



The Brad Hawker Real Estate Team

Market Synopsis



Brad Hawker
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Canmore's real estate market was off to an interesting start in 2006. Charmingly known for its lifestyle priority over the holiday season instead of business first, Canmore saw decreases in some market segments and increases in others. The apartment style condo market recorded decreased activity by 9% from the month before and by more than half of recorded sales last January. Prices however continued the upward trend of 5.22% over average prices in December and by 23.81% over average prices one year ago.

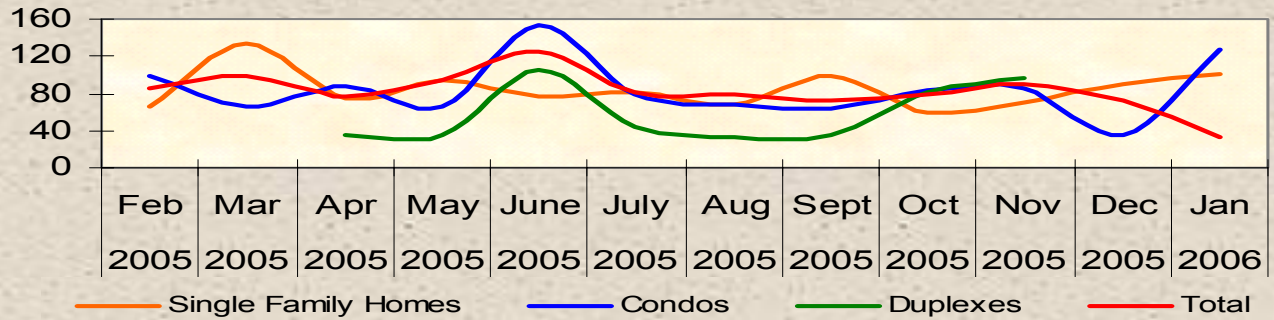
Duplex sales increased over both December sales and January sales last year. Price increased by 30% over last January. The single-family market activity was just as interesting. Sales rose over last year's figures by 66.67%, but the average selling price dropped 16% below average prices last January. With the sale-to-list price ratio at almost 97%, indications would point toward the types of properties changing hands this January compared to last January as the significant factor, rather than a correction in overall price trends.



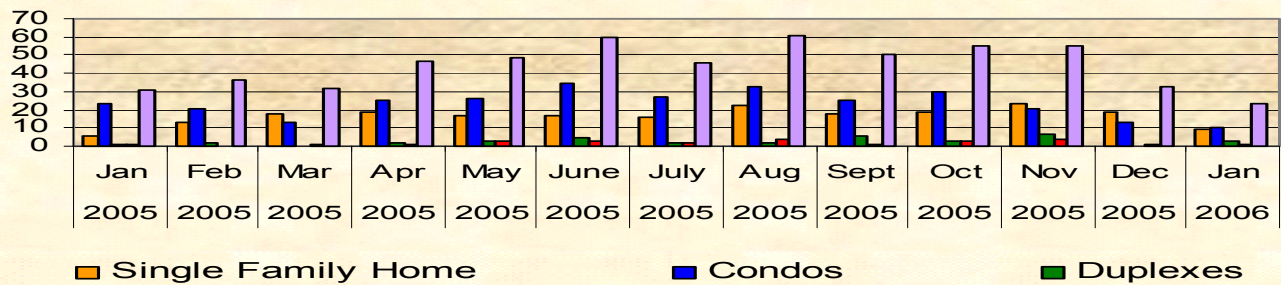
Drew Betts
Agent/Realtor



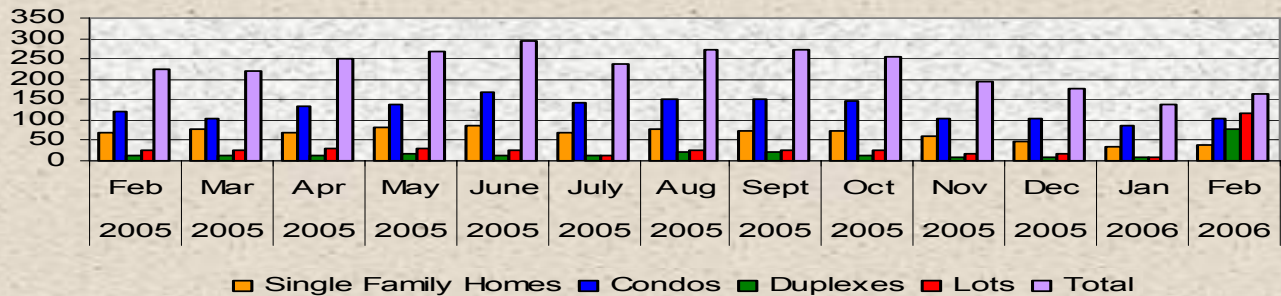
Average Days On Market (Sold Properties) By All Companies



