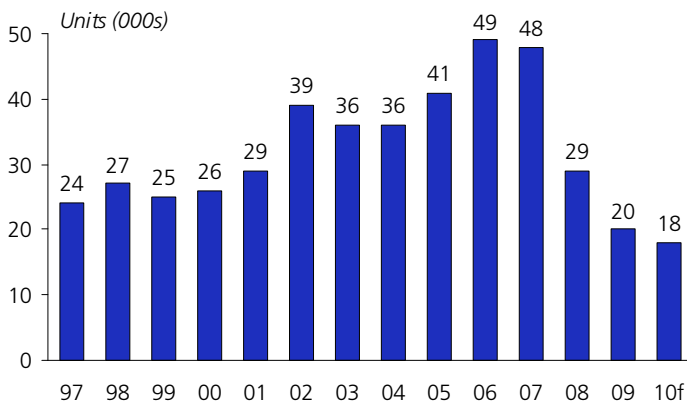




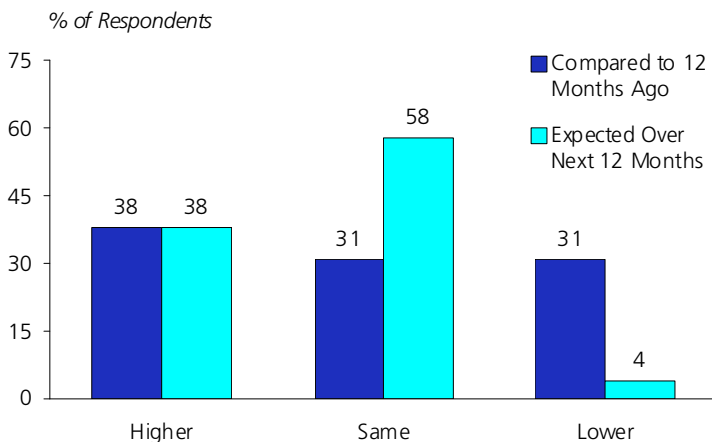
Alberta Home Builders Expect Housing Starts to Moderate Further but Renovation Activity to Improve

Total Housing Starts Alberta



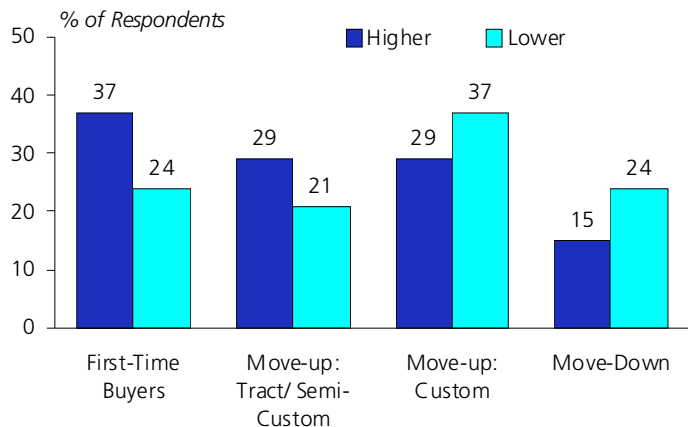
Source: CMHC (historical) and **Pulse Survey** (forecast)

Change in Renovation Activity Alberta

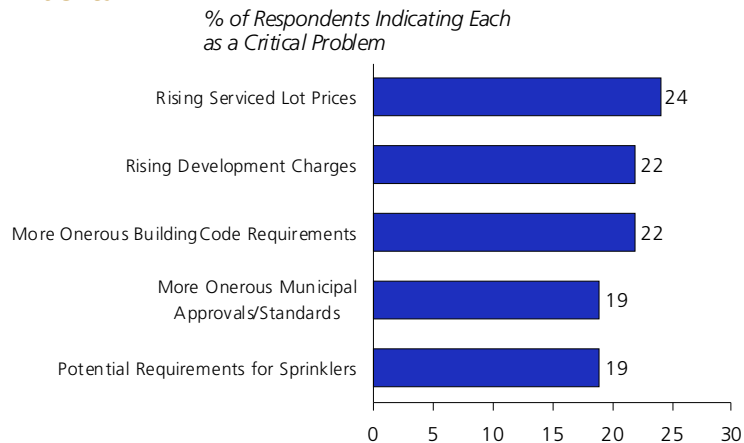


- New home builders in Alberta expect total housing starts to be about 18,000 units in 2010, moderately lower than the 20,298 units started in 2009, according to the latest **Pulse Survey** conducted in December 2009 and January 2010 by the Canadian Home Builders' Association (CHBA).
- Canada-wide, new home builders are forecasting about 143,000 starts in 2010, modestly lower than the 149,100 starts in 2009 and well below the levels of the 2002-2008 period.
- On average, Alberta renovators responding to the **Pulse Survey** report stable activity. A sizeable portion of renovators (about 38%) in Alberta report that their renovation activity is now higher than 12 months ago, while a slightly lower (31%) proportion report lower activity.
- However, renovators in Alberta expect some improvement in renovation activity over the next 12 months, with only 4% expecting lower activity.
- The average project reported by renovators in Alberta is \$50,000 and takes 10 weeks to complete.

Changes in Traffic Compared to Last Year Alberta



Top Problems for New Home Builders Alberta



- New home builders and renovators in Alberta report that, on average, employment in their companies is down over a year ago, for both full-time and part-time employment, but an increase is expected this year.
- New home builders in Alberta report that traffic at new home sales sites is up among first-time buyers and the tract/semi-custom segment of the move-up market, but down among the custom move-up segment and the move-down market compared to last year.
- On average, new home builders in Alberta report that inventories of started-but-unsold single-detached units are lower compared to a year ago.
- New home builders in Alberta are planning modest shifts in the upcoming year towards targeting the move-down market, away from the first-time buyer segment.
- The most often cited critical problems for new home builders in Alberta are rising costs of serviced lots, rising development charges, more onerous building code requirements and municipal approvals/standards and potential requirements for sprinklers.
- Almost two-thirds of new home builders (64%) in Alberta expect new single-detached house prices to increase over the next year, while only 7% expect an increase.

The **Pulse Survey** was conducted by the CHBA with assistance from Canada Mortgage and Housing Corporation and Natural Resources Canada. The survey was tabulated and analyzed by Altus Group Economic Consulting. Copies of the detailed results are available from the CHBA (chba@chba.ca).