

RED DEER - JUNE 3, 2009



# RED DEER HOUSING MARKET OUTLOOK



REGINE DURAND  
MARKET ANALYST - CMHC  
PRAIRIE AND TERRITORIES

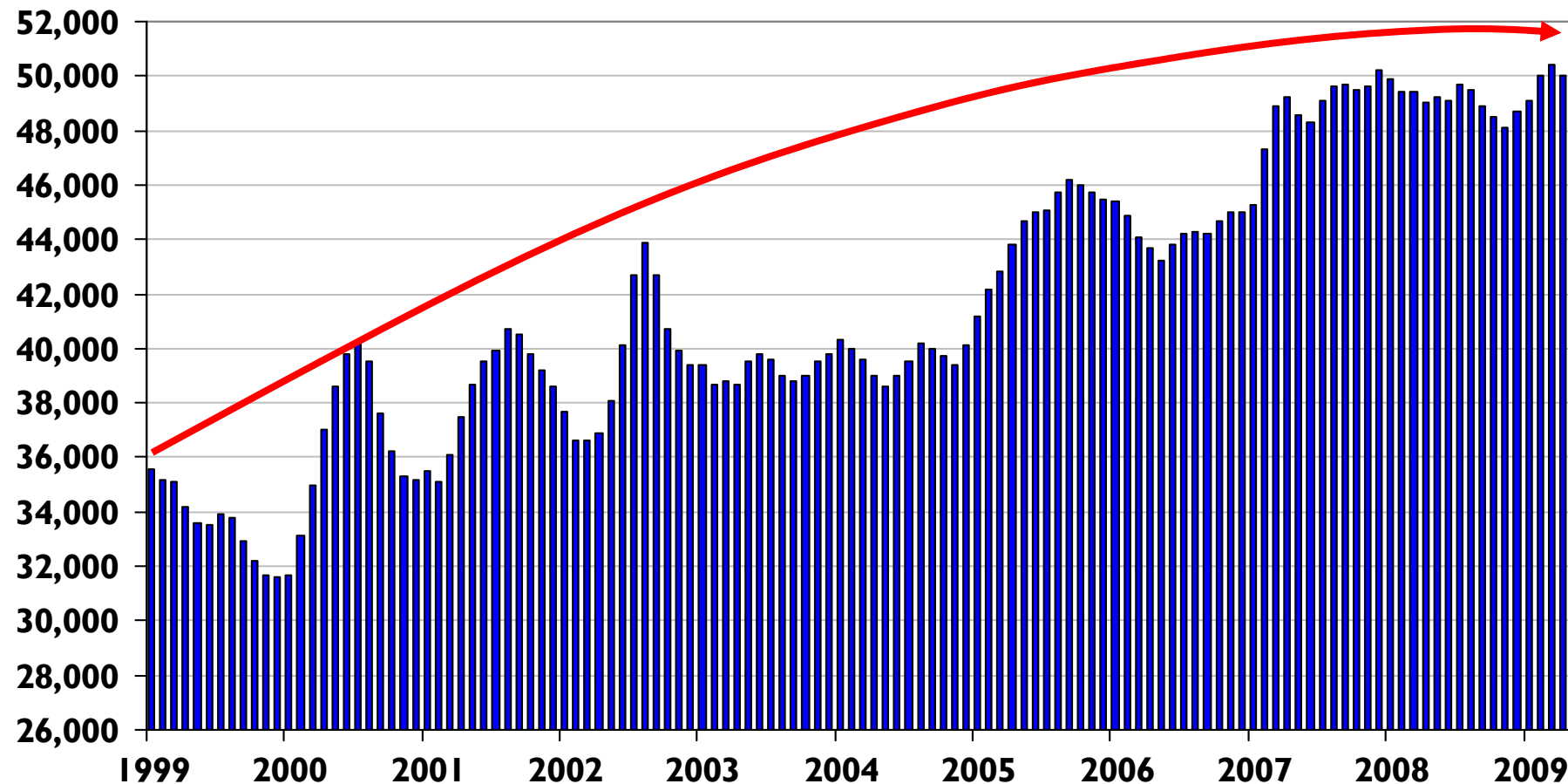




# Red Deer City - Employment

*50,000 people employed in April 2009*

number of people employed



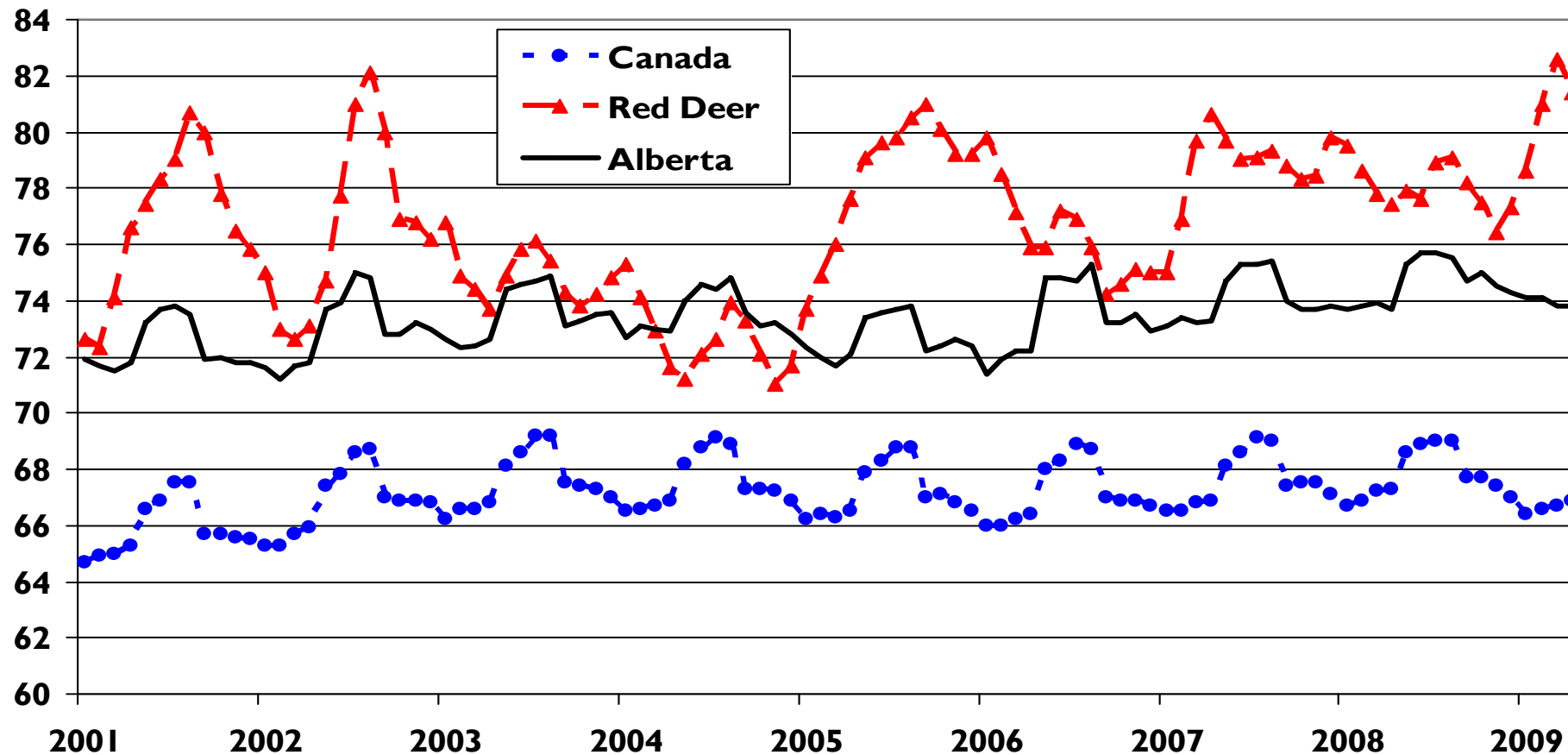
Source: Statistics Canada



# Local & Provincial Participation Rates

*April 2009 Red Deer participation rate at 81.4 per cent*

participation rate (%)

