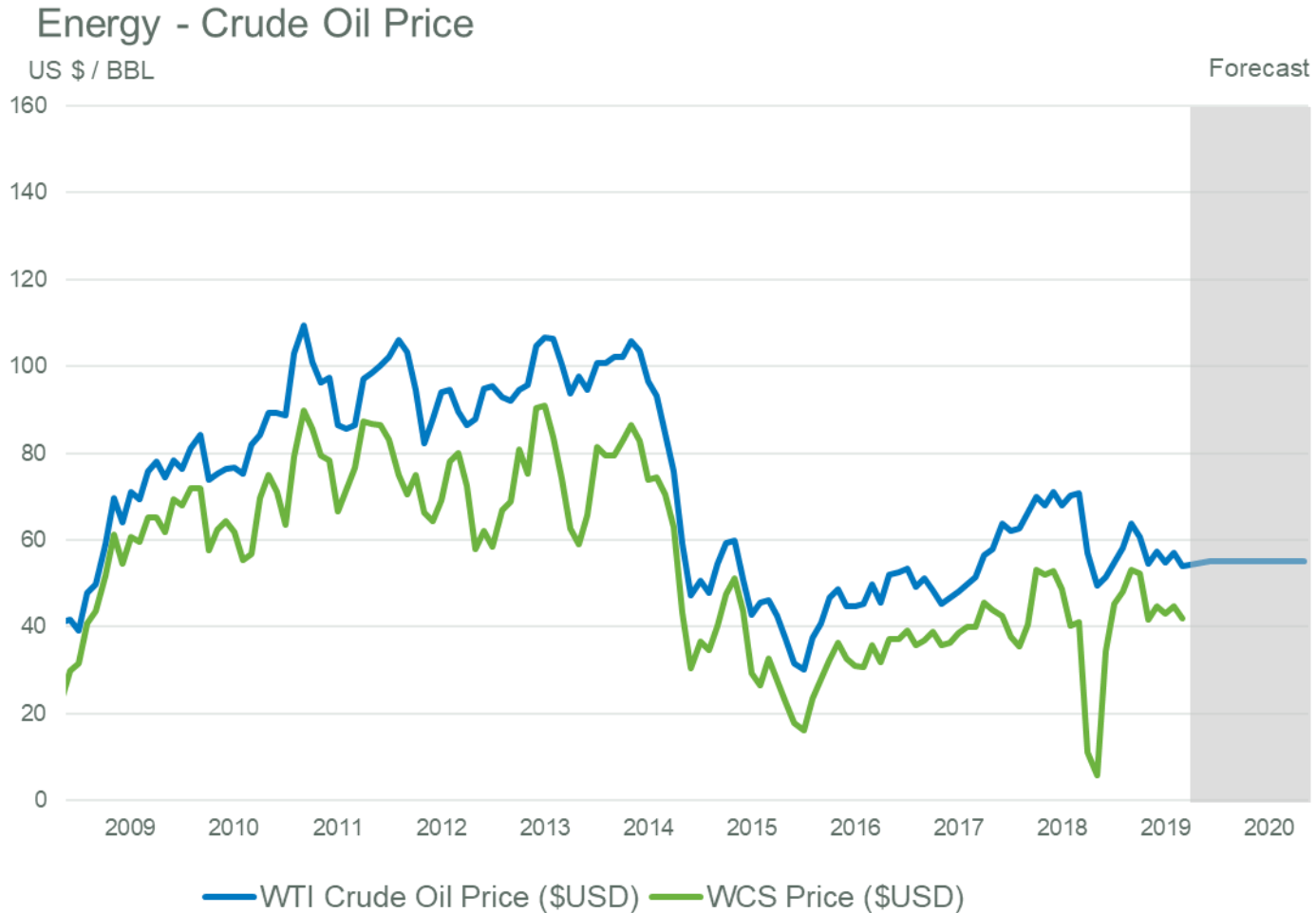


The background features a city skyline with various buildings, including one with the word 'Shaw' visible. A network of white nodes and lines is overlaid on the image, extending across the entire frame. The color palette transitions from green at the top to blue at the bottom.

 creb<sup>®</sup>  
**2020**

Calgary Economic &  
Housing Outlook

# Energy sector – what next?



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

## Domestic Issues:

- Pipelines
- Production Cuts
- Regulation
  - Bill C69, C48

## 2019 Estimated capital spending growth:

Global Oil and Gas investment **+5%**

*Source: IEA*

Investment Spending Energy Alberta **-14%**

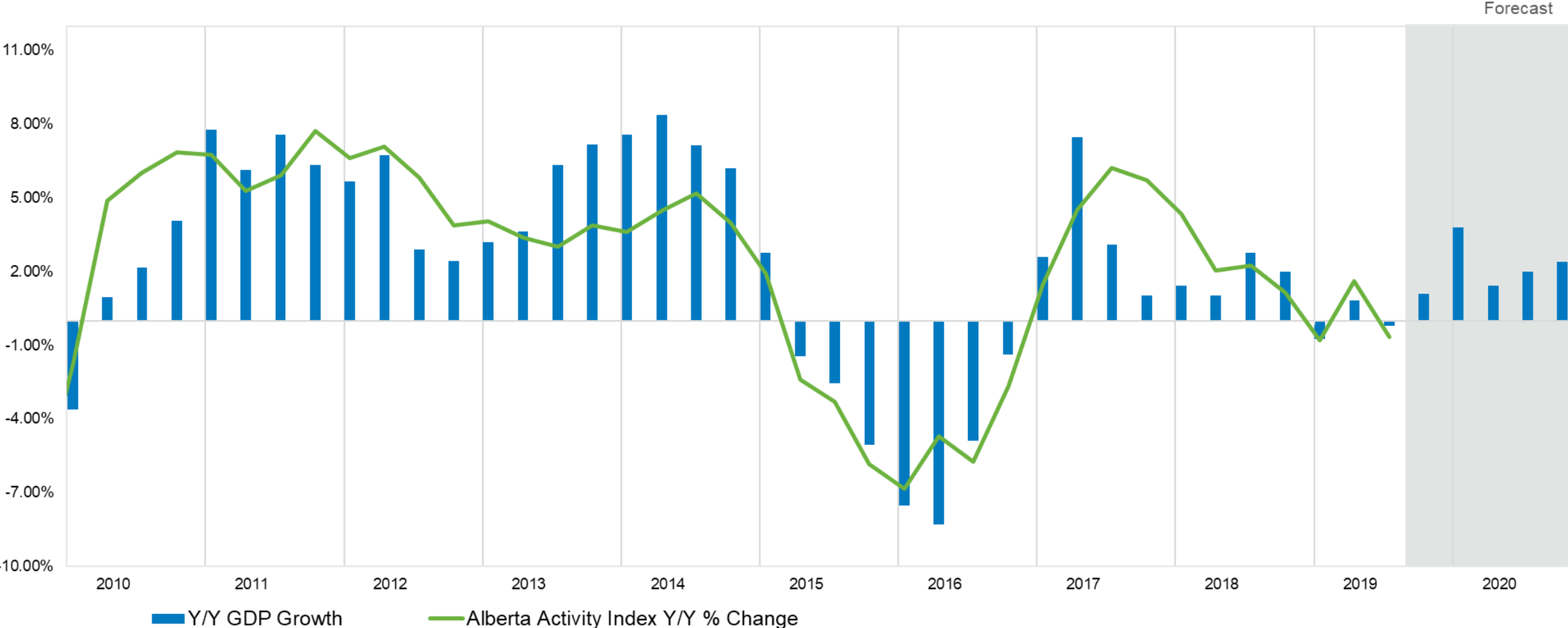
*Source: Conference board of Canada*

## Other Considerations:

- Geopolitical tensions
- Rig Count down 33%
- Natural gas struggles

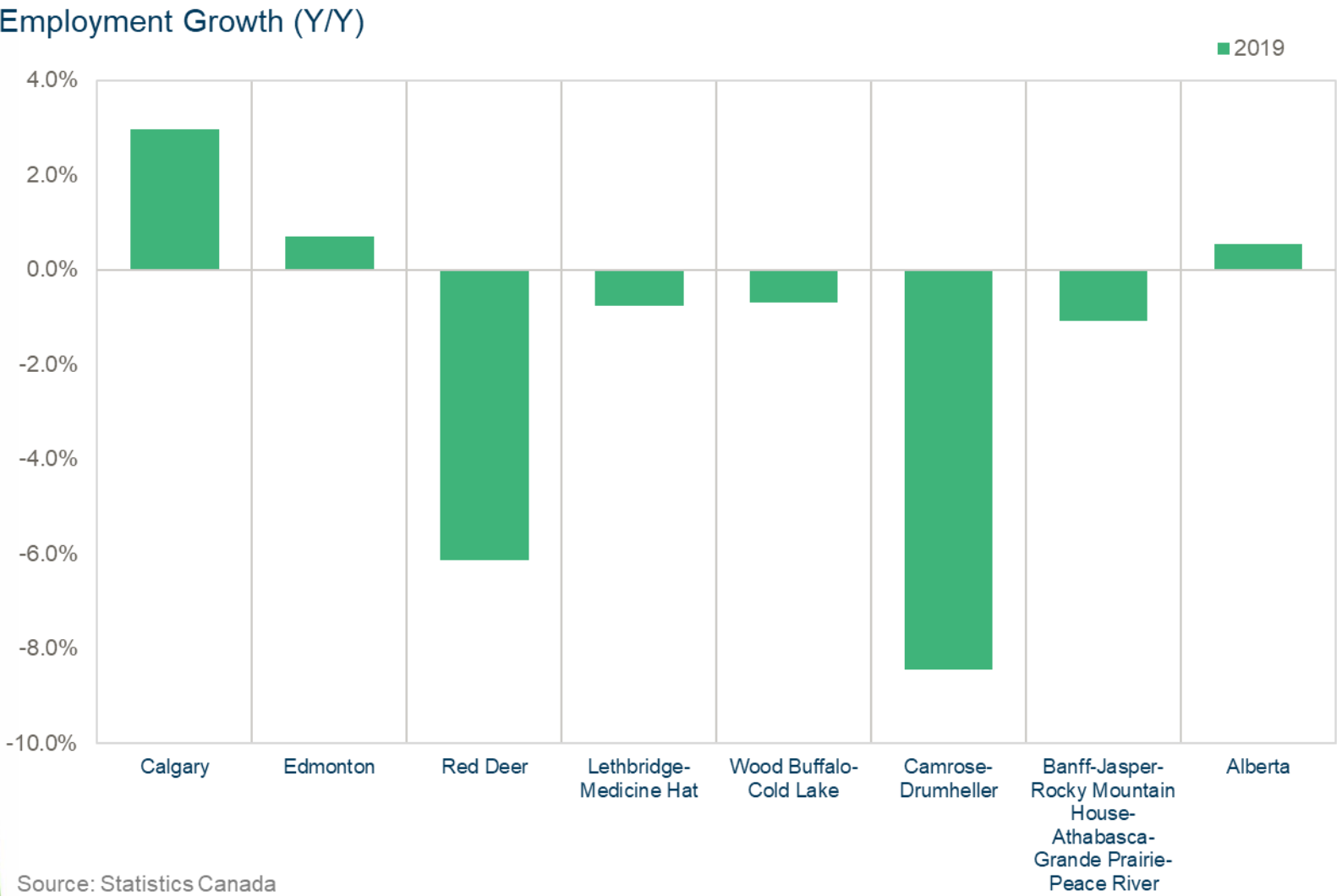
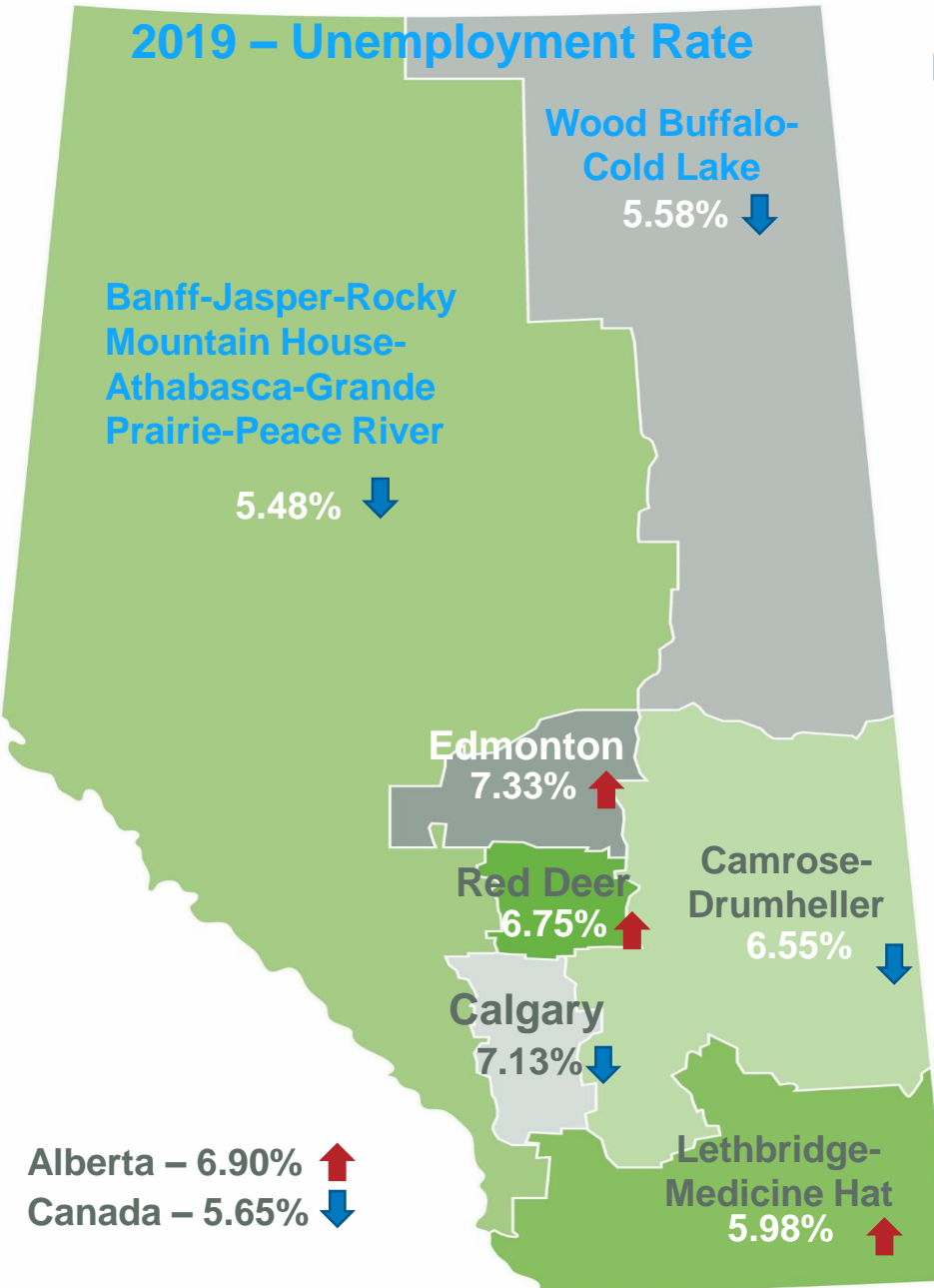
# Modest growth in 2020 expected following weak 2019

