



STRONG ECONOMY VERSUS HOUSING HEADWINDS

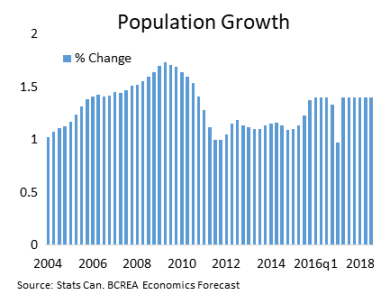
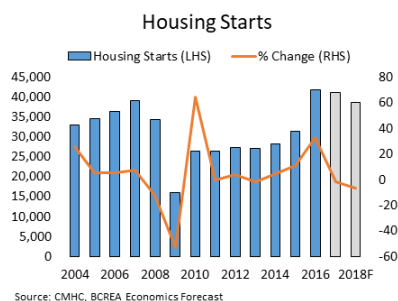
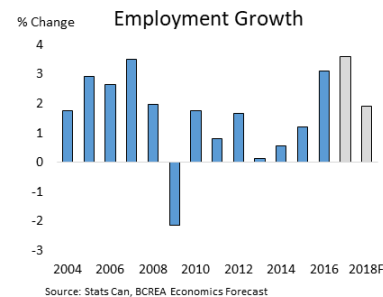
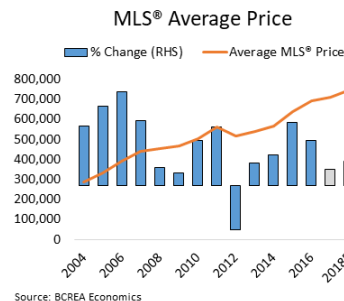
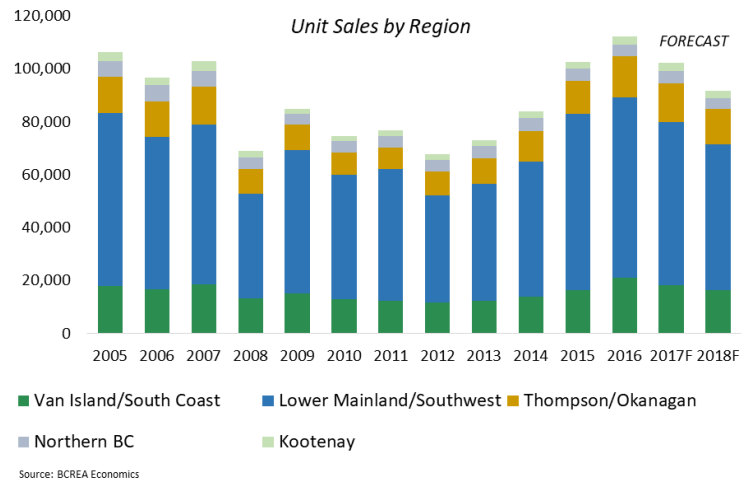
Multiple Listing Service® (MLS®) residential sales in the province are estimated to reach 102,350 units this year, a decline of nearly 9 per cent from a record 112,200 unit sales in 2016. MLS® residential sales are forecast to decrease a further 10 per cent to 91,750 units in 2018. Housing demand is expected to remain above the ten-year average of approximately 85,000 units through 2018. The BC housing market is being supported by a strong-performing economy and corresponding employment growth, as well as associated consumer confidence.

The BC economy is forecast to expand by 3.8 per cent this year, the fourth consecutive year of 3 per cent or more real GDP growth. The cumulative effect has fueled employment growth to its strongest performance in almost 20 years. Since January 2015, the province has added nearly 180,000 jobs. This has bolstered consumer confidence, with retail sales in BC expected to increase by an extraordinary 9 per cent this year.

While provincial economic conditions appear to be on a sound footing, the housing market will face increasing headwinds in 2018. A rising interest rate environment will certainly erode affordability in the new year, while tougher mortgage qualifications for conventional mortgagors will reduce their purchasing power by up to 20 per cent. In addition, the high level of net migration from other provinces, especially Alberta, over the past few years is expected to wane, which will slow overall population growth. These factors will likely be exacerbated by home prices that are already elevated after several years of significant rates of growth.

The supply of homes for sale is now trending at or near decade lows in most BC regions. The imbalance between supply and demand has been largely responsible for rapidly rising home prices. While slowing demand will help alleviate these conditions, the expansion of the housing stock is necessary to slow the ascent of home prices. There are now over 56,000 units under construction in the province, up 54 per cent over the last 24 months. Many of these units will be completed in 2018, adding much-needed supply to the market. The combination of slowing housing demand and a rising inventory of homes for sale is expected to move the market toward balanced conditions next year, and lead to less upward pressure on home prices.

MLS® Residential Sales British Columbia



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ECONOMIC OUTLOOK

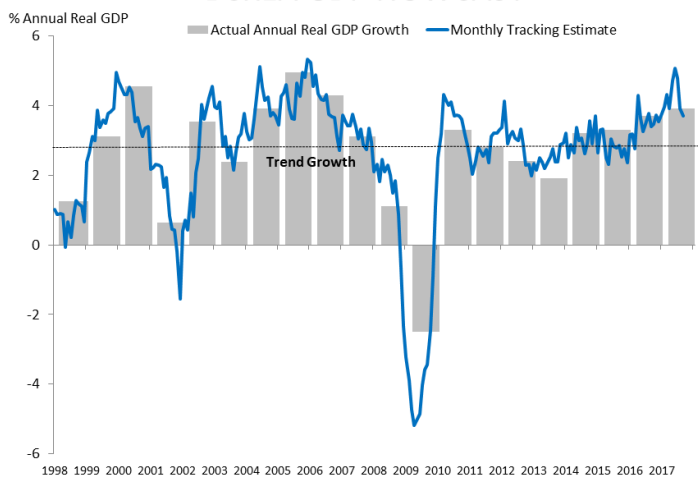
The BC economy is enjoying almost unprecedented growth, rivaled only by the economic boom of the mid-2000s. Economic growth, as measured by real GDP, is forecast to reach 3.8 per cent in 2017, the fourth consecutive year of growth above 3 per cent. This prolonged period of economic growth has fueled the strongest employment growth in almost 20 years, trending near 4 per cent. As a result, the provincial jobless rate is at its lowest level in nearly a decade.

BC Economic Outlook	2016	2017F	2018F
Real GDP Growth (%)	3.5	3.8	2.8
Employment (millions)	2.380	2.465	2.512
Employment Growth (%)	3.1	3.6	1.9
Unemployment (000s)	152.9	146.7	138.9
Unemployment Rate (%)	6.0	5.4	5.0
Personal Disposable Income (\$billions)	176.0	183.8	192.0
Personal Disposable Income Growth (%)	5.3	4.4	4.4
Average Weekly Wage	920.9	937.5	951.6
Weekly Wage Growth (%)	0.8	1.8	1.5
Retail Sales (\$billions)	76.9	83.8	88.8
Retails Sales Growth (%)	7.4	9.0	6.0
Range of Posted 5-year Fixed Mortgage Rate	4.64-4.74	4.64-4.99	4.99-5.15

Source: BCREA Economics, Statistics Canada

1 per cent. Canadian borrowing rates have risen in turn, with contracted 5-year fixed mortgage rates now above 3 per cent for the first time since 2014 and the 5-year qualifying rate approaching 5 per cent. Higher interest rates make the burden of elevated household debt more onerous, meaning a tightening of household budgets and slower growth in consumption spending. The sudden change in monetary policy is not due to higher inflation, which has yet to materialize, but rather stronger growth in the Canadian economy. Further rate increases are likely over the next year, which are expected to push the average 5-year fixed mortgage to 3.44 per cent and the 5-year mortgage qualifying rate to 5.15 per cent by the end of 2018.

BCREA GDP NOWCAST



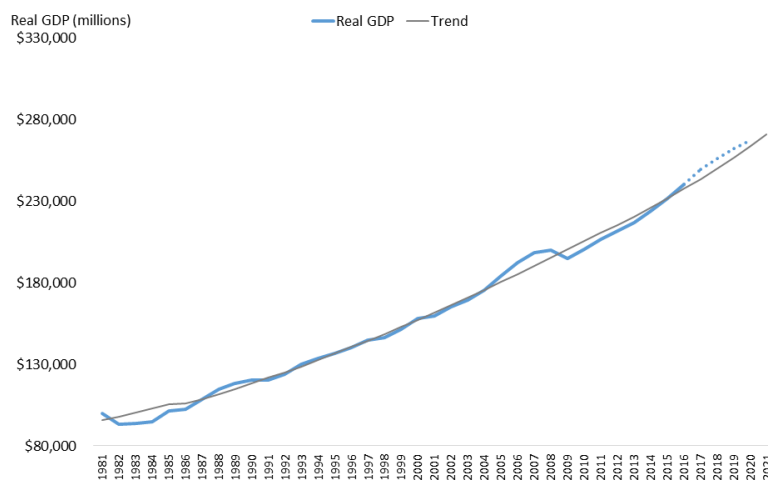
Source: BCREA Economics

However, there are several reasons why the current pace of growth may not continue.

