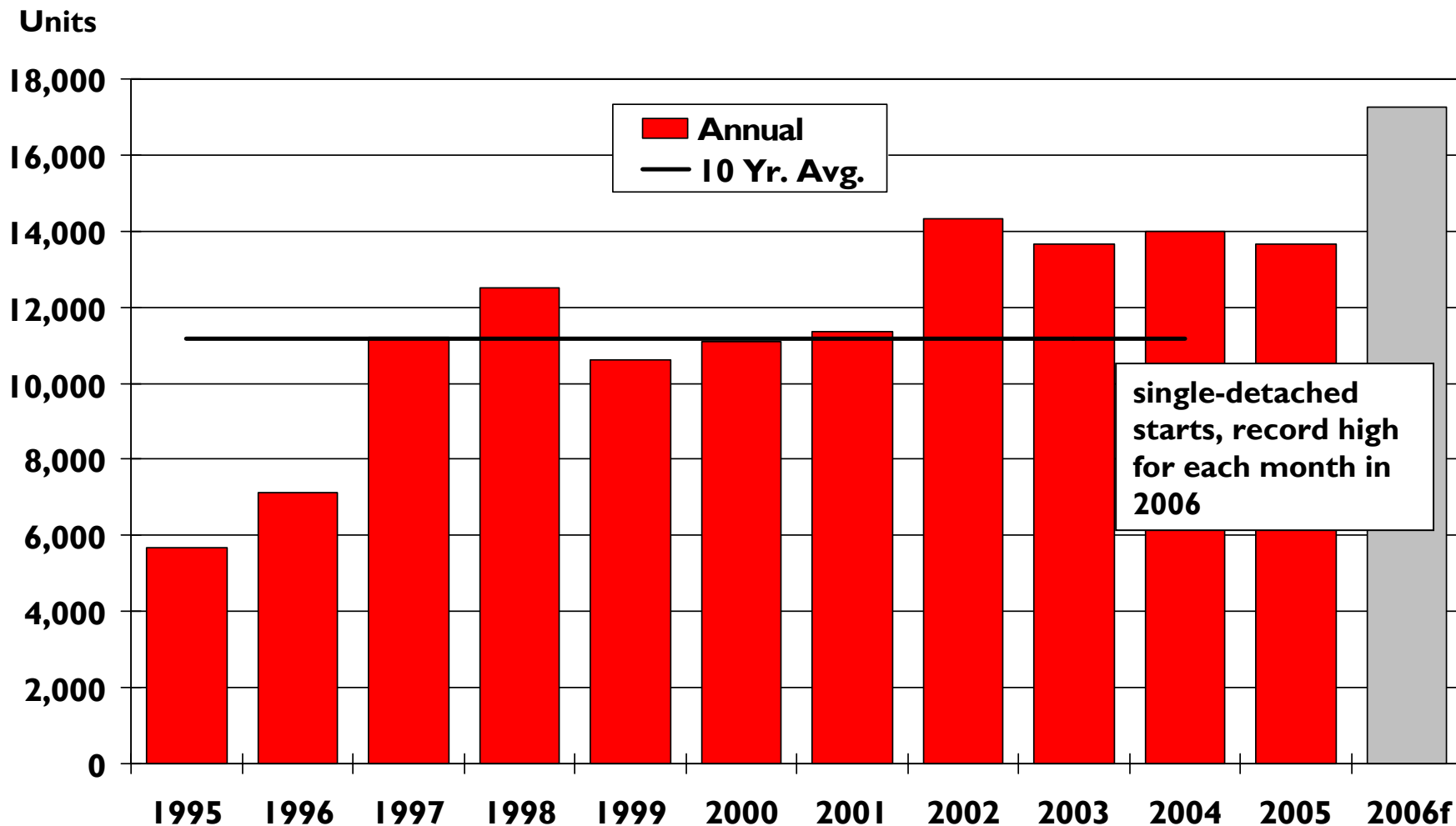
New record expected in 2006



Source: CREB

Calgary CMA Total Housing Starts

2006 total starts expected to exceed record set back in 1978

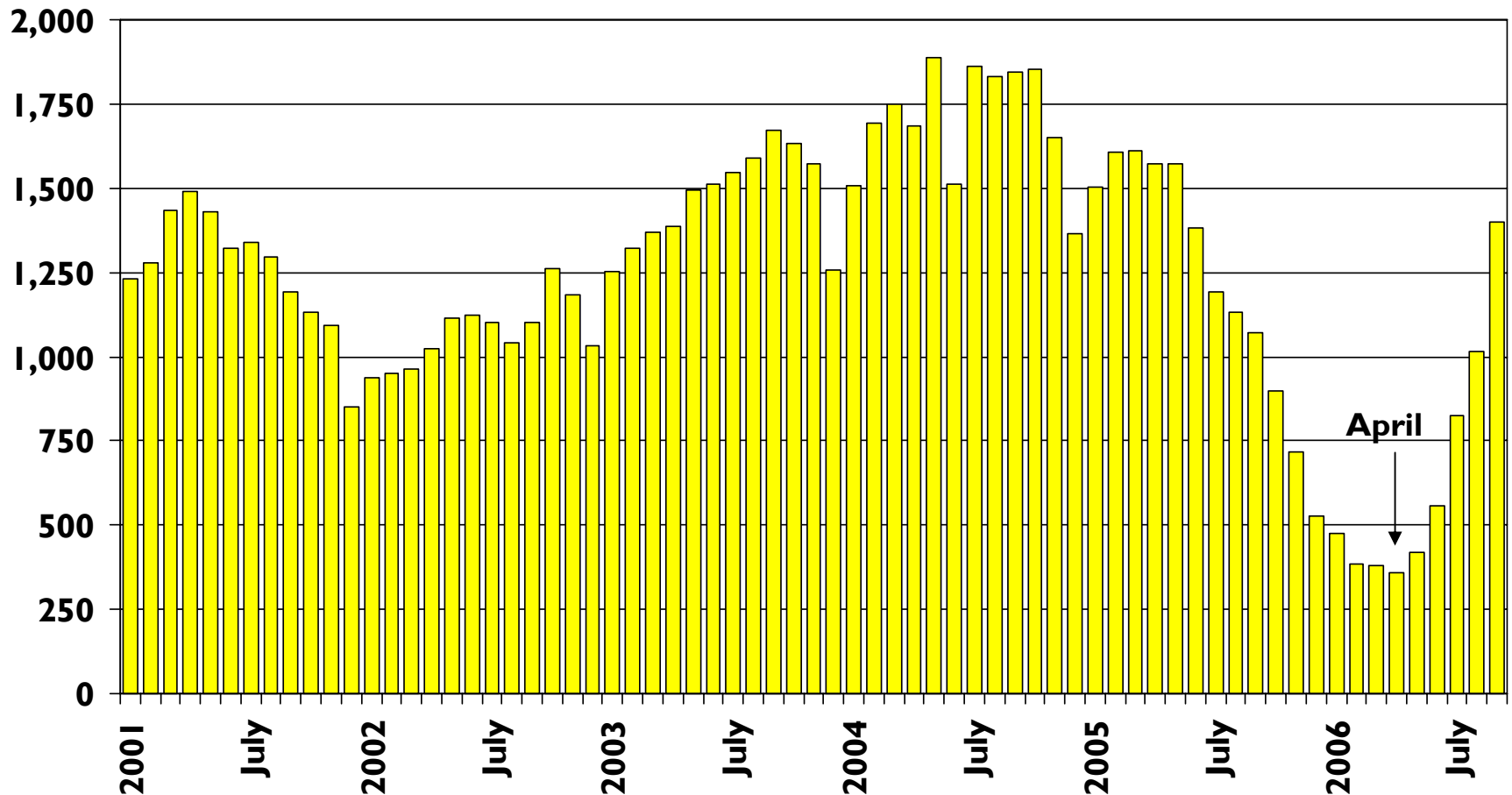


Source: CMHC