Alberta Economic Growth



Source: Statistics Canada, Conference Board of Canada, Government of Alberta

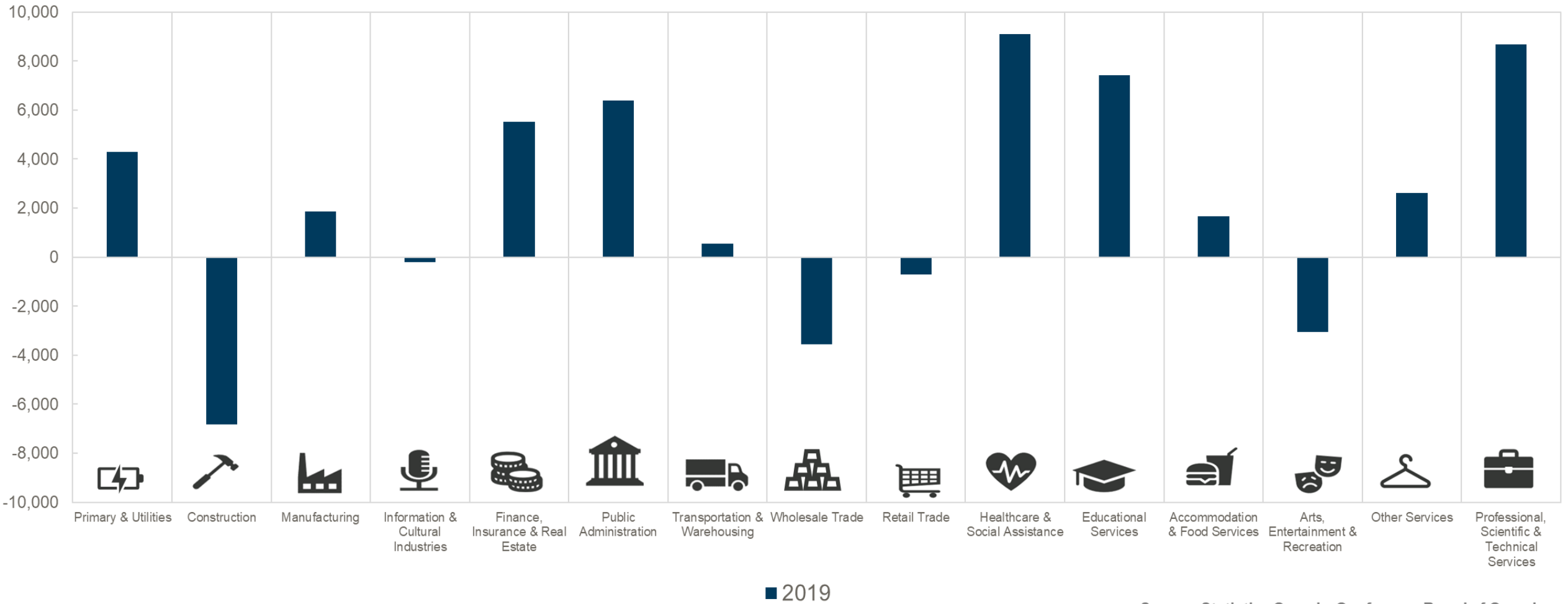
# Employment weakening in rest of Alberta



