

# Wood Buffalo Housing Market Outlook

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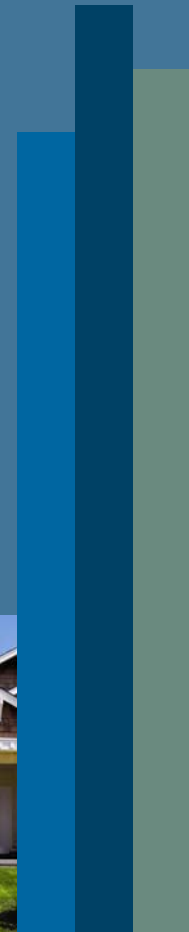
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# AGENDA

- **Economy**
- **Resale**
- **New Home Market**
- **Rental**

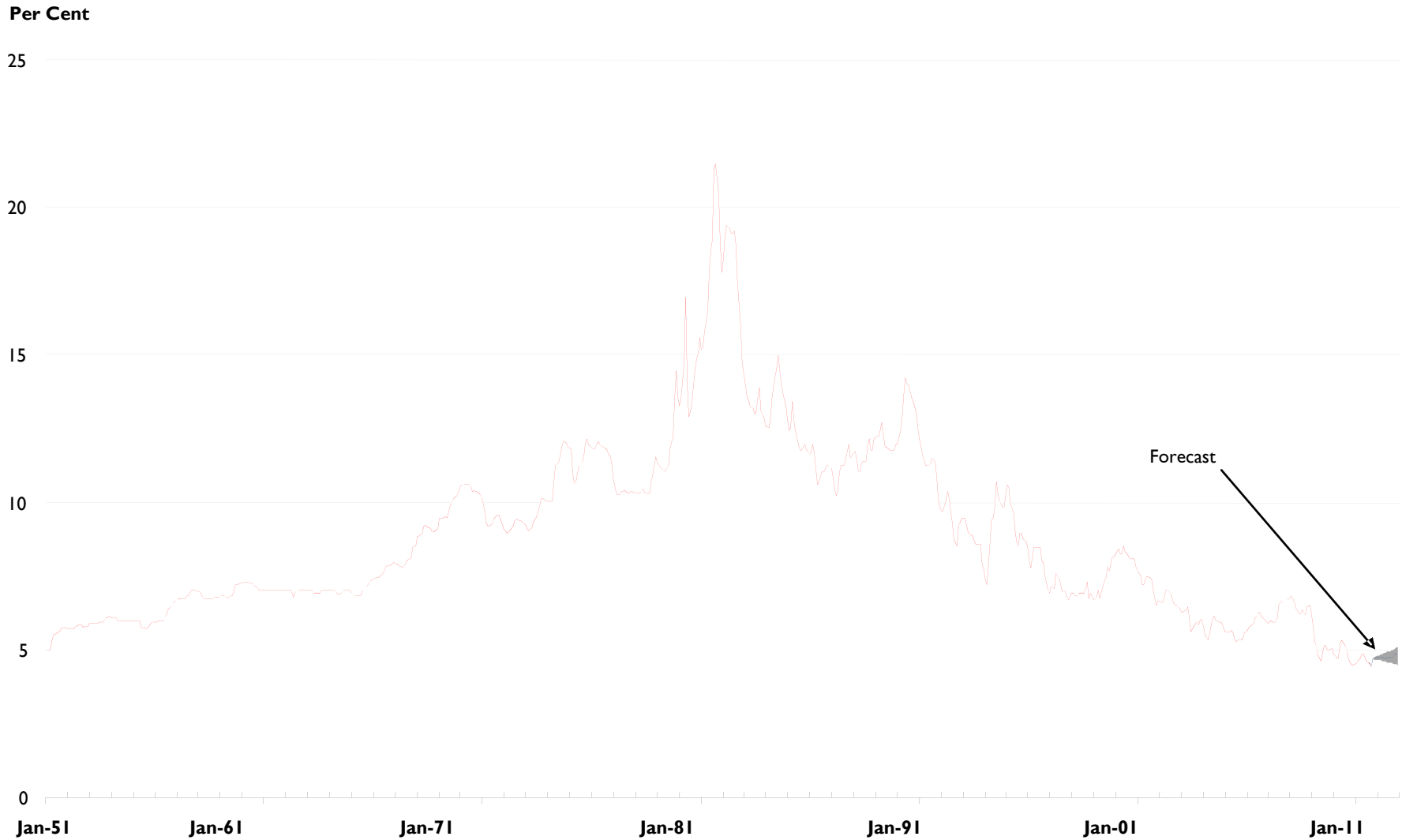


# Wood Buffalo-Economy



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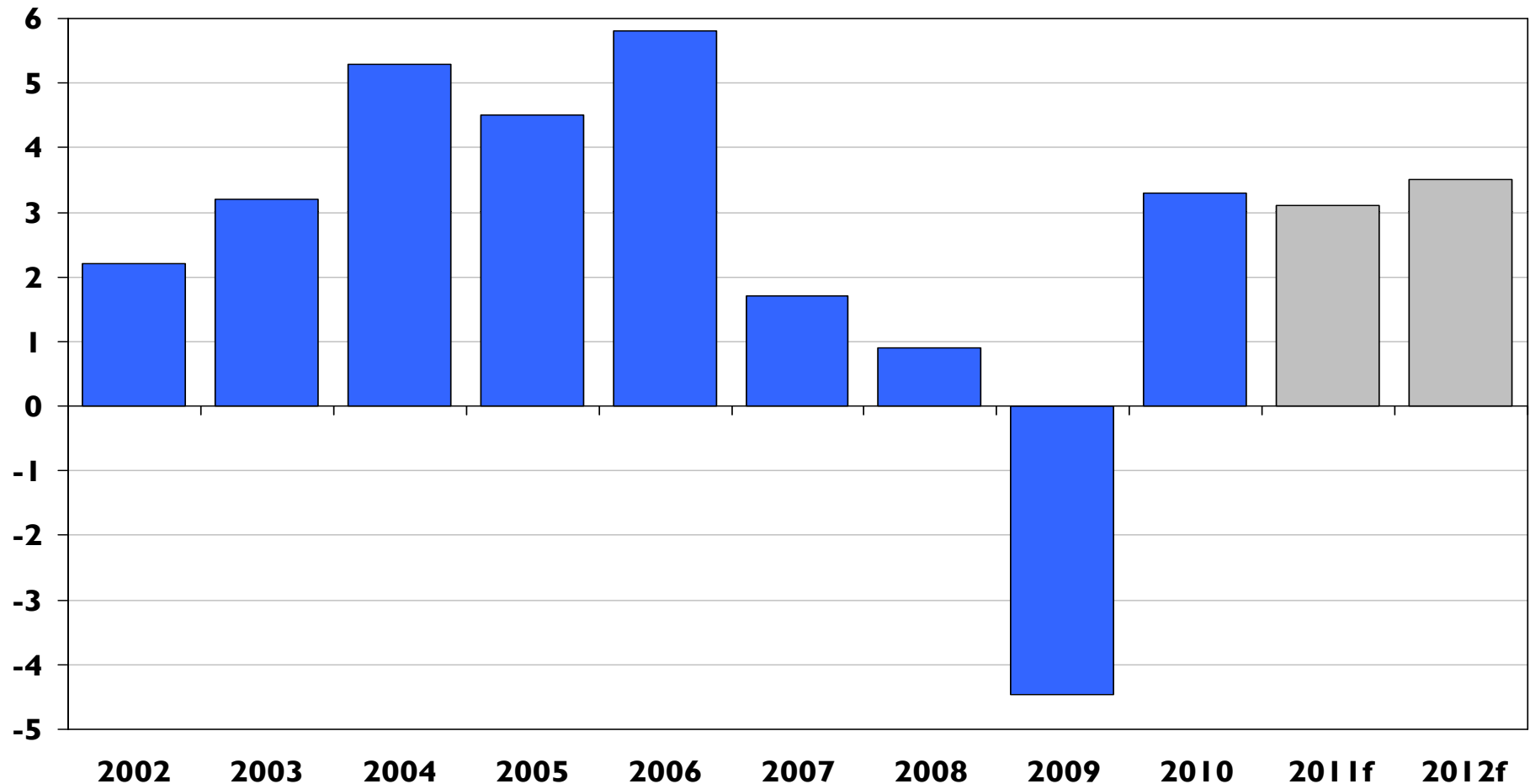
# The 5-year mortgage rate is at a 60-year low



