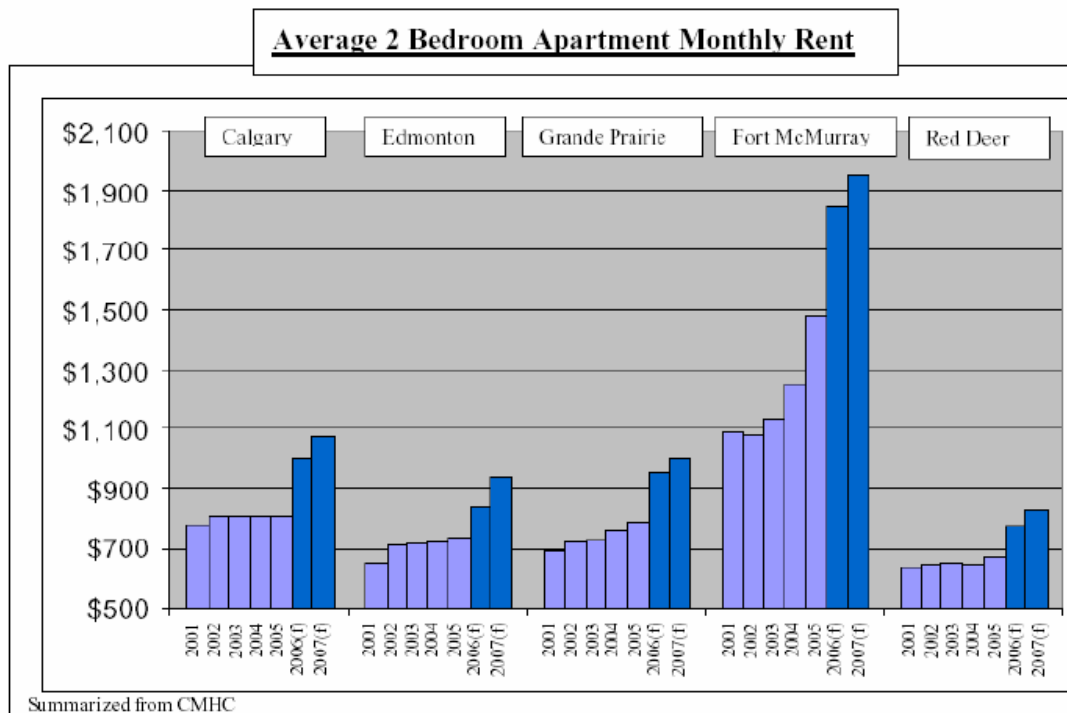


Canada Mortgage and Housing Corporation's
Alberta Economic and Housing Outlook

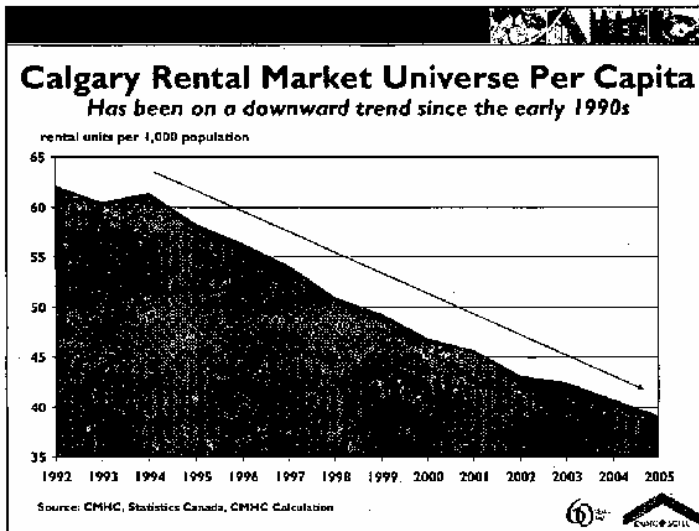
The following is an Executive Summary of Canada Mortgage and Housing Corporation's Alberta Economic and Housing Outlook presentation, released November 16th, 2006.

For a complete version of the presentation, please go to <http://investor.bwalk.com/IndustryLinks/>.

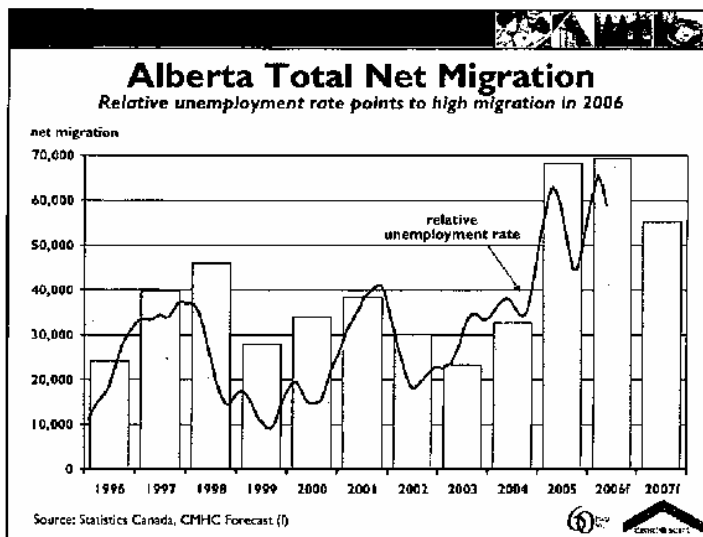
Alberta is enjoying the longest and strongest economic expansion in its history. Record energy profits and high oil prices continue to elevate business investment, while surging wages, significant population growth, and \$1.3 billion in prosperity cheques are boosting personal consumption. A jump in energy royalties is also contributing to substantial infrastructure spending across the province while providing modest tax relief. Expect a nation-leading economic expansion of 5.9 per cent in 2006, followed by 4.2 per cent growth in 2007.



