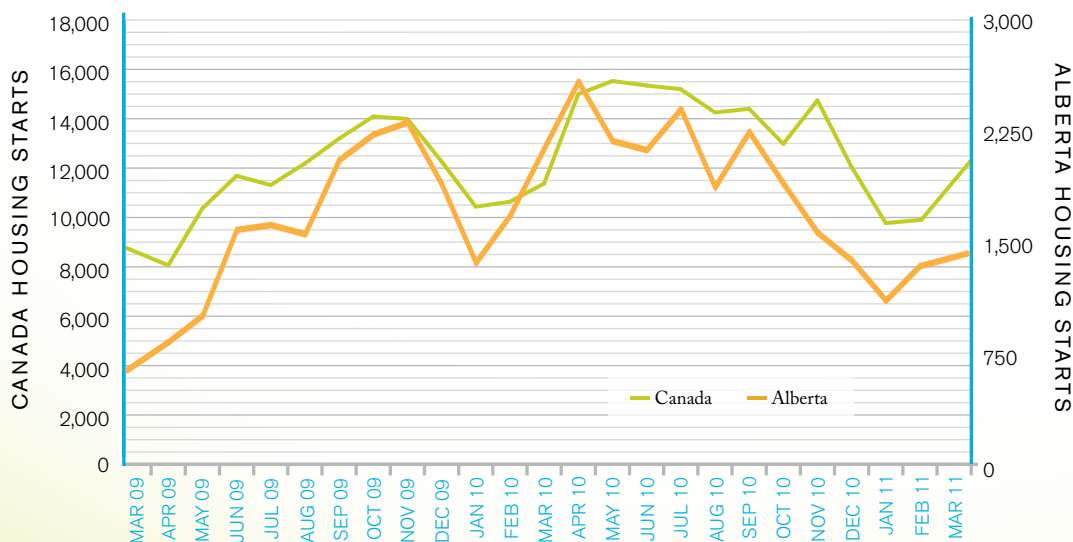


Housing Bulletin MONTHLY REPORT

HOUSING STARTS INCREASE MONTH-OVER-MONTH in CANADA and ALBERTA

Preliminary Housing Starts in Alberta* and Canada*,
March 2009 to March 2011



* Data reflects centres with a population of 10,000 and over.
Source: Canada Mortgage and Housing Corporation

- In March 2011, Canada's total preliminary housing starts increased 18 per cent over February 2011 and increased 2 per cent compared to March 2010.
- According to the Canada Mortgage and Housing Corporation, housing starts across Canada moved higher in March 2011 as a result of higher rural starts.
- Across Alberta, preliminary housing starts declined 34 per cent year-over-year from 2,141 units in March 2010 to 1,411 units in March 2011. Month-over-month, Alberta housing starts increased 5 per cent.

ISSUE HIGHLIGHTS

New Home Prices

Increase in single-detached home prices year-over-year.

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Net Migration

Alberta net migration continues upward trend.

Page 5

New Housing Price Index (NHPI)

in Edmonton and Calgary sits below national average.

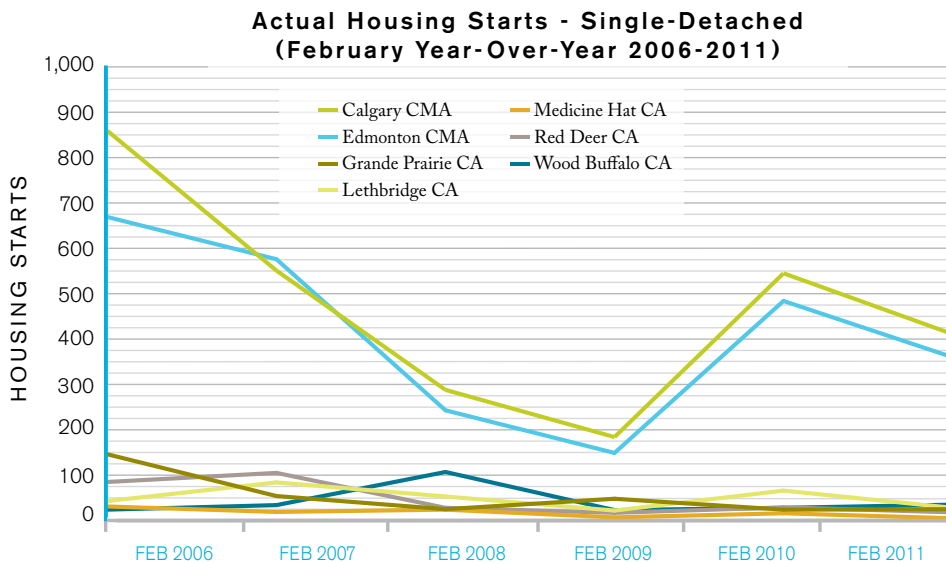
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As individuals look to improve their standard of living, east-to-west migration flows will pick up again

