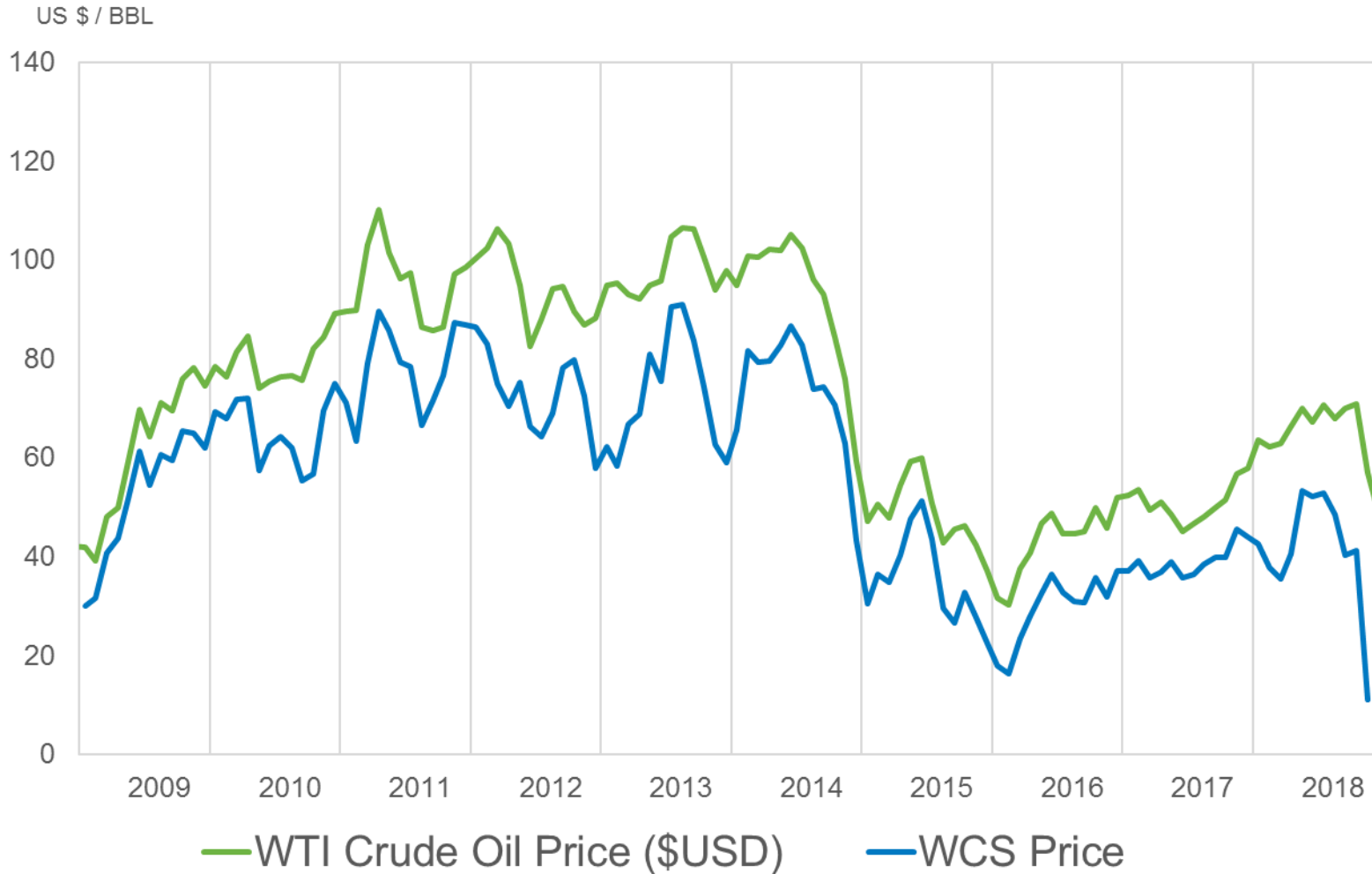


# Housing Market Update

## Red Deer



# Alberta Economy struggling due to energy sector



## Domestic Issues

- Pipelines
- Production cuts
- Competitiveness
- Policies (Bill C69)



