

RELEASE

FOR IMMEDIATE RELEASE

CMHC forecast calls for continued strength in housing markets

Regina, May 15, 2008 – Canada Mortgage and Housing Corporation (CMHC) released its spring forecast for Regina housing markets today. CMHC expects demand for ownership and rental housing will be well above the ten year average. Rising employment and in-migration will support housing demand in 2008 and on into 2009.

After an outstanding year for single-detached starts in 2007, CMHC is forecasting 950 single starts in 2008 slowing slightly to 900 housing units in 2009. A scarcity of resale listings is contributing to the vigorous level of new single-detached demand. Buyers who would normally purchase an existing home have focused on the new housing market due to lack of supply on the resale side. In 2008, multiple starts will fall back to 450 units and slip 11 per cent to 400 units in 2009. Although this represents a decline, CMHC says that a growing proportion of empty-nesters and seniors will maintain heightened demand for multiple units going forward.

Following the record-breaking year in 2007, existing home sales are expected to reach even higher heights in the coming years. Sales in 2008 are anticipated to set a new record with 4,400 sales, before slipping to 4,200 in 2009. Despite the modest decline in 2009, sales will still be much higher than the ten year average. Sales will fall off slightly next year due to the sharp escalation in price in 2007 and 2008.

Regina will see a relatively steady rental market during the forecast period with only slight variation in the average vacancy rate. CMHC's forecast is for an average vacancy rate in apartment structures of three or more units of 1.0 per cent in the October 2008 survey and 1.2 per cent in the 2009 survey results. CMHC expects the average rent for two-bedroom suites to increase to \$740 monthly in 2008 and \$805 monthly in 2009.

Paul Caton, Senior Market Analyst for CMHC Saskatchewan says consumers have not responded to the rapidly rising prices of home ownership as yet. "Our forecast assumes that demand for housing will continue throughout 2008 even in the face of escalating prices," says the analyst. "Only in 2009 will the market begin to cool."

As Canada's national housing agency, Canada Mortgage and Housing Corporation (CMHC) draws on over 60 years of experience to help Canadians access a variety of quality, environmentally sustainable, and affordable homes—homes that will continue to create vibrant and healthy communities and cities across the country. For more information, visit www.cmhc.ca or call 1 800 668-2642.

-30-

For further information, please contact: Paul Caton, Senior Market Analyst, CMHC Saskatchewan - Regina (306) 780-5889 or Saskatoon (306) 975 -4897

Forecast Summary
Regina CMA
Spring 2008

	2005	2006	2007	2008f	% chg	2009f	% chg
Resale Market							
MLS® Sales	2,730	2,953	3,957	4,400	11.2	4,200	-4.5
MLS® New Listings	4,066	4,197	4,661	4,400	-5.6	4,800	9.1
MLS® Average Price (\$)	123,600	131,851	165,613	230,000	38.9	250,000	8.7
New Home Market							
Starts:							
Single-Detached	572	749	864	950	10.0	900	-5.3
Multiples	316	237	534	450	-15.7	400	-11.1
Starts - Total	888	986	1,398	1,400	0.1	1,300	-7.1
Average Price (\$):							
Single-Detached	218,612	247,392	305,290	366,000	19.9	403,000	10.1
Median Price (\$):							
Single-Detached	213,057	242,499	291,100	360,000	-	390,000	-
New Housing Price Index (% chg.)	6.4	8.6	22.2	15.0	-	10.0	-
Rental Market							
October Vacancy Rate (%)	3.2	3.3	1.7	1.0	-	1.2	-
Two-bedroom Average Rent (October) (\$)	607	619	661	740	-	805	-
Economic Overview							
Mortgage Rate (1 year) (%)	5.80	6.30	7.35	6.95	-	6.83	-
Mortgage Rate (5 year) (%)	6.30	6.45	7.54	7.01	-	6.97	-
Annual Employment Level	108,600	109,600	109,800	111,800	1.8	113,300	1.3
Employment Growth (%)	-0.5	0.9	0.2	1.8	-	1.3	-
Unemployment rate (%)	4.8	4.9	4.9	4.3	-	4.1	-
Net Migration ⁽¹⁾	-30	2,126	3,000	2,400	-	1,900	-

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Source: CMHC (Starts and Completions Survey, Market Absorption Survey), adapted from Statistics Canada (CANSIM), CREA, Statistics Canada (CANSIM)

NOTE: Rental universe = Privately initiated rental apartment structures of three units and over

(1) 2007 migration data is forecasted