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2020 FORECAST

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The forecasts included in this document are based on information available as of December 31th, 2019.
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2020 CREB FORECAST
SUMMARY

TOP CONSIDERATIONS FOR 2020:

- *A new normal in the market: supply adjusting to slower sales activity, providing conditions that are more supportive to a stable price environment.*
- *Market improvements are expected to be driven by gains for lower priced product, while easing prices and oversupply persist in the upper price ranges.*
- *Supply adjustments are expected to continue, helping to eventually push the market toward balanced conditions.*
- *Prices are expected to stabilize over the year, but remain just slightly lower than last year's annual levels.*
- *Stable mortgage rates, previous price declines and job growth should support modest improvements in sales, but these will remain at lower levels.*
- *Employment risk weighs on the market, which could result in further declines in sales and prices.*

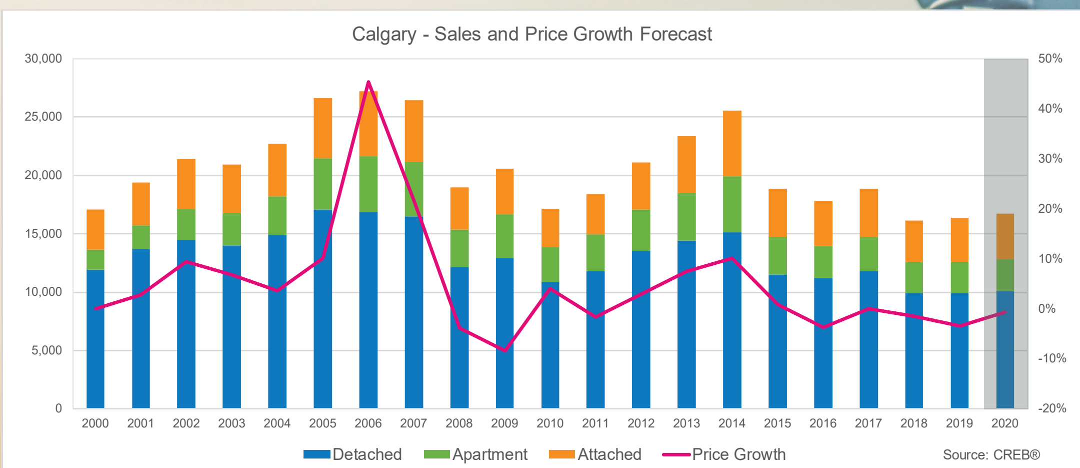
Sales activity in 2019 was slightly higher than forecasted, as stronger-than-expected price declines and easing mortgage rates helped support modest improvements for homes priced below $500,000. These improvements outweighed the losses for the higher-priced product.

As we move into 2020, we expect these trends in the market to continue – where improvements will be driven by the lower end of the market and challenges will persist in the higher end. Despite challenges in the higher end of the market, overall sales activity is expected to improve by two per cent.

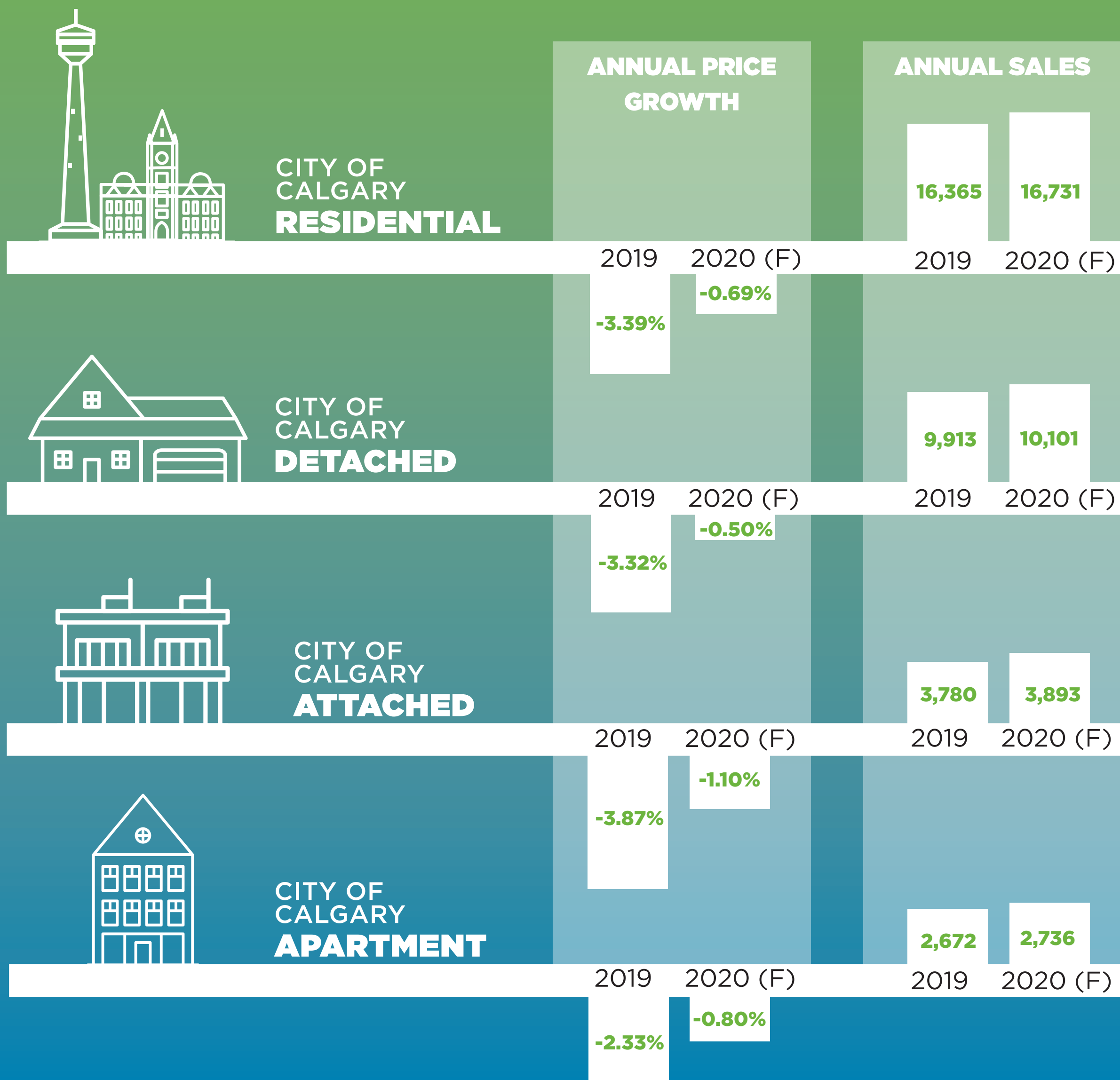
Improving sales and easing inventories are expected to help reduce the oversupply. These reductions will help shift the market closer to balanced conditions, but the pace of adjustment is expected to be slow. The reductions in oversupply are expected to slow the pace of price declines, as prices are forecasted to ease by less than one per cent. Like 2019, divergent trends are expected to remain the theme of 2020. Relatively affordable product is expected to record some improvements, while persistent oversupply will weigh on the higher end of the market.

While the housing market is generally expected to move to more stable conditions, there is some downside risk to the forecast this year.

Much of this risk is coming from employment expectations. Full-time job growth did improve in 2019, but at the end of 2019, Calgary and many other areas of the province recorded job losses. Some growth is expected in 2020, but recent job losses could spill into the early part of 2020, impacting confidence, housing sales and prices in 2020.



ECONOMIC UPDATE



DOWNSIDE RISK TO THE FORECAST:

- *If recent job losses in the Calgary market continue into 2020, this will create further uncertainty. It will also impact consumer confidence and housing market activity.*
- *If new-home construction projects exceed anticipated demand growth, this will slow the downward adjustment in overall housing supply. This will impact price stabilization in the resale market.*

WHAT'S THE UPSIDE?

- *Potential regional changes to mortgage rules may open up more opportunities for resale transactions.*
- *Any further decreases in mortgage rates will improve sales activity.*
- *Positive momentum in pipeline construction could improve consumer confidence and job prospects.*

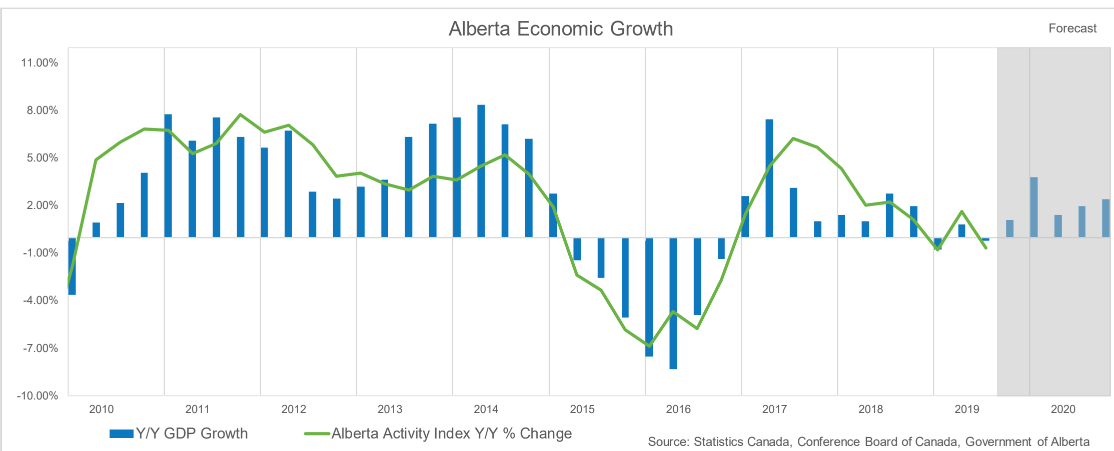
ECONOMIC UPDATE

The Alberta economy continues to struggle. 2019 marks the fifth year since oil prices first collapsed. Following widening price differentials and continued difficulties getting energy product to market, we saw governments step in with production curtailments. This helped narrow the spread on price, likely preventing further pullbacks, but it also weighed on energy investment activity and overall economic growth.

The continued challenges have caused Alberta to move into the category of slowest growing economy in 2019 compared to other provinces. Shifts to ease curtailments in 2020 and additional transportation capacity are expected to support some economic growth this year. However, global risk will likely create volatility in oil prices and Investment activity is not expected to change, remaining at half the levels that were seen prior to the 2014 oil price crash.

While several mechanisms have been put in place by the provincial government to encourage business investment and support diversification, at the same time, recent budget constraints could impact growth in the public sector. The shifts to encourage business investments will likely take longer to take hold, while the easing in the public sector will be more immediate. The result is an economy that is expected to be marginally better in 2020, keeping housing markets stable at lower levels in 2020.

ECONOMIC INDICATORS	2017	2018	2019	2020(F)	FORECAST/SOURCE
Alberta GDP Growth	4.58%	2.29%	0.11%	2.39%	Conference Board of Canada
WTI Price ($USD)	$50.79	$65.06	$56.74	$55.01	U.S. Energy Information Administration
Henry Hub Spot Price ($USD)	$3.10	$3.27	$2.69	$2.55	U.S. Energy Information Administration



ECONOMIC UPDATE CONT.

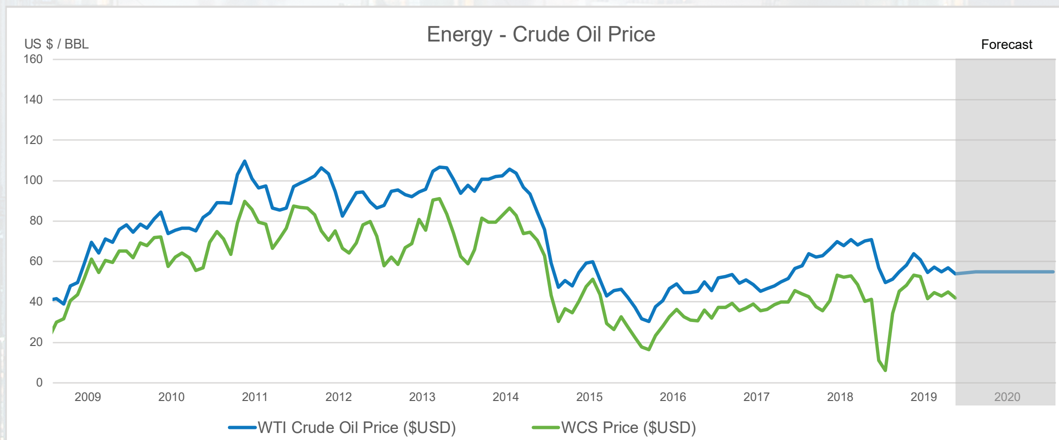
Most economists expect global growth to slow, as trade conflicts and investor anxiety are weighing on markets.

The slowing trend has caused many international central banks to ease their monetary policy in response to weaker growth prospects and soft inflation. The U.S. economy is not immune to this, as its pace of growth is expected to ease due to reductions in investment and manufacturing production. However, most expect the U.S. economy will not move into a recession, as they are still benefiting from a strong labour market that is spurring wage gains and consumer spending.

Similar trends are also expected in Canada. While the economy in 2019 was supported by a healthy labour market and recent turnaround in housing, global trade conflicts and related uncertainty dampened business investment and export activities. In 2020, most of the growth is expected to be driven by consumer spending and housing activity recovery, but investment and exports are anticipated to grow moderately.

KEY FACTORS IMPACTING THE ECONOMY IN 2020:

- *Oil production curtailments in Alberta are expected to ease and shipments by rail are expected to increase. This should support improvements in economic growth this year.*
- *Tighter provincial budgets will likely place some drag on economic growth and employment this year.*
- *Concerns that global growth could cause volatility in energy prices, coupled with continued regional challenges, point toward no significant shift in energy investment activity, which might impact future job growth.*
- *Alberta's labour market is expected to continue to face challenges related to high unemployment and weak job prospects.*
- *While population growth is far lower than we are used to in this province, growth levels remain comparable with the rest of the country and reflect a new normal marked by lower levels of growth.*
- *Global economic concerns and economic risk are expected to keep inflation low, causing many to call for lending rate cuts this year. Any easing can help prevent further declines in the housing market, but it will likely continue to contribute to the divergent trends in the market.*



Source: Alberta Energy, U.S. Energy Information Administration, Conference Board of Canada

POPULATION

After several years of sluggish economic activity, population growth has settled in at 1.5 per cent, comparable to growth rates in the rest of the country, but only half of the levels recorded prior to the decline in the energy sector. With no change expected in the economic climate, growth is expected to remain at this slower pace as we move into 2020.

The main contributor to the slower growth has been lower net-migration levels. Those levels remain positive, with more than 9,000 net migrants coming to the city in 2019, but this is less than half the number of people that came to the city annually from 2011 – 2015. There has also been a shift in the type of migrants, with most of them expected to be coming from international sources.