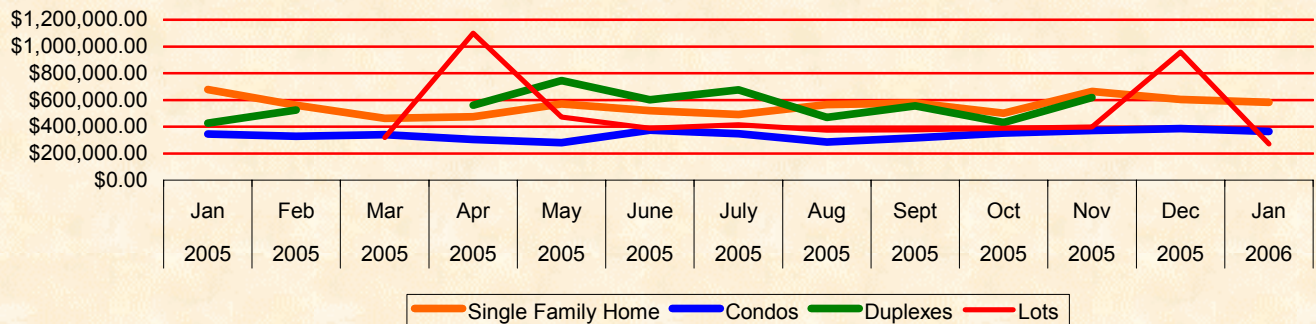
Number Of Listings Sold By All Companies



Active Listings on Market By All Companies



Average Sale Prices of Listings Sold by All Companies



Housing Starts Will Remain Strong

Housing starts: After posting a 17—year high in 2004, residential construction activity slipped 3.4 percent to 225,481 starts in 2005. Starts will remain above the 200,000 unit level for a fifth consecutive year in 2006 at 208,700 units. Starts will ease further in 2007 to 194,800 units.

Resales: Sales of existing homes established a new record of 481,900 units in 2005, but will moderate to 461,500 units in 2006 and to 444,000 units in 2007.

Resale prices: After posting its strongest increase in 16 years, house price growth in 2006 will slow to 5.5 per cent as markets become more balanced. Growth in house prices will slow even further to 3.8 percent in 2007. SOURCE: CMHC

Provincial Highlight

A survey conducted by Pollara Inc. in October 2005 shows that about 72 percent of households in Alberta own their home compared to 64 percent in the rest of Canada. According to the research, this gap is likely to increase in the future. Of the respondents who do not currently own a home, about 55 percent in Alberta and about 42 percent in the rest of Canada plan to purchase a home within the next 5 years. SOURCE: CMHC

HOUSING STARTS:

2005: 225,481

2006: 208,700

2007: 194,800

RESALES:

2005: 481,900

2006: 461,500

2007: 444,000

Single Starts: At 26,684 units in 2005, single-detached starts recorded their best performance in history. Activity will ease slightly in 2006 and 2007 to 25,000 and 24,000 units, respectively. The reduction in single-detached starts will be the result of capacity constraints in the residential construction industry and the shift of some buyers to the lower priced multi-family condominium market.

Multiple Starts: At 14,163 units in 2005, multi-family starts exceed 14,000 units for the third time in four years. Continued demand from home buyers means that multi-family starts will only ease slightly in 2006 and 2007 to 14,000 and 13,500 units, respectively.

Resales: MLS sales in 2005 exceeded 60,000 units for the first time, reaching 64,500 sales. MLS sales will remain strong at 62,000 in 2006 and 60,000 in 2007 because of healthy demand in most of the major markets.

Prices: In 2005, sales in the higher price ranges particularly in Calgary, led to a double digit rise in the provincial average MLS price. Price pressures will ease gradually, nevertheless, robust demand will push the average MLS price to \$240,000 in 2006 and \$260,000 in 2007.

SOURCE: CMHC

Alberta—Housing Market Outlook Remains Buoyant

The Alberta economy is forecast to grow by 4.1 per cent in 2006 and 3.5 percent in 2007. Projections for economic growth in Alberta in 2006 and beyond are optimistic because of high levels of investment in the oil sands sector.

The investment in the oil sands is being driven by demand and supply factors. World consumption of oil is projected to rise from about 82 million barrels per day in 2004 to nearly 120 million barrels per day by 2025 with a significant portion of this increase stemming from China and the United States. Canada is the largest foreign supplier of oil to the United States with most of this supply coming from Alberta. Moving forward, an ample supply of oil sands reserves and favourable production economics means that Alberta will be in a good position to meet the growing need for oil in the United States. Alberta's vibrant job market will continue to be a magnet for workers from other parts of Canada seeking job opportunities. However, with about 70 percent of the population between the ages of 15 and 64 already employed, the influx of migrants from other provinces will not completely alleviate the shortage of skilled workers. The Alberta economy is forecast to grow by 4.1 per cent in 2006 and 3.5 percent in 2007. Projections for economic growth in Alberta in 2006 and beyond are optimistic because of high levels of investment in the oil sands sector.

The provincial government is addressing the skill shortage issue through the Provincial Nominee Program. In October 2005, the government announced that the goal of the program is to increase the number of international immigrants from 16,500 per year to 24,000. CMHC's forecast assumes that it will take about two years to achieve the targets of the Provincial Nominee Program. Meanwhile, through inter-provincial and international migration, the province will gain nearly 78,000 persons over the next two years. The combination of a strong job market and population growth will keep total housing starts strong at 39,500 units in 2006 and 37,500 units in 2007. SOURCE: CMHC

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