(TD ECONOMICS).

An improved labour market will be one of many benefits from renewed strength in Alberta's oilsands, where the ramping up of capital investment will be a catalyst for stronger activity in many parts of the provincial economy (TD ECONOMICS).

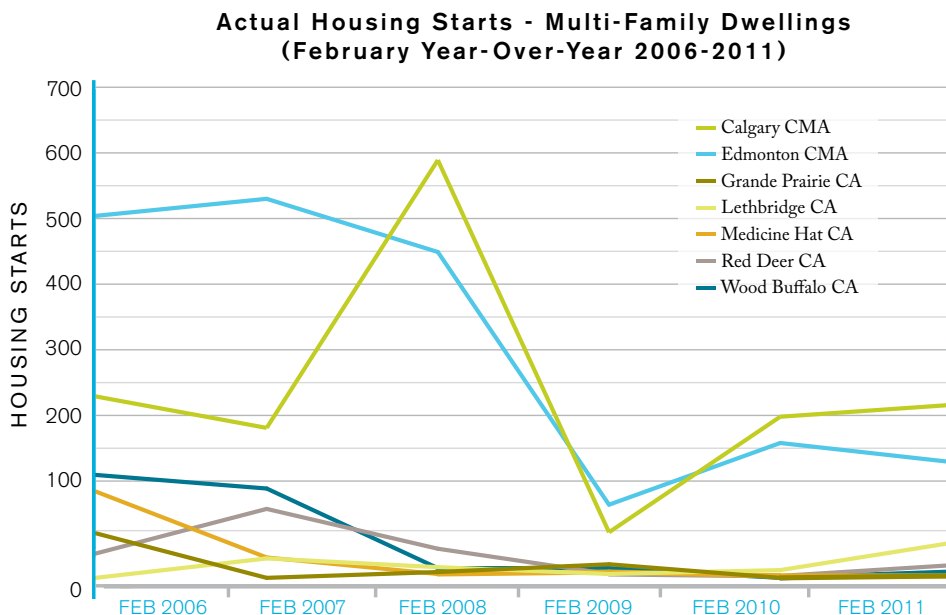
SINGLE-DETACHED HOUSING STARTS DECLINED ACROSS FIVE of ALBERTA'S SEVEN MAJOR CENTRES



- In February 2011, single-detached housing starts fell across Alberta by an average of 26 per cent year-over-year.
- From February 2010 to 2011 single-detached starts fell in Calgary (-24.6 per cent), Lethbridge (-25.6 per cent), Medicine Hat (-68.8 per cent) and Red Deer (-37.9 per cent).
- Wood Buffalo experienced the largest year-over-year increase in single-detached starts from 28 new homes in February 2010 to 35 in February 2011.

Source: Canada Mortgage and Housing Corporation

MULTI-FAMILY HOUSING STARTS INCREASED MODERATELY in FIVE of ALBERTA'S SEVEN MAJOR CENTRES



- In February 2011, multi-family housing starts increased in five of Alberta's seven major centres by an average of 9.8 per cent year-over-year.
- In Edmonton, multi-family housing starts totalled 129 units in February 2011, representing a decline of 18.4 per cent from the 158 units built in February 2010.
- In Calgary, multi-family housing starts totalled 216 units in February 2011, a 9.1 per cent increase from the 198 units built in February 2010.

