



LETHBRIDGE HOUSING MARKET OUTLOOK

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PRAIRIE AND TERRITORIES



Agenda

- Economic & Demographic Environment
- New Home Construction
 - Single-Detached
 - Multi-family
- Resale Market
- Rental Market



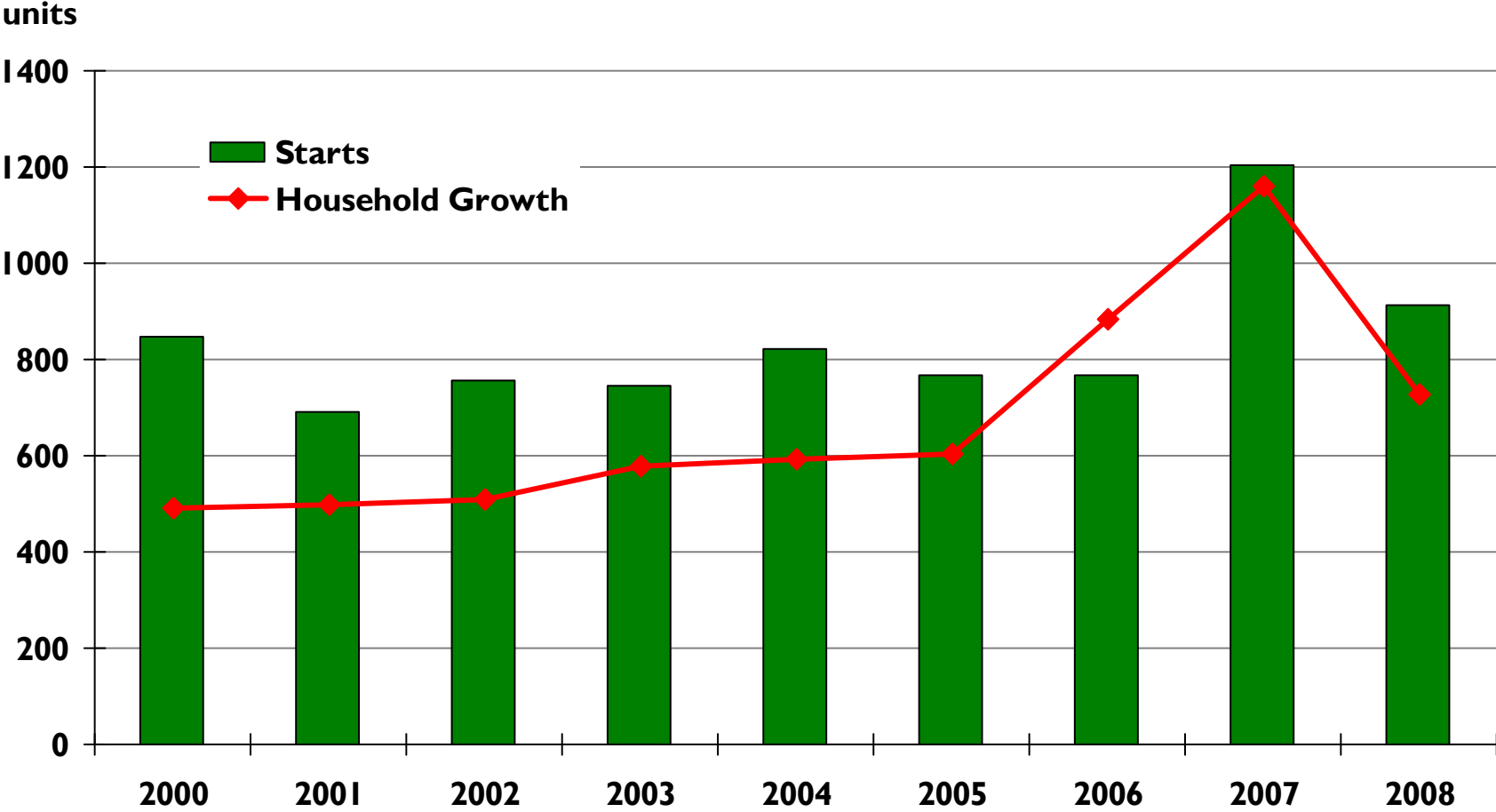
ECONOMY AND DEMOGRAPHICS





Lethbridge CA – Housing Activity vs. HH Growth

Starts now moving in line with demographic requirements



Source: City of Lethbridge Civic Census, CMHC, CMHC Calculation

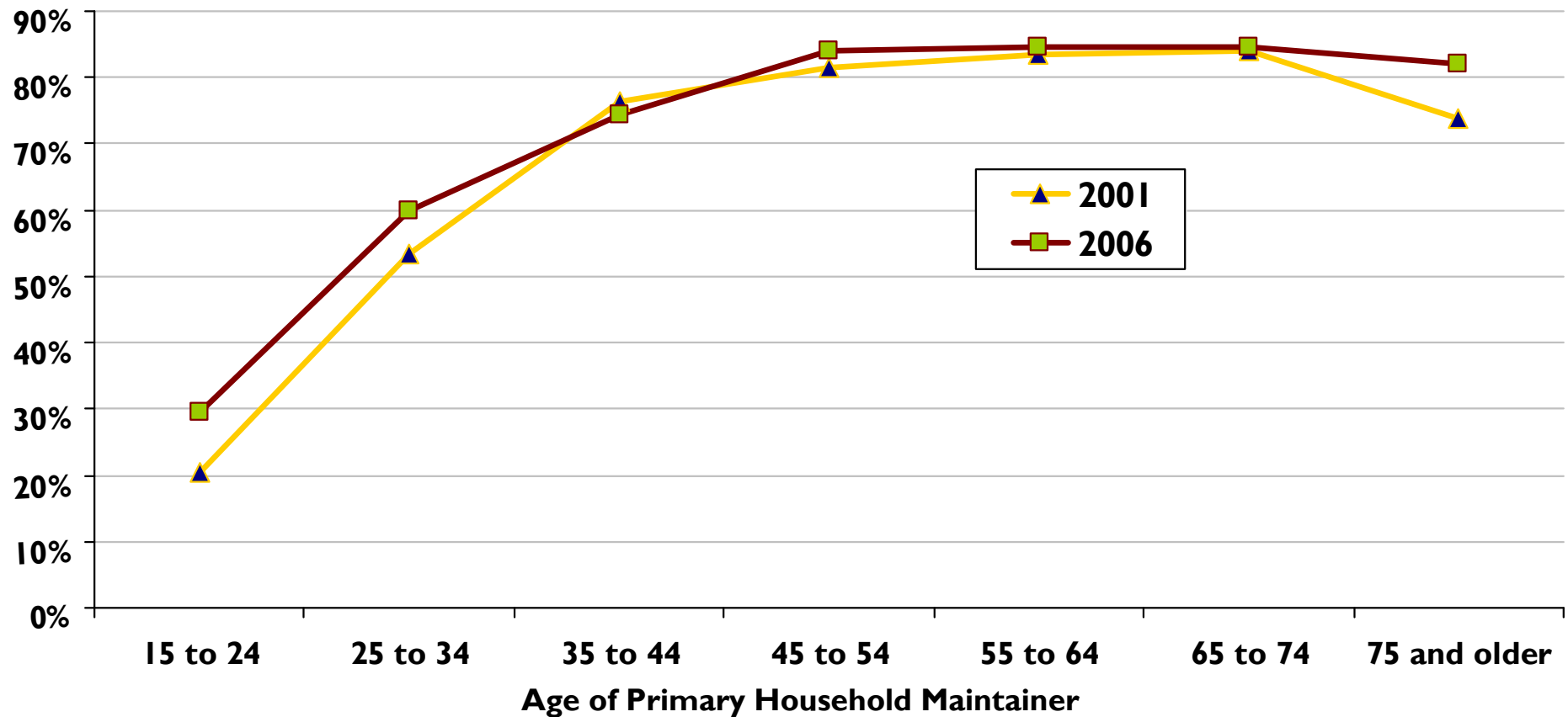




Lethbridge – Household Owners by Age

Homeownership peaks between 45 and 64

proportion of owner households

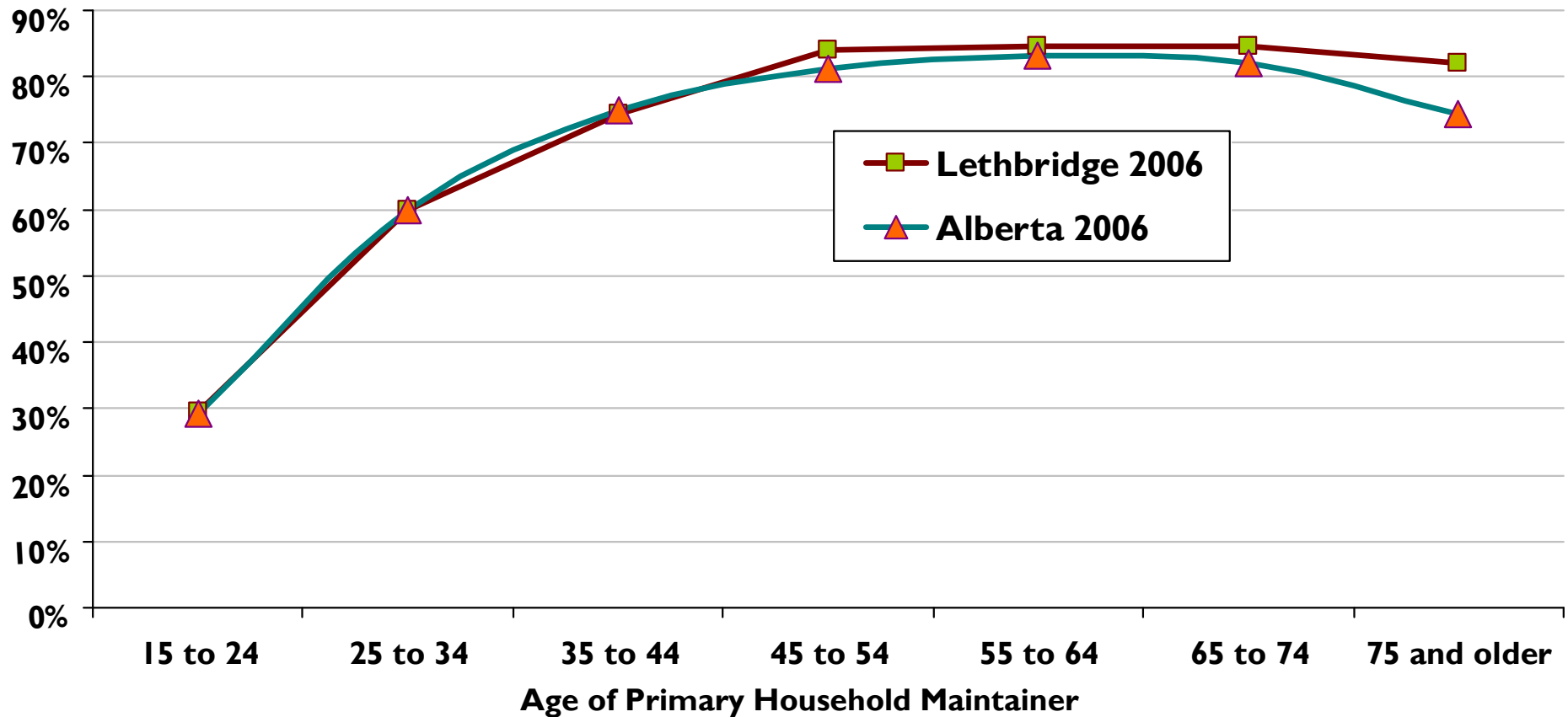




Lethbridge – Household Owners by Age

Lethbridge residents have a higher tendency to own

proportion of owner households

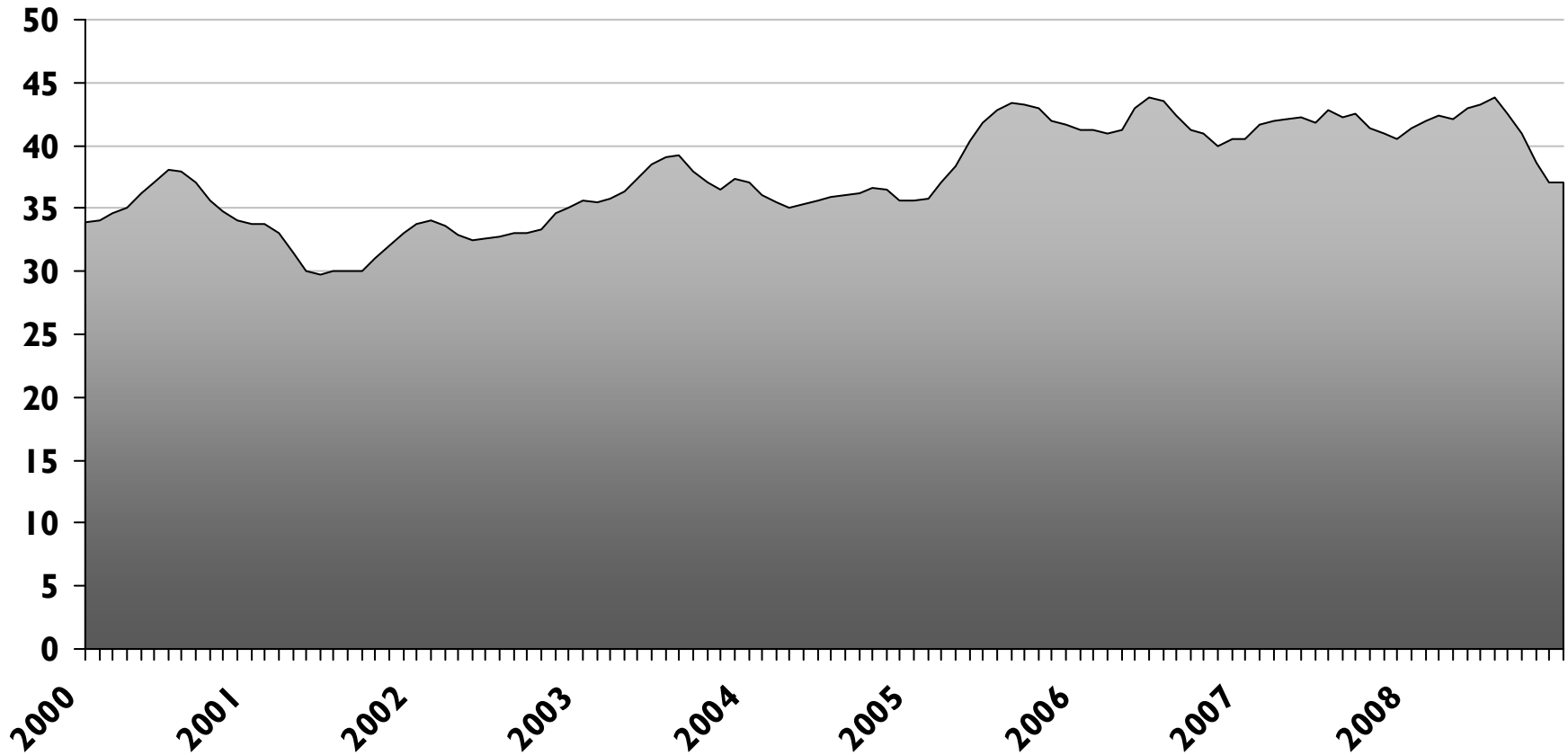




Lethbridge – Labour Market

Labour force declining to pre-2005 levels

number of people in the labour force (,000s)

