

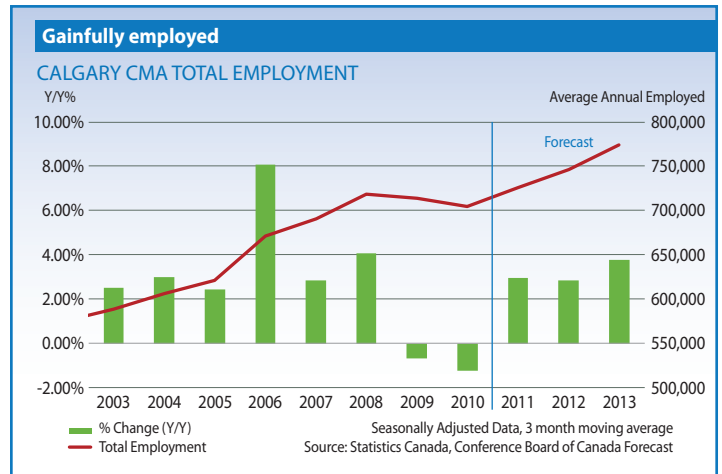
## An edited excerpt from the Calgary Real Estate Board's Economic Outlook – January 2012

Alberta will remain the Canadian leader in terms of economic growth, based on the strength of the energy industry. Despite short-term volatility in the energy markets, long-term growth prospects for the industry remain strong and will continue to be a source of wealth and employment growth for the province for years to come.

With the West Texas Intermediate (WTI) prices having recovered to their pre-recession levels – owing to growth in demand from emerging economies around the world – oil prices are expected to average \$91.13 per barrel in 2012. That is well above levels that would be considered problematic to the Alberta energy sector, considering that most oil sands investments are profitable at oil prices averaging over \$80 per barrel.

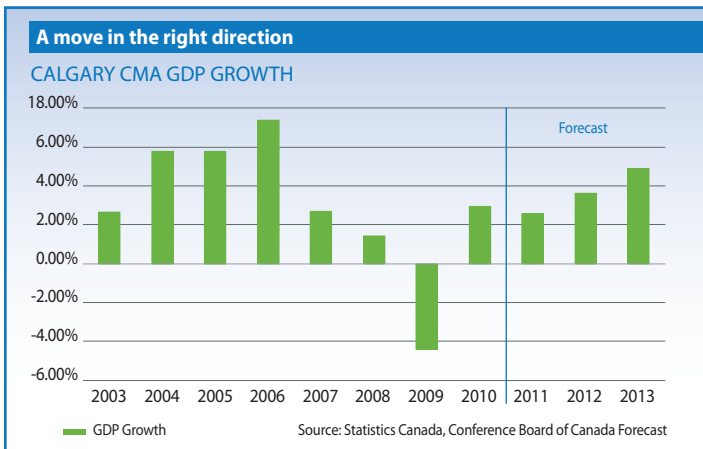
While economic growth is anticipated to be sluggish next year for most of the advanced economies, world oil prices are projected to remain at high levels over the long term, prompting many companies to reactivate their temporarily shelved expansion plans and thus generate substantial employment growth throughout the province of Alberta.

With Calgary being the energy hub of Canada, strength in the energy sector will continue to stimulate growth throughout all sectors in the Calgary region. The rising GDP growth will generate increased demand for labour, boosting disposable incomes, increasing net migration to Calgary, and fueling rising consumer spending – thus providing many beneficial spinoffs across all local economic sectors.



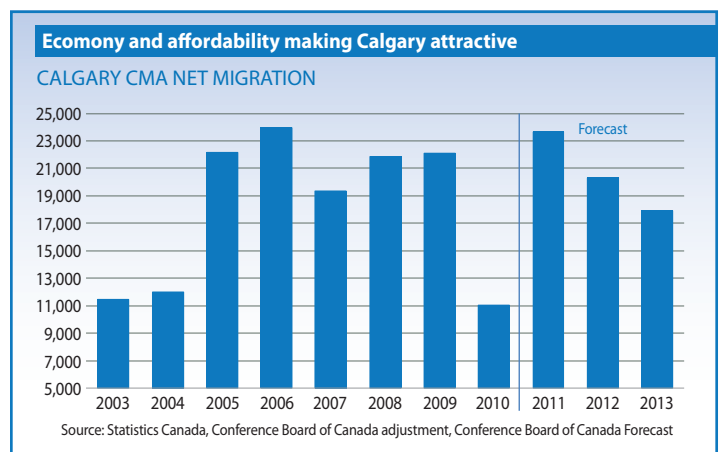
Calgary's job growth, the area is expected to continue to sustain strong migration levels, providing a significant boost to the housing sector in terms of buoyant sales activity across all sectors. Moving into 2012, we anticipate the volume of home sales to increase by 13 per cent during the year, reflecting strong employment and migration gains and their positive impact on the sales of single-family homes.

The sales of single-family homes have already started on the path of slow recovery, with average prices expected to increase a modest 2.4 per cent in 2012. Given the underlying strength in commodities, the Alberta economy will continue to grow, supported in large part by strong gains in the energy sector. While some short-term volatility is to be expected in the larger context of global economic uncertainty, the local economy is expected to continue to grow and drive further gains in employment and migration in the Calgary region, providing the catalyst for a thriving local housing market.



Driven by renewed business investment in Calgary, 2011 figures substantiate a strong economic recovery, with employment growth boosting the housing sector throughout the coming year. Despite global economic concerns, total employment is forecast to rise by three per cent in 2012 – not only recovering the jobs lost during the recession, but also creating new positions across a growing number of companies. In fact, some industries are reportedly already concerned about the potential of skilled-labour shortages limiting economic expansion and driving up wages.

For 2011, migration is estimated to soar to levels similar to those recorded in 2006. Calgary's strong economy, impressive employment opportunities, and general affordability will continue to attract a wide range of job-seekers from both domestic and international sources. With



To view the complete report prepared by Ann-Marie Lurie, Senior Economist at the Calgary Real Estate Board, go to: [www.braggcreek.net/economicoutlook112](http://www.braggcreek.net/economicoutlook112)