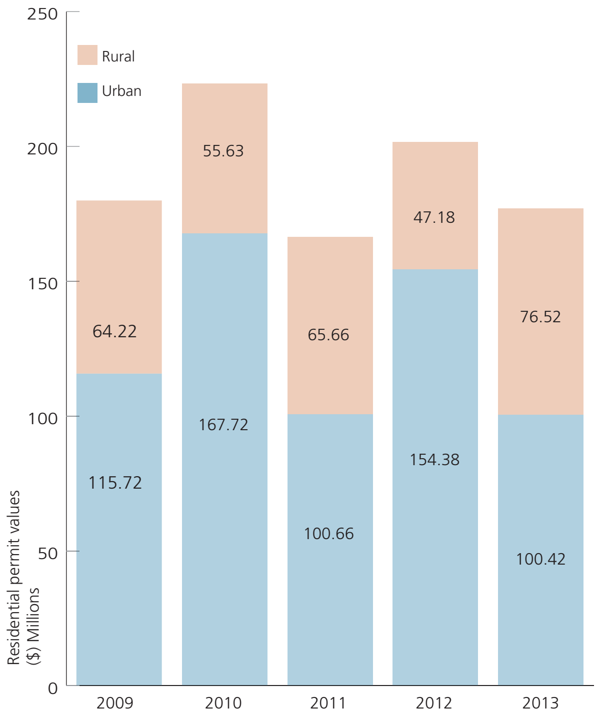
RESIDENTIAL DEVELOPMENT

Residential construction permit activity remains strong in the County with permits issued for 509 residential units, 111 of which were in a rural setting. Of the new construction permits, 57.4% were for single dwelling units. The value for all additions and renovations was $17.6 million or 9% of the total residential values.

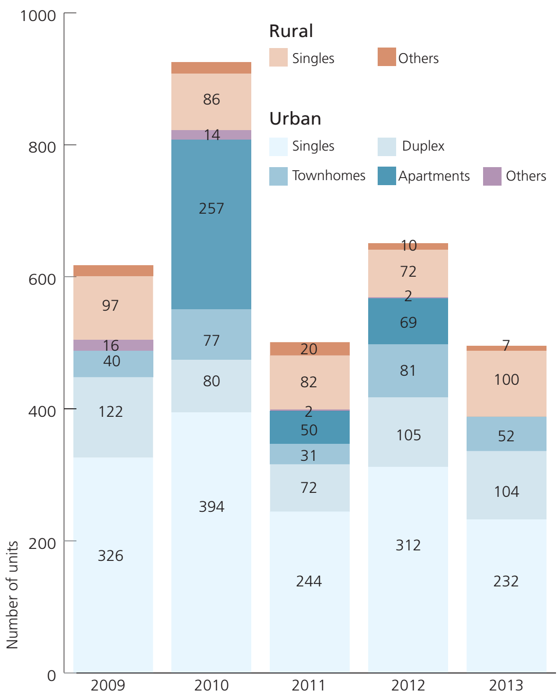
New residential construction remains relatively stable with recent years, even with the changes to mortgage qualification requirements.

In urban areas, the construction of new residential changes with the housing market demand and existing real estate supply. The industry is very good at keeping a balance of housing supply in the community. Homes in rural areas tend to be custom built for particular owners.

Residential permit values



Residential unit building permits by type



In urban areas all housing styles have seen an increase from the 2012 numbers back to average levels, while permits for residential units in rural areas had a slight reduction from 2012. This appears to be a continuing trend over the past five years.

Residential construction values

Housing starts (units)	2013	2012	Change (%)
Single family	336	367	-8.4
Multi family	225	301	-25.2
Total units	561	668	-16
Completions (units)			
Single family	329	383	-14.1
Multi family	240	430	-44.2
Total residential units	569	813	-30
Under construction (units, December 31, 2013)			
Single family	203	197	+3.0
Multi family	176	191	-7.9
Total residential units	379	388	-2.3
Complete & unabsorbed (units)			
Single family	44	72	-39
Multi family	23	101	-77.2
Total residential units	67	173	-61.3
New dwelling units absorbed in 2013			
Single family	357	375	-4.8
Multi family	249	363	-31.4
Total residential units	606	738	-17.9

As the completed unit inventory is ahead of the market, we anticipate a slight increase in unit starts from 2013.

The difference in the average sale price for 2013 was $23,323 higher than the average price in Edmonton. The average resale price for 2013 was $438,291*. The number of sales over the past year was up 0.1% from the previous year.

*Edmonton Real Estate Board (EREB)

New single-family absorbed in 2013

Style	No. absorbed	Average value
Bungalow	57	$885,415
Split level	21	$647,550
Two storey	272	$578,158
Other	7	$1,157,312
Total	357	$632,168

CMHC also tracks the rental market. Strathcona County's rental market remains very tight with the lowest vacancy rate of 19 reporting districts in the Edmonton region.

Rental information	2013	2012
Average apartment rent	$1,160	$1,067
Apartment vacancy rate	0.3 %	2.9 %
Town home vacancy rate	0 %	0%

Single family residential lot inventory

The Edmonton Housing Research Corporation tracks residential lot inventories. Sherwood Park has 211 vacant lots in inventory and another 79 presently considered for development as of December 31, 2013. This provides an estimated 0.86 year supply of serviced lots. This compares to an estimated 1.81 year supply for the entire Edmonton Region.

Single family resale market

The resale market comparisons depend on a point in time comparison. The following are comparisons of the average December 2013 sale price compared to previous years:

December 2012	+4.3 %
December 2011	+5.3 %
December 2010	+4 %
December 2009	+8.1 %
December 2008	+6.9 %