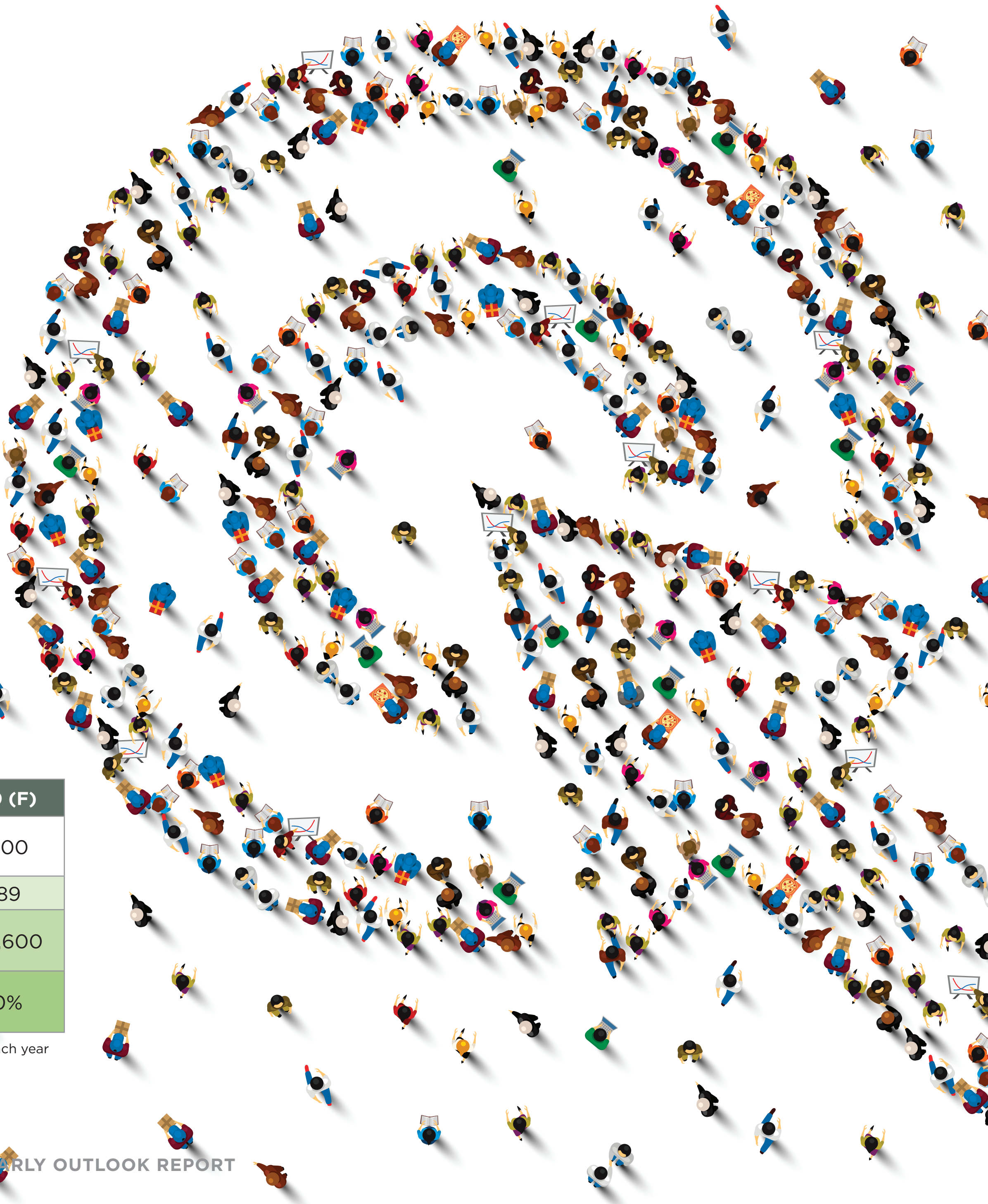
The slower growth, combined with a shift in the type of migrants, is not expected to cause any significant changes in ownership demand this year. However, as international migrants tend to have more of an impact on the rental markets than interprovincial migrants, we could continue to see reductions in rental vacancy rates, helping support improving rental rates and reductions in the overall housing supply.

CIVIC CENSUS RESULTS AND POPULATION FORECAST – CITY OF CALGARY

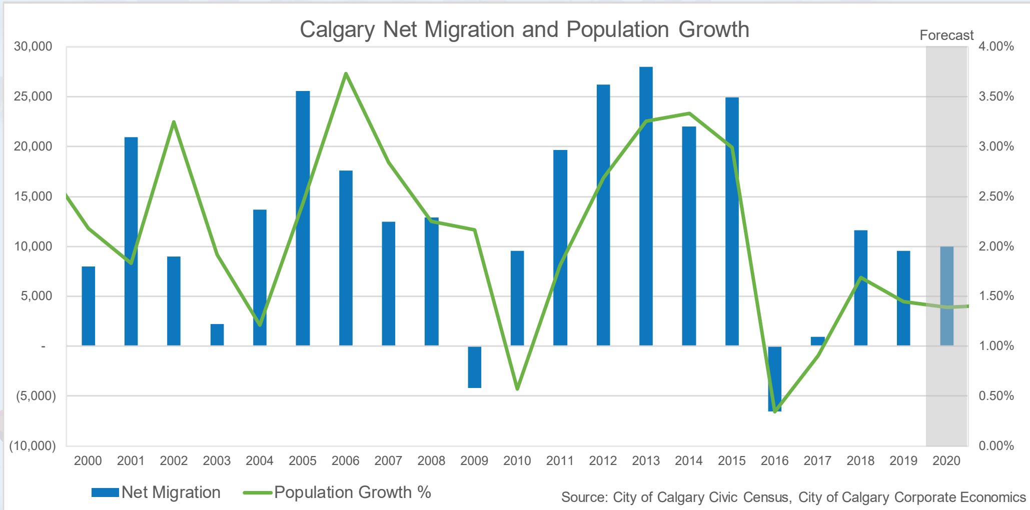
CALGARY	APRIL 2018	APRIL 2019	2020 (F)
Net Migration	11,588	9,560	10,000
Natural Increase	9,419	8,807	7,889
Total Population	1,267,344	1,285,711	1,303,600
Total Population Growth	1.69%	1.45%	1.40%

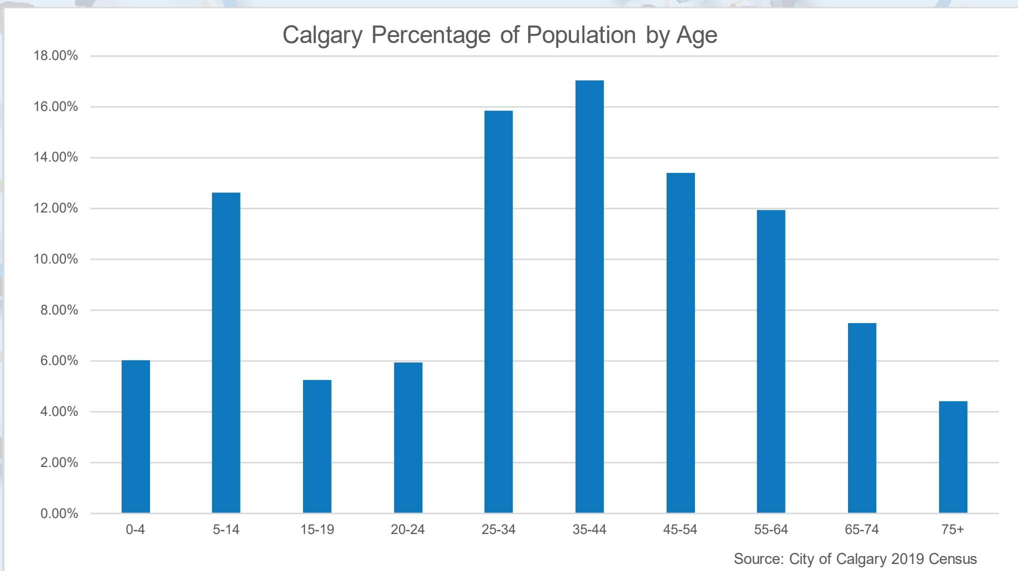
Migration and population figures are based on the annual civic census results measured in April of each year

Source: Civic Census, City of Calgary Corporate Economics



POPULATION **CONT.**



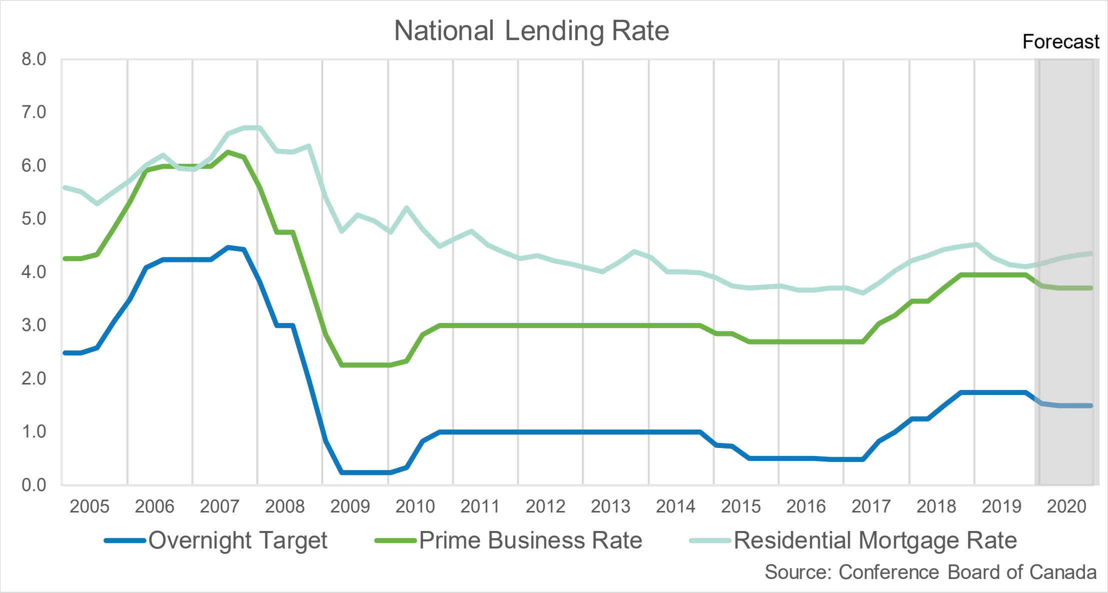


LENDING MARKET

While the Bank of Canada maintained its overnight target rate, we did see declines in residential mortgage rates, which likely contributed to some of the improvements in housing demand in 2019. As we move into 2020, trade disputes and uncertainty are expected to result in slowing global economic growth centered around business investment and manufacturing. With slower growth also expected in Canada, risks to rising inflationary pressure have eased.

If the economy slows more than expected due to slower global growth, especially in the U.S., then inflation levels in the country would fall below target. As a result, we could see some monetary policy action in terms of rate reductions to support stronger growth.

Current forecasts range from flat to modest cuts in the overnight target rate, depending on the forecaster's outlook for economic growth. If mortgage rates follow, this could provide some modest improvements to housing market demand, as easing prices and more favourable rates will enable some to reconsider the ownership market.



EMPLOYMENT UPDATE

Boosted by improvements in the second and third quarters of the year, employment activity in Calgary is on pace to improve by nearly four per cent in 2019. Growth has been mostly driven by gains in full-time positions and occurred throughout most industries, except construction, wholesale trade, and arts, entertainment and recreation.

While there have been year-over-year gains, employment levels did ease in the third quarter compared to the second quarter, and preliminary results from the fourth quarter point toward further slowing. This is also consistent with the rise in unemployment rates.

As of November, adjusted unemployment rates in the city sat at 6.9 per cent, a decline from last year's levels and well below the peaks reached in 2016. However, it is still high based on historical levels. Recent layoffs in the energy sector and expected layoffs in the public sector are expected to keep unemployment levels elevated in 2020. Job growth is also expected to ease, with employment levels remaining comparable to 2019 levels.

As we move into 2020, most job losses are expected to occur in the primary and utilities sector, manufacturing, public administration and other services. These will be offset by gains primarily coming from construction, transportation and warehousing, professional services, health care, and education.

The risk to the forecast weighs heavily on the downside, as industries like health care and education might see some job cuts due to adjustments from the provincial budget.

Weakness in the higher-paid sectors of the job market, combined with the uncertainty regarding future job prospects in the city, will continue to create divergent trends in the housing market. Persistently high unemployment rates are also expected to weigh on wages, which on a per capita basis remain over seven per cent below highs recorded in 2014. These shifts in the labour market are expected to prevent any substantial improvements in the higher end of the housing market.

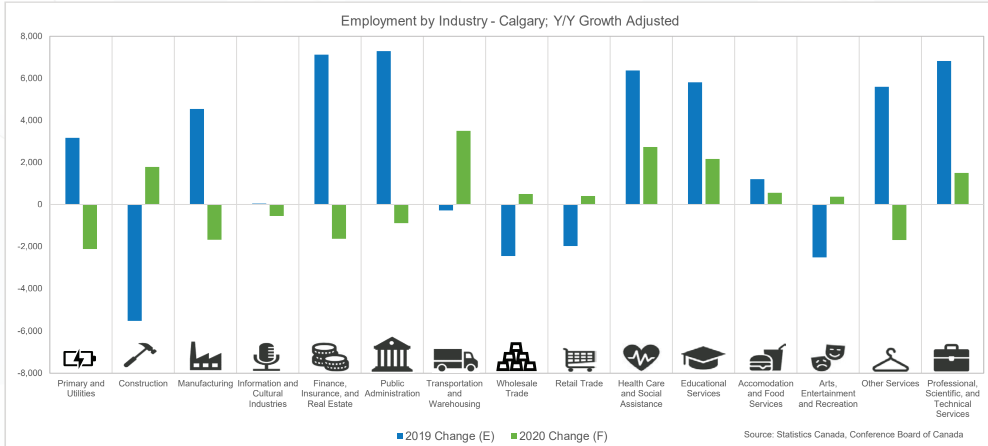
EMPLOYMENT GROWTH

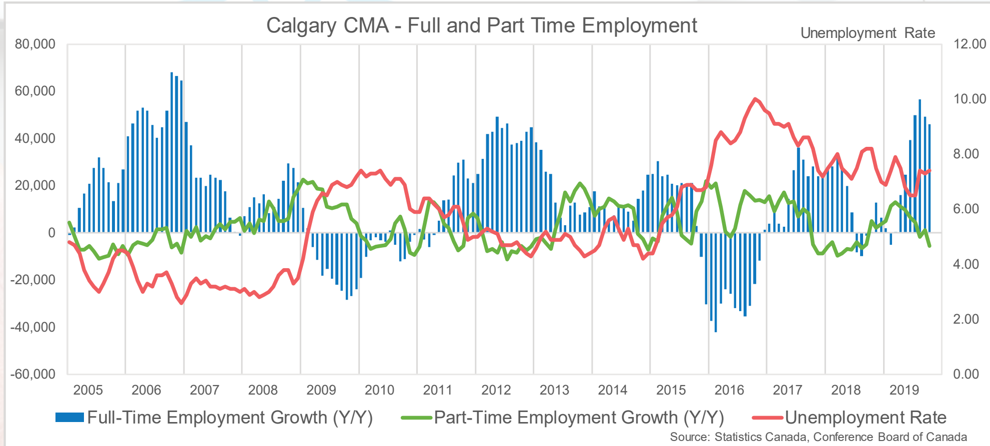
CALGARY	2018	2019 (E)	2020 (F)
Employment Growth	0.94%	4.22%	0.58%
Unemployment Rate	7.85%	7.26%	7.70%

EMPLOYMENT UPDATE **CONT.**

KEY FACTORS IN CALGARY'S JOB MARKET:

- *Growth is expected in several sectors, including education and health care. However, provincial budget cutbacks may cause adjustments in these sectors, impacting job growth. In addition, any further progress delays on pipelines, rail transport or other infrastructure could weigh on employment growth in construction, transportation and professional service.*
- *Persistently high unemployment rates will impact income growth and housing demand.*
- *Employment growth is weighted to industries with traditionally lower incomes. This will continue to cause divergent trends in the housing market, with a shift to lower-priced homes.*