Investment

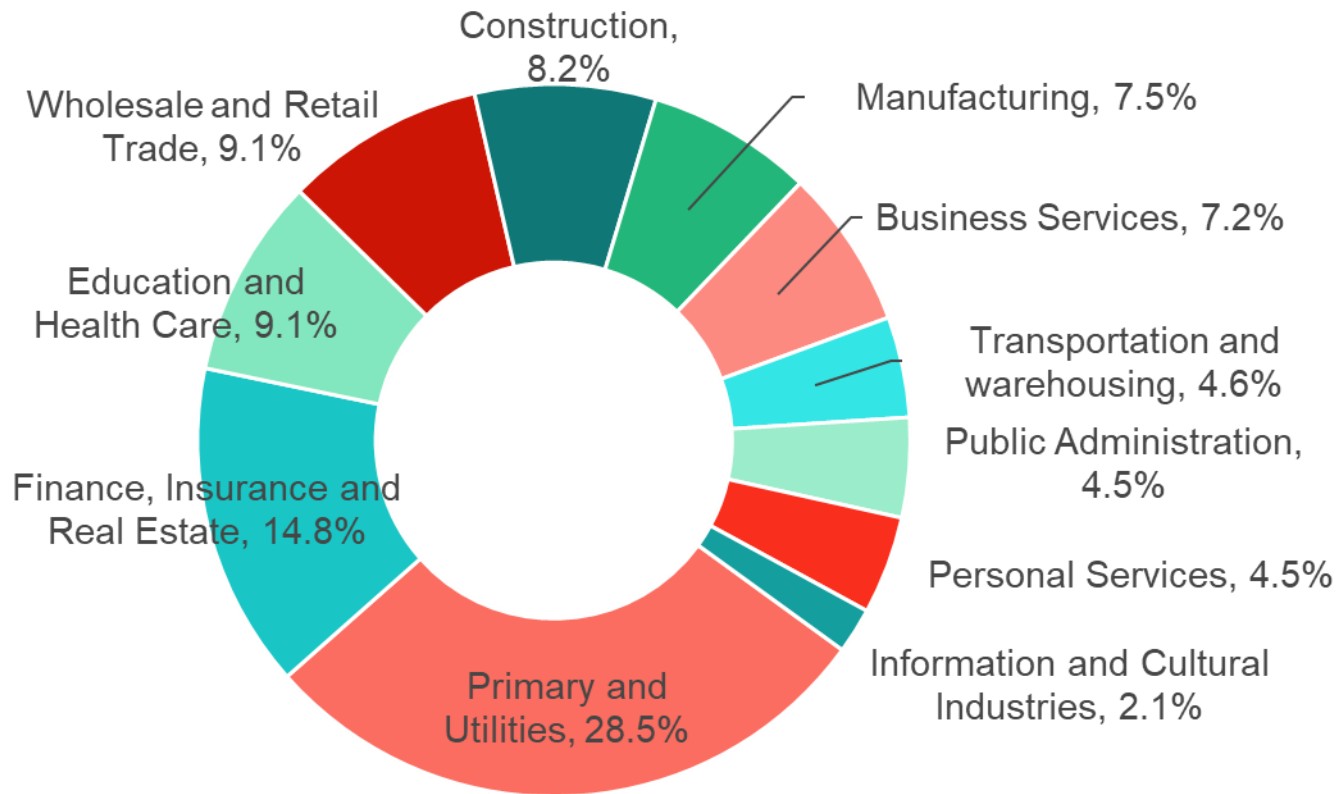
2019F GDP 2%

2019F Employment 1%

Source: U.S. Energy Information Administration, Alberta Energy

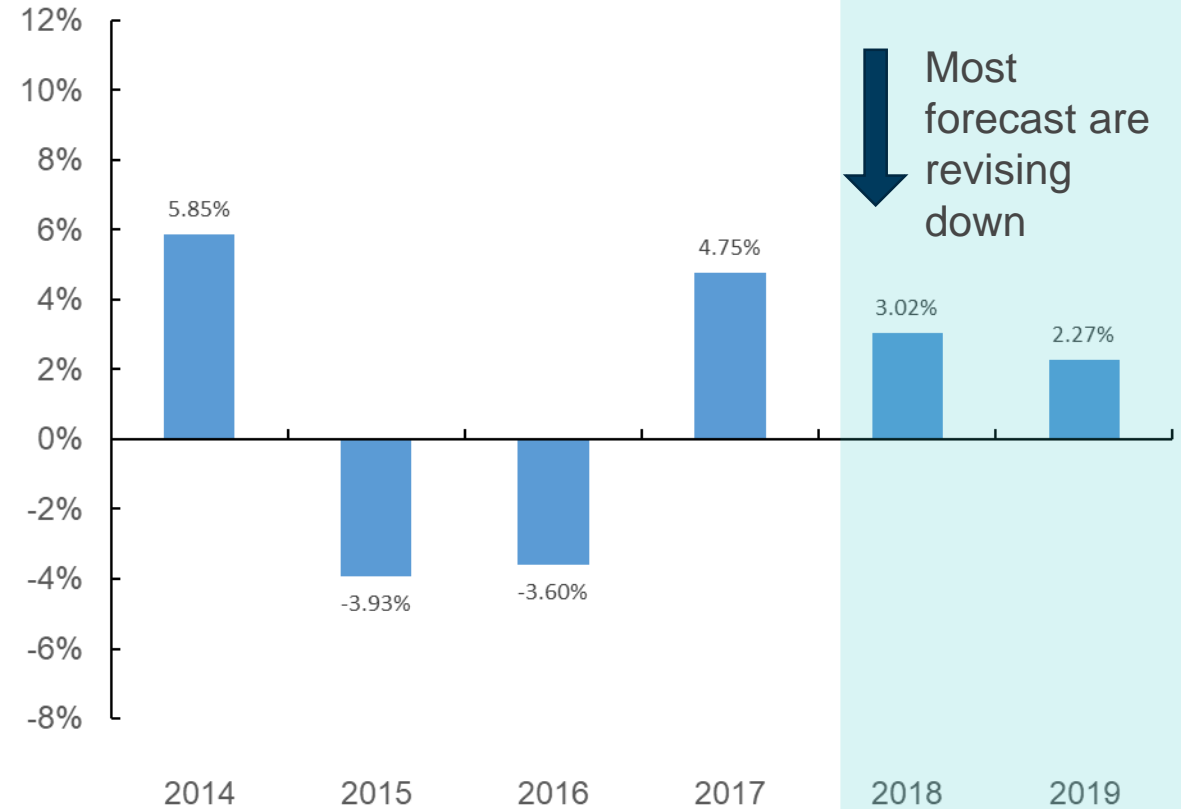
# Alberta economy recovering but...

## GDP Share by Industry











Source: Statistics Canada 2017








## Alberta GDP Growth



Most forecast are revising down

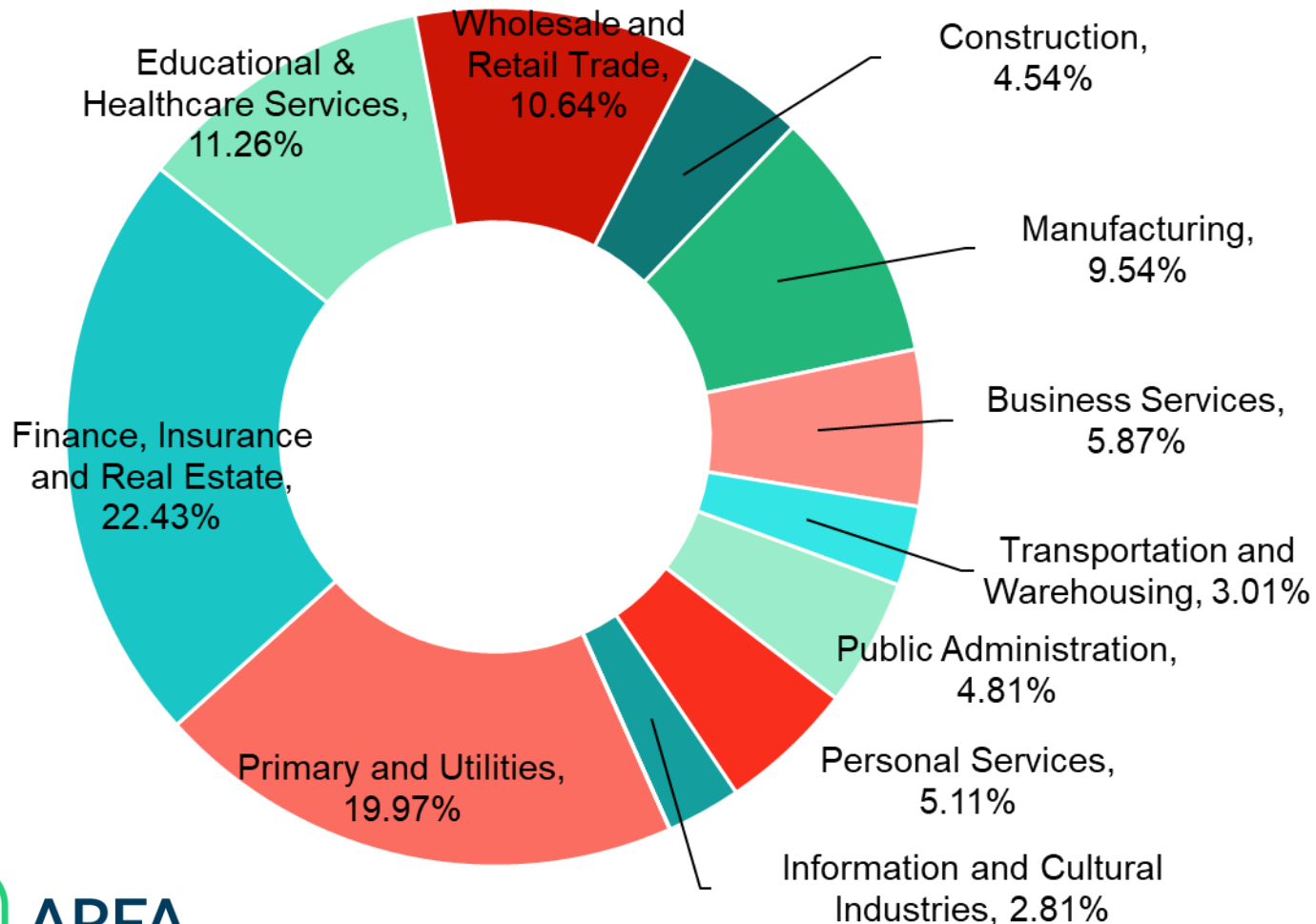
# Alberta GDP growth ≠ Job growth for all sectors