First, economies that have experienced long periods of above-trend growth tend to bump up against capacity constraints, particularly in the labour market where low unemployment is a signal of a fully utilized labour force. High levels of international and interprovincial migration have helped drive labour force growth. However, growth from net migration probably can't be pushed much higher.

Second, rising interest rates and tougher new mortgage regulations will slow consumer spending and housing demand. The Bank of Canada raised its overnight interest rate twice this year, bringing its key policy rate back to

BC Real GDP vs Trend



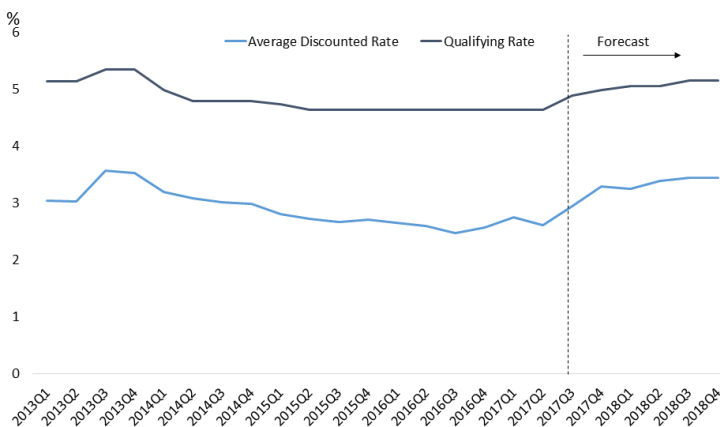
Source: Statistics Canada, BCREA Economics

Compounding the impact of tighter monetary policy, the Office of the Superintendent of Financial Institutions (OSFI), the federal banking regulator, announced further restrictions on mortgage regulations that come into effect January 1, 2018. All non-insured borrowers (those with at least a 20 per cent down payment) will need to qualify at either the posted 5-year fixed mortgage rate or their contract mortgage rate plus 200 basis points, whichever is higher. While we expect these new qualifying rules to slow home sales, home prices may not be affected as a result of low existing supply in the market.

Finally, uncertainty around NAFTA has the potential to endanger strong growth in the BC manufacturing and export sector. BC manufacturing sales are up 7.5 per cent in 2017, while the dollar value of exports is up nearly 18 per cent. However, higher Canadian interest rates have pushed the Canadian dollar higher, contributing to slower overall export growth in Canada. Meanwhile, the forestry sector is grappling with US-imposed softwood lumber tariffs. Its impact has reversed a previously robust recovery in the sector. With ongoing uncertainty over the future of NAFTA, further negative consequences for the BC trade sector could be forthcoming.

Given these potential headwinds, we expect economic growth in the province to slow next year. The BC economy is forecast to expand at the slower, but respectable, rate of 2.8 per cent in 2018. While that rate of growth is a step down from the greater than 3 per cent heights of the past four years, the provincial economy will continue to be supported by favourable demographics, a robust labour market and a well-diversified economy.

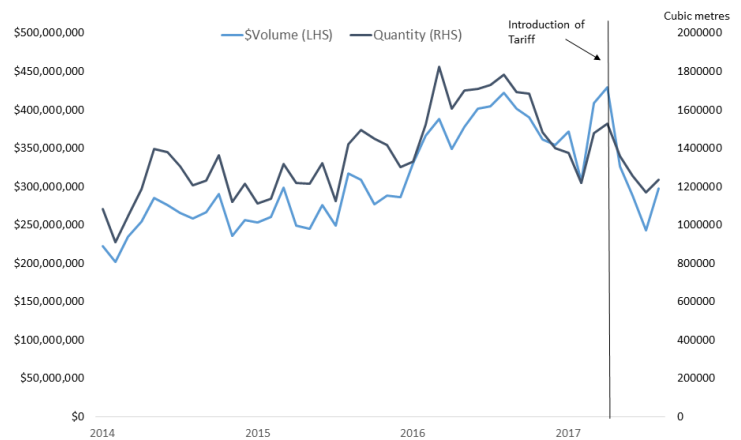
5-Year Fixed Mortgage Rates



Source: BCREA Economics, Bank of Canada, Rate Spy

Instead, a moderate rise in the supply of homes will help bring the housing market closer to balance between demand and supply. Some of that supply will originate from long-awaited completions of housing units in the pipeline for several years. There are approximately 56,000 residential units under construction across the province, including 39,700 units in the Metro Vancouver area. As these homes are completed, the housing stock will expand at an elevated pace, providing much-needed supply for consumers.

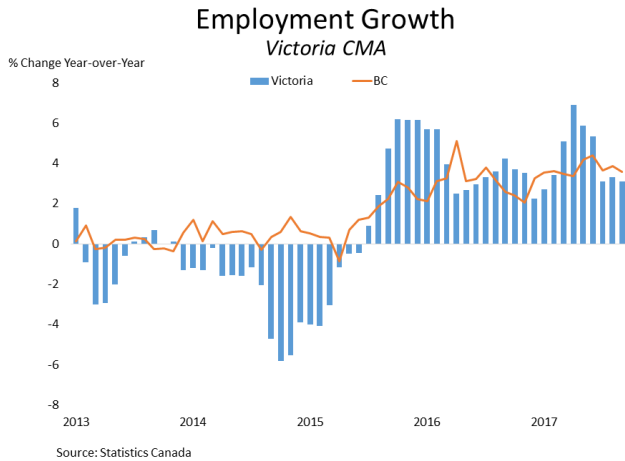
BC Softwood Lumber Exports to the United States



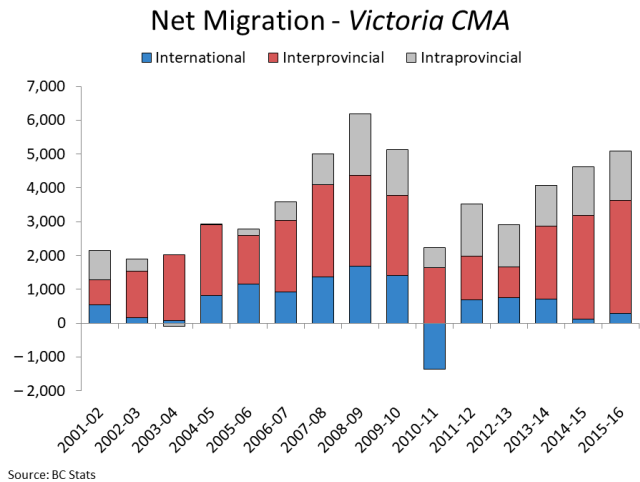
Source: BC Stats

VANCOUVER ISLAND-COAST

The Victoria, Vancouver Island and Powell River real estate boards service the Vancouver Island-Coast region of the province. Housing demand has remained elevated in the region, as a strong performing economy has induced employment and population growth, as well as consumer confidence.



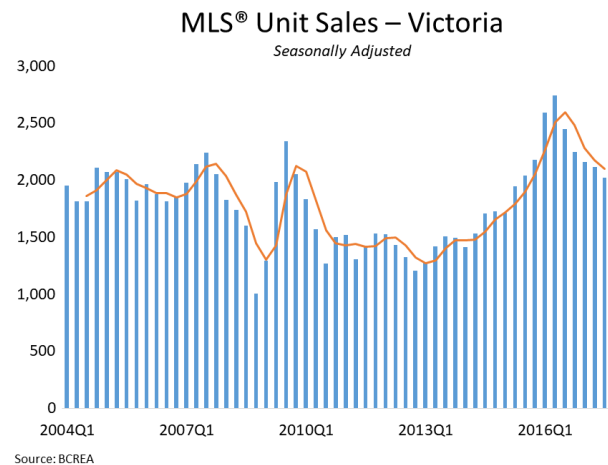
Surging employment in both Greater Victoria and the entire Vancouver Island-Coast region over the past two years has helped underpin housing demand. In addition, migration to the region has increased significantly over the last several years. Households are drawn by the region's hospitable climate, relative affordability and burgeoning employment opportunities. Retirees are also an important factor, as Vancouver Island communities have some of the highest concentrations of seniors in the province.



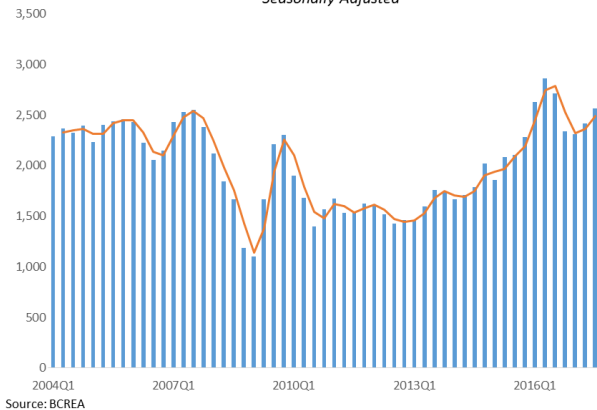
On the negative side, there has been a pull-back in tourism as a relatively strong Canadian dollar has made international visits more expensive. However, with the loonie now falling against the US greenback, look for a recovery in this sector in 2018.