# Alberta Real GDP Growth

## *Economic expansion will continue through 2012*

per cent change in real Gross Domestic Product

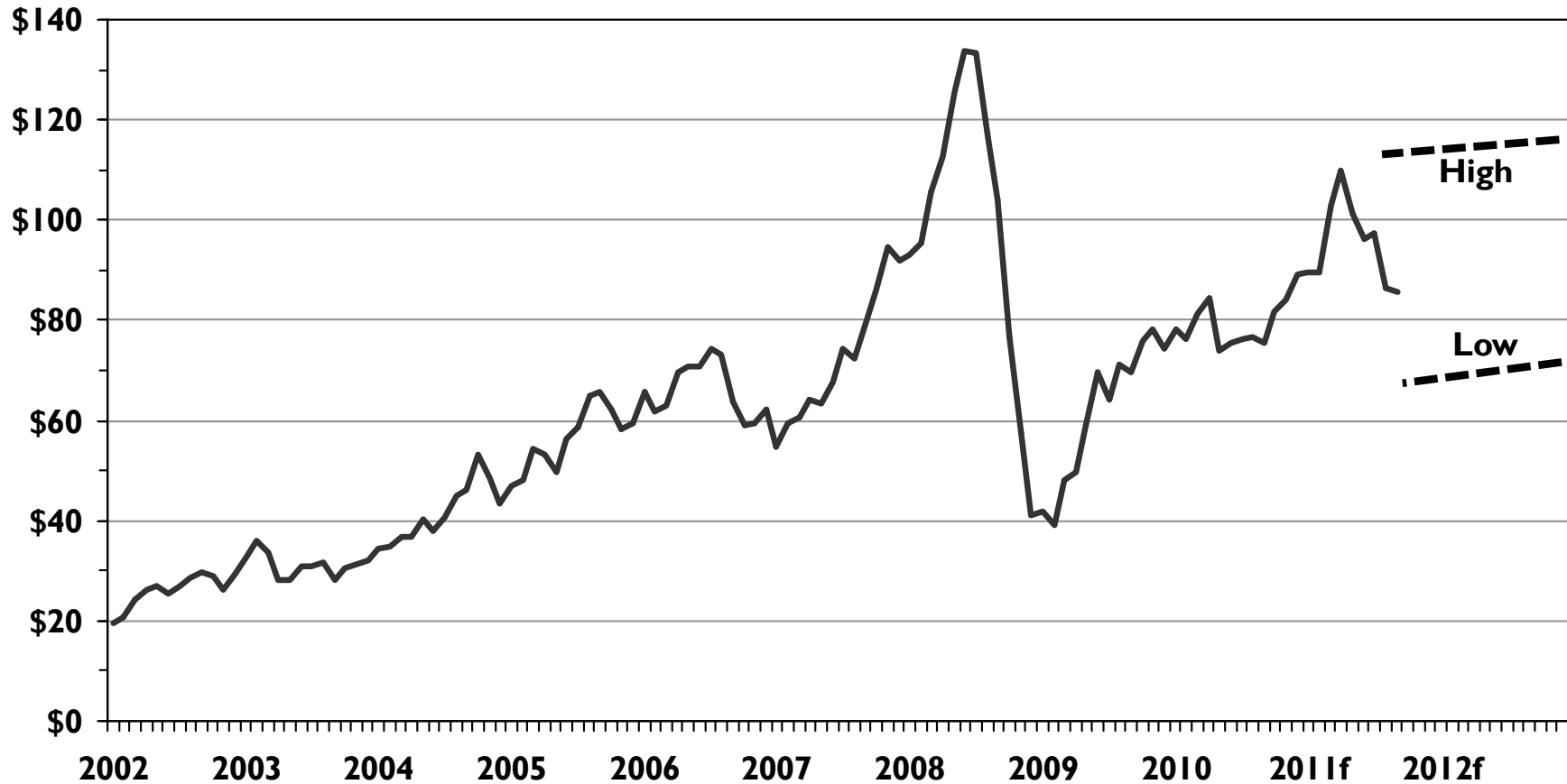


Source: Statistics Canada, CMHC Forecast (f)

# Crude Oil Price \$US per Barrel (WTI)

Consensus forecast US \$91 per barrel, range \$70 to \$118 in 2012

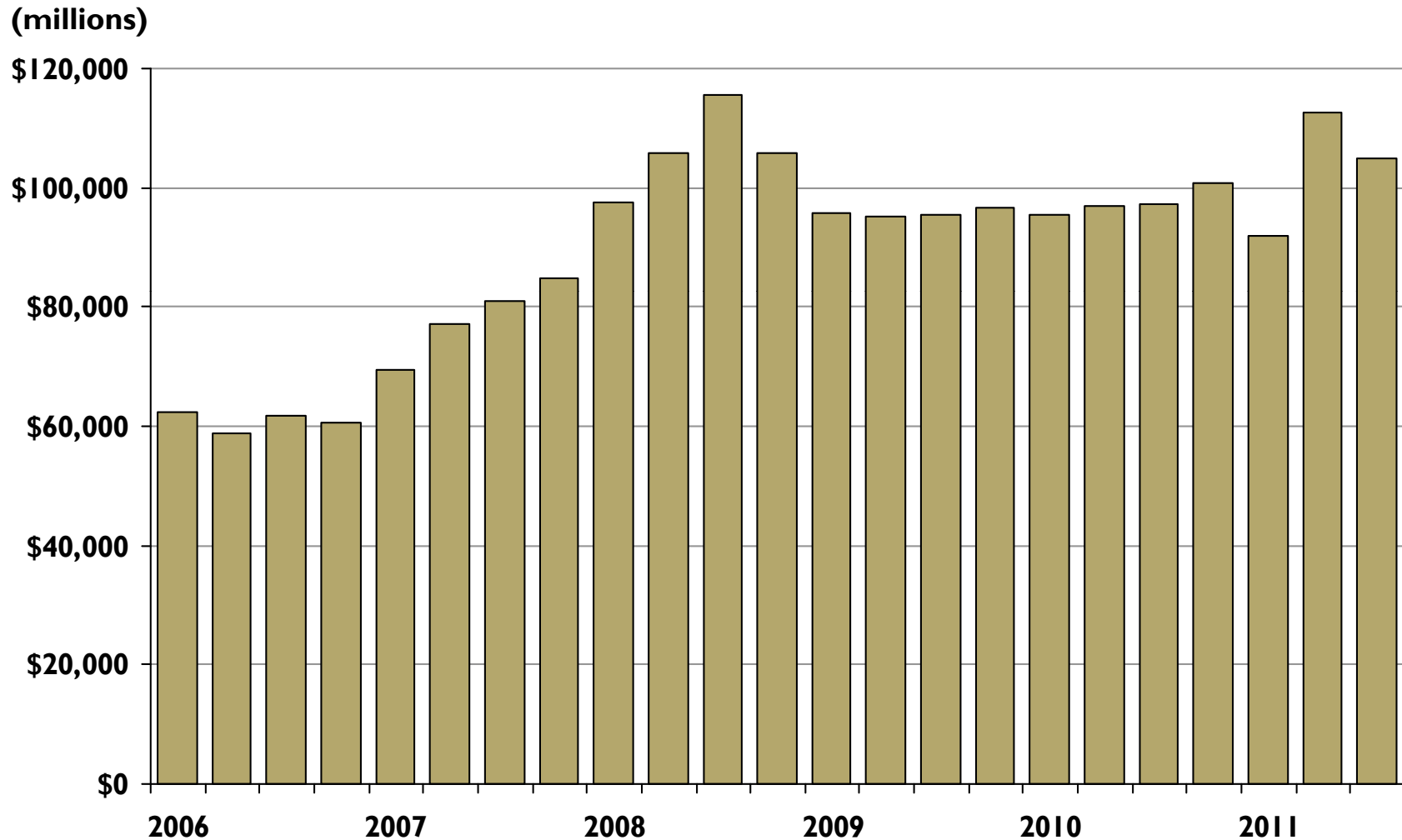
WTI (monthly average/bbl)



Source: Statistics Canada, Forecast: Consensus Economics (f)

# Wood Buffalo - Value of Oil Sands Projects

*Value of oil sands projects in 2011 approach 2008 levels*

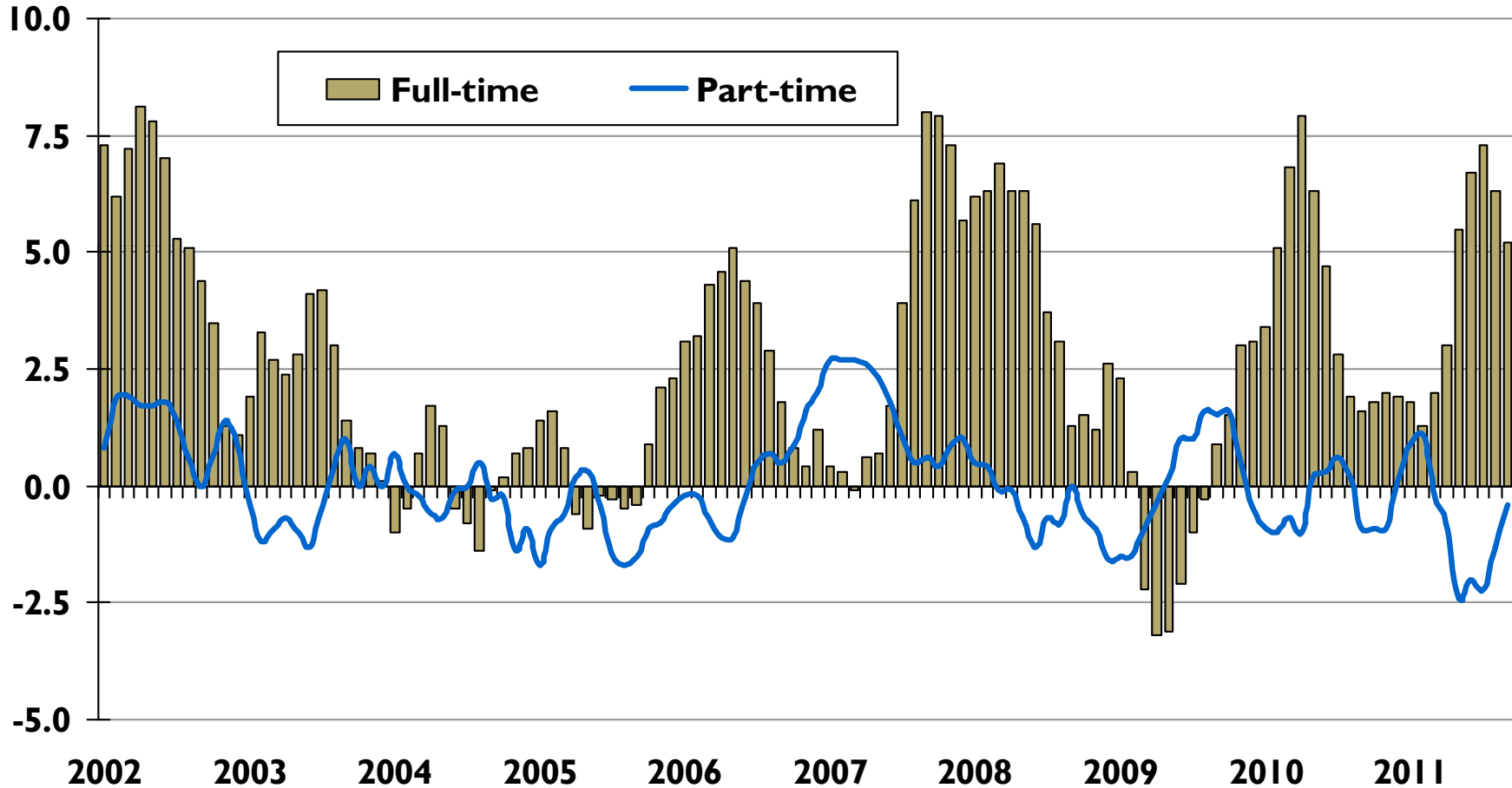


Source: Alberta Economic Development (includes projects recently completed, currently under construction, or proposed to start construction within the next few years >\$5M)

# Wood Buffalo Region – FT vs. PT Job Growth

## Full-time job growth continues to support housing demand

number of jobs, yr/yr change (,000s)