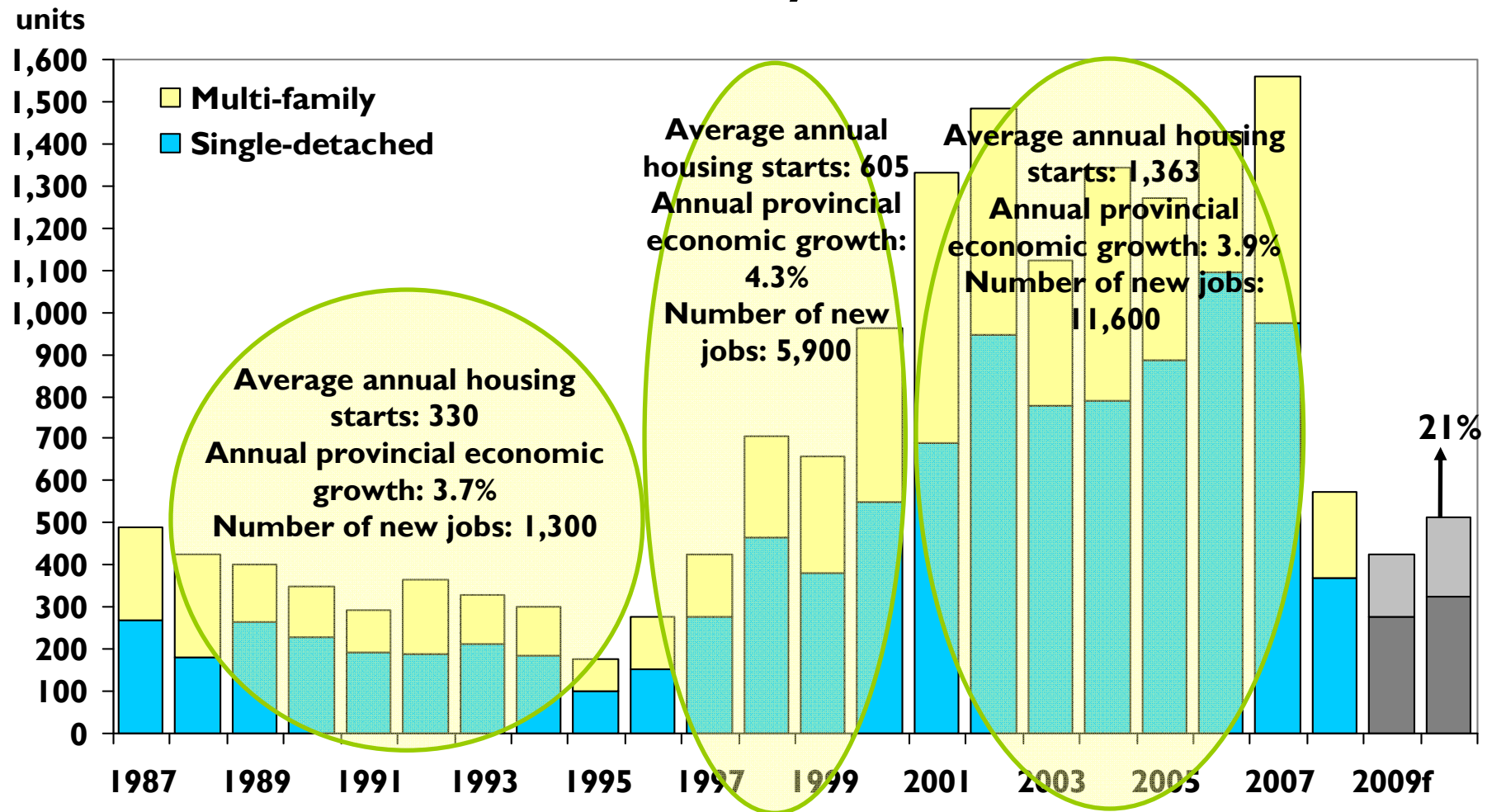


Source: Statistics Canada



# Red Deer CA - Housing Starts

## Three economic cycles since 1988

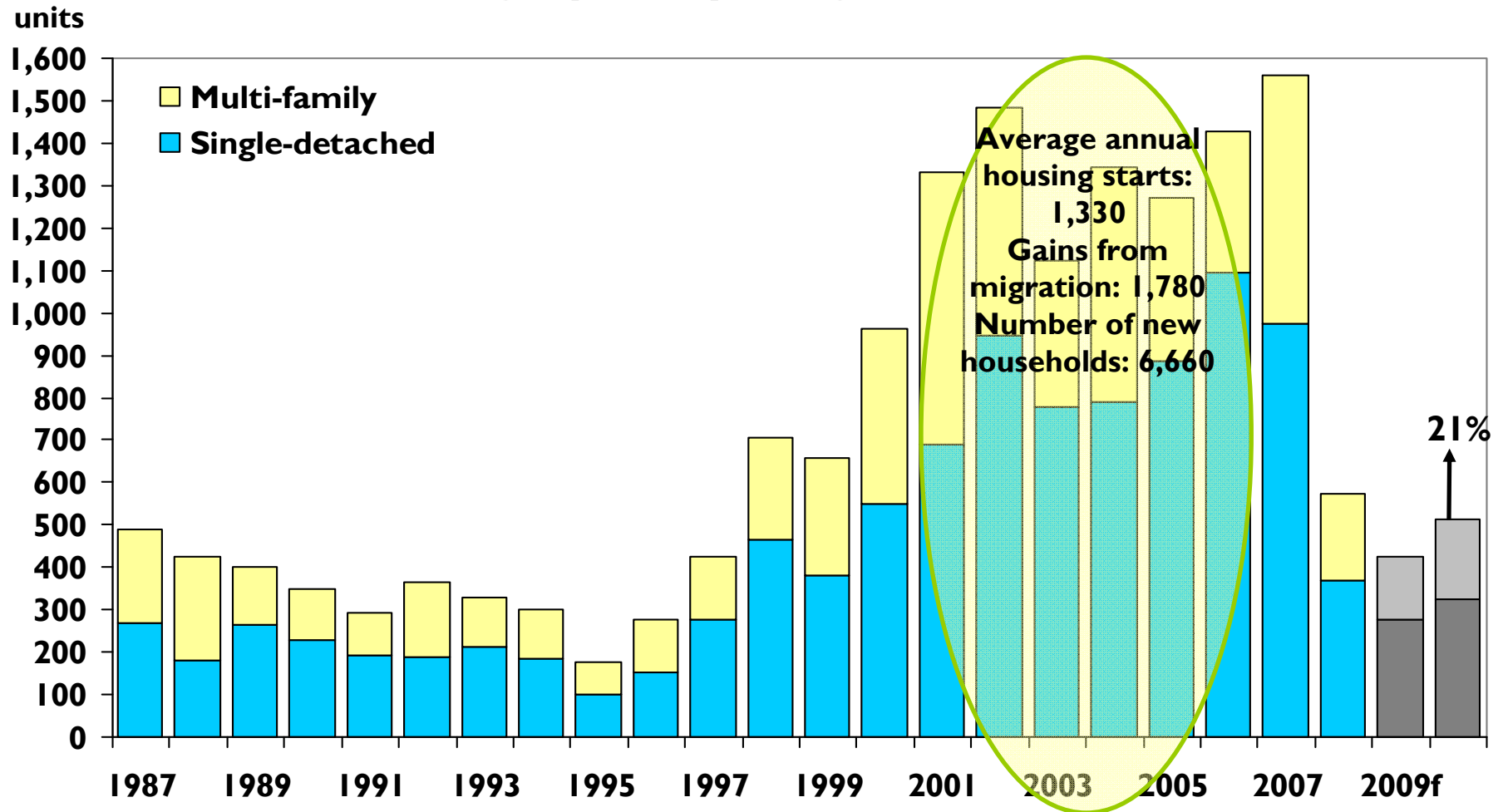