After last year's record-breaking performance, Multiple Listing Service (MLS®) residential sales are expected to be down by 16 per cent this year in Victoria and nearly 9 per cent on Vancouver Island. However, 2017 will still mark one of the strongest years of housing demand ever recorded for the region.

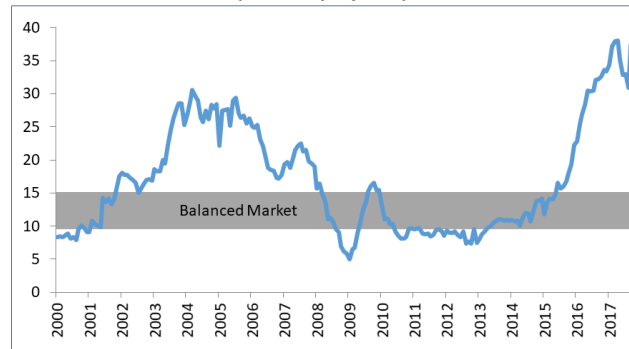
Strong consumer demand has not been met with a commensurate increase in the number of homes for sale. In fact, market conditions are even more tilted toward home sellers today than a year ago. There were just 2.2 months of inventory in Victoria at the end of October, far from what is considered a balanced market with 5 to 7 months' supply. On the rest of Vancouver Island, there were 2.7 months of supply during the same



MLS® Unit Sales – Vancouver Island
Seasonally Adjusted



Vancouver Island Real Estate Board
Sales-to-Active Listings Ratio
(Seasonally Adjusted)



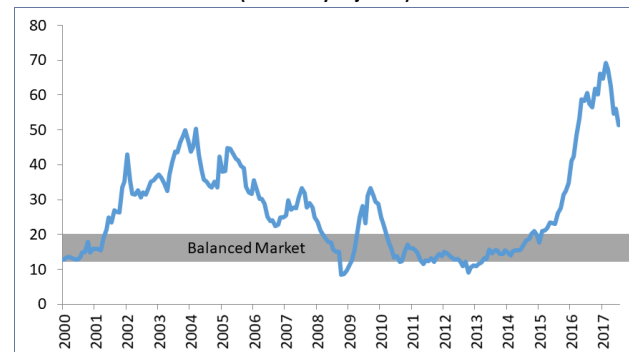
Source: BCREA

period, below the area’s balanced threshold of 7 to 10 months of supply. This dynamic has created significant upward pressure on home prices across the region and will continue to exert upward pressure on home prices until the supply of homes for sale increases, consumer demand declines or both.

Homebuilders have responded to the lack of supply by ramping up construction. The number of residential units under construction in the Victoria CMA reached a record at nearly 4,200 units in October. In the Nanaimo CA, there are over 1,100 units under construction, up 56 per cent from two years ago. Many of these units are expected to complete in 2018, and will provide much-needed supply to the overall housing stock.

A strong-performing economy with related employment growth is expected to support the housing market in 2018. Demographic trends will also operate to bolster housing demand. However, a rising interest rate environment will further erode

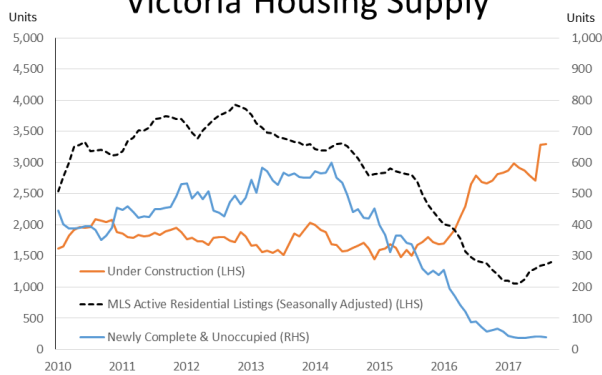
Victoria Real Estate Board
Sales-to-Active Listings Ratio
(Seasonally Adjusted)



Source: BCREA

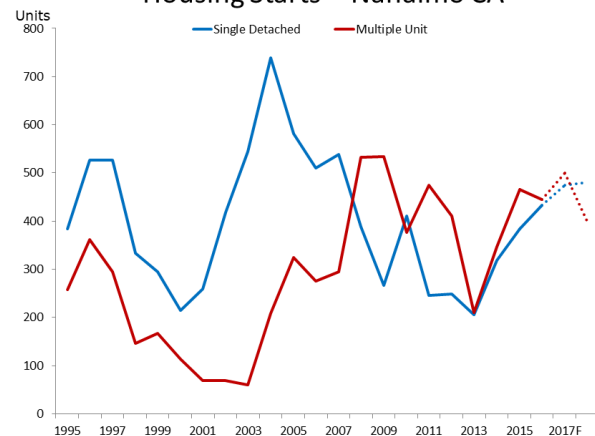
affordability, as will more stringent mortgage qualifications for conventional mortgagors that may pull as much as 20 per cent of the purchasing power away from high-equity buyers. These factors are expected to temper demand next year and, when combined with additional supply, will move the region’s housing market toward more balance and reduce upward pressure on home prices.

Victoria Housing Supply



Source: CMHC, VREB, BCREA Economics

Housing Starts – Nanaimo CA



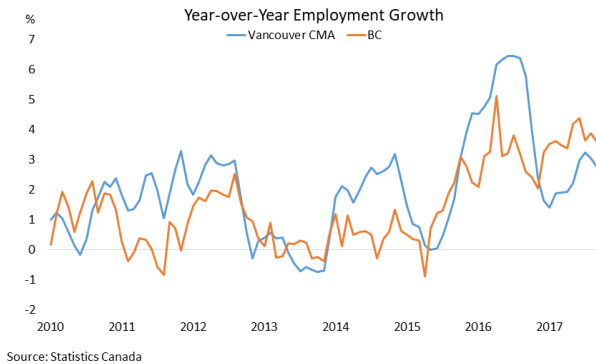
Source: CMHC, BCREA Economics

LOWER MAINLAND-SOUTHWEST

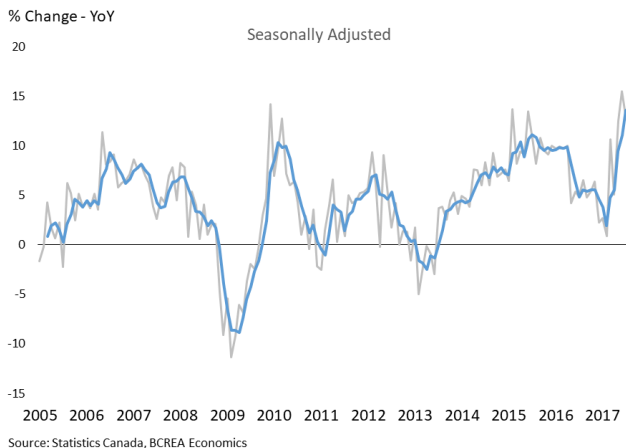
The Real Estate Board of Greater Vancouver, the Fraser Valley Real Estate Board and the Chilliwack and District Real Estate Board service the Lower Mainland-Southwest region of the province. The area accounts for approximately 60 per cent of the housing demand in the province.

Housing demand in the region continues to underpin a strong-performing economy. With the province now four years into above-trend growth, the region is benefiting from rising employment and consumer confidence. Employment growth has trended near 3 per cent in 2017, with the unemployment rate declining to close to 4 per cent. Tighter labour markets have also led to rising wages and consumer confidence. This has been reflected in double-digit growth in retail sales, and strong housing demand.

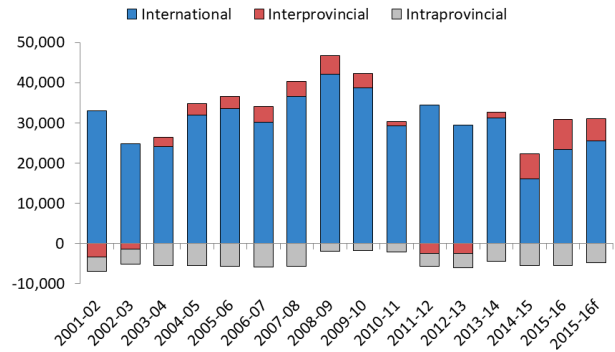
Employment Growth



Retail Sales Growth – Vancouver CMA



Net Migration - Vancouver CMA

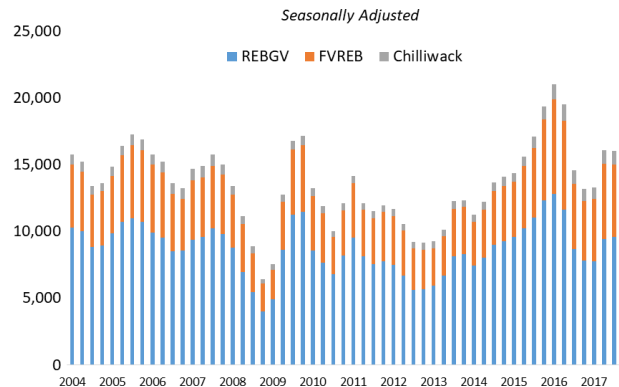


Sources: BC Stats, Statistics Canada, BCREA Economics

Population growth is being fueled by international and interprovincial migration. However, population growth has slowed in Metro Vancouver in recent months, while increasing in the Abbotsford CMA. Housing affordability and availability may be acting as a constraint to population growth in Vancouver. In addition, better performance of the Alberta economy is expected to reduce migrant flows from that province.