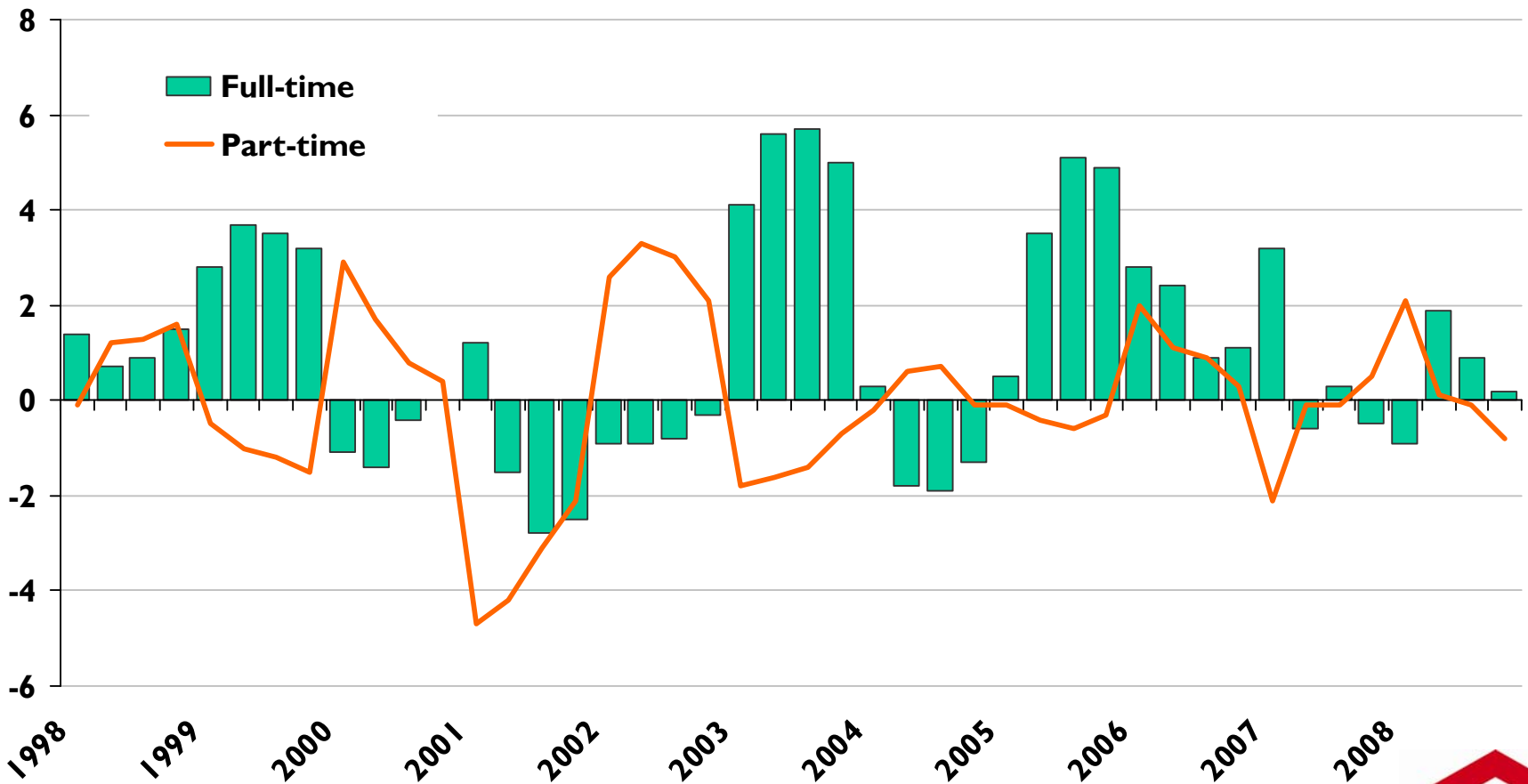




Lethbridge – FT & PT Employment

In 2008, growth of 200 FT and loss of 800 part time jobs

number of jobs (,000s) – YTD yr/yr change

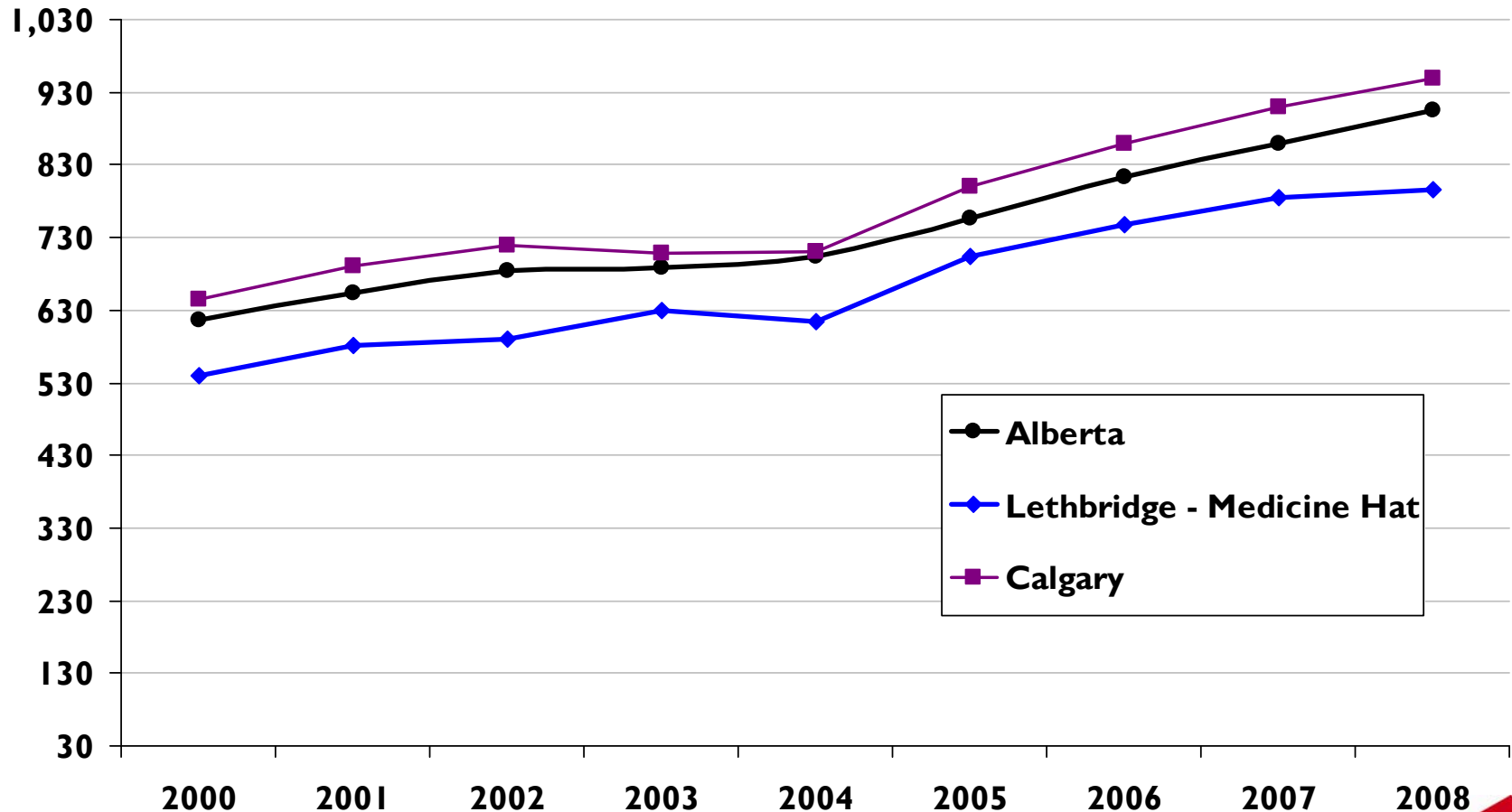




Alberta – Average Weekly Earnings

In Lethbridge/Medicine Hat ER, earnings increased 1.3%

dollars per week (\$)



Source: Statistics Canada, Labour Force Survey



Lethbridge CA – Income Estimation

Annual personal income approximation

	Lethbridge Estimated Personal Income	Yr/Yr % Change	Lethbridge/Medicine Hat Economic Region Personal Income	Yr/Yr % Change
2005*	\$32,882		\$33,781	
2006	\$34,221	6.0%	\$35,905	6.3%
2007	\$37,054	8.3%	\$37,728	5.1%
2008	\$37,596	1.5%	\$38,213	1.3%

***Actual personal income from 2006 census**

Source: Statistics Canada, Labour Force Survey, Program A010906, CMHC Calculation



Major Construction Projects by Sector

Investment promoting economic growth

Inventory of Major Lethbridge CA Projects over \$5 (\$millions)

Sector	December 2007	December 2008
Agriculture and Related	31.0	0.0
Biofuels	52.0	45.0
Commercial/ Retail	30.0	30.0
Infrastructure	119.8	176.1
Institutional	283.9	352.4
Manufacturing	0.0	12.0
Pipelines	5.8	0.0
Power	260.0	271.0
Tourism/ Recreation	84.0	48.4
Total	866.5	934.9

Source: Alberta Economic Development (includes projects recently completed, currently under construction, or proposed to start construction within the next few years)