2014 – 2018E	GDP GROWTH	JOB GROWTH
 Primary and Utilities	9.71%	(32,268)
 Retail Trade	1.65%	11,462
 Transportation and Warehousing	10.14%	10,998
 Finance Insurance and Real Estate	9.11%	7,630
 Education	10.66%	33,657
 Health Care	12.09%	37,809
 Arts, Entertainment and Rec	23.85%	8,267
 Public Administration	9.93%	20,333

2014 – 2018E	GDP GROWTH	JOB GROWTH
 Construction	-29.70%	(9,493)
 Manufacturing	-5.57%	(14,596)
 Wholesales Trade	-7.71%	1,754
 Information and Cultural	-1.18%	(3,250)
 Professional, Scientific and Technical Services	-11.06%	(3,577)
 Accommodation and Food Service	-6.78%	(2,251)
 Other Services	-6.43%	(8,526)

# Red Deer economy

GDP share by industry

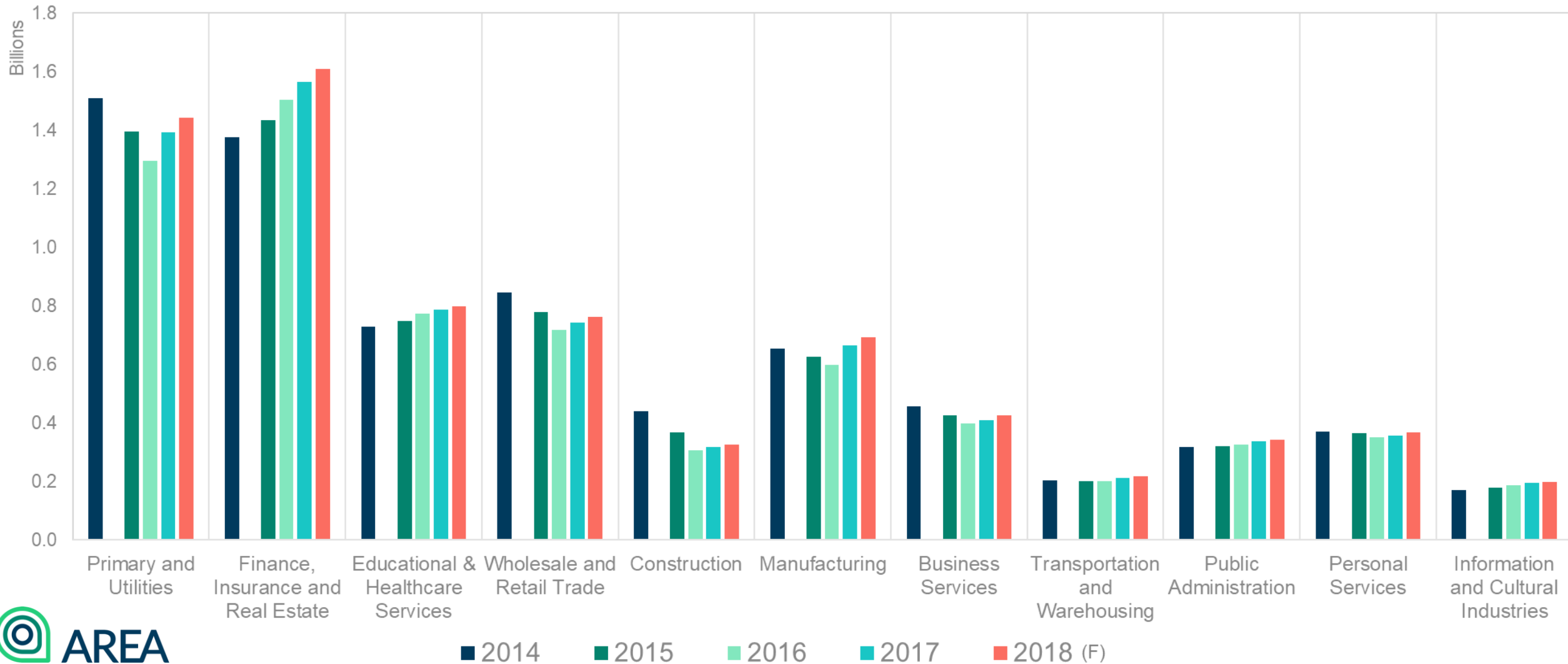


Main differences From Province

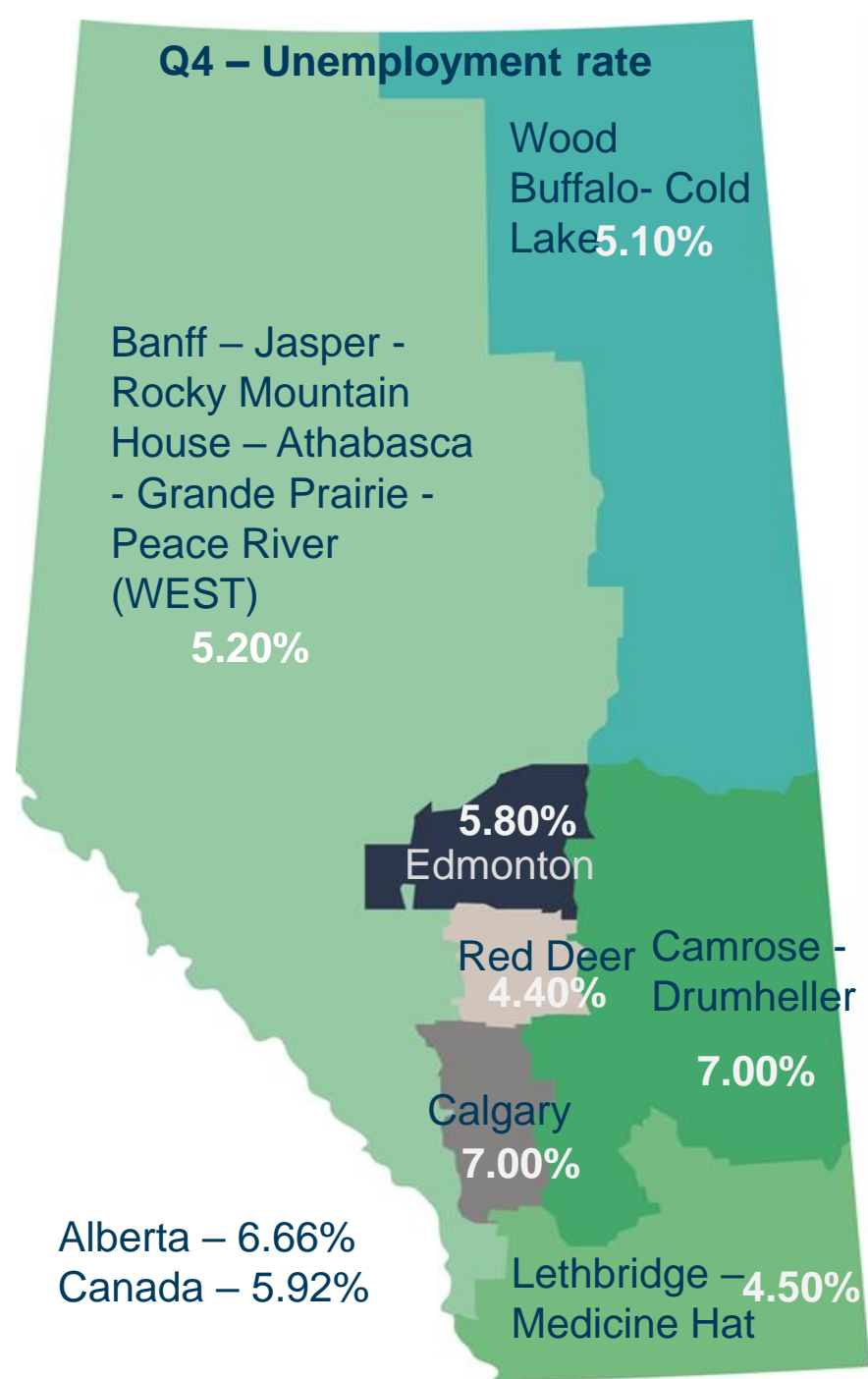
Less	More
Primary and Utilities	Finance, Insurance, Real Estate
Construction	Health Care and Education
	Wholesale and Retail Trade
	Manufacturing