Source: Canada Mortgage and Housing Corporation

Interest in buying a home is slightly higher in Alberta, with 33 per cent of survey respondents saying they are likely to buy a home in the next two years compared to 29 per cent in British Columbia (RBC HOMEOWNERSHIP POLL).

AVERAGE HOUSING PRICES DECLINE in EDMONTON YEAR-OVER-YEAR

Year-to-Year Comparison of Housing Resale Activity in Edmonton in the Month of March

	AVERAGE PRICE			Days on the Market	Residential Listings	Residential Sales	Monthly Sales to Listings Ratio	Average Year to Date Sales to Listings Ratio
	Single- Family Dwelling	Condominium	Duplex / Rowhouse					
Mar 06	\$258,012	\$156,376	\$196,588	31	2,131	2,003	93	87
Mar 07	\$400,521	\$246,262	\$323,957	21	2,917	2,366	81	88
Mar 08	\$389,076	\$261,971	\$321,887	51	4,078	1,559	38	47
Mar 09	\$350,179	\$228,390	\$284,208	56	2,789	1,358	48	47
Mar 10	\$388,980	\$251,507	\$323,584	41	3,632	1,667	45	57
Mar 11	\$378,912	\$232,706	\$292,136	50	2,960	1,503	50	45

- The average price of a single-family dwelling in Edmonton decreased 2.6 per cent from March 2010 to March 2011. Over the same period, the average price of condominiums fell 7.5 per cent and 9.7 per cent for duplexes and rowhouses.
- A home in Edmonton spent an average of 50 days on the market in March 2011, an increase of 22.0 per cent over March 2010.
- Year-over-year residential listings in March 2011 declined 18.5 per cent, residential sales declined 9.8 per cent.

Source: Realtors' Association of Edmonton

FIGURES for MARCH 2011 REVEAL CALGARY RESALE HOME PRICES, LISTINGS and SALES are DOWN

Year-to-Year Comparison of Housing Resale Activity in Calgary in the Month of March

	SINGLE-FAMILY DWELLING					CONDOMINIUM				
	Average Price	Month End Inventory	New Listings Added	Sales	Days on the Market	Average Price	Month End Inventory	New Listings Added	Sales	Days on the Market
Mar 07	\$479,914	2,340	3,131	2,272	24	\$312,280	726	1,250	1,026	24
Mar 08	\$474,513	5,957	3,493	1,418	40	\$312,620	2,781	1,561	565	43
Mar 09	\$420,354	4,369	2,023	1,086	48	\$284,056	2,052	903	446	56
Mar 10	\$471,269	4,014	2,988	1,396	33	\$296,660	2,148	1,376	609	39
Mar 11	\$462,947	4,024	1,355	1,355	39	\$280,781	1,913	998	581	50

- The number of single-family homes sold in Calgary decreased 2.9 per cent and the average resale price decreased 1.8 per cent year-over-year in March 2011.
- In March 2011, the number of condominiums sold in Calgary fell 4.6 per cent year-over-year, while prices decreased 5.4 per cent over the same period.
- New listings decreased 18.5 per cent for single-family homes and decreased 27.5 per cent for condominiums from March 2010 to March 2011.