Source: Statistics Canada, CMHC, CMHC forecast (f)



# Red Deer CA - Housing Starts

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

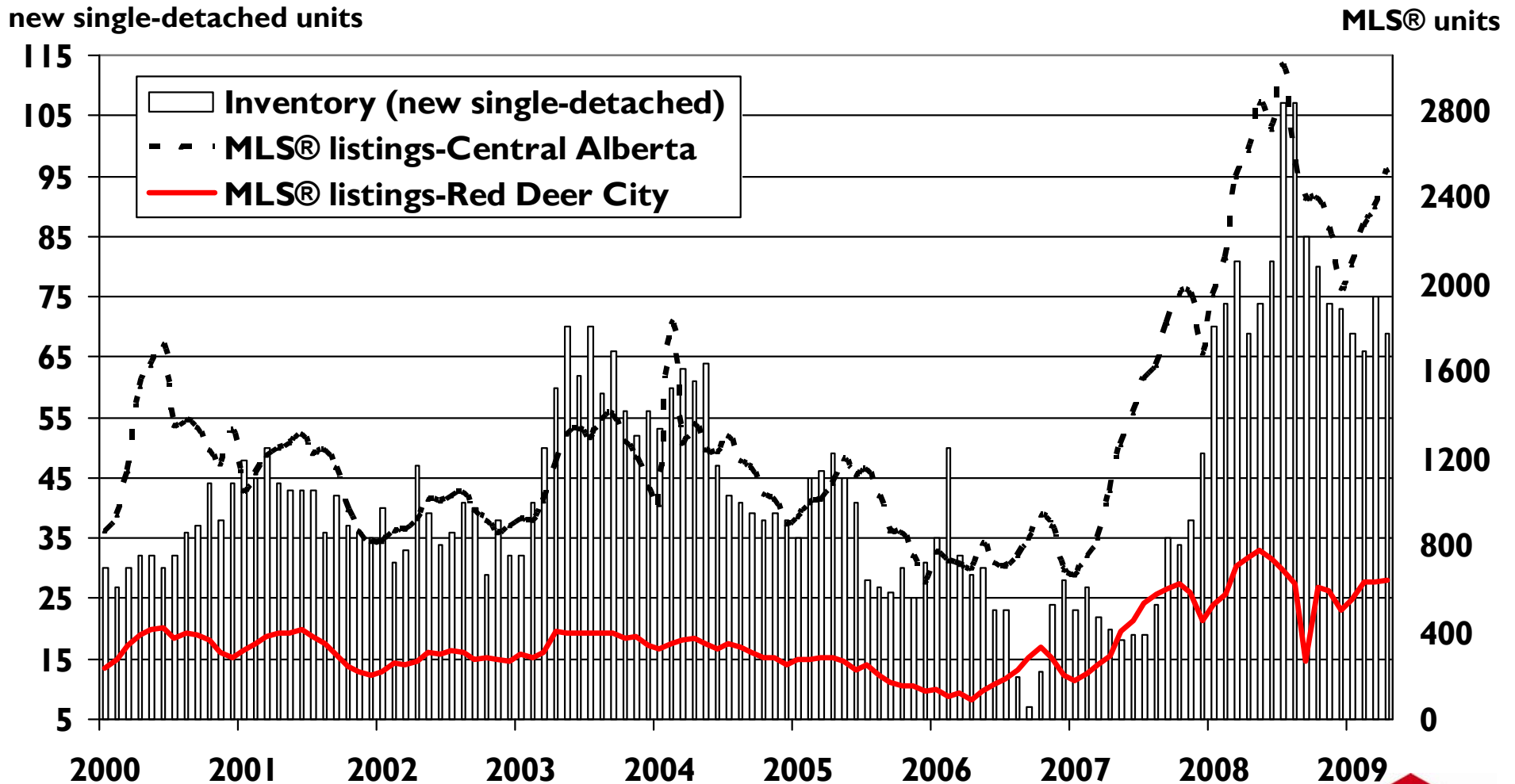


Source: Statistics Canada, CMHC, CMHC forecast (f)