# Growth in Finance, Insurance and Real Estate

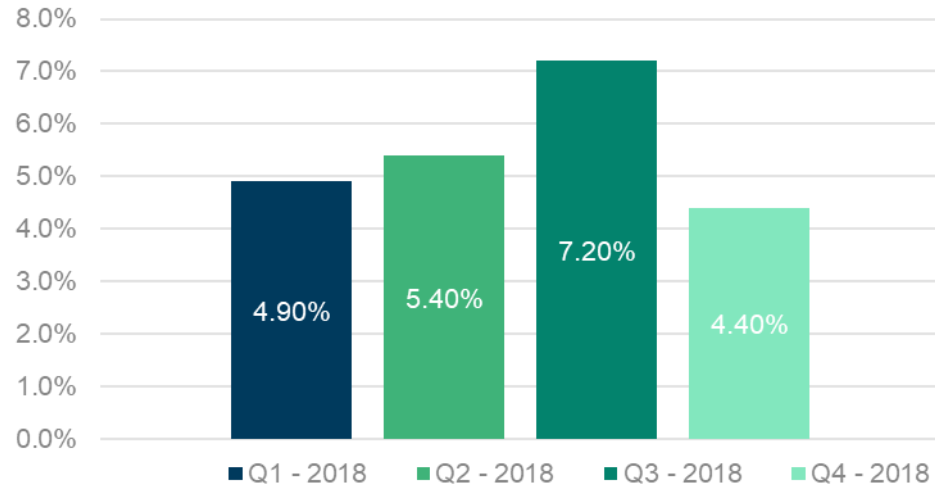
GDP by Industry – Red Deer



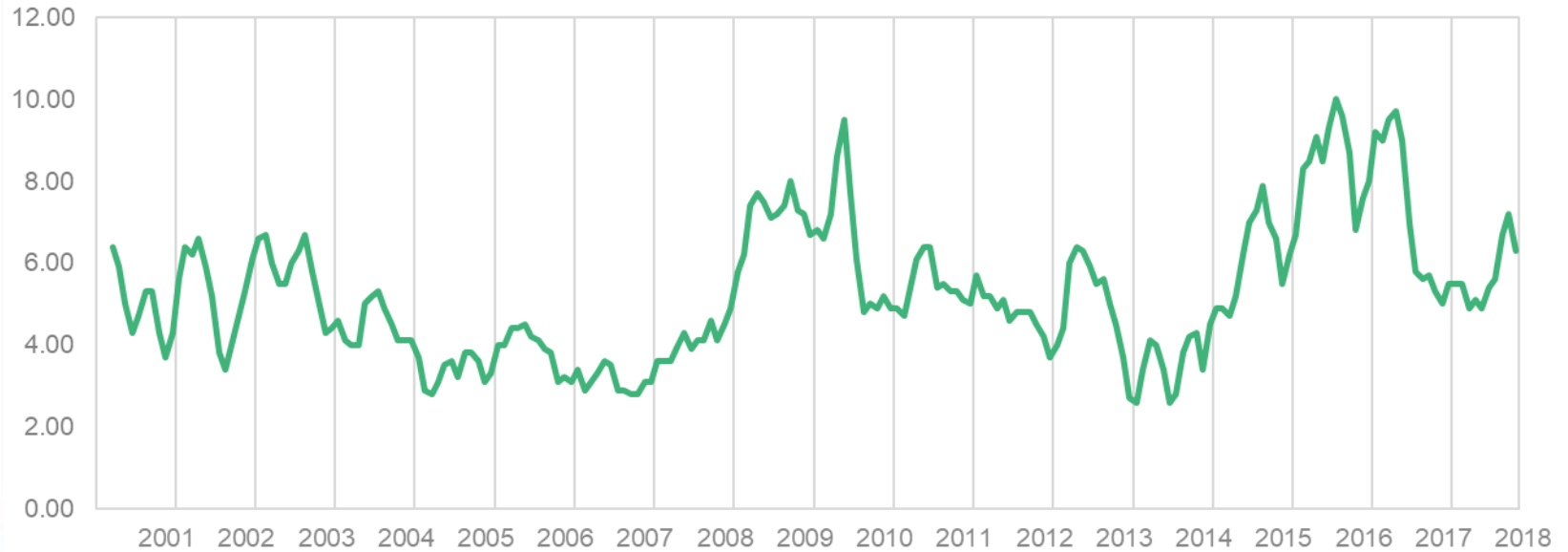




### Red Deer Unemployment Rate

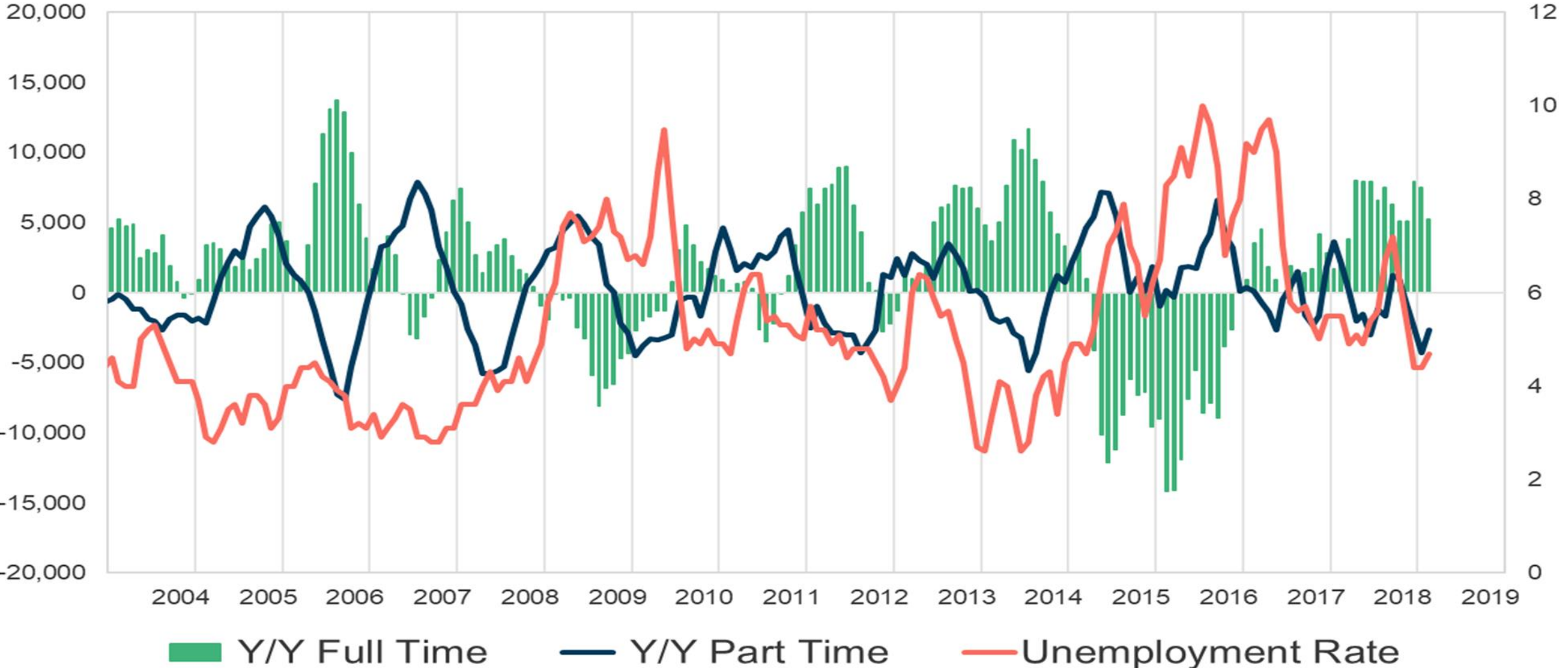