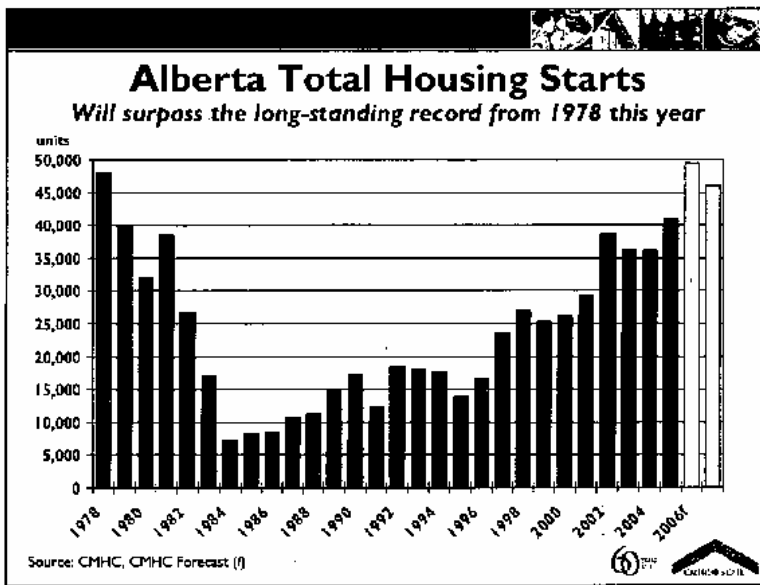
- Rental Market:** Tight market conditions will force rents upward across the province. In Calgary, the average rent is expected to rise by about 25 per cent in 2006 and by another seven per cent in 2007. Given the existing home resale price escalation over the previous year, the corresponding monthly carrying costs are 48 per cent higher than they were just one year earlier, pricing many would be homeowners out of the market. Average resale prices for existing homes will advance 29 per cent this year, more than double the highest rate of price growth ever recorded. Alberta will lead price growth in 2007 as it becomes the second most expensive resale market in Canada.



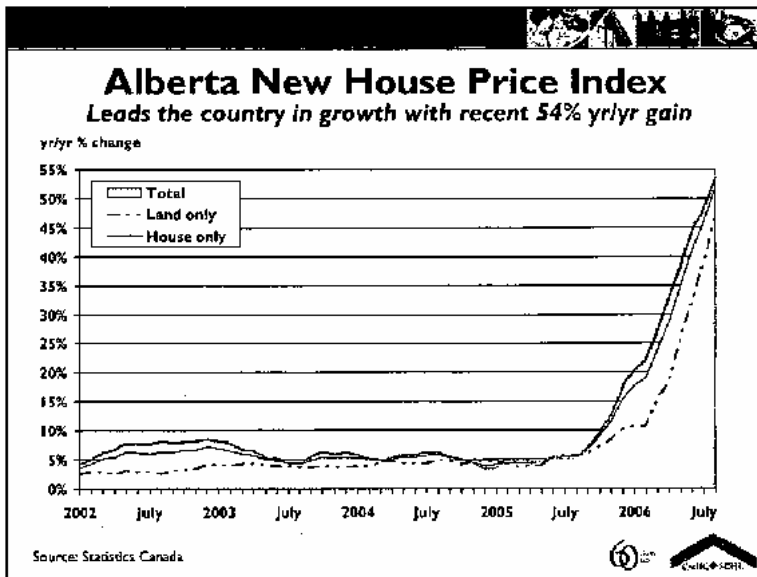
- **Rental Market:** The rental market is expected to remain tight in Calgary and Edmonton through 2007 due to strong in-migration and declining rental stock.



- **Net Migration:** In 2005, a record of 68,098 migrants moved to Alberta. Migration is expected to surpass last year's record, with 69,500 expected to move to Alberta in 2006. In 2007, migration will slip to 55,200 as escalating house prices weaken Alberta's pull from other provinces. Currently, 95 people are moving to Calgary per day.



- **Housing Starts:** Total housing starts will reach 50,000 units this year, surpassing the previous record of 47,925 in 1978.
- **Multi-family starts:** 17,000 units will be started in 2006, the highest level since 1982. Next year, cost pressures, modest gains in inventory, and the timing of some projects will mean that multi-family starts will ease slightly to 15,500 units.



- **New Home Pricing:** While most economic indicators suggest a sustained increase in 2007 for total housing starts, the recent escalation in house prices will result in modestly weaker activity. The latest New House Price Index (NHPI) for Alberta showed a 54 per cent annual increase in the cost of building a home, more than nine times the rate of growth reported one year earlier.



Alberta Forecast Summary

	2004	2005	2006f	2007f
Economy				
Real GDP Growth	4.3%	4.5%	5.9%	4.2%
Employment Growth	2.4%	1.5%	4.4%	2.2%
Net Migration	32,796	68,098	69,500	55,200
New Home Market				
Single-Detached Starts	22,487	26,664	33,000	30,500
Multi-Family Starts	13,783	14,163	16,400	15,500
Resale Market *				
Total MLS® Sales*	57,460	65,866	72,500	68,750
Average Price**	\$194,769	\$218,266	\$282,500	\$318,000

*Source: CREA, ** Total Residential, Forecast: CMHC