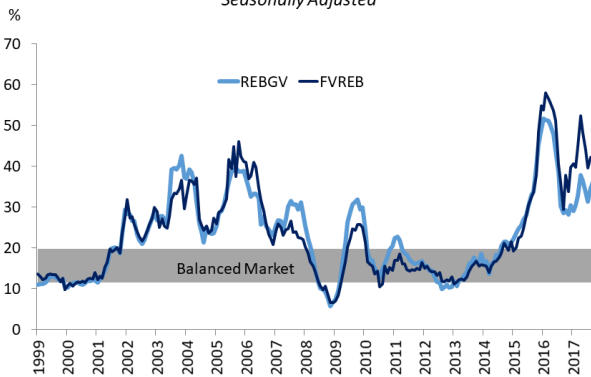
Residential sales have rebounded from levels of a year ago, up 25 to 35 per cent in Vancouver, the Fraser Valley and Chilliwack in October. However, year-to-date transactions were down 10 to 14 per cent, reflecting moderation from the record demand in the first quarter of 2016. This acceleration is due to overall economic performance and the additional effects of employment growth and consumer

MLS® Unit Sales – Lower Mainland



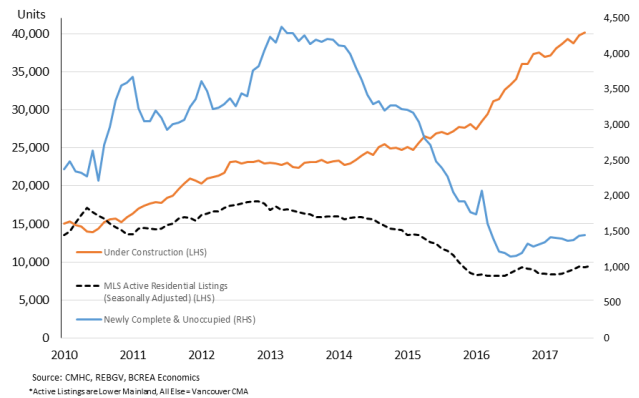
Source: BCREA

Sales-to-Active Listings Ratio
Seasonally Adjusted



Source: BCREA

Metro Vancouver Housing Supply



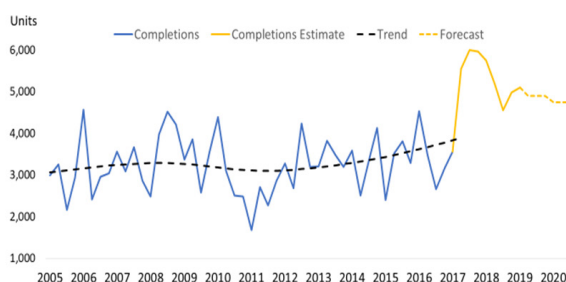
Source: CMHC, REBGV, BCREA Economics
*Active Listings are Lower Mainland, All Else = Vancouver CMA

confidence, plus broader demographic trends—especially the millennial generation entering their household-forming years.

The supply of homes for sale continues to remain at near-decade lows. Total active residential listings are down 5 per cent over the past 12 months in the Lower Mainland. A relatively low level of supply in the face of strong consumer demand is keeping overall market conditions firmly in seller’s market territory. However, market conditions vary by product type. The detached market in Vancouver and the Fraser Valley is exhibiting relative balance, while the attached and apartment markets are significantly undersupplied.

In the face of dwindling supply, homebuilders have ramped up production. Housing starts in Metro Vancouver were up 40 per cent last year and continue at an elevated pace. As a result, there are approximately 40,000 units currently under construction, 55 per cent above the 2008 peak of 27,000 units.

Multi-Family Completions
Vancouver CMA



Source: CMHC, BCREA Economics Calculations

The vast majority of new construction is multi-family units. However, there is a significant lag between a housing start and its eventual completion, especially with multi-family construction. As a result, multi-family completions are expected to climb 50 per cent over the next several quarters, providing much-needed supply to the market.

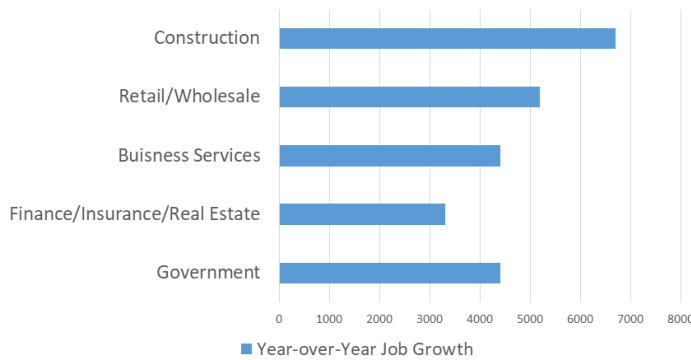
While the housing market will continue to be supported by employment and population growth in 2018, a rising interest rate environment and tighter mortgage qualifications will reduce demand. Perhaps more importantly, the region has recently experienced two waves of rapid price escalation: detached homes in 2016 and multi-family homes this year. It is unlikely that home prices can maintain this degree of upward momentum much longer. Look for more balanced market conditions in 2018, as a surge in new home completions bolsters supply and eroding affordability tempers demand.

Residential sales through the Real Estate Board of Greater Vancouver, the Fraser Valley Real Estate Board and the Chilliwack and District Real Estate Board are expected to decline 8 to 11 per cent in 2018, with average home prices increasing at a more modest 4 to 6 per cent.

THOMPSON-OKANAGAN

The Thompson-Okanagan region is served by the Okanagan Mainline and South Okanagan real estate boards, as well as the Kamloops and District Real Estate Association. The region accounts for approximately 15 per cent of residential sales in the province.

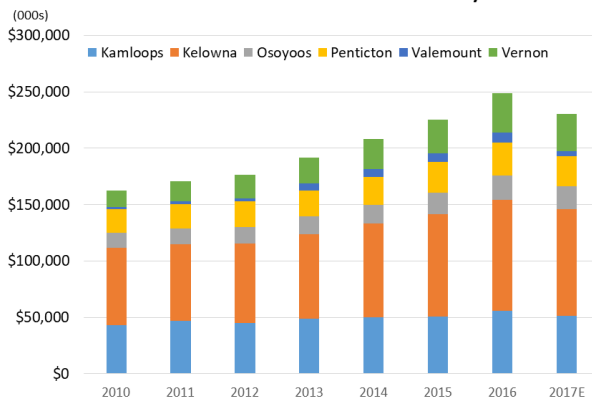
Source of Employment Growth
Thompson/Okanagan



Source: Statistics Canada

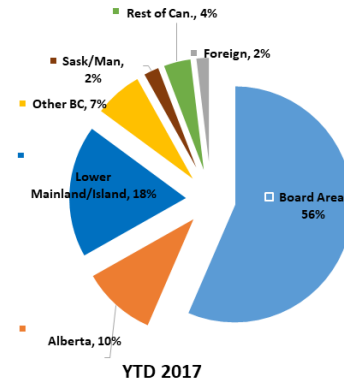
The Thompson-Okanagan region is contributing to the strong performance in the provincial economy. The past four years of above-trend growth in BC has induced upturns in employment, population and consumer confidence. Employment growth in the region has trended above 5 per cent for most of the year, with construction, retail and wholesale trade and business services posting notable gains. While tourism has edged back from last year's high-water mark, the decline is largely due to a stronger Canadian dollar earlier in the year. A weaker loonie is expected to prevail in 2018, which should contribute to further growth in the Thompson-Okanagan tourism sector.

Tourism - Hotel Room Revenues by Market

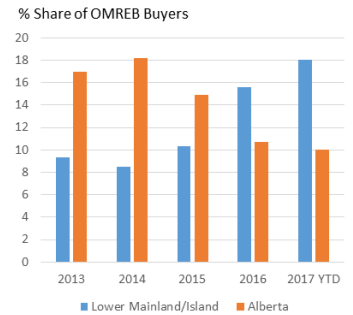


Source: BC Stats

Home Buyer Origins
Okanagan Mainline Estate Board



Source: OMREB

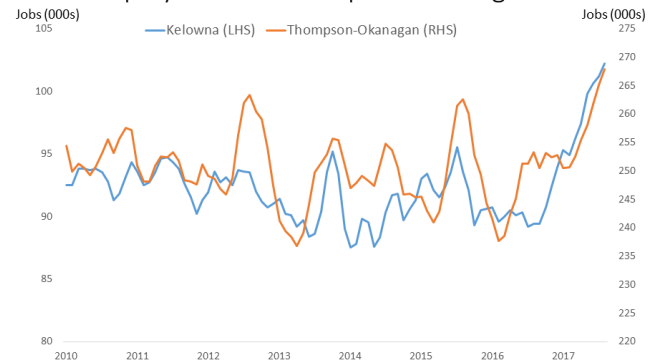


Net migration to the region has underpinned overall population growth, with a marked increase in interprovincial migrants over the past few years. There has also been a notable increase in households moving to the region from other parts of the province, creating elevated housing demand and rising home prices.

