

Wood Buffalo



Wood Buffalo Housing Market

RICHARD CHO
MARKET ANALYST
PRAIRIE AND TERRITORIES REGION



Agenda

- **Wood Buffalo**
 - **Economic environment**
 - **Rental market**
 - **Resale market**
 - **New Home market**

Wood Buffalo



Wood Buffalo's Economic Environment

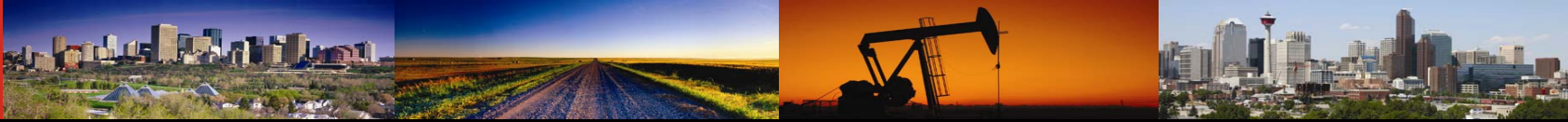


Major Construction Projects in Alberta

Investment is up 50%

Inventory of Major Alberta Projects (\$ millions)			
Sector	June 2007	June 2008	% Change
Agriculture & Related	1,015.0	64.4	-93.7%
Biofuels	---	2,404.0	---
Chemicals & Petrochemicals	1,150.0	442.0	-61.6%
Commercial/Retail	7,653.1	11,118.2	45.3%
Commercial/Retail and Residential	3,266.9	4,500.8	37.8%
Forestry & Related	830.0	72.0	-91.3%
Infrastructure	15,324.2	21,339.5	39.3%
Institutional	10,816.0	13,894.9	28.5%
Manufacturing	94.0	12.0	-87.2%
Mining	1,795.4	2,940.9	63.8%
Oil & Gas	1,986.0	3,983.0	100.6%
Oilsands	110,675.0	170,059.0	53.7%
Other Industrial	415.9	189.6	-54.4%
Pipelines	8,506.9	12,190.0	43.3%
Power	7,741.0	11,837.0	52.9%
Residential	4,441.2	7,284.7	64.0%
Tourism/Recreation	6,932.2	10,875.1	56.9%
Total	182,642.8	273,207.1	49.6%

Source: Alberta Economic Development (includes projects recently completed, currently under construction, or proposed to start construction within the next few years), tracks projects valued at \$5million+



Major Construction Projects by Sector

43% of major investments occurring in the Wood Buffalo Region

2008 Inventory of Major Alberta Projects (\$ millions)			
Sector	Wood Buffalo	Alberta	% of Alberta
Oilsands	105,679.0	170,059.0	62.1%
Infrastructure and Institutional	2,525.4	35,234.4	7.2%
Oil & Gas, Pipelines, Power	6,635.7	28,010.0	23.7%
Commercial/ Retail and Residential	917.7	22,903.7	4.0%
Tourism/ Recreation	235.0	10,875.1	2.2%
Manufacturing, Forestry, Mining, and Industrial	185.6	3,142.5	5.9%
Biofuels	0.0	2,404.0	0.0%
Chemicals and Petrochemicals	0.0	442.0	0.0%
Agriculture and Related	0.0	64.4	0.0%
Total	116,178.4	273,135.1	43%

Source: Alberta Economic Development (includes projects recently completed, currently under construction, or proposed to start construction within the next few years), tracks projects valued at \$5million+



Major Construction Projects by Sector

90% of investments are in Oil sands

Inventory of Major Wood Buffalo Projects (\$ millions)		
Sector	% of WB (June 2007)	% of WB (June 2008)
Oilsands	91.7%	91.0%
Infrastructure and Institutional	2.0%	2.2%
Oil & Gas, Pipelines, Power	5.7%	5.7%
Commercial/ Retail and Residential	0.4%	0.8%
Tourism/ Recreation	0.2%	0.2%
Manufacturing, Forestry, Mining, and Industrial	0.1%	0.2%
Biofuels	---	---
Chemicals and Petrochemicals	0.0%	0.0%
Agriculture and Related	0.0%	0.0%
Total	100%	100%

Source: Alberta Economic Development (includes projects recently completed, currently under construction, or proposed to start construction within the next few years), tracks projects valued at \$5million+



Major Construction Projects by Sector

Investment is up 38%

Inventory of Major Wood Buffalo Projects (\$ millions)			
Sector	June 2007	June 2008	% Change
Oilsands	77,170.0	105,679.0	37%
Infrastructure and Institutional	1,677.5	2,525.4	51%
Oil & Gas, Pipelines, Power	4,786.8	6,635.7	39%
Commercial/ Retail and Residential	321.2	917.7	186%
Tourism/ Recreation	147.0	235.0	60%
Manufacturing, Forestry, Mining, and Industrial	85.6	185.6	117%
Biofuels	---	---	---
Chemicals and Petrochemicals	0.0	0.0	---
Agriculture and Related	0.0	0.0	---
Total	84,188.1	116,178.4	38%

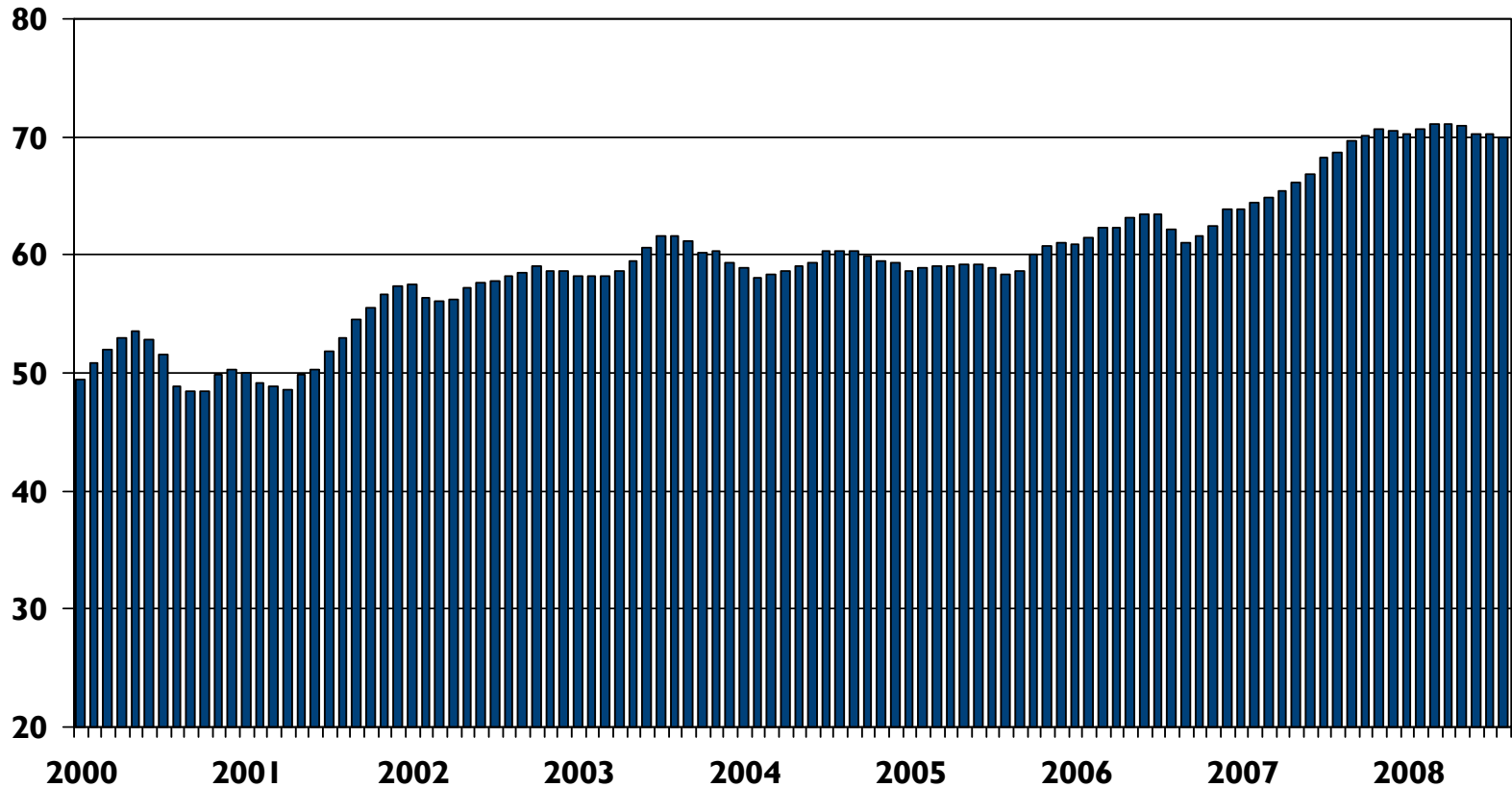
Source: Alberta Economic Development (includes projects recently completed, currently under construction, or proposed to start construction within the next few years), tracks projects valued at \$5million+



Wood Buffalo/Cold Lake – Employment

Employment has been increasing in recent years

number of employed (,000s)

