



economic analysis *report*

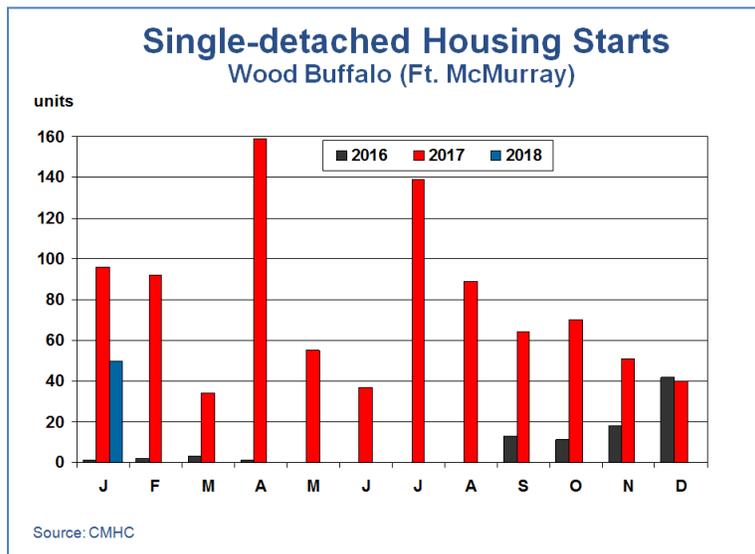
FEBRUARY 2018

WOOD BUFFALO MARKET UPDATE

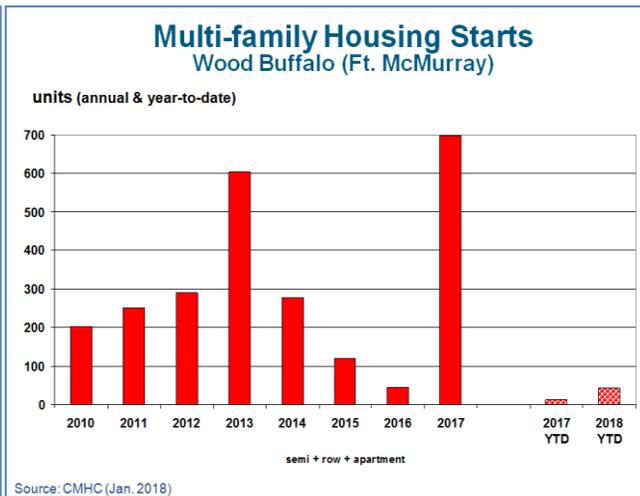
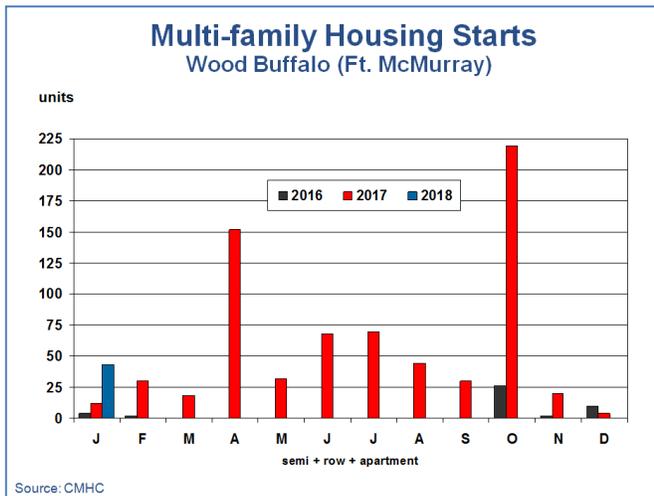
HOUSING STARTS

Total housing starts in the Wood Buffalo Census Agglomeration (CA) decreased in January by 14% year-over-year to 93 units. At 1,625 total housing starts in 2017, builders in the Wood Buffalo region reached the highest level since 2007 in an effort to replace homes destroyed by the May 2016 wildfires.