Homebuyers in the Okanagan Mainline Real Estate Board area are almost as likely to originate from outside the region as they are from within it. About 25 per cent of homes are sold to buyers from other regions of the province. Another 16 per cent are bought by people from other provinces. In addition, a decline in the proportion of homebuyers from Alberta has been offset by a commensurate rise in demand from the Lower Mainland and Vancouver Island.

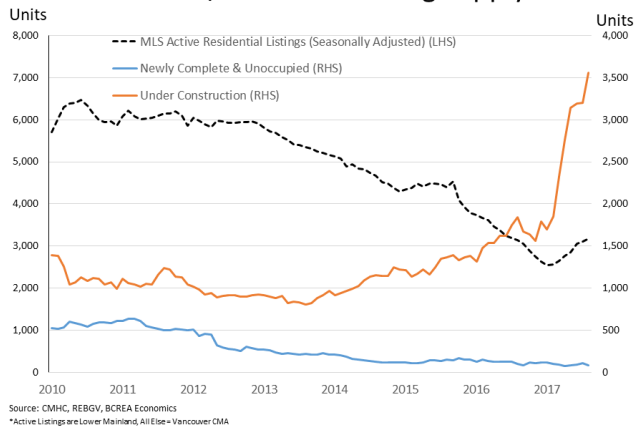
Housing demand in the region has eased back from last year's exceptional performance. Within

Employment in Thompson Okanagan

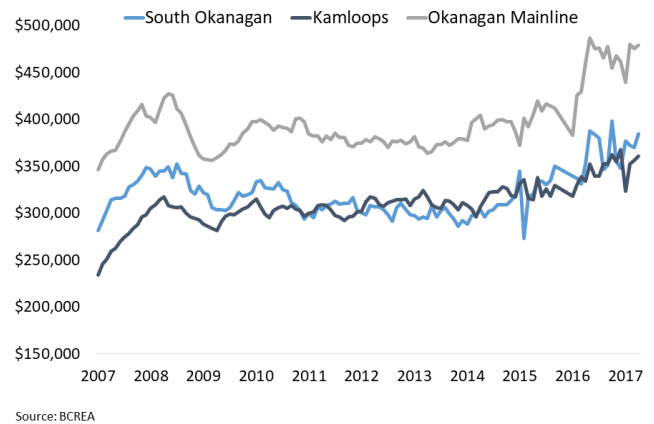


Source: Statistics Canada

OMREB/Kelowna Housing Supply



Thompson-Okanagan MLS® Average Price



the region, MLS® residential sales in Kamloops are expected to rise 3 per cent this year, while the Okanagan Mainline and South Okanagan areas are expected to post a decline of 9.3 per cent and 1.4 per cent, respectively. However, housing demand has remained at an elevated level across the Thompson-Okanagan region.

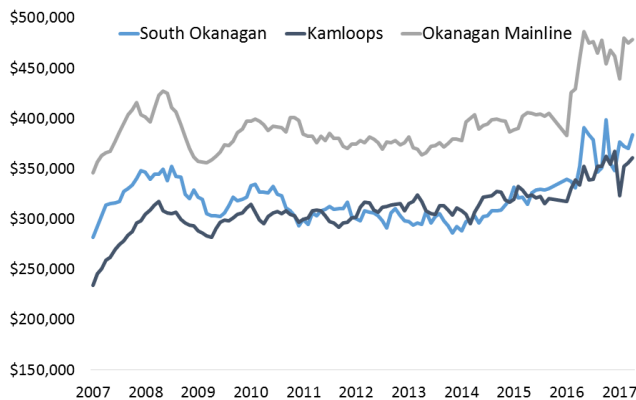
to ramp up new construction activity. For example, the number of homes under construction in the Kelowna CMA has more than doubled since the beginning of the year, with Kamloops also approaching a record level.

Supply remains constrained across the region. The supply of homes for sale has declined 21 per cent in Kamloops over the past year, leaving just 3.7 months of supply in the market at the end of October. Market conditions in Kamloops are the tightest of the BC interior communities this year. Both Okanagan Mainline and South Okanagan have seen little change in supply, and remain sellers' markets with only 4 to 5 months of supply. A balanced market in the Okanagan typically exhibits 8 to 12 months of supply.

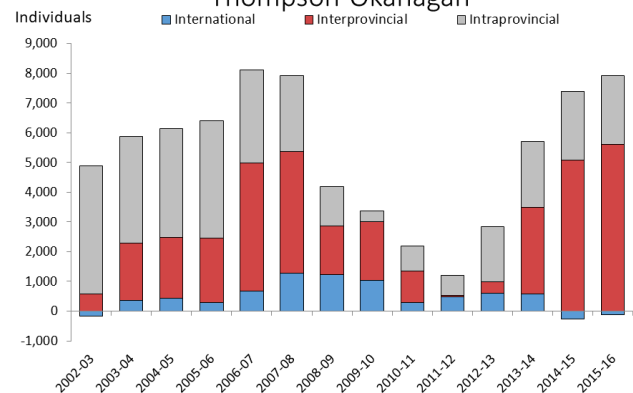
The Thompson-Okanagan housing market is expected to be supported by strong economic conditions in 2018. However, there are emerging headwinds to housing demand. A rising mortgage interest rate environment will erode affordability. Tougher mortgage qualification rules will reduce buying power by as much as 20 per cent for those with conventional, uninsured mortgages. A marked rise in new home completions will increase the housing stock. As a result, home prices are expected to be relatively stable next year, with greater balance between demand and supply. As a result, home prices are expected to exhibit relative stability in the region next year, as greater balance emerges between demand and supply.

Tight supply conditions have induced homebuilders

Thompson-Okanagan MLS® Average Price



Net Migration Thompson-Okanagan



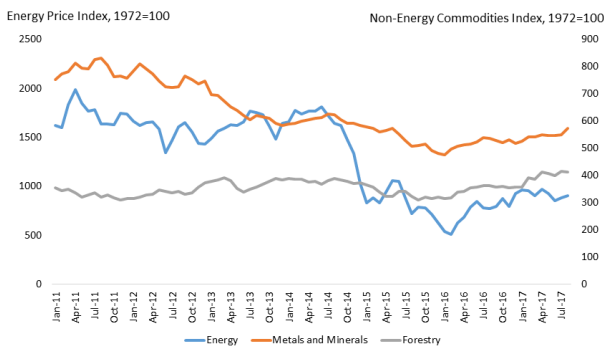
Source: BCREA

Sources: BC Stats, Statistics Canada, BCREA Economics

NORTHERN BC

The BC economy has posted above-trend economic growth for several years, while the economy in the north continues to grapple with the slower demand in the commodities sector. While commodity demand has begun to trend higher, the recovery remains uneven, keeping many commodity-intensive local economies in the Northern region from sharing in the broader provincial economic prosperity.

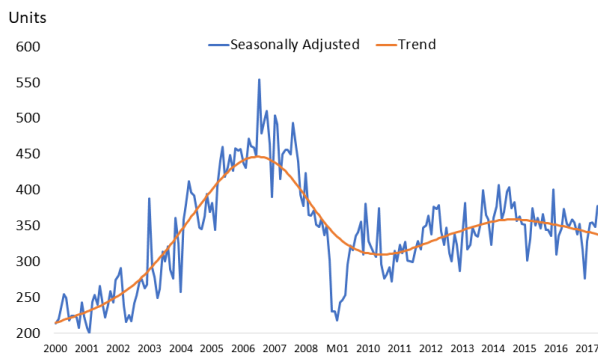
Commodity Prices



Source: Bank of Canada

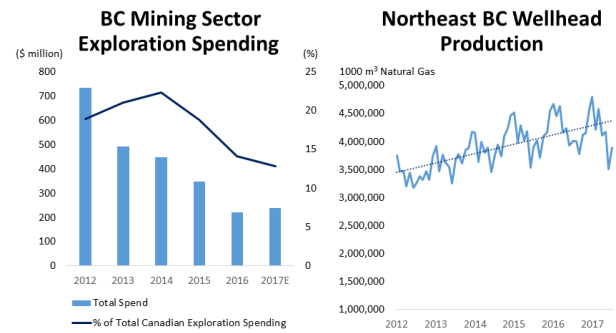
Prince George, Quesnel and Williams Lake tend to be less exposed to the global commodity cycle and have managed to post modest growth in housing demand this year. Many northern communities, however, still face difficult market conditions as investment in mining and oil and gas projects, along with attendant employment gains, has slowed in recent years. Kitimat and Prince Rupert were dealt a further blow earlier this year with the announcement that major LNG terminal projects