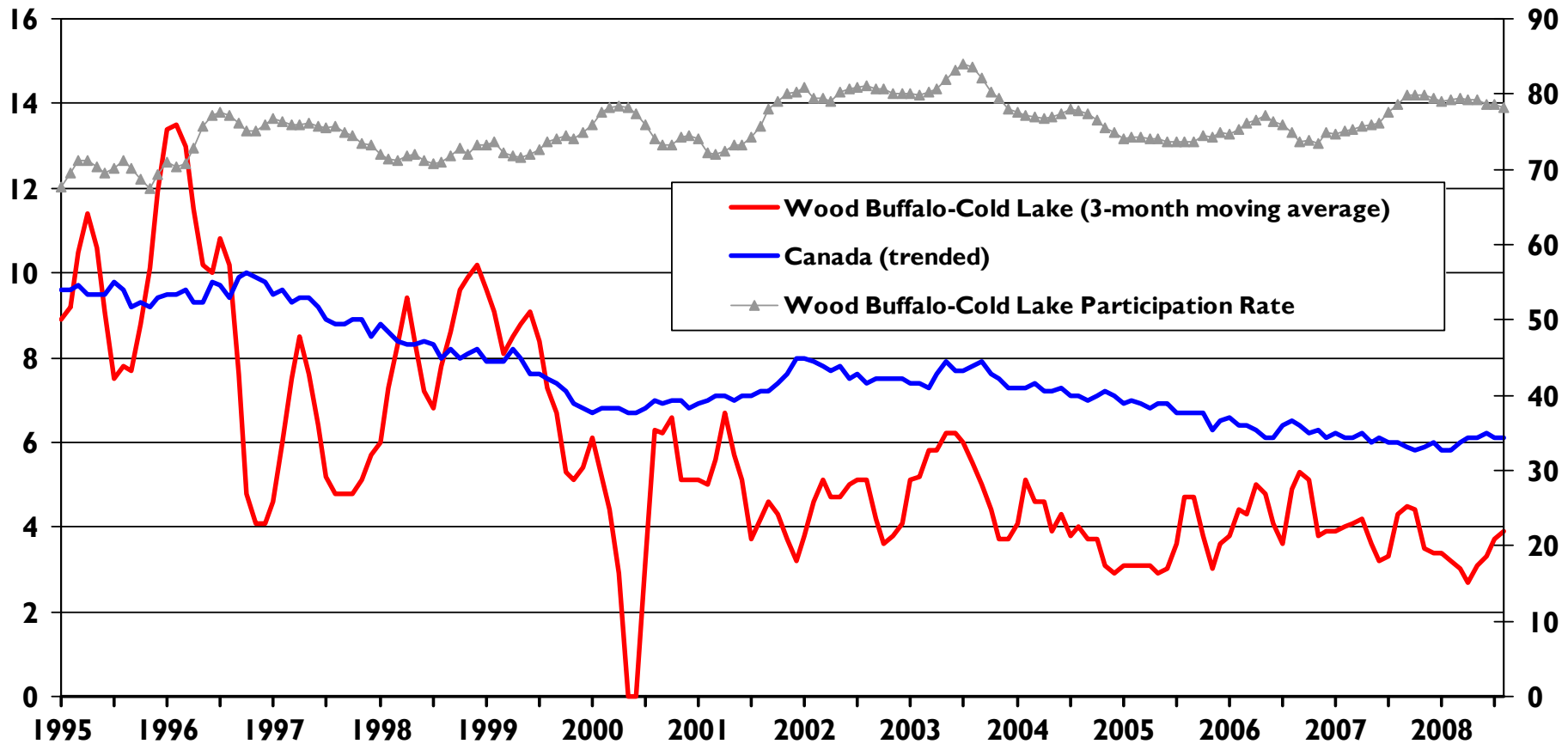




Unemployment Rate

Employment growth heavily dependant on new migrants

unemployment rate (%)



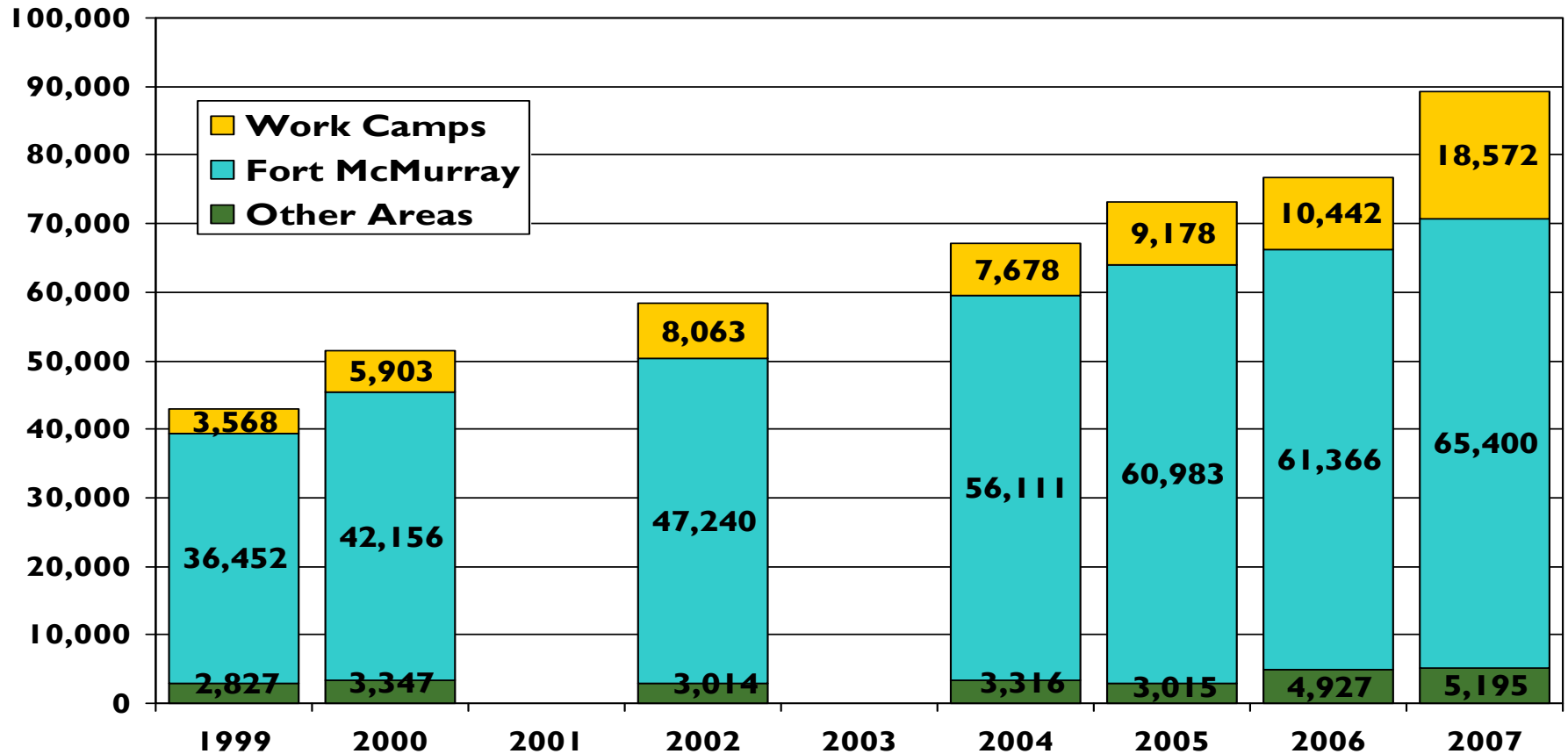
Source: Statistics Canada



Wood Buffalo – Population

RMWB up 16%, Fort McMurray up 6.6%, Work Camp up 78%

number of residents

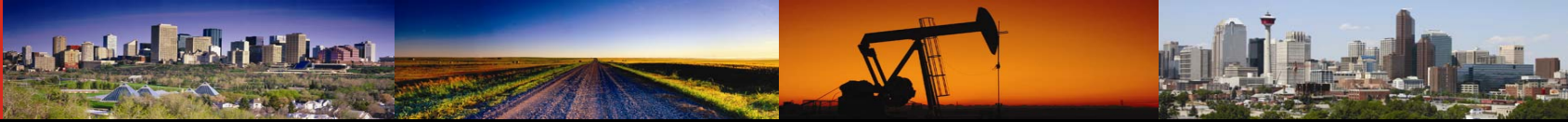


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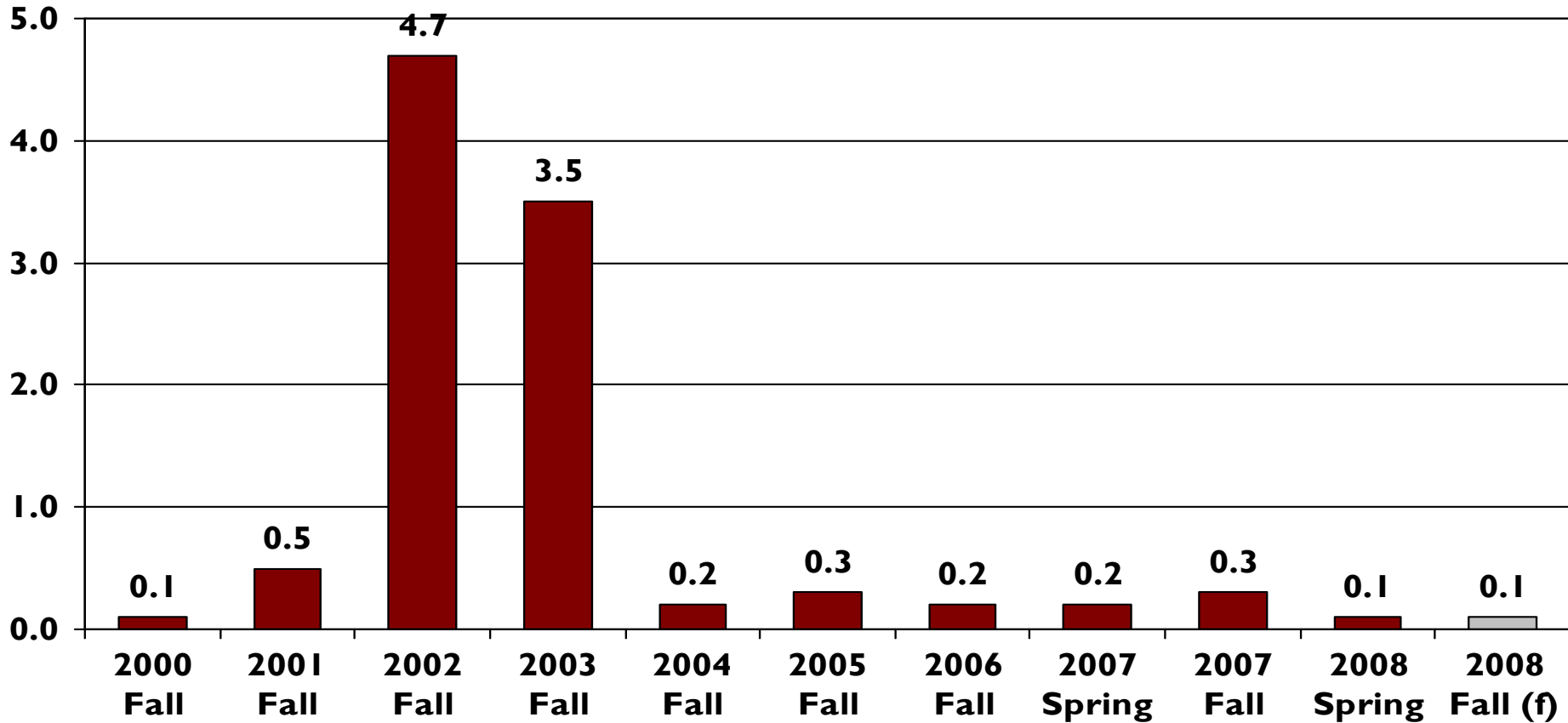
Rental Market