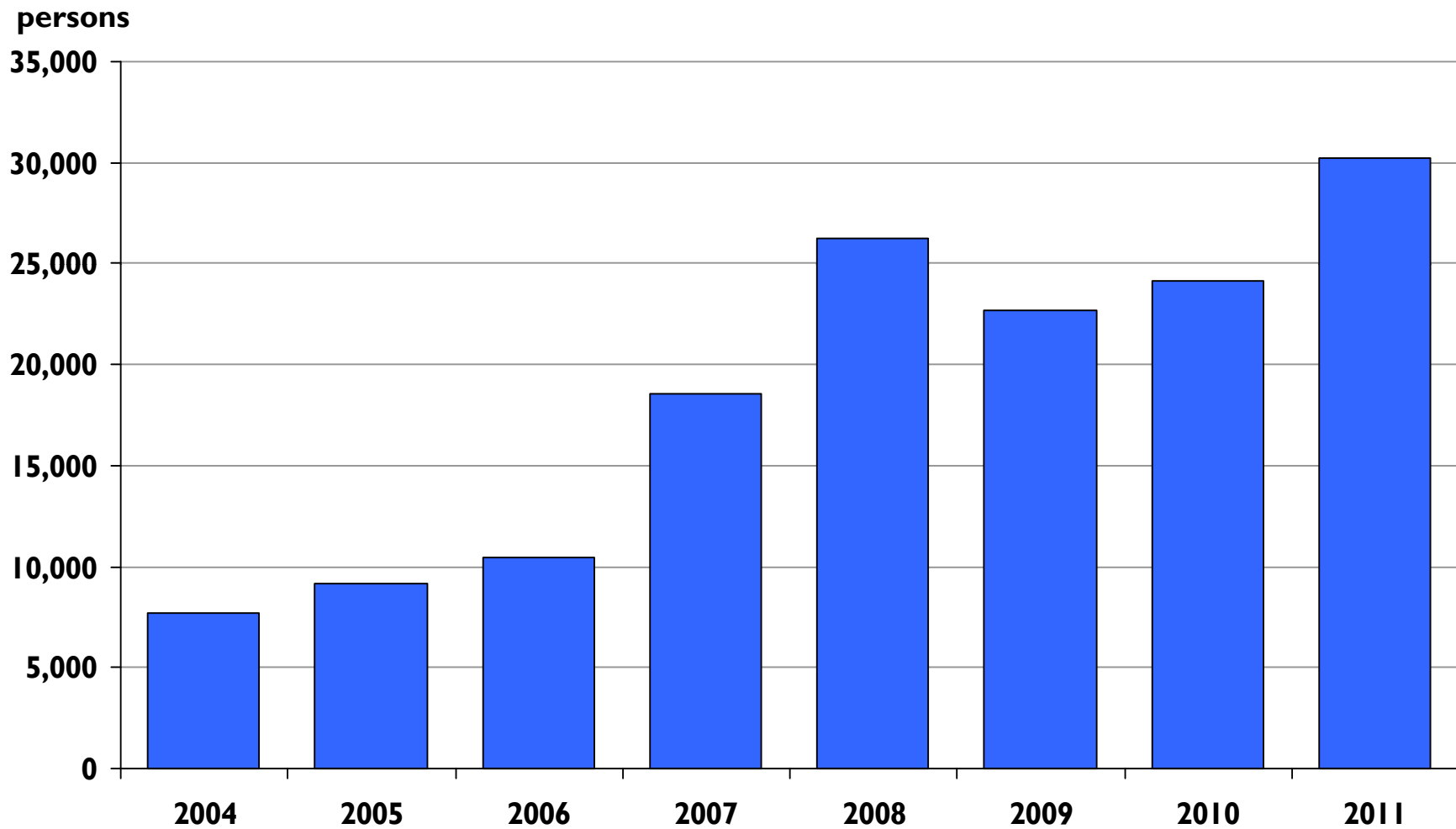


Source: Statistics Canada



# Wood Buffalo CA – Work Camp Population

*New record high in 2011, surpassing 2008 levels*



Source: Oil Sands Developers Group

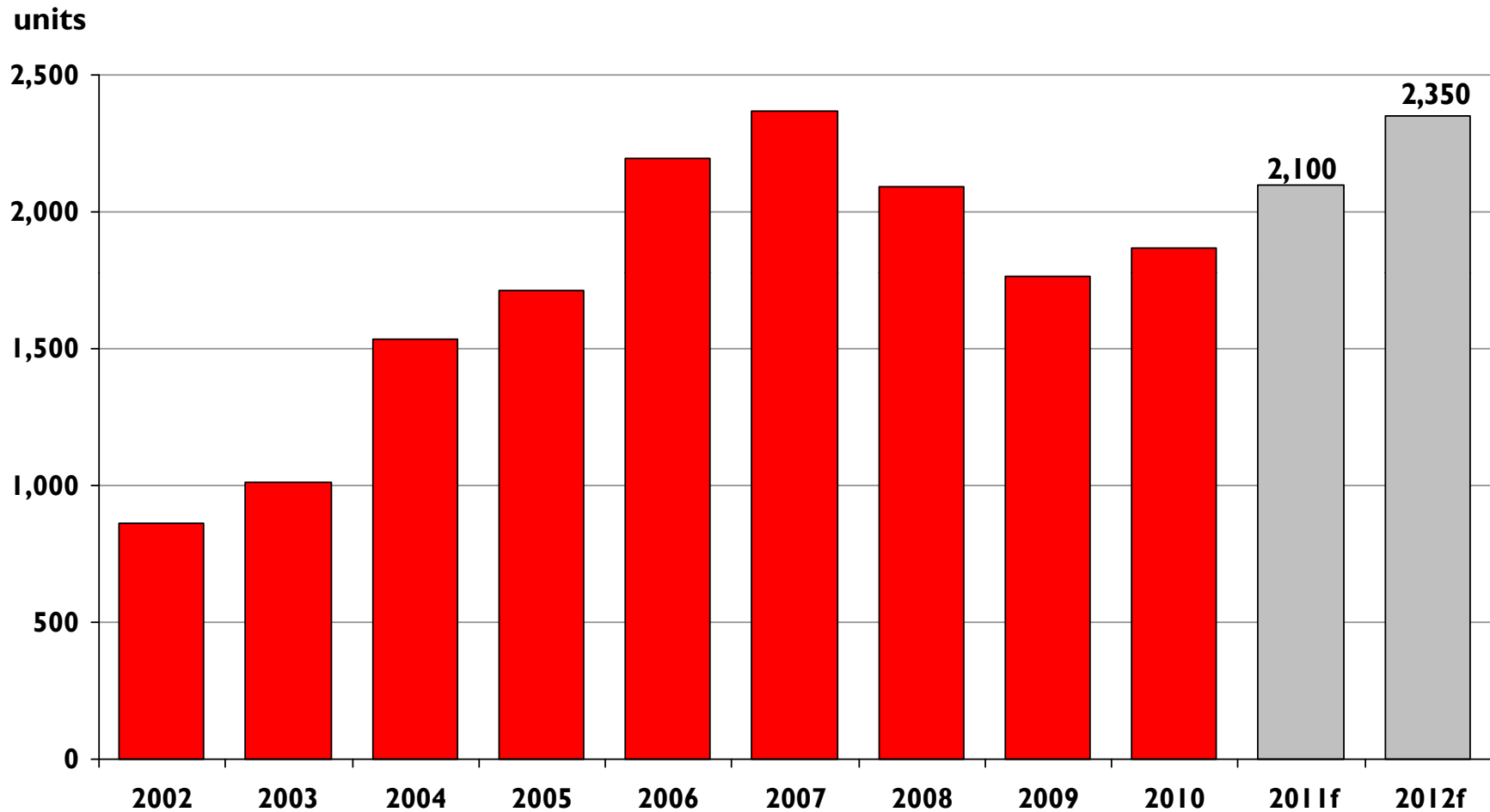
# Wood Buffalo-Resale Market



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# Wood Buffalo CA – Annual MLS<sup>®</sup> Sales

*Growth expected to continue into 2012*

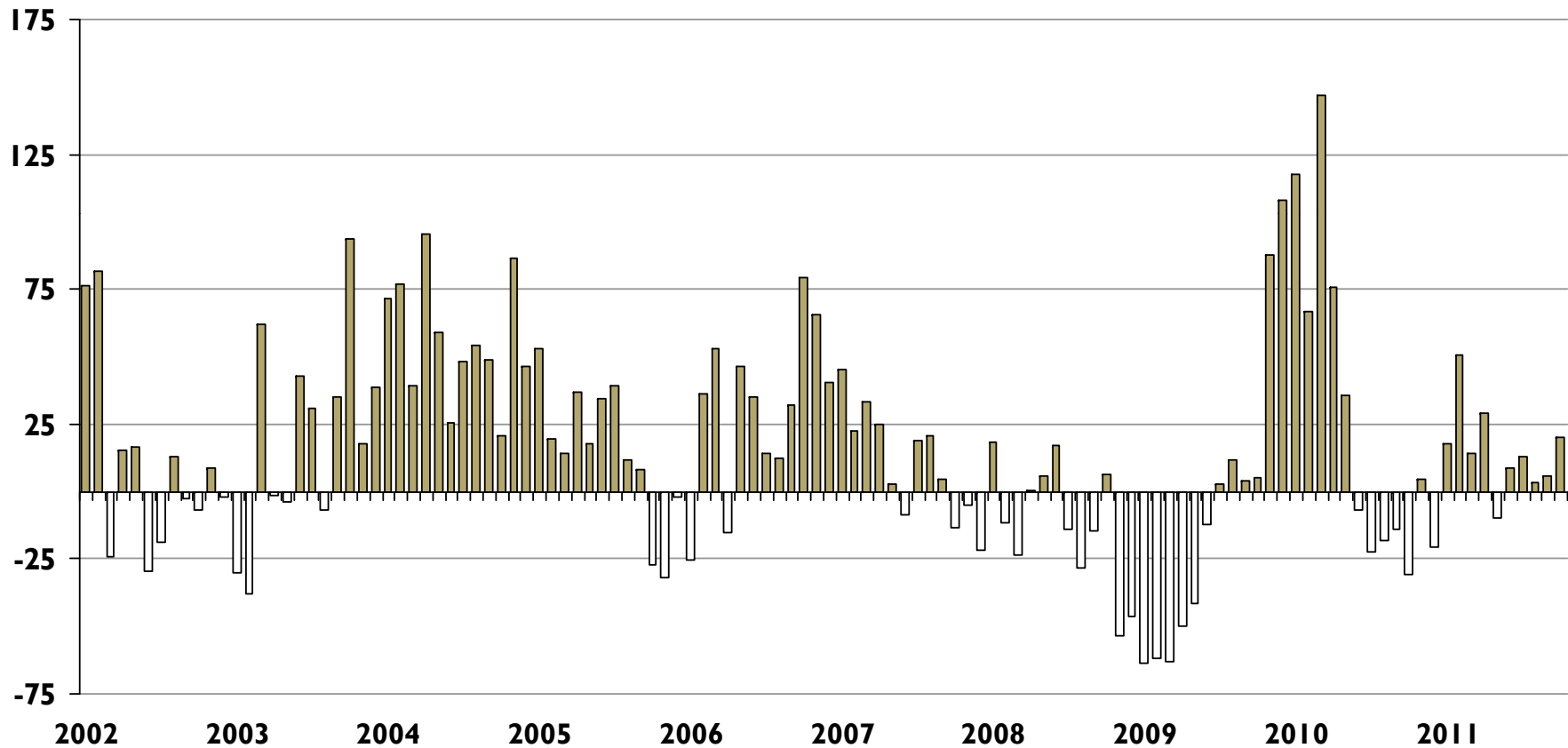


Source: CREA, CMHC Forecast (f)