MLS® Unit Sales – BC Northern



Source: BCNREB, BCREA Economics

Northern Mining, Oil and Gas



Source: NRCAN; BC Stats

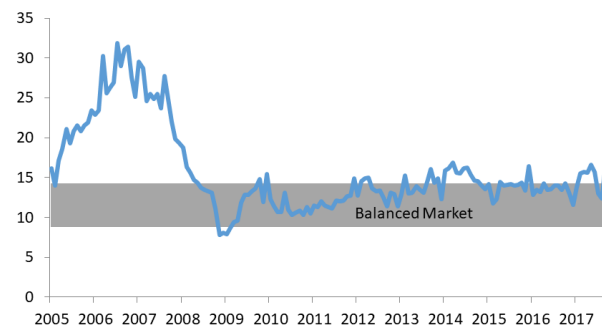
were cancelled or delayed due to lackluster global energy markets. The regional economy is also absorbing real and potential threats from punitive trade restrictions, tariffs and the renegotiation of NAFTA. In particular, tariffs on the forest sector implemented by the United States have halted a turnaround in BC exports of softwood lumber.

Higher mortgage rates and more stringent qualifications on uninsured mortgages will reduce buying power and affordability.

New mortgage rules require borrowers with more than 20 per cent equity to qualify at a rate at least as high as the 5-year posted mortgage rate. This will erode purchasing power by as much as 20 per cent, and will likely cause some prospective buyers to delay home purchases. In addition, effective mortgage rates are expected to rise from an average of 2.8 per cent in 2017 to 3.4 per cent in 2018.

BC Northern Real Estate Board

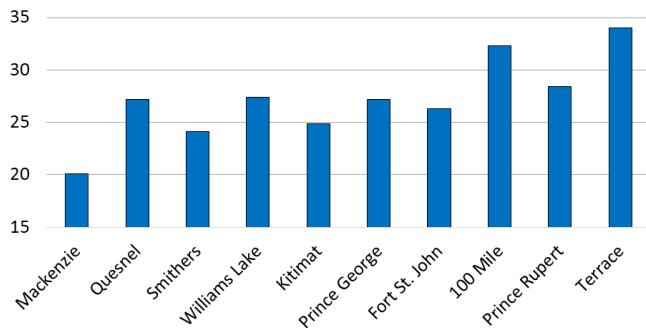
Sales-to-Active Listings Ratio (Seasonally Adjusted)



Source: BCREA

Relative Housing Affordability

% Household Income Required for Typical Detached House (2016)



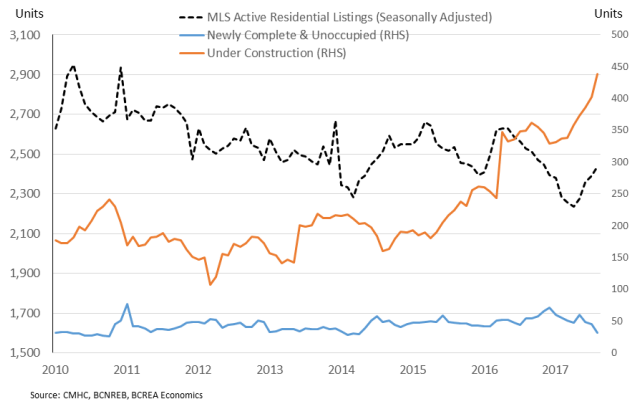
Source: BCNREB, BCREA Economics

This will translate to higher monthly carrying costs for homeowners next year, and further limit the purchasing power of homebuyers.

Despite this backdrop, the Northern BC region has posted a 1 per cent increase in home sales this year. However, housing demand is expected to trend lower in 2018, with home sales decreasing 9.3 per cent to 3,720 units.

Relatively steady consumer demand in the north has been met with a gradual and persistent decline in supply of homes for sale. As a result, market conditions have remained near balance over the past several years. After an estimated 5 per cent increase to \$277,000 this year, the average residential price across the north is forecast to rise a further 1.4 per cent to \$281,000 in 2017.

Prince George Housing Supply



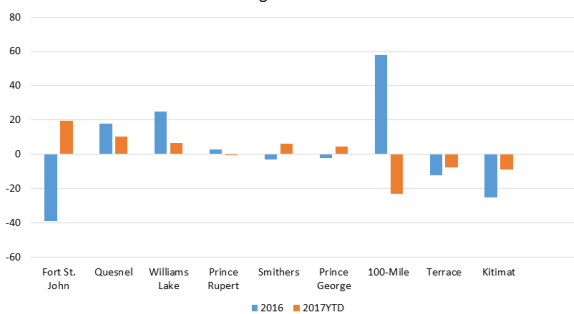
Source: CMHC, BCNREB, BCREA Economics

Total housing starts in the Prince George CA climbed 53 per cent last year, largely the result of a nearly threefold increase in multiple starts. However, many of those units are still under construction, and the imminent completion of these homes will add much-needed supply to the market. This elevated level of homebuilding has many homebuilders working near capacity, which will contribute to fewer housing starts both this year and in 2018, meaning a decline in housing starts of about 11 per cent this year and 16 per cent in 2018.

While northern housing markets are expected to experience some demand-side headwinds, it should be noted that the region has been particularly resilient to the post-recession commodity downturn, and that housing demand has not experienced the volatility that was characteristic of historic commodity cycles.

Sales by BC Northern Market Area

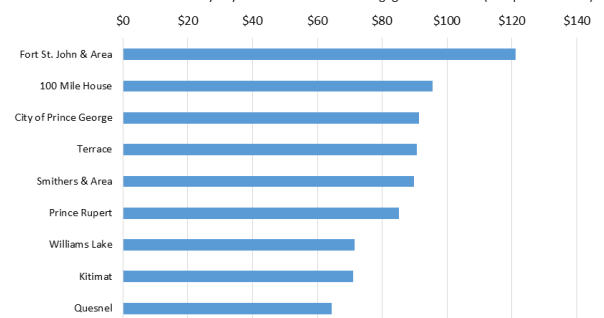
YTD %Change in MLS® Unit Sales



Source: BCREA

Potential Impact of Higher Mortgage Rates

Increase in Monthly Payment Based on 2018 Mortgage Rate Forecast (Compared to 2017)



Source: BCREA Economics

KOOTENAY

A strong-performing regional economy has created the highest level of employment growth in the Kootenay region since 2007. After lackluster performance in 2016, employment in the region is up over 9 per cent during the first three quarters of the year, totaling 6,000 jobs.

The region’s key sectors, like tourism and coal mining, have performed well this year. Hotel revenues across the region have maintained the robust levels recorded in 2016, as a low Canadian dollar in the first half of the year bolstered tourism from both the United States and from Canadians seeking to maximize their purchasing power.

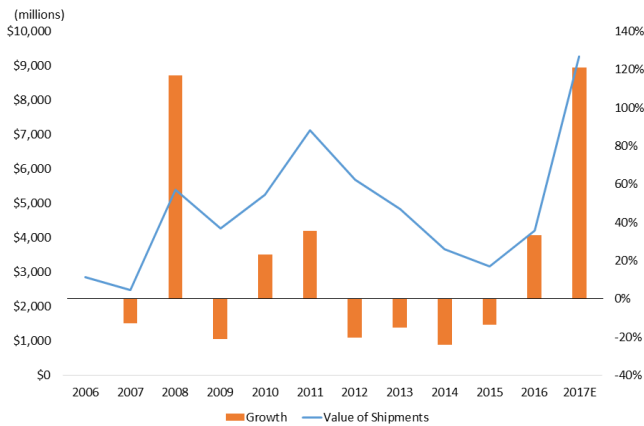
Kootenay Region Employment Growth



Strong economic conditions are underpinning housing demand, with MLS® home sales on pace to rise more than 10 per cent in this year to their highest level in a decade. However, rising mortgage rates and tighter mortgage qualifications are expected to temper demand in 2018, with home sales declining by 12 per cent to 2,850 units.

While housing demand remains relatively robust, the supply side of the housing market continues to lag. Active listings in the Kootenay region are near ten-year lows and that trend shows little sign of changing. As a result, the MLS® average price is expected to rise nearly 11 per cent this year. Slowing demand in 2018 should trend the market back toward balance, with home prices forecast to rise 3.2 per cent next year to \$319,500.