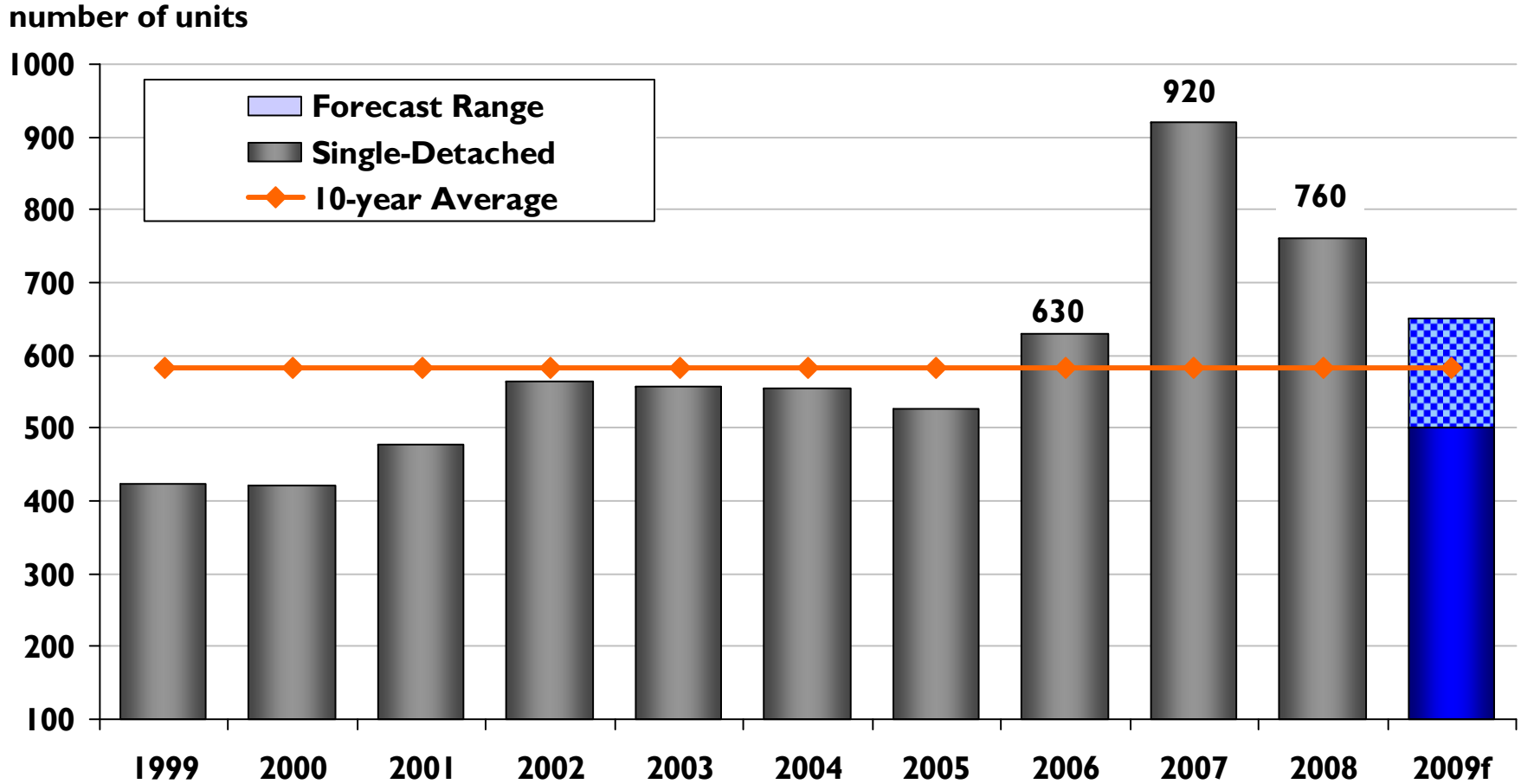
LETHBRIDGE – NEW HOME CONSTRUCTION





Lethbridge CA – Single-detached Starts

Starts expected to decline in 2009

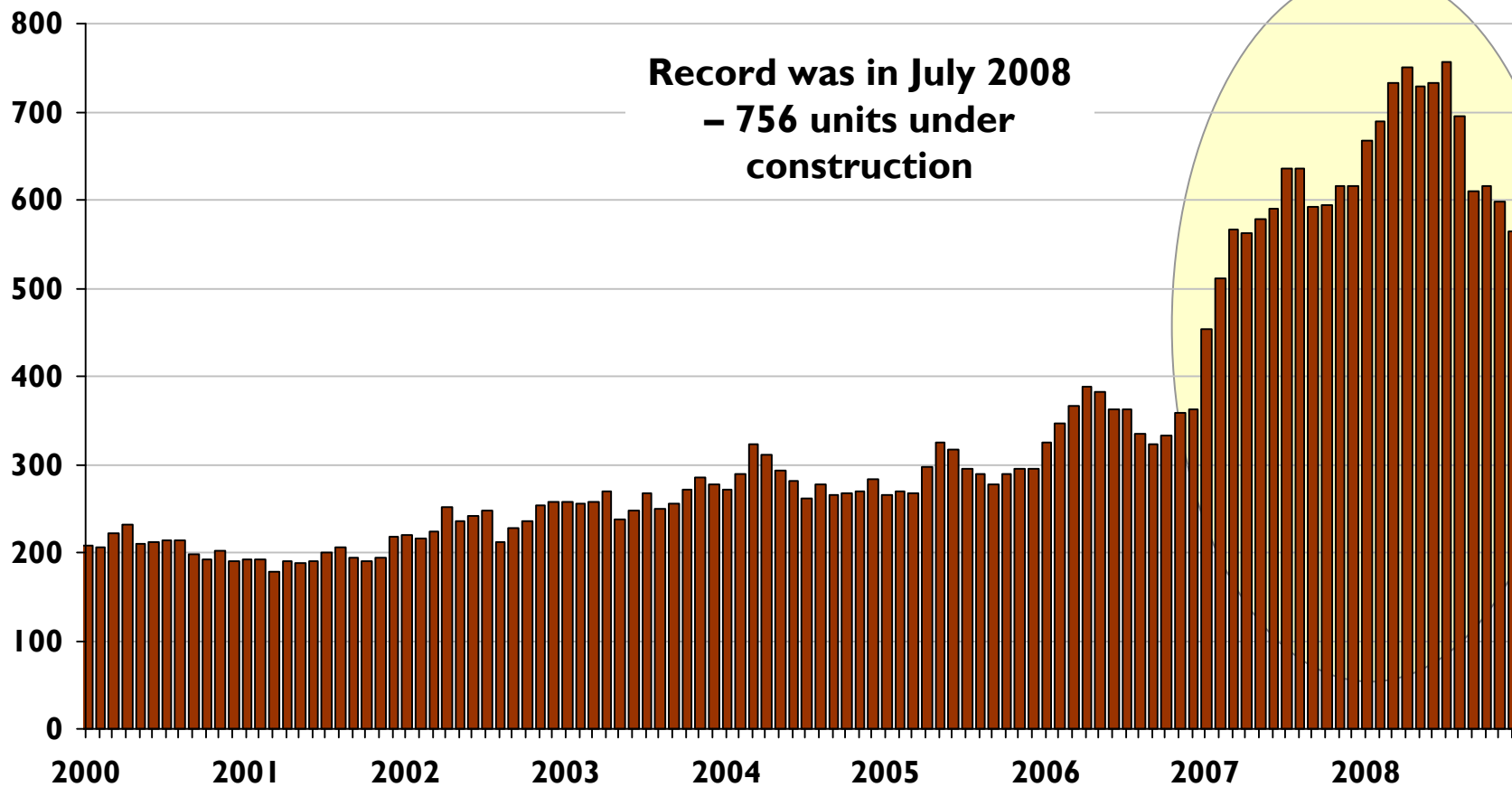




Lethbridge CA – Single-Detached Homes

Amount of homes in the pipeline starting to decline

units under construction



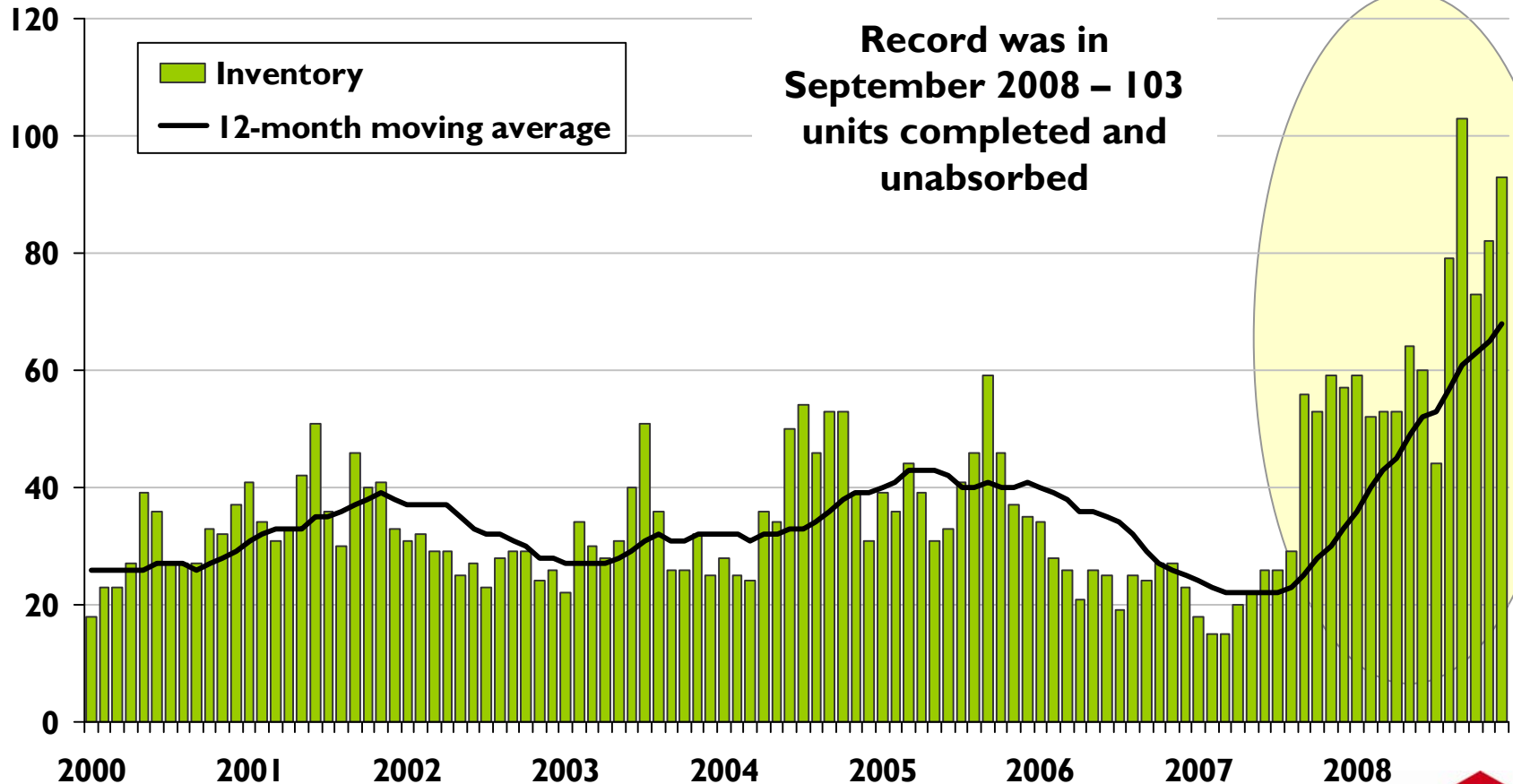
Source: CMHC



Lethbridge CA – Single-Detached Homes

Inventory levels at 93 units in December

units completed and unabsorbed



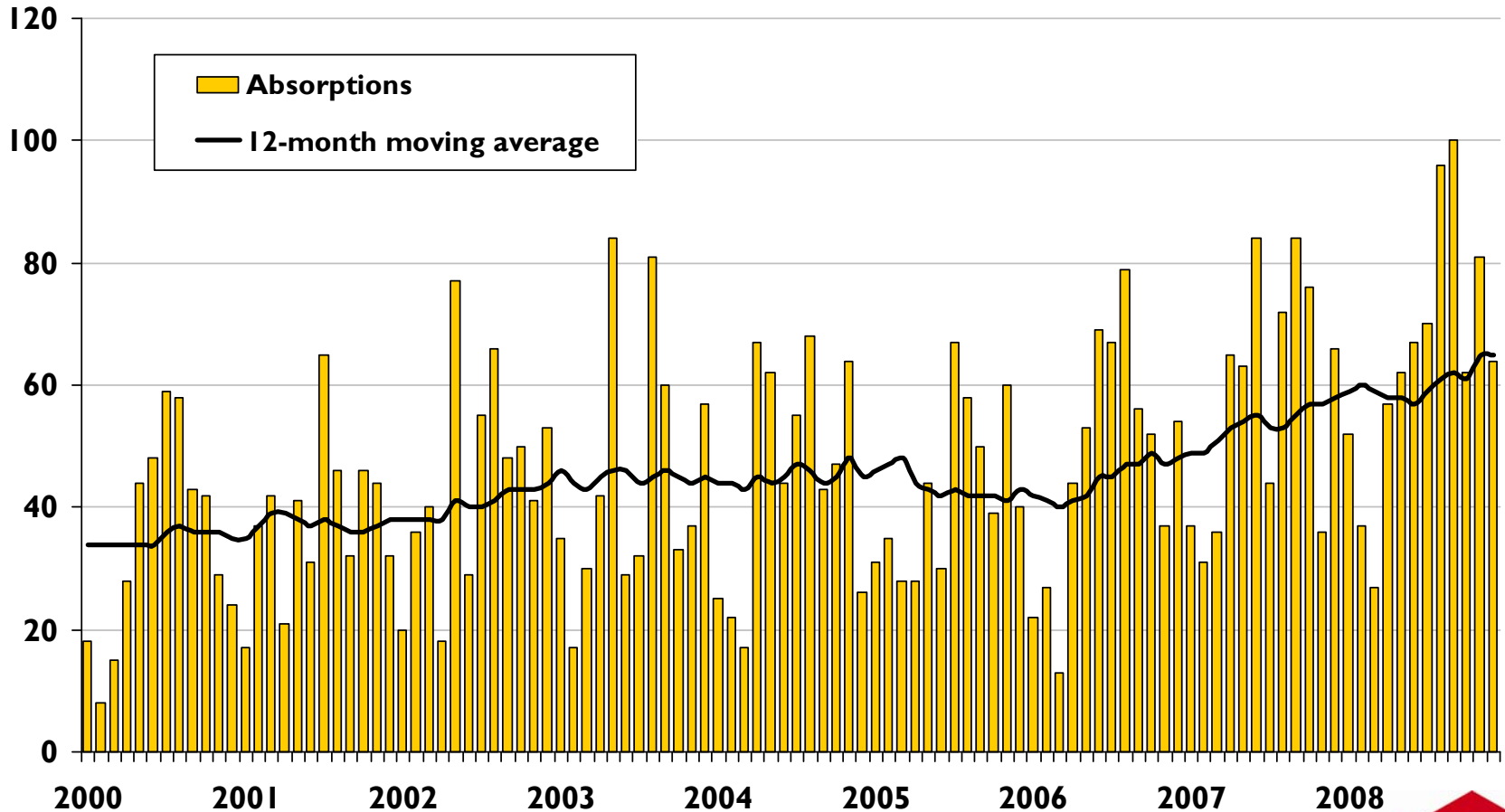
Source: CMHC



Lethbridge CA – Absorptions

As of December 2008, averaging 65 units per month

absorbed units – actual, 12 month moving average