Apartment Vacancy Rate

To remain below 1 per cent

per cent



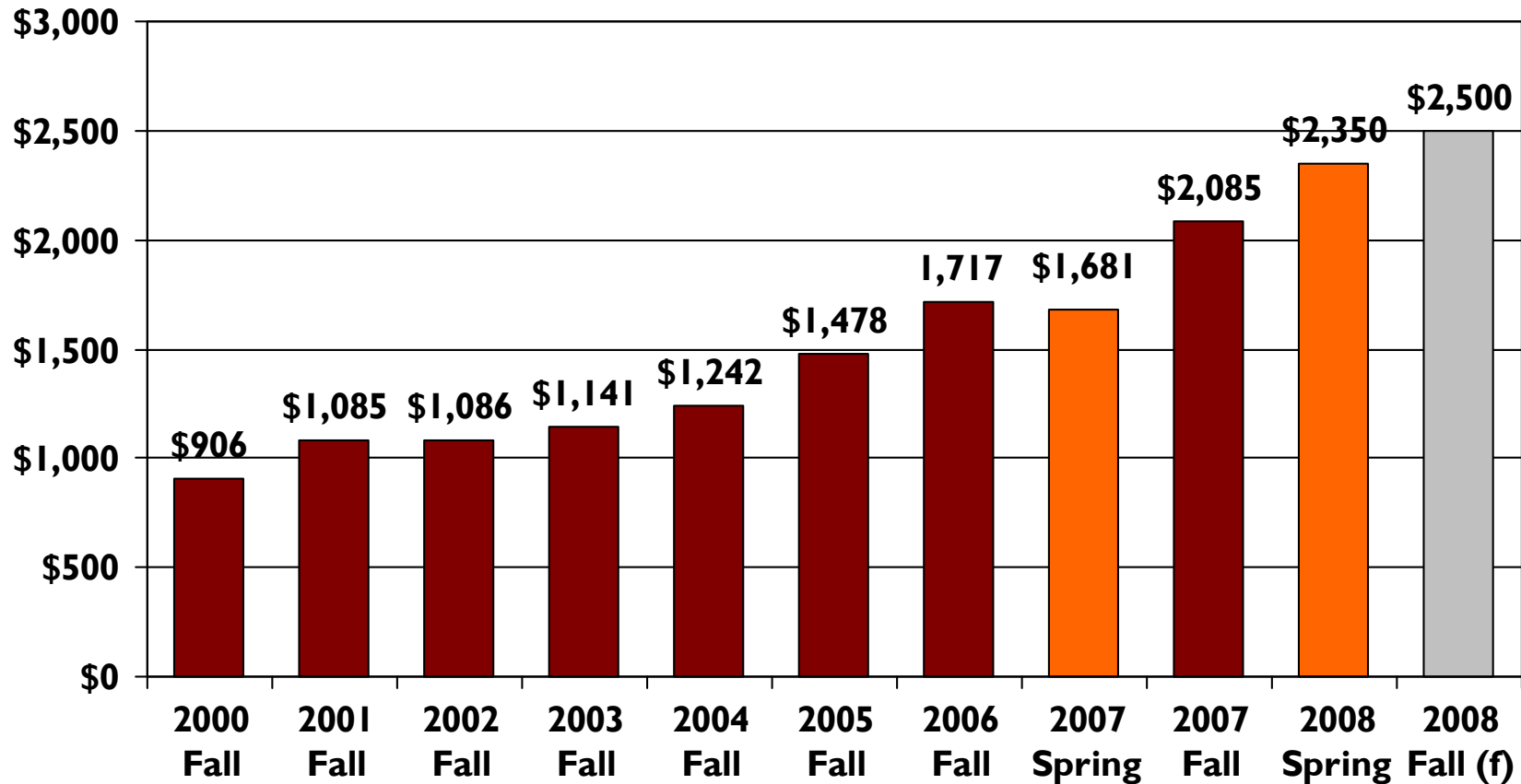
Source: CMHC, April and October Survey.