Calgary Resale Condominium Supply

Only 360 active listings in April 2006, extremely low

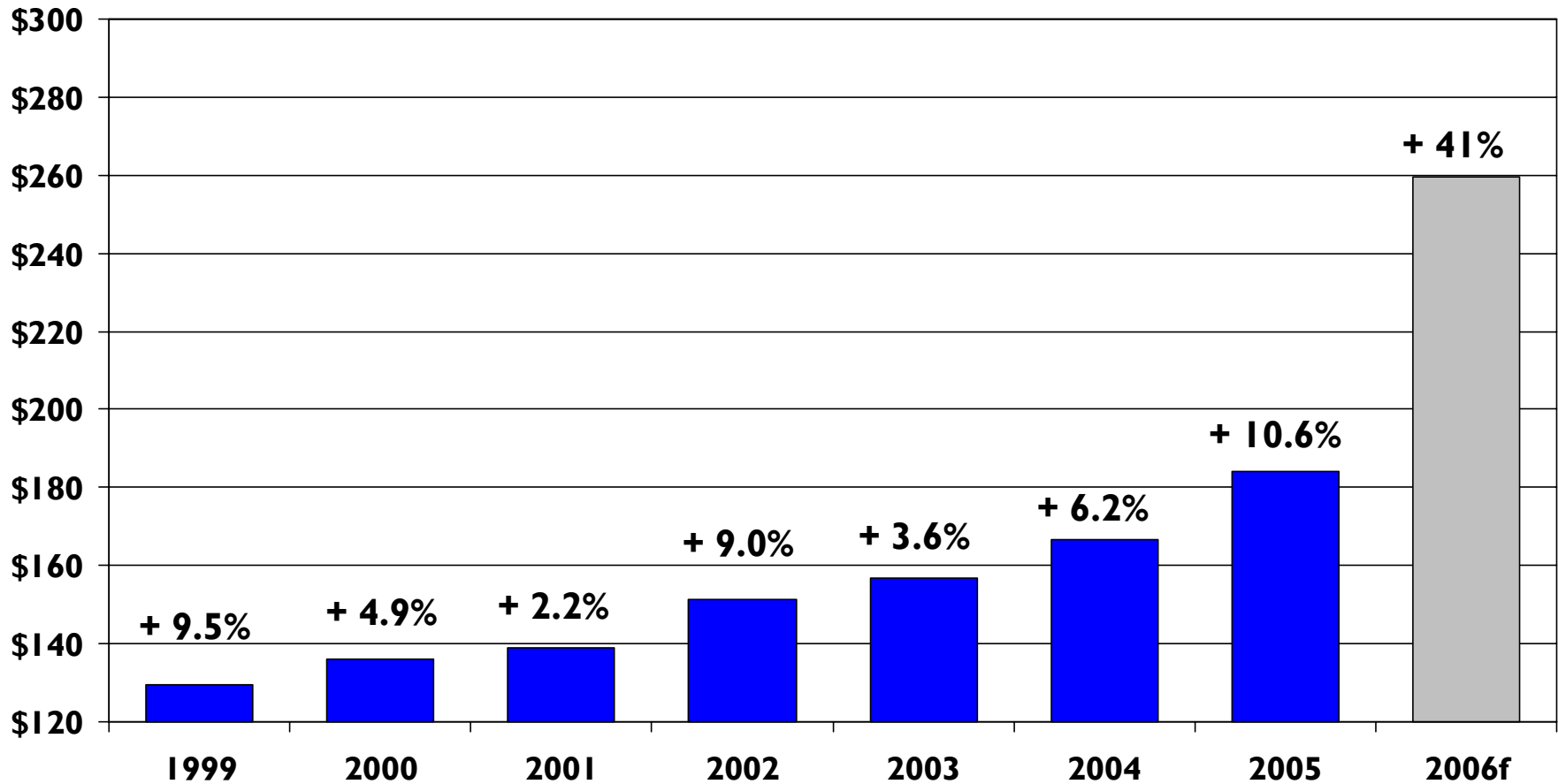
number of active listings



Resale Condominium Prices

Average condo price rising faster than single-detached in 2006

(\$,000s)