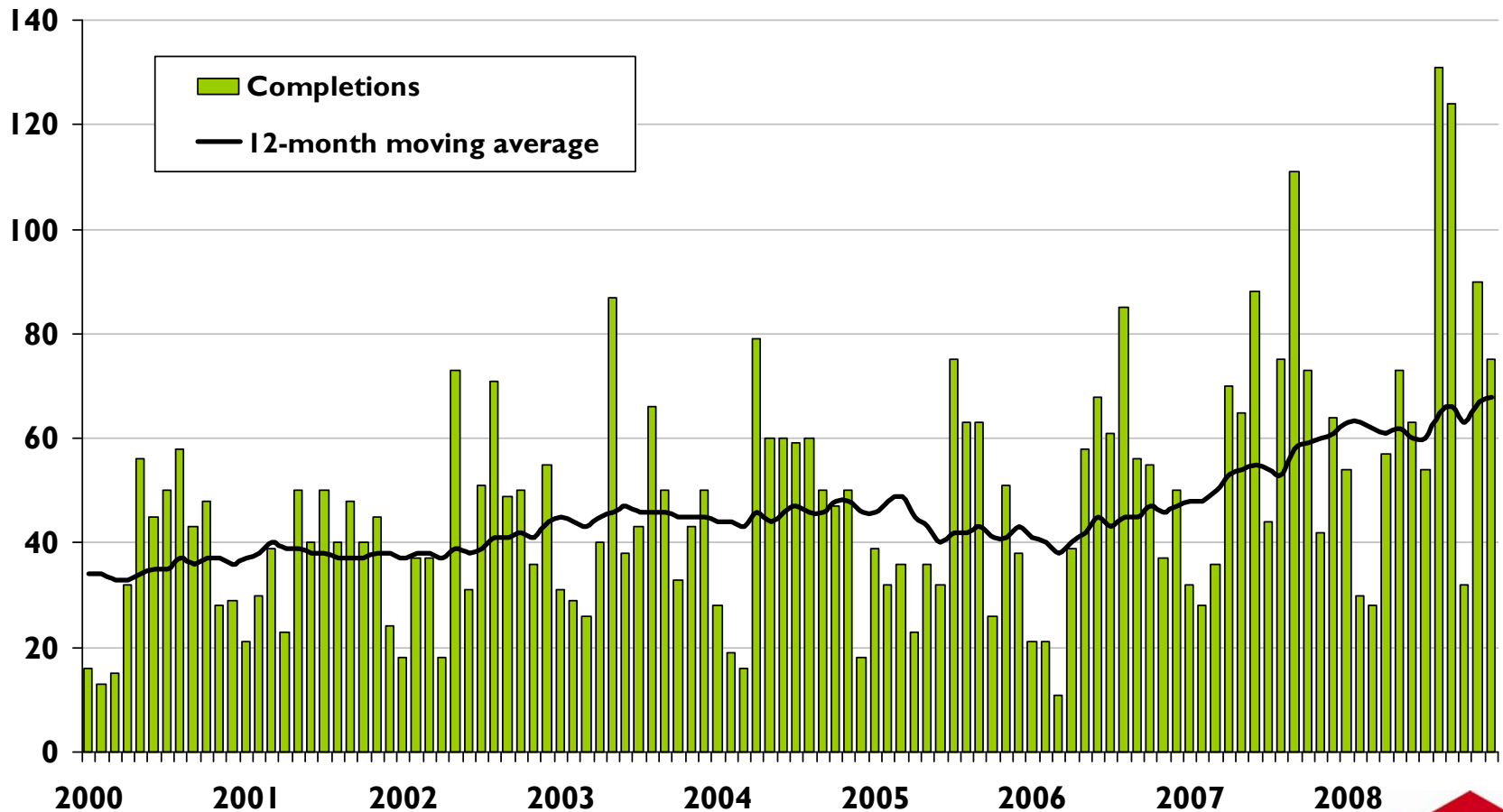




Lethbridge CA – Completions

Averaging 65 units per month in December

completed units – actual, 12 month moving average

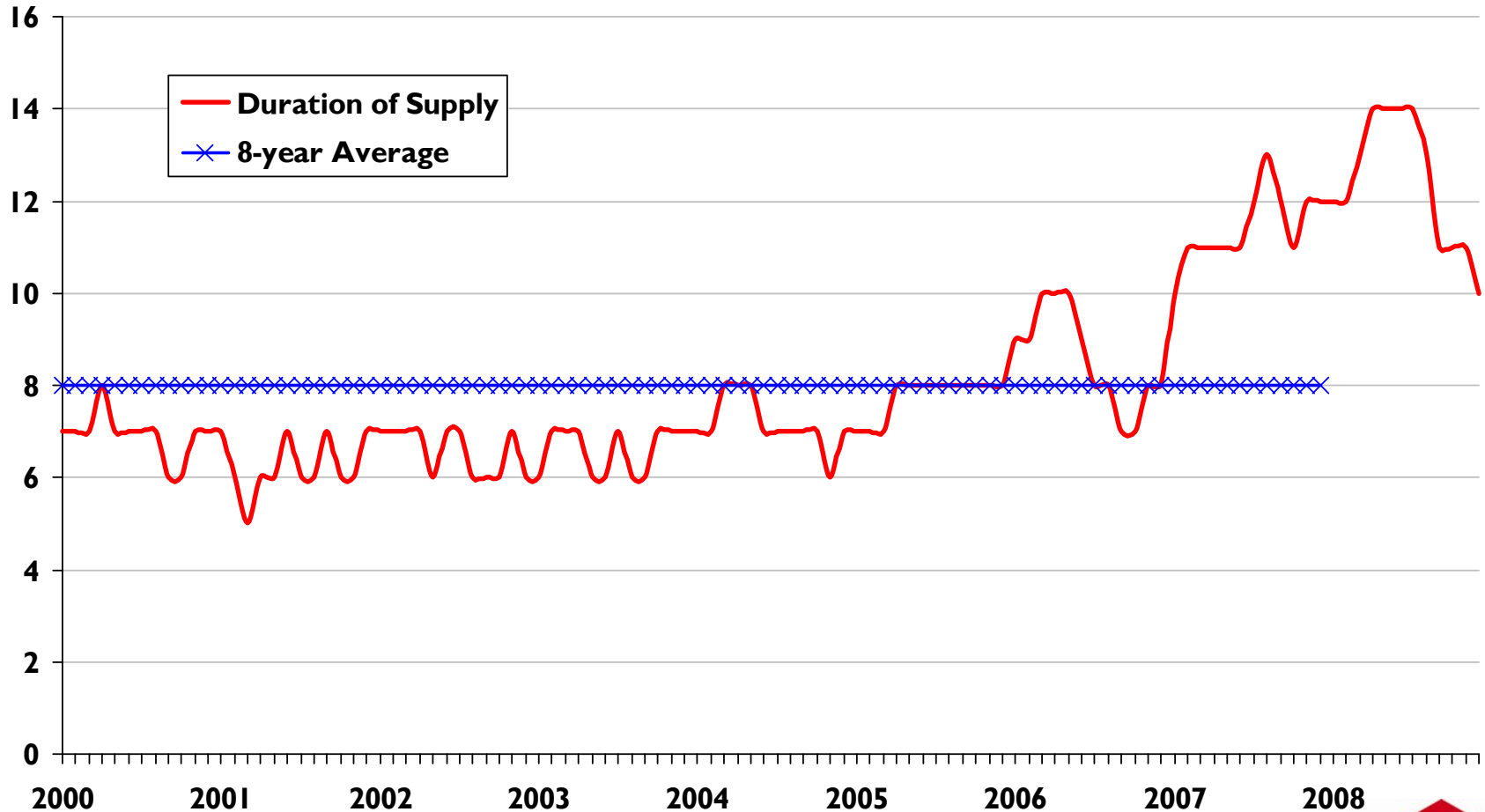




Lethbridge CA – Duration of Supply

As of December 2008, 10 months of supply

months – at 12-month absorption rate

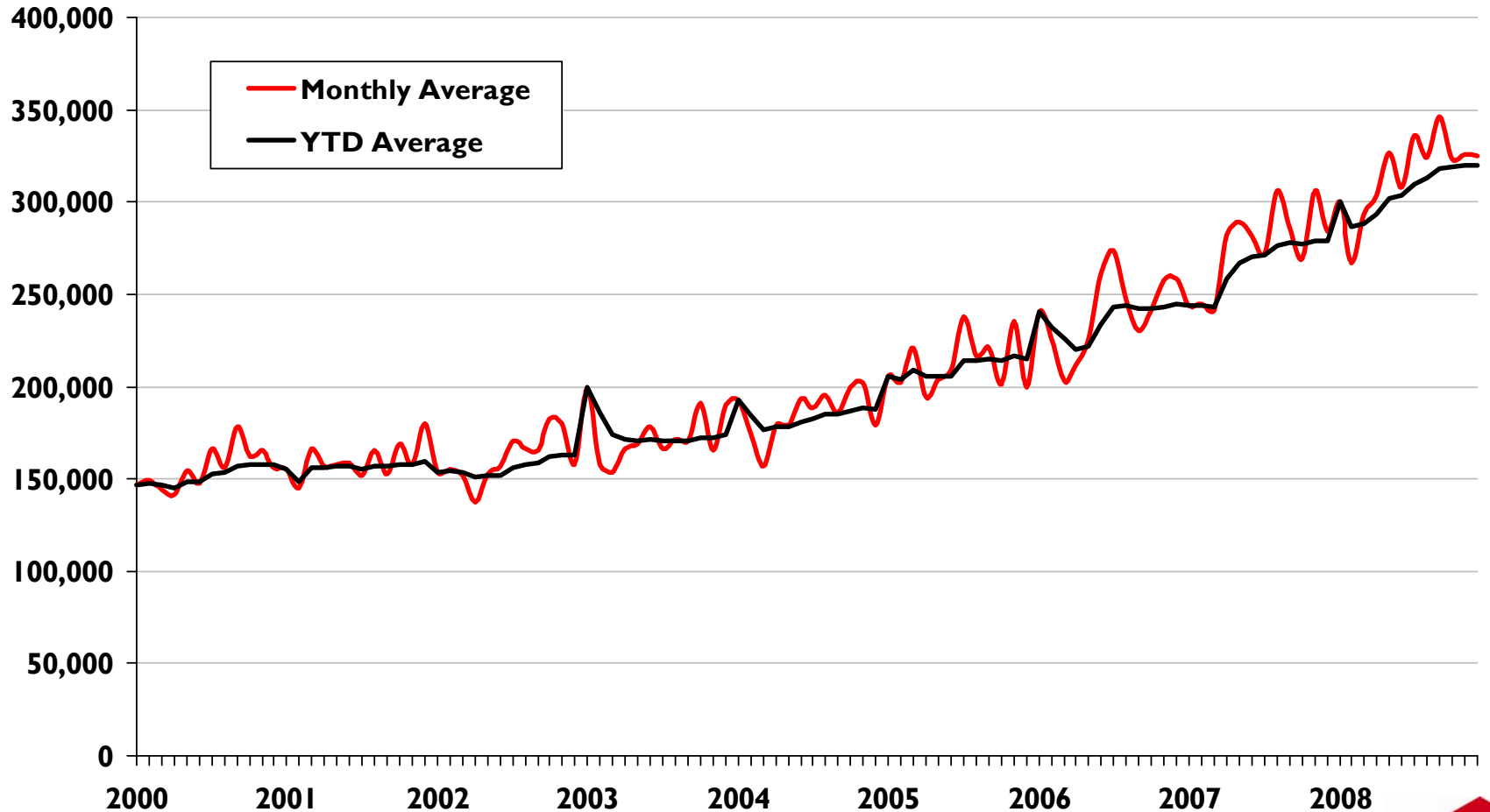




Lethbridge CA – Average Absorbed Price

Monthly average reached \$325,309 in December 2008

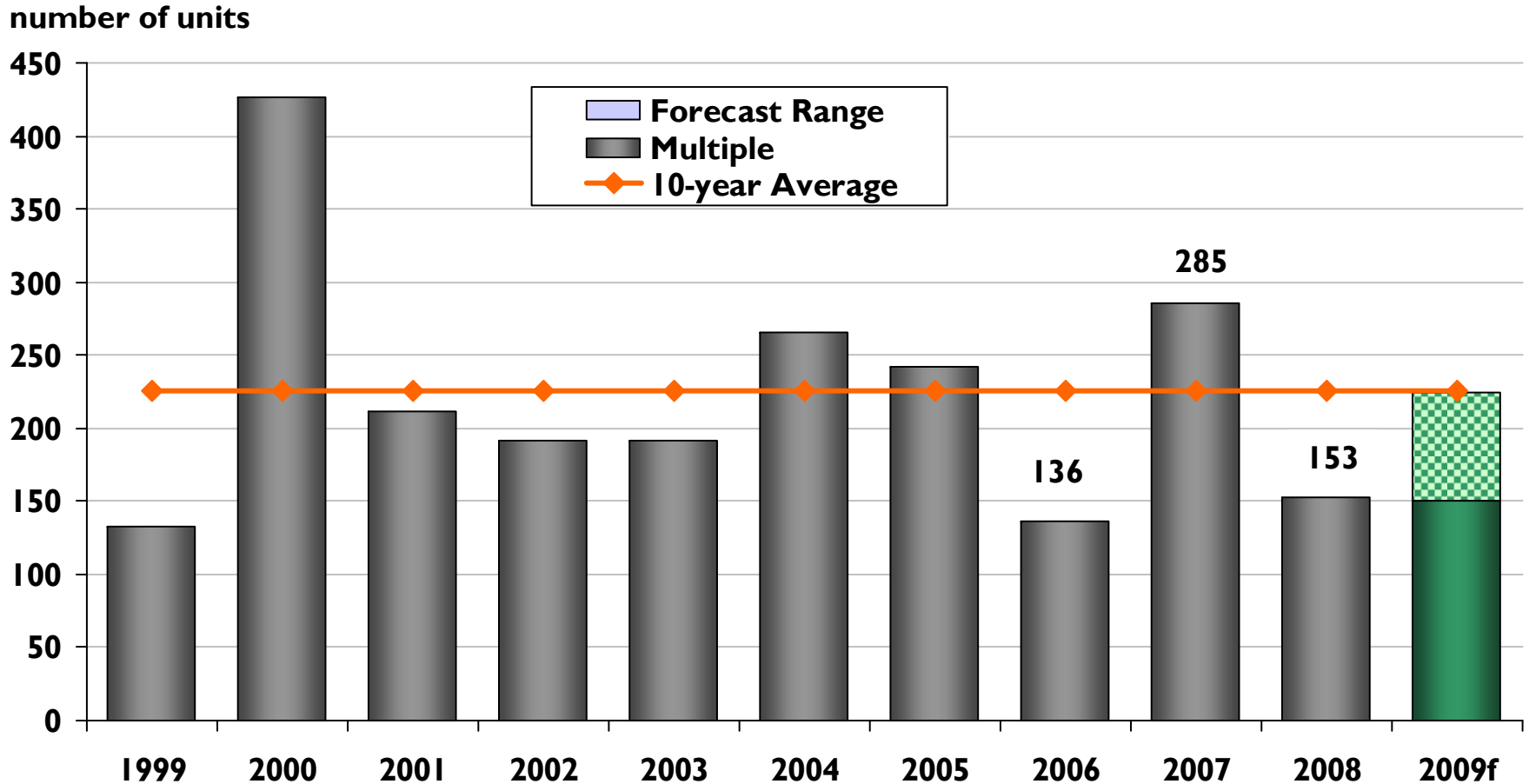
average absorbed price single-detached





Lethbridge CA – Multi-family Starts

Construction levels remain constant in 2009

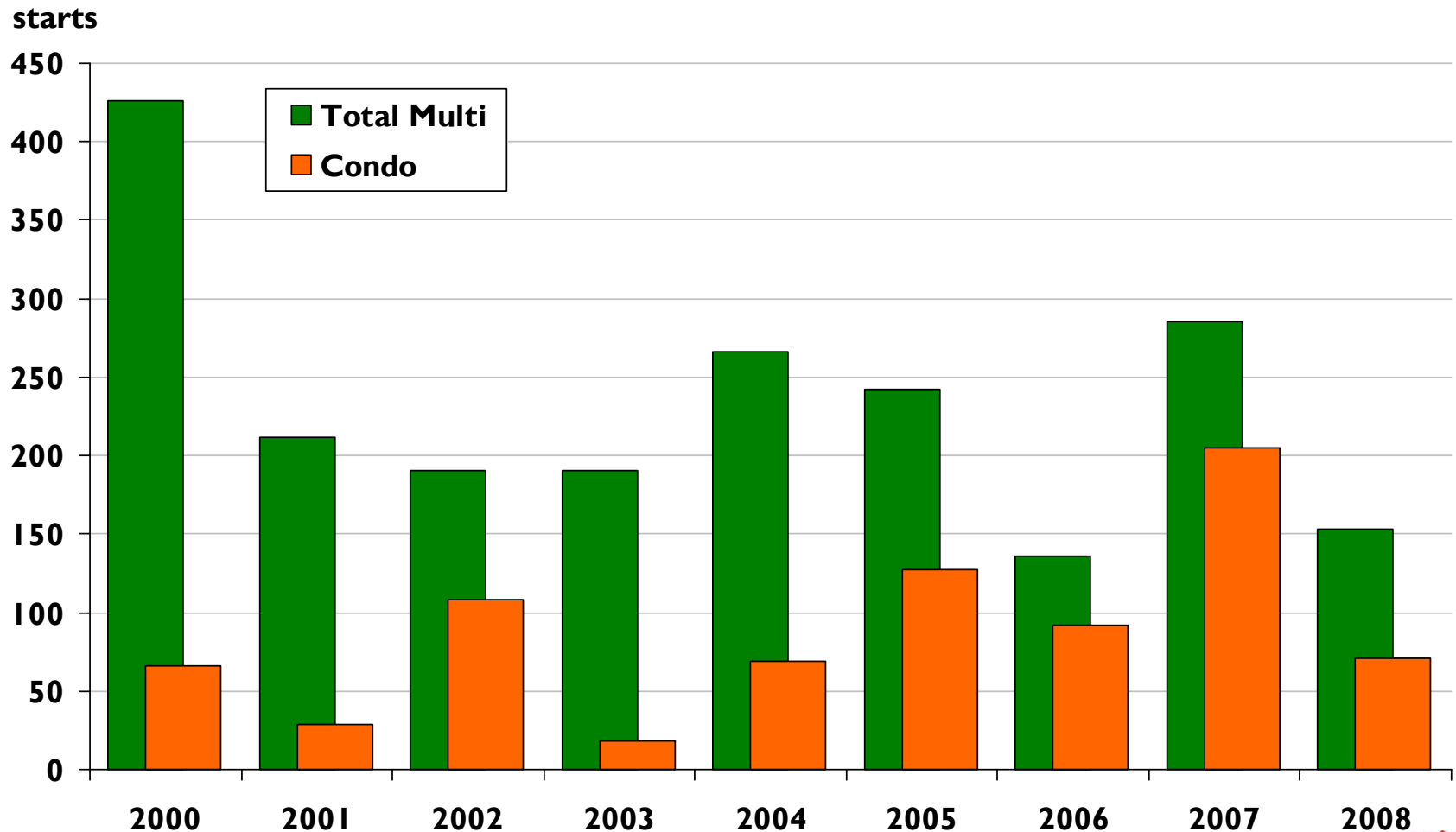


Source: CMHC, CMHC Forecast (f)