Apartment Average Rent

Expected to increase yet again by fall 2008

two-bedroom apartment rent



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ood Buffalo



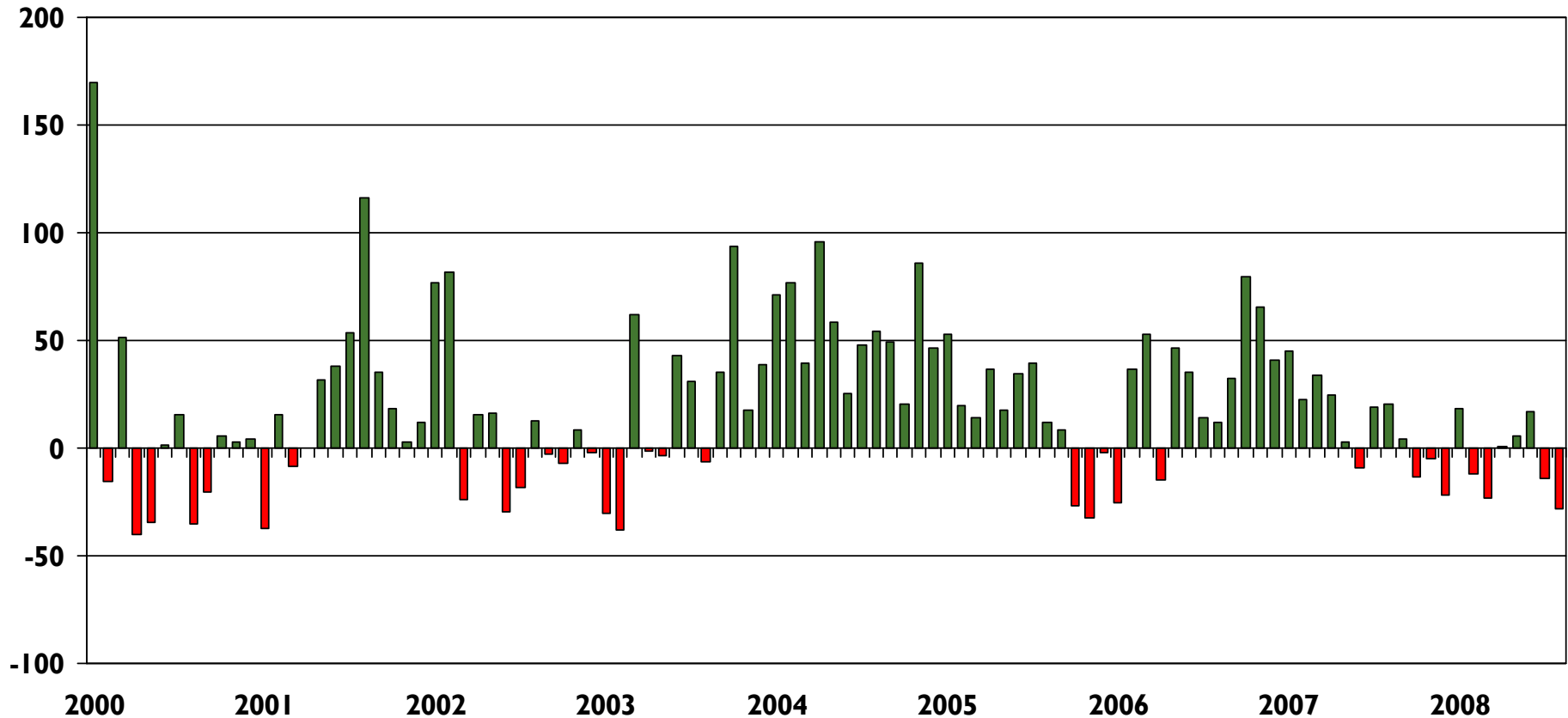
Resale Market



Change in MLS® Sales

Sales slowing compare to 2007

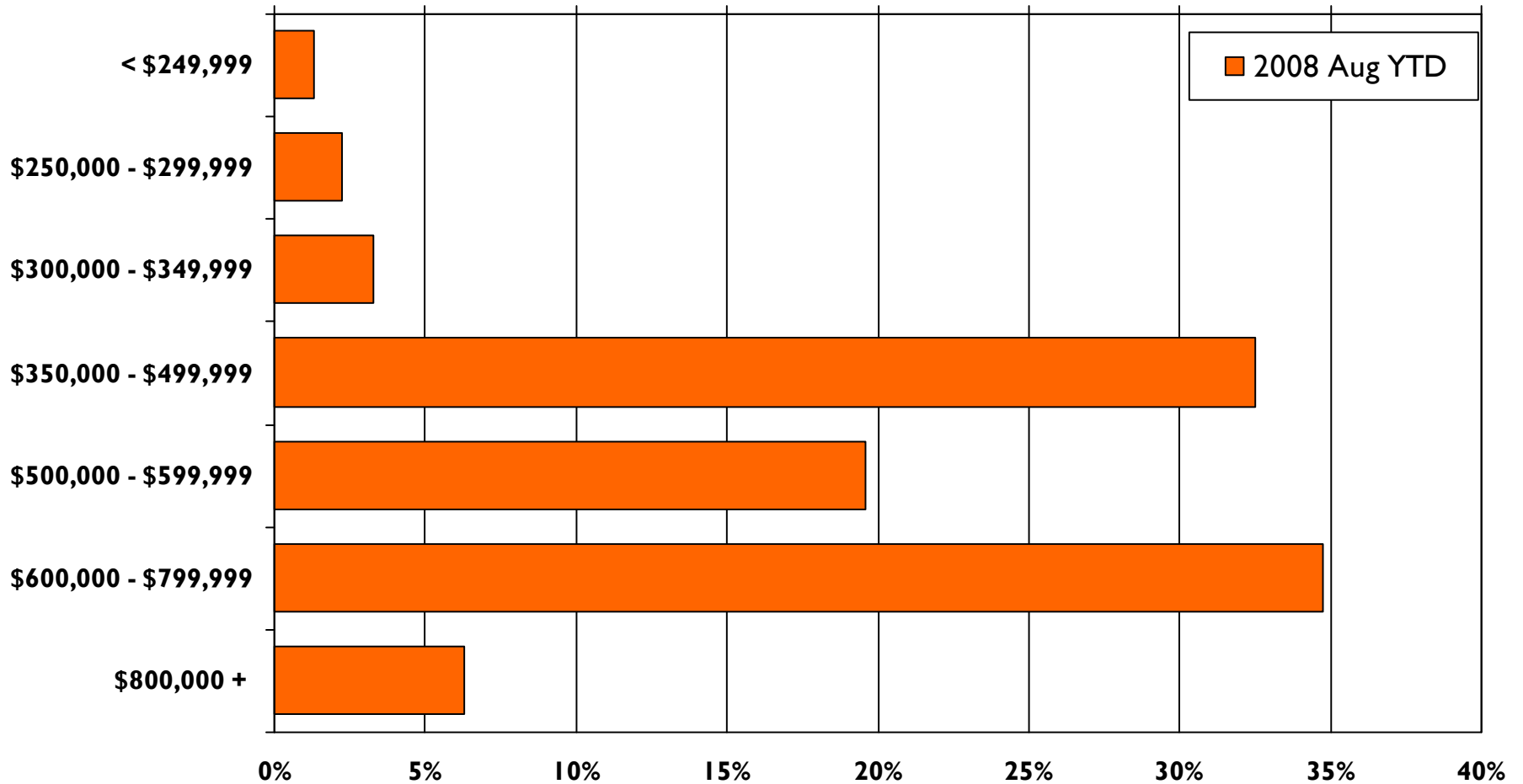
per cent change year-over-year





MLS Sales by Price Range