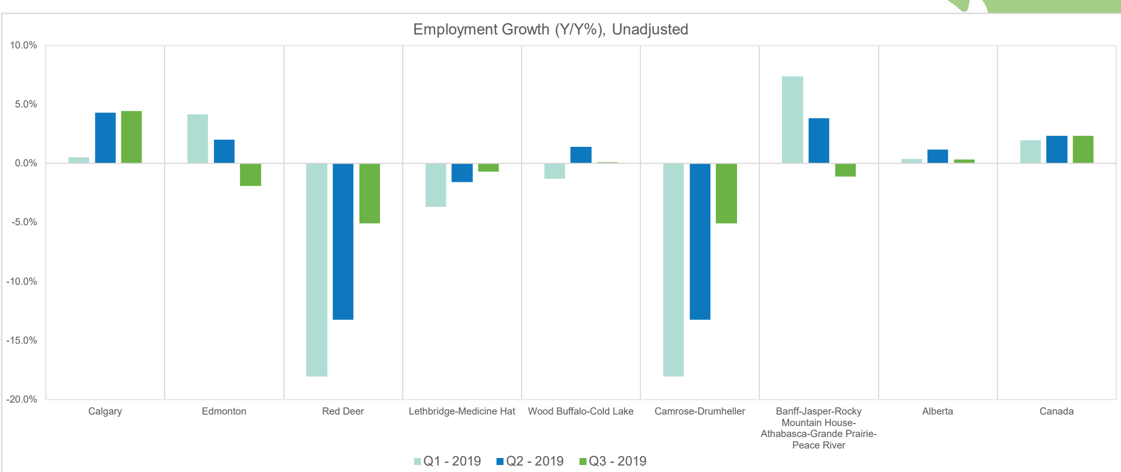


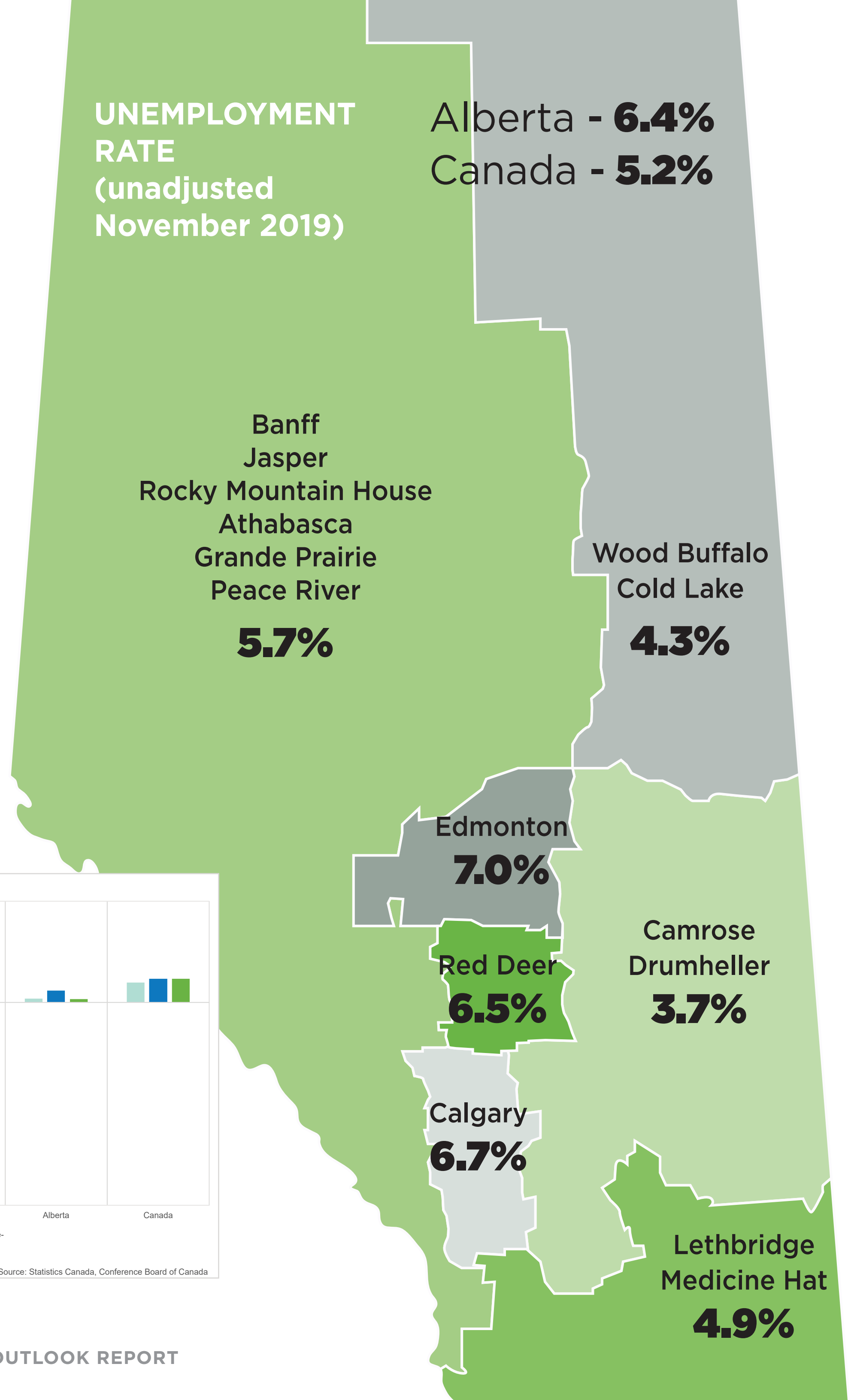


REGIONAL EMPLOYMENT COMPARISON

Calgary has recorded some improvements in employment, but this has not been the case across the province. Edmonton and Grande Prairie both saw job growth slow in the second quarter, followed by a pullback in the third quarter. The Red Deer, Lethbridge-Medicine Hat and Camrose-Drumheller regions all recorded job losses throughout the first three quarters of 2019. By the end of the third quarter, unemployment rates had increased in all regions, except Calgary, Camrose and Wood Buffalo compared to the previous year.

These shifts in employment have contributed to different demand trends in the regional housing markets. Calgary and Edmonton have seen some shifts in supply compared to sales. This is helping to reduce some oversupply, but it has not been enough to prevent price declines. In areas such as Central Alberta, Fort McMurray and Grande Prairie, sales activity eased at a faster pace than supply adjustments, which has weighed on pricing in some of those regions. Recent struggles in Medicine Hat have caused supply gains, but prices have held steady for now. Lethbridge is one of the few regions where the economy is influenced more by the agricultural sector, and despite some challenges, their housing market has been relatively stable, with modest price growth over the past five years.





NEW HOME & RENTAL

Despite elevated inventory levels in the city of Calgary, starts activity improved in 2019 due to multi-family construction. Much of the growth came from the multi-unit segment, with a focus on lower-priced units and rental options. The added competition from the new home market will likely continue to weigh on resale prices until the supply demand balance adjusts to a lower range.

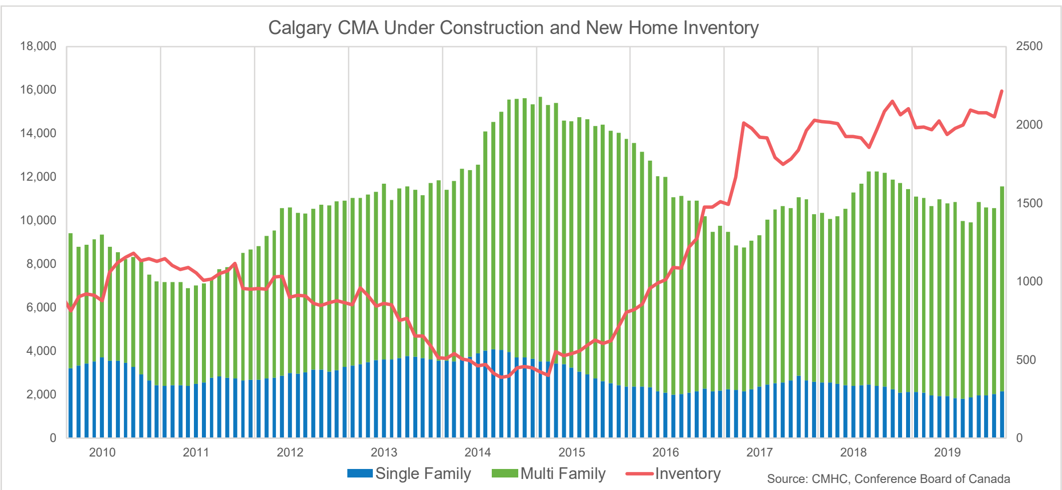
Driven by higher barriers to ownership, international migration and economic uncertainty, rental activity has been improving. Vacancy rates have eased and landlords are offering fewer incentives. Also, given the challenges now facing new-home builders with condominium sales, some are choosing to shift directions toward more purpose-built rental.

The reductions in vacancy rates will help contribute to reductions in housing supply levels. However, unless we start to see more notable shifts in rental rates, or the rent-versus-ownership equation improves, it is unlikely that we will see significant shifts in the ownership market this year.

Calgary CMA	2018	2019	2020 (F)
Housing Starts: Single Family	3,791	3,535	3,962
Housing Starts: Multi-Family	7,180	8,374	7,662
October Vacancy Rate*	3.90%	3.60%	3.20%

* 2019 October vacancy rate is still forecast

Source: CMHC, Conference Board of Canada



NEW HOME & RENTAL **CONT.**

TOTAL CITY	
	2843
	5292
	2335
Total	10470

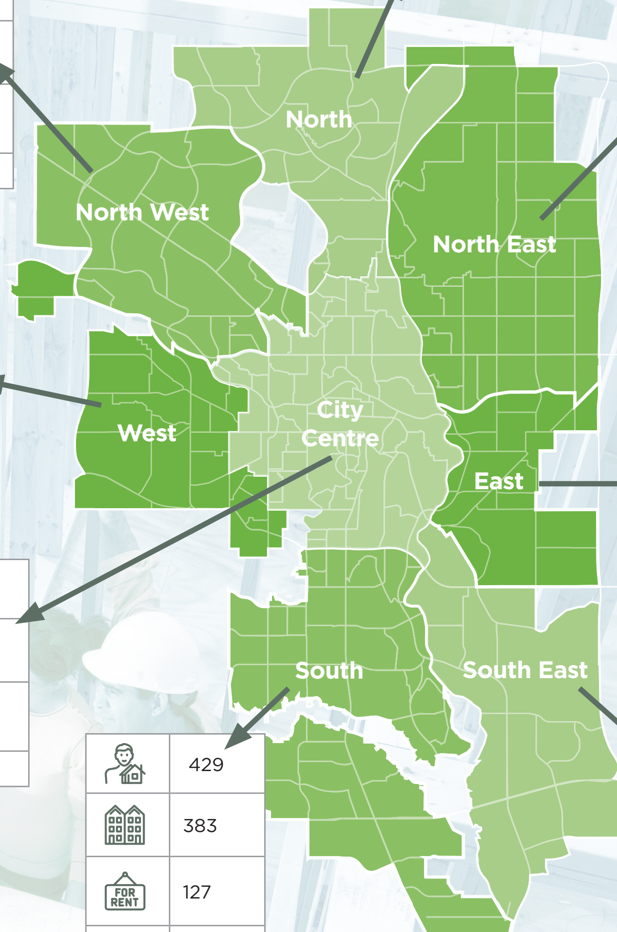
UNDER-CONSTRUCTION BREAKDOWN:
DECEMBER 2019

LEGEND

Homeowner

Condo

Rental



	547
	186
	141
Total	874

	109
	584
	171
Total	864

	626
	571
	11
Total	1208

	250
	268
	76
Total	594

	24
	131
	9
Total	164

	544
	2542
	1756
Total	4842

	429
	383
	127
Total	939

	314
	627
	44
Total	985

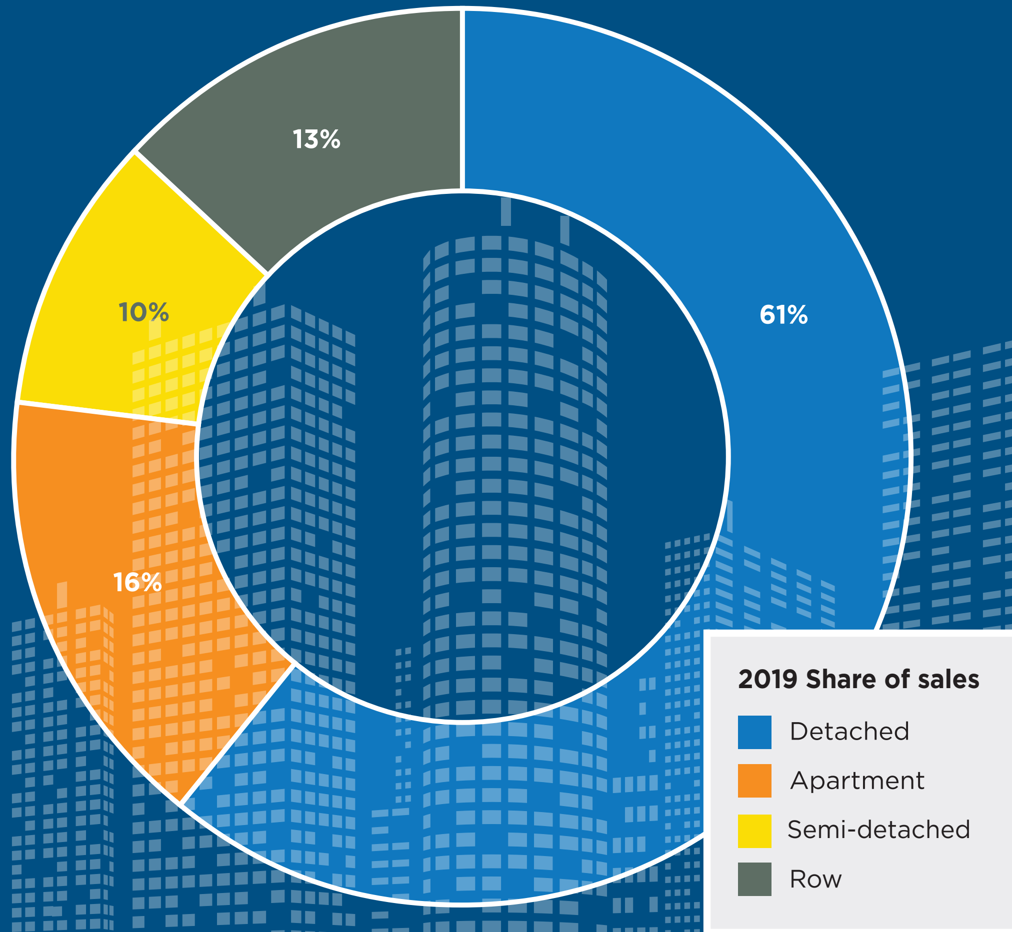
CITY OF CALGARY

Since the oil price crash, Calgary has faced job losses, wage reductions and tightening national housing policy. All these factors have contributed to the slower sales environment, excess supply and citywide price adjustments of 10 per cent since 2014. However, as we move into the sixth year of this cycle, we are starting to see adjustments to these conditions throughout the housing market. Job growth in traditionally lower-paid sectors, combined with recent easing in mortgage rates and price declines, is starting to bring some purchasers back into the lower end of the market.

In 2020, no change in the economic climate, steady population growth, favourable lending rates and no significant changes in the employment sector are expected to support more stable conditions in the housing market.

The shift in consumers preference toward affordable product is expected to continue at the cost of persistent weakness in the higher end of the market. However, as the under-$500,000 market reflects a larger share of total activity, the gains in this sector will outweigh the losses from the higher end, resulting in modest growth in sales and a reduction in the amount of downward pressure on prices.

The current housing market conditions are different from what was recorded prior to 2014. We are settling into a new normal of slower sales, supply choice, limited price growth and a cautious consumer.