### Red Deer Unemployment Rate



# 9,000 full-time jobs have disappeared

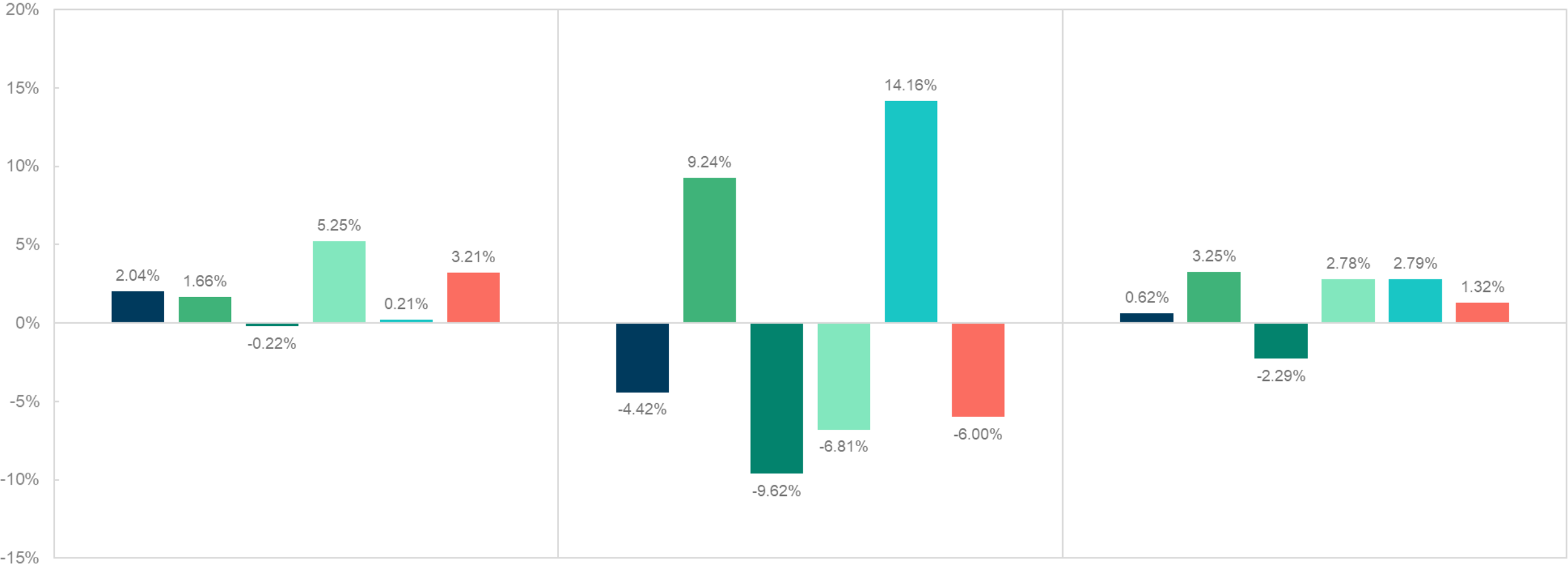
Red Deer – changes in employment





# Job market is improving

RED DEER - EMPLOYMENT (Q/Q GROWTH, %)

