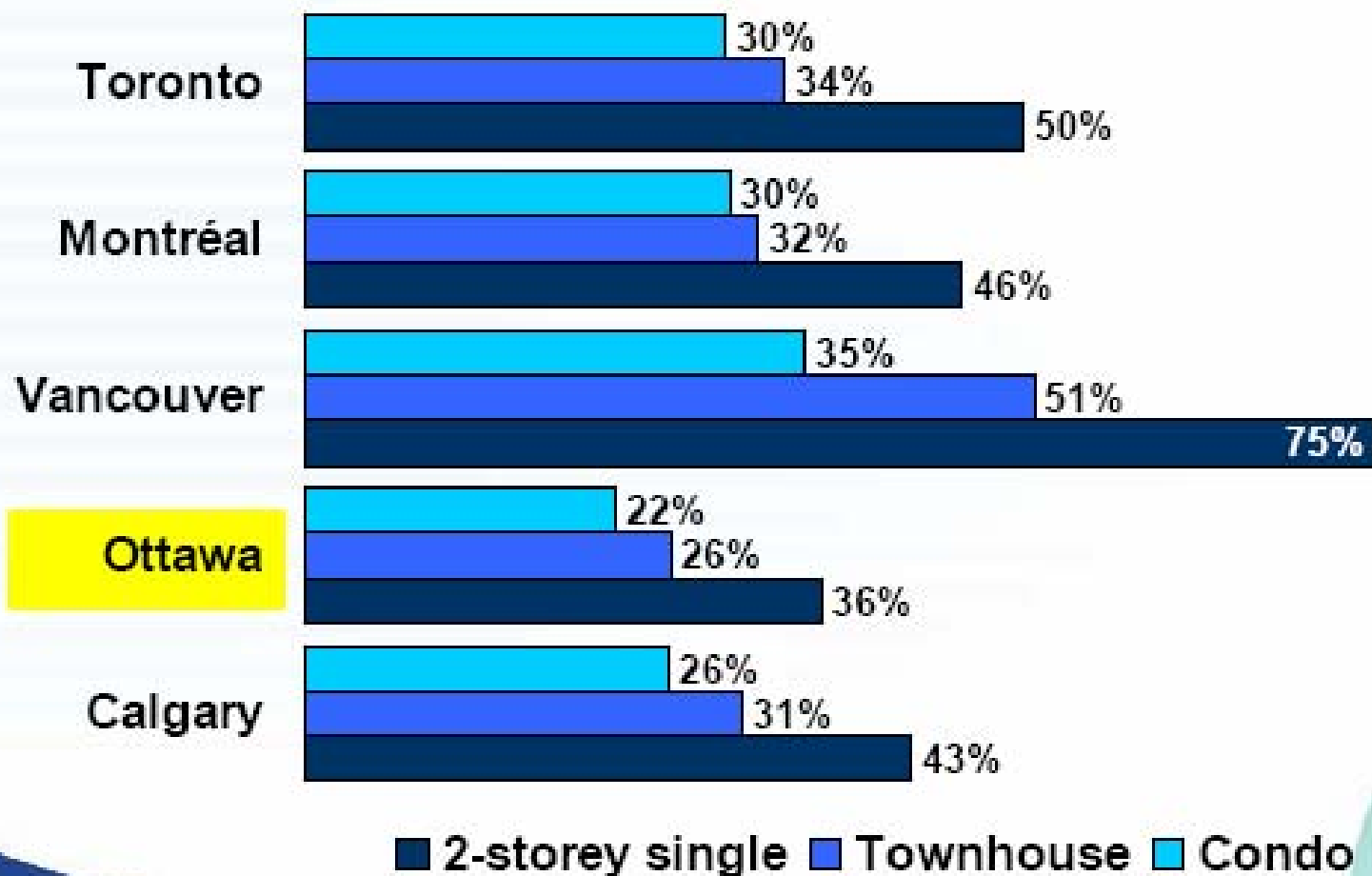


Housing Affordability – Dec. 2006

