

Fourth Quarter—November 2019

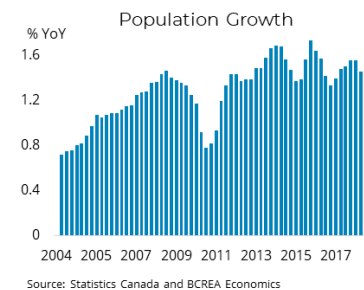
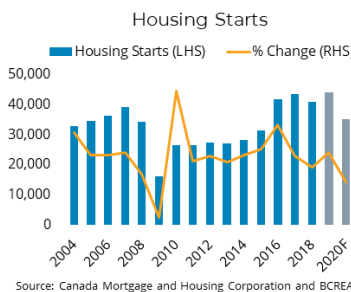