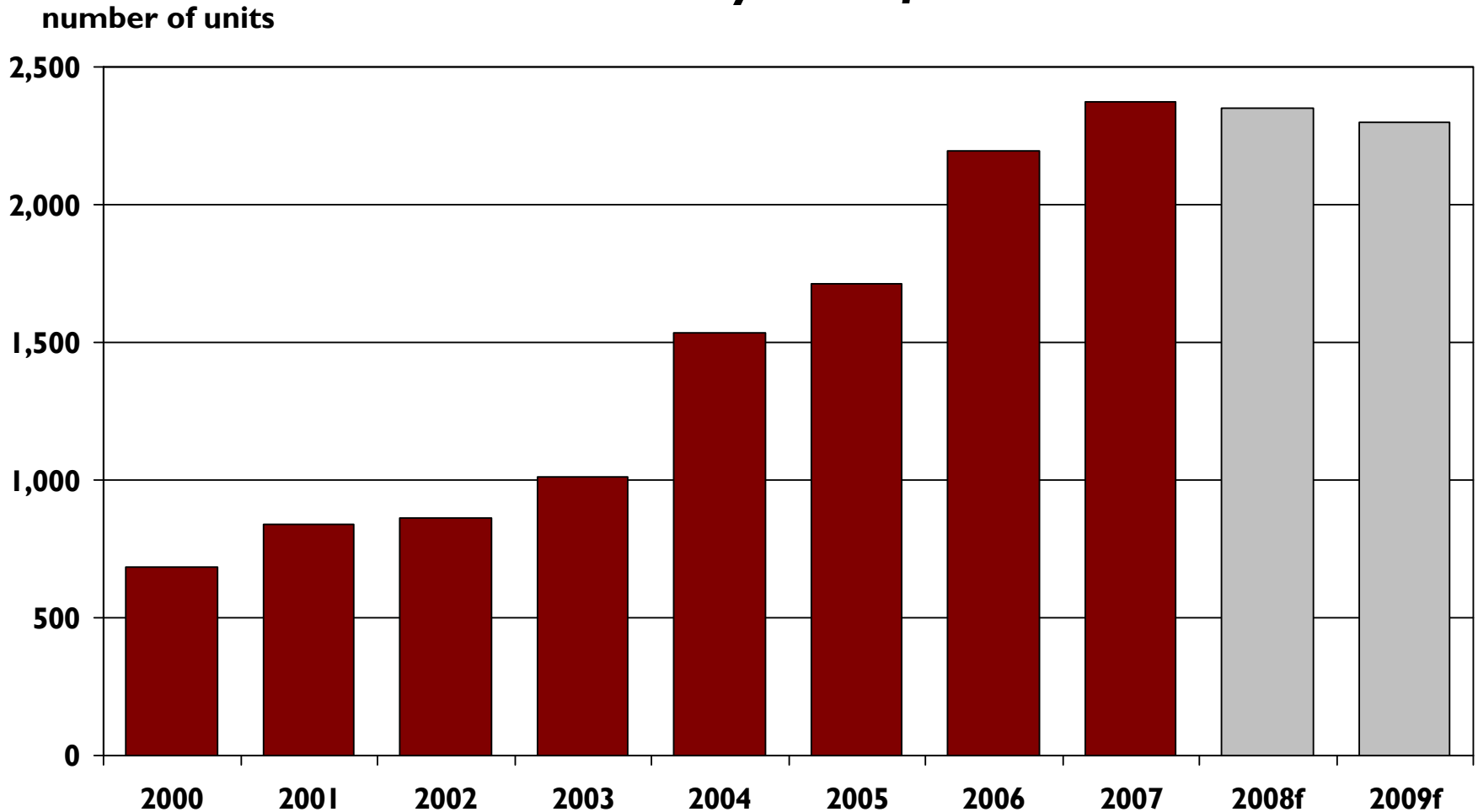
Buyers move to higher price ranges





Annual MLS[®] Sales

Six consecutive years of records



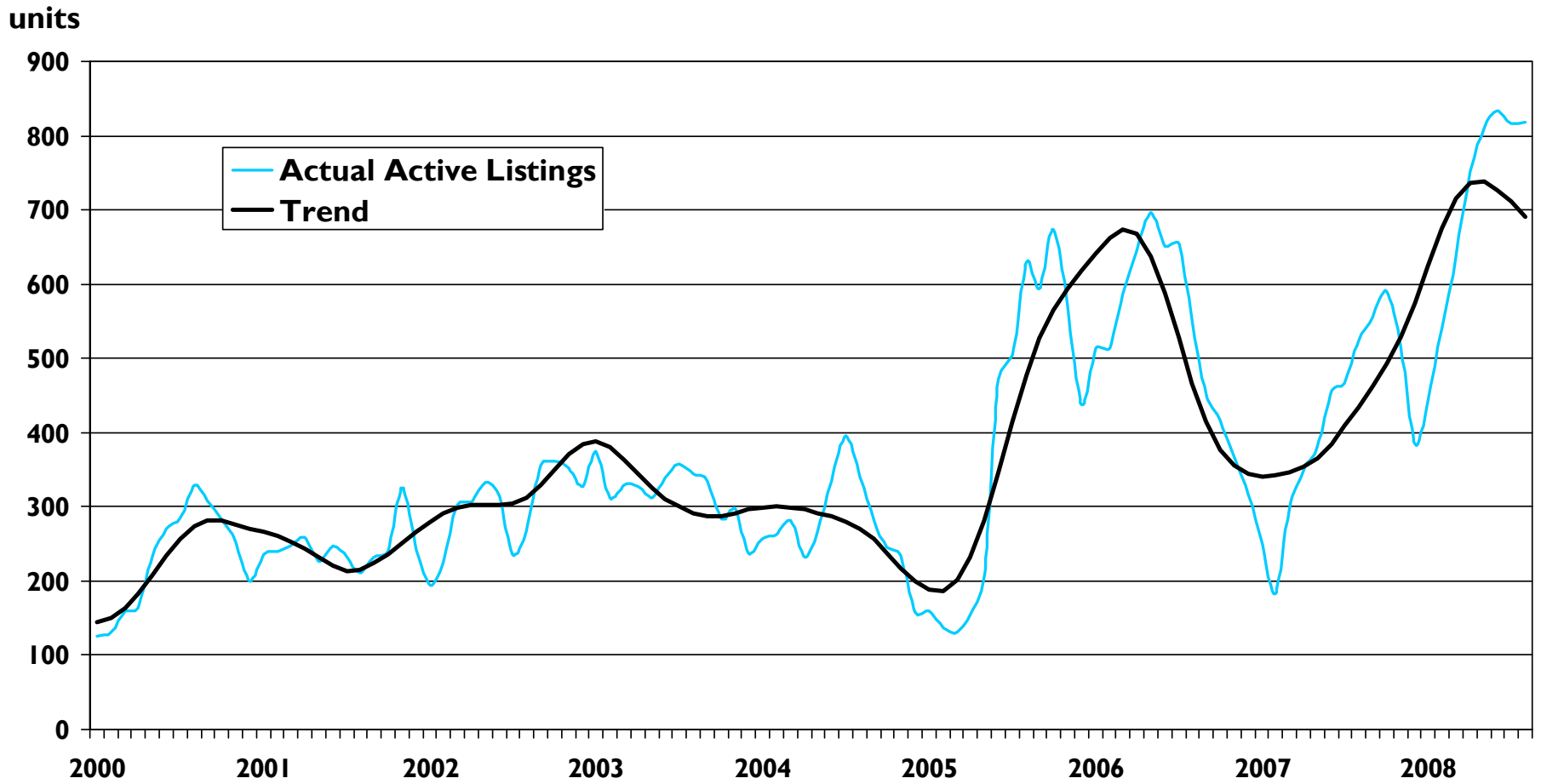
Source: CREA, CMHC Q3 Forecast





MLS[®] Active Listings

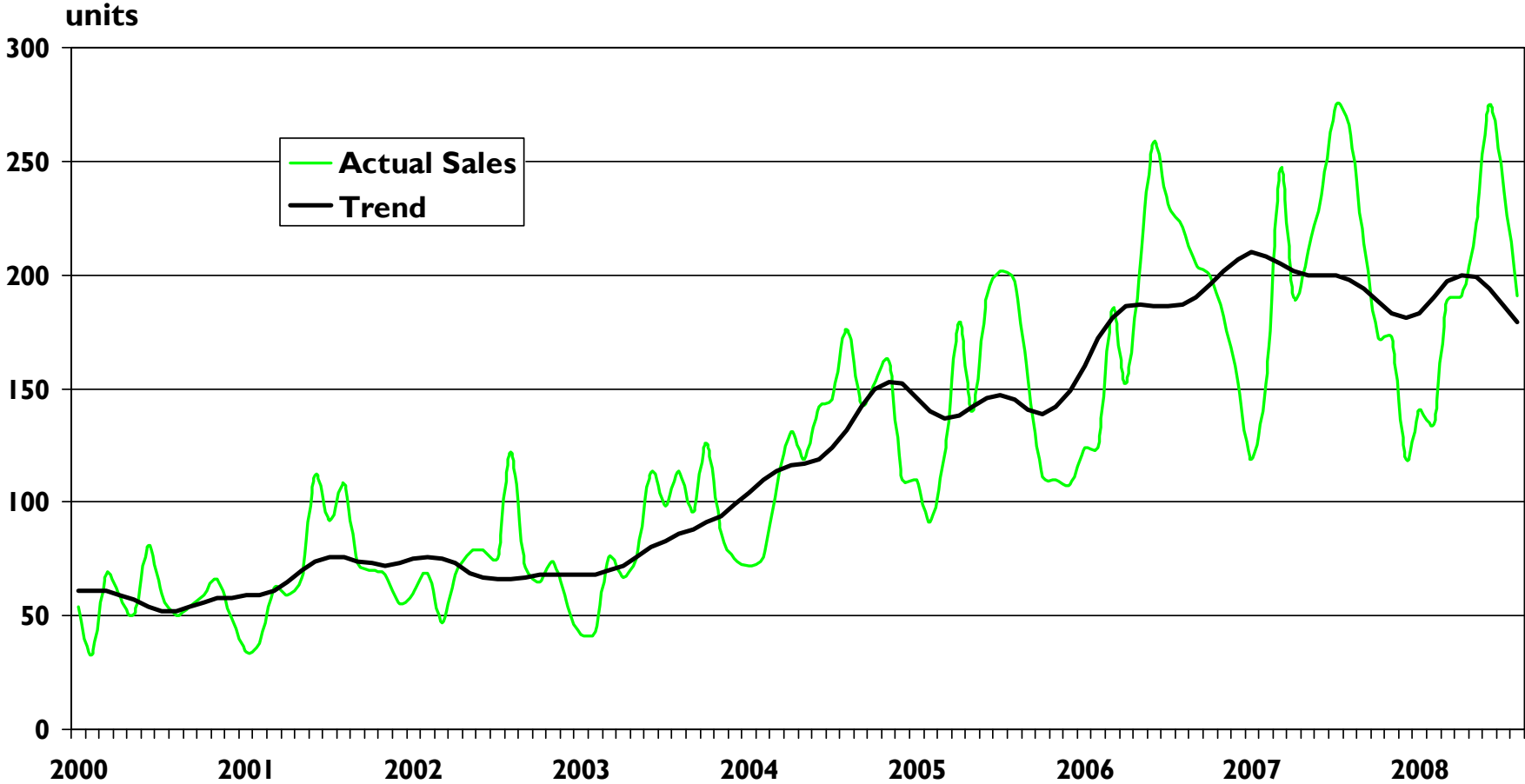
Listings have past its peak





MLS[®] Sales

Sales showing signs of slowing



Source: CREA, Trending by CMHC