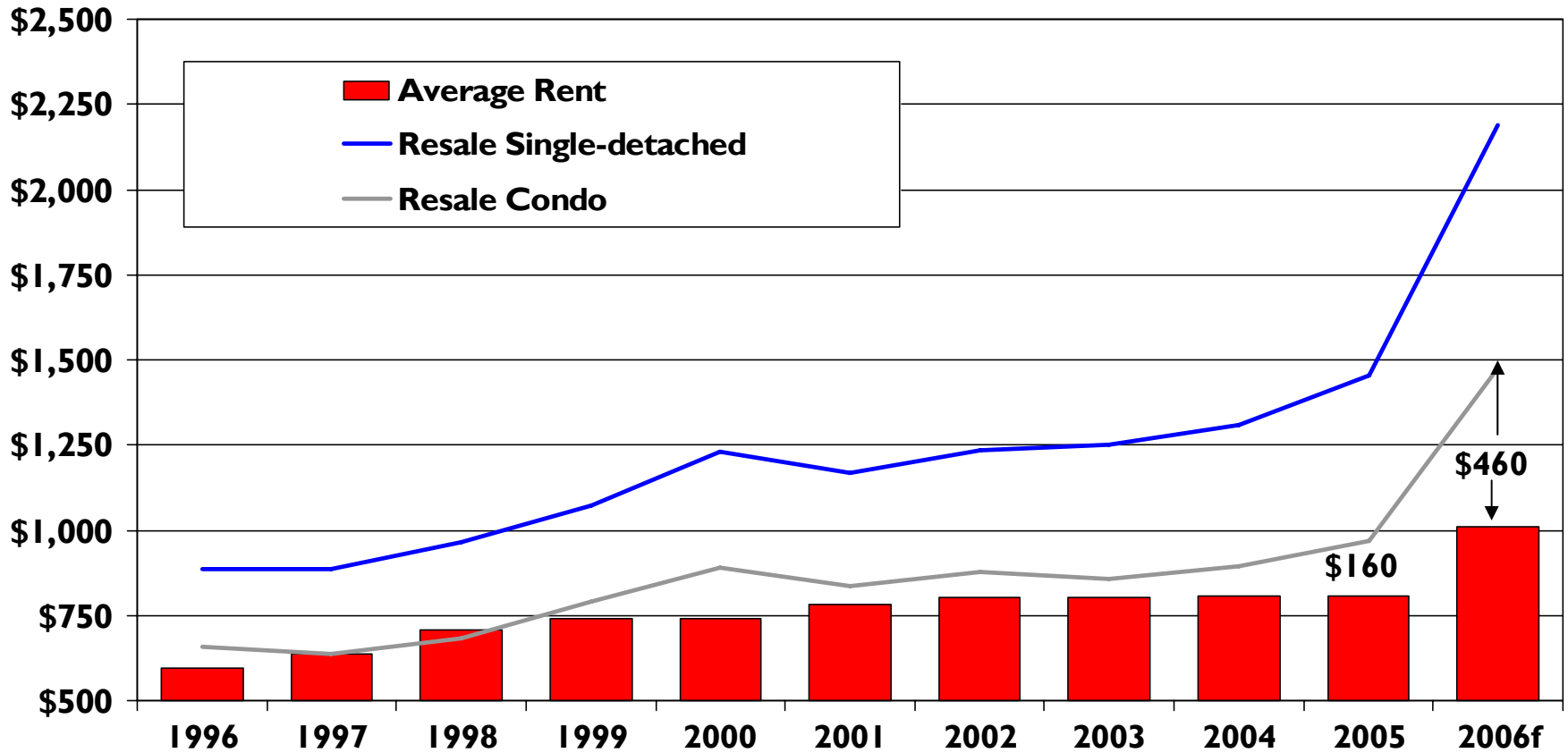
Source: CREB, CHMC Forecast (f)



Calgary Cost of Owning vs. Renting

Gap has widened by about \$460 per month in 2006