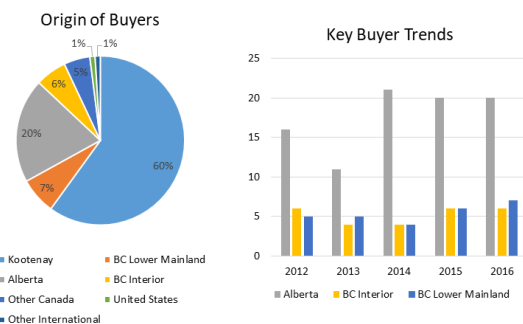
BC Coal Shipments



One of the world’s largest deposits of metallurgical coal is located in the East Kootenay. While the thermal coal sector continues a long downturn, BC’s coal shipments are primarily used in the production of steel, and demand has remained robust. Rising demand from the Pacific Rim and the European Union contributed to increasing coal prices during the first half of the year. As a result, the dollar value of BC coal exports has more than doubled this year.

The Kootenay region continues to attract a significant number of buyers from Alberta who, in recent years, have accounted for as much as 20 per cent of home purchases. In addition, there has been a rising trend of homebuyers relocating from the both the Lower Mainland and the interior of BC.

Home Buyer Origins Kootenay Real Estate Board



BC Housing Outlook	2014	2015	2016	2017F	2018F
MLS® Unit Sales	84,049	102,517	112,209	102,350	91,740
% change	15.2	22	9.5	-8.8	-10.4
MLS® Average Price	\$568,405	\$636,600	\$691,100	\$712,300	\$745,300
% change	5.8	12	8.6	3.1	4.6
MLS® Dollar Volume (\$billions)	\$47.77	\$65.26	\$77.55	\$72.90	\$68.37
% change	21.9	36.6	18.8	-6	-6.2
Housing Starts	28,356	31,452	41,843	41,200	38,600
% change	4.8	10.9	33	-1.5	-6.3
Single	9,569	10,158	12,278	11,900	11,500
% change	12.3	6.2	20.9	-3.1	-3.4
Multiple	18,787	21,294	29,565	29,300	27,100
% change	1.4	13.3	38.8	-0.9	-7.5
Total Net Migration	46,901	33,619	52,938	52,900	47,000
% change	25.8	-28.3	57.5	-0.1	-11.2
Net International Migration	31,042	12,148	32,912	36,700	35,000
% change	-10.7	-60.9	170.9	11.5	-4.6
Net Interprovincial Migration	15,859	21,471	20,026	16,200	12,000
% change	531	35.4	-6.7	-19.1	-25.9
Range of Posted 5-year Fixed Mortgage Rate (%)	4.79-4.99	4.64-4.79	4.64-4.74	4.64-4.99	4.99-5.15

BC Economic Outlook	2014	2015	2016	2017F	2018F
Real GDP Growth (%)	3.7	3.5	3.5	3.8	2.8
Employment (millions)	2.28	2.31	2.38	2.47	2.51
Employment Growth (%)	0.6	1.2	3.1	3.6	1.9
Unemployment (ooos)	146.9	149.9	152.9	146.7	138.9
Unemployment Rate (%)	6.1	6	6	5.4	5
Personal Disposable Income (\$billions)	158.9	167.2	176.0	183.8	192.0
Personal Disposable Income Growth (%)	3.1	5.9	5.3	4.4	4.4
Average Weekly Wage	\$882	\$914	\$921	\$930	\$944
Weekly Wage Growth (%)	0.3	3.6	0.8	1.0	1.5
Retail Sales (\$billions)	\$66.4	\$71.6	\$76.9	\$83.8	\$88.8
Retails Sales Growth (%)	5.8	6.9	7.4	9	6

Lower Mainland-Southwest

<i>MLS® Unit Sales</i>	2016	%	2017F	%	2018F	%
Real Estate Board of Greater Vancouver	40,880	-5.2	36,800	-10	33,000	-10.3
Single Detached	14,665	-15.6	12,100	-17.5	11,000	-9.1
Apartment	19,062	7.7	18,430	-3.3	16,500	-10.5
Townhouse	6,306	-14.1	5,830	-7.5	5,200	-10.8
Fraser Valley Real Estate Board	23,086	15.1	20,900	-9.5	18,700	-10.5
Single Detached	11,843	6.9	9,570	-19.2	8,700	-9.1
Apartment	5,077	66.7	5,630	10.9	5,200	-7.6
Townhouse	5,600	22.1	5,200	-7.1	4,500	-13.5
Chilliwack and District Real Estate Board	4,306	37.2	3,740	-13.1	3,450	-7.8
Single Detached	2,514	38.9	2,100	-16.5	1,900	-9.5
Apartment	509	58.1	625	22.8	550	-12
Townhouse	1,106	49.7	900	-18.6	850	-5.6
<i>MLS® Average Price</i>	2016	%	2017F	%	2018F	%
Real Estate Board of Greater Vancouver	\$ 1,017,228	12.7	\$ 1,023,900	0.7	\$ 1,080,000	5.5
Single Detached	\$ 1,763,332	21.3	\$ 1,710,300	-3	\$ 1,730,000	1.2
Apartment	\$ 553,138	14.9	\$ 645,800	16.8	\$ 697,000	7.9
Townhouse	\$ 768,054	21.7	\$ 856,600	11.5	\$ 890,000	3.9
Fraser Valley Real Estate Board	\$ 676,946	17.2	\$ 705,000	4.1	\$ 739,900	5
Single Detached	\$ 980,835	36.1	\$ 1,055,000	7.6	\$ 1,090,000	3.3
Apartment	\$ 263,346	13.0	\$ 319,200	21.2	\$ 352,400	10.4
Townhouse	\$ 447,904	23.5	\$ 531,300	18.6	\$ 558,800	5.2
Chilliwack and District Real Estate Board	\$ 397,911	18.4	\$ 469,400	18	\$ 489,800	4.3
Single Detached	\$ 492,272	30.3	\$ 588,000	19.4	\$ 605,000	2.9
Apartment	\$ 181,472	23.2	\$ 207,000	14.1	\$ 235,000	13.5
Townhouse	\$ 314,721	16.3	\$ 375,000	19.2	\$ 397,000	5.9
<i>Housing Starts</i>	2016	%	2017F	%	2018F	%
Vancouver CMA	27,914	33.8	24,360	-12.7	24,000	-1.5
Single	5,169	11.8	4,700	-9.1	5,000	6.4
Multiple	22,745	40.0	19,660	-13.6	19,000	-3.4
Abbotsford CMA	1,136	40.9	1,700	49.6	1,180	-30.6
Single	469	19.3	400	-14.7	460	15
Multiple	667	61.5	1,300	94.9	720	-44.6
Chilliwack CA	769	21.9	880	14.4	965	9.7
Single	404	35.6	540	33.7	545	0.9
Multiple	365	9.6	340	-6.8	420	23.5

Vancouver Island-Coast

<i>MLS® Unit Sales</i>	2016	%	2017F	%	2018F	%
Victoria Real Estate Board	10,028	27.5	8,400	-16.2	7,700	-8.3
Single Detached	5,828	23.7	4,500	-22.8	4,150	-7.8
Apartment	2,914	40.9	2,750	-5.6	2,500	-9.1
Townhouse	1,014	20.1	900	-11.2	825	-8.3
Vancouver Island Real Estate Board	10,532	26.6	9,600	-8.8	8,400	-12.5
Single Detached	7,082	17.3	6,300	-11	5,800	-7.9
Apartment	984	29.3	1,050	6.7	950	-9.5
Townhouse	1,358	19.1	1,250	-8	1,100	-12
Powell River Sunshine Coast Real Estate Board	417	9.4	375	-10.1	350	-6.7
Single Detached	343	6.5	315	-8.2	300	-4.8
Condo	60	36.4	50	-16.7	40	-20
Single Family Mobile	14	-6.7	10	-28.6	10	0
<i>MLS® Average Price</i>	2016	%	2017F	%	2018F	%
Victoria Real Estate Board	\$ 585,745	12.3	\$ 653,000	11.5	\$ 662,400	1.4
Single Detached	\$ 738,944	15.7	\$ 826,000	11.8	\$ 850,000	2.9
Apartment	\$ 354,271	8.6	\$ 416,600	17.6	\$ 431,800	3.6
Townhouse	\$ 466,392	10.5	\$ 537,000	15.1	\$ 565,000	5.2
Vancouver Island Real Estate Board	\$ 383,192	12.8	\$ 445,000	16.1	\$ 458,900	3.1
Single Detached	\$ 440,035	13.5	\$ 503,700	14.5	\$ 515,850	2.4
Apartment	\$ 213,229	10.9	\$ 242,000	13.5	\$ 255,000	5.4
Townhouse	\$ 281,405	6.4	\$ 322,000	14.4	\$ 335,000	4
Powell River Sunshine Coast Real Estate Board	\$ 284,471	15.3	\$ 322,250	13.3	\$ 324,800	0.8
Single Detached	\$ 315,032	17.4	\$ 343,000	8.9	\$ 350,000	2
Condo	\$ 176,806	19.4	\$ 185,000	4.6	\$ 193,000	4.3
Single Family Mobile	\$ 68,588	32.7	\$ 104,000	51.6	\$ 77,000	-26
<i>Housing Starts</i>	2016	%	2017F	%	2018F	%
Victoria CMA	2,933	46.1	3,305	12.7	3,250	-1.7
Single	910	32.5	980	7.7	950	-3.1
Multiple	2,023	53.1	2,325	14.9	2,300	-1.1
Nanaimo CMA	878	3.3	975	11.0	880	-9.7
Single	433	12.8	475	9.7	480	1.1
Multiple	445	-4.5	500	12.4	400	-20