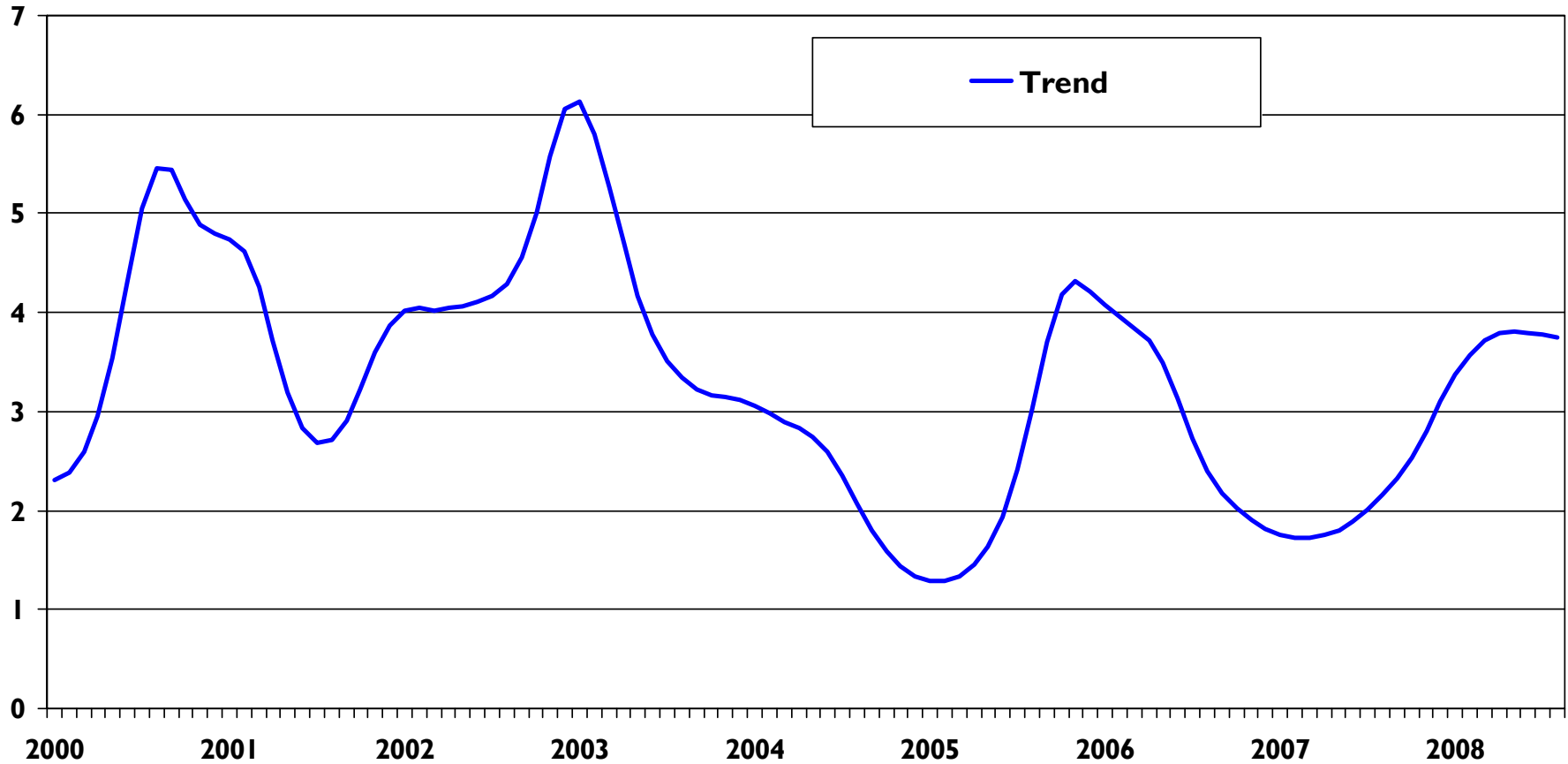




Monthly MLS[®] Supply

Supply just under 4 months

months of supply

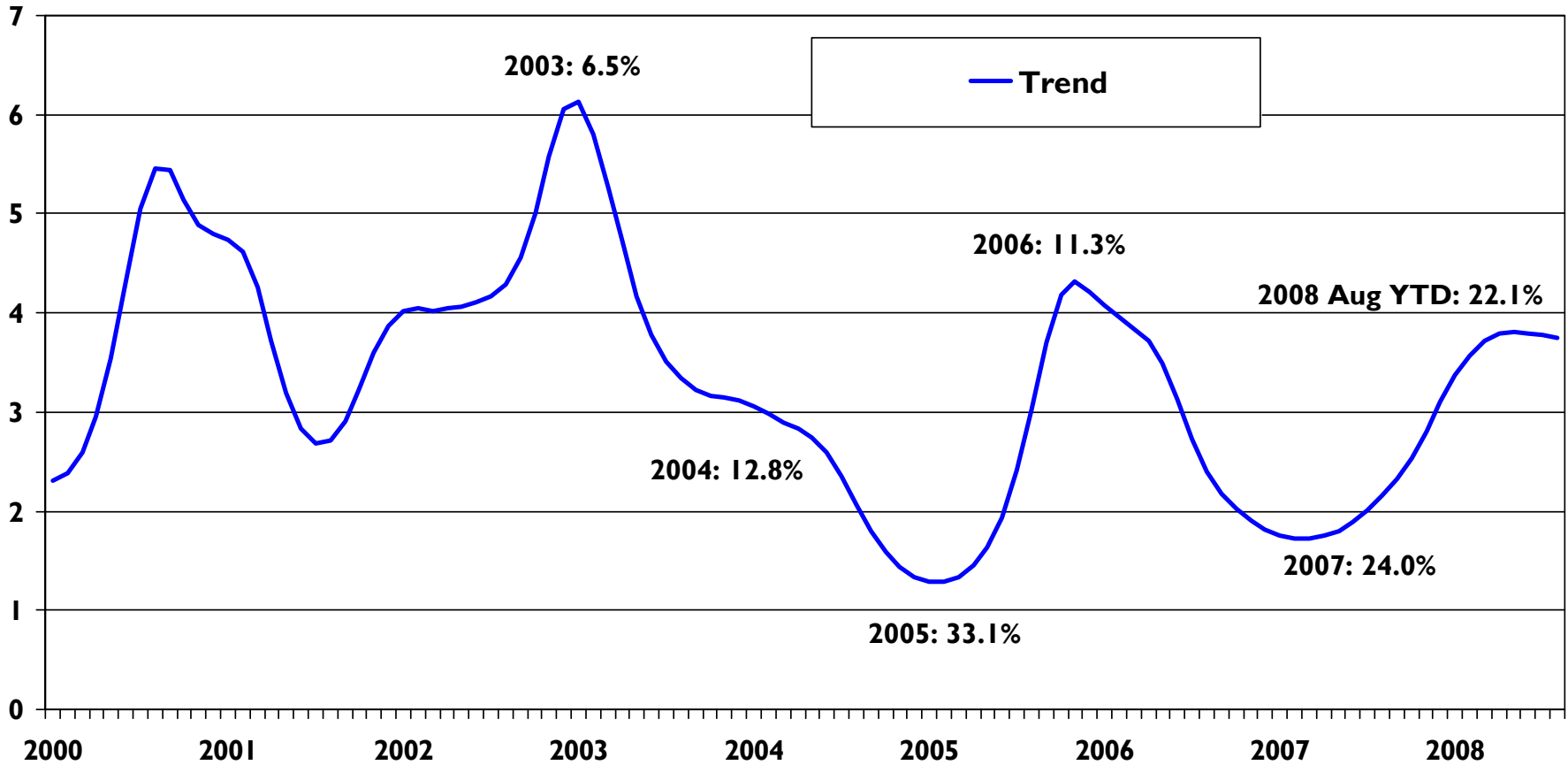




Monthly MLS[®] Supply

Supply just under 4 months

months of supply

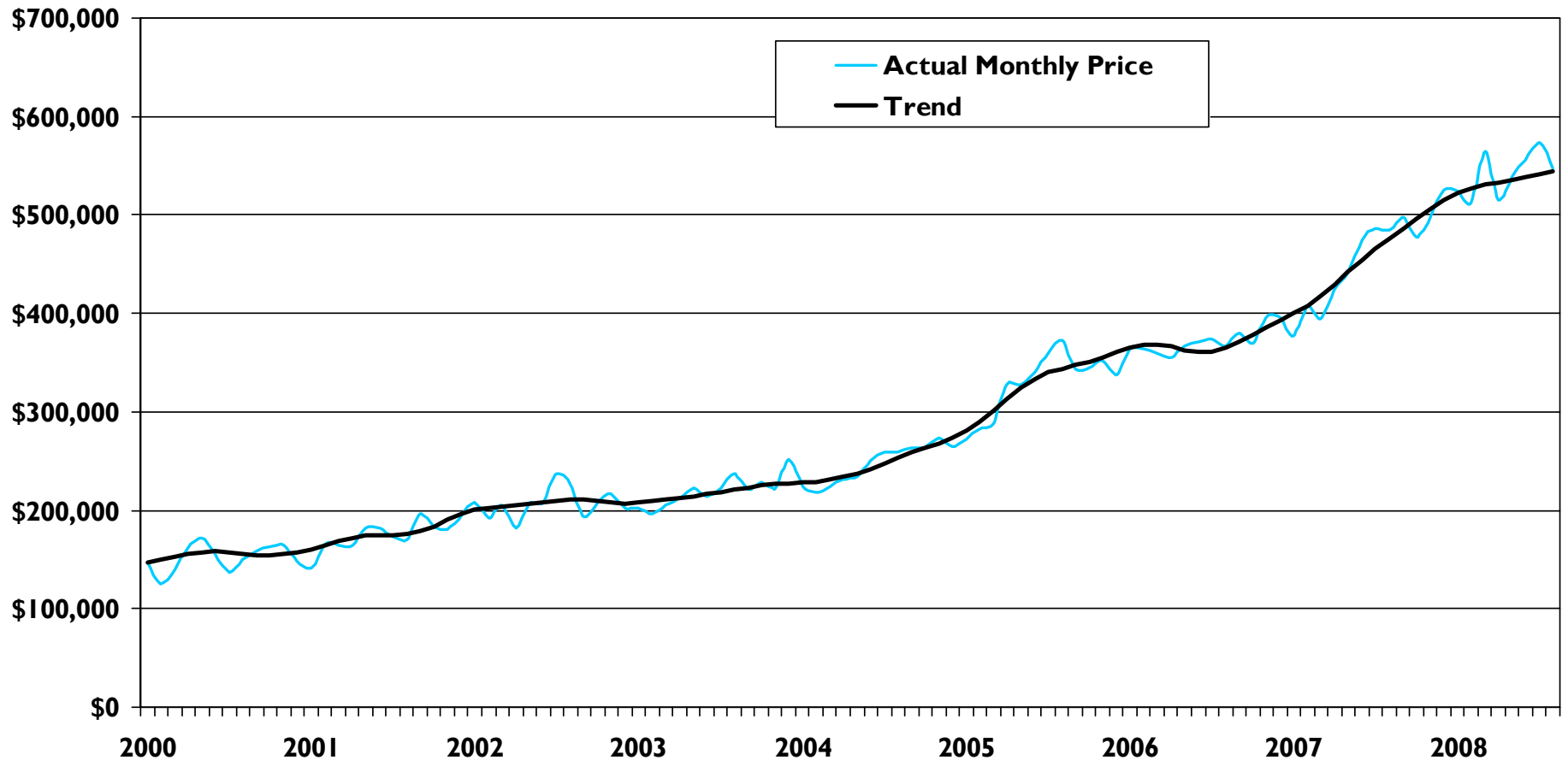




Monthly MLS[®] Price

Price growth is slowing down

average monthly price



Source: CREA, Trending by CMHC