monthly carrying cost*, rent



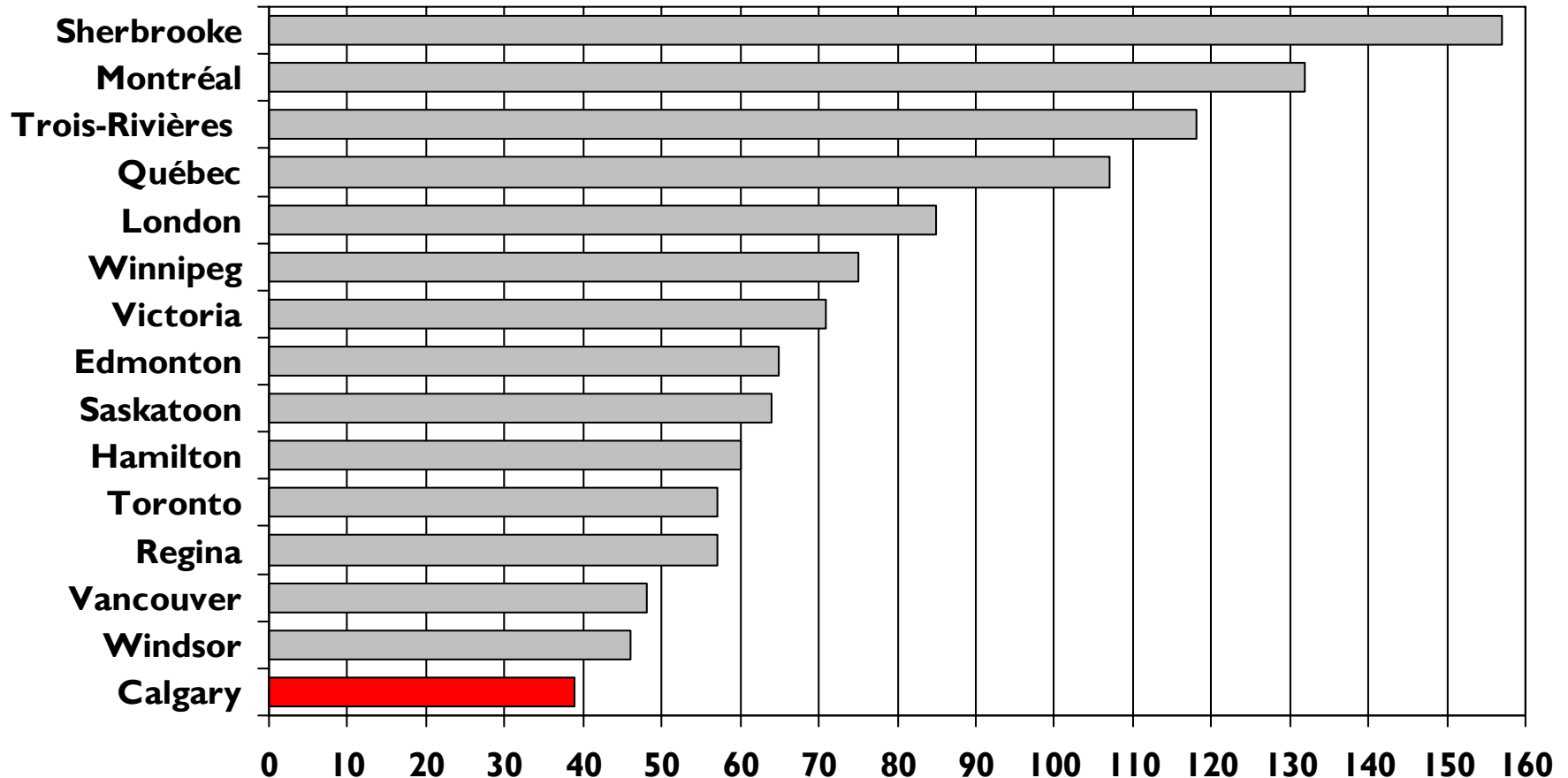
* assumption: 10% down payment, average 5-year fixed discounted mortgage rates

