



Report to National Marketing Committee

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The first quarter of 2011 saw a small gain in momentum in products targeted to the first time home buyer due to the mortgage finance rule change in amortization periods. The sales pricing on MLS has remained somewhat steady with only minor fluctuations in average sale price.

Despite the recent publishing of a downturn in building permits, builders on the whole are active and also optimistic. The issue is comparing volumes to a year ago where the mortgage finance rules definitely brought business forward in the 1st quarter. There is a sense that most builders have sales in the offices and depending on their pre-construction timelines, will take out permits 30-60 days later. The current reporting is more indicative of a lower level of activity in Q4 2010.

Builders seem to have a handle on their current inventory levels, and accordingly, have moved back to a more targeted marketing approach. Again we are looking at the moving back to specific market niches and value added marketing versus selling a price reduction to simply deal with an over-supply of inventory.

In April, the CHBA - Edmonton Region held its first two-days Residential Construction Industry Conference with more than 80 training sessions and a large Trade Show. It was a huge success for all who attended, and it will likely grow substantially in 2012.

With many new subdivisions and new phases all kicking into gear post recession, there is a large number of sales centers opening at once. Merchandising in builder sales centers has returned as a focus. Two new trends have emerged. The first trend is to stop using residential windows for temporary store fronts and to use commercial glass inserts with colored screen printing (*bottom right*). The second trend is the use of touch screen map pods, where customers can touch the map, select a lot, add a house and get a price within 2-3 minutes (*bottom left*).