Single-detached: Single-detached starts in the Wood Buffalo area decreased in January by 48% from year-ago levels to 50 units. Single-family starts reached 926 units in 2017 compared with 91 units started in 2016.

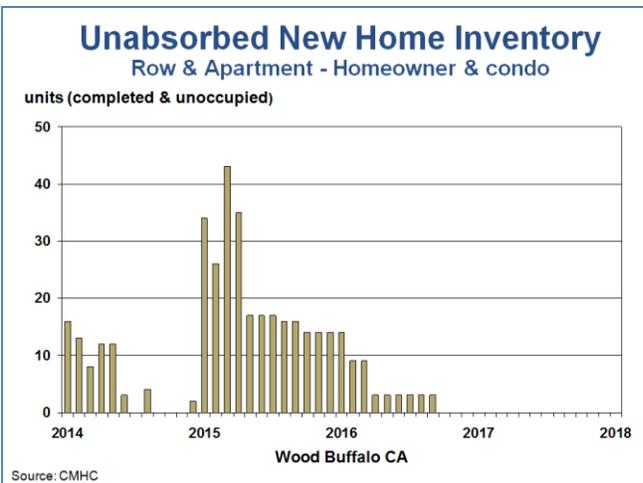
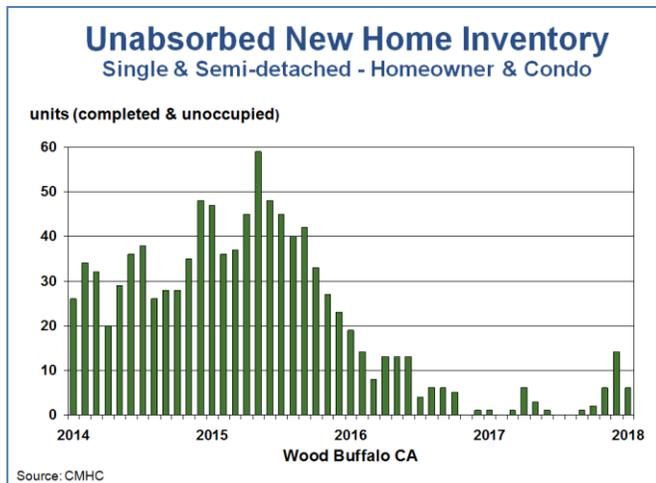


Multi-family (semi, row & apartment): Multi-family starts in the Wood Buffalo CA amounted to 43 (townhouse) units in January compared with 12 (semi-detached) units a year earlier. Last year represented the strongest performance for multi-family builders since 2008.



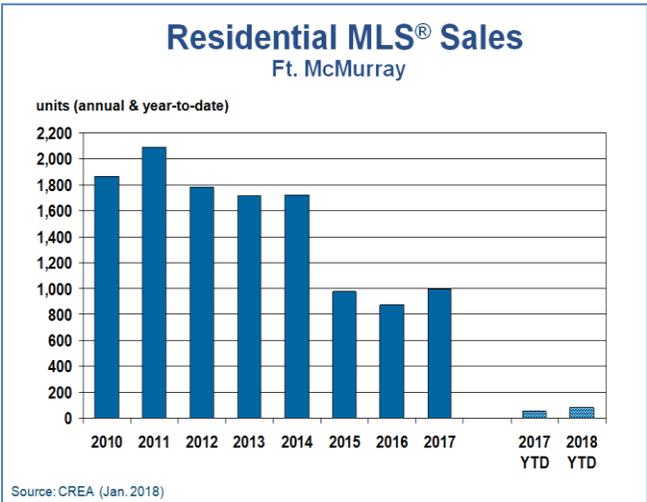
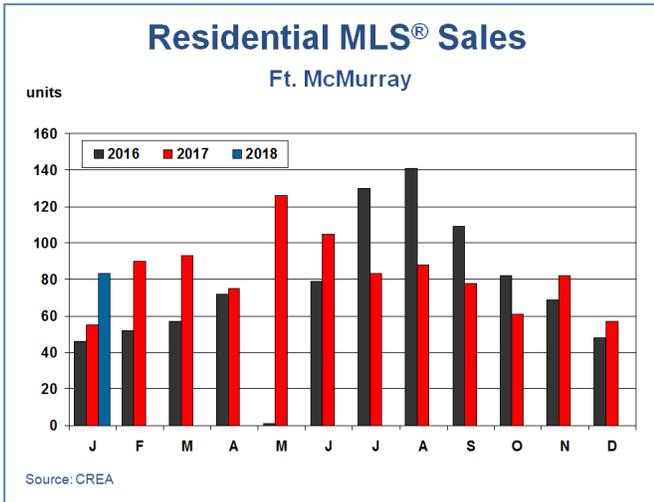
NEW HOME INVENTORY