Source: CMHC, CREB, CMHC Calculation

Rental Universe Per Capita

Among CMAs, Calgary has the smallest universe per capita

Rental universe per 1,000 population

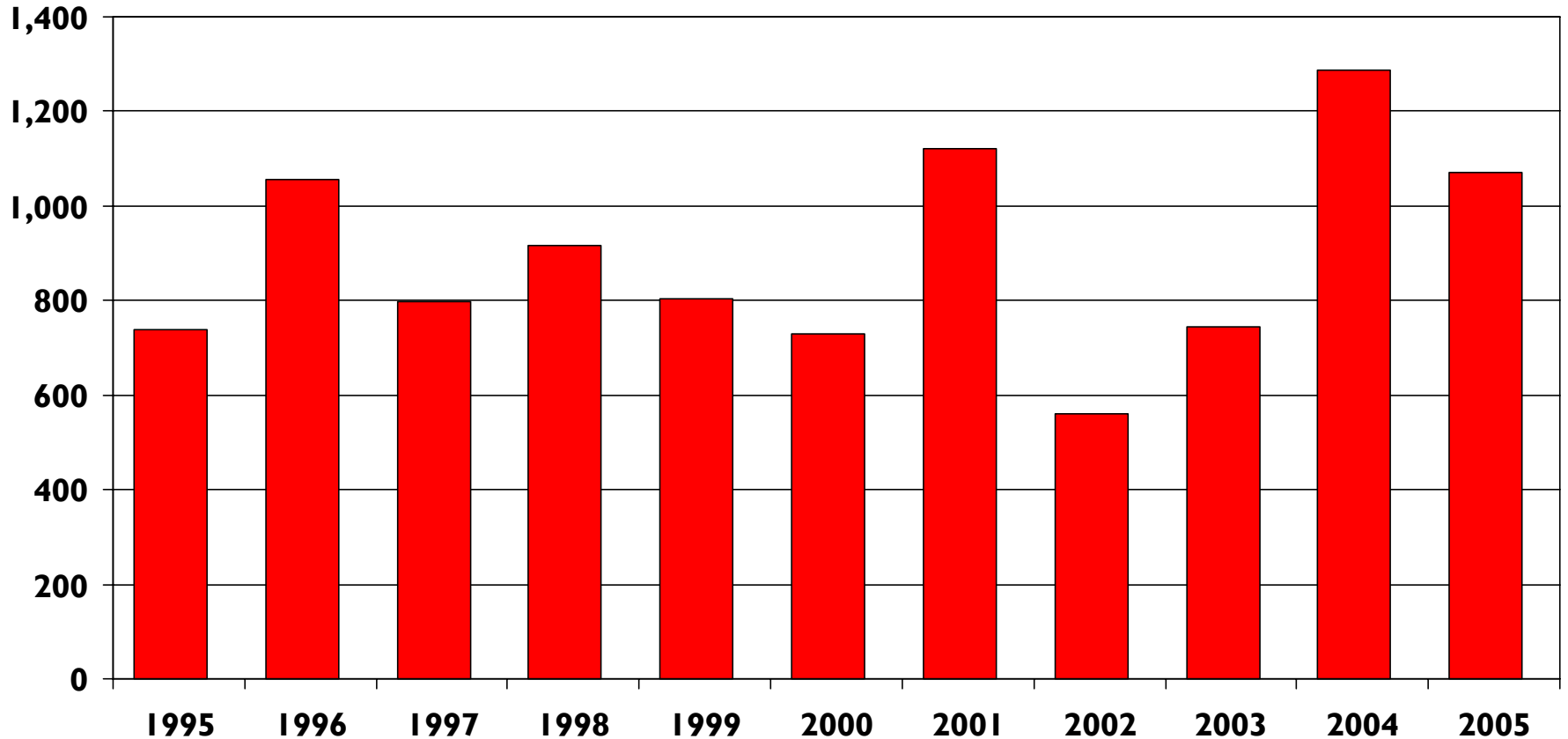


Source: CMHC, Statistics Canada

Condominium Conversions from Rental

Conversions continue to reduce Calgary's rental stock...