# Red Deer CA - New & Resale Inventories

*Drop in inventories warrant higher starts in 2010*



Source: CMHC, CREA, Central Alberta Realtors Association

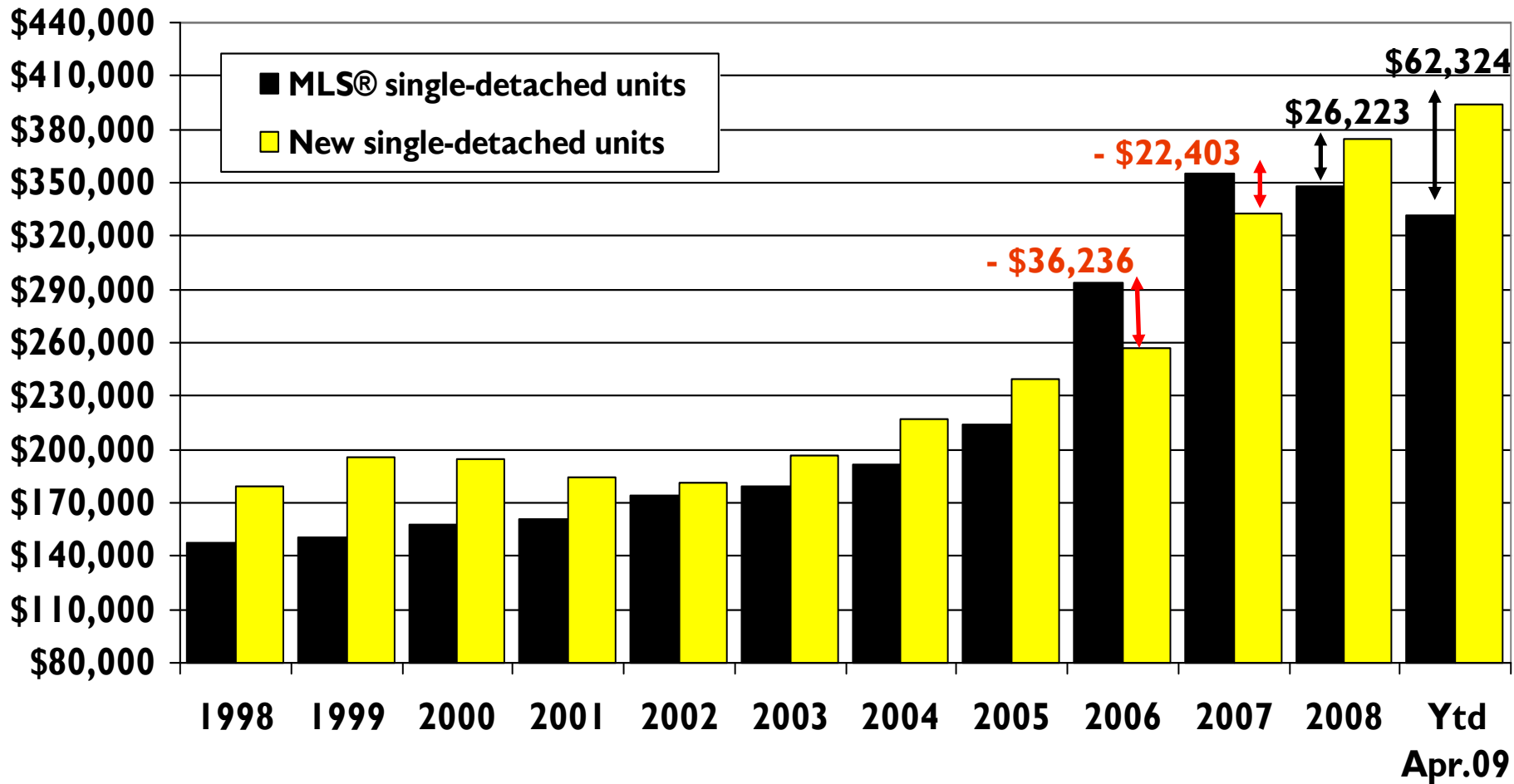




# Red Deer City - New and Resale Prices

*Price differential impacts demand for new homes*

average price



Source: CMHC, CREA, Central Alberta Realtors Association

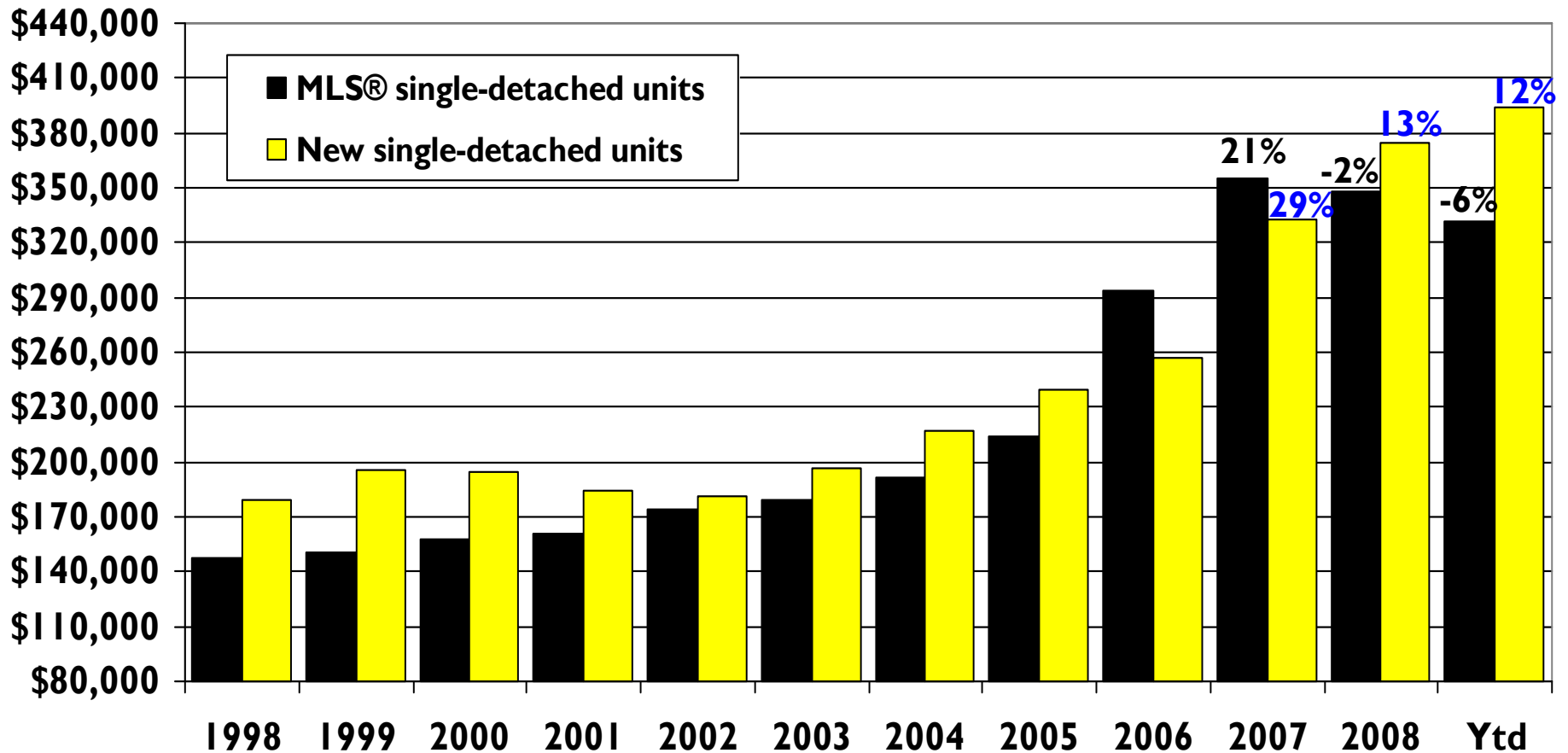