Source: Calgary Real Estate Board

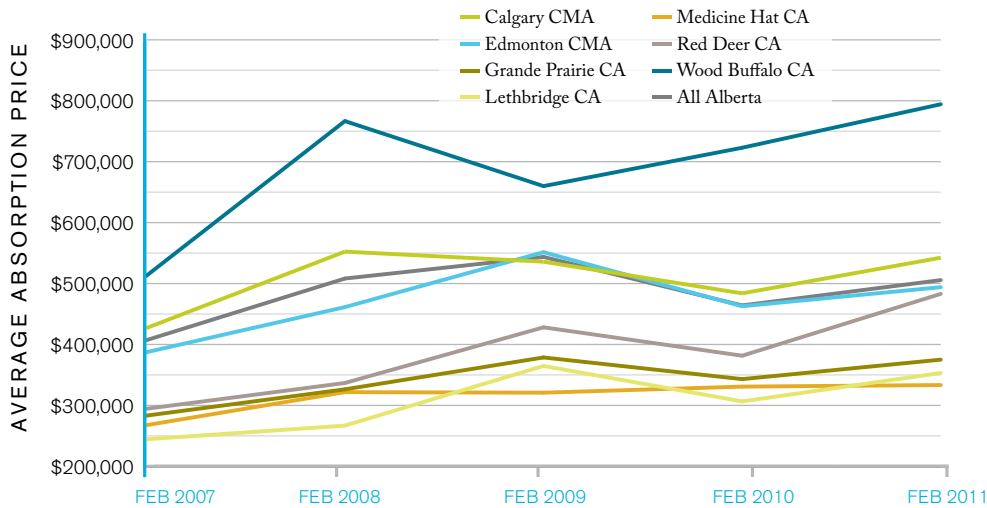
The significant improvement in affordability is near the end of its line. Demand has shown more vigour in recent months alongside an economy that is gaining traction (CALGARY HERALD, APRIL 15, 2011).

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SINGLE-DETACHED UNIT PRICES RECOVER ACROSS ALBERTA as DEMAND PICKS UP

Average Price of Absorbed* Newly Built Single-detached Homes (February 2007-February 2011)

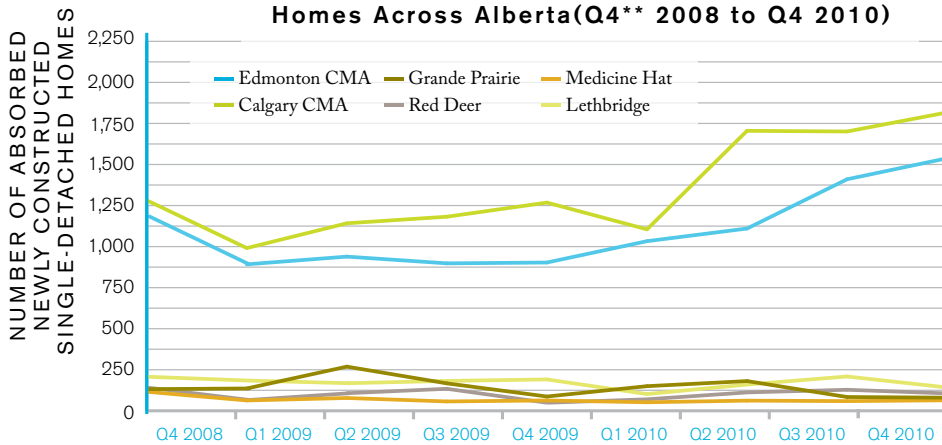


*The term "absorbed" means a newly built housing unit is no longer on the market. This usually occurs when a binding contract is secured between a builder and a qualified purchaser by a non-refundable deposit.
Source: Canada Mortgage and Housing Corporation

- The absorbed price of newly built single-detached homes increased 8.9 per cent across Alberta's seven major centres from February 2010 to February 2011.
- The average absorbed price of a newly constructed single-detached home in Edmonton increased 6.8 per cent year-over-year and 12.1 per cent in Calgary over the same period.
- Red Deer saw the greatest absorbed price increase from \$381,549 in February 2010 to \$483,052 in February 2011, an increase of 26.6 per cent.
- From February 2009 to February 2011, the average absorbed price of a newly built single-detached home decreased 7 per cent. In Wood Buffalo however, the average price increased 20 per cent over the same period.

RECOVERY of NEW HOME SALES BEGAN in 2010

Quarterly Absorptions* of Single-detached Homes Across Alberta (Q4** 2008 to Q4 2010)



*The term "absorbed" means a newly built housing unit is no longer on the market. This usually occurs when a binding contract is secured between a builder and a qualified purchaser by a non-refundable deposit.