SALES

2018	2019	2020 (F)
16,142	**16,365**	**16,731**
-14.50% year over year	1.38% year over year	2.24% year over year

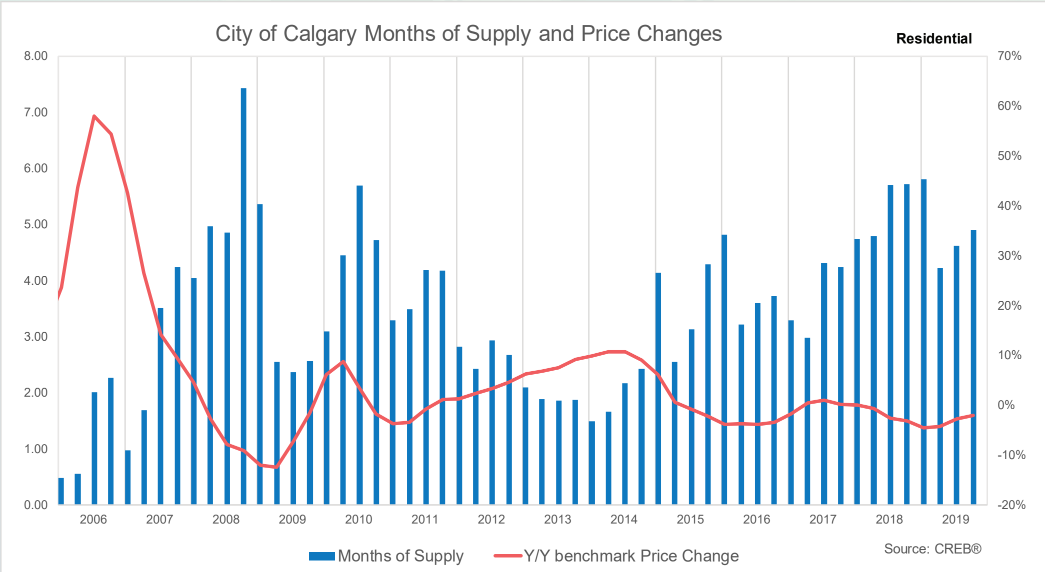
BENCHMARK PRICE

2018	2019	2020 (F)
$437,483	**$422,650**	**$419,739**
-1.55% year over year	-3.39% year over year	-0.69% year over year

CITY OF CALGARY CONT.

A LOOK BACK AT 2019

- *Citywide sales were slightly better than anticipated last year, as declining prices, lower mortgage rates and stronger-than-expected job growth supported a slight improvement in sales.*
- *While citywide sales improved by just over one per cent, this still reflects a weak level of demand, as 2018 sales were among the slowest in over two decades.*
- *Sales growth was driven by the under-$500,000 market, which grew by seven per cent. Meanwhile, resale sales for the over-$500,000 segment declined by nine per cent.*
- *The market did show signs of improvement in the form of reduced oversupply. However, this was mostly driven by supply adjustments, rather than improvements in sales.*
- *Overall, new listings eased by 11 per cent last year and were well below typical levels.*
- *On average, we saw 6,521 units in inventory this year. This was a significant improvement over the previous year's average of 7,018 units, but it remains high relative to typical levels for our city.*
- *Months of supply also trended lower this year, falling just below five months, an improvement from last year's levels. Despite the shift, the market remains oversupplied.*
- *Annual benchmark prices eased by three per cent this year, slightly higher than original expectations.*

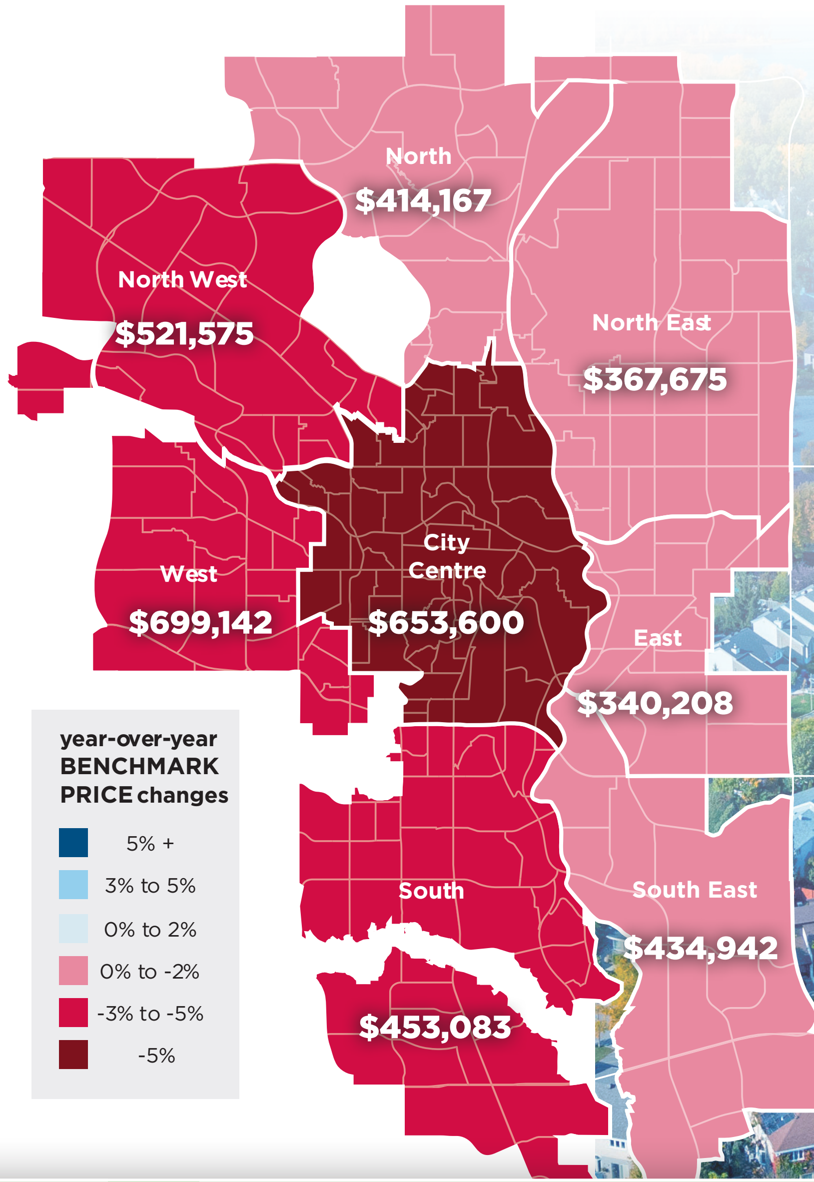


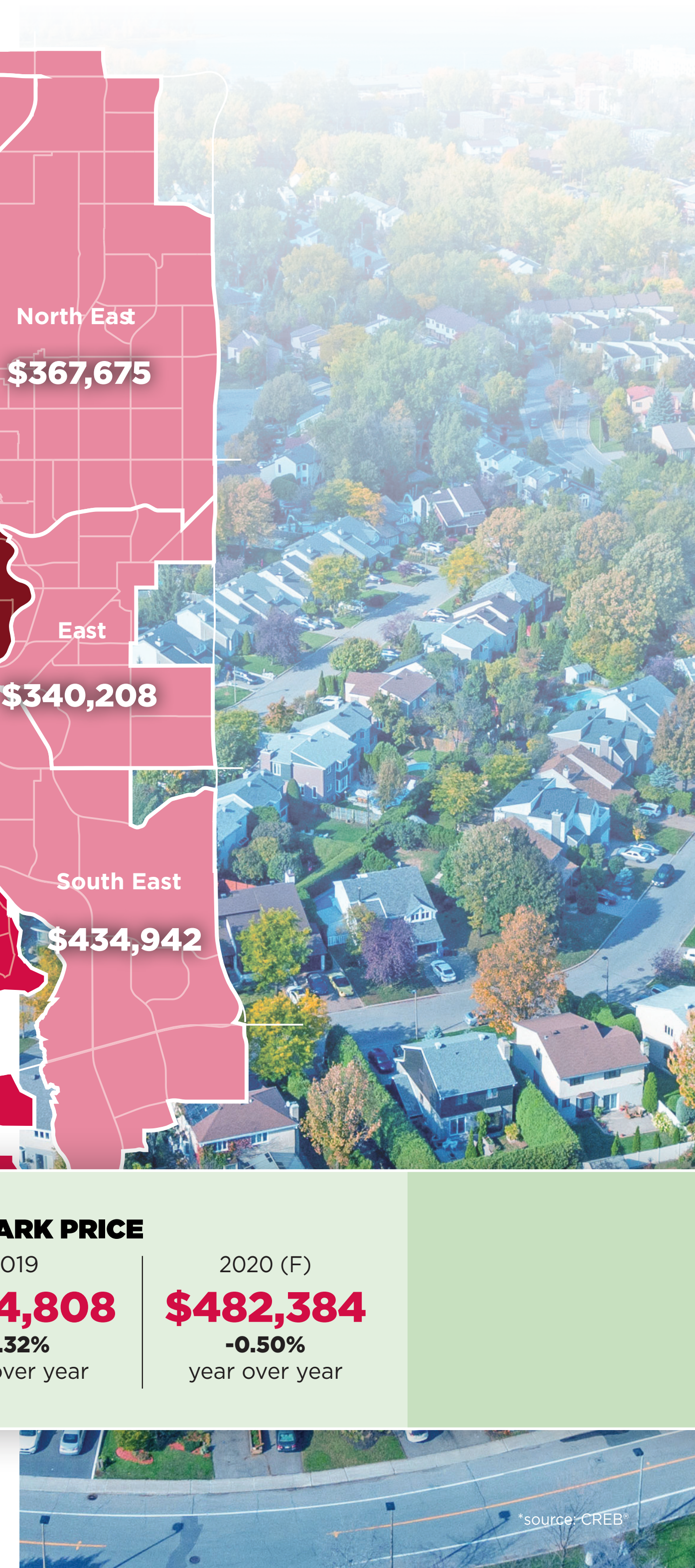
HOUSING MARKET **DETACHED**

The detached market has struggled more than other sectors following the stress-test change occurring in 2018. However, after several years of adjustments, and steeper price declines in 2019, we are expecting to see some signs of improvement in 2020. Further declines in inventory, coupled with expected sales growth, will help reduce the oversupply in the market and slow the pace of decline in prices.

However, as was the case in 2019, the market will continue to see divergent trends based on price range. Price declines, favorable lending rates, lower wages, and job growth that is occurring in non-traditional and lower-paid sectors are creating conditions that support modest demand growth for lower-priced product. In addition, we benefit from a younger buyer demographic that is looking for homeownership options. These trends should support improvements in the lower price ranges, both in terms of sales growth and price improvements.

While improving conditions in the lower end can eventually spill into the upper end of the market, this is not expected to occur over the next year. The lack of employment growth in higher-paid sectors and the risk associated with economic prospects will continue to weigh on demand for higher-priced homes. The elevated supply-demand balances in those ranges will likely continue to impact prices until they ease enough to support changes in supply and demand.





SALES

2018	2019	2020 (F)
9,944	**9,913**	**10,101**
-15.94% year over year	**-0.31%** year over year	**1.90%** year over year

BENCHMARK PRICE

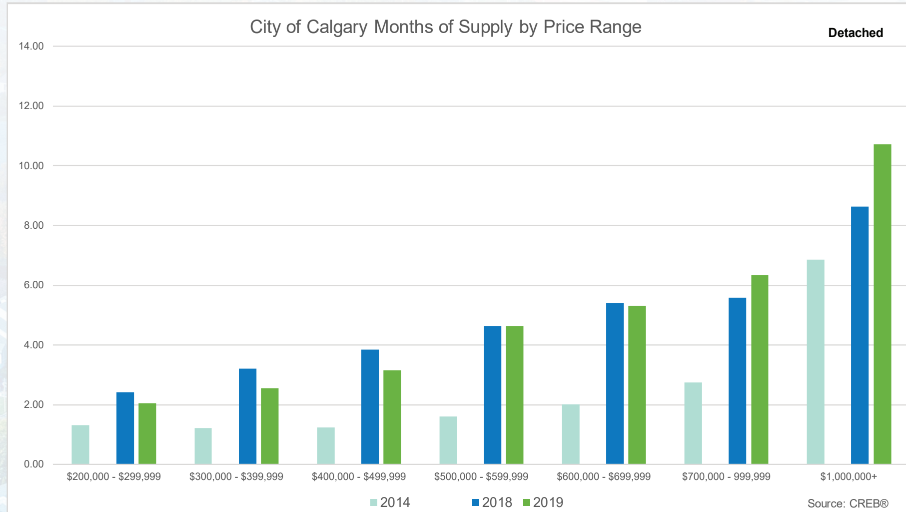
2018	2019	2020 (F)
$501,450	**$484,808**	**$482,384**
-1.39% year over year	**-3.32%** year over year	**-0.50%** year over year

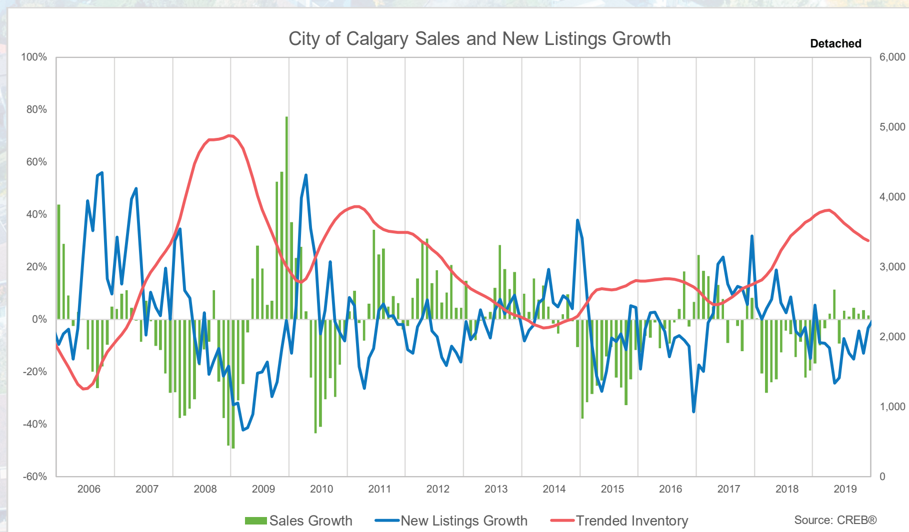
source: CREB

HOUSING MARKET **DETACHED CONT.**

A LOOK BACK AT 2019:

- *Sales activity was slightly lower than last year's levels, making it one of the slowest years of sales since 1995. Stricter lending requirements and weak job growth in higher-paying jobs have impacted demand growth for the higher-priced detached homes.*
- *Nearly 60 per cent of the inventory is priced over $500,000, and with easing sales for higher-priced homes, it does not come as a surprise that the detached market has not seen the same pickup in sales as the other sectors.*
- *While 2019 sales improved in the North West and South districts, activity declined across all other districts, with the largest declines occurring in the North district.*
- *The challenge in some districts is the competition between the new-home and resale markets. Many homebuilders have adjusted their prices to be more competitive with the resale market, resulting in some demand shifting away from resale to new.*
- *Adjustments in supply helped push the market toward more balanced conditions by the end of the year. However, persistent oversupply in the detached market this year resulted in stronger-than-expected price declines of over three per cent. Overall, detached home prices remain nearly eight per cent lower than 2014 highs.*
- *Despite some shifts in sales by district, persistent oversupply weighed on prices across all districts, with 2019 price declines ranging from a low of one per cent in the North East to a high of over five per cent in the City Centre district.*