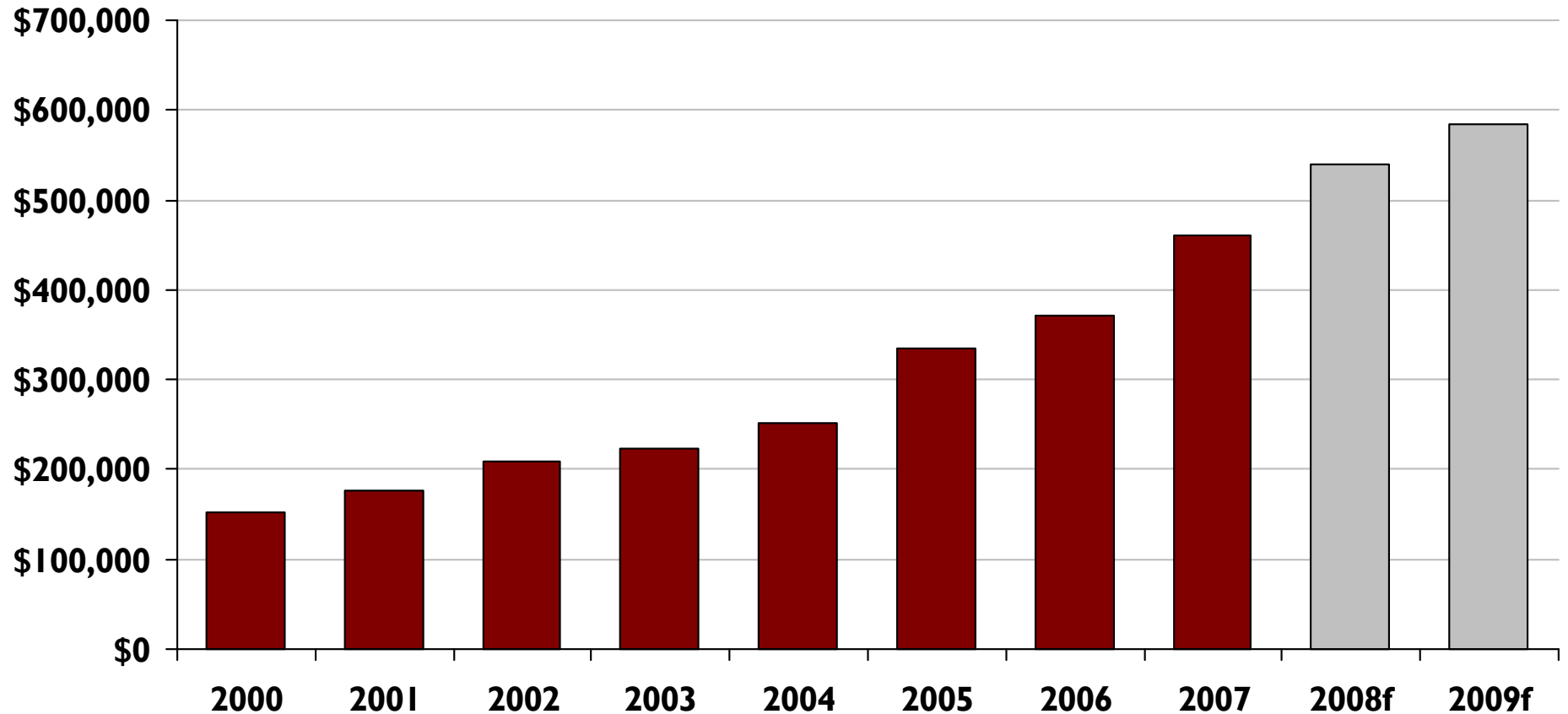




Average MLS[®] Price

Double digit increases expected for two more years

average price



Source: CREA, CMHC Q3 Forecast



Wood Buffalo

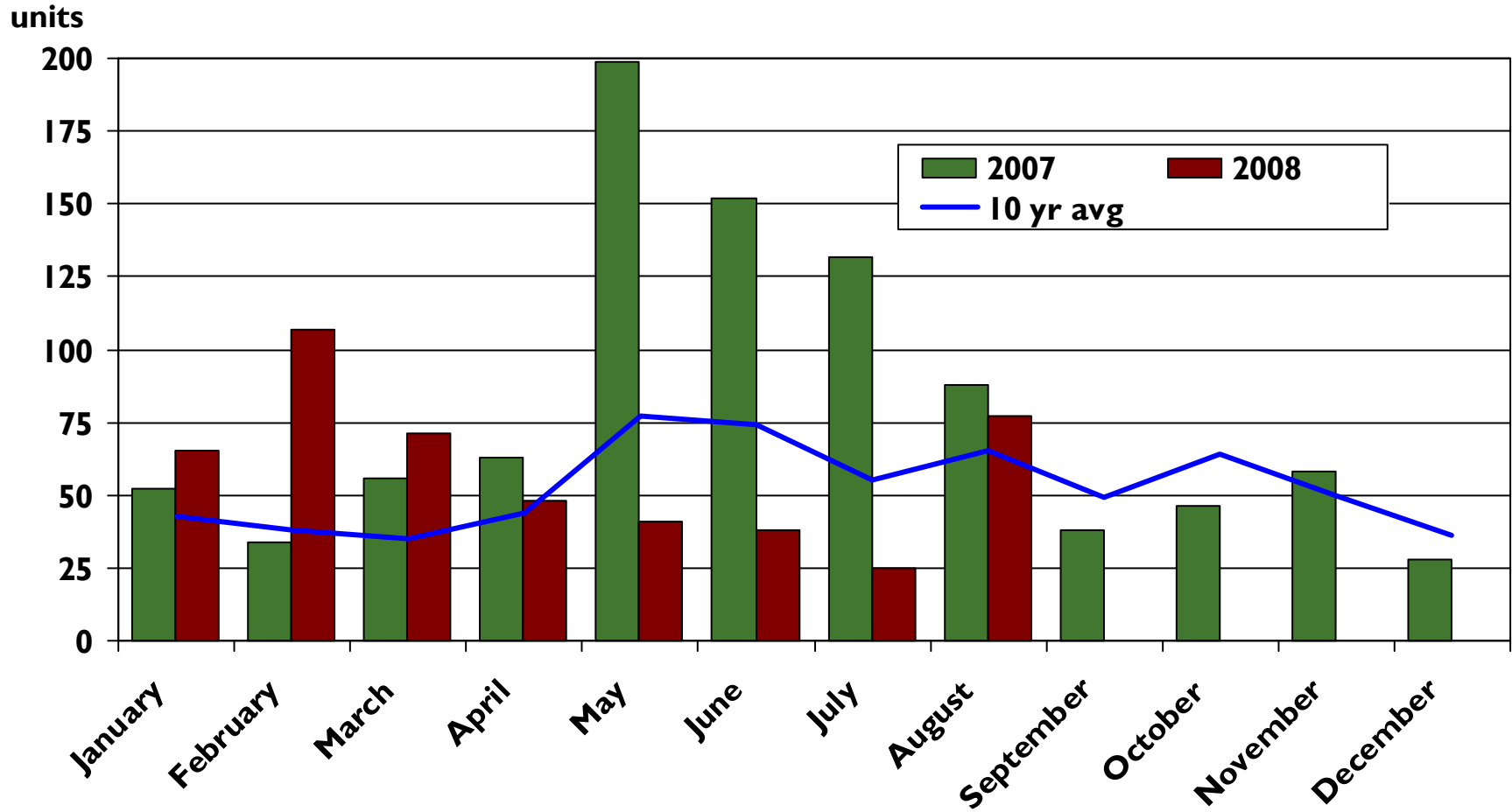


New Home Market



Monthly Single Detached Starts

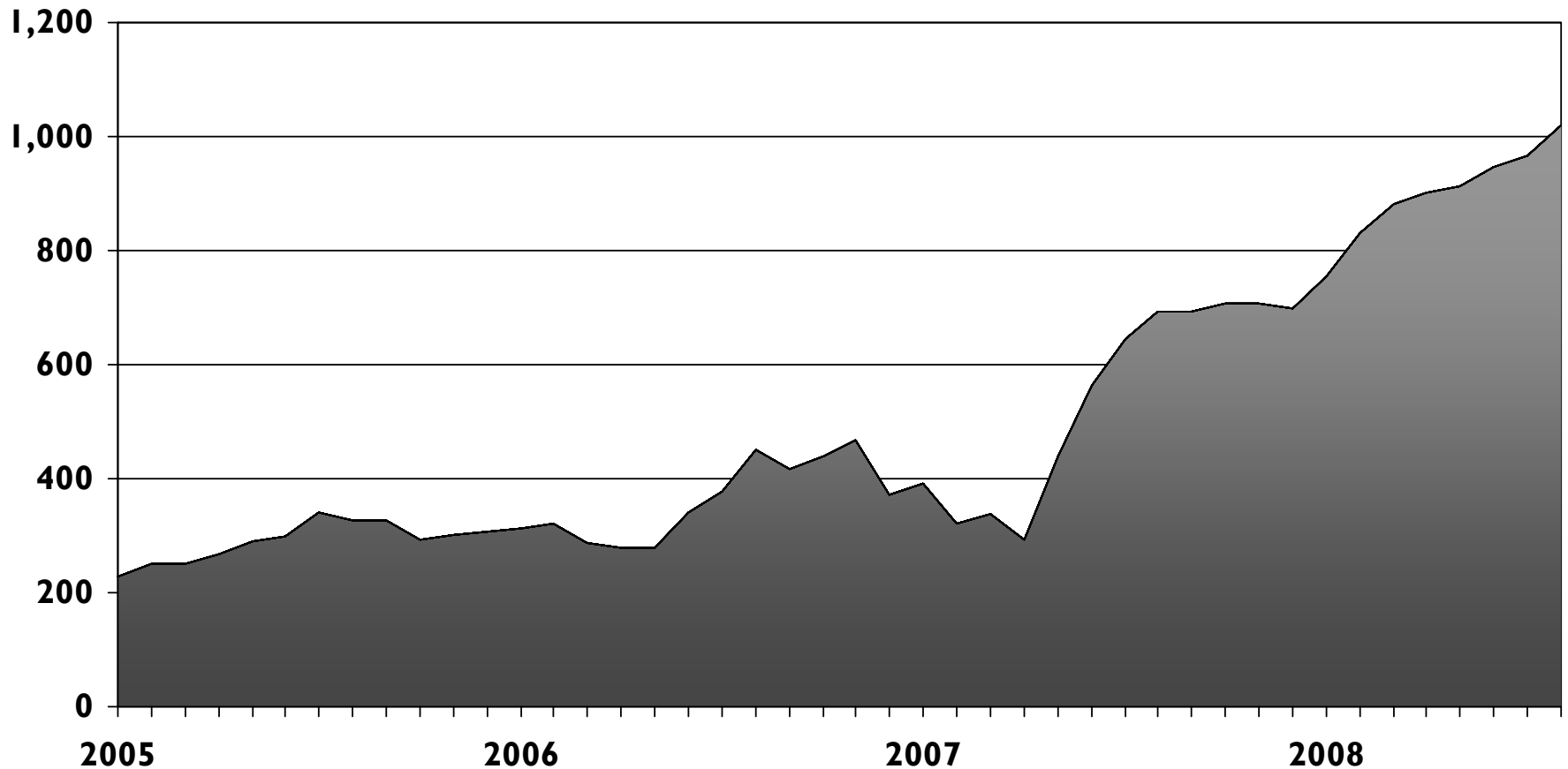
Starts expected to make up ground in the last four months