# Wood Buffalo CA - Change in MLS<sup>®</sup> Sales

*Stronger activity in 2011, on pace for annual yr/yr gain*

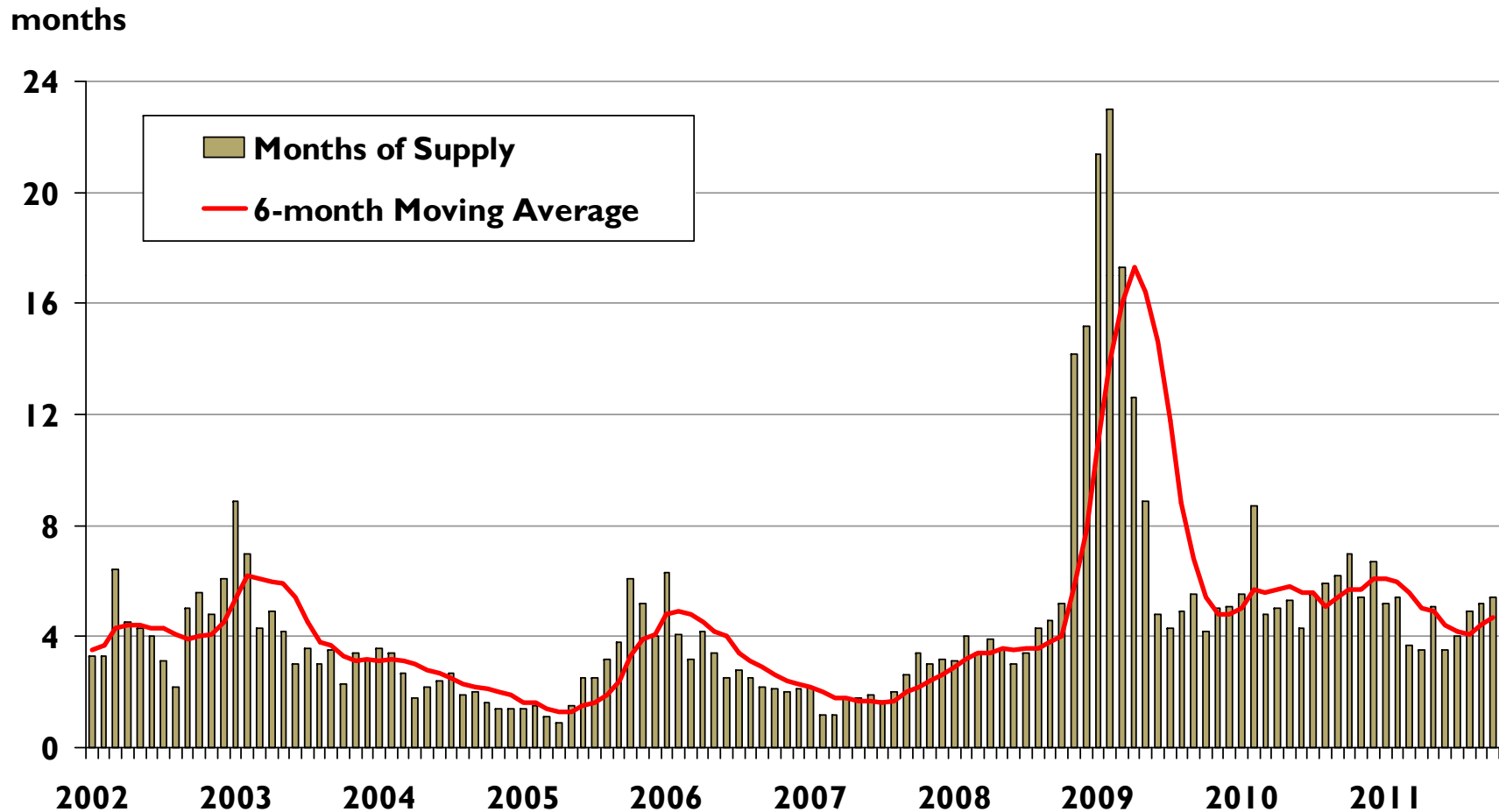
per cent change yr/yr



Source: CREA

# Wood Buffalo CA - MLS<sup>®</sup> Months of Supply

*Aligned with historical average, pointing to balanced conditions*

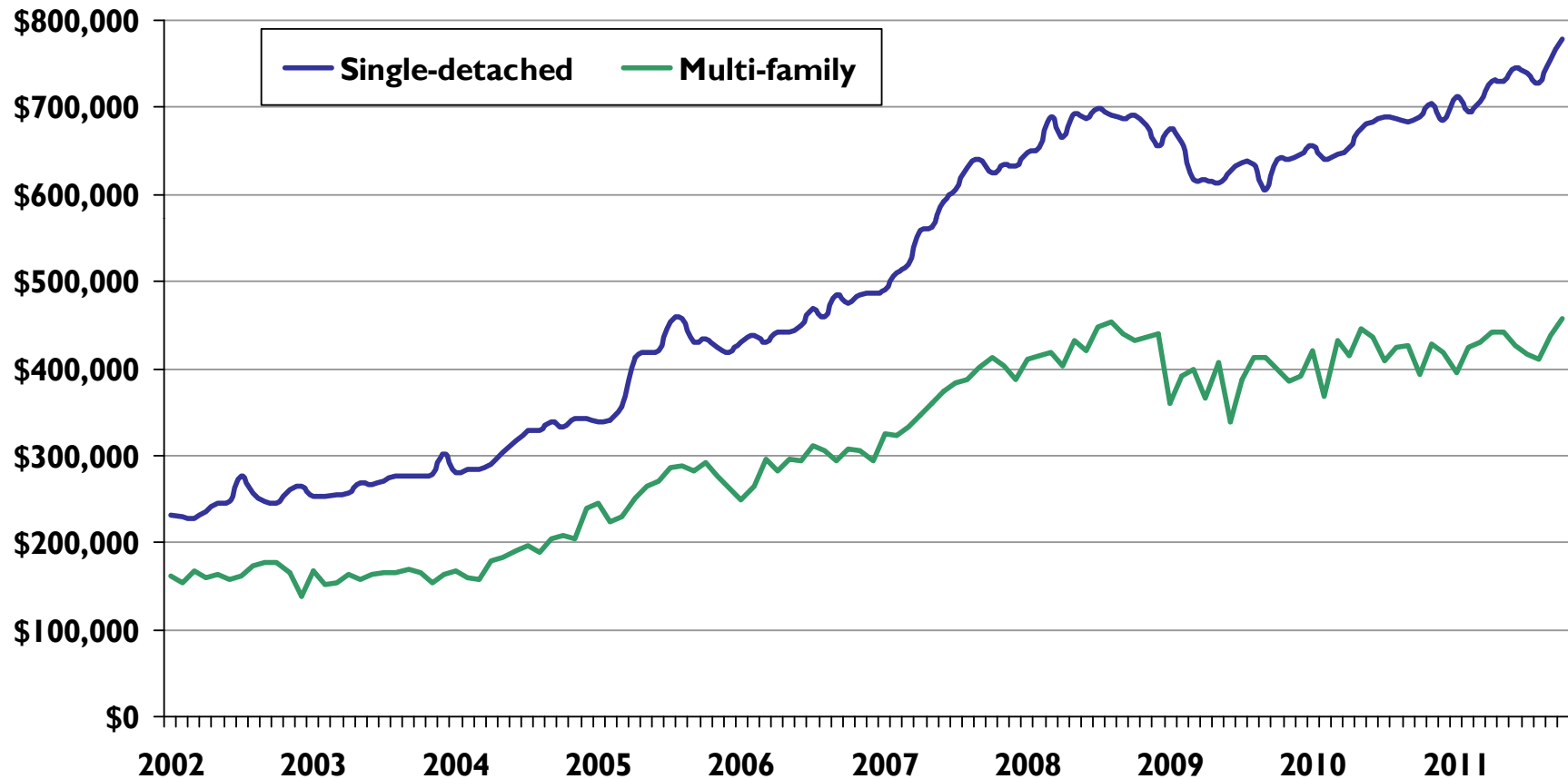


Source: CREA, CMHC trending

# Wood Buffalo CA - Monthly MLS<sup>®</sup> Price

## Average price setting new record

average monthly price

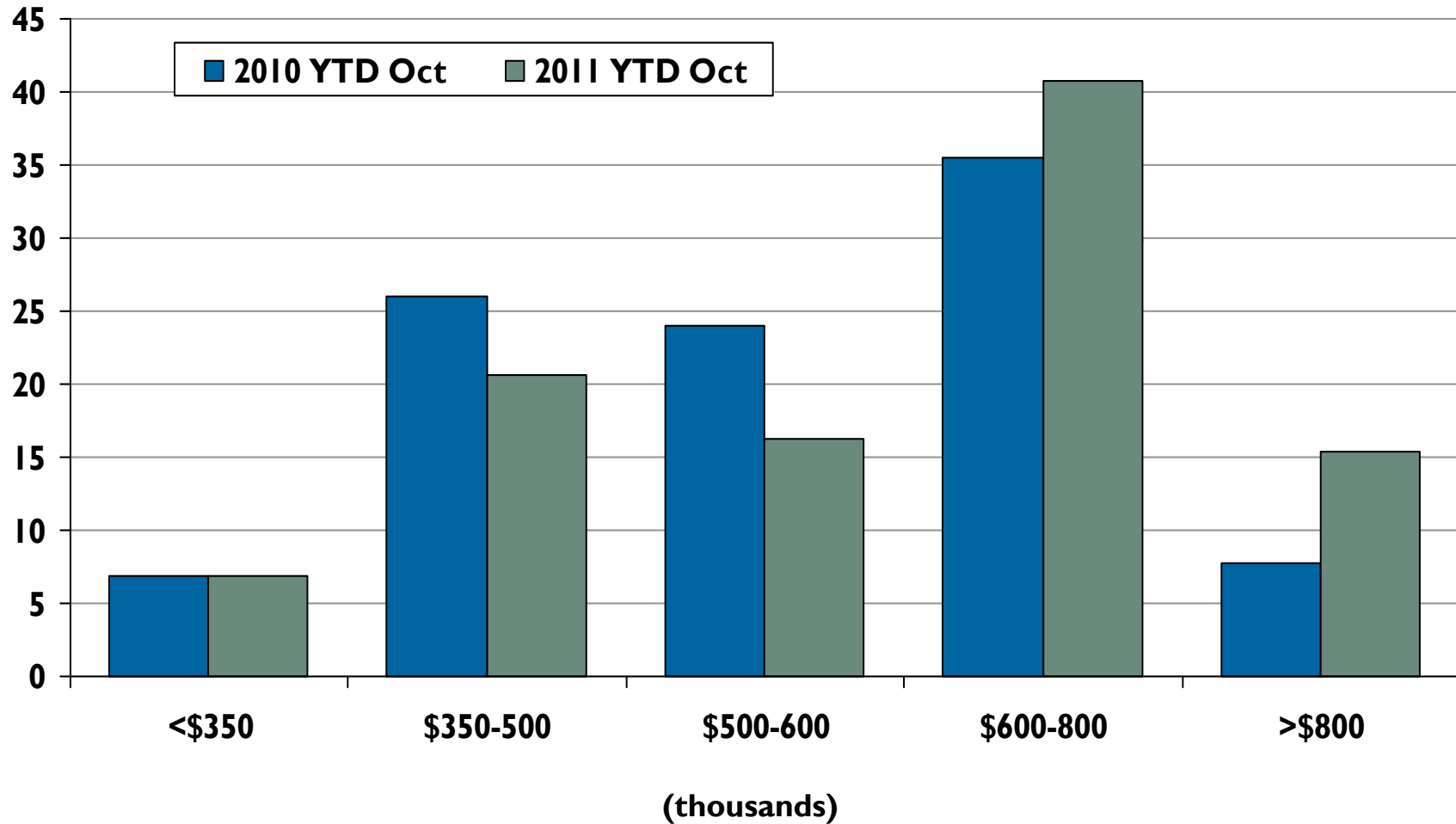