# Red Deer City – New and Resale Prices

*Price differential impacts demand for new homes*

average price



**Apr.09**

Source: CMHC, CREA, Central Alberta Realtors Association

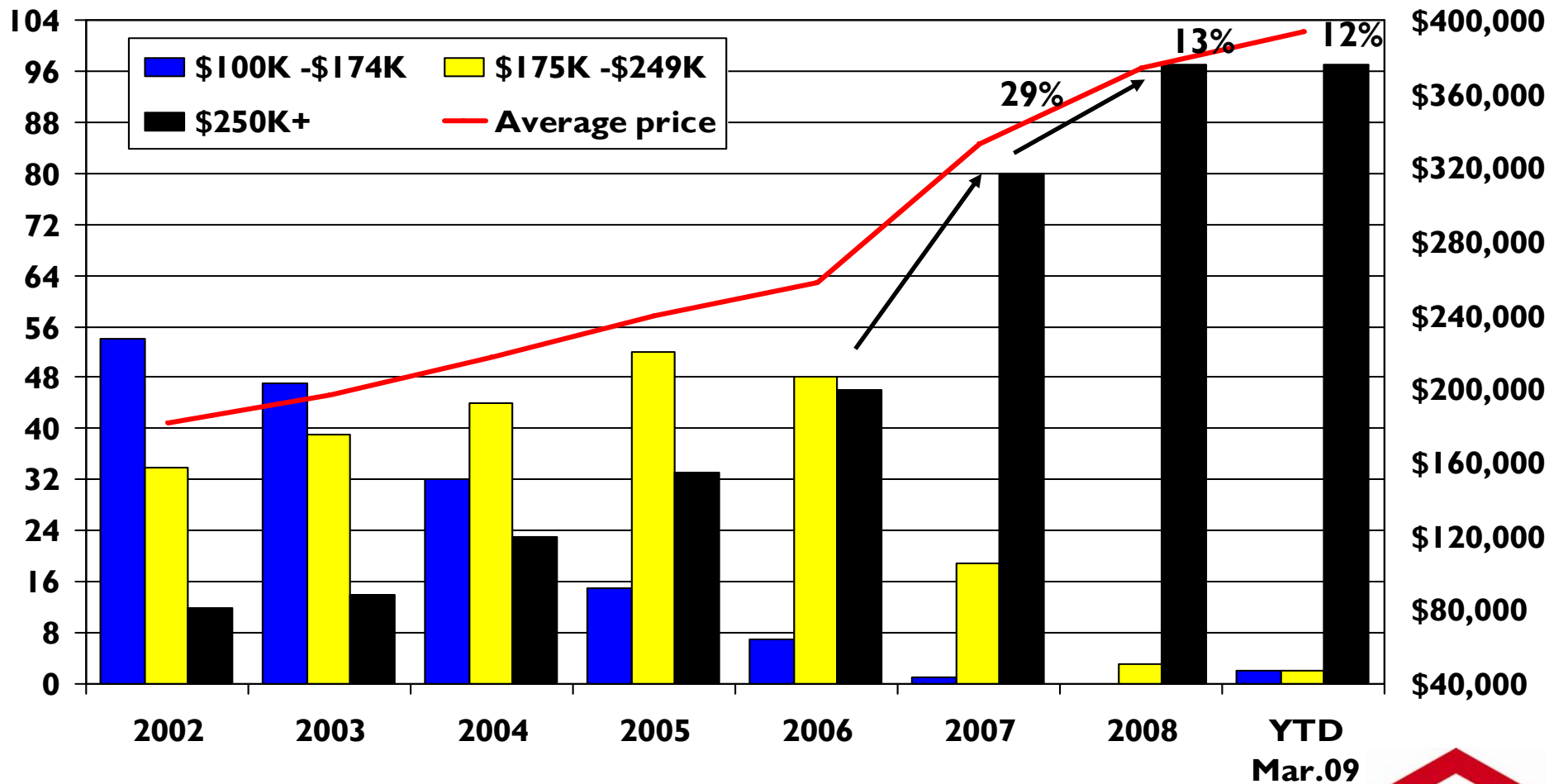




# Red Deer CA - Absorptions by Price

*Shift toward higher priced homes pulled the average price up*

% share of market – new single-detached units