Lethbridge CA – Multi-family Starts

Majority of multi-units built for condo-ownership

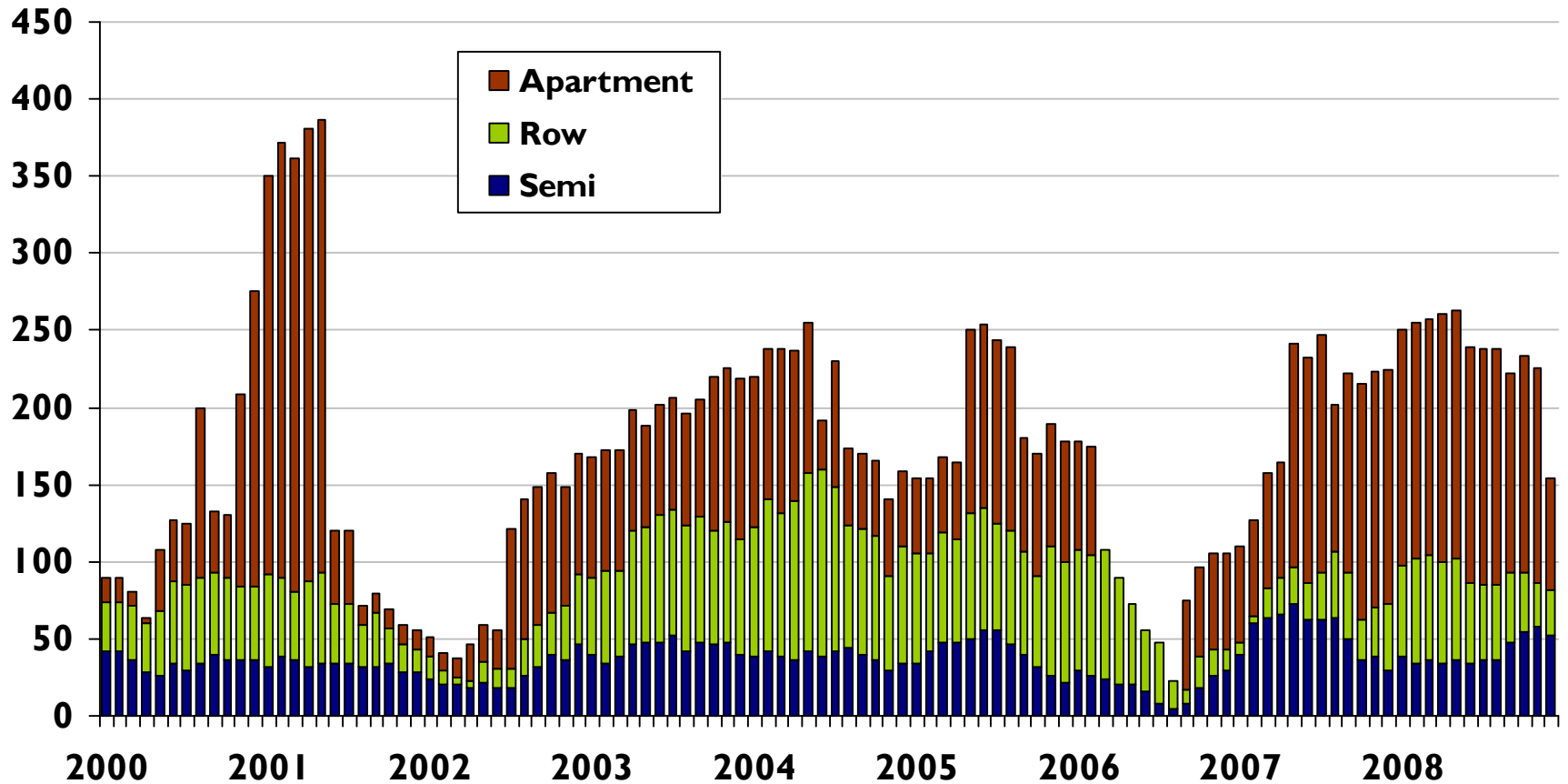




Lethbridge CA – Multi-family Homes

Amount of units under construction coming down

units under construction

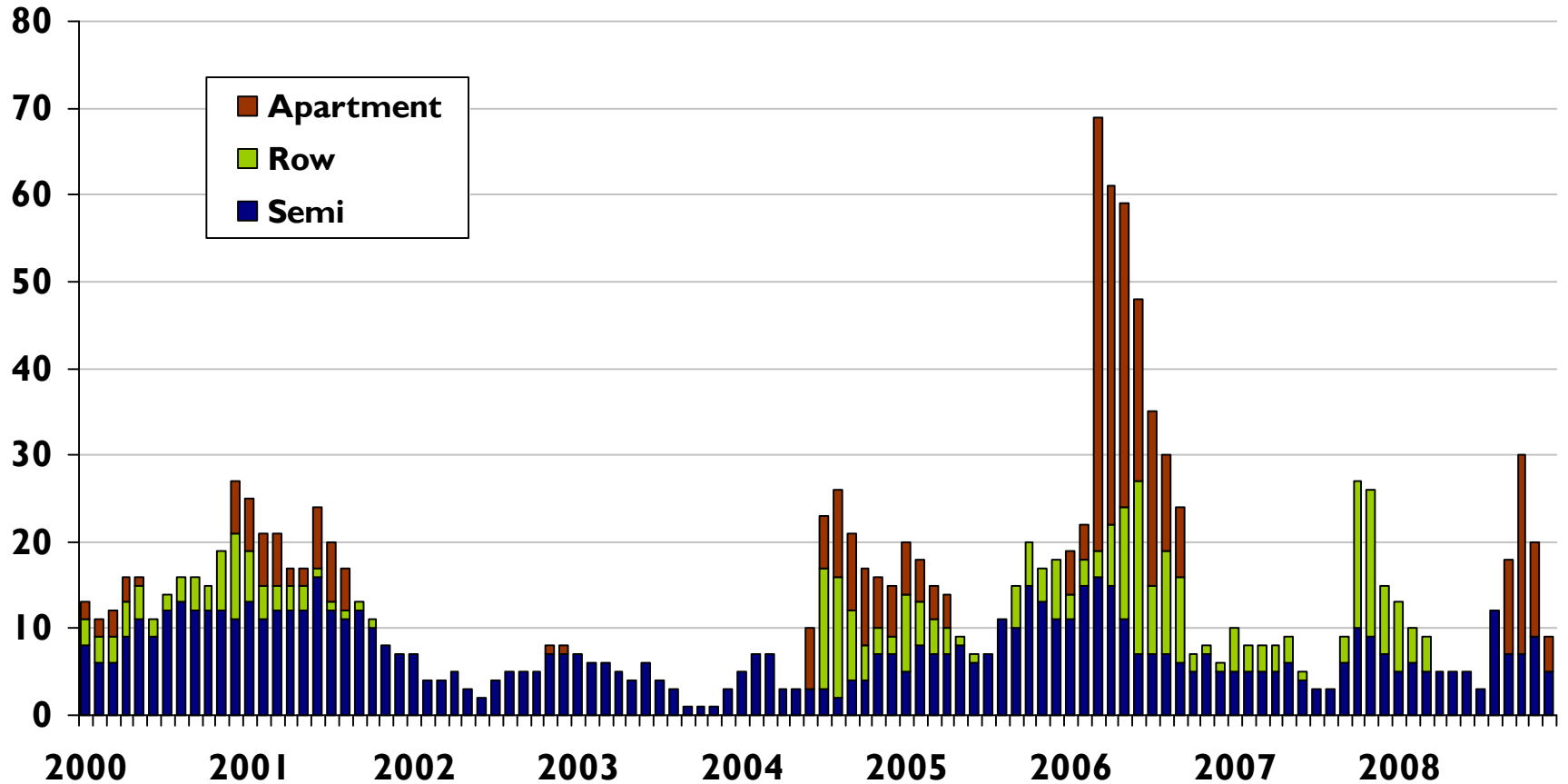




Lethbridge CA – Multi-family Homes

Inventory consists of 5 semi and 4 apartments – zero row units

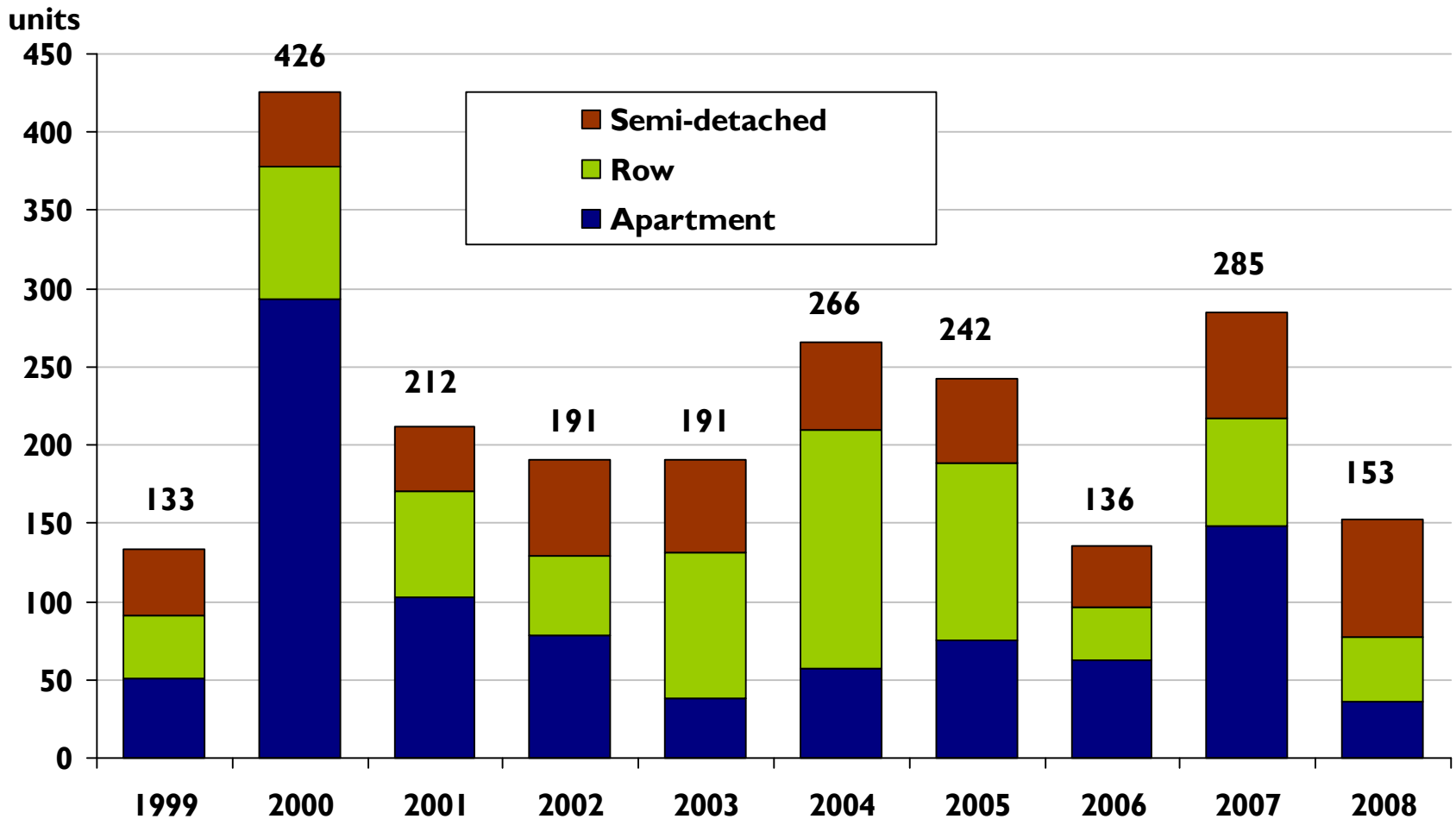
units completed and unabsorbed





Lethbridge CA – Multi-family Starts

Semi-detached starts increase from 2007