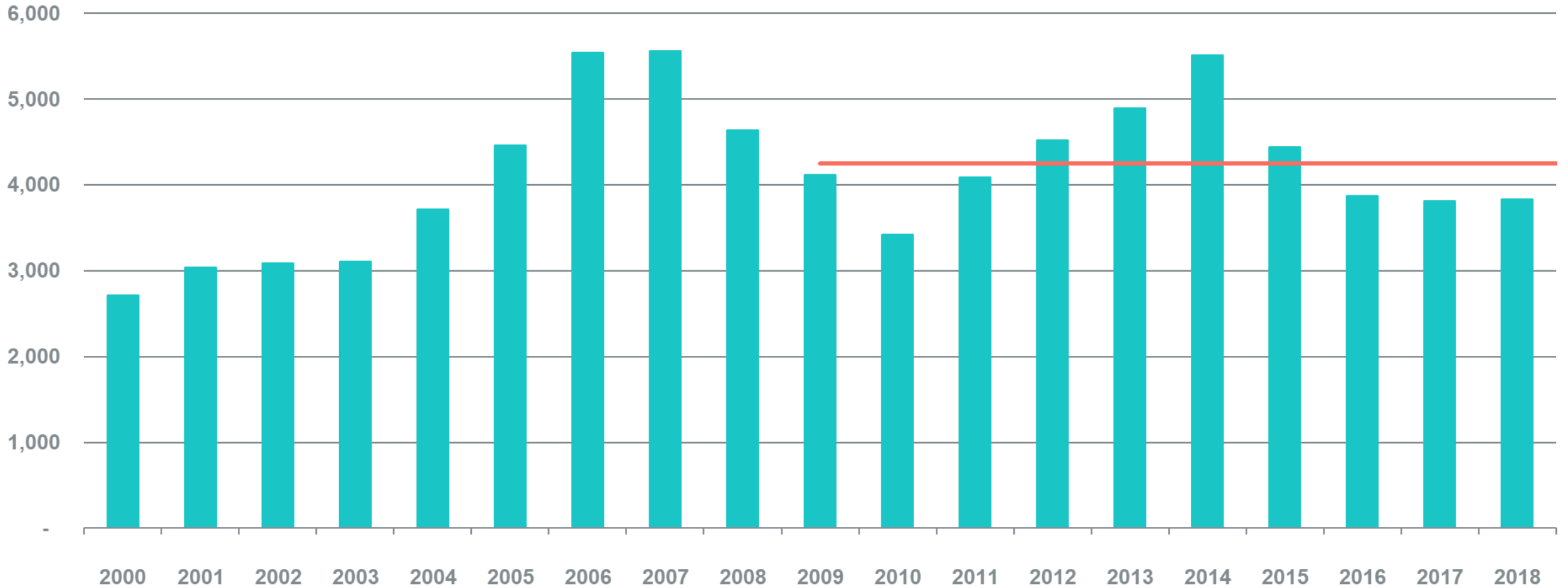


■ Q3 - 2017  
 ■ Q4 - 2017  
 ■ Q1 - 2018  
 ■ Q2 - 2018  
 ■ Q3 - 2018  
 ■ Q4 - 2018

# Sales remain stable just below long term averages

## Central Alberta

## Annual Sales

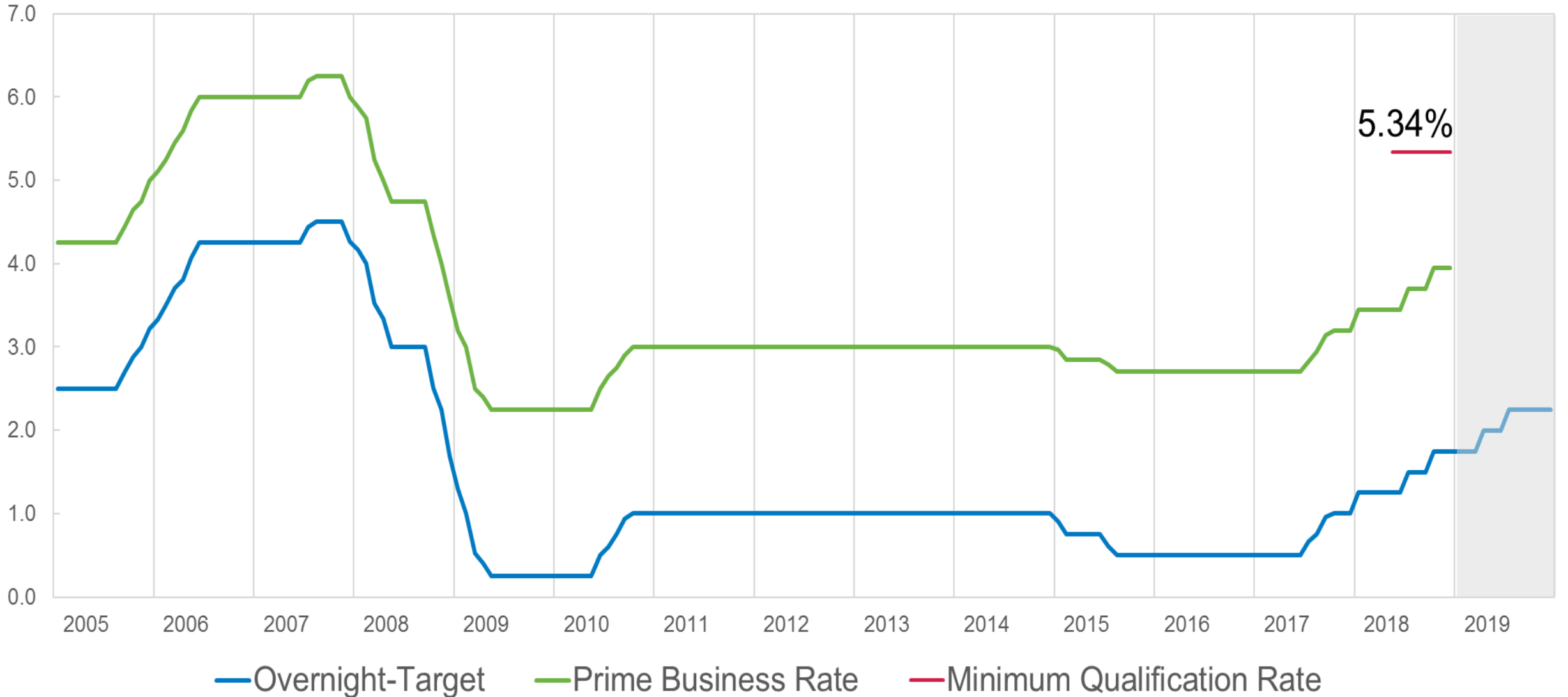


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10 Year Average

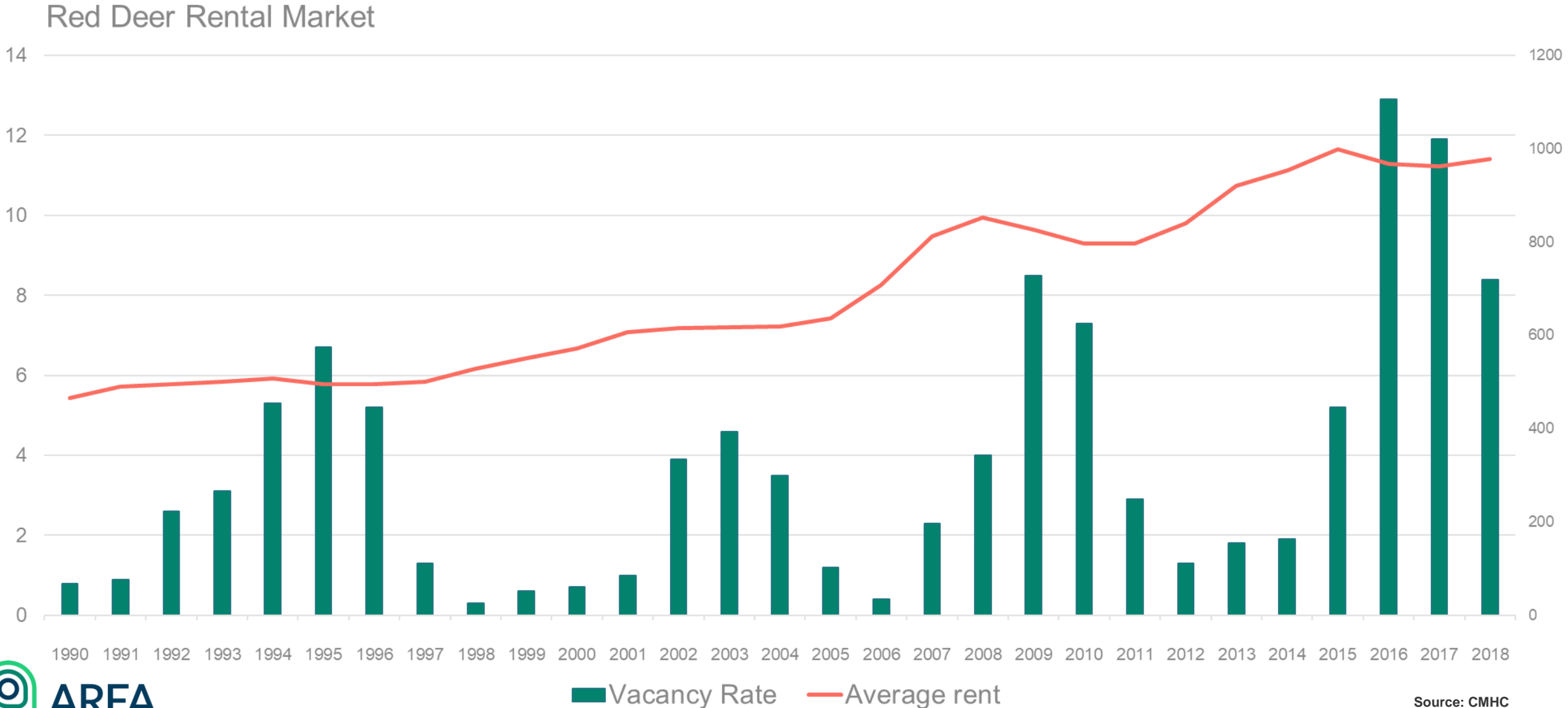
Source: CREA

# Lending market impacting ownership

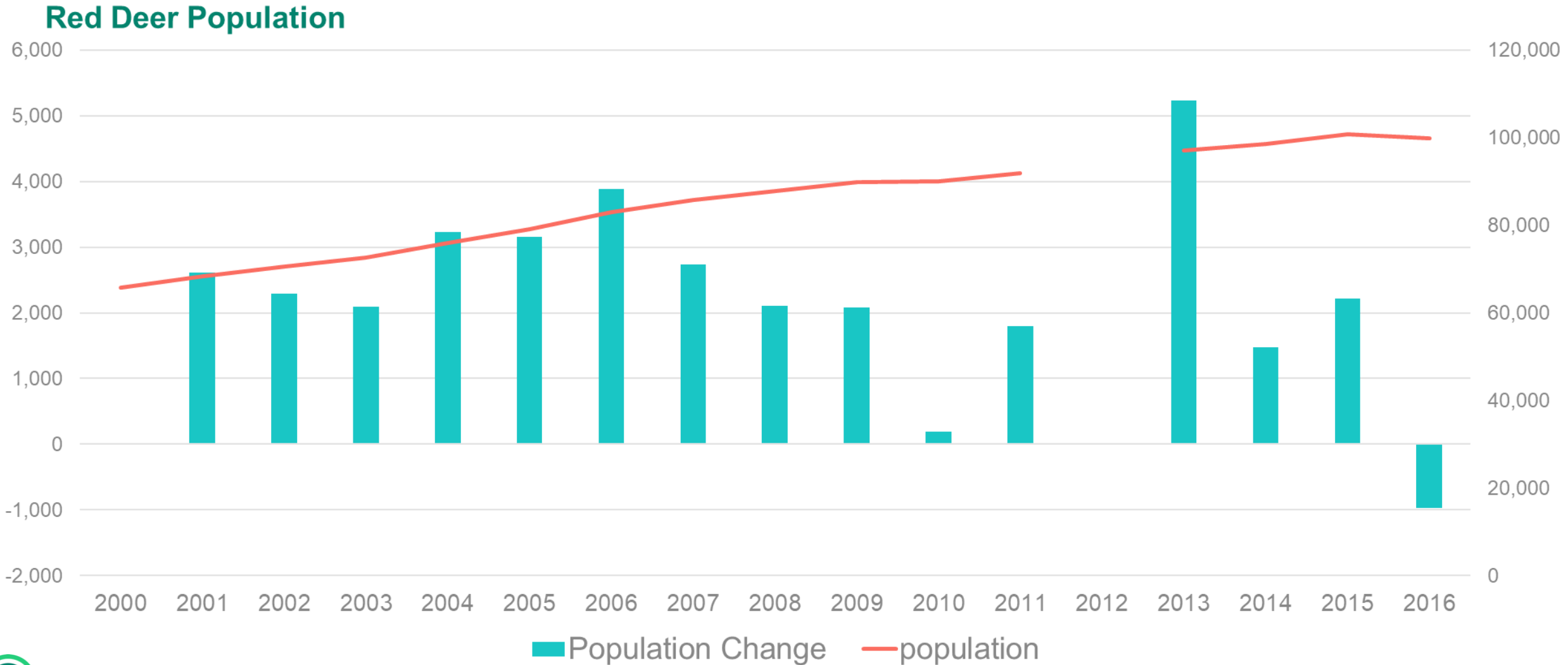