Source: FMREB

# Wood Buffalo CA – Sales by Price Range

*Sales of homes priced <\$600k increased over last year*

per cent

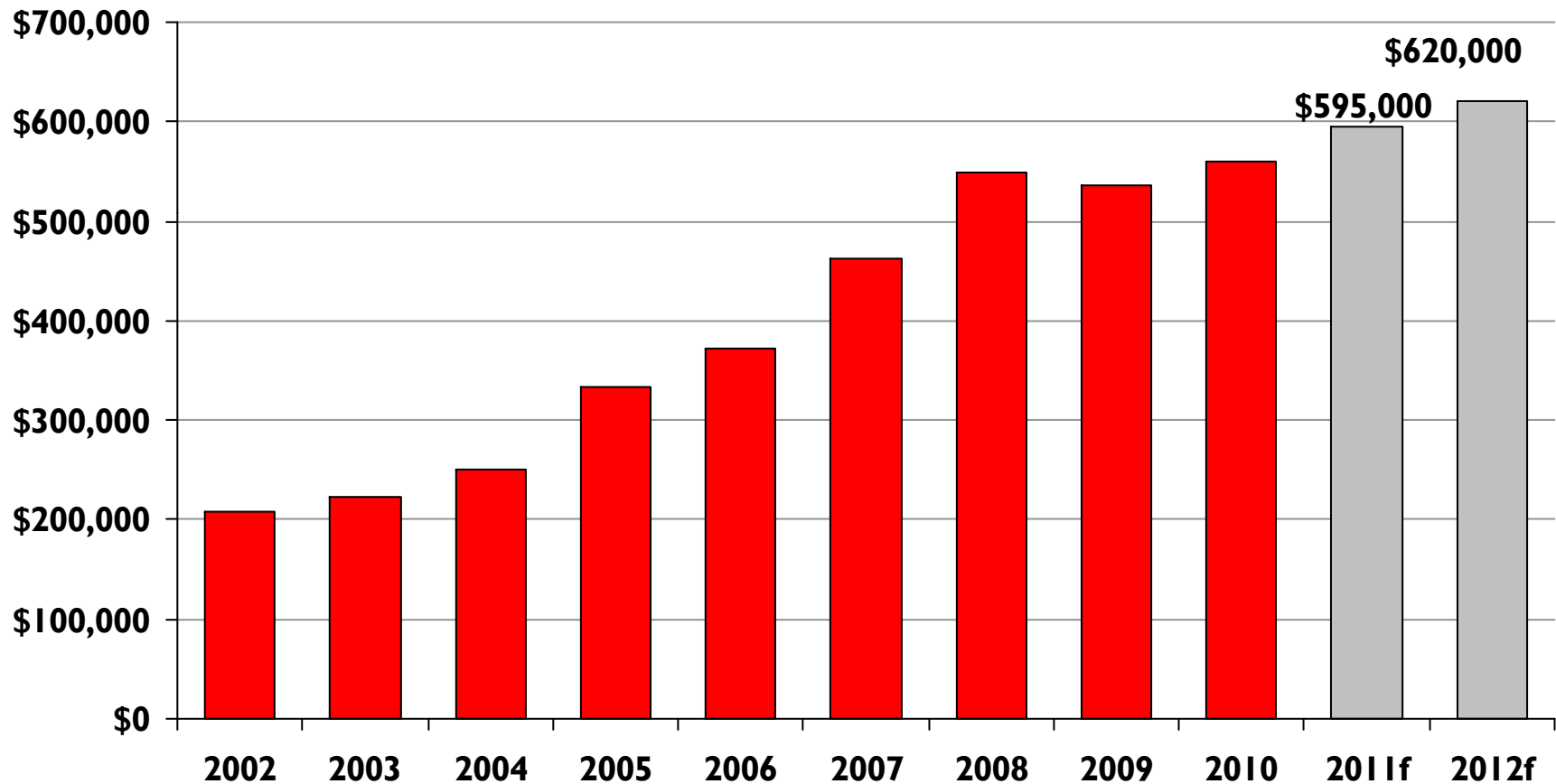


Source: FMREB, CMHC calculations

# Wood Buffalo CA - Average MLS<sup>®</sup> Price

*Growth returns, prices continue to set new highs*

average price



Source: CREA, CMHC Forecast (f)



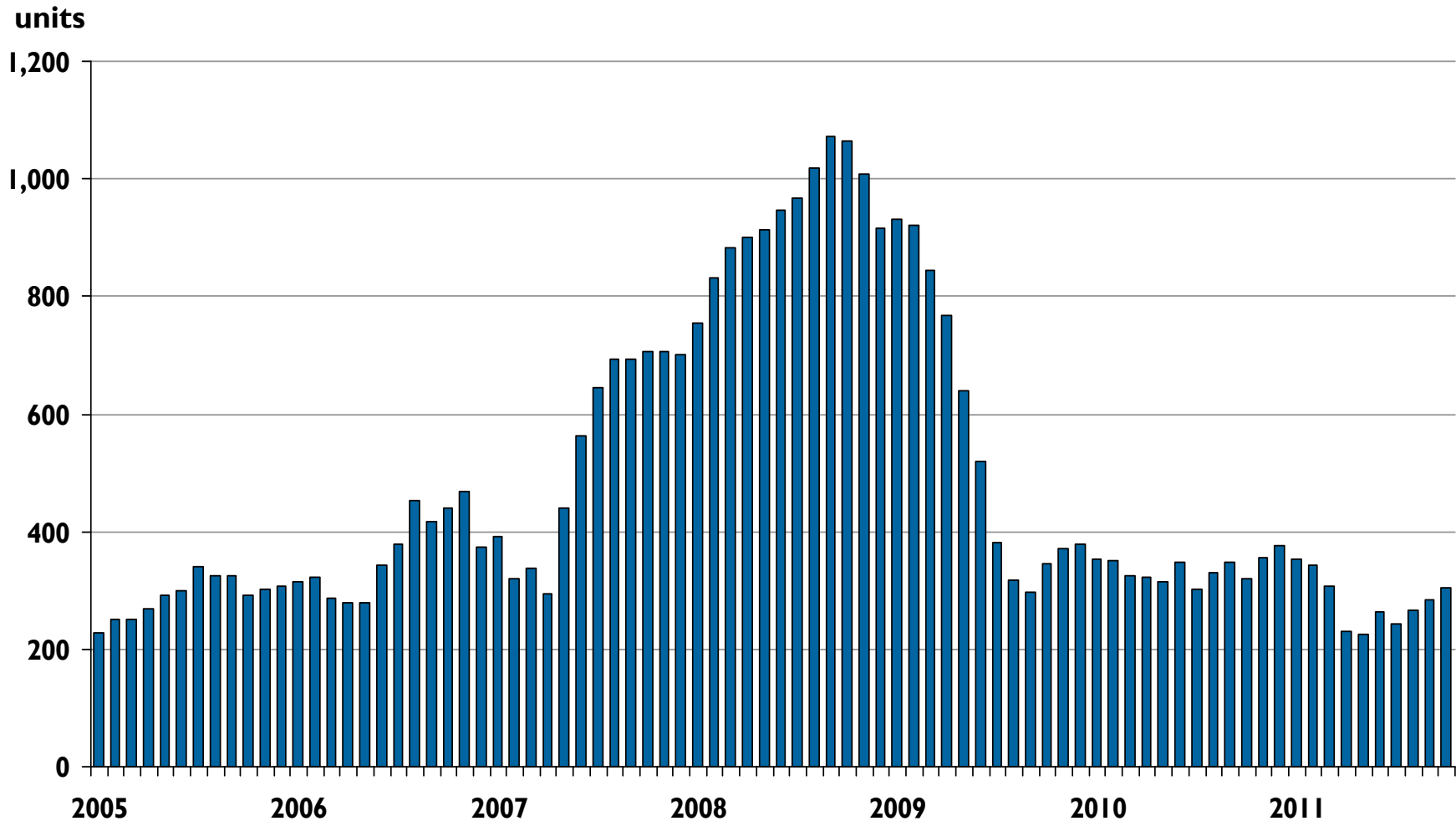
# Wood Buffalo- New Home Market



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# Wood Buffalo CA - Singles Under Construction

