



economic analysis *report*



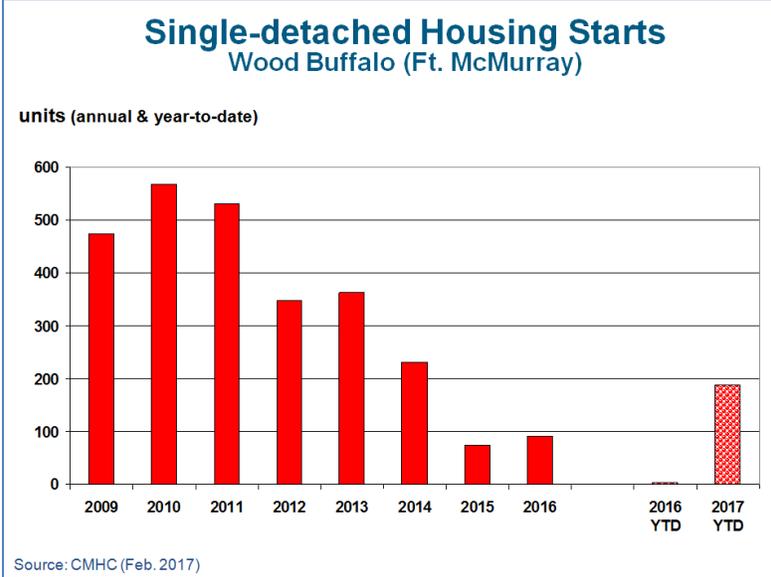
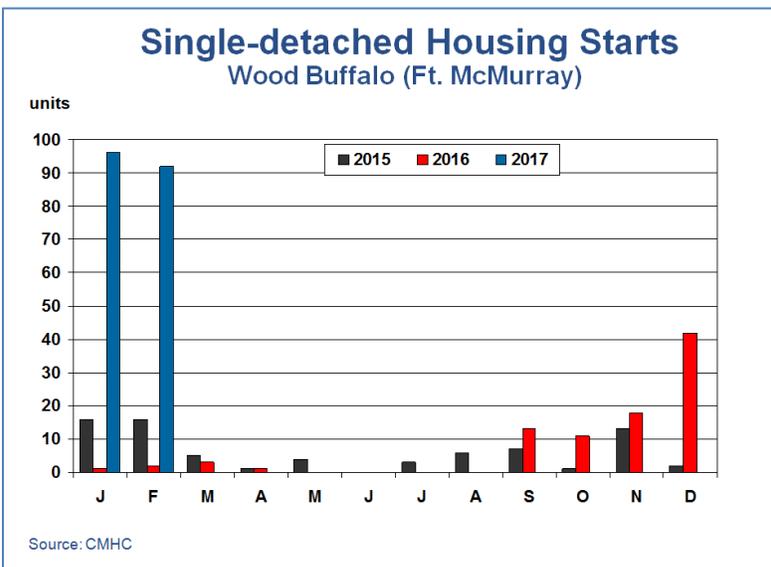
MARCH 2017

WOOD BUFFALO MARKET UPDATE

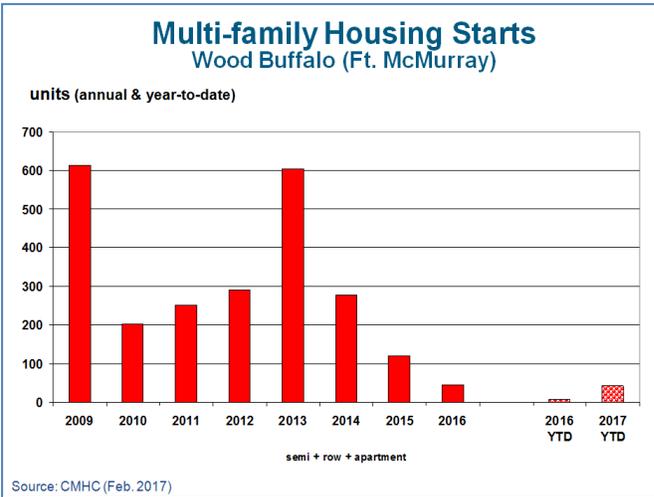
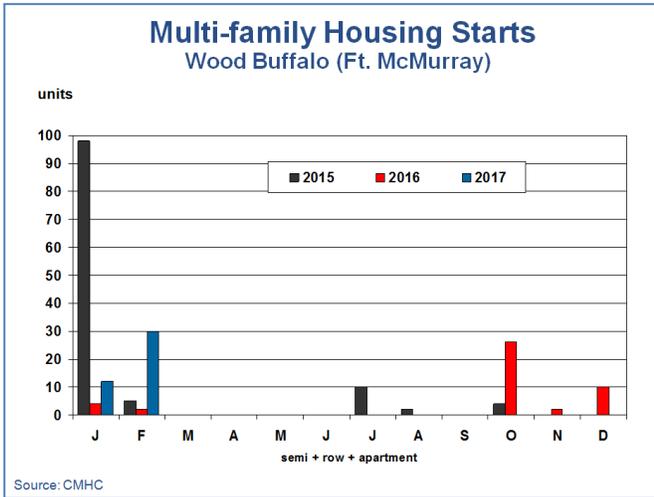
HOUSING STARTS

Total housing starts in the Wood Buffalo Census Agglomeration (CA) reached 122 units in February, up substantially from four units in the preceding year. So far this year, total starts in Wood Buffalo have reached 230 units compared with nine reported during January and February 2016.