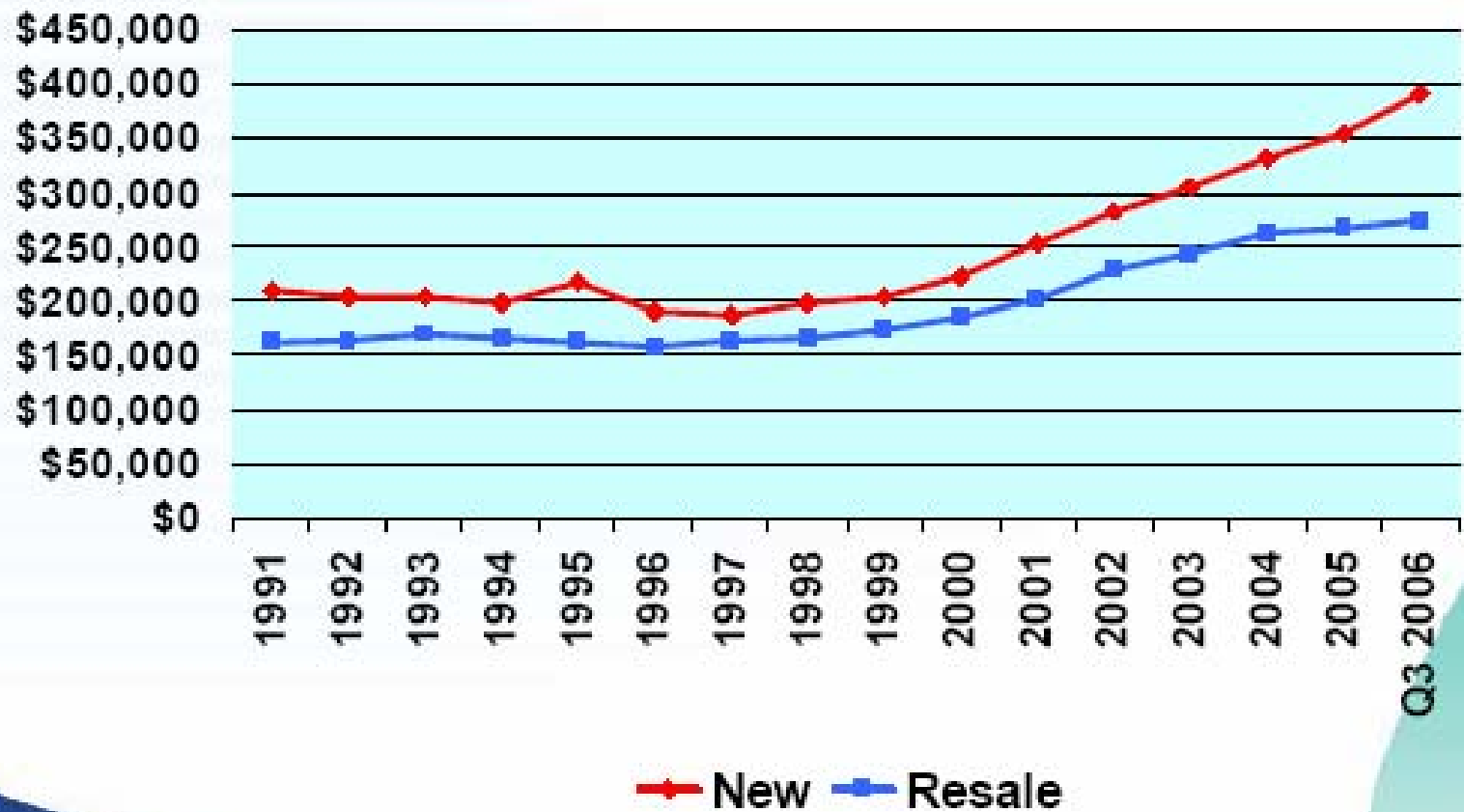
% of household income taken up by ownership costs