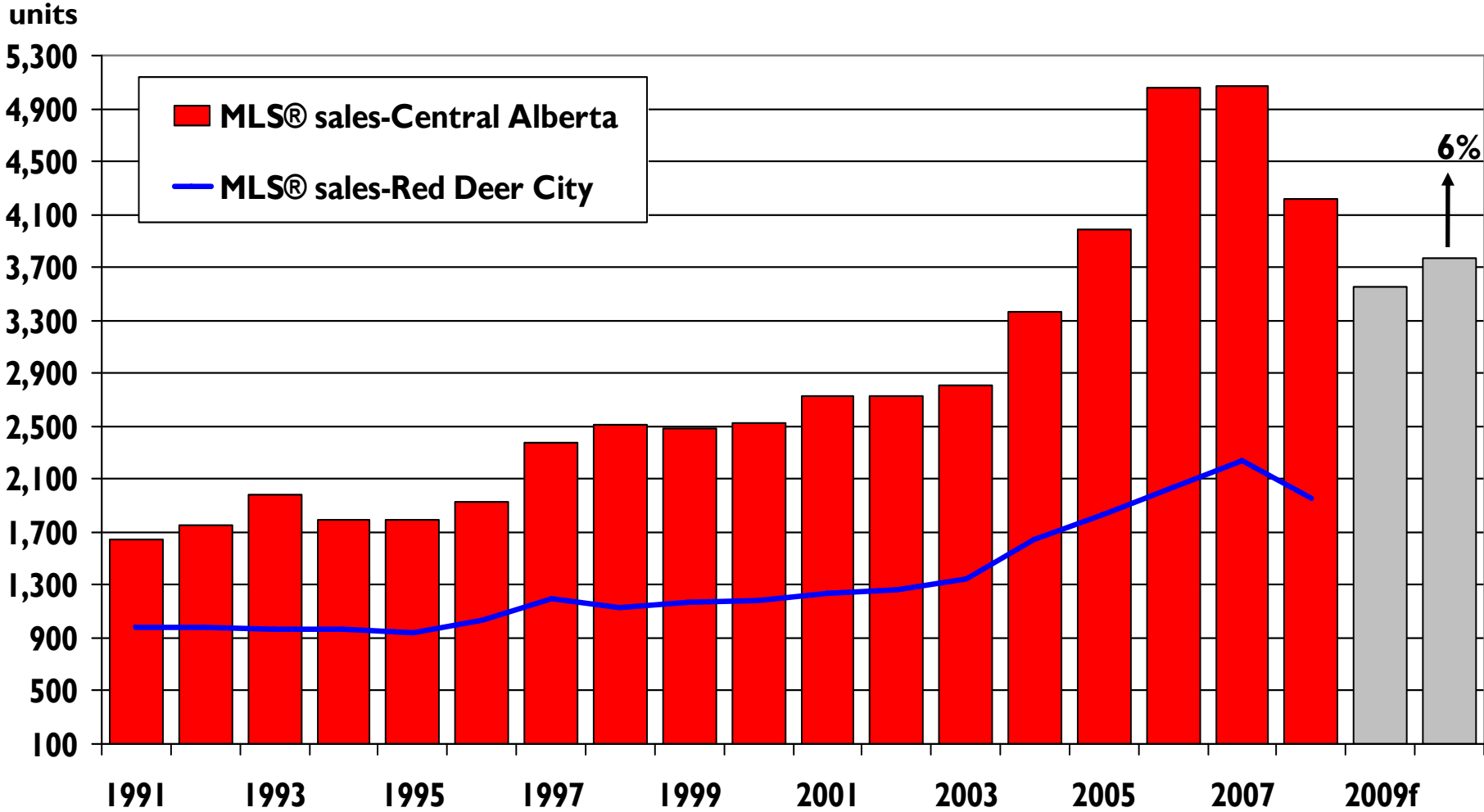
Source: CMHC





# Central Alberta - MLS® Total Sales

*Fifth best performance on record expected in 2010*



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

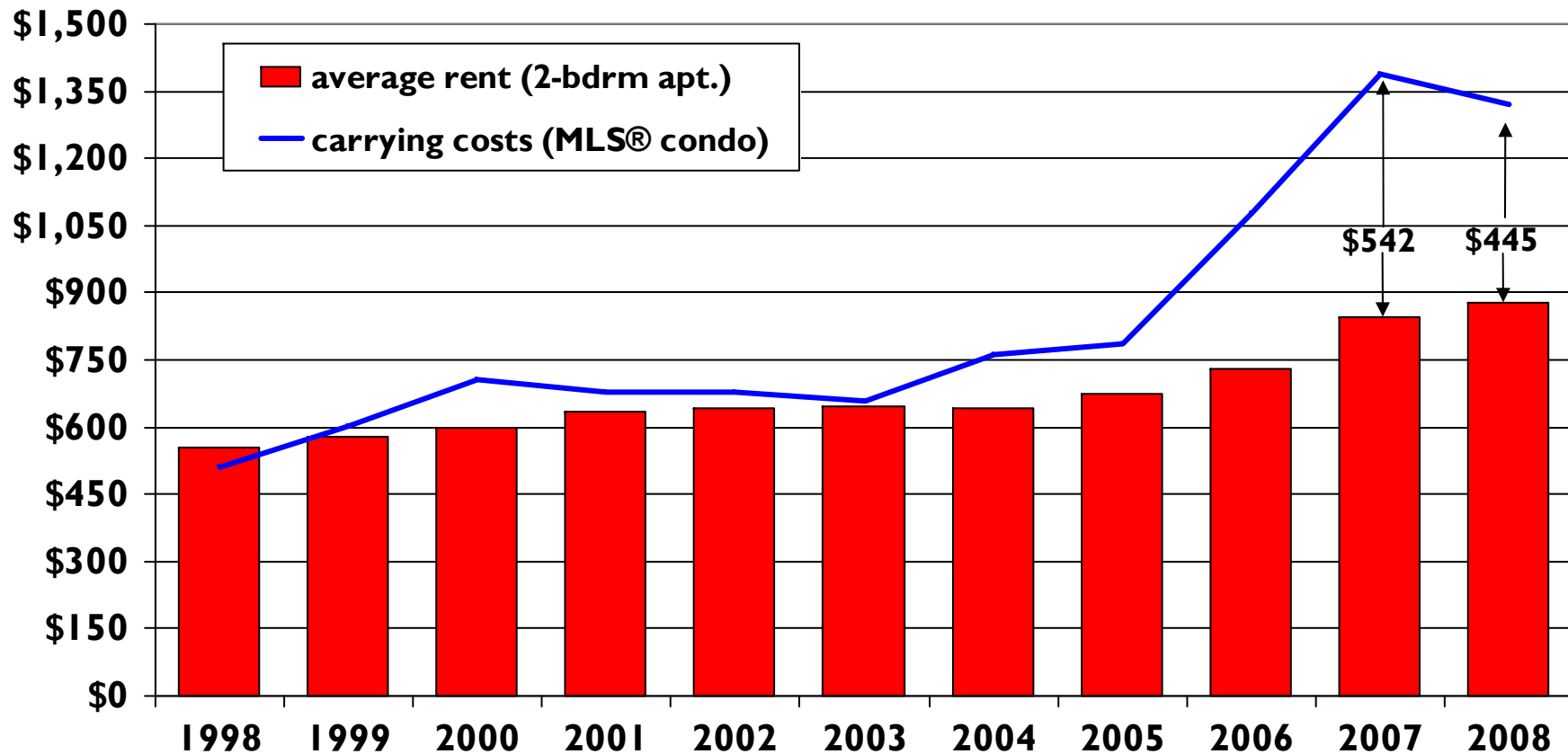




# Red Deer - Cost of Owning Vs. Renting

*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

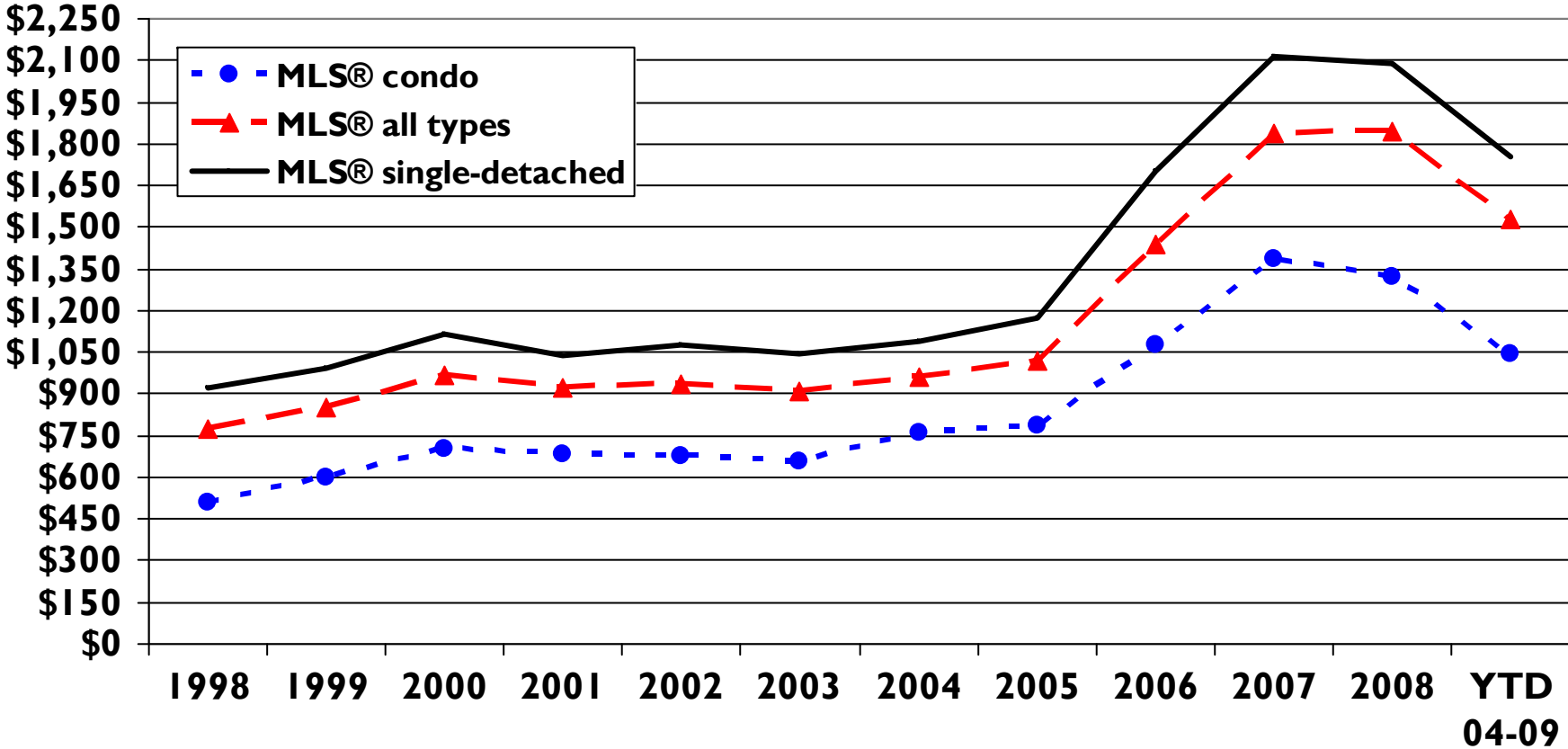