Source: Statistics Canada

# Improvements beyond public sector jobs

EMPLOYMENT BY INDUSTRY - CALGARY; Y/Y GROWTH %

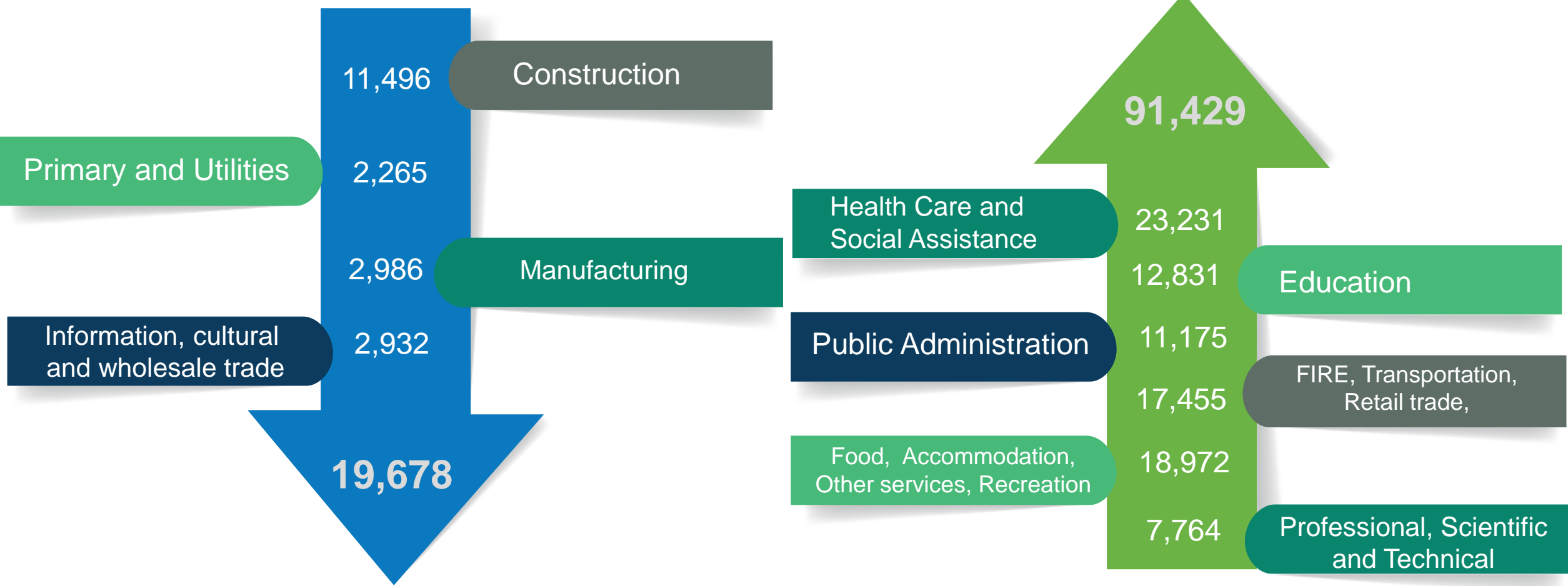


Source: Statistics Canada, Conference Board of Canada

# Calgary job market has shifted

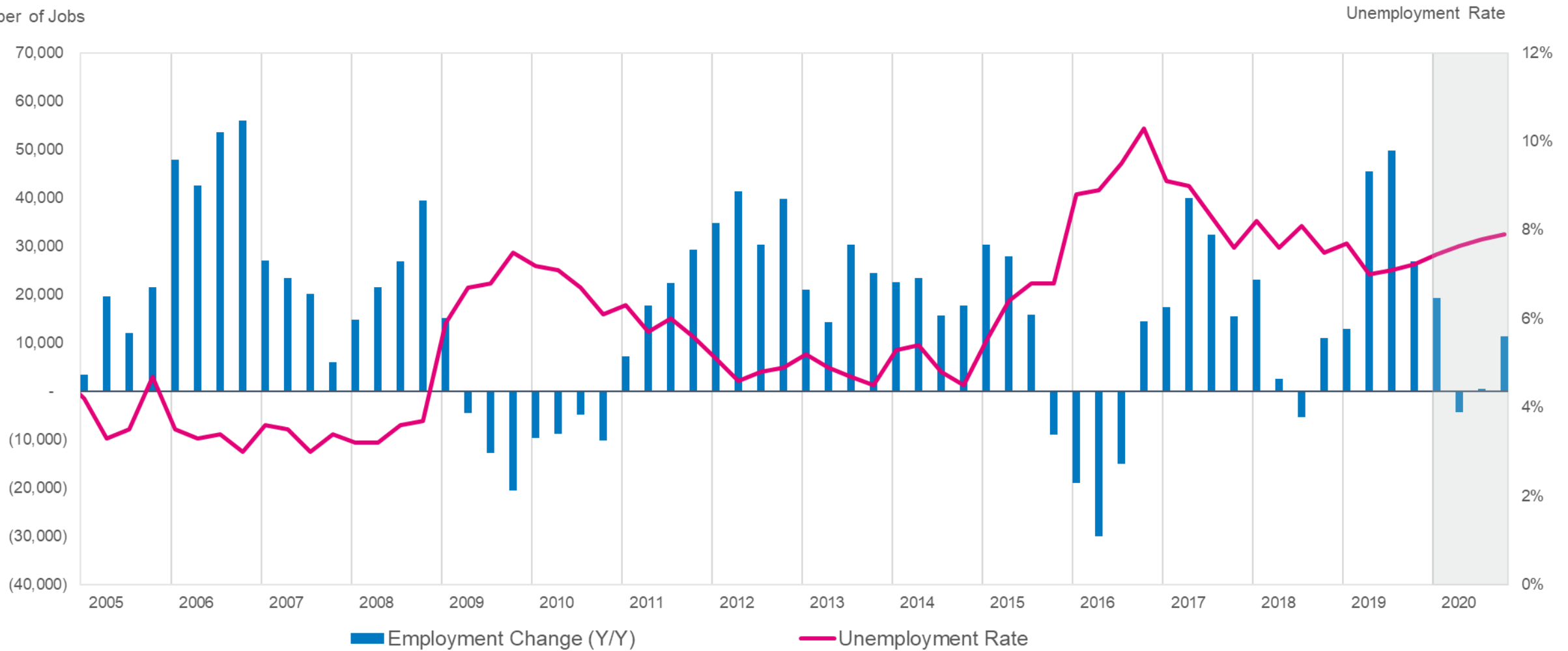
Average Jobs lost since 2014

Job growth since 2014



# Stronger than expected employment growth 2019, 2020 flat

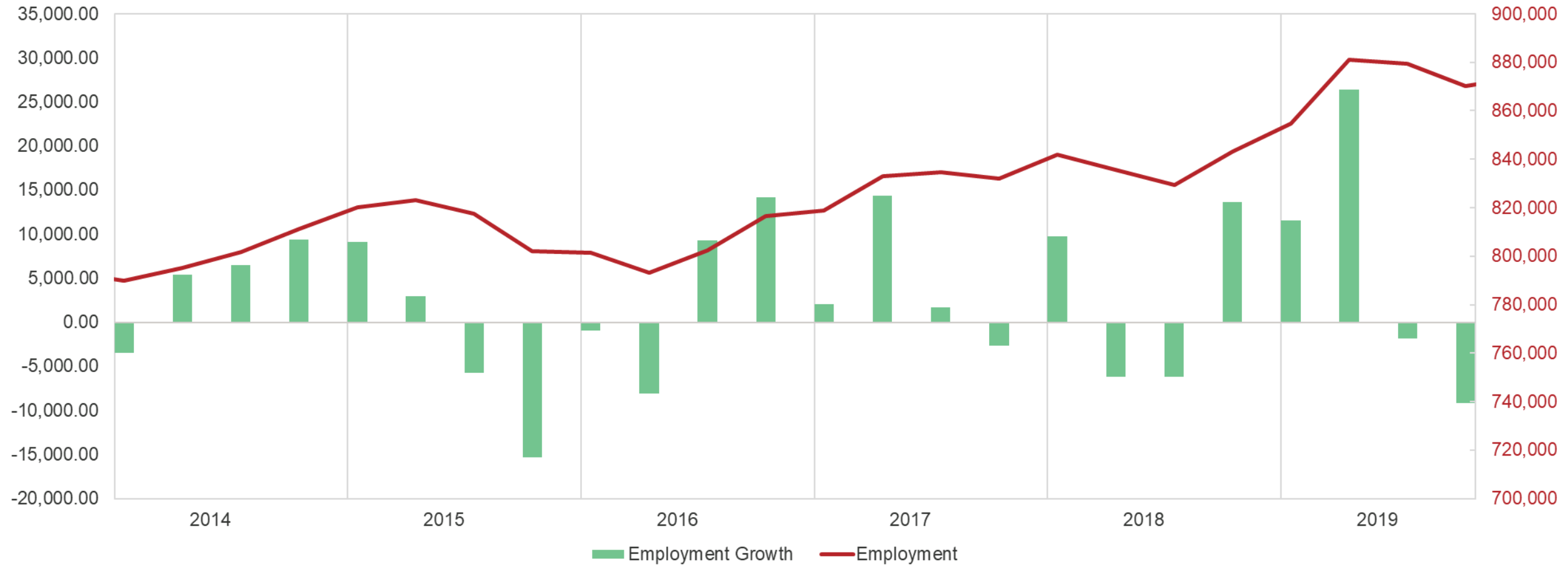
Calgary CMA - Employment Growth and Unemployment Rate



Source: Statistics Canada, Conference Board of Canada

# Recent easing in employment

CALGARY - EMPLOYMENT, Q/Q GROWTH (ADJUSTED)

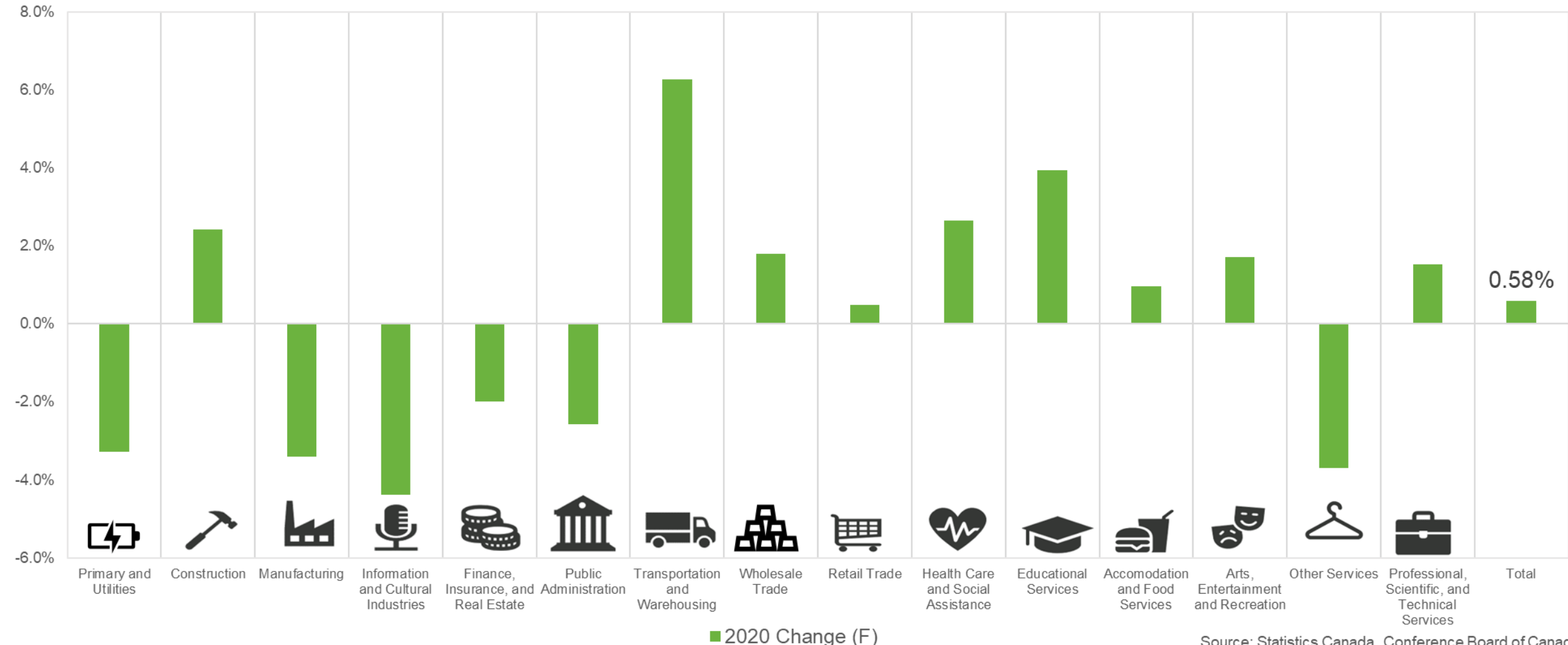


Source: Statistics Canada, Conference Board of Canada Forecast



# Mixed results by industry – no push on wages expected

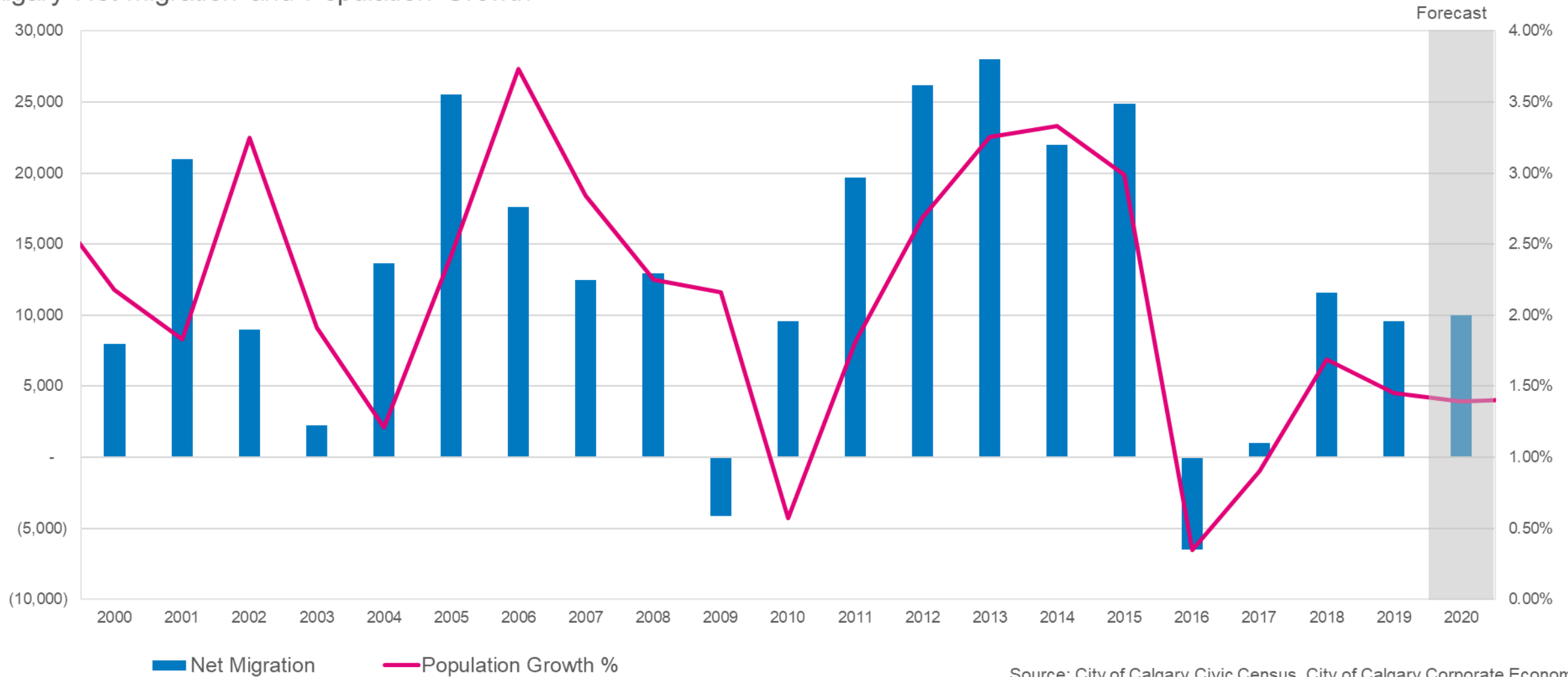
Employment by Industry - Calgary; Y/Y% Growth Adjusted