Conversions from rental to condominium

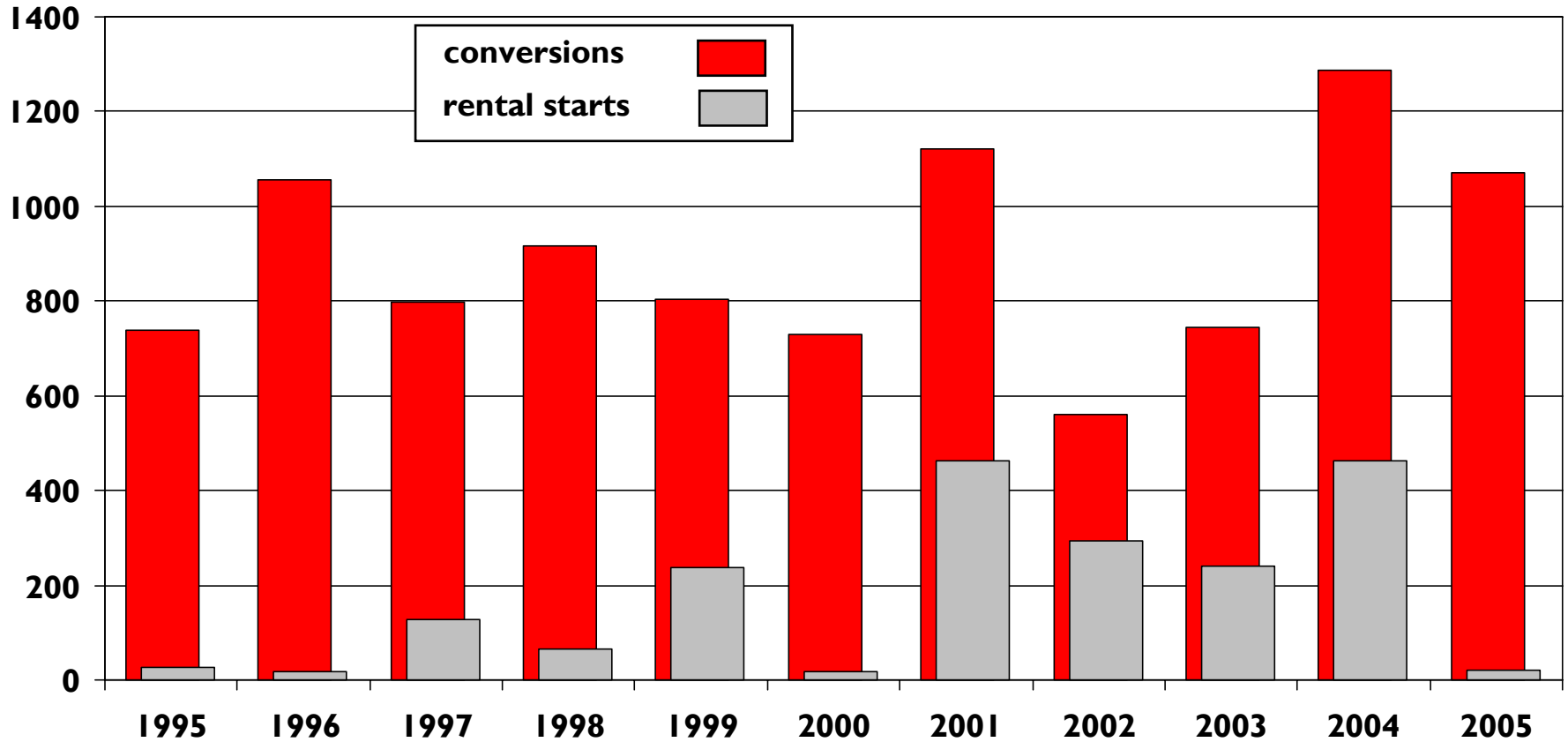


Source: CMHC

Condominium Conversions vs Rental Starts

...while new rental construction can't compensate for decline

Conversions from rental to condominium

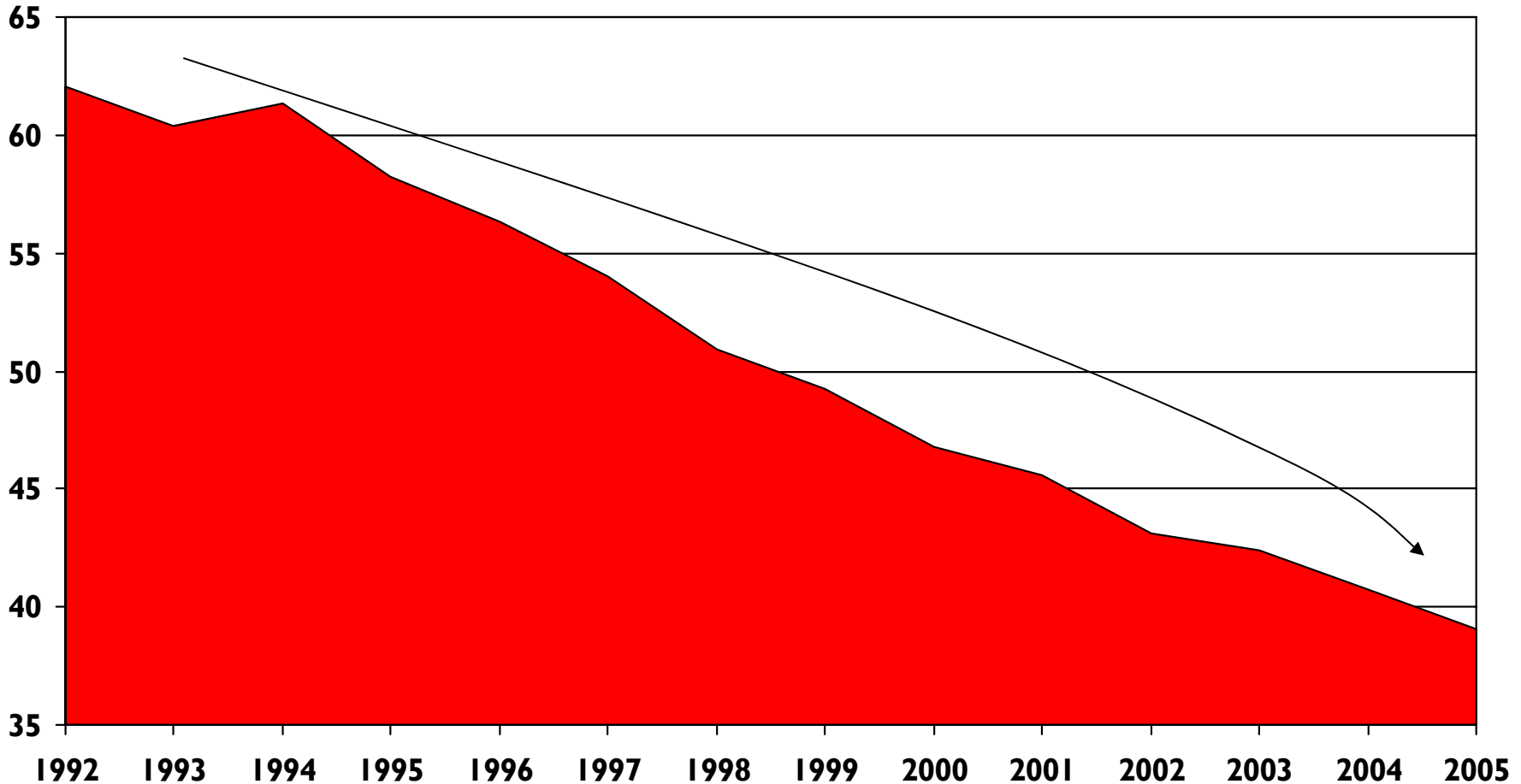


Source: CMHC

Calgary Rental Market Universe Per Capita