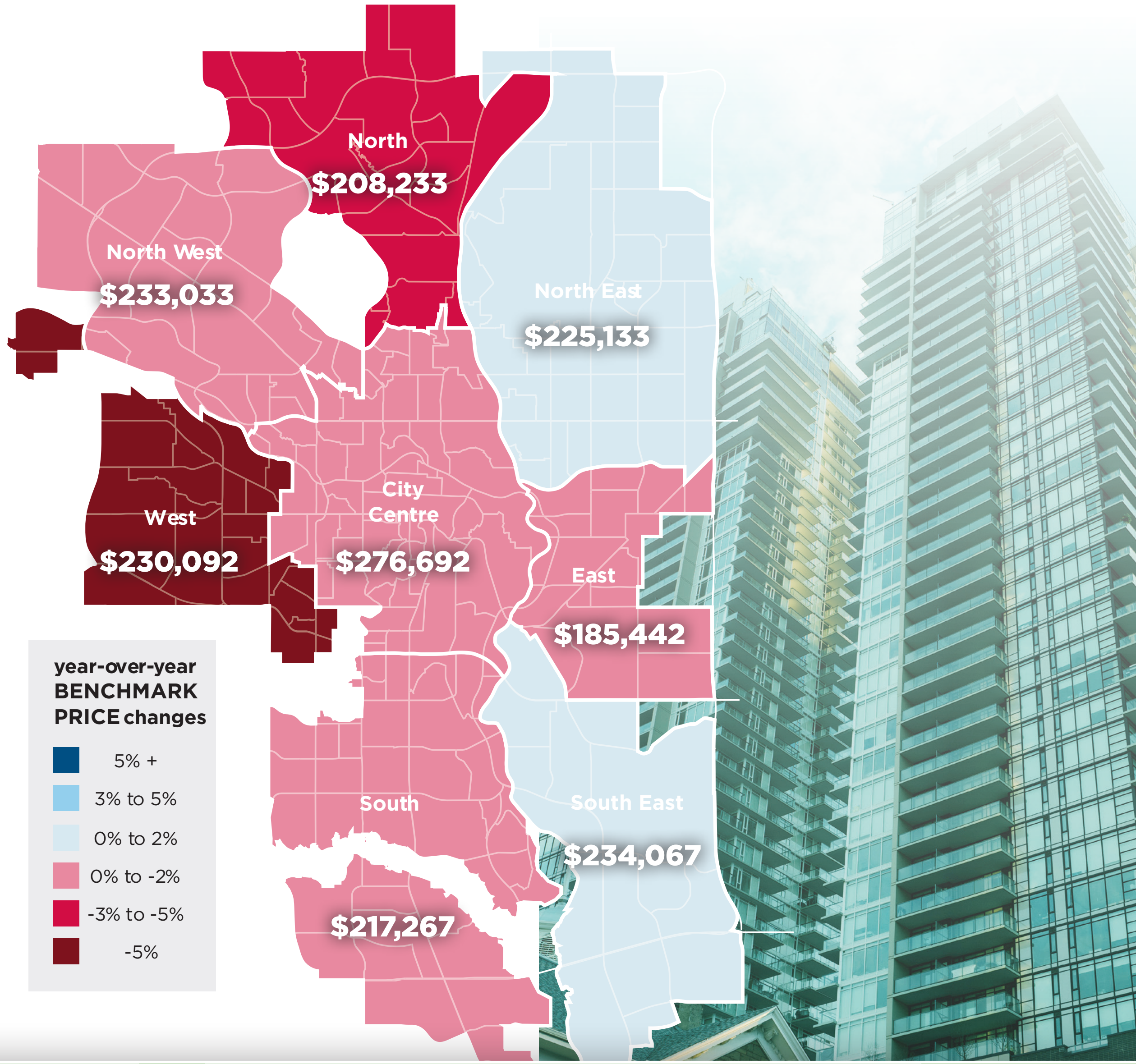




HOUSING MARKET **APARTMENT**

The apartment sector is typically the most affordable sector in the market. However, it did not receive the same boost in sales that the attached sector saw, likely due to competition coming from the new-home market. Competition from the new-home market and excess supply in the resale market have caused prices to decline for four consecutive years.

In 2020, easing prices and tighter rental-market conditions are expected to support modest sales growth in this sector. However, growth will be limited, as persistent competition from the new-home sector will continue to impact resale demand. At the same time, supply levels should continue to slowly ease, but this is not expected to be enough to support balanced conditions. Persistent oversupply is expected to continue to weigh on prices, but the pace of decline should ease, with an annual forecasted decline of nearly one per cent.

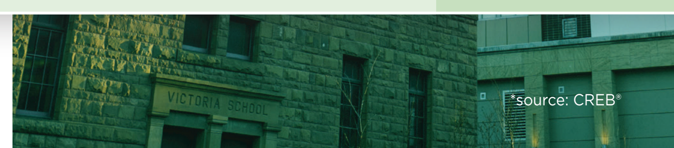


SALES

2018	2019	2020 (F)
2,661	**2,672**	**2,736**
-7.28% year over year	**0.41%** year over year	**2.40%** year over year

BENCHMARK PRICE

2018	2019	2020 (F)
$255,733	**$249,775**	**$247,777**
-2.81% year over year	**-2.33%** year over year	**-0.80%** year over year

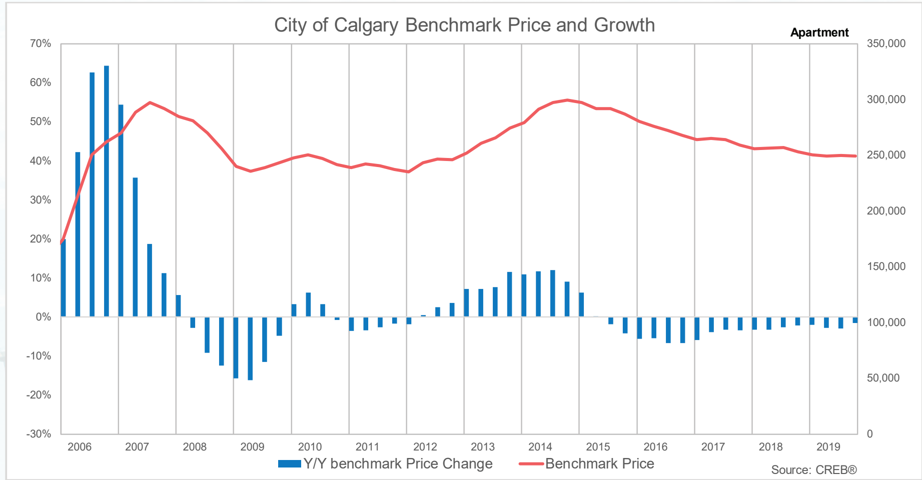


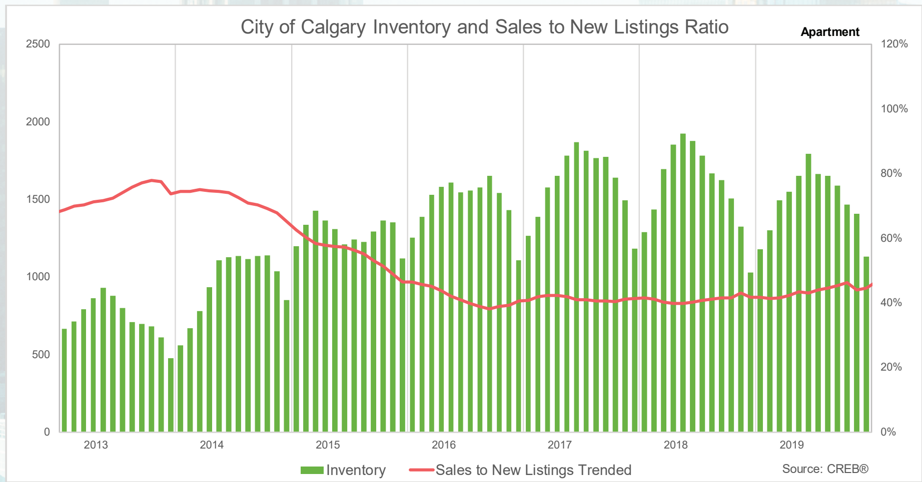
source: CREB

HOUSING MARKET **APARTMENT CONT.**

A LOOK BACK AT 2019:

- *Fuelled by a stronger second half of the year, sales activity for apartment-style condominiums remained similar to 2018 figures with 2,672 sales. While sales did stabilize, they remain over 20 per cent lower than longer-term averages.*
- *Stable sales were met with reductions in new listings, causing declines in overall inventory levels and months of supply. The months of supply went from levels that averaged over seven months in 2018 to the over six months recorded in 2019.*
- *While the market remains generally oversupplied, these reductions helped support some stability in prices in some districts. However, prices still eased by two per cent in 2019 and remain 17 per cent below 2015 annual highs.*
- *While citywide sales remained stable, sales improved for product priced below $200,000. Reductions in oversupply were fuelled by supply adjustments, as new listings declined by nearly nine per cent and inventories declined by nearly six per cent.*

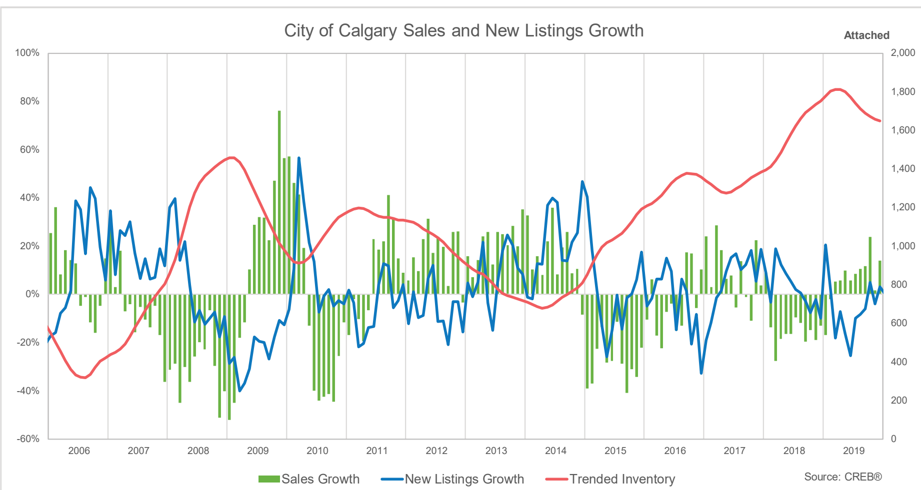


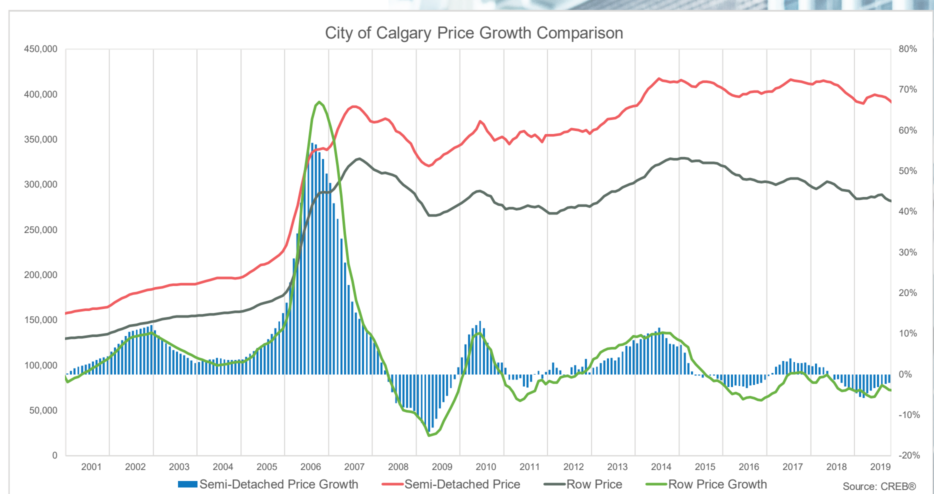


HOUSING MARKET **ATTACHED**

Benefiting from its relative affordability compared to detached product, and steeper price declines, attached sales activity far surpassed expectations and grew by nearly seven per cent. Stronger sales and easing new listings helped reduce inventory levels and push the market toward more balanced conditions. However, persistent oversupply continued to weigh on prices. Attached prices eased by four per cent in 2019, for a total price decline of 11 per cent since 2015 highs.

In 2020, added competition from the new-home sector is expected to draw some demand away from the resale side of the market, but resale activity is still expected to improve by three per cent. Gradual reduction in supply levels should help to support more stable conditions. However, the competition from the new-home sector, and the still-oversupplied resale market, will continue to weigh on prices, which will ease slightly over the previous year's levels.



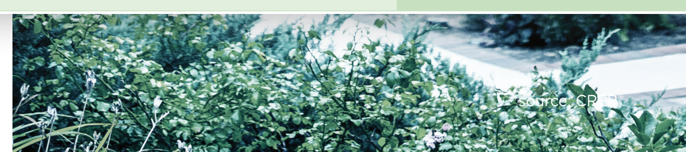


SALES

2018	2019	2020 (F)
3,537	**3,780**	**3,893**
-15.38%	**6.87%**	**3.00%**
year over year	year over year	year over year

BENCHMARK PRICE

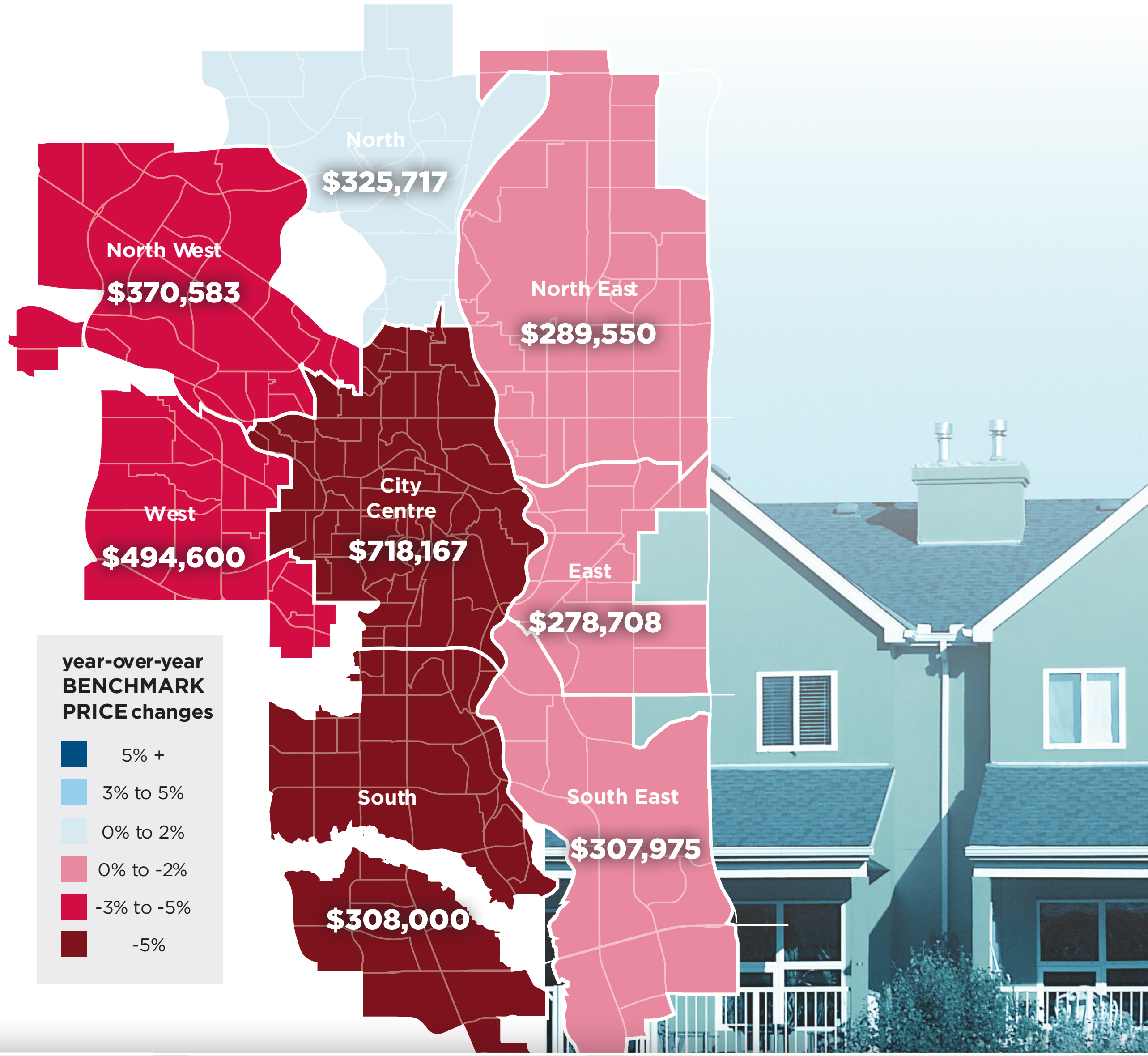
2018	2019	2020 (F)
$327,517	**$314,850**	**$311,387**
-1.64%	**-3.87%**	**-1.10%**
year over year	year over year	year over year