Source: CMHC

CHBA LETHBRIDGE REGION - AGM



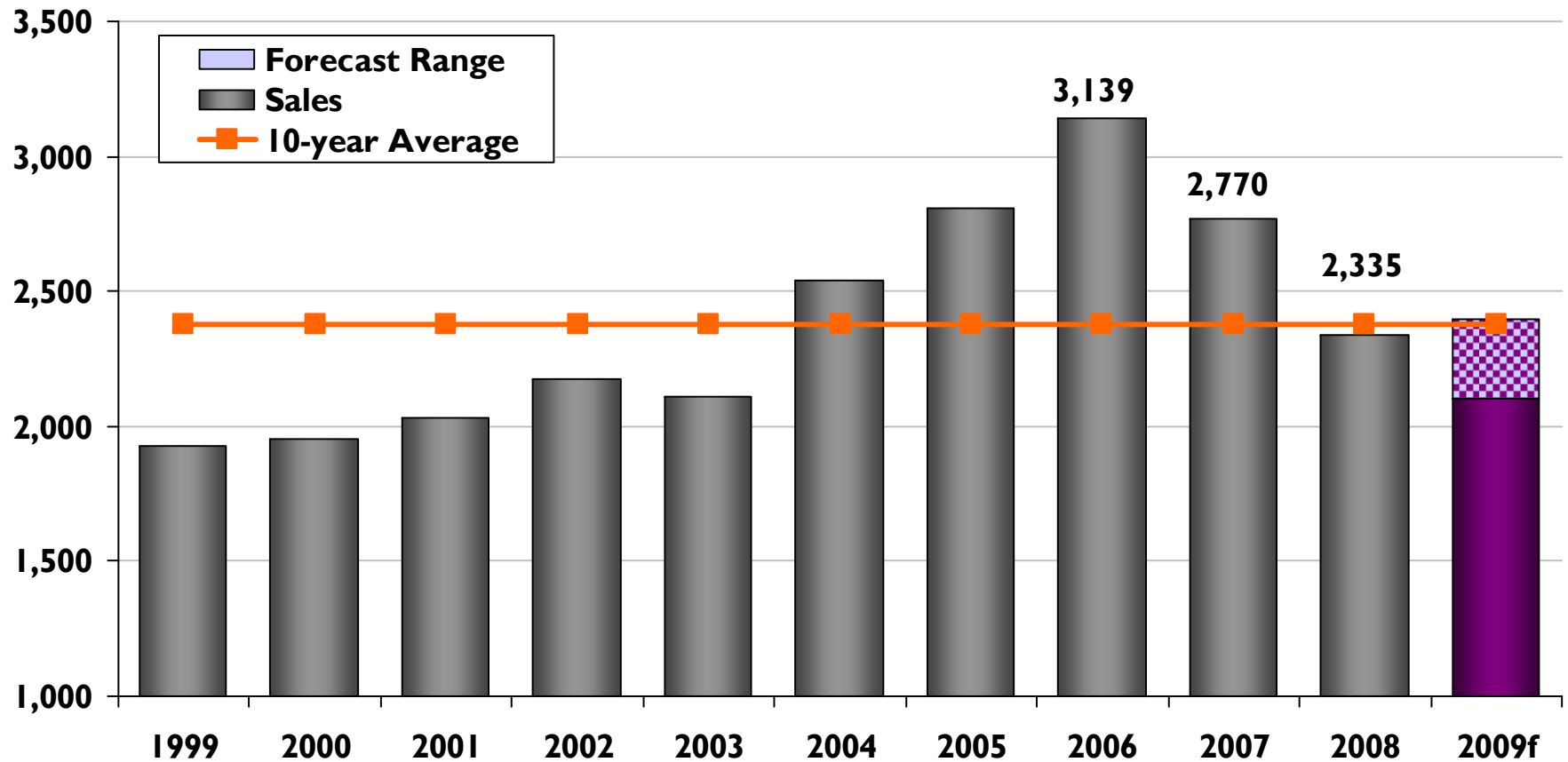
LETHBRIDGE – RESALE MARKET



Lethbridge CA – MLS[®] Sales

Sales expected to decline in 2009

number of units

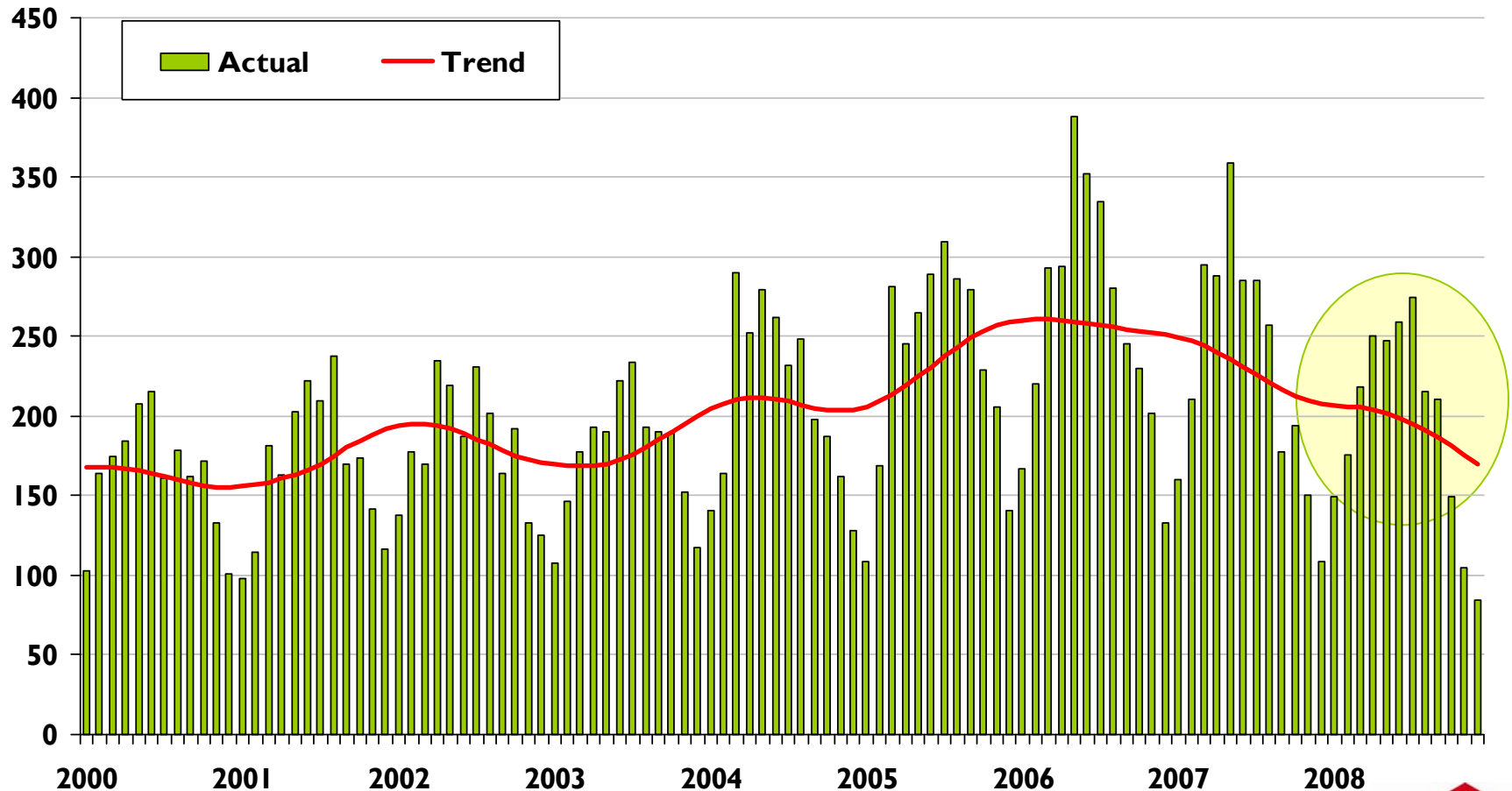




Lethbridge CA – MLS[®] Sales

Trending down in December

number of units



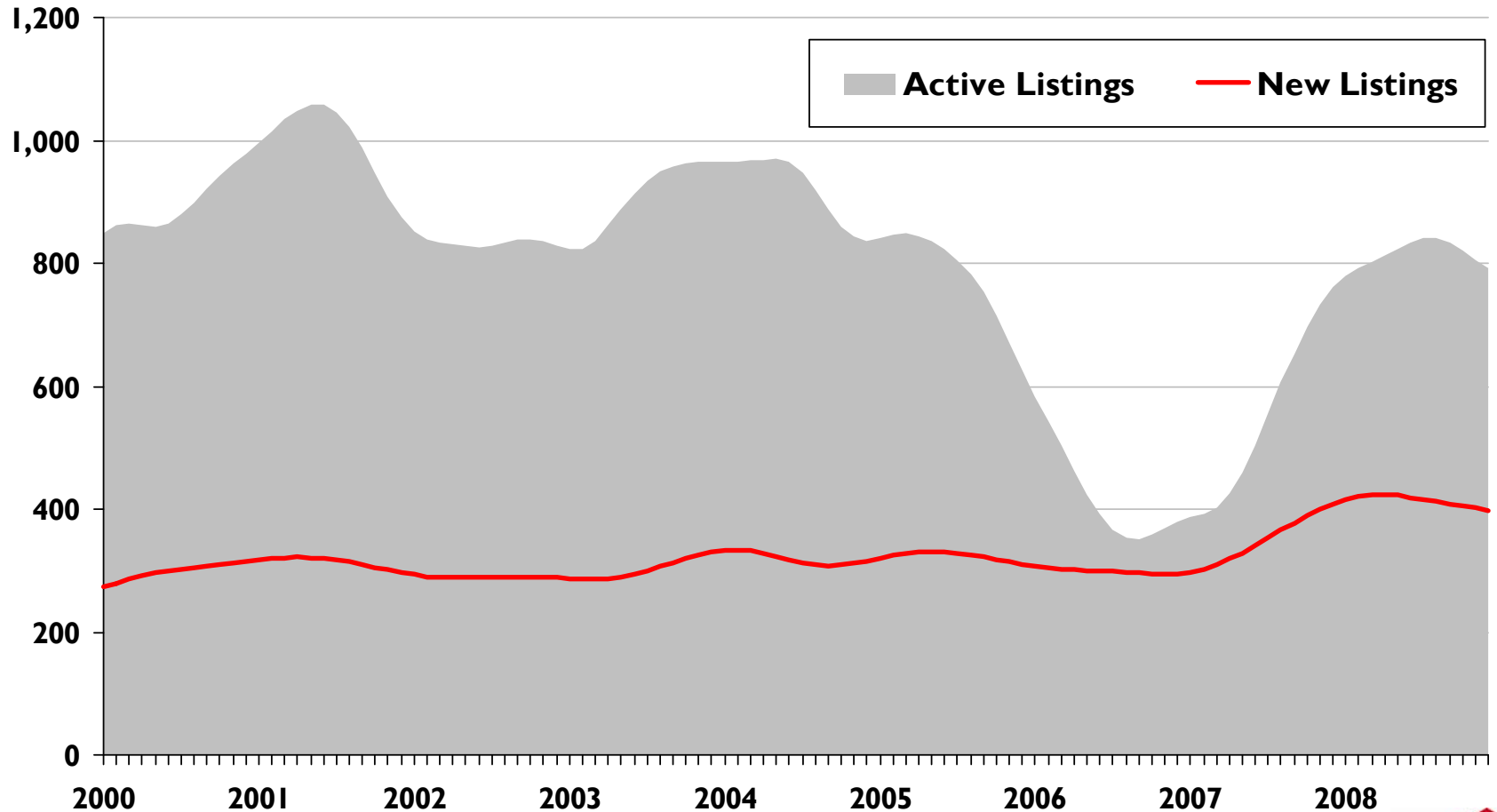
Source: LREB, Trending by CMHC



Lethbridge CA – MLS[®] Listings

Active listings increase from decade lows

number of units

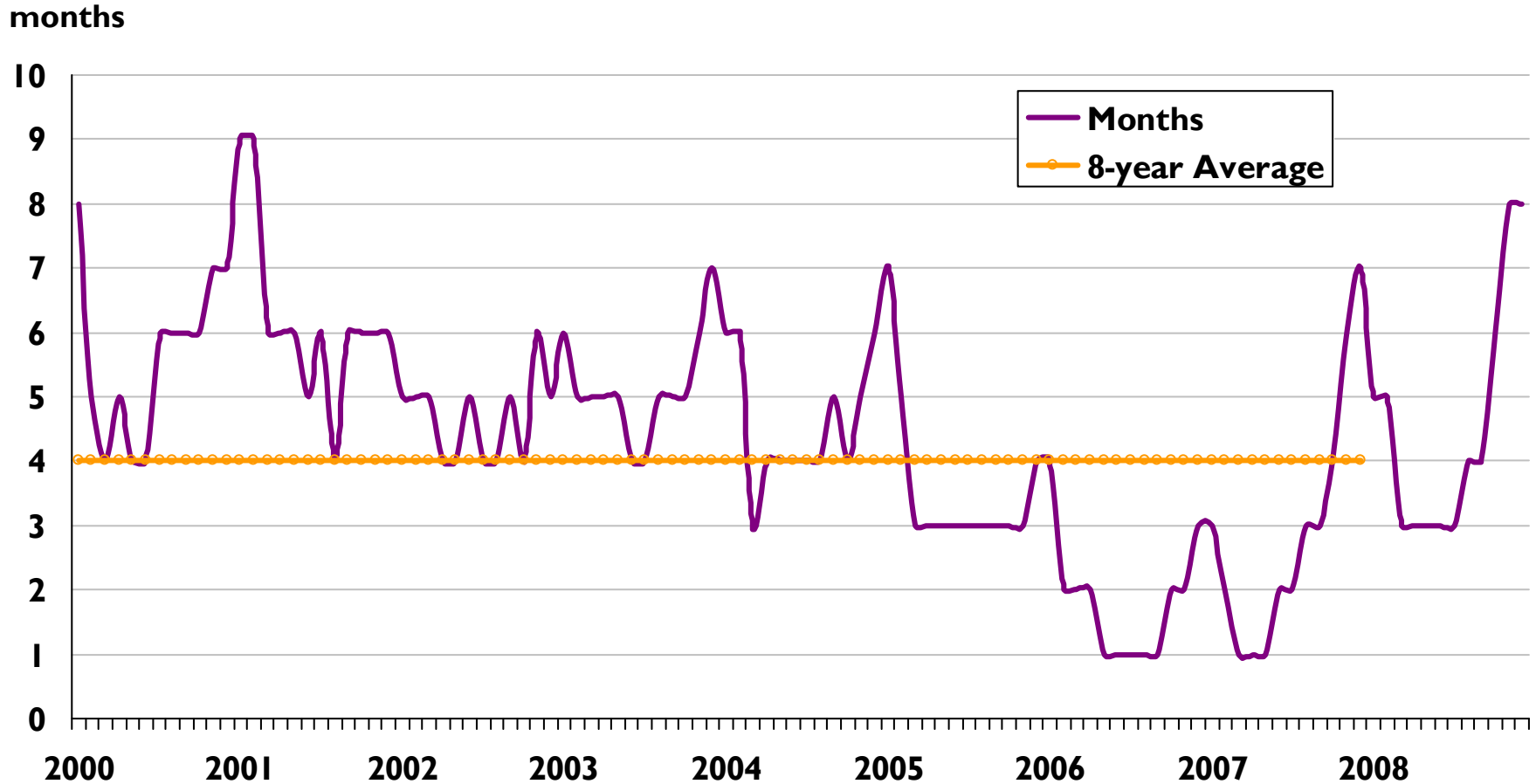