Has been on a downward trend since the early 1990s

rental units per 1,000 population



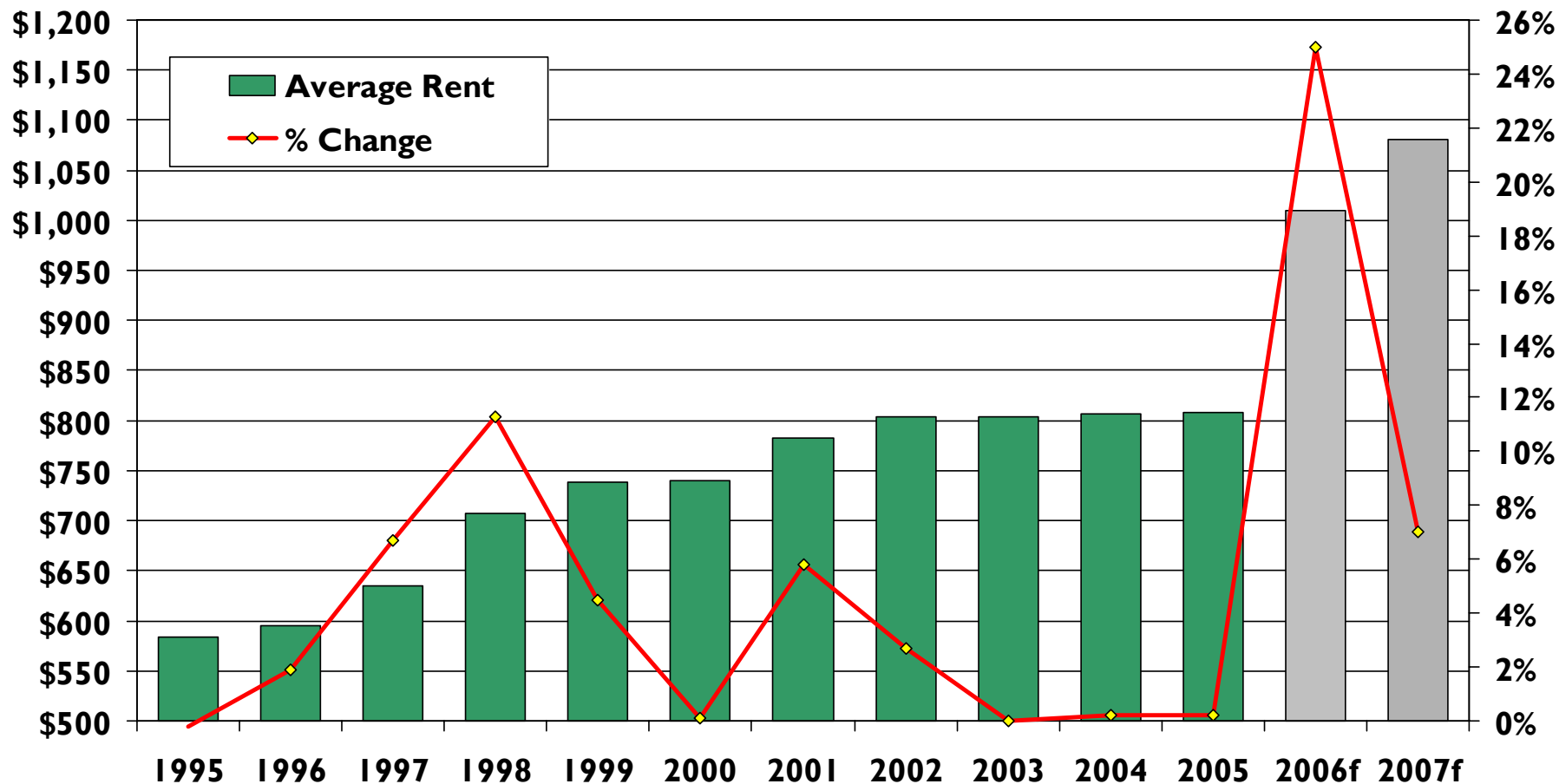
Source: CMHC

Calgary CMA Average Apartment Rents

Average Rents to increases after being flat since 2002

average 2-bedroom rent (\$)

yr/yr % change



Source: CMHC

	2004	2005	2006f	2007f
<i>Economy</i>				
5-Year Mortgage Rate	6.23%	5.99%	6.77%	6.92%
Employment Growth	14,770	7,150	40,000	15,000
Net Migration	2,253	13,677	25,794	26,000
<i>Rental Market</i>				
2-bedroom Rental Rate	\$806	\$808	\$1,010	1,080
Apt. Vacancy Rate (%)	4.3	1.6	0.6	0.6

Source: CMHC

THANK YOU!



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