Source: Bank of Canada, Royal Bank of Canada Forecast, CREB® adjustment

# Vacancy rates starting to ease



# Improvements likely due to migration

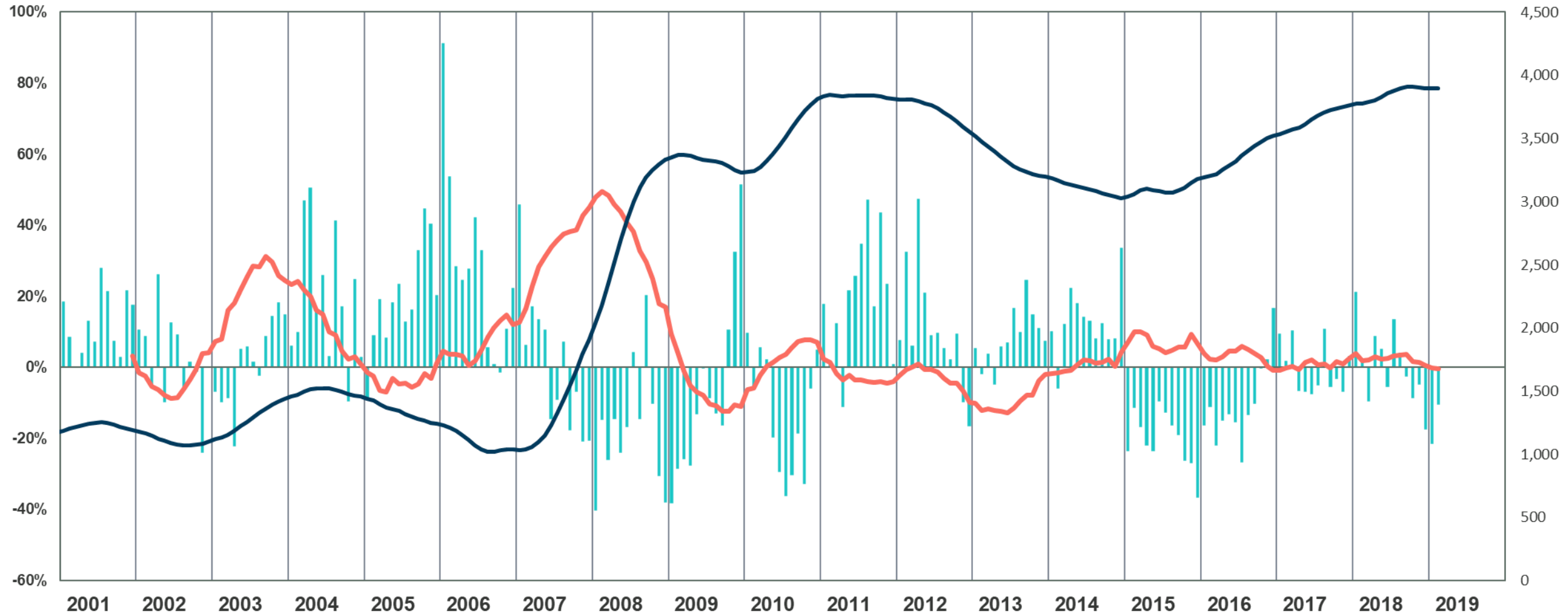




# Listings adjusting to slower sales

Central Alberta

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Growth Sales

Growth New Listings Trend

Central Alberta Inventory Trend

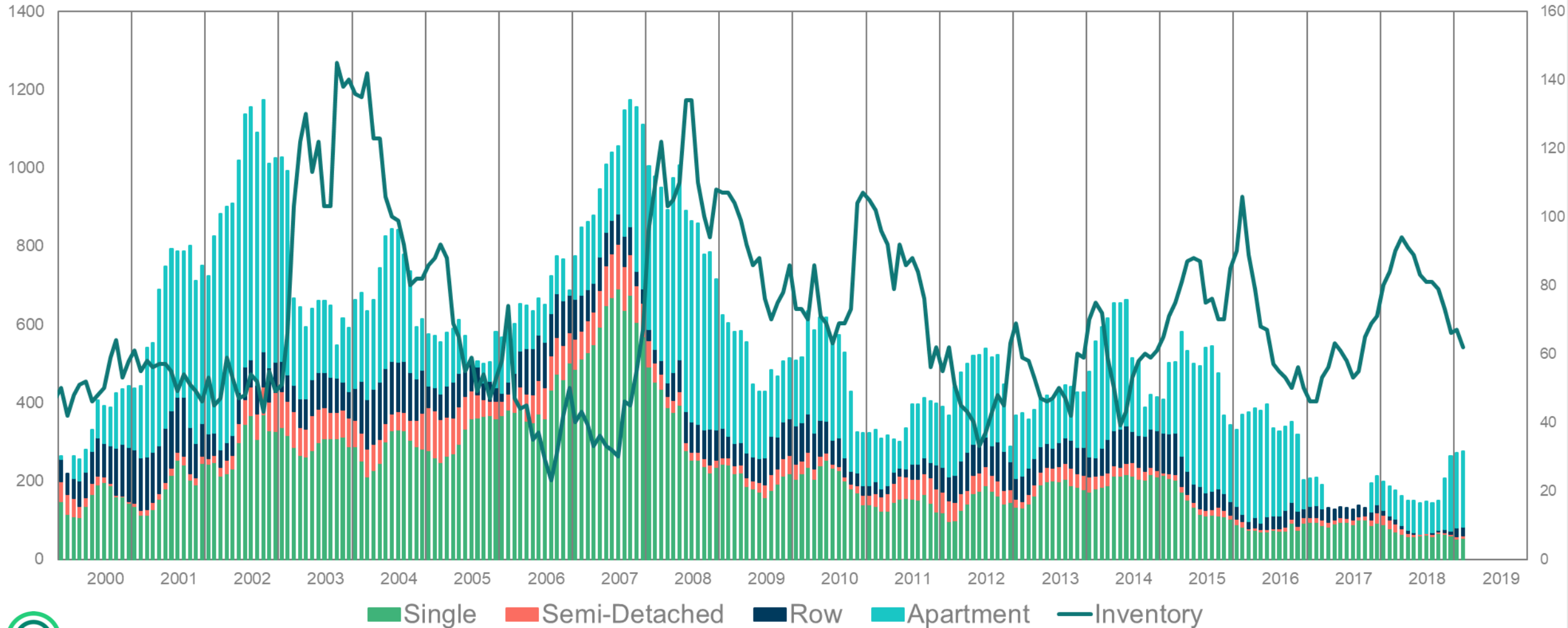
# New Home activity adjusting to demand conditions

Red Deer Housing Starts