Source: LREB, Trending by CMHC



Lethbridge CA – Months of Supply

Months of supply creeping upwards as sales slow



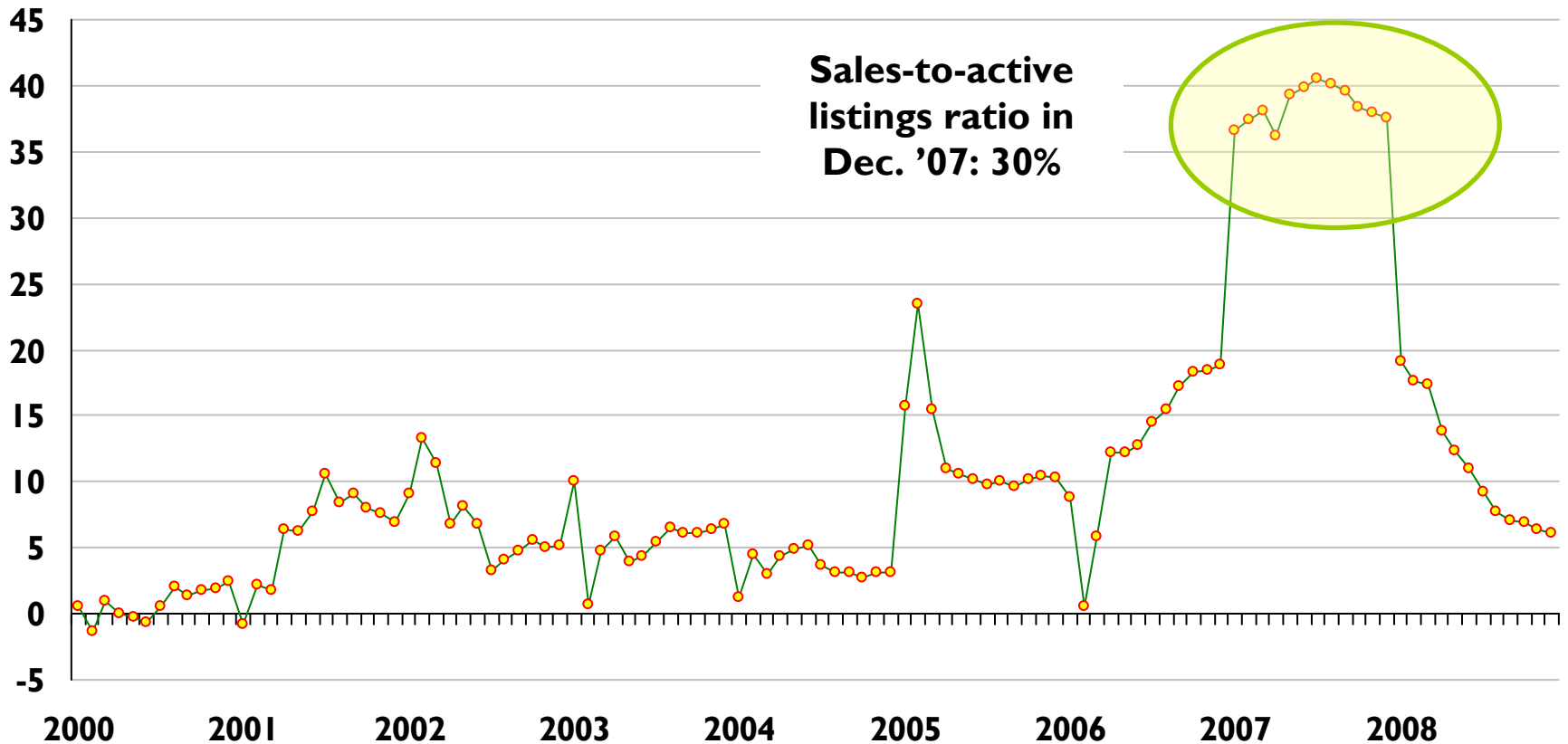
Source: LREB, CMHC Calculation



Lethbridge CA – MLS[®] Price Growth

As of December 2008, year-to-date price growth at 6.1%

YTD yr/yr price growth (%)

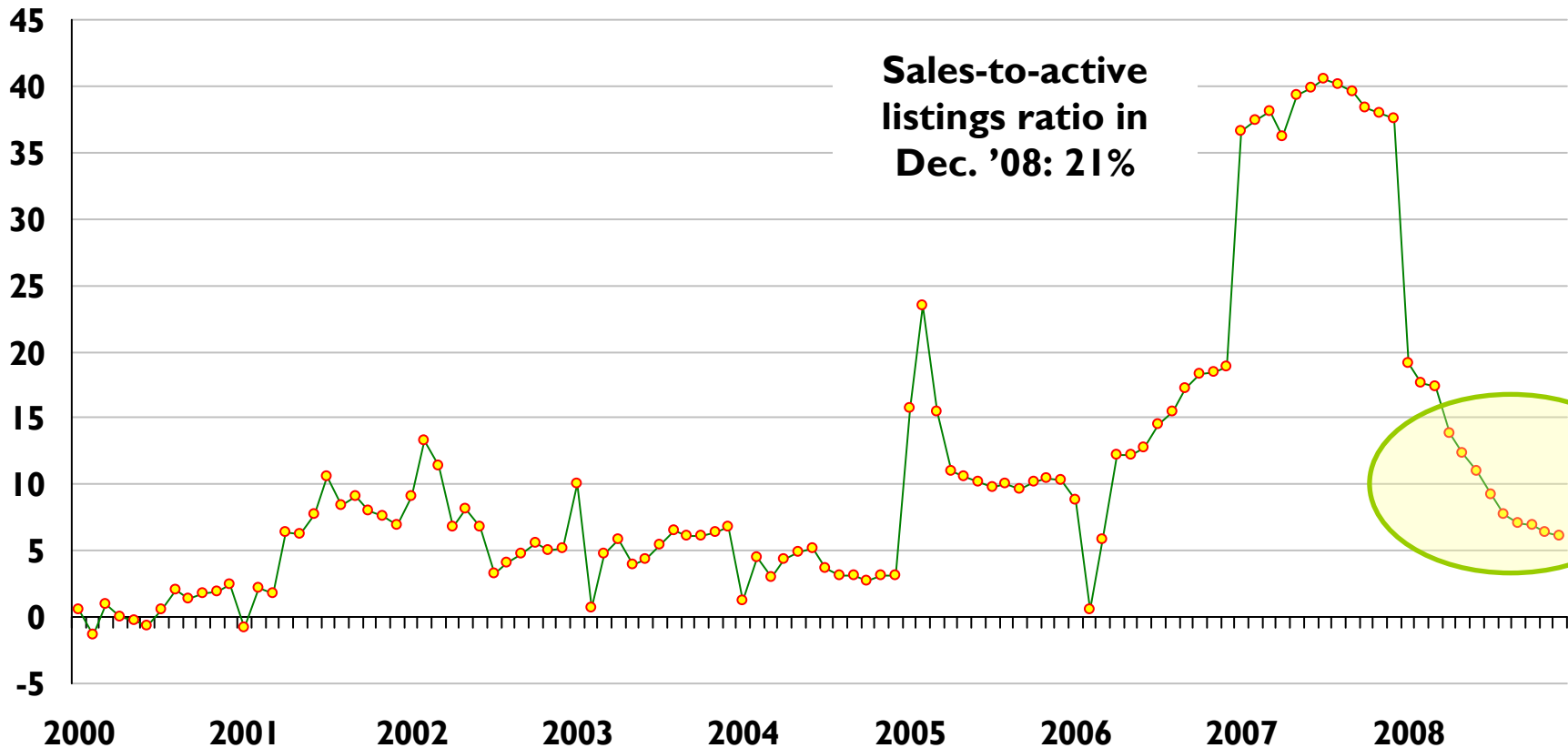




Lethbridge CA – MLS[®] Price Growth

As of December 2008, year-to-date price growth at 6.1%

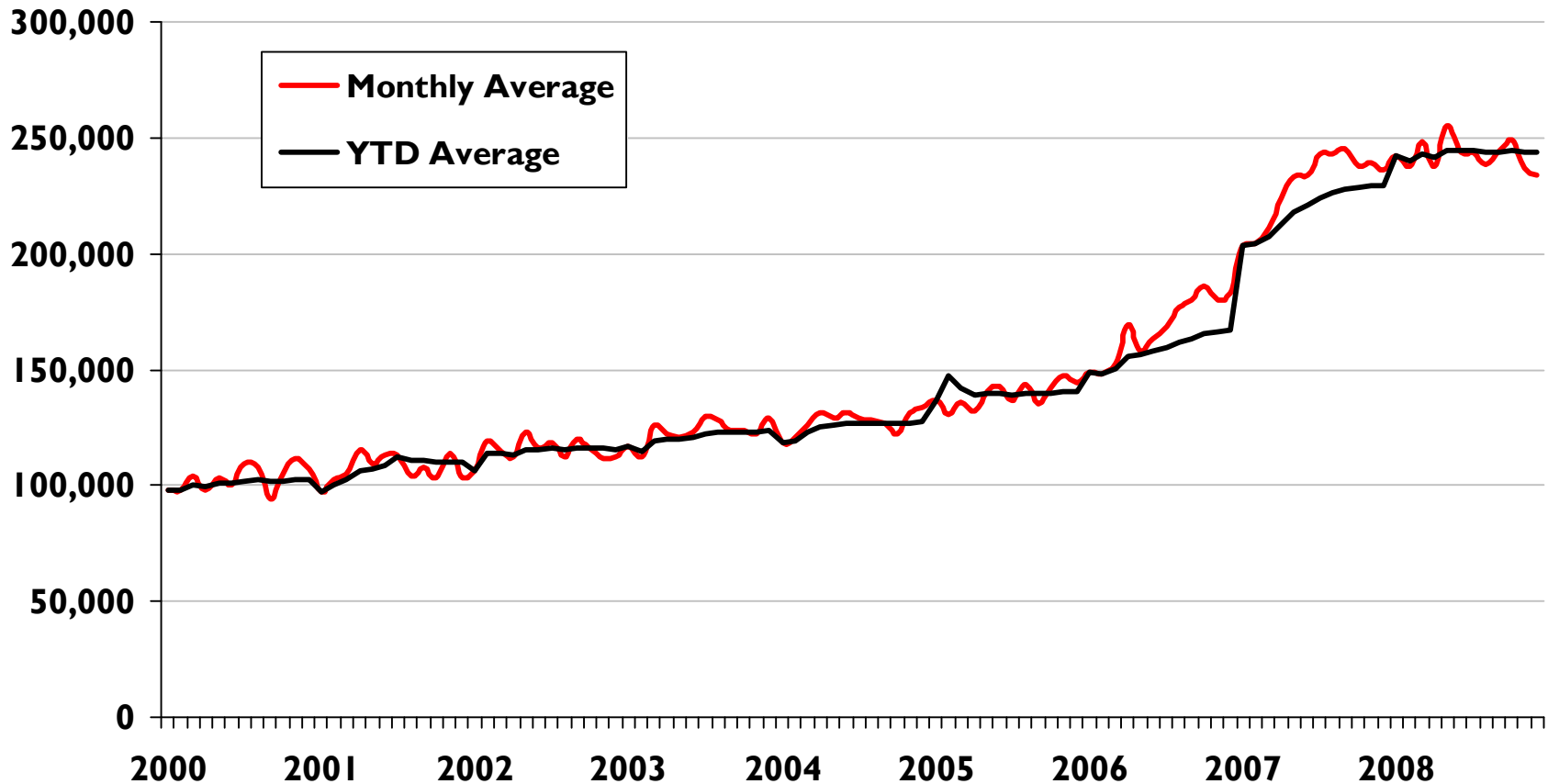
YTD yr/yr price growth (%)