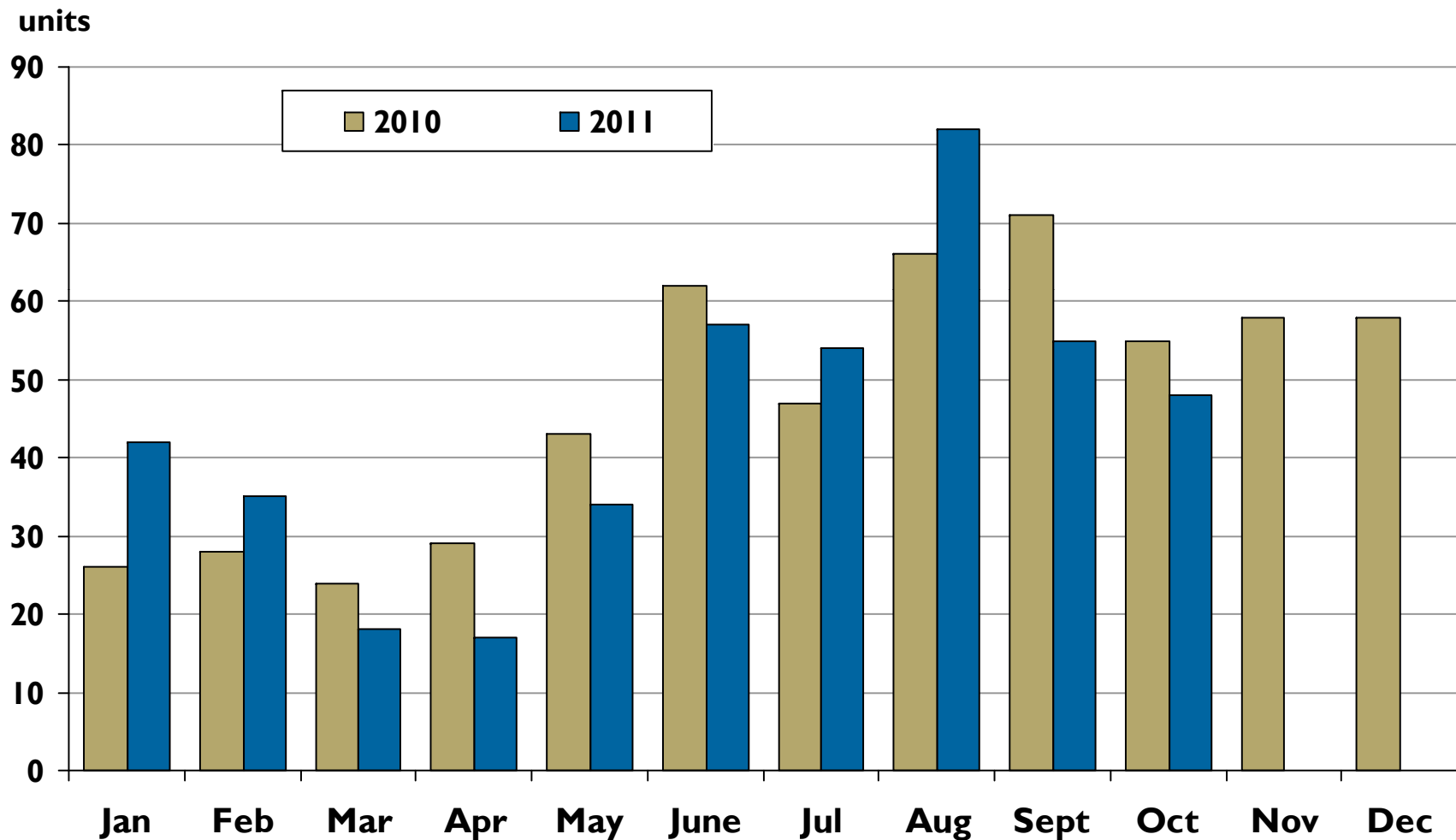
*Under construction has moved lower in 2011*



Source: CMHC

# Wood Buffalo CA–Single-Detached Starts

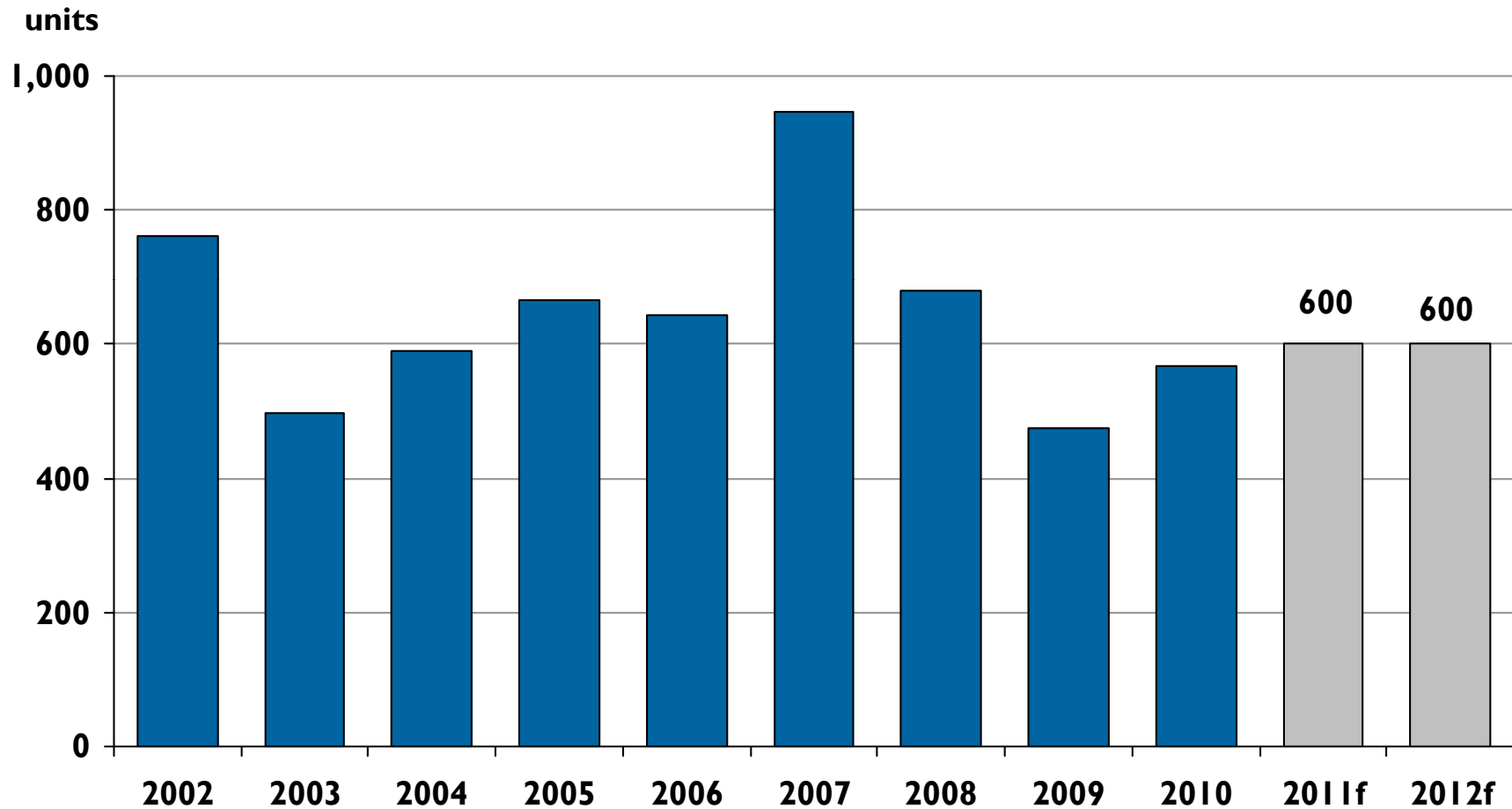
*Single starts down two per cent over same time in 2010*



Source: CMHC

# Wood Buffalo CA – Single-detached Starts

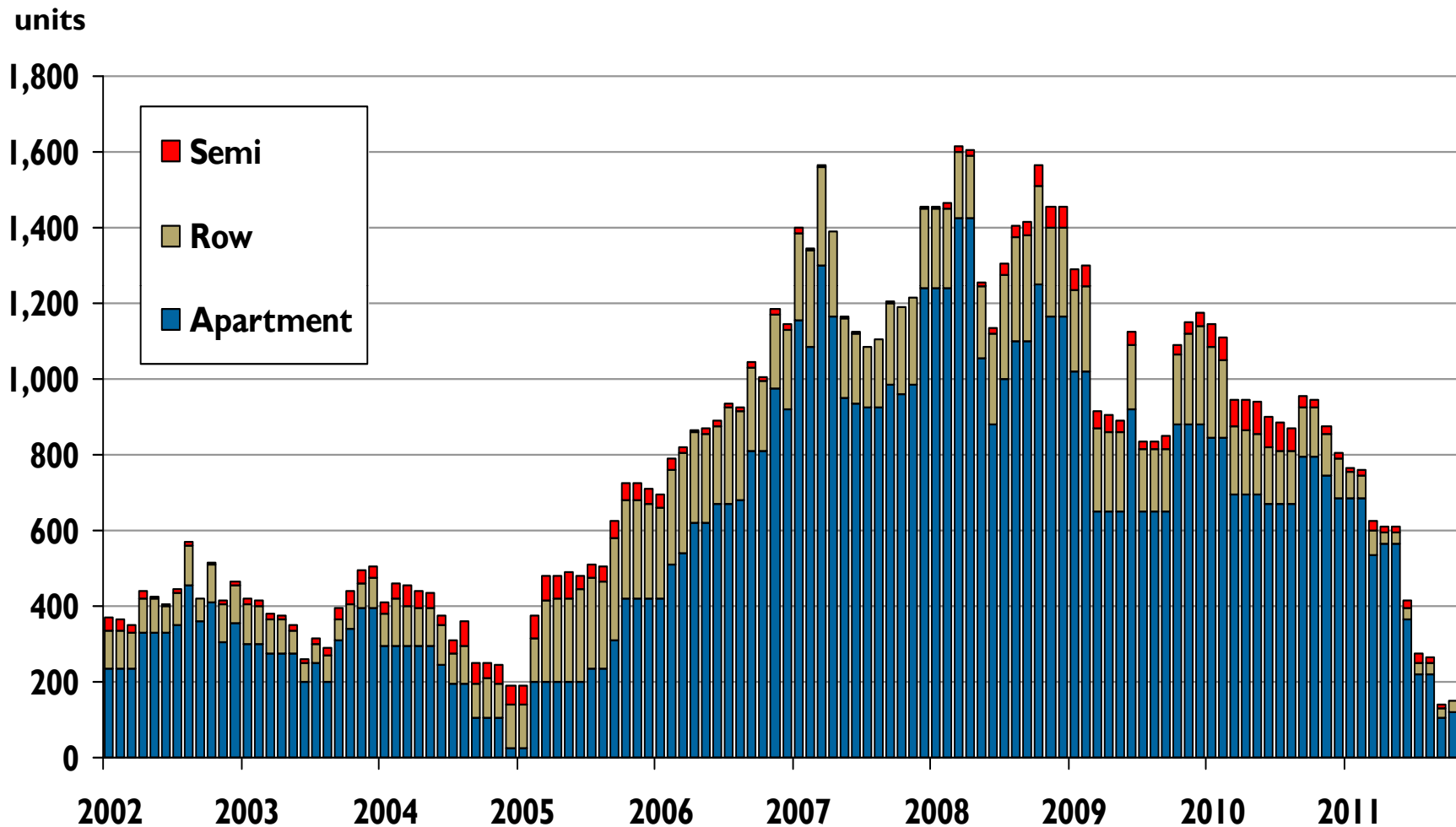
*Moderate growth in 2011 and stability in 2012*