** Q1 = January - March, Q2 = April - June, Q3 = July - September, Q4 = October - December.

Source: Canada Mortgage and Housing Corporation

- Between Q4** 2008 and Q4** 2010, the number of newly constructed homes absorbed throughout Alberta rose 27.0 per cent. In Calgary, the absorption of single-detached homes increased 41.7 per cent between Q4 2008 and Q4 2010 while in Edmonton, absorption rates increased 29.9 per cent over the same period.
- From Q3 2010 to Q4 2010, absorption of newly constructed homes increased 3.0 per cent across Alberta with increases in Edmonton (9.1 per cent), Medicine Hat (8.5 per cent) and Calgary (6.8 per cent).
- Lethbridge experienced the largest drop in absorptions over the Q3 2010 to Q4 2010 period (-32.1 per cent), followed by Red Deer (-17.2 per cent), and Grande Prairie (-4.8 per cent).

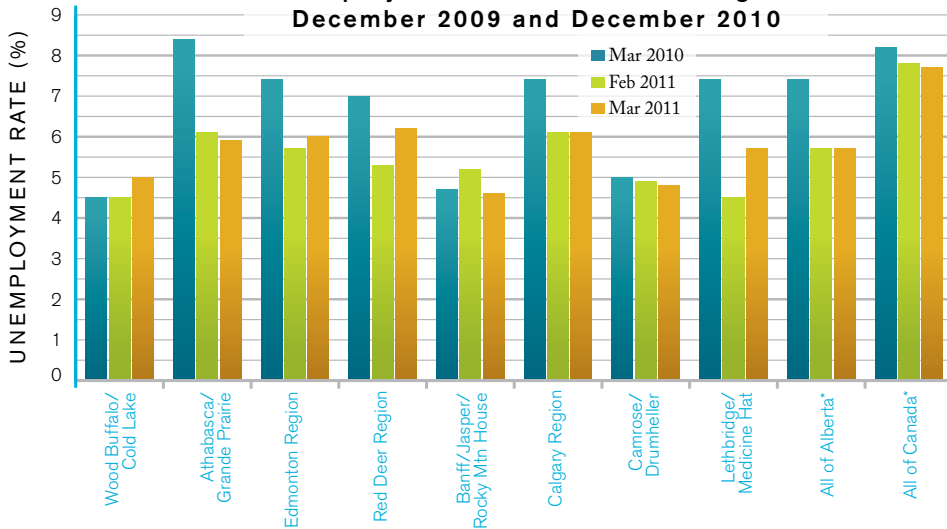
either. (BMO CAPITAL MARKETS). Housing won't be nearly the economic driver that it was in 2009 and early 2010, but it also won't be a drag either (BMO CAPITAL MARKETS). Housing won't be

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UNEMPLOYMENT RATES DROP in MOST ALBERTA REGIONS YEAR-OVER-YEAR

Unemployment Rate* in Alberta Regions
December 2009 and December 2010



- Alberta's unemployment rate dropped from 7.4 per cent in March 2010 to 5.7 per cent in March 2011 but remained constant month-over-month.
- Unemployment declined in most Alberta regions with the exception of Wood Buffalo/Cold Lake where unemployment increased from 4.5 per cent to 5.0 per cent year-over-year; however, Wood Buffalo still maintains the second lowest unemployment rate in the province.
- In March 2011, unemployment was highest in Red Deer (6.2 per cent), Calgary (6.1 per cent) and Edmonton (6.0 per cent).