Thompson - Okanagan

<i>MLS® Unit Sales</i>	2016	%	2017F	%	2018F	%
Okanagan Mainline Real Estate Board	10,036	25.6	9,100	-9.3	8,200	-9.9
Single Detached	5,301	23.5	4,600	-13.2	4,150	-9.8
Apartment	1,827	34.7	1,925	5.4	1,800	-6.5
Townhouse	1,529	23.1	1,400	-8.4	1,250	-10.7
South Okanagan Real Estate Board	2,459	21.6	2,425	-1.4	2,180	-10.1
Single Detached	1,439	21.9	1,300	-9.7	1,150	-11.5
Apartment	378	13.5	460	21.7	420	-8.7
Townhouse	426	36.1	455	6.8	430	-5.5
Kamloops & District Real Estate Assoc.	3,181	23.6	3,275	3	2,860	-12.7
Single Detached	2,142	16.3	2,150	0.4	1,850	-14
Apartment	290	46.5	315	8.6	275	-12.7
Townhouse	404	35.6	450	11.4	400	-11.1
<i>MLS® Average Price</i>	2016	%	2017F	%	2018F	%
Okanagan Mainline Real Estate Board	\$ 461,791	13.1	\$ 490,800	6.3	\$ 504,800	2.9
Single Detached	\$ 555,934	14.6	\$ 596,000	7.2	\$ 610,000	2.3
Apartment	\$ 281,626	13.3	\$ 318,500	13.1	\$ 333,000	4.6
Townhouse	\$ 375,040	10.2	\$ 412,000	9.9	\$ 435,000	5.6
South Okanagan Real Estate Board	\$ 364,296	11.3	\$ 397,000	9	\$ 412,000	3.8
Single Detached	\$ 452,257	12.0	\$ 502,000	11.0	\$ 520,000	3.6
Apartment	\$ 234,198	2.9	\$ 257,500	9.9	\$ 265,000	2.9
Townhouse	\$ 294,451	8.4	\$ 348,000	18.2	\$ 375,000	7.8
Kamloops & District Real Estate Assoc.	\$ 345,528	5.9	\$ 365,400	5.8	\$ 372,900	2.1
Single Detached	\$ 396,317	7.0	\$ 422,000	6.5	\$ 431,000	2.1
Apartment	\$ 207,256	9.3	\$ 208,000	0.4	\$ 210,000	1
Townhouse	\$ 297,115	5.7	\$ 331,500	11.6	\$ 359,600	8.5
<i>Housing Starts</i>	2016	%	2017F	%	2018F	%
Kelowna CMA	2,196	71.6	3,450	57.1	2,585	-25.1
Single	785	25.0	900	14.6	885	-1.7
Multiple	1,411	116.4	2,550	80.7	1,700	-33.3
Penticton CMA	435	71.9	295	-32.2	280	-5.1
Single	155	8.4	115	-25.8	110	-4.3
Multiple	280	154.5	180	-35.7	170	-5.6
Kamloops CA	697	33.3	485	-30.4	600	23.7
Single	259	-12.5	335	29.3	375	11.9
Multiple	438	93.0	150	-65.8	225	50

Kootenay

<i>MLS® Unit Sales</i>	2016	%	2017F	%	2018F	%
Kootenay Real Estate Board	2,955	18.2	3,260	10.3	2,850	-12.6
Single Detached	1,760	13.7	1,970	11.9	1,750	-11.2
Apartment	295	67.6	340	15.3	290	-14.7
Townhouse	191	22.4	200	4.7	180	-10
<i>MLS® Average Price</i>	2016	%	2017F	%	2018F	%
Kootenay Real Estate Board	\$ 279,500	1.5	\$ 309,600	10.8	\$ 319,500	3.2
Single Detached	\$ 282,000	1.5	\$ 315,000	11.7	\$ 325,000	3.2
Apartment	\$ 155,000	1.6	\$ 176,000	13.5	\$ 182,500	3.7
Townhouse	\$ 245,000	0.8	\$ 243,000	-0.8	\$ 250,000	2.9
<i>Housing Starts</i>	2016	%	2017F	%	2018F	%
Cranbrook CMA	99	94.1	90	-9.1	80	-11.1
Single	76	58.3	65	-14.5	60	-7.7
Multiple	23	666.7	25	8.7	20	-20

Northern BC

<i>MLS® Unit Sales</i>	2016	%	2017F	%	2018F	%
BC Northern Real Estate Board	4,069	-3.4	4,100	0.8	3,720	-9.3
Single Detached	3,548	7.3	3,500	-1.4	3,060	-12.6
Northern Lights Area¹	260	-16.7	375	44.2	330	-12
Single Detached	222	-15.3	325	46.4	285	-12.3
<i>MLS® Average Price</i>	2016	%	2017F	%	2018F	%
Kootenay Real Estate Board	\$ 263,703	-0.4	\$ 277,000	5	\$ 281,000	1.4
Single Detached	\$ 271,898	-4.4	\$ 293,000	7.8	\$ 303,000	3.4
Northern Lights Area¹	\$ 233,357	-13.4	\$ 237,000	1.6	\$ 243,000	2.5
Single Detached	\$ 251,630	-12.8	\$ 280,000	11.3	\$ 283,000	1.1
<i>Housing Starts</i>	2016	%	2017F	%	2018F	%
Prince George CMA	313	53.4	280	-10.5	235	-16.1
Single	182	7.7	200	9.9	140	-30
Multiple	131	274.3	80	-38.9	95	18.8
Dawson Creek CMA	10	-88	20	100	35	75
Single	7	-81.6	10	42.9	15	50
Multiple	3	-93.3	10	233.3	20	100

1. The former Northern Lights Real Estate Board has merged with the South Okanagan Real Estate Board

Housing Forecast Summary — Fourth Quarter

Board Area	Unit Sales			Average MLS® Price (\$)		
	2016	2017F	2018F	2016	2017F	2018F
Victoria	10,028 27.5%	8,400 -16.2%	7,700 -8.3%	585,745 12.3%	653,000 11.5%	662,400 1.4%
Vancouver Island	10,532 26.6%	9,600 -8.8%	8,400 -12.5%	\$383,192 12.8%	\$445,000 16.1%	\$458,900 3.1%
Powell River Sunshine Coast	417 9.4%	375 -10.1%	350 -6.7%	\$284,471 15.3%	\$322,250 13.3%	\$324,800 0.8%
Greater Vancouver	40,880 -5.2%	36,800 -10%	33,000 -10.3%	1,017,228 12.7%	1,023,900 0.7%	1,080,000 5.5%
Fraser Valley	23,086 15.1%	20,900 -9.5%	18,700 -10.5%	\$676,946 17.2%	\$705,000 4.1%	\$739,900 5%
Chilliwack and District	4,306 37.2%	3,740 -13.1%	3,450 -7.8%	\$397,911 18.4%	\$469,400 18%	\$489,800 4.3%
Kamloops and District	3,181 23.6%	3,275 3%	2,860 -12.7%	345,528 5.9%	365,400 5.8%	372,900 2.1%
Okanagan Mainline	10,036 25.6%	9,100 -9.3%	8,200 -9.9%	\$461,791 13.1%	\$490,800 6.3%	\$504,800 2.9%
South Okanagan*	2,459 21.6%	2,425 -1.4%	2,180 -10.1%	\$364,296 11.3%	\$397,000 9%	\$412,000 3.8%
Northern Lights	260 -16.7%	375 44.2%	330 -12%	\$233,357 -13.4%	\$237,000 1.6%	\$243,000 2.5%
Kootenay	2,955 18.2%	3,260 10.3%	2,850 -12.6%	\$279,500 1.5%	\$309,600 10.8%	\$319,500 3.2%
BC Northern	4,069 -3.4%	4,100 0.8%	3,720 -9.3%	\$263,703 -0.4%	\$277,000 5%	\$281,000 1.4%
BC Total	112,209 9.5%	102,350 -8.8%	91,740 -10.4%	691,100 8.6%	712,300 3.1%	745,300 4.6%

NOTE: The Northern Lights Real Estate Board (NLREB) became part of the South Okanagan Real Estate Board (SOREB) on January 1, 2011.

*Excluding Northern Lights

BCREA Economics provides timely research, analysis and information on economic factors affecting British Columbia and its housing markets.

The British Columbia Real Estate Association (BCREA) is the professional association for about 22,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's 11 real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

To demonstrate the profession's commitment to improving Quality of Life in BC communities, BCREA supports policies that help ensure economic vitality, provide housing opportunities, preserve the environment, protect property owners and build better communities with good schools and safe neighbourhoods.

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Additional economics information is available on
BCREA's website at: www.bcrea.bc.ca.

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