Single-detached: Single-detached starts in the Wood Buffalo region amounted to 92 units in February compared with two units a year prior. For the year-to-date, builders have poured foundations for 188 single-family units compared with three units started during the same period last year.

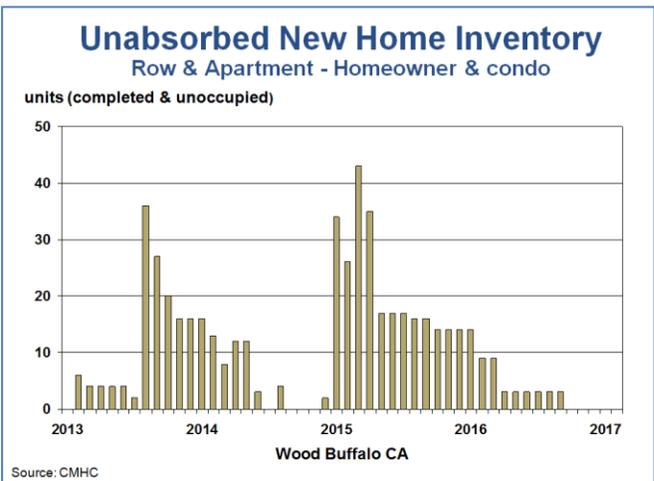
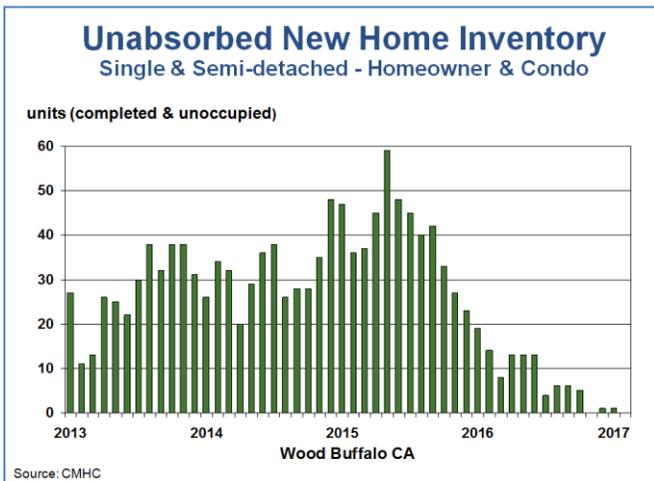


Multi-family (semi, row & apartment): There were 30 multi-family units started in the Wood Buffalo CA in February compared with two units a year earlier. February's tally included six semi-detached and 24 townhouse units. After two months this year, multiple unit starts have reached 42 units, representing a seven-fold increase from this time in 2016.



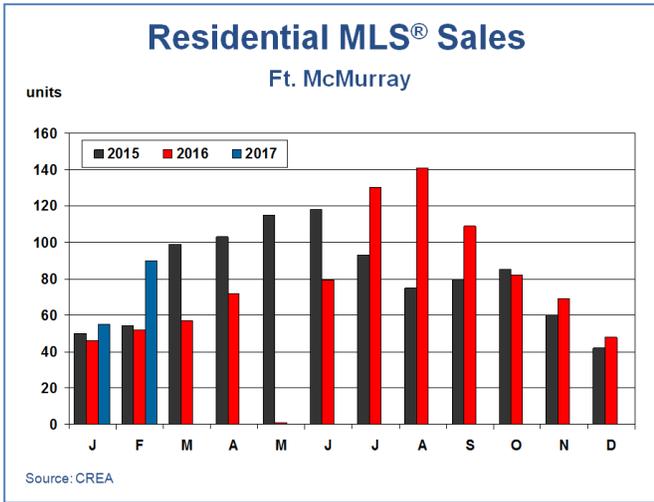
NEW HOME INVENTORY

CMHC reported zero completed and unoccupied single or semi-detached dwellings (including show homes) in the Wood Buffalo area in February, compared with one single in the previous month and 14 single or semi-detached units a year ago. There were zero unabsorbed new townhomes and apartments recorded in February, unchanged from the previous four months but down from nine units in February 2016.



RESIDENTIAL (MLS) SALES

Residential MLS sales in the Fort McMurray area increased in February by 73% year-over-year to 90 units. So far this year, the number of homes sold by realtors has increased by 48% from the first two months of 2016 to 145 units.



RESIDENTIAL SALE PRICES

The average MLS residential sale price in Fort McMurray decreased in February by 20% from year-ago levels to \$415,795. For the year-to-date, the average MLS sale price has declined by 21.7% from the average reported for January and February 2016 to \$408,521. See the cautionary comments from CREA in the notes to readers (below) on monthly average price movement.



MARKET SUMMARY	Current Month: February			YTD: February		
	2017	2016	% ch	2017	2016	% ch
Wood Buffalo CA						
Single-family starts	92	2	##	188	3	##
Multi-family starts	30	2	##	42	6	##
Total housing starts	122	4	##	230	9	##
Ft. McMurray REB (MLS)						
Residential sales	90	52	73.1%	145	98	48.0%
Residential avg. price	\$415,795	\$518,913	-19.9%	\$408,521	\$521,647	-21.7%
Source: CMHC/CREA	## indicates increase of >500%					

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.

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