# Recent inventory gains for new homes

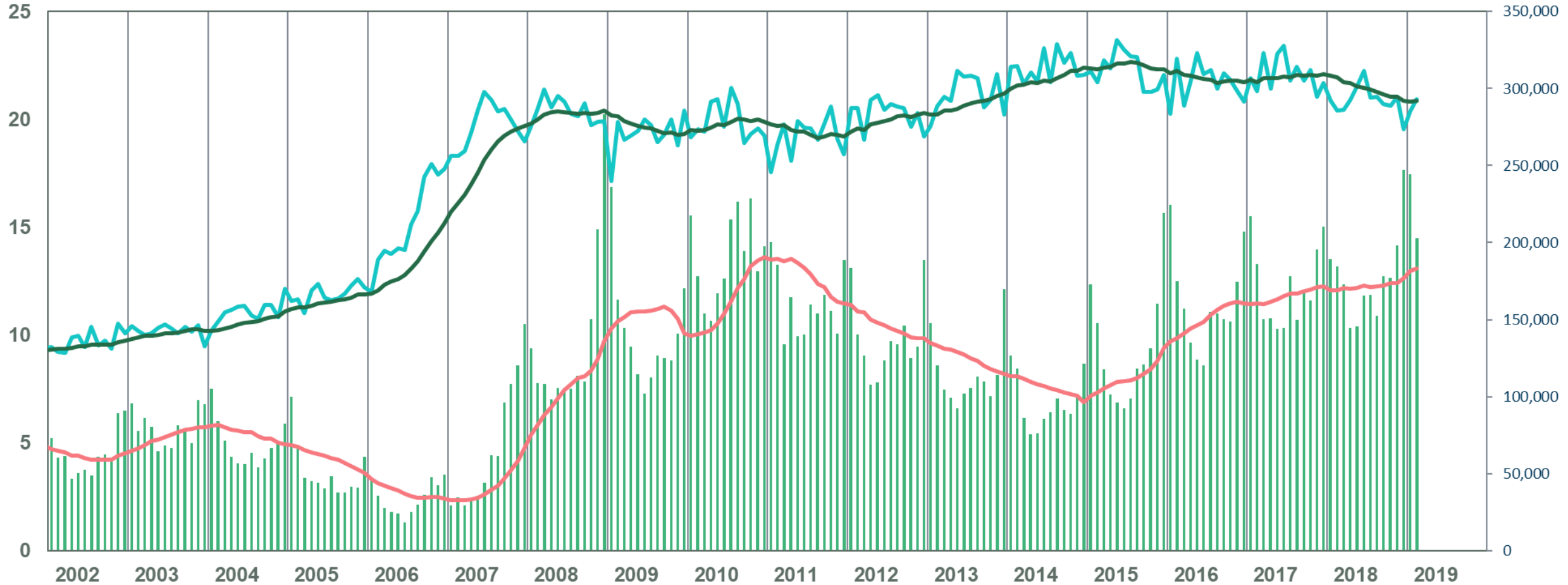
Red Deer Under Construction and Inventory



# Oversupply impacting prices

Central Alberta

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# Market Risks?



**ECONOMY**



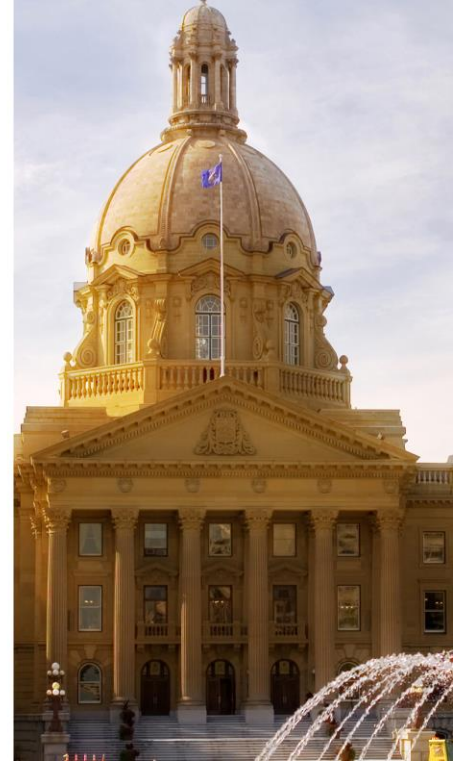
**EMPLOYMENT**



**CONSUMER  
CONFIDENCE**



**INTEREST RATES /  
LENDING MARKETS**



**GOVERNMENT**



# Questions

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