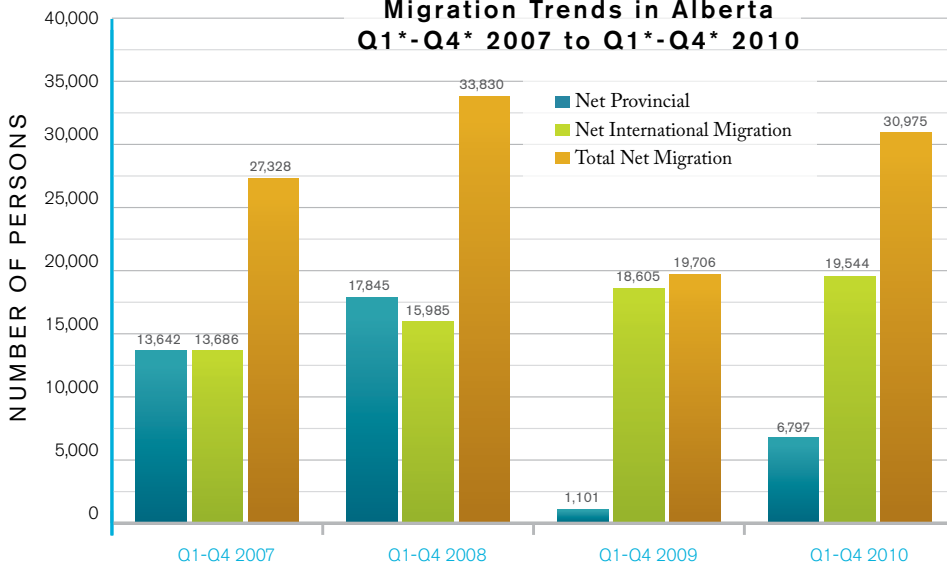
- Unemployment rates in Alberta remain below the national unemployment rate, which declined slightly from 7.8 per cent in February 2011 to 7.7 per cent in March 2011.

*Seasonally adjusted.

Source: Alberta Employment and Immigration

TOTAL NET MIGRATION in ALBERTA CONTINUES to RISE in 2010

Migration Trends in Alberta
Q1*-Q4* 2007 to Q1*-Q4* 2010



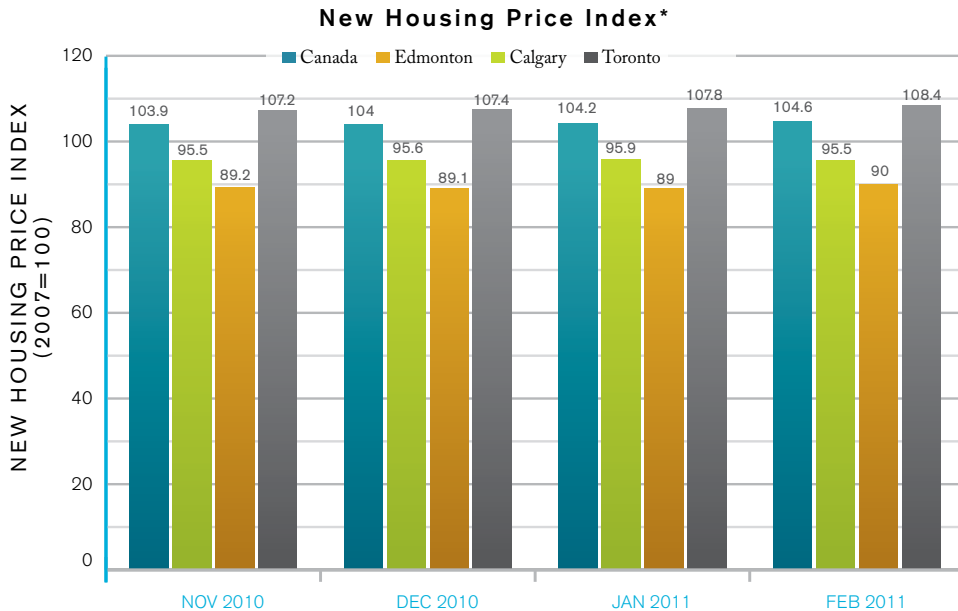
*Q1 = January to March; Q2 = April to June; Q3 = July to September; Q4 = October to December.