CMHC reported six completed and unoccupied semi-detached units in the Wood Buffalo area in January, compared with an inventory of 14 semis in the preceding month and one unabsorbed single-detached dwelling unit in the first month of 2017. There were no unabsorbed new townhomes and apartments recorded in January, unchanged since October 2016.



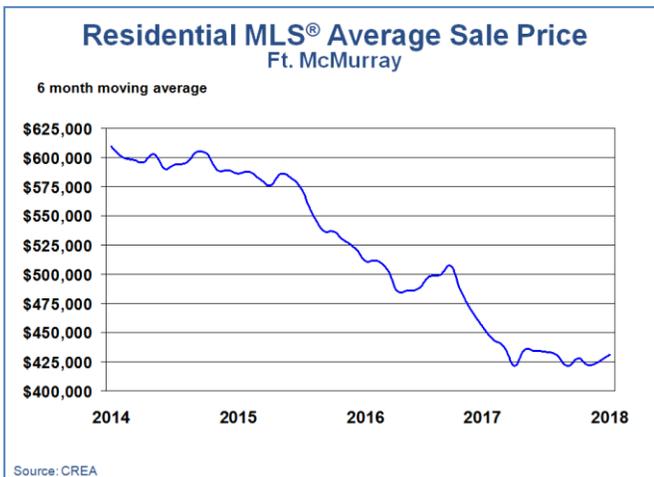
RESIDENTIAL (MLS) SALES

Residential sales in the Fort McMurray MLS area surged in January by 51% year-over-year to 83 units. Home sales by realtors reached 993 units in 2017, up 13.5% from all of 2016.



RESIDENTIAL SALE PRICES

The average residential MLS sale price in the Fort McMurray region increased in January by 12.4% from a year ago to \$445,636. The average sale price recorded for all of 2017 declined by 14.6% from the previous year to \$424,564.



MARKET SUMMARY	Current Month/YTD: January		
Wood Buffalo CA	2018	2017	% ch
Single-family starts	50	96	-47.9%
Multi-family starts	43	12	258.3%
Total housing starts	93	108	-13.9%
Ft. McMurray REB (MLS)			
Residential sales	83	55	50.9%
Residential avg. price	\$445,636	\$396,617	12.4%
Source: CMHC/CREA			

Notes to Readers

These monthly market updates are available for the province of Alberta and its seven major cities. The charts are also available in PowerPoint and Excel formats upon request.

CMHC defines a housing “start” as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure. Construction has to be on a new foundation to be counted as a housing start. If a dwelling is built on an existing foundation, it is considered a renovation regardless of the extent of new construction.

CMHC’s count of unsold new home inventory defines an unabsorbed unit as a new home that has finished construction and is available for sale. Show homes are typically counted as part of the unabsorbed inventory.

CREA cautions that average price information can be useful in establishing trends over time, but does not indicate actual prices in centres comprised of widely divergent neighborhoods or account for price differential between geographic areas. The monthly average price statistic can also be affected by changes in the mix of sales activity by dwelling type.