Single-Detached Under Construction

New construction at record levels

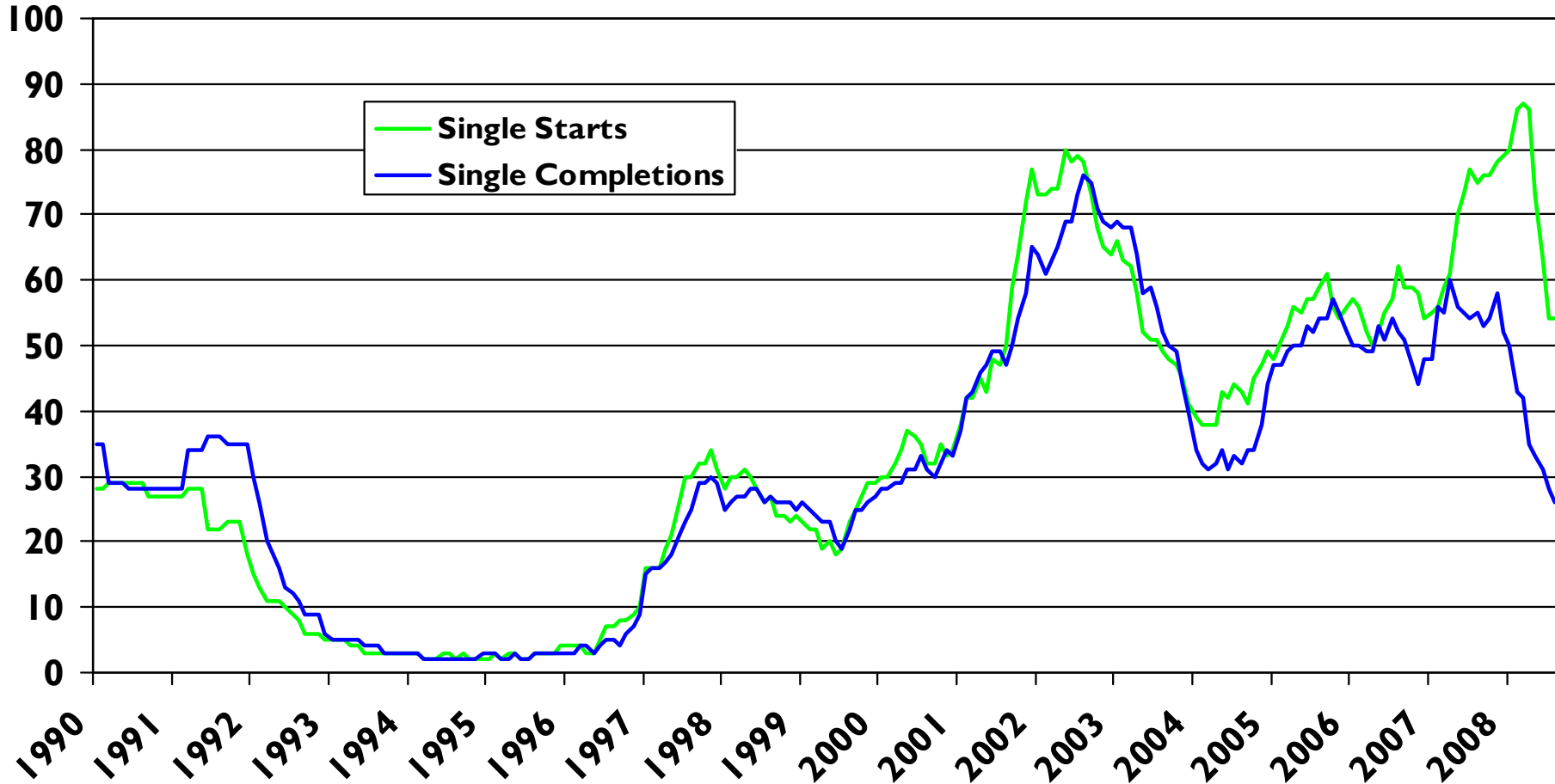




Single Starts vs Completions

Starts outpace completions

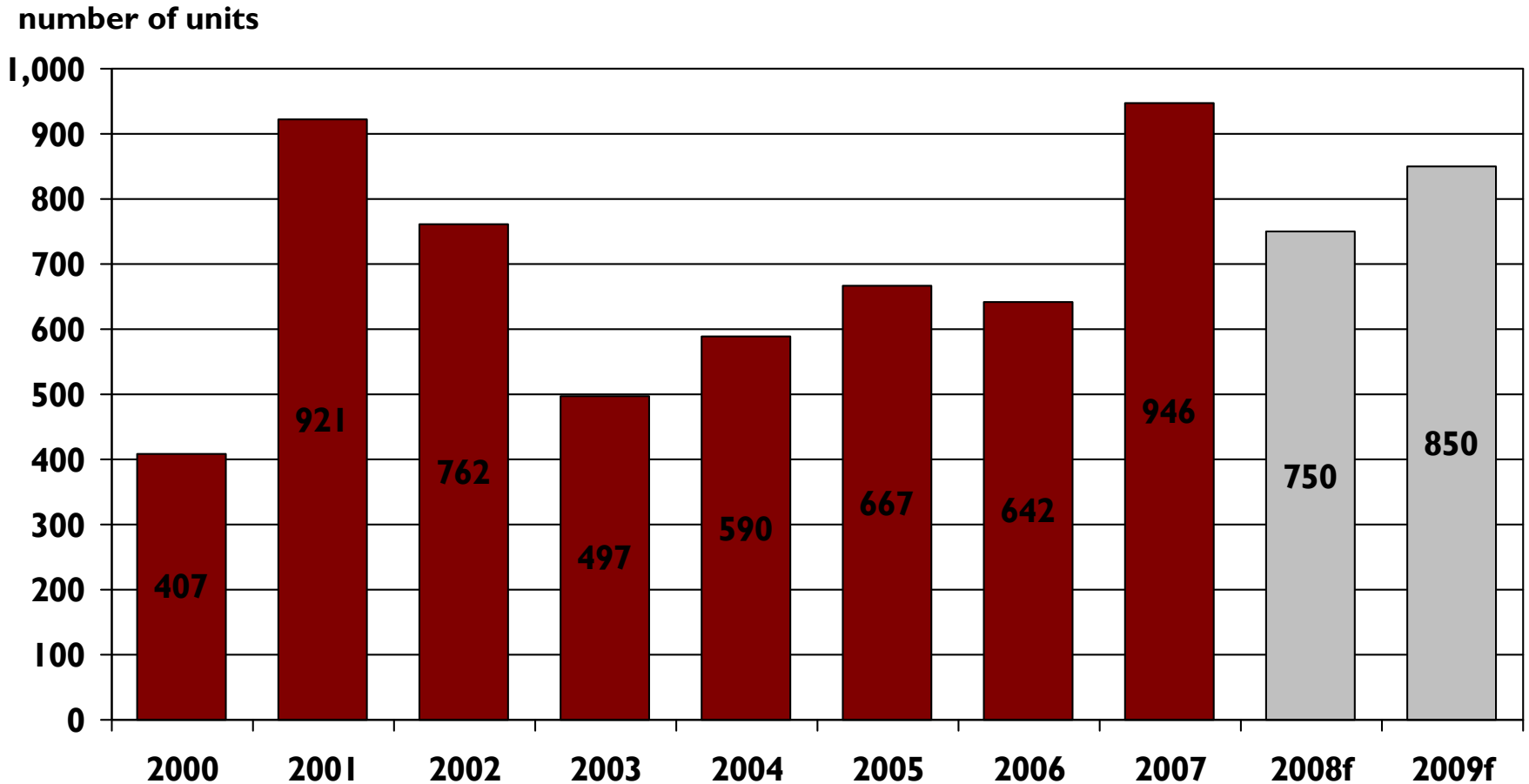
12 month moving average





Annual Single-detached Starts

Starts expected to slip in 2008 but rebound in 2009



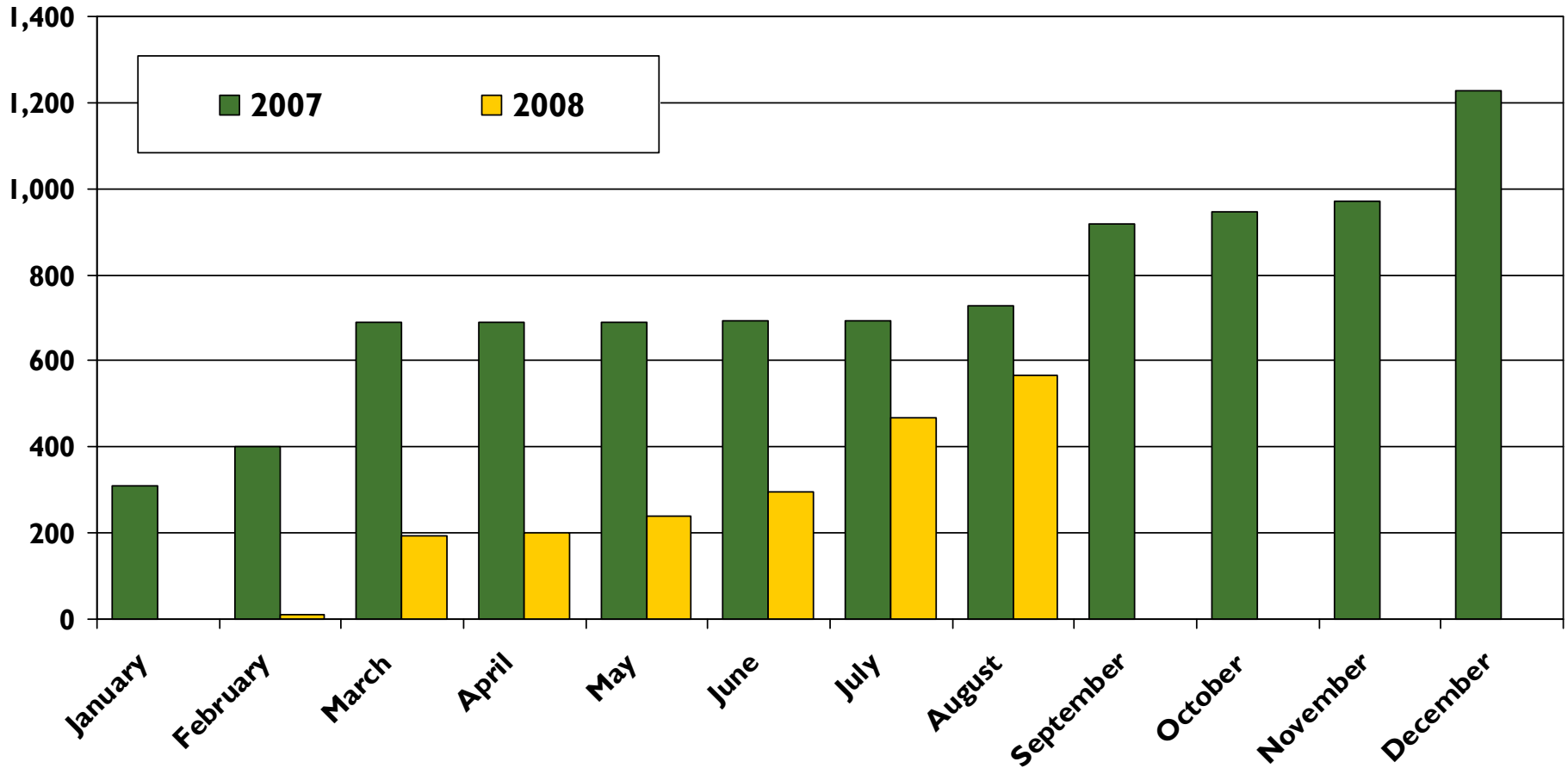
Source: CMHC, CMHC Q3 forecast



Multi-Family Starts

Starts down from 2007 but still forecast to post strong numbers

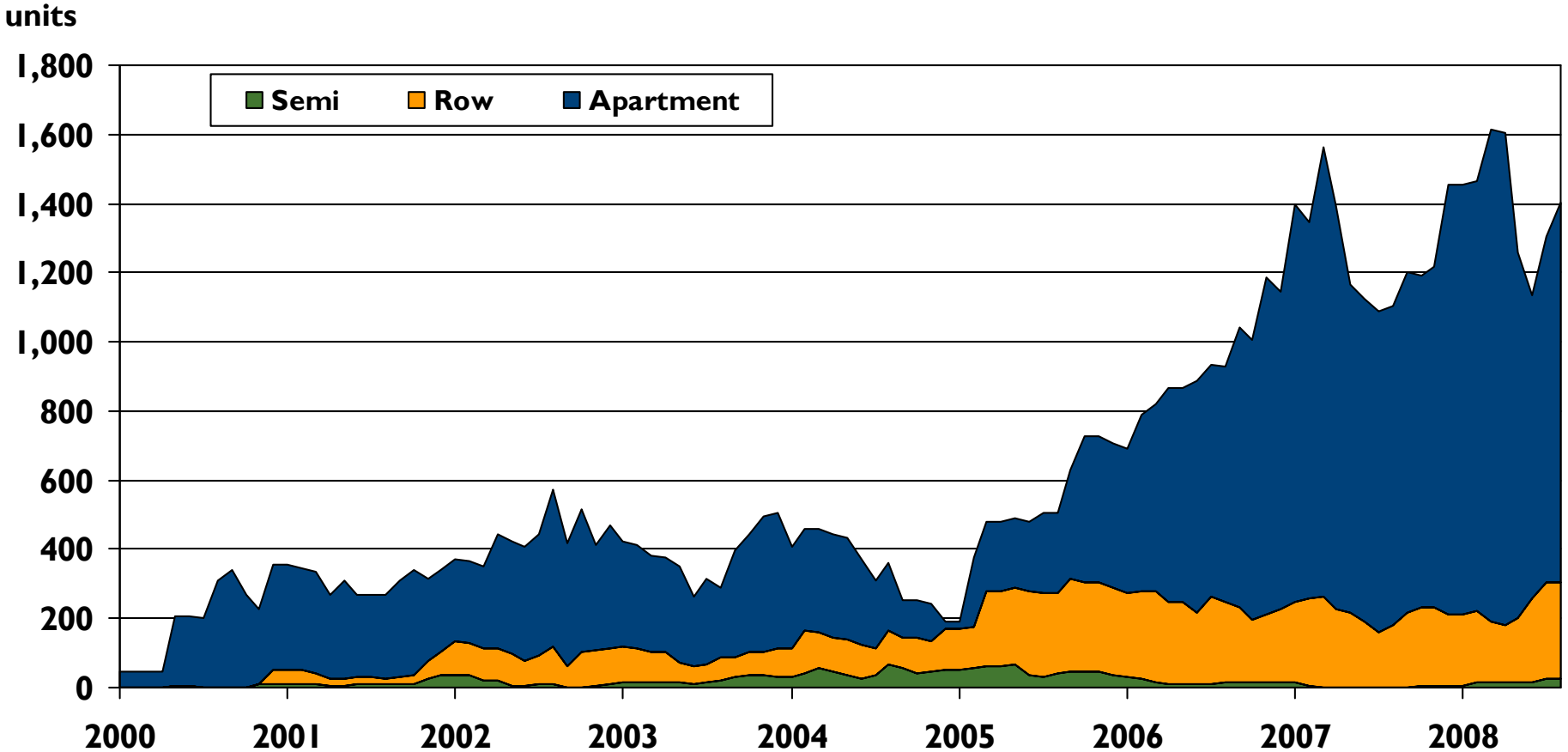
ytd units





Multi-Family Under Construction

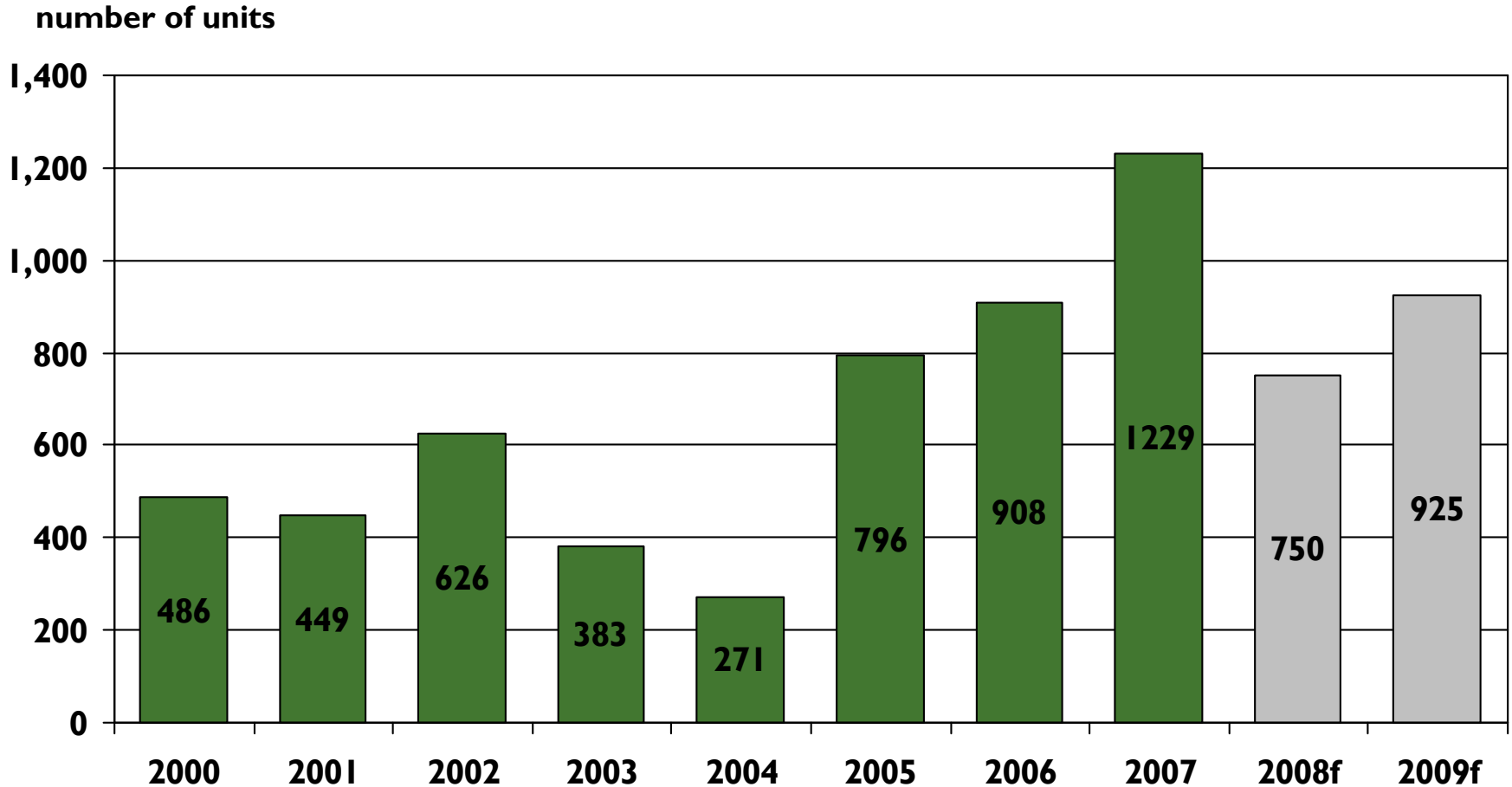
Apartment construction on the rise





Annual Multi-Family Starts

More emphasis on multi-family units in 2009.





Wood Buffalo – Forecast Summary

	2006	2007	2008f	2009f
<i>New Home Market</i>				
Single-Detached Starts	642	946	750	850
Multi-Family Starts	908	1,229	750	925
Total Starts	1,550	2,175	1,500	1,775
<i>Resale Market*</i>				
Total Sales	2,197	2,373	2,350	2,300
Total Average Price	\$371,498	\$460,768	\$540,000	\$585,000
<i>Rental Market</i>				
Apartment Vacancy Rate	0.2%	0.3%	0.1%	
Average 2-Bdrm Apartment Rent	\$1,717	\$2,085	\$2,500	

Wood Buffalo



Thank You

RICHARD CHO
MARKET ANALYST
PRAIRIE AND TERRITORIES REGION
(403) 515-2996