# Red Deer City - Cost of Owning

*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

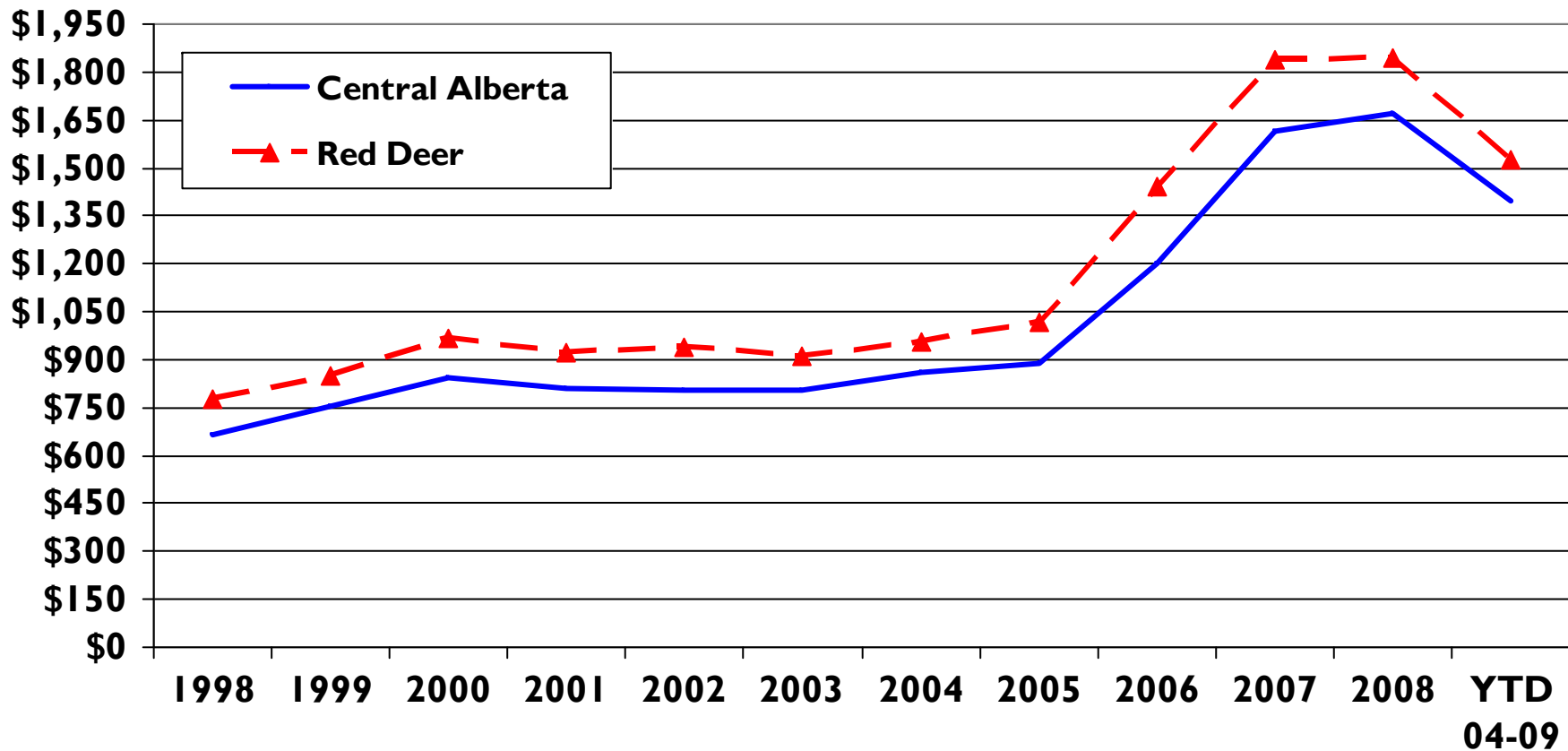




# Central Alberta - Cost of Owning

## *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

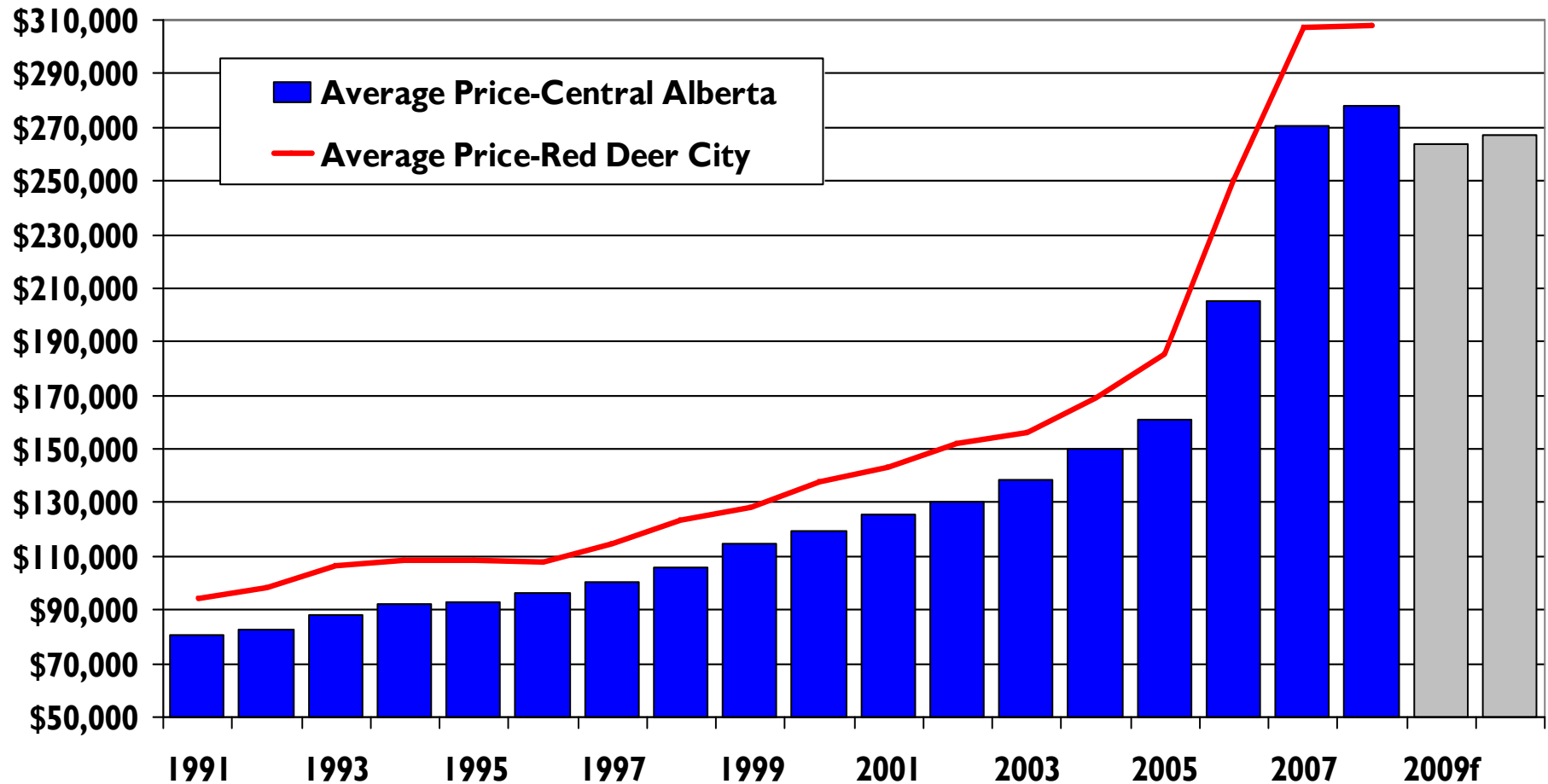
Source: CREA, Central Alberta Realtors Association, Bank of Canada





# Central Alberta - MLS<sup>®</sup> Average Price

*MLS<sup>®</sup> average price to firm up in 2010*



