



Altus Group

A3: Construction in Edmonton is everything to move forward?

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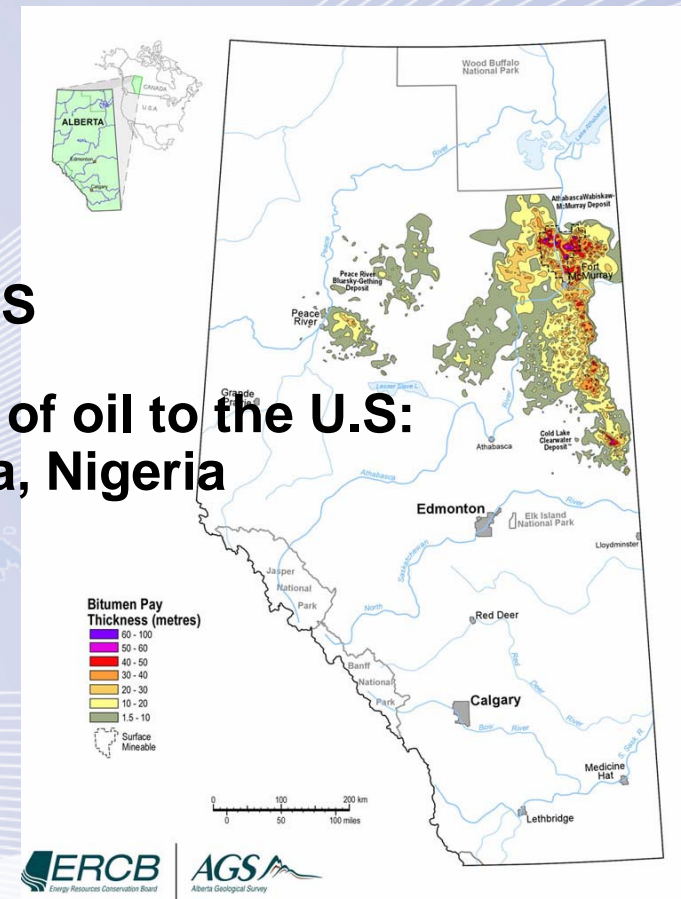
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EDMONTON
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Macro Economic Forces

- 30% of Albert's GDP tied to energy.
85% of total exports are shipped to the US
- According to US – EIA – Top 5 Suppliers of oil to the U.S:
Canada, Mexico, Venezuela, Saudi Arabia, Nigeria
- Top suppliers: Canada 21%, Mexico 12%
- Mexico – Central mega-field is depleting
Of the above suppliers, we are it!



How to accommodate populace?

- **Affordable Housing – what should be built?**
- **Factors will be far-reaching:**
 - housing-type demand,
 - location (rural / suburban / central),
 - pressure for densification from municipalities
 - access to public transit, fuelled by rising energy costs.



More Residential Condominiums?

- **Key Price Points** } **Suburban** ± \$300,000
(what is selling?) } **Downtown** ± \$350,000
- **Current inventory** 2,000 units
- **Average absorption** 3 units per month/project
- of units over \$350,000 1 unit per month/project
- **Sales Q1/2011** have doubled compared to Q1/2010
- **At current levels of absorption** – 12 months supply



Wildcard



- Existing populace and changing demographic profile
- Condo market growth was originally fuelled by aging baby-boomers.
- Over 50% of net worth-equity in home
- 41% of retirees will continue to work because they need income
- Based on current condo/housing prices – what is the solution?