HOUSING MARKET **SEMI-DETACHED**

A LOOK BACK AT 2019:

- *Last year, semi-detached sales improved by six per cent, making it the only sector to see sales rise to long-term averages. For many, this property type provides some of the same benefits as a detached property, but at a more affordable price.*
- *The improvement in sales, combined with easing new listings, helped support inventory declines across most districts. This helped push the market toward more balanced conditions. However, the oversupply scenario persisted, weighing on prices.*
- *In 2019, semi-detached prices eased by nearly four per cent. However, there was a wide range of price adjustments within each district. Both the City Centre and South districts recorded price declines of five per cent, while the North district saw prices improve by nearly two per cent.*



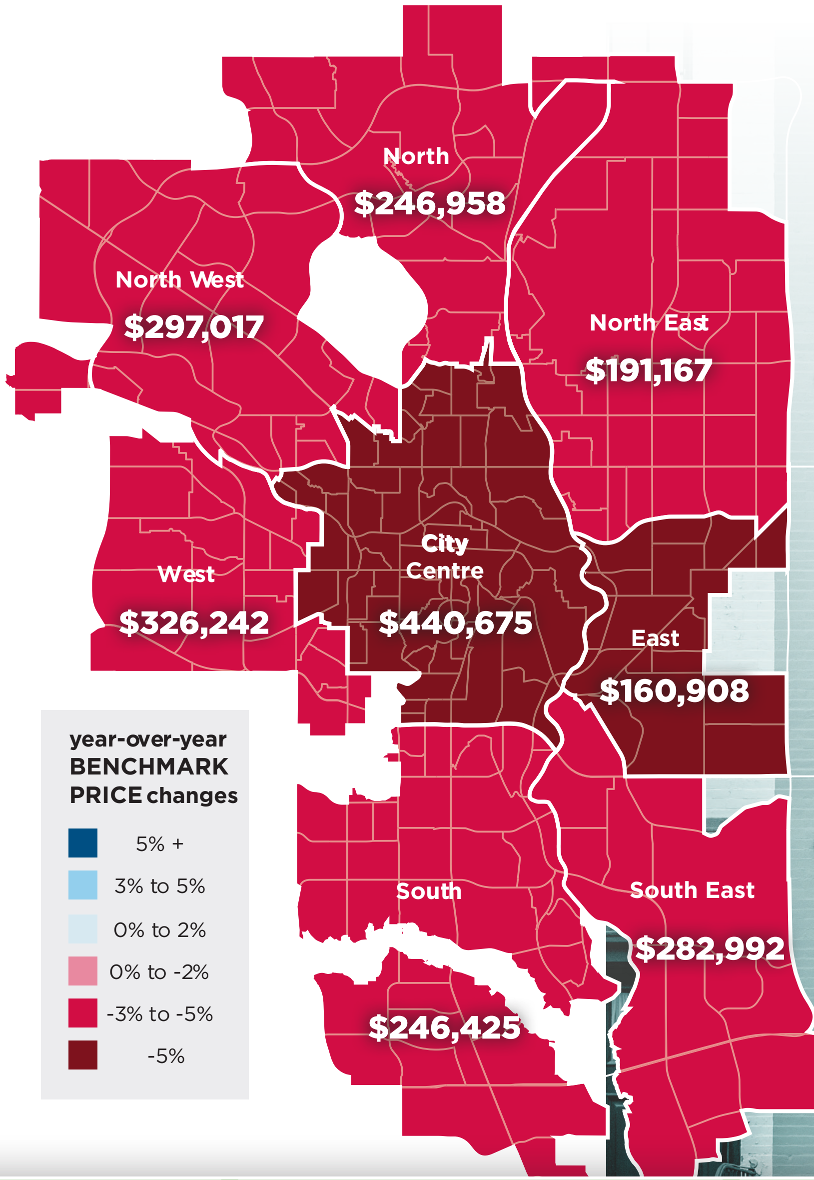
SALES 2018	SALES 2019	NEW LISTINGS 2018	NEW LISTINGS 2019	INVENTORY 2018	INVENTORY 2019	BENCHMARK PRICE 2018	BENCHMARK PRICE 2019
1,575	1,671	3,582	3,231	748	704	$408,950	$394,383
-13.37% year over year	6.10% year over year	14.84% year over year	-9.80% year over year	45.68% year over year	-5.88% year over year	-0.46% year over year	-3.56% year over year

*source: CREB®

HOUSING MARKET
ROW HOUSING

A LOOK BACK AT 2019:

- *The relative affordability of this product type, coupled with price adjustments in this segment, supported sales growth in the resale market. While sales improved across most districts, the largest gains occurred in the South East district.*
- *New listings continued to decline across most districts, supporting reductions in inventory levels. The one exception is the City Centre district, where, despite improving sales, the rise in new listings was enough to prevent any reductions in overall inventory levels.*
- *The balance between supply and demand improved, mostly for product priced below $400,000. Citywide, this helped prevent further price slides in the second and third quarters, slowing the annual decline in prices. However, overall, row prices remained four per cent lower than last year's levels and 13 per cent lower than 2015 annual highs.*

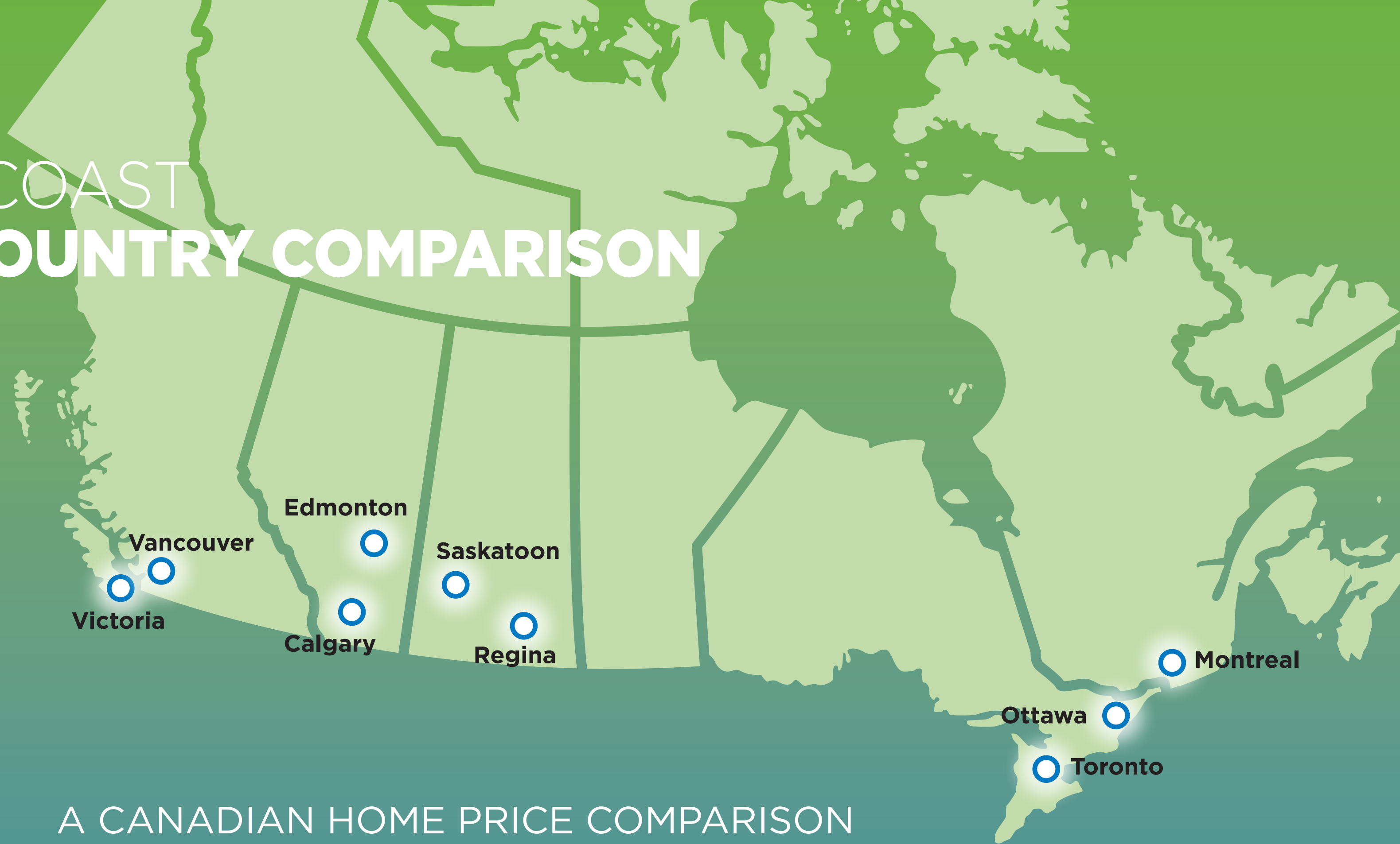


SALES		NEW LISTINGS		INVENTORY		BENCHMARK PRICE	
2018	2019	2018	2019	2018	2019	2018	2019
1,962	2,109	4,523	4,255	1,004	946	$297,017	$285,158
-16.93% year over year	7.49% year over year	-3.77% year over year	-5.93% year over year	15.49% year over year	-5.83% year over year	-2.24% year over year	-3.99% year over year

source: CREB

COAST TO COAST
A CROSS-COUNTRY COMPARISON

Persistent economic challenges in both Alberta and Saskatchewan weighed on home prices in 2019. Changes to lending requirements and a shift in foreign ownership tax continue to weigh on the Vancouver market, while the impact is starting to ease in the Greater Toronto Area.



A CANADIAN HOME PRICE COMPARISON

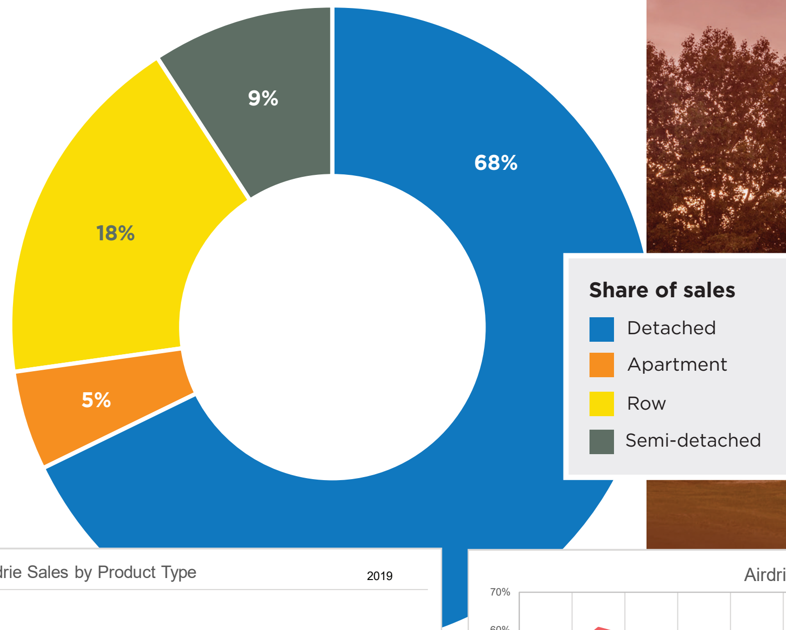
SINGLE-FAMILY HOME PRICE	Benchmark Price 2019	Y/Y Change Benchmark Price
Greater Vancouver	$1,428,216	-9.82%
Victoria	$748,807	-0.30%
Fraser Valley	$956,032	-4.66%
Calgary region	$467,330	-5.33%
Edmonton	$384,411	-2.81%
Regina	$275,345	-4.22%
Saskatoon	$307,256	-0.90%
Greater Toronto	$890,564	2.67%
Greater Montreal	$382,586	6.74%
Ottawa	$466,443	8.66%

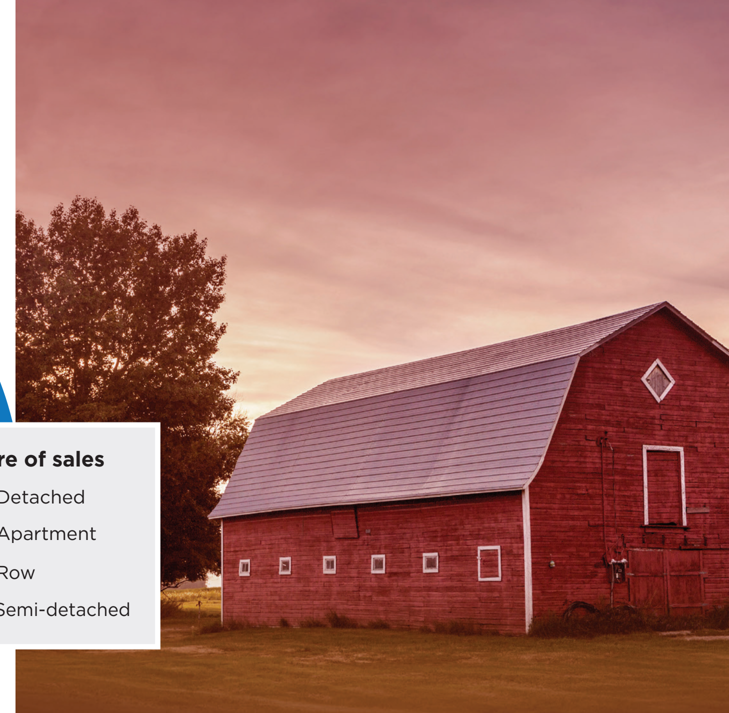
APARTMENT CONDOMINIUM HOME PRICE	Benchmark Price 2019	Y/Y Change Benchmark Price
Greater Vancouver	$659,538	-6.45%
Victoria	$503,898	2.46%
Fraser Valley	$411,946	-6.04%
Calgary region	$248,401	-2.62%
Edmonton	$189,505	-5.20%
Regina	$186,020	-5.96%
Saskatoon	$170,839	-4.50%
Greater Toronto	$539,364	8.37%
Greater Montreal	$303,601	8.28%
Ottawa	$303,159	9.60%

AIRDRIE

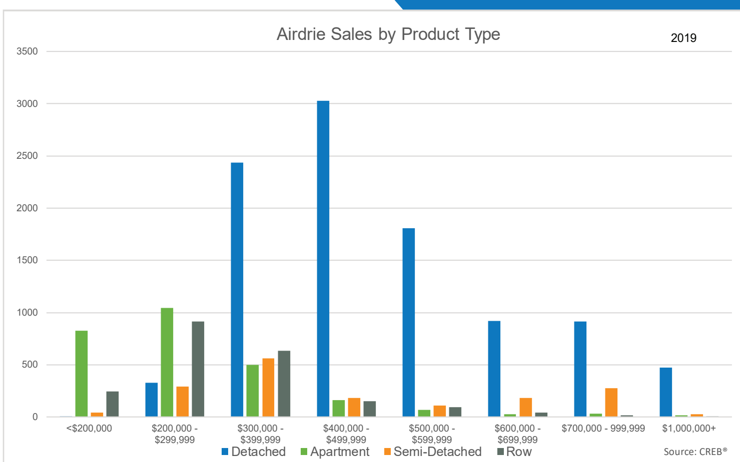
Following challenging housing market conditions in 2018, 2019 brought some notable improvements to the Airdrie market. Driven by growth in both the detached and attached sectors, sales activity improved compared to last year's levels and is now more consistent with longer-term averages. The improvement in sales is likely a reflection of the drive from consumers to move toward more affordable product, especially in the detached market. Airdrie has also benefited from relatively strong population growth over the past several years.