Source: CMHC, CMHC Forecast (f)

# Wood Buffalo CA - Multiples U/C

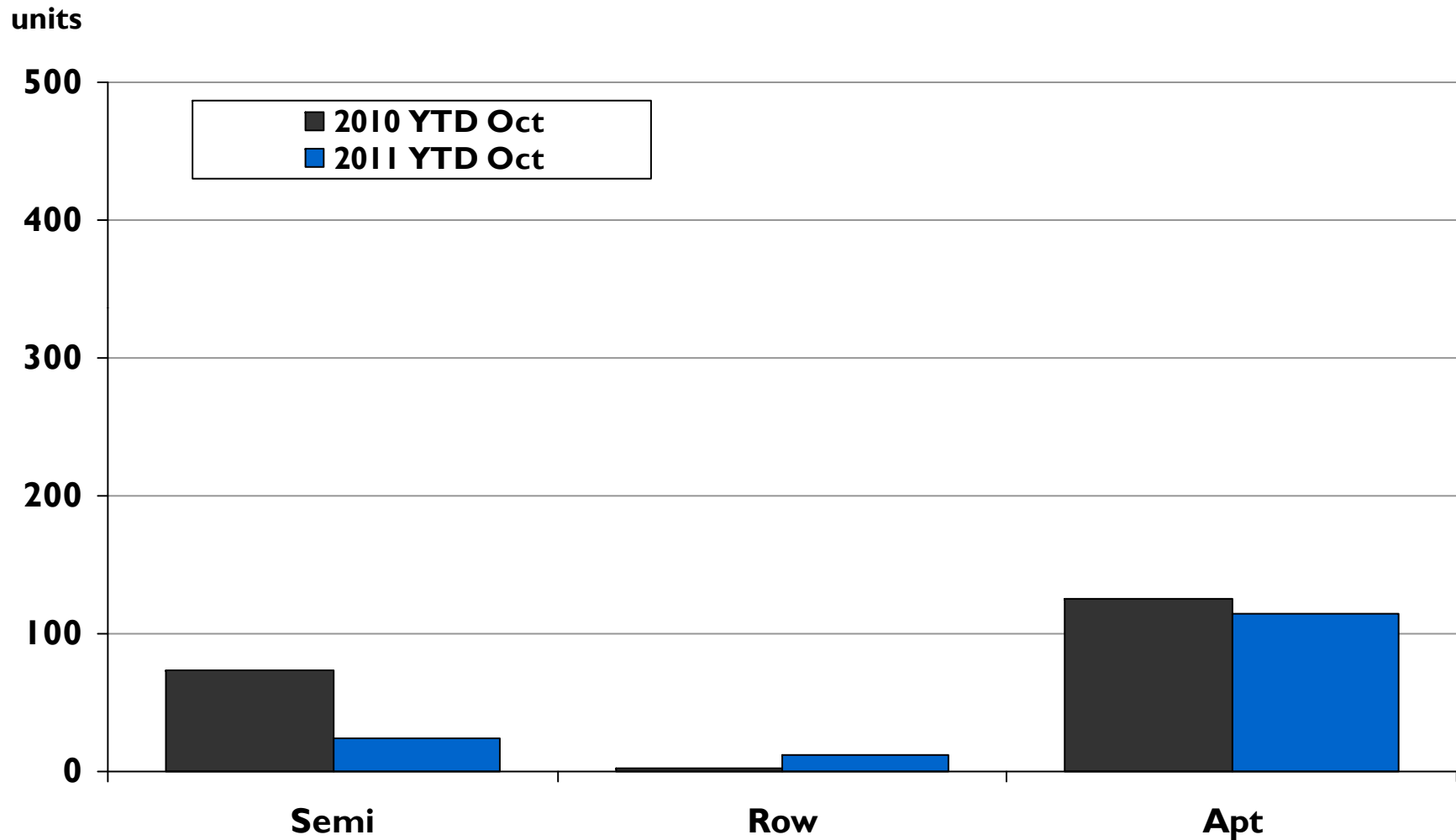
*Units U / C have steadily declined throughout 2011*



Source: CMHC

# Wood Buffalo CA – Multi-Family Starts

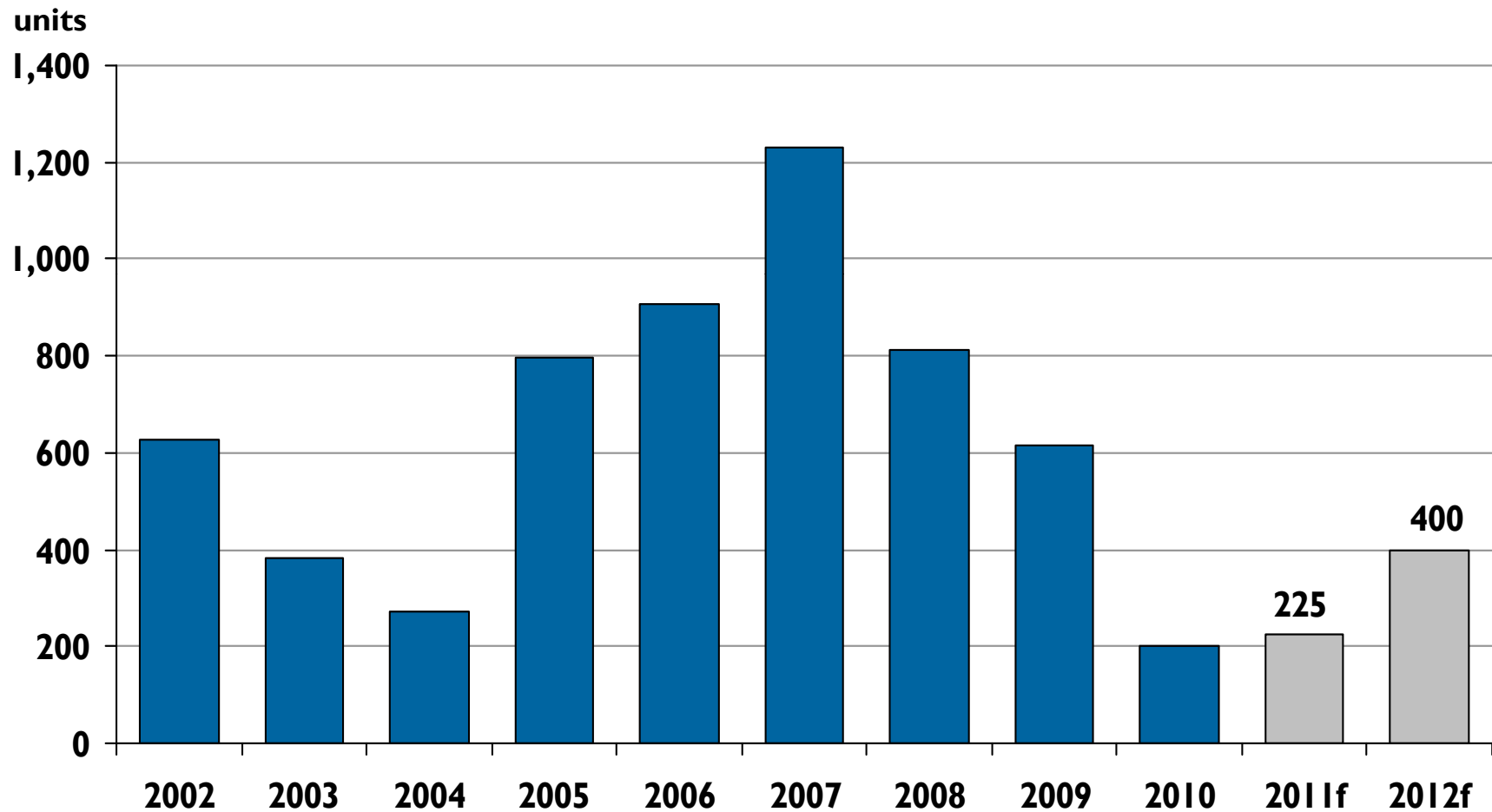
*Rows surpass 2009 levels, while Semis and Apts lag behind*



Source: CMHC

# Wood Buffalo CA - Multi-family Starts

*Starts expected to improve in 2012*



Source: CMHC, CMHC Forecast (f)

# Wood Buffalo- Rental Market



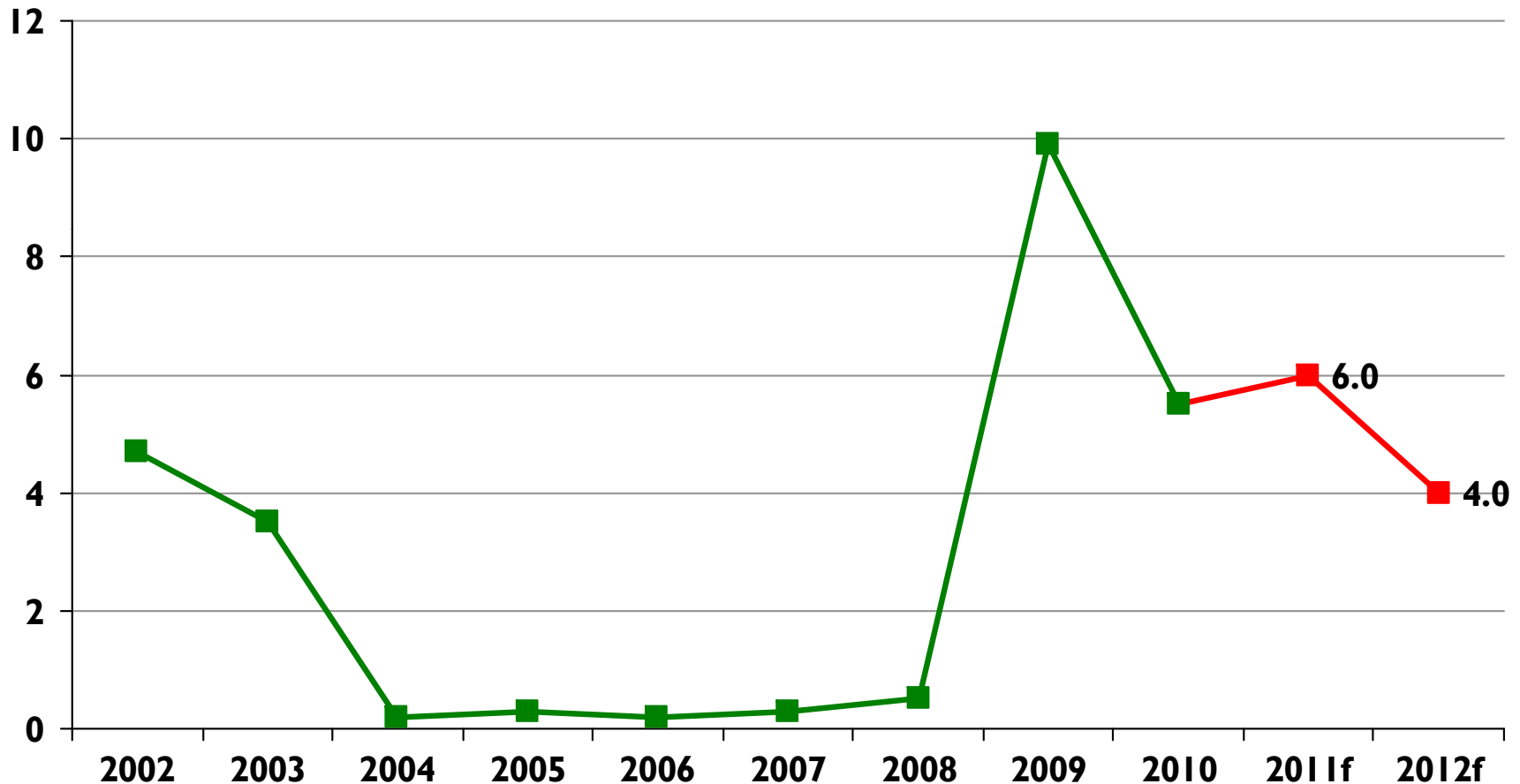
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# Wood Buffalo CA – Apartment Vacancy Rate