Royal Bank of Canada

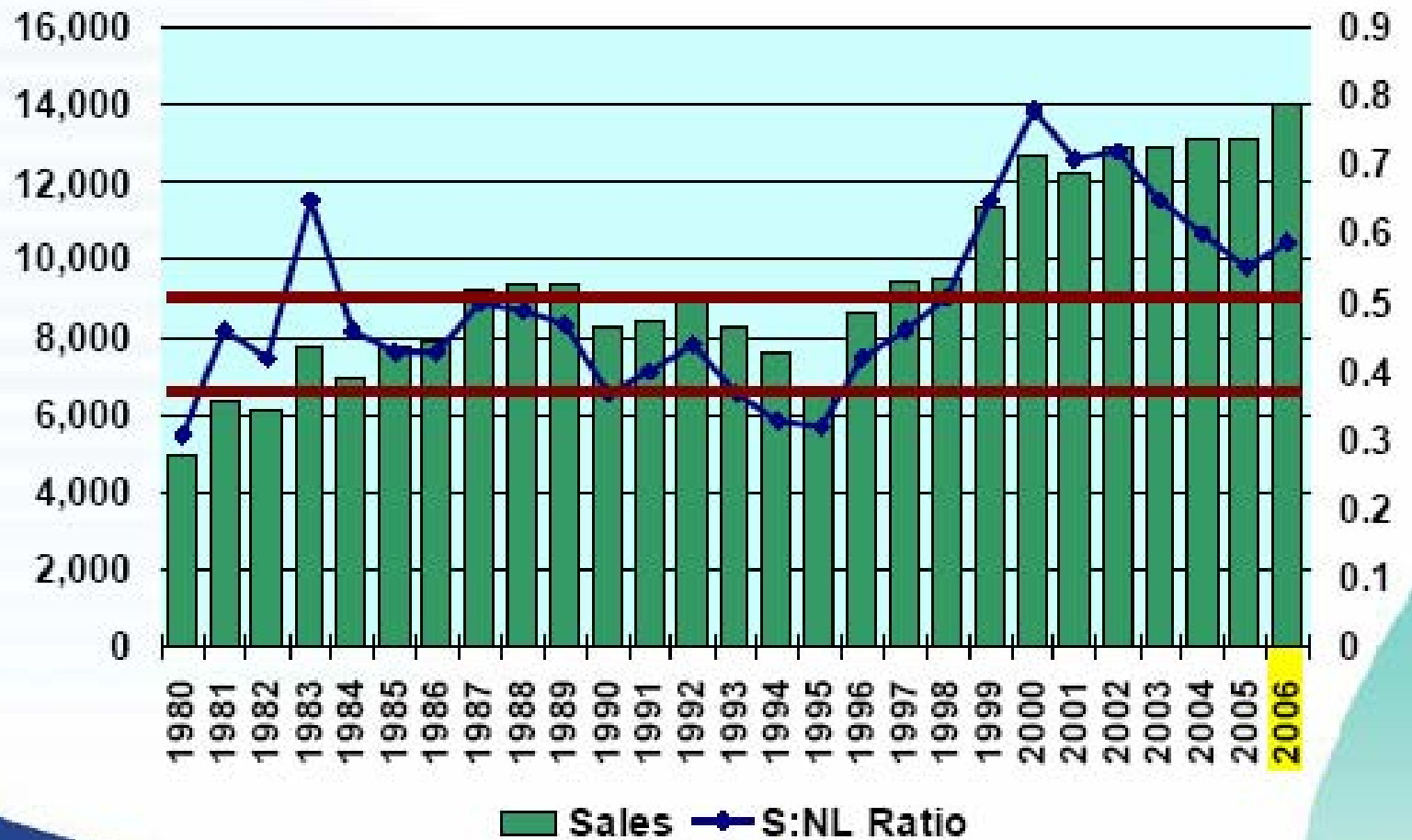
Housing Market

Average sale price, Detached House



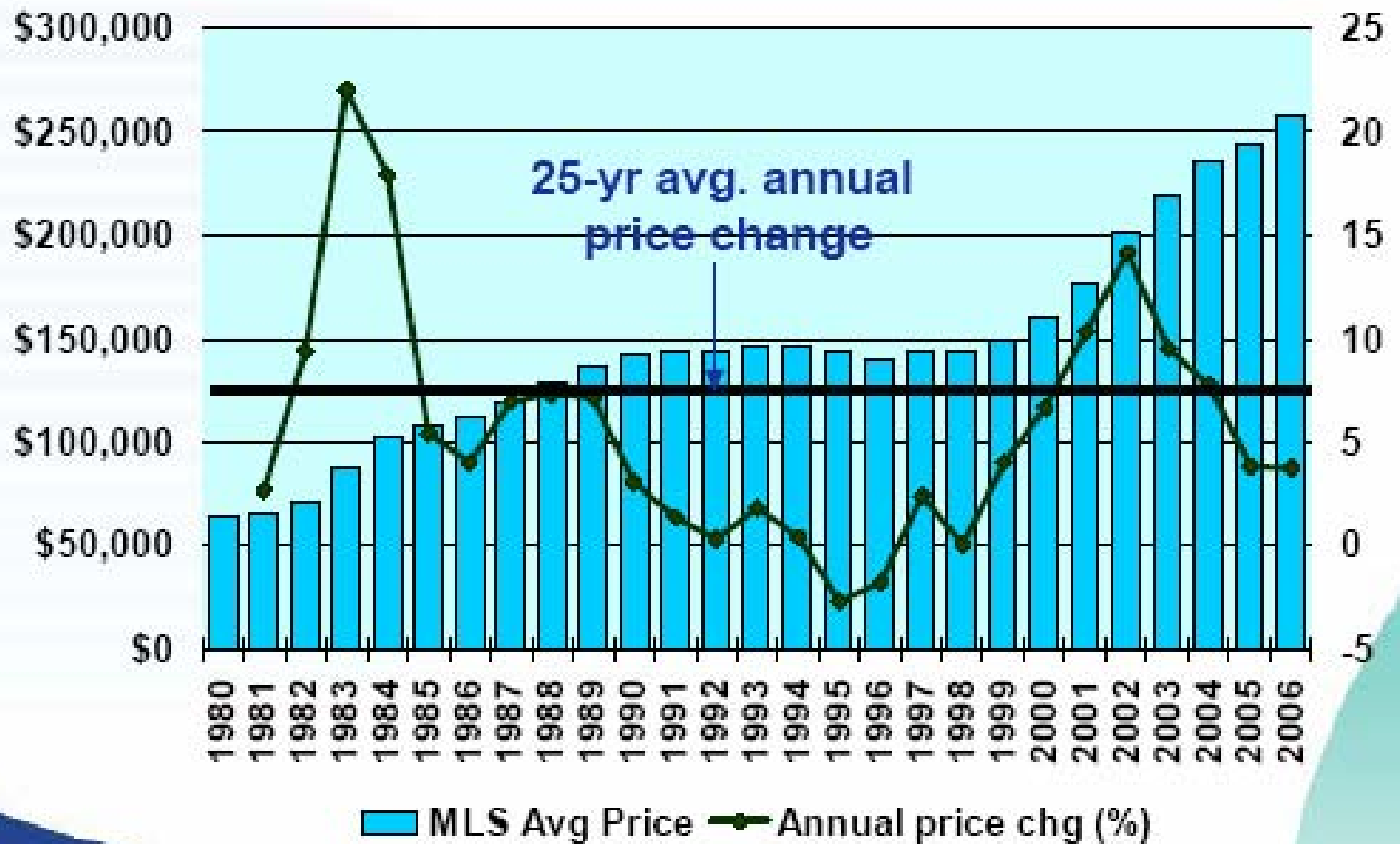
OREB; CMHC

Resale Market



OREB; CMHC

Resale Market



OUTLOOK 2007

- City's economy overall: **STABLE**
 - Migration picking up
 - High-tech employment on the rebound
 - Federal hiring slow
 - ICI construction strong
- Housing market: **STABLE**
 - Rental market recovery well underway
 - Resale benefiting from migration and high new home prices
 - New construction finding the right niches