

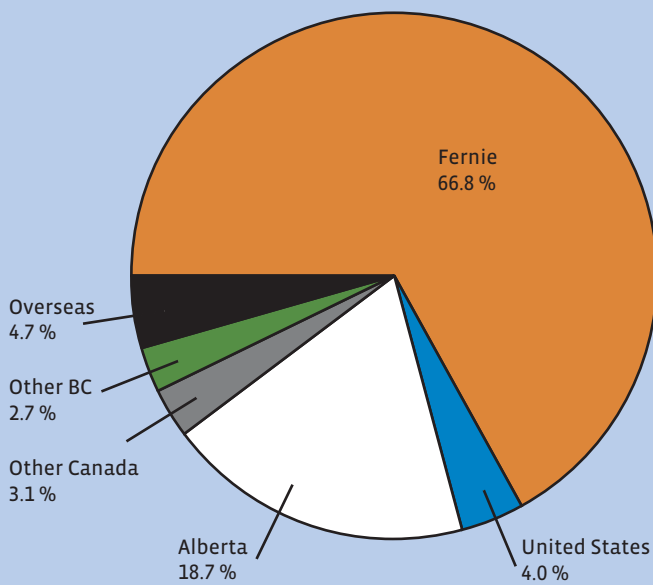
Housing Development

Fernie has developed as a world-class destination for winter and summer recreational activities. The influx of amenity migrants is accompanied by an increased demand for high-end housing. This has created numerous business opportunities for the skilled tradespeople, timber framers, interior designers/decorators and other businesses that service high-end mountain recreation properties.

HIGHLIGHTS:

The City of Fernie estimates that 75% of new housing development in recent years has been for non-residents. These non-residents come from near (neighbouring Alberta) and far (Australia, the United Kingdom, and throughout the United States) to purchase a second home or vacation property in Fernie. The majority of these amenity migrants desire high-end housing to enhance their recreational experience yet, Fernie remains a reasonably affordable alternative to the mature real estate markets in Whistler, Banff and Canmore.

OWNERSHIP OF FERNIE RESIDENCES



Source: City of Fernie

Recent housing developments in Fernie, including River Rock Lodge and Pinnacle Ridge Alpine Resort, have sold the majority of their units to British purchasers. Developments at Fernie Alpine Resort are sold primarily to Albertans, while other developments have seen substantial uptake by Americans from as far away as New York and Texas. Single family housing prices increased by an average of 15% per year from 1993 to 2005, driven in large part by this investment in recreational properties.

The City of Fernie recognizes in its Official Community Plan the need to develop 1,000 to 1,200 new dwelling units over the next 20 years. Current demand appears to validate even higher estimates as a single project, Blackstone Resort (centred on a Greg Norman-designed championship golf course), has plans for nearly 1,500 units alone.

It is reasonable to assume steady absorption of 50-60 or more residential units in Fernie per year, at least 75% of which are high-end units aimed at recreational purchasers. Demand for these high-end properties is much more robust than for the regular housing market. It is driven by individuals from around the world who are pursuing quality recreation and a stable investment in a finite market for world-class mountain properties.

Fernie's proximity to other developing resort communities such as Kimberley and Invermere also creates a larger market demand for skilled local tradespeople and craftsmen. A Fernie location can easily serve as a base for business activities throughout the Kootenay region.