## Vacancy rate will move lower in 2012

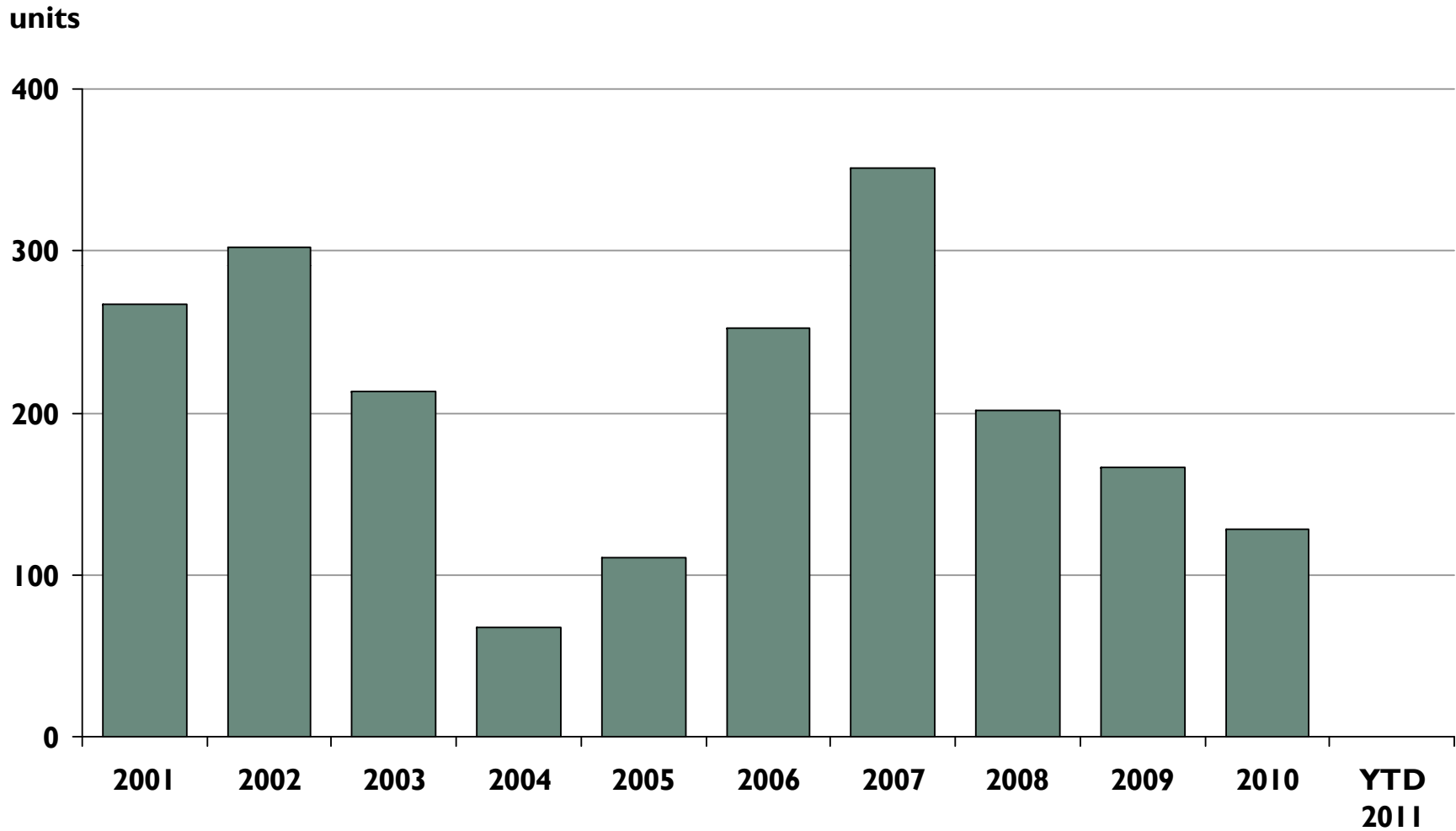
per cent (October surveys)



Source: CMHC, CMHC Forecast (f)

# Wood Buffalo CA – Rental Starts

*Elevated vacancy inhibiting rental construction*

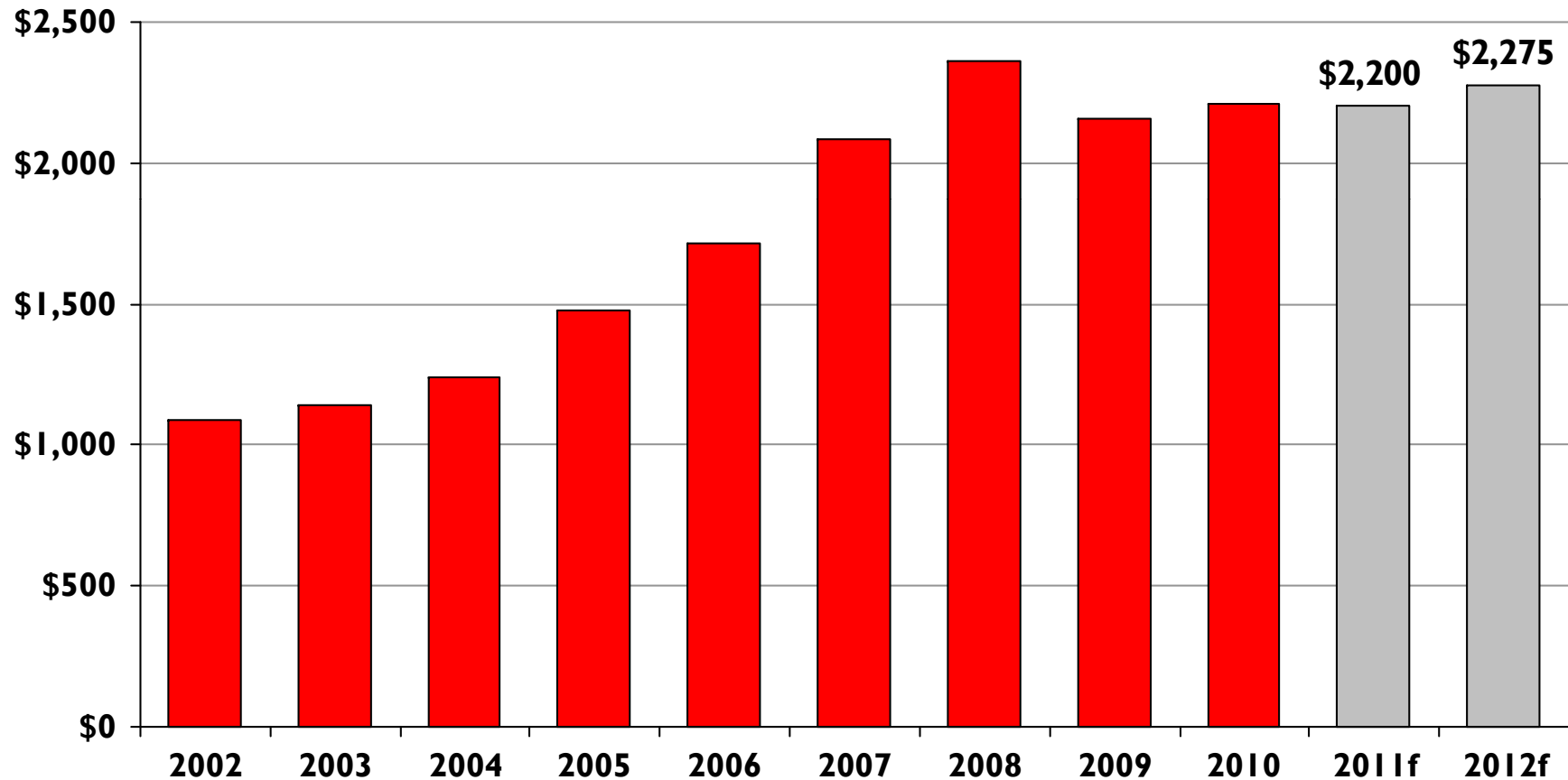


Source: CMHC

# Wood Buffalo CA – Average Rents

*Rents expected to remain stable with elevated vacancies*

average two-bedroom apartment rent (October surveys)



Source: CMHC, CMHC Forecast (f)

# Wood Buffalo CA – Forecast Summary

	2009	2010	2011f	2012f
<b><i>New Home Market</i></b>				
<b>Single-Detached Starts</b>	<b>474</b>	<b>567</b>	<b>600</b>	<b>600</b>
<b>Multi-Family Starts</b>	<b>614</b>	<b>202</b>	<b>225</b>	<b>400</b>
<b>Total Starts</b>	<b>1,088</b>	<b>769</b>	<b>825</b>	<b>1,000</b>
<b><i>Resale Market*</i></b>				
<b>Total Sales</b>	<b>1,766</b>	<b>1,868</b>	<b>2,100</b>	<b>2,350</b>
<b>Total Average Price</b>	<b>\$535,988</b>	<b>\$560,125</b>	<b>\$595,000</b>	<b>\$620,000</b>
<b><i>Rental Market</i></b>				
<b>Apt. Vacancy Rate</b>	<b>9.9%</b>	<b>5.5%</b>	<b>6.0%</b>	<b>4.0%</b>
<b>Average 2-Bdrm Apt. Rent</b>	<b>\$2,156</b>	<b>\$2,210</b>	<b>\$2,200</b>	<b>\$2,275</b>

Source: \*CREA, CMHC, CMHC Forecast (f)

Thank You!



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