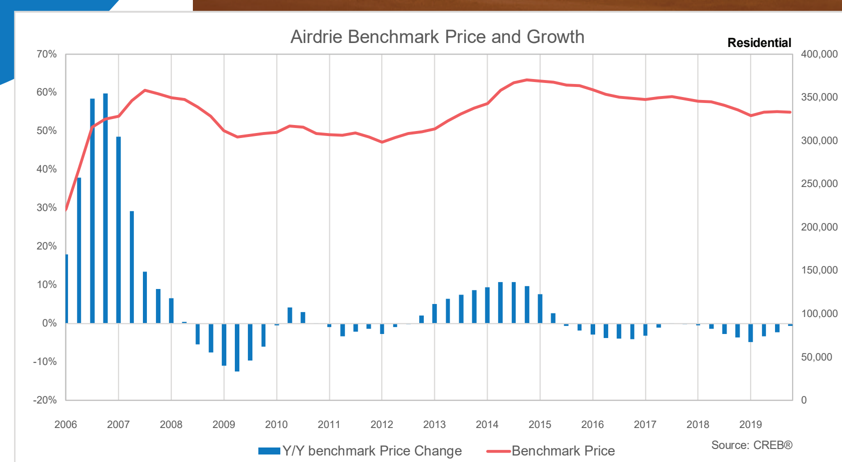
At the same time, the number of new listings coming onto the market eased, pushing down inventory levels. There was also a pullback in housing starts in 2019, which will help reduce overall housing supply as we move into 2020.





Improving demand and easing supply are helping push the market closer to balanced conditions. However, the market continues to remain oversupplied, weighing on prices, which declined by three per cent in 2019. It will take some time before prices stabilize, but if these adjustments continue, we could start to see prices level off in 2020.





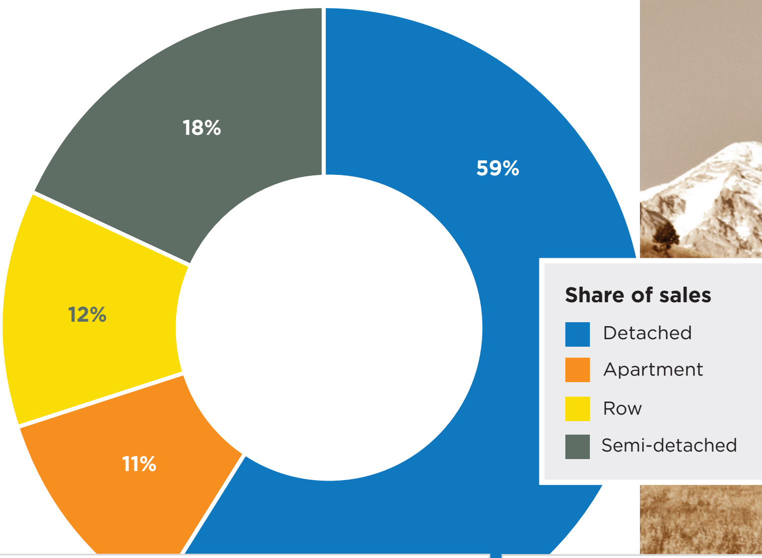
SALES		NEW LISTINGS		INVENTORY		BENCHMARK PRICE	
2018	2019	2018	2019	2018	2019	2018	2019
1,146	1,193	2,397	2,086	536	469	$341,742	$332,075
-13.7% year over year	4.10% year over year	-1.92% year over year	-12.97% year over year	17.07% year over year	-12.57% year over year	-2.07% year over year	-2.83% year over year

*source: CREB®

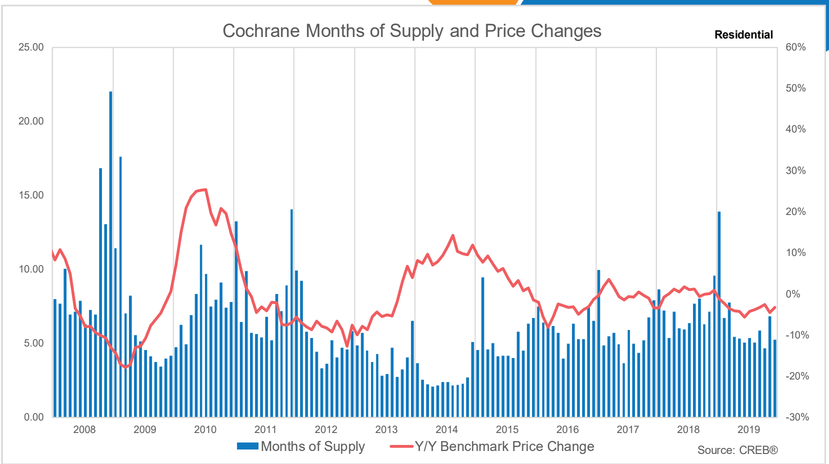
COCHRANE

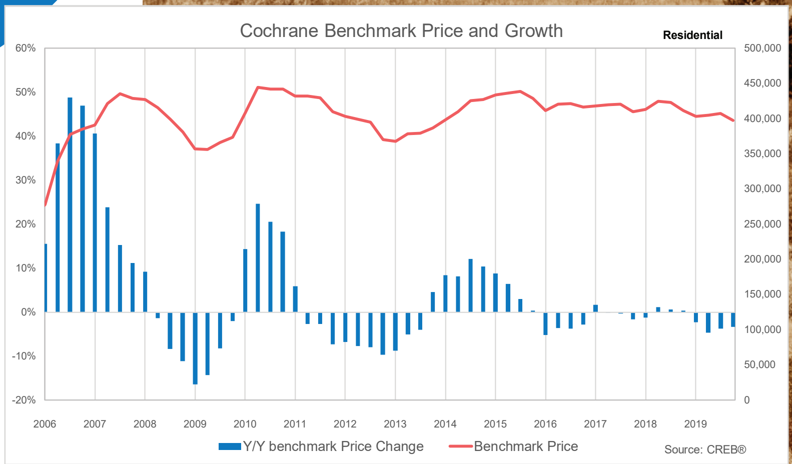
Sales activity in the town improved in 2019 compared to the previous year, thanks to growth in both the detached and apartment sectors. Cochrane has benefited from strong population growth over the past several years, supporting relatively high levels of housing activity. Since 2014, the population has increased by nearly 9,000 and is now nearly double the number of residents from a decade ago.

As the centre has grown, so too has the amount of supply in the market. The new-home sector has added nearly 4,000 new homes to the area since 2014. This has, in part, contributed to the oversupply recorded in the market throughout most of 2018 and 2019. However, in 2019, easing starts and new listings on the resale side of the market started to reduce inventories in the resale market.



While this market remains oversupplied, if adjustments in supply and relatively stable sales activity persist, this should support more stability in pricing. However, this market remains far from achieving price recovery. The competition from new-home product and the existing supply have caused resale benchmark prices to ease by nearly four per cent in 2019, and prices remain over seven per cent lower than the highs recorded in 2015.





SALES		NEW LISTINGS		INVENTORY		BENCHMARK PRICE	
2018	2019	2018	2019	2018	2019	2018	2019
599	619	1,288	1,137	343	307	$418,000	$403,250
-9.65% year over year	3.34% year over year	2.63% year over year	-11.72% year over year	15.27% year over year	-10.38% year over year	0.20% year over year	-3.53% year over year

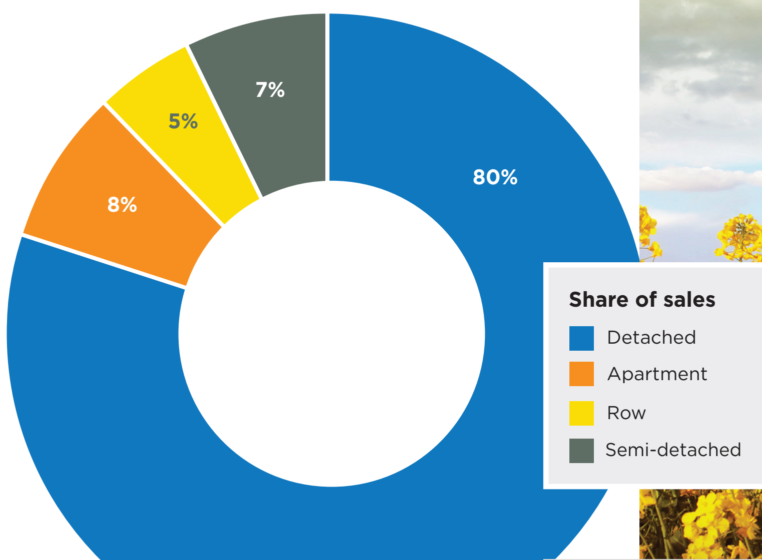
*source: CREB

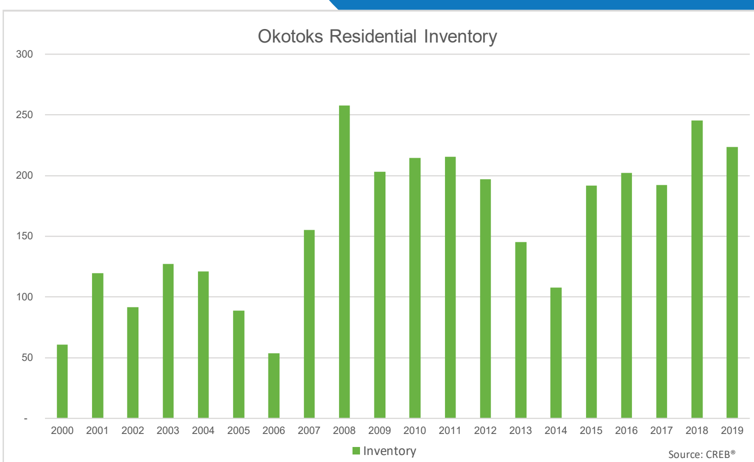
OKOTOKS

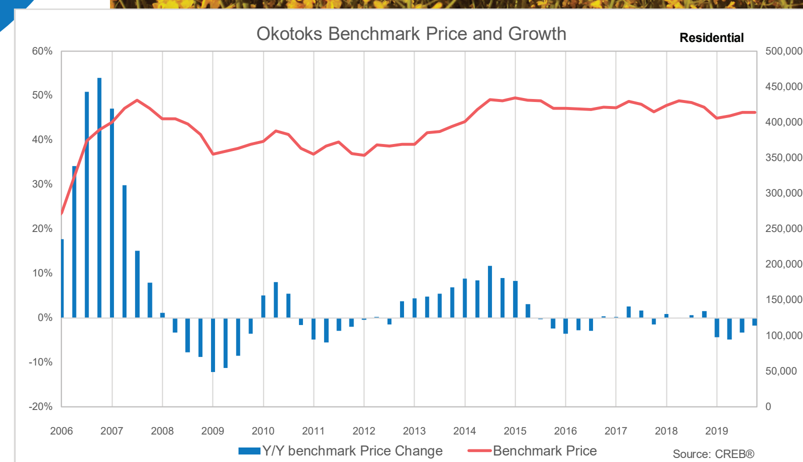
Following a slow start to the year, Okotoks saw continual improvement in sales each quarter. At the same time, the number of new listings eased compared to last year, supporting declines in inventory levels and improvements in market conditions. The new-home sector in Okotoks has not seen any significant change in starts activity, which has trended down over the past several years.

Despite reductions in resale oversupply in the second half of the year, buyers' market conditions persisted throughout most of the year, causing prices to ease. In 2019, prices eased by nearly four per cent, resulting in a total downward price adjustment of nearly six per cent since 2015 peak levels.

Nonetheless, if the trend of sales growth persists, while new listings ease, this should start to help support more balanced conditions and price stability in this market.







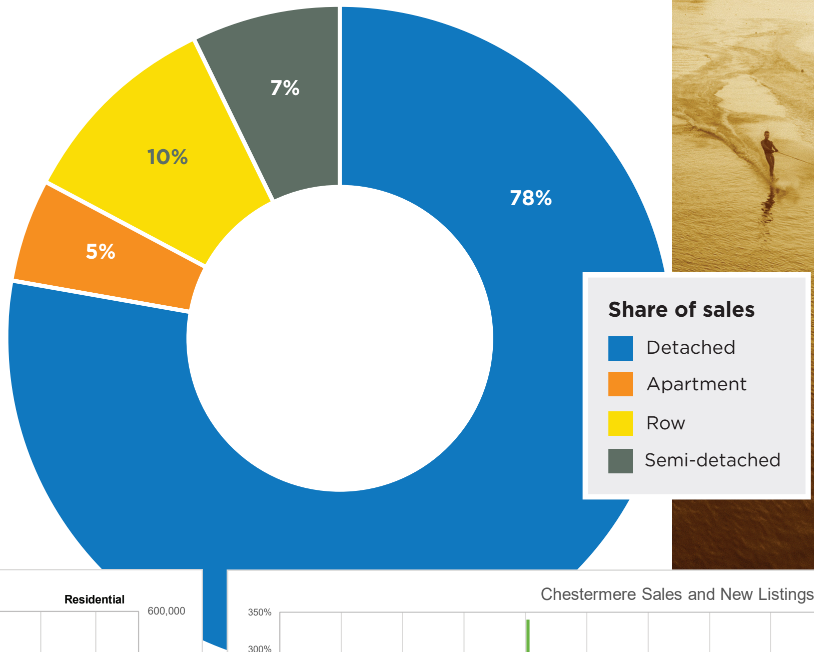
SALES		NEW LISTINGS		INVENTORY		BENCHMARK PRICE	
2018	2019	2018	2019	2018	2019	2018	2019
462	511	1,034	927	246	223	$425,658	$410,392
-15.54% year over year	10.61% year over year	7.37% year over year	-10.35% year over year	27.74% year over year	-9.35% year over year	0.79% year over year	-3.59% year over year

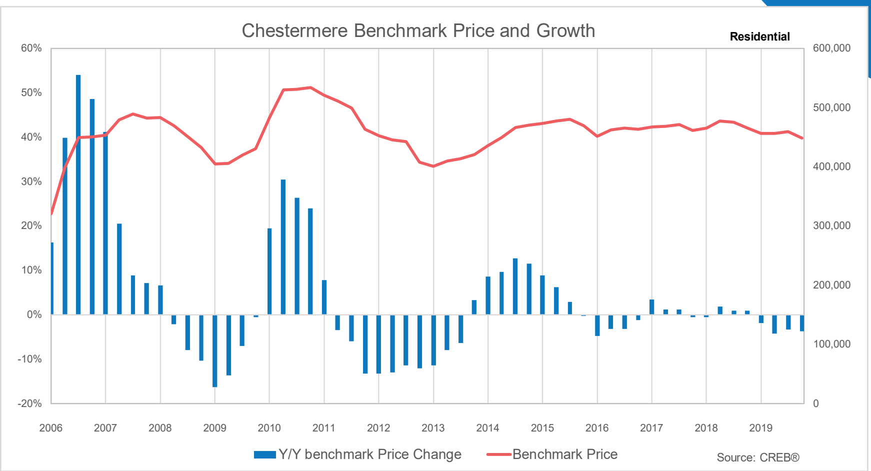
*source: CREB®

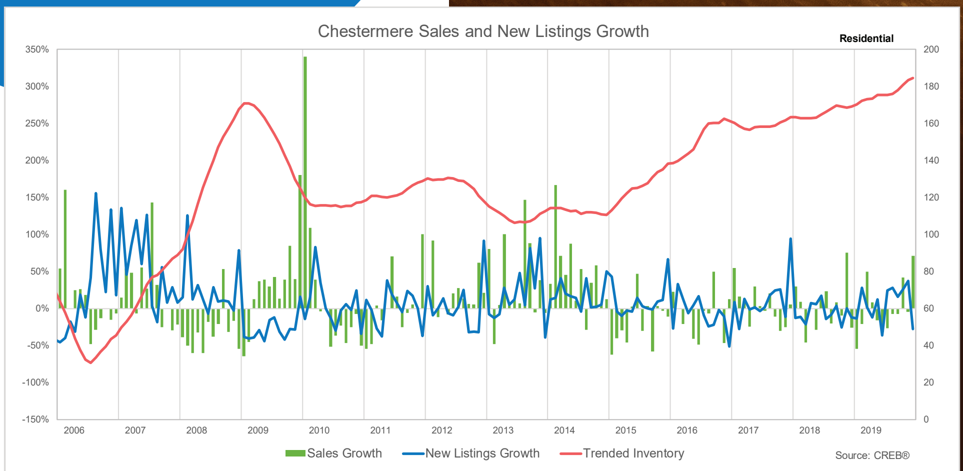
CHESTERMERE

Activity in the region showed signs of weakening in 2019. Competition from the new-home sector, and narrowing price spreads between Calgary and Chestermere, might be impacting resale activity. In 2019, sales activity fell and new listings rose. This resulted in inventory gains and rising oversupply. The rising new listings were caused, in part, by a larger share of new-home product listed on the MLS® System.