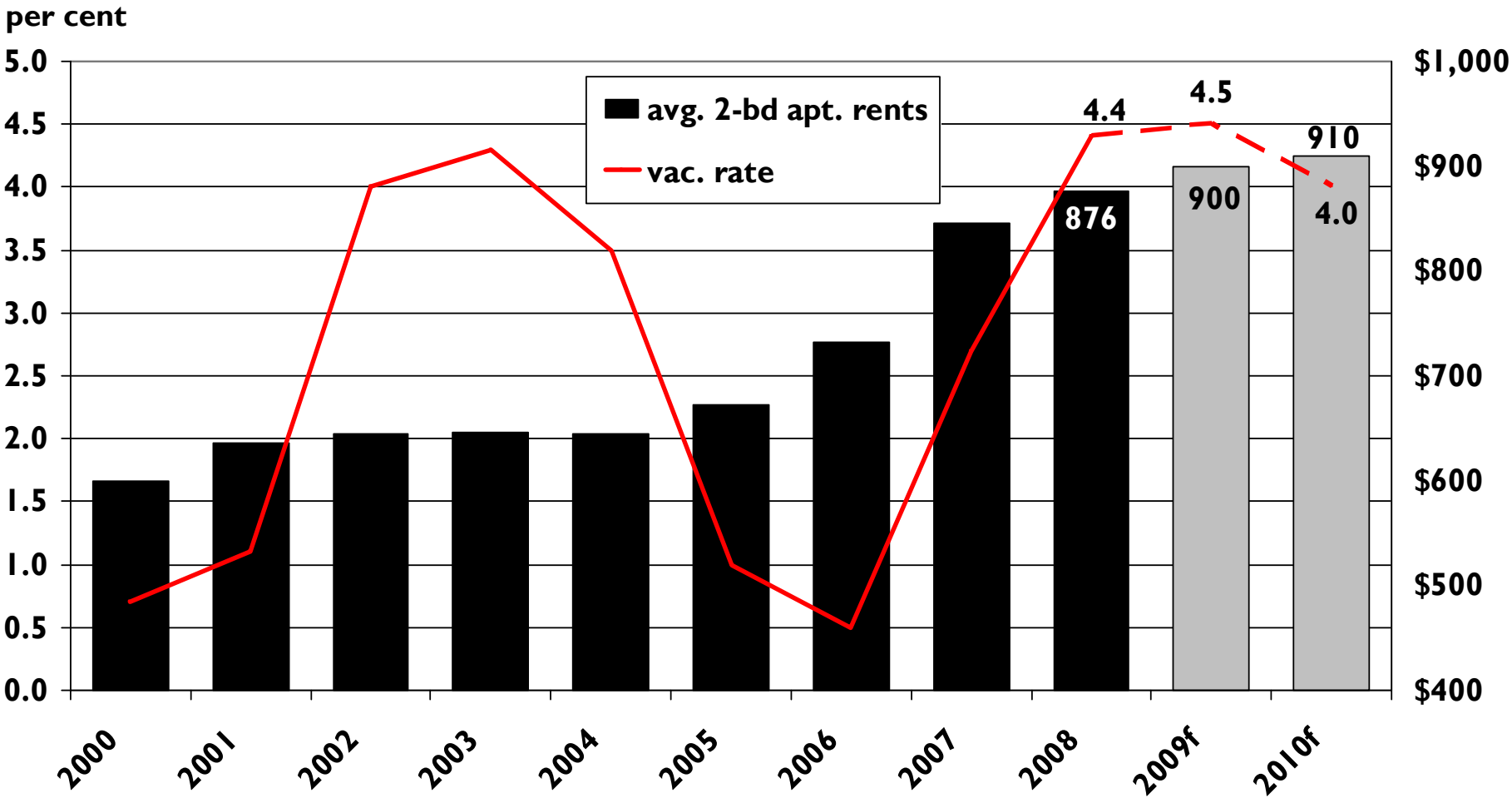
Source: CREA, Central Alberta Realtors Association, CMHC Forecast (f)





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

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



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## THANK YOU !



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