Source: Alberta Finance and Enterprise

- In the fourth quarter of 2010, Alberta had a moderate gain of 2,510 persons in interprovincial migration. Although total net interprovincial migration in 2010 was lower than in 2007 and 2008, this was the province's fourth quarterly interprovincial migration gain in 2010.
- Alberta received a net total of 4,633 international migrants in the fourth-quarter of 2010, a decrease of 27 per cent over the third quarter in 2010.
- In the fourth quarter of 2010, Alberta lost 6,725 non-permanent residents (NPR). This was Alberta's fifth consecutive NPR loss since the fourth quarter of 2009.
- In 2007, international and interprovincial migration levels were mostly equal. In 2009 and 2010, international migration began to outpace interprovincial migration as temporary workers left the province.

duction Data). Over the past six months, more than one-third of the new jobs created in Canada have been in Alberta, which is home to just over 10 per cent of the country's population (REED CONSTRUCTION DATA). Over th

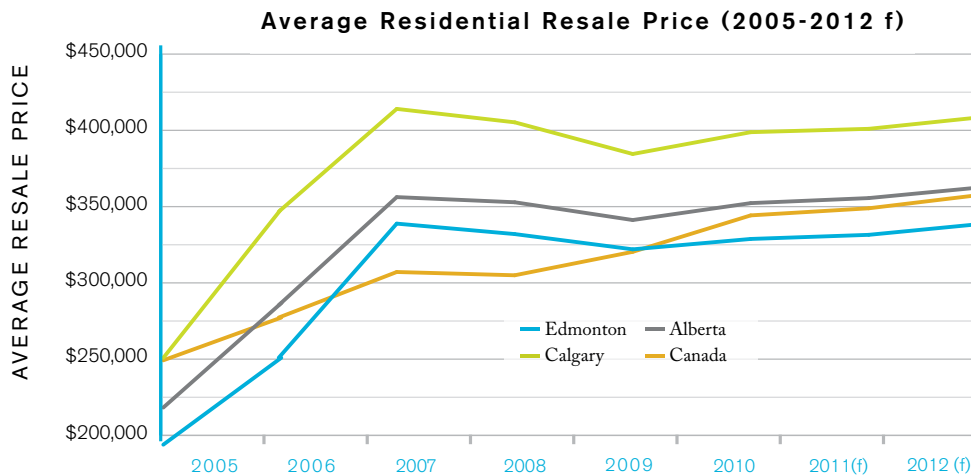
UNLIKE OTHER PROVINCES, ALBERTA'S NEW HOME PRICES are FORECAST to FALL in 2011



*Total value includes land and house.
Source: Statistics Canada

- The New Housing Price Index (NHPI) measures change over time in the selling prices of new residential houses, where detailed specifications pertaining to each house remain the same between two consecutive periods.
- From November 2010 to February 2011, the NHPI was relatively unchanged across Canada. The same is true for both the Calgary and Edmonton Census Metropolitan Areas (CMAs) and Toronto.
- The NHPI in the Edmonton and Calgary CMAs has sat below the national average since November 2010. In Calgary, builders are still offering promotional prices and bonus upgrade packages in order to stimulate sales.

RESALE PRICES on the RISE, BUT at a MODEST PACE



- The average residential resale price in Canada quickly recovered after only a slight dip of 0.7 per cent in 2008.
- Canada Mortgage and Housing Corporation (CMHC) expects additional price increases across Canada of 1.3 per cent in 2011 (\$348,900) and 2.7 per cent in 2012 (\$358,200).
- The average resale price in Alberta spiked in 2007 at \$356,235. After falling to \$341,201 in 2009, resale prices are expected to recover to pre-recession highs by the end of 2011.

- In Edmonton, the average resale price of a single-detached home hit a record high of more than \$338,636 in 2007, followed by a 5 per cent drop to \$322,000 by 2009. While prices have recovered, they have been at a more moderate pace. CMHC predicts the average price to increase by 0.8 per cent in 2011 to \$331,500, well below 2007 levels.
- Calgary saw a more dramatic spike in 2007, reaching an average resale price of \$414,066 before falling 7.2 per cent to \$384,500 by 2009. CMHC expects resale prices in Calgary to rise modestly by 0.6 per cent in 2011 to a forecasted resale price of \$401,000, 3.2 per cent below the 2007 housing boom peak.

Source: Canada Mortgage and Housing Corporation

with (ROYAL LE PAGE). While low interest rates continue to drive demand, the tepid pace at which employment levels are improving is tempering price growth (ROYAL LE PAGE). While low interest rates c

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