Lethbridge CA – Average MLS[®] Price

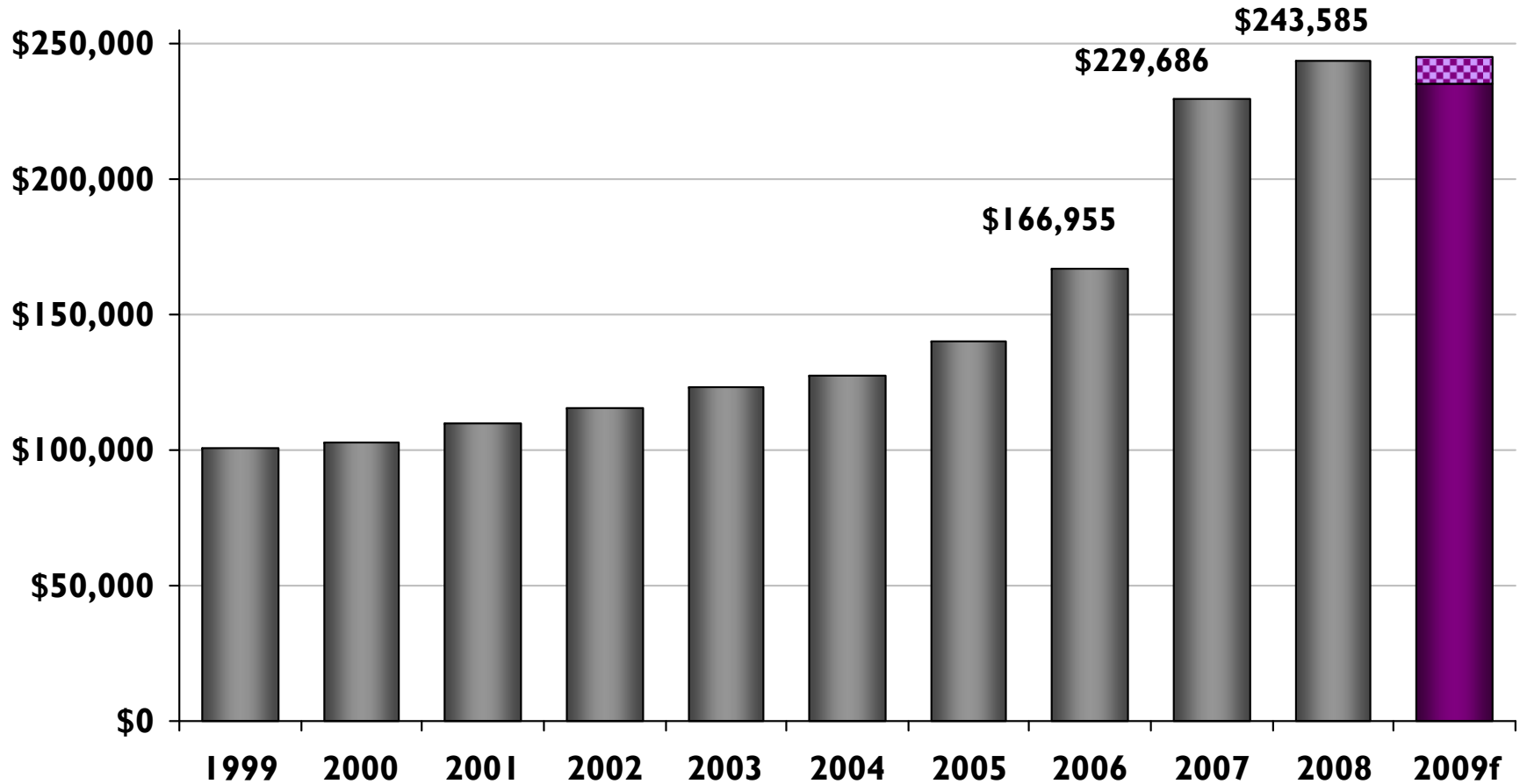
Monthly average at \$234,638 in December 2008





Lethbridge CA – Average MLS[®] Price

Market imbalance pushes average price lower in 2009



Source: LREB, CMHC Forecast (f)

CHBA LETHBRIDGE REGION - AGM



LETHBRIDGE – RENTAL MARKET

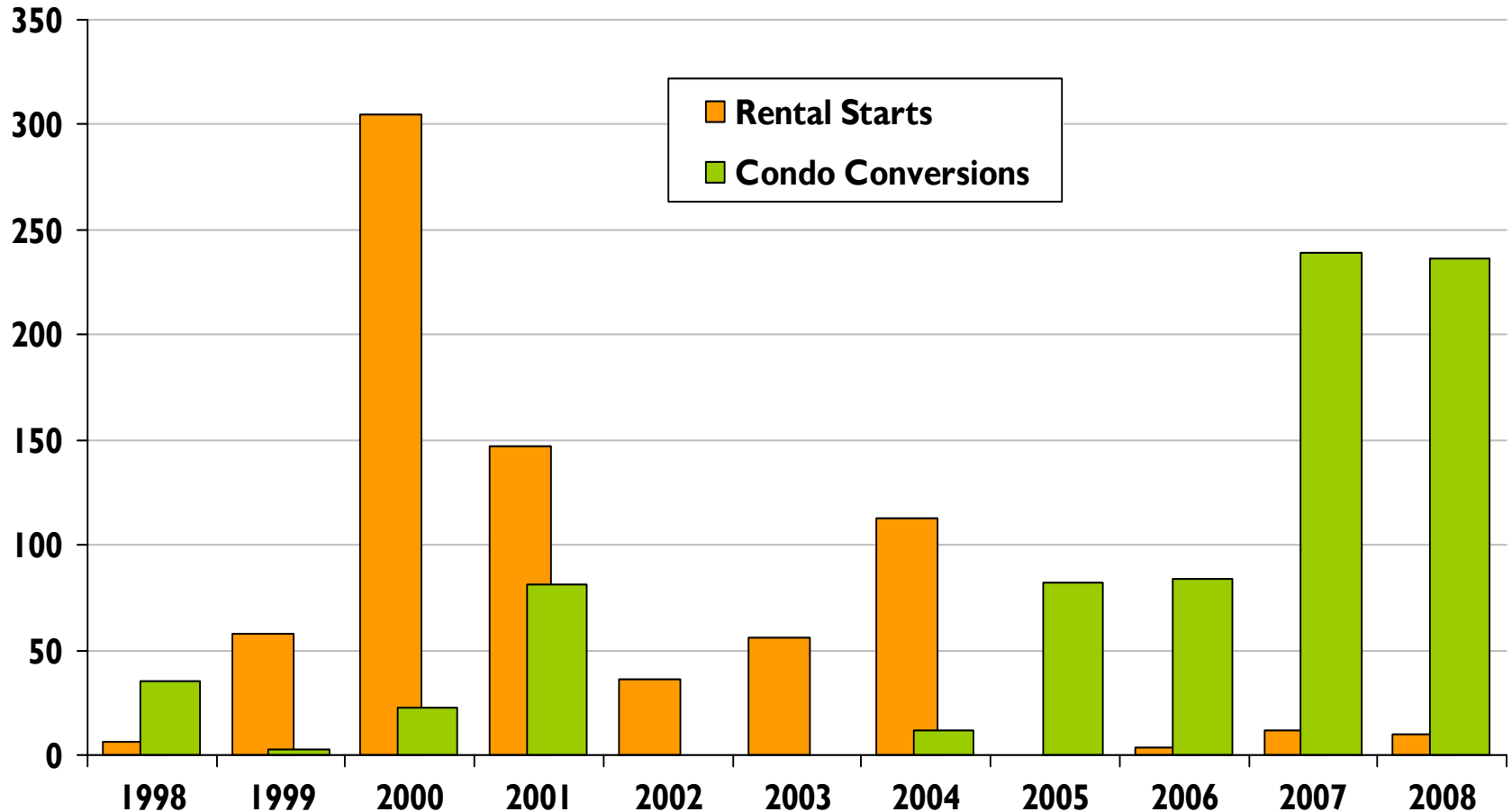




Lethbridge CA – Starts vs. Conversions

More removals than injections pushed down vacancies

number of units – rental starts, condo conversions

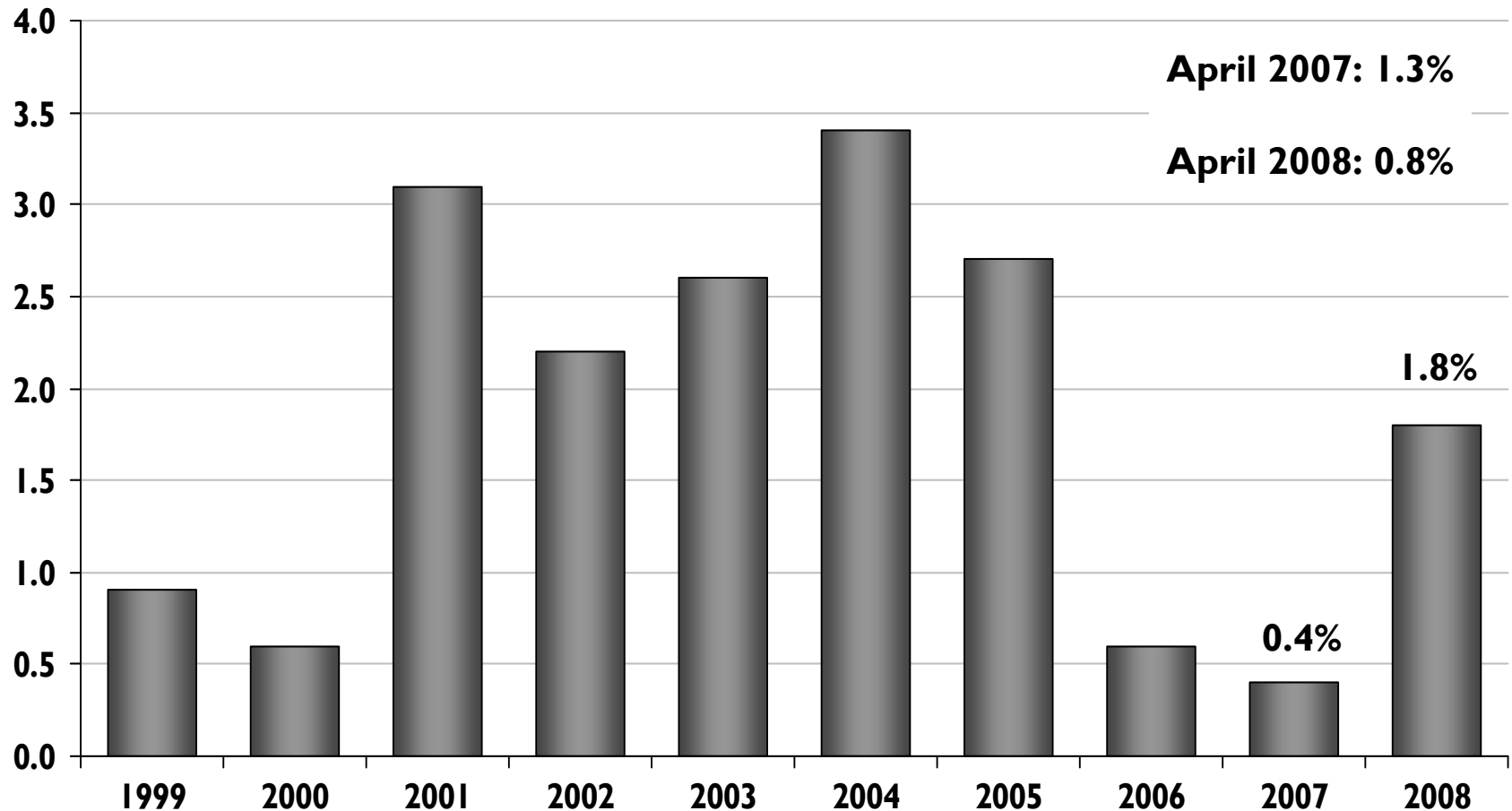




Lethbridge CA – Vacancy Rate

Lower gains from migration cause vacancy rate to rise

October vacancy rate (%)

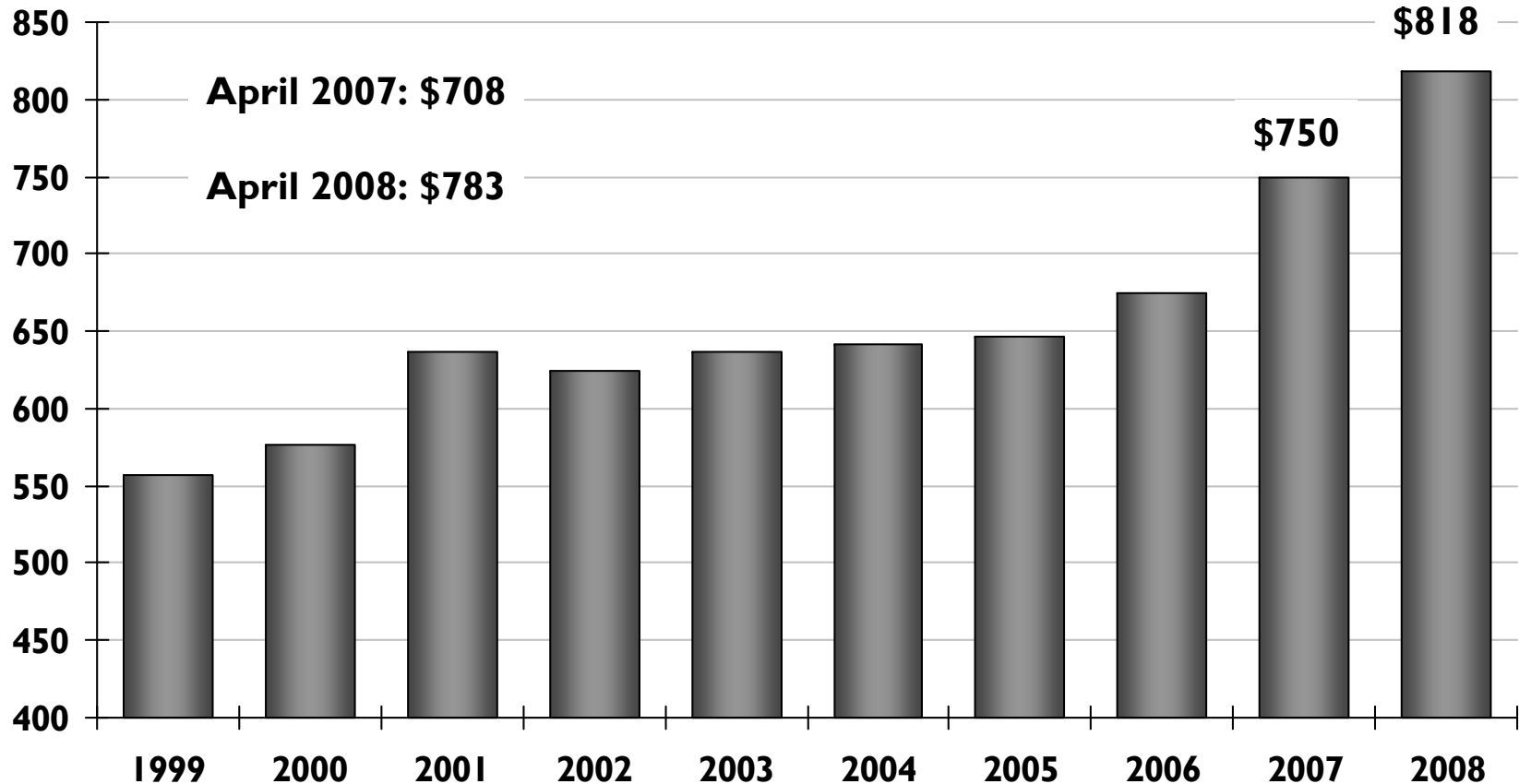




Lethbridge CA – Average Rent

Average rent rises due to low vacancy

October average two-bedroom rent, (\$)





THANK YOU!

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