With supply exceeding demand throughout most of the year, prices declined. In 2019, the benchmark price in the area was $455,375, three per cent lower than the previous year. Moving forward, the downward pressure on prices will likely persist until there is a notable shift in conditions, whether from easing supply pressures or improvements in demand.







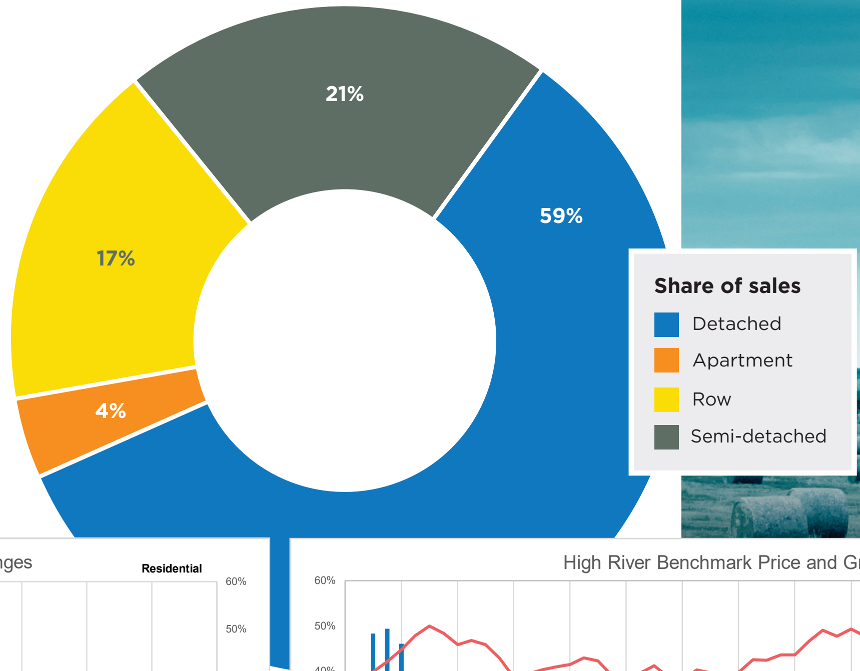
SALES		NEW LISTINGS		INVENTORY		BENCHMARK PRICE	
2018	2019	2018	2019	2018	2019	2018	2019
293	**273**	**675**	**699**	**169**	**185**	**$470,733**	**$455,375**
-2.01% year over year	**-6.83%** year over year	**-5.33%** year over year	**3.56%** year over year	**3.42%** year over year	**9.22%** year over year	**0.80%** year over year	**-3.26%** year over year

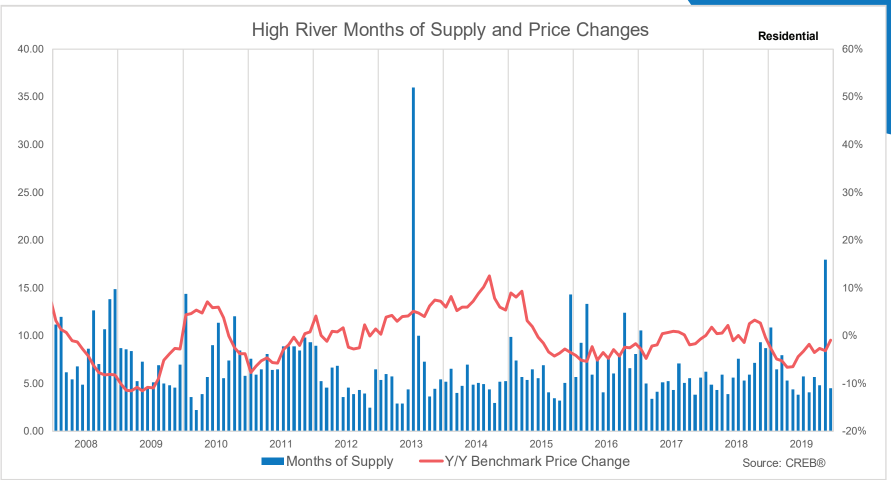
*source: CREB®

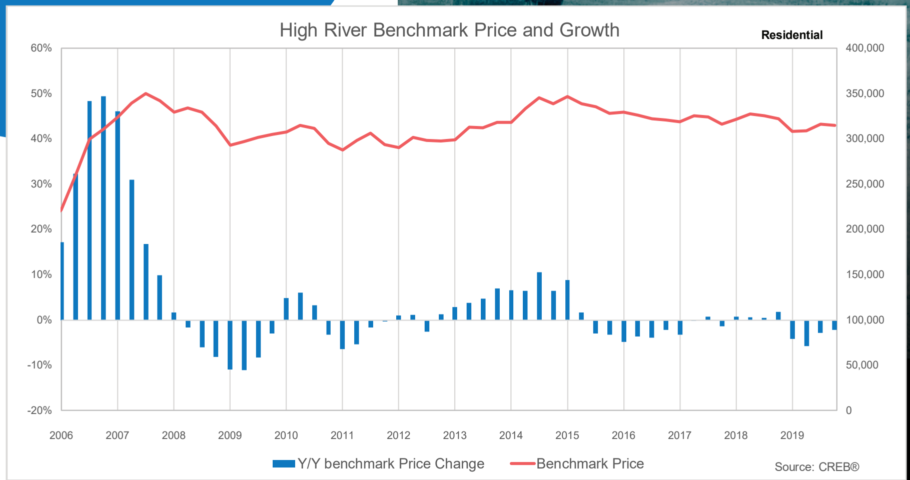
HIGH RIVER

In 2019, sales activity improved to levels consistent with longer-term trends for the town. However, it was not enough to offset new listings on the market, causing slight inventory gains. Throughout most of the year, conditions generally favoured the buyer, resulting in some downward pressure on prices.

However, market conditions did appear to improve in the second half of the year, helping support more stability in prices. While prices mostly levelled off near the end of the year, it was not enough to offset previous adjustments. Overall, prices eased by nearly four per cent in 2019 compared to the previous year.







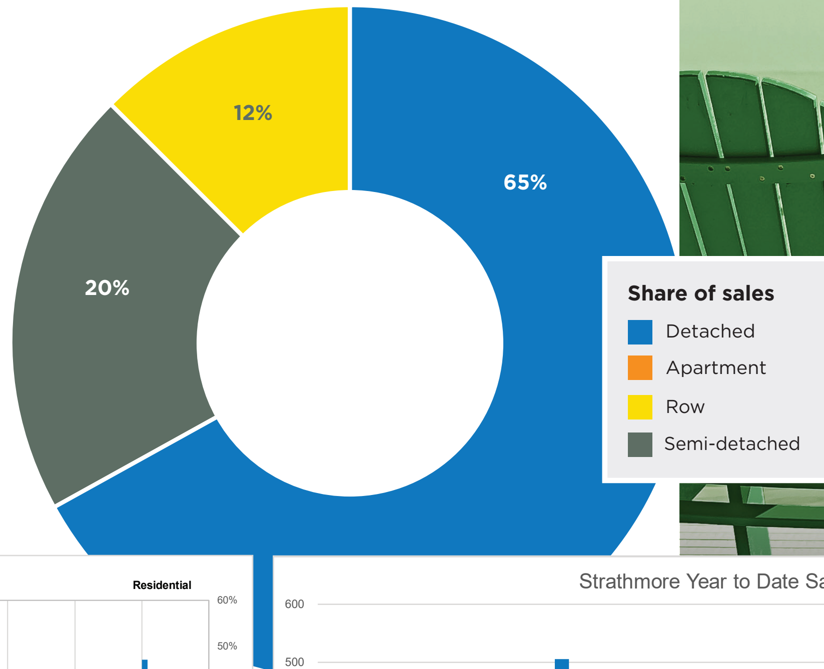
	SALES		NEW LISTINGS		INVENTORY		BENCHMARK PRICE	
	2018	2019	2018	2019	2018	2019	2018	2019
	232	252	418	414	114	117	$324,183	$312,025
	-11.79% year over year	8.62% year over year	-6.49% year over year	-0.96% year over year	3.72% year over year	2.71% year over year	0.92% year over year	-3.75% year over year

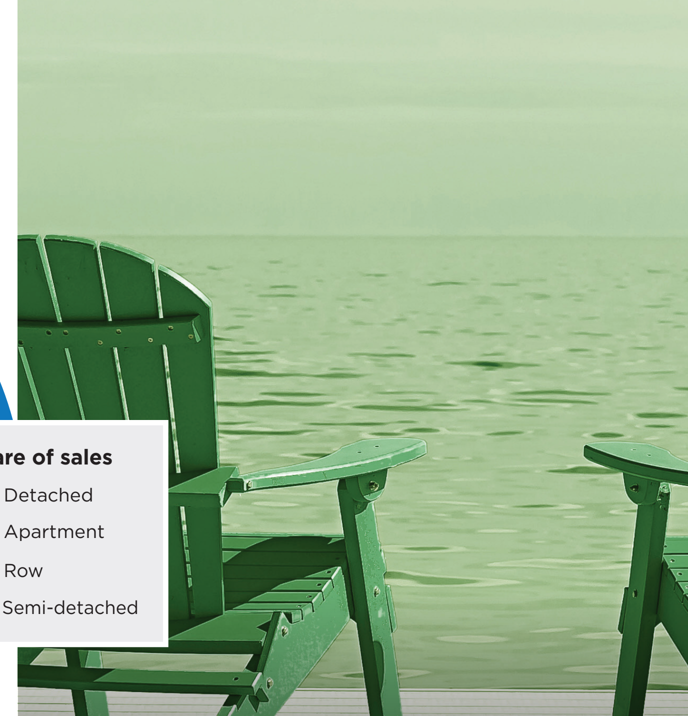
*source: CREB®

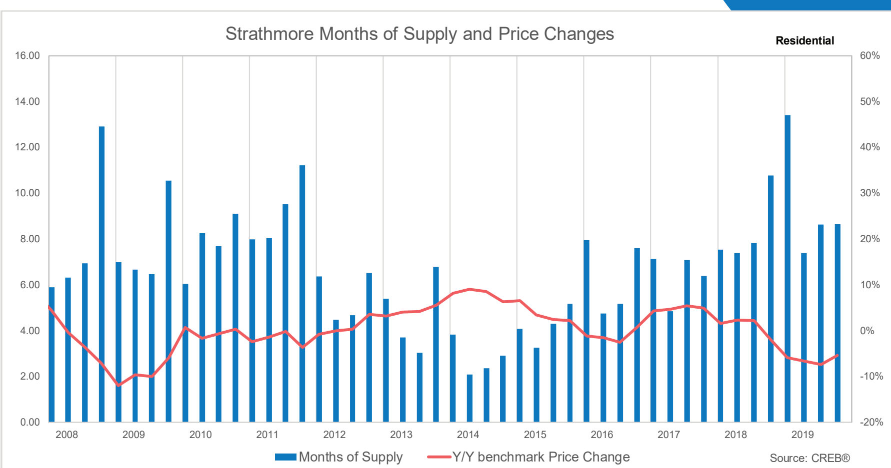
STRATHMORE

Sales activity in Strathmore eased in 2019 compared to the previous year to levels not seen since the early 2000s. While new listings also eased, it was not enough to offset the pullback in sales, preventing any significant change in inventories. This caused the months of supply to average near-record highs.

While prices had managed to stay relatively flat for the past several years, the persistent oversupply situation weighed on prices last year. In 2019, the benchmark price eased by six per cent compared to the previous year.







SALES

2018	2019
222	**200**
-13.95% year over year	**-9.91%** year over year

NEW LISTINGS

2018	2019
548	**509**
-0.18% year over year	**-7.12%** year over year

INVENTORY

2018	2019
151	**150**
13.95% year over year	**-0.94%** year over year

BENCHMARK PRICE

2018	2019
$359,250	**$336,583**
1.07% year over year	**-6.31%** year over year

*source: CREB®

SUMMARY

MLS® SYSTEM RESALE MARKET	2017	2018	2019	2020 (F)	Forecaster
City of Calgary Residential					
Sales	18,880	16,142	16,365	16,731	CREB®
Price Growth	0.03%	-1.55%	-3.39%	-0.69%	CREB®
City of Calgary Detached					
Sales	11,830	9,944	9,913	10,101	CREB®
Price Growth	0.96%	-1.39%	-3.32%	-0.50%	CREB®
City of Calgary Attached					
Sales	4,180	3,537	3,780	3,893	CREB®
Price Growth	-0.08%	-1.64%	-3.87%	-1.10%	CREB®
City of Calgary Apartment					
Sales	2,870	2,661	2,672	2,736	CREB®
Price Growth	-4.09%	-2.81%	-2.33%	-0.80%	CREB®

ECONOMIC INDICATORS	2017	2018	2019 (E)	2020 (F)	Forecaster
GDP*					
Alberta GDP Growth	4.58%	2.29%	0.11%	2.39%	Conference Board of Canada
Calgary CMA GDP Growth	4.95%	2.72%	0.64%	2.36%	Conference Board of Canada
Employment					
Calgary CMA Employment Growth	3.27%	0.94%	4.22%	0.58%	Conference Board of Canada
Population					
City of Calgary Net Migration	974	11,588	9,560	10,000	City of Calgary
New Home					
Housing Starts: Single Family Calgary CMA	4,423	3,791	3,535	3,962	Conference Board of Canada
Housing Starts: Multiple Family Calgary CMA	7,111	7,180	8,374	7,662	Conference Board of Canada
Calgary CMA October Vacancy Rate	6.30%	3.90%	3.60%	3.20%	CMHC
Calgary CMA October Two-Bedroom Average Rent	1,247	1,272	1,300	1,340	CMHC
Lending Rate					
Average Residential Mortgage Lending Rate 5 Year	3.79%	4.36%	4.26%	4.27%	Conference Board of Canada
Energy					
WTI Price ($USD)	$50.79	$65.06	$56.74	$55.01	U.S. Energy Information Administration
Henry Hub Spot Price ($USD)	$3.10	$3.27	$2.69	$2.55	U.S. Energy Information Administration

*2019 Estimated Values

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