Source: Statistics Canada, Conference Board of Canada

# Settling into slower growth

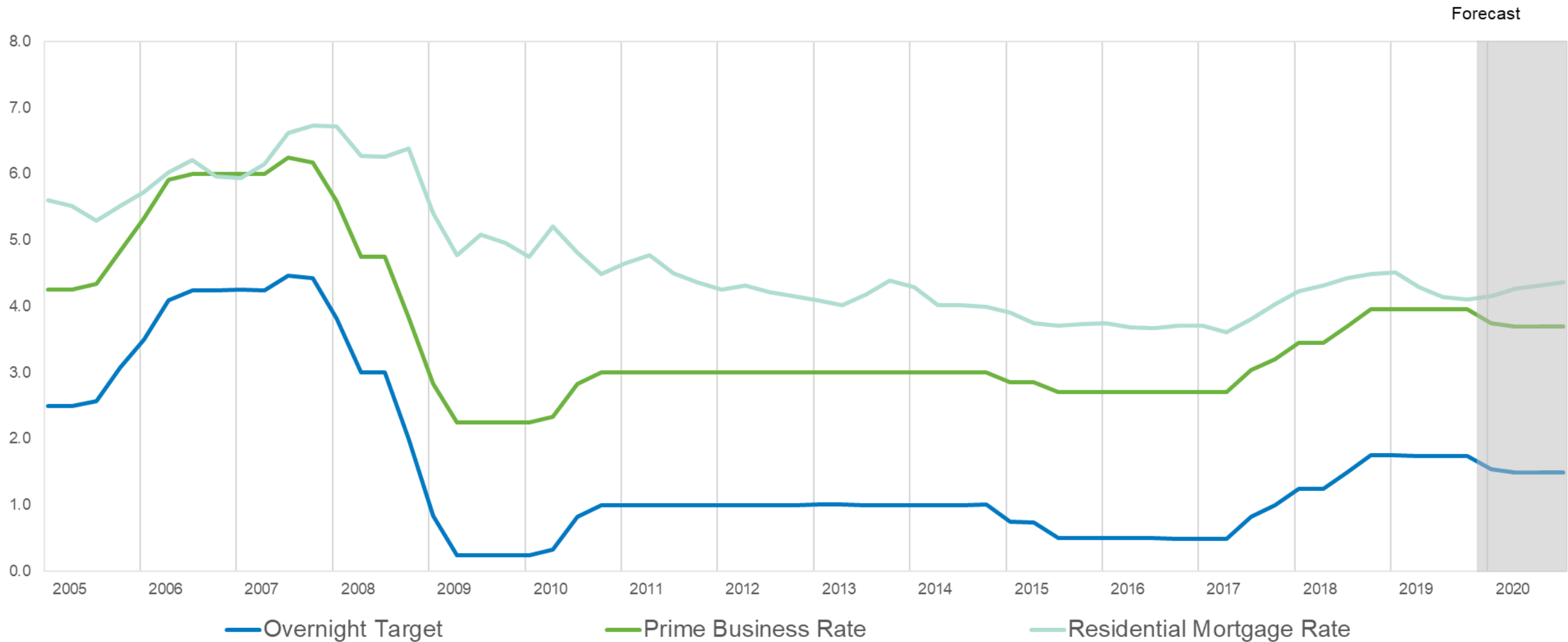
## Calgary Net Migration and Population Growth



Source: City of Calgary Civic Census, City of Calgary Corporate Economics

# Bank of Canada expected to cut rates, but...

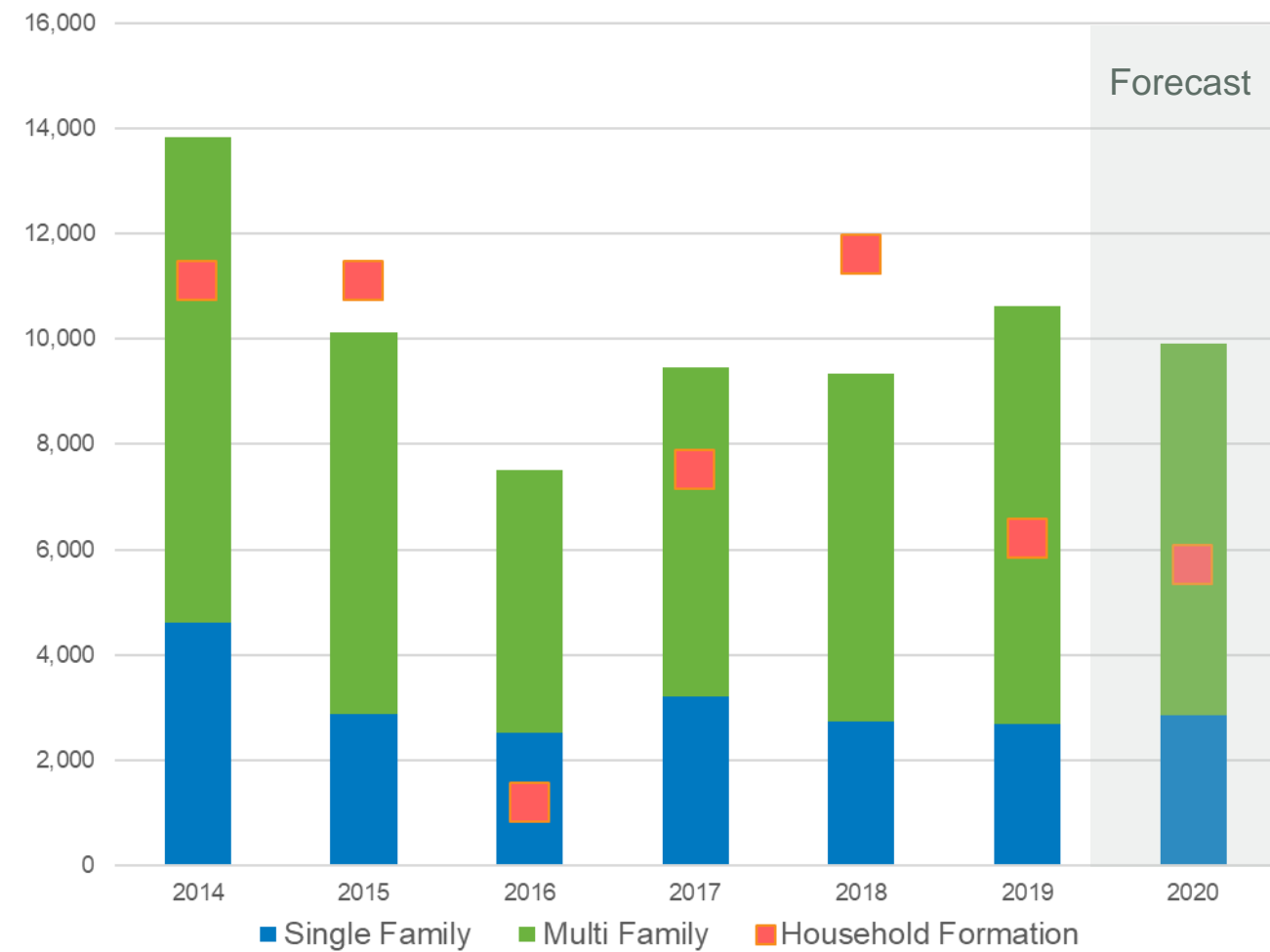
National Lending Rate



Source: Conference Board of Canada

# Competing Supply weighs on resale prices

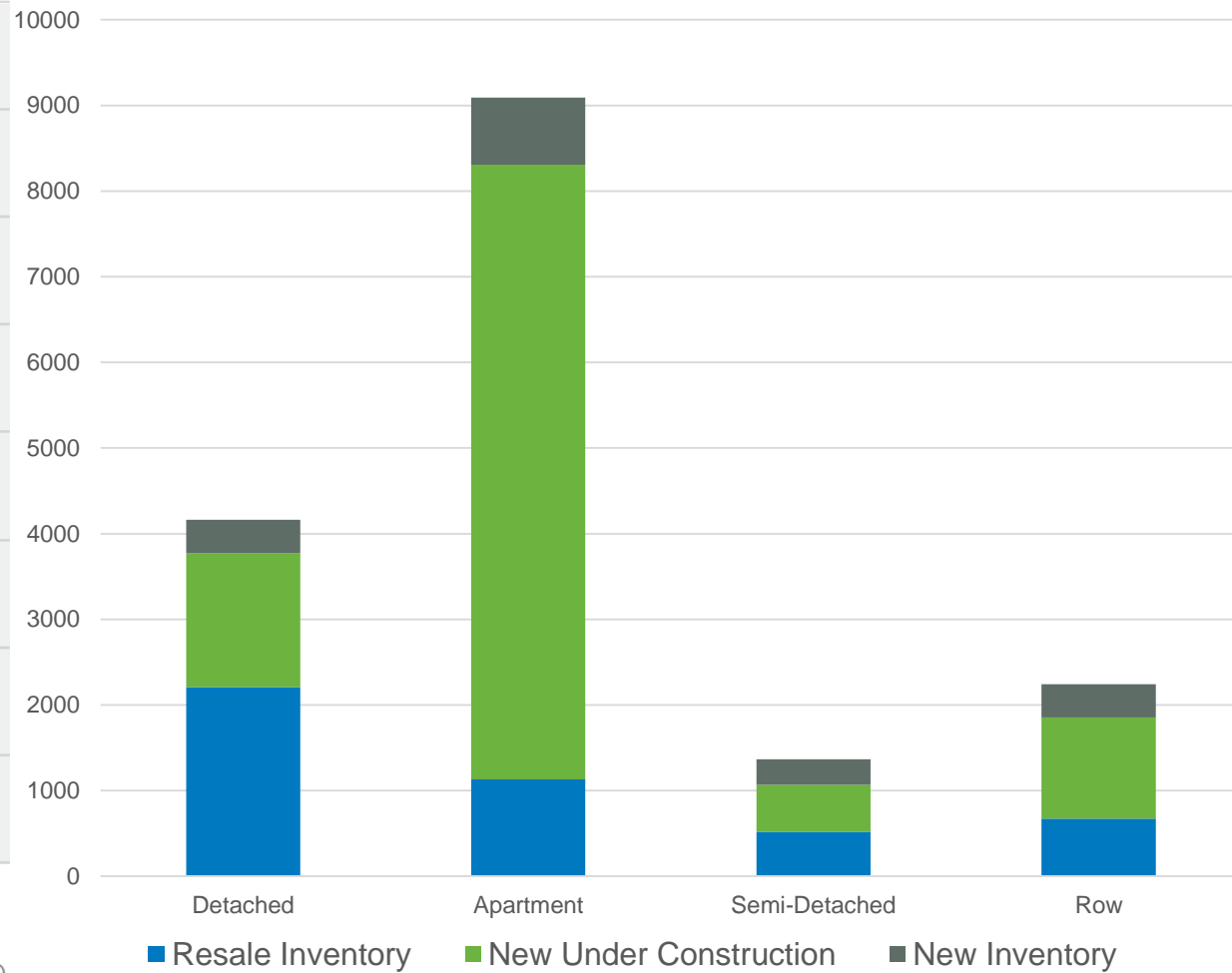
City of Calgary Starts vs Household Formation



Source: CMHC, Conference Board of Canada, City of Calgary Corporate Economics, CREB®

Housing Inventory

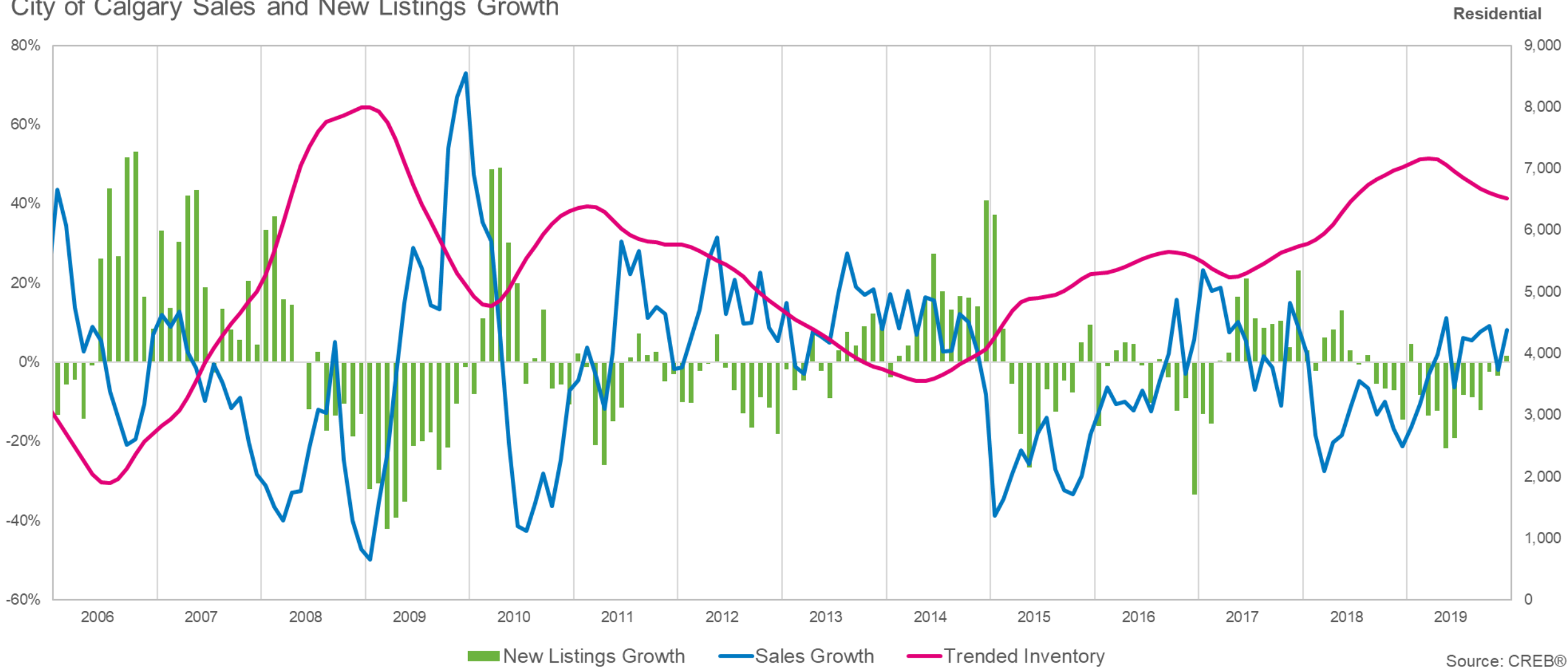
Dec-2019



Source: CMHC, CREB®

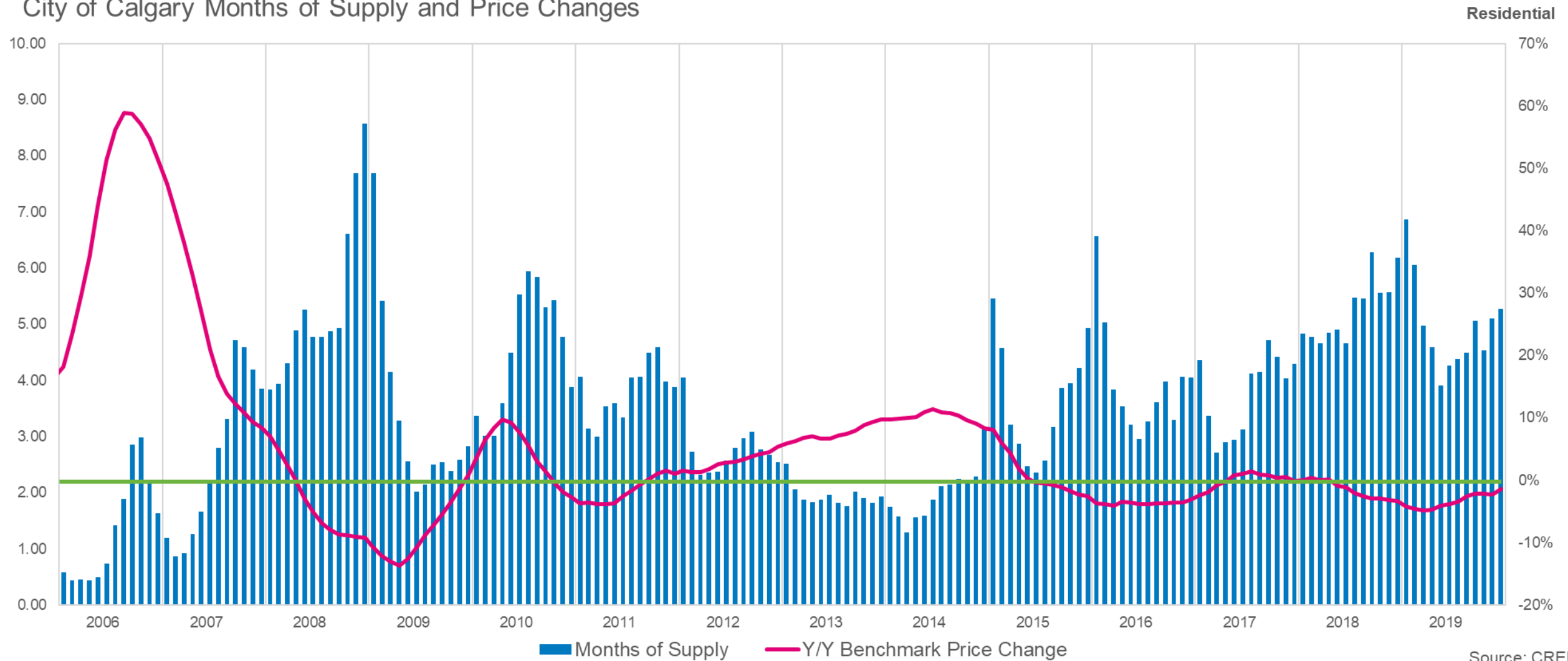
# Further supply reductions expected

City of Calgary Sales and New Listings Growth



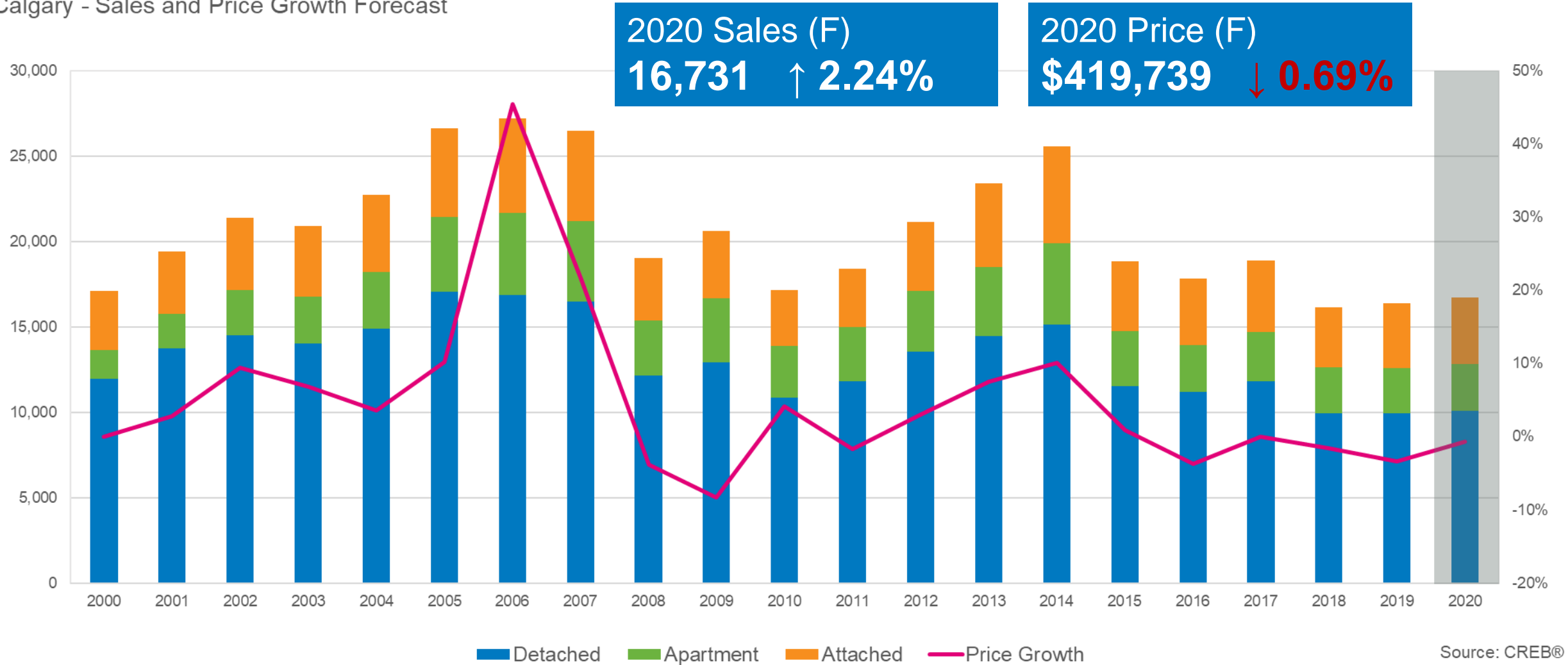
# Market continues to favour the buyer

City of Calgary Months of Supply and Price Changes



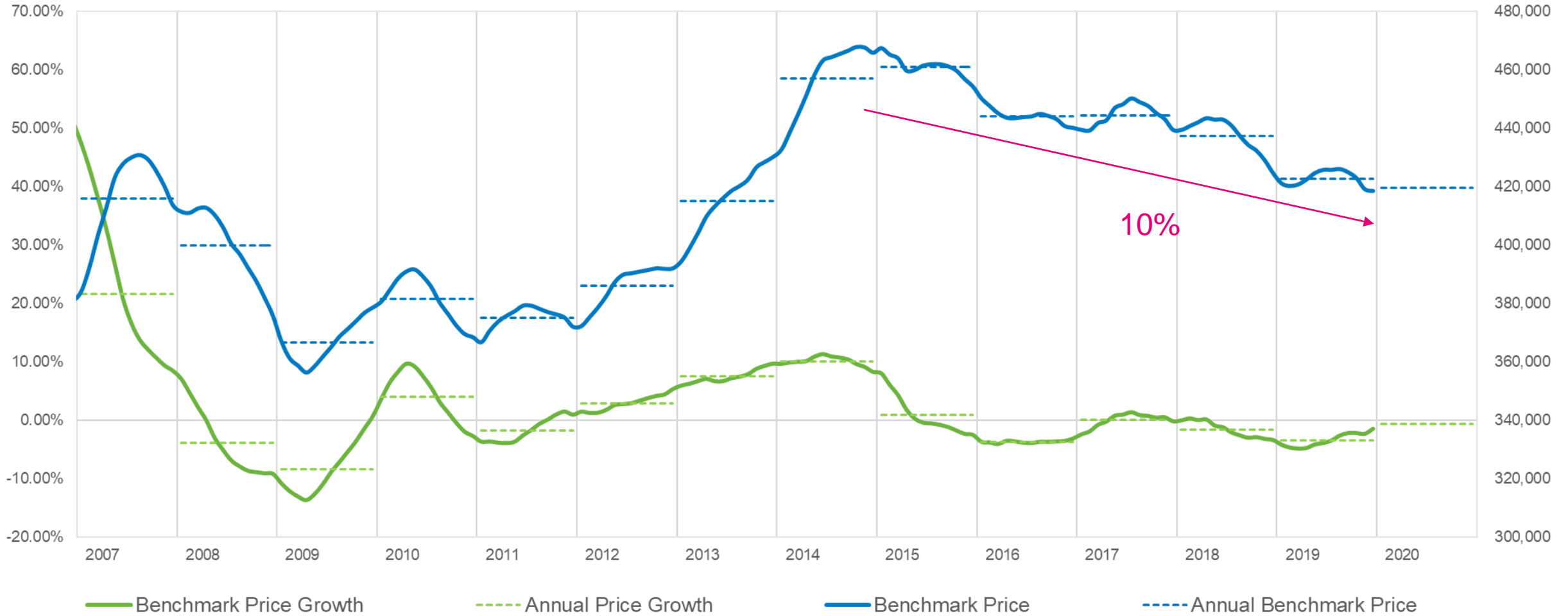
# The New Normal?

Calgary - Sales and Price Growth Forecast



# Pace of decline expected to ease

Calgary Price Forecast Residential

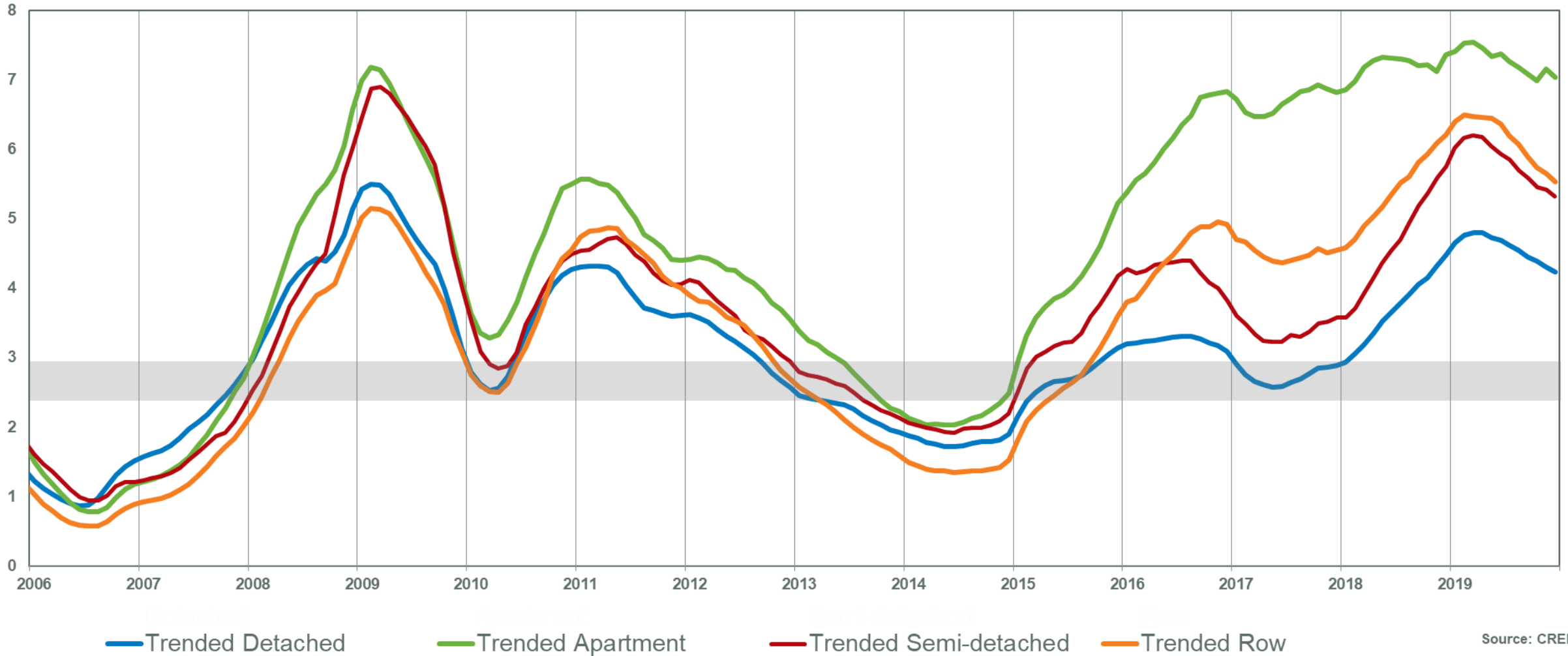


Source: CREB®



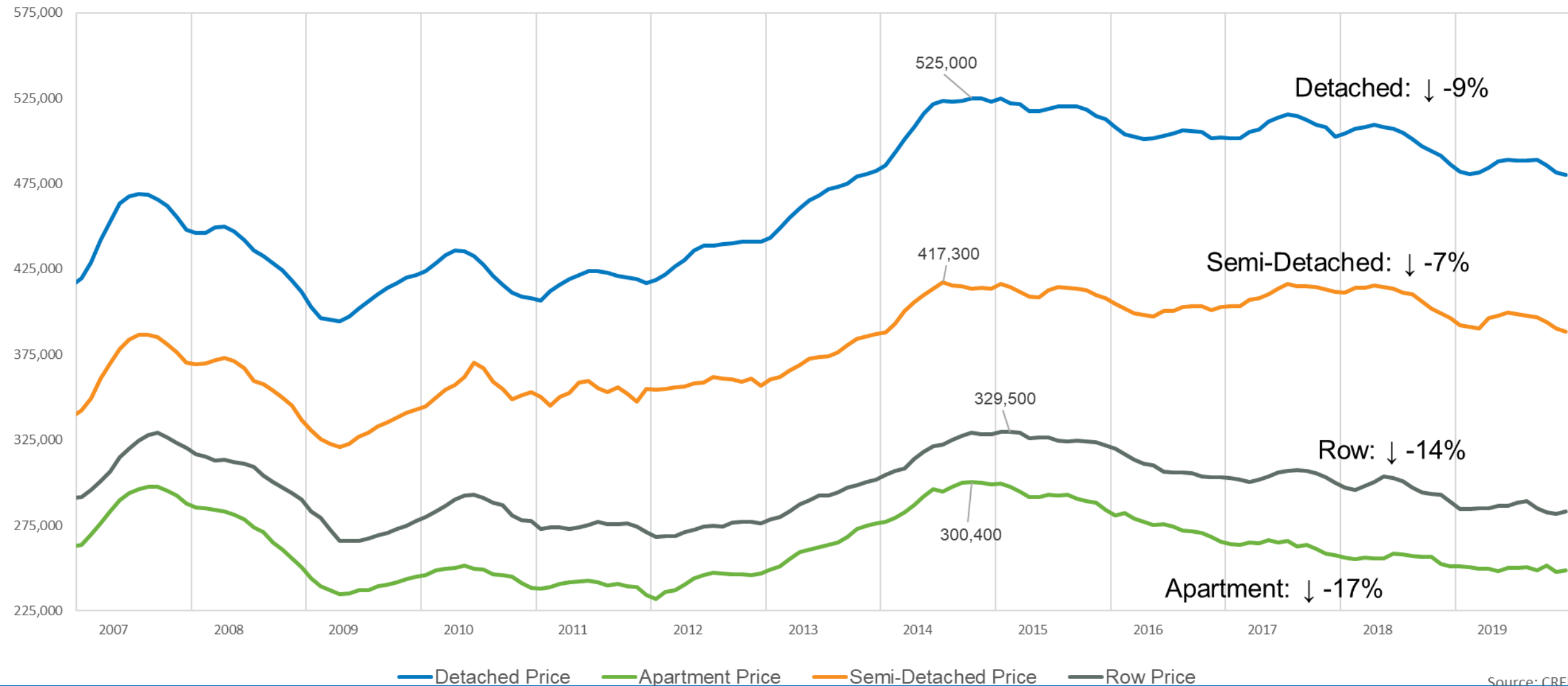
# All product types still oversupplied

MONTHS OF SUPPLY



Source: CREB®

# Price adjustments vary by property type



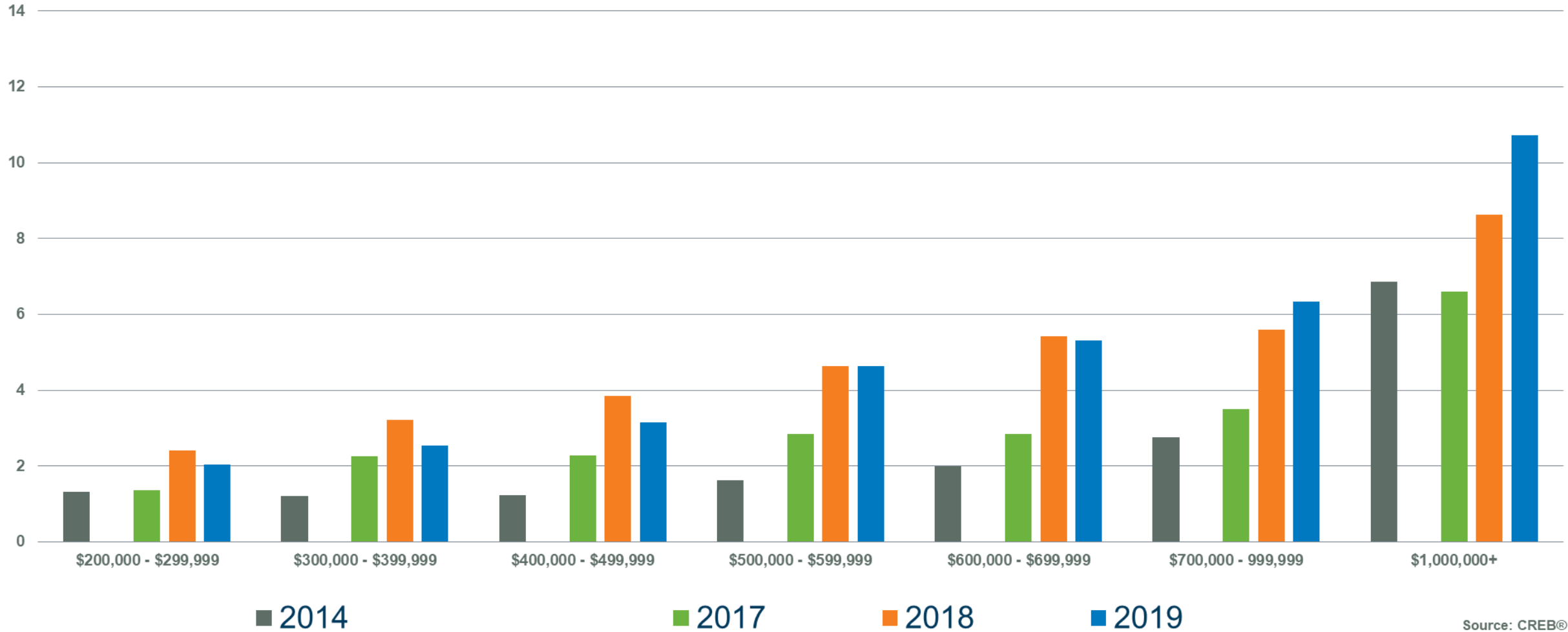
— Detached Price — Apartment Price — Semi-Detached Price — Row Price

Source: CREB®

# Inventory easing in the \$500,000 - \$700,000 Range

## MONTHS OF SUPPLY BY PRICE RANGE

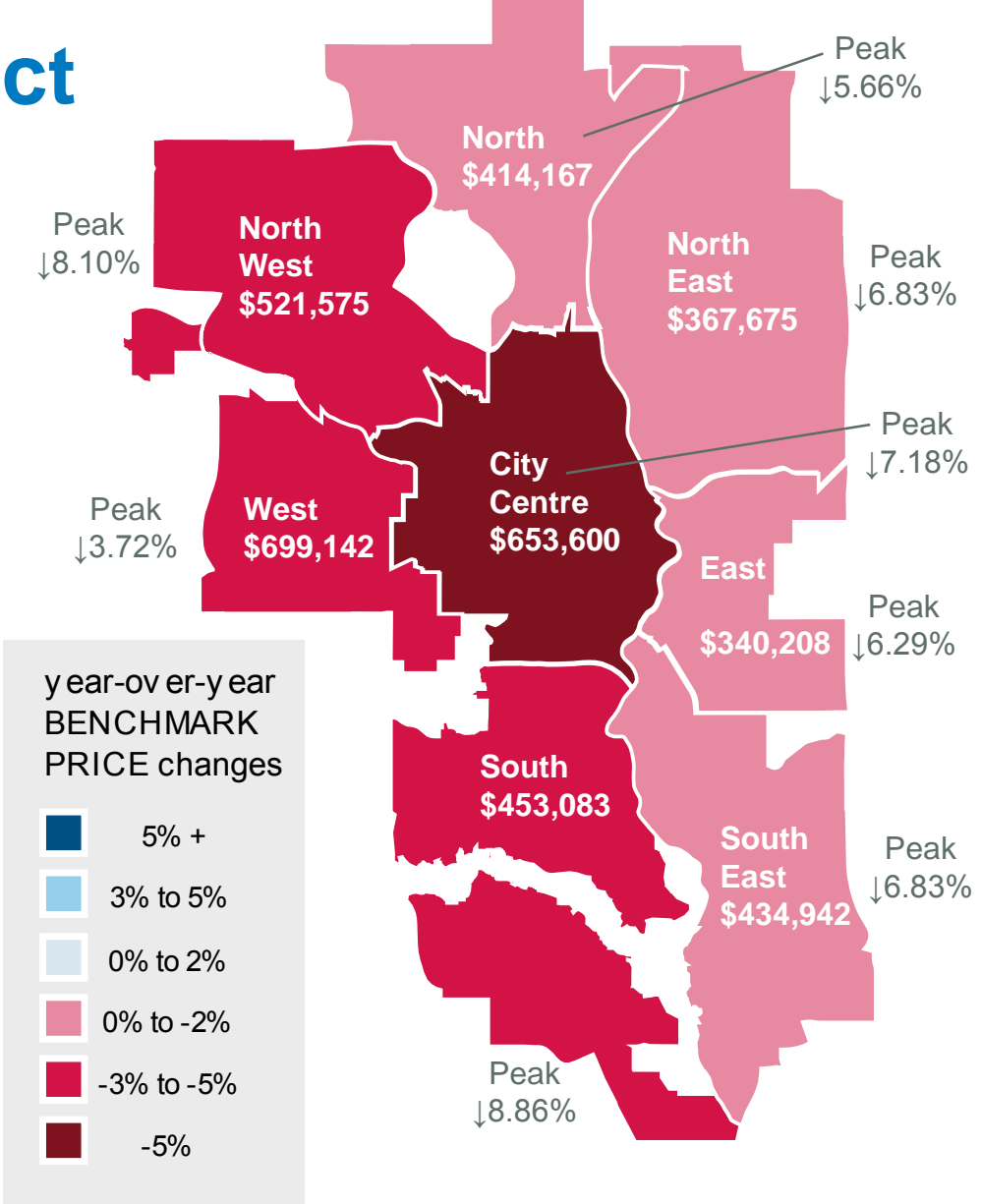
DETACHED



Source: CREB®

# Detached price trends range by district

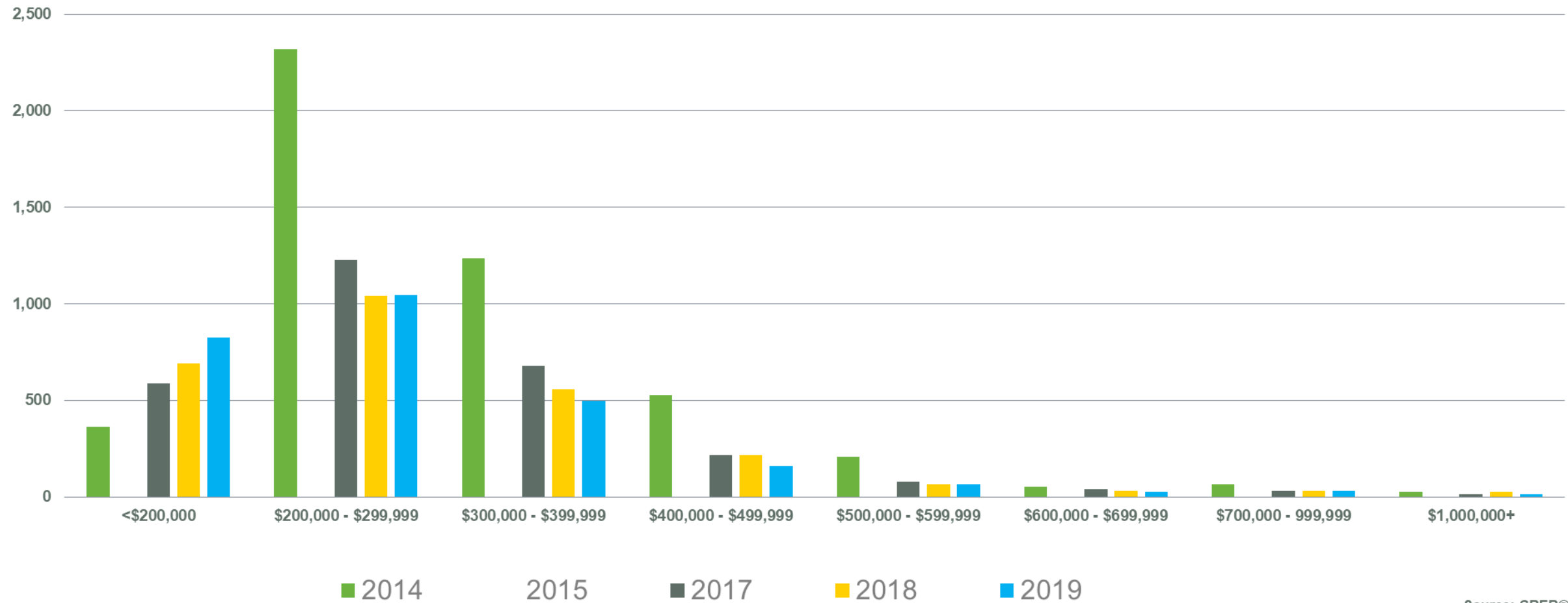
Detached 2019	Sales	Supply	Months of Supply
CITY CENTRE	↓ 7.9%	↑ 3.2%	↑
NORTH EAST	↓ 0.6%	↓ 12.4%	↓
NORTH	↓ 10.6%	↓ 19.4%	↓
NORTH WEST	↑ 3.2%	↓ 7.3%	↓
WEST	↓ 1.5%	↑ 7.6%	↑
SOUTH	↑ 9.4%	↓ 7.9%	↓
SOUTH EAST	↓ 0.7%	↓ 17.3%	↓
EAST	↓ 1.0%	↓ 15.4%	↓
TOTAL CITY	↓ 0.3%	↓ 8.2%	↓



# Demand for under \$200,000 improving

## SALES BY PRICE RANGE

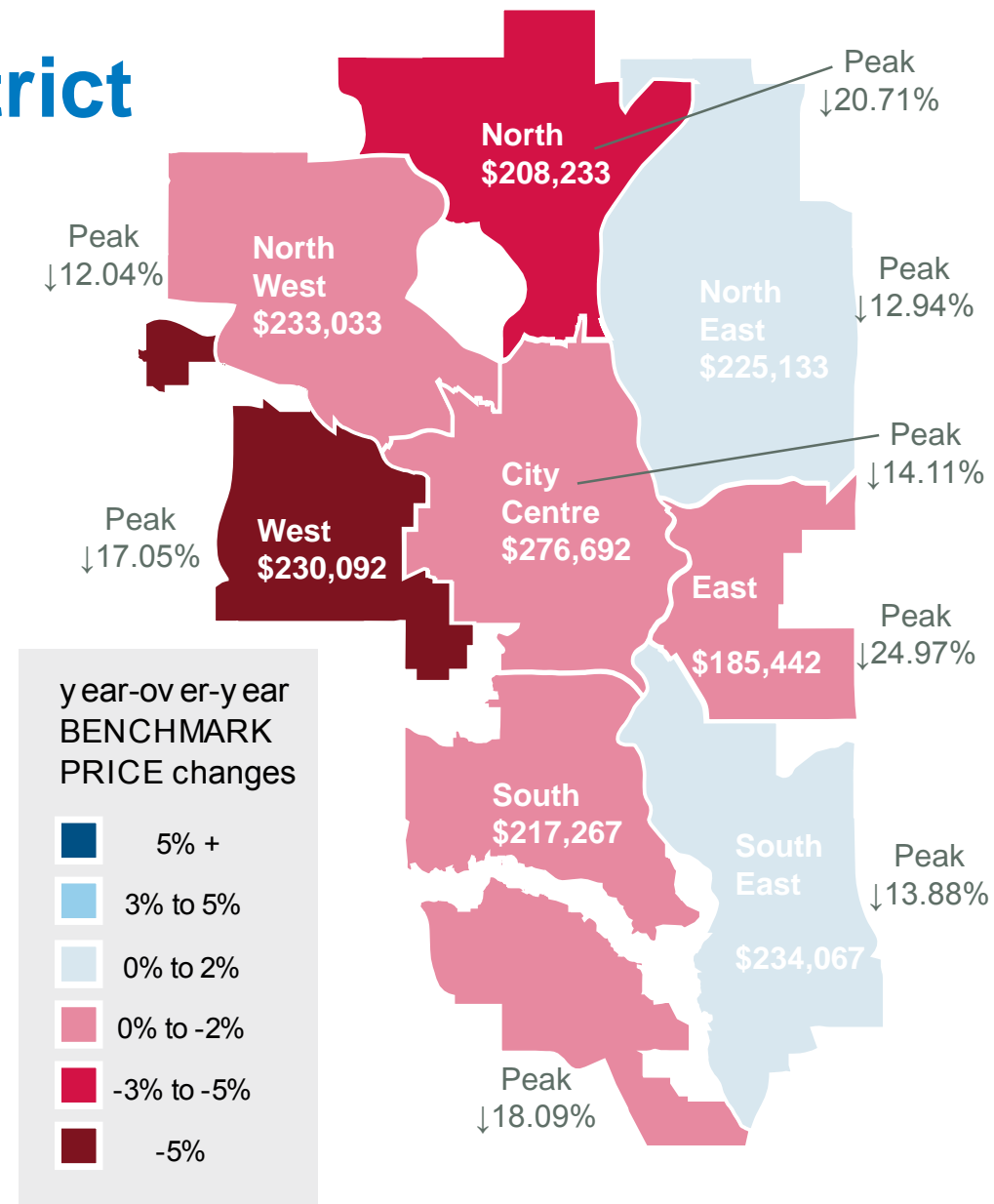
APARTMENT



Source: CREB®

# Apartment price trends range by district

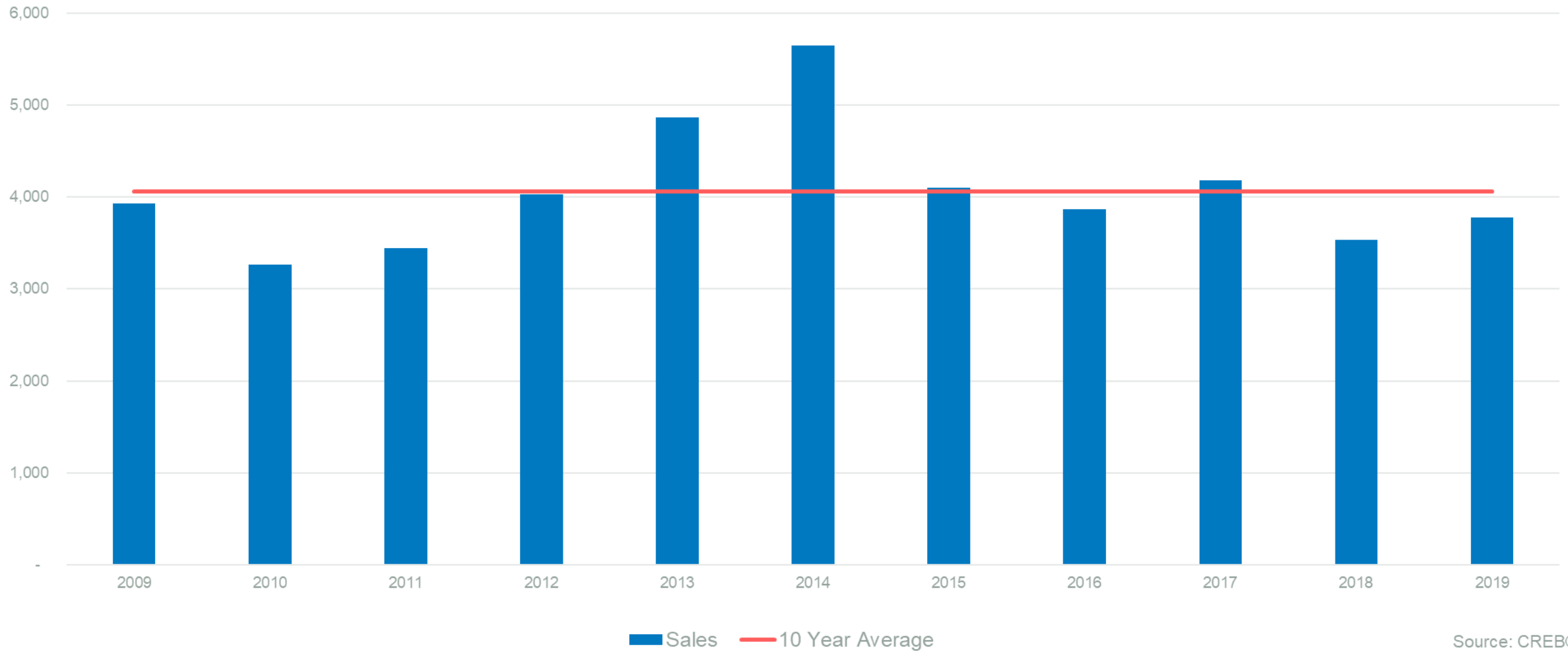
Detached 2019	Sales	Supply	Months of Supply
CITY CENTRE	↓ 0.8%	↓ 6.7%	↓
NORTH EAST	↓ 11.9%	↓ 26.9%	↓
NORTH	↑ 23.7%	↓ 18.7%	↓
NORTH WEST	↓ 17.4%	↓ 8.1%	↑
WEST	↑ 15.6%	↓ 10.5%	↓
SOUTH	↓ 4.1%	↓ 9.4%	↓
SOUTH EAST	↑ 14.0%	↑ 38.1%	↑
EAST	↓ 11.3%	↓ 11.1%	↑
TOTAL CITY	↑ 0.4%	↓ 5.9%	↓



# Sales comparable to long term averages

City of Calgary Year to Date Sales

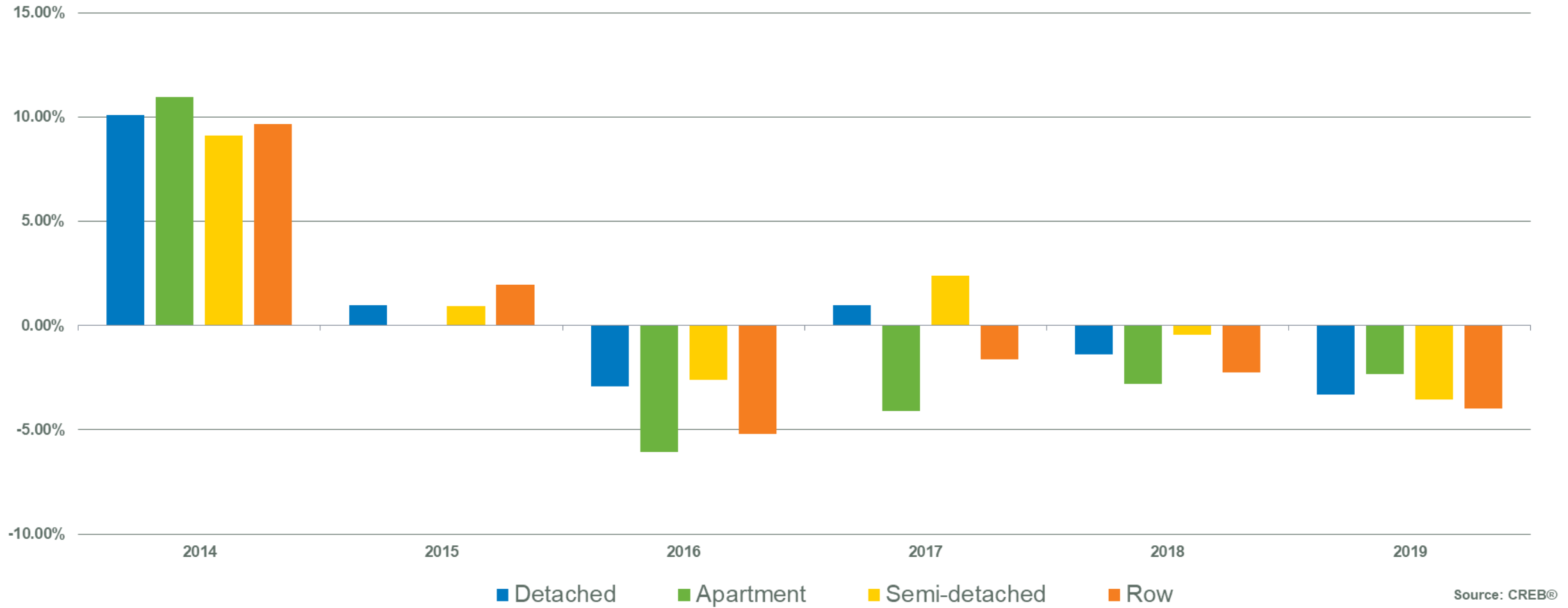
Attached



Source: CREB®

# Price declines bringing some demand back

Annual Benchmark Price Changes

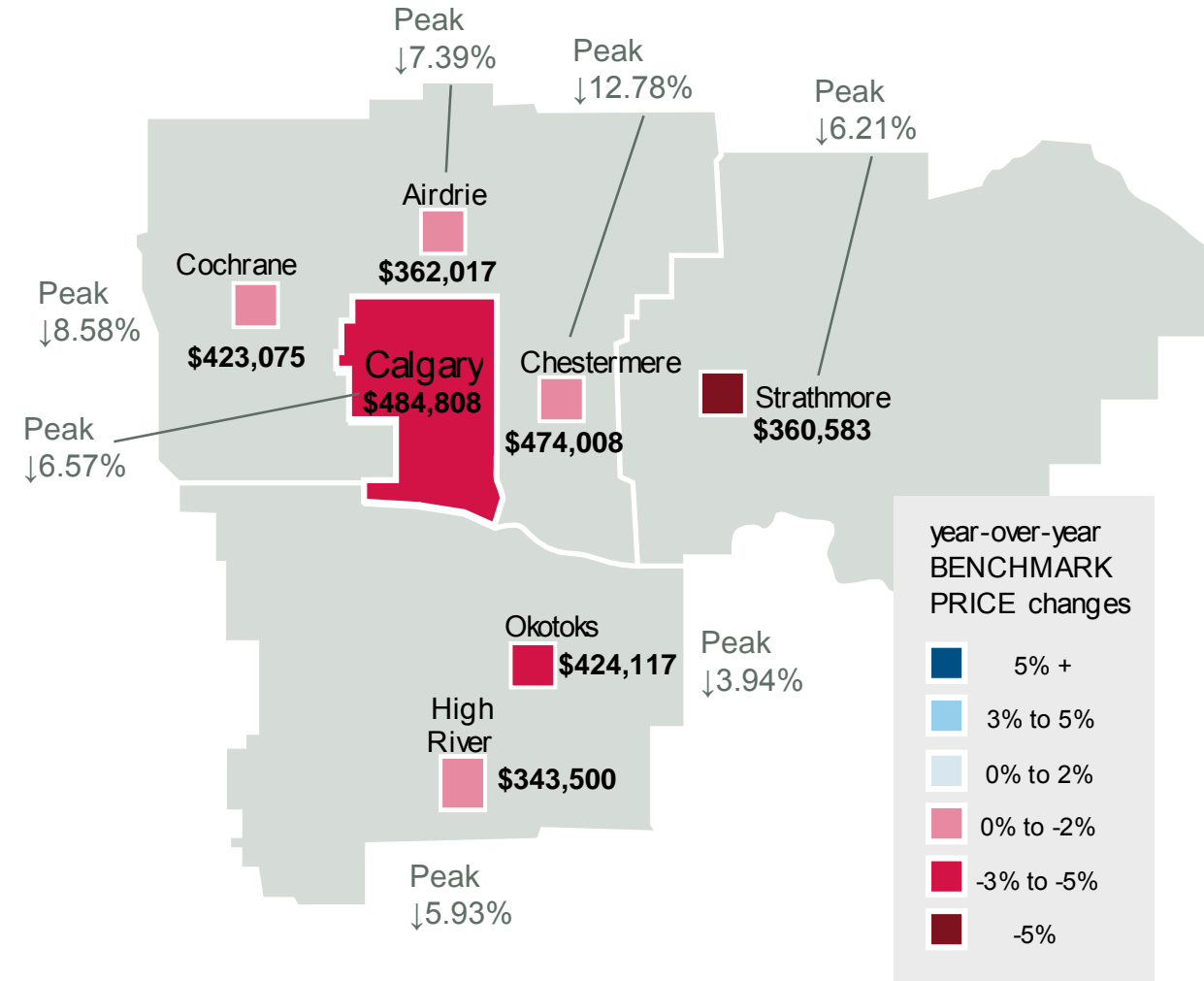


Source: CREB®



# Sales improving in most surrounding area's

2019 Detached	Sales	Supply	Months of supply
<b>AIRDRIE</b>	↑ 4.7%	↓ 13.3%	↓
<b>COCHRANE</b>	↑ 3.4%	↓ 13.7%	↓
<b>OKOTOKS</b>	↑ 10.9%	↓ 13.5%	↓
<b>CHESTERMERE</b>	↓ 7.4%	↑ 11.7%	↑
<b>HIGH RIVER</b>	↑ 16.4%	↑ 3.2%	↓
<b>STRATHMORE</b>	↓ 12.8%	↓ 8.9%	↑
<b>CALGARY</b>	↓ 0.3%	↓ 8.2%	↓



# Attached sector drives sales growth



## DETACHED SECTOR

	2019		2020 (F)	
Sales	9,913	↓ 0.3%	10,101	↑ 1.9%
Price Growth	\$484,808	↓ 3.3%	\$482,384	↓ 0.5%

**Peak**  
↓ **8%**



## ATTACHED SECTOR

	2019		2020 (F)	
Sales	3,780	↑ 6.9%	3,893	↑ 3.0%
Price Growth	\$314,850	↓ 3.9%	\$311,387	↓ 1.1%

**Peak**  
↓ **11%**



## APARTMENT SECTOR

	2019		2020 (F)	
Sales	2,672	↑ 0.4%	2,736	↑ 2.4%
Price Growth	\$249,775	↓ 2.3%	\$247,777	↓ 0.8%

**Peak**  
↓ **17%**



## CITY OF CALGARY

	2019		2020 (F)	
Sales	16,365	↑ 1.4%	16,731	↑ 2.2%
Price Growth	\$422,650	↓ 3.4%	\$419,739	↓ 0.7%

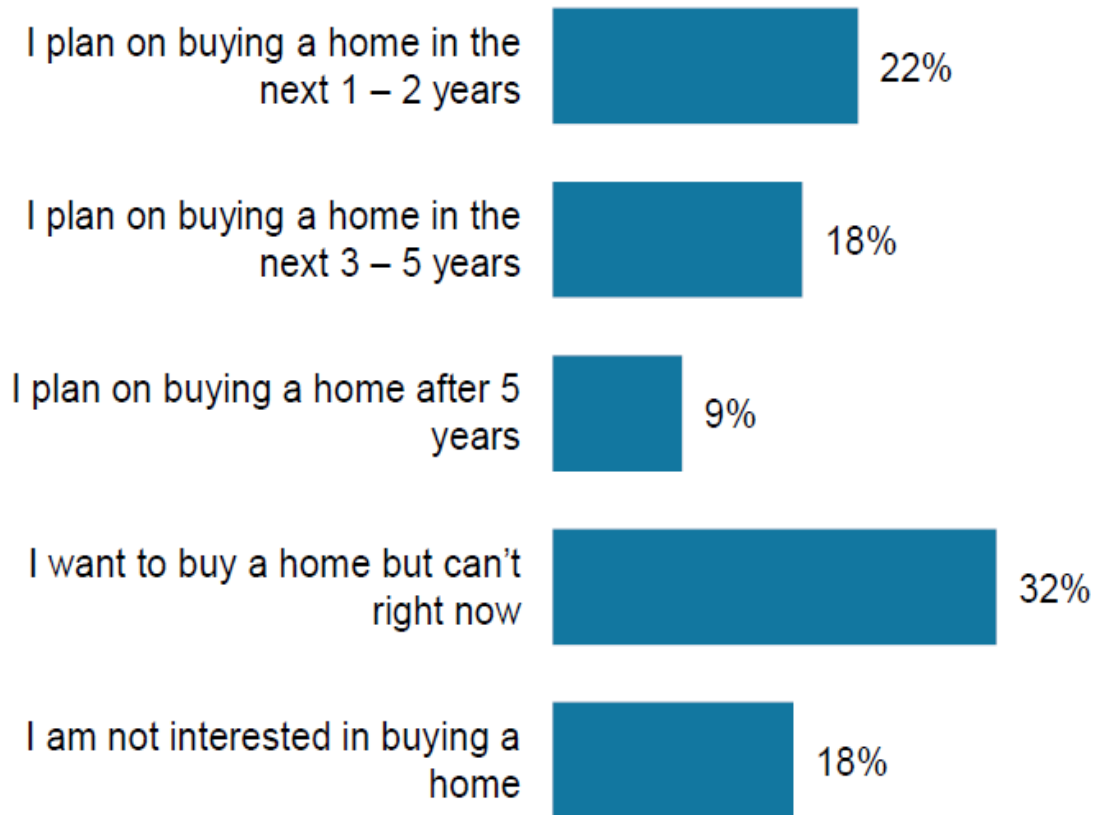
**Peak**  
↓ **10%**



# Forecast Risk

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# MODERATE-INCOME CALGARIANS' ATTITUDES TOWARD HOMEOWNERSHIP



## WHY HOMEOWNERSHIP?

### STABILITY



61%  
HOUSING  
STABILITY



55%  
PERSONAL  
INVESTMENT



45%  
COST  
CERTAINTY

Source: Market survey conducted in 2019 by  
Attainable Homes Calgary, Alberta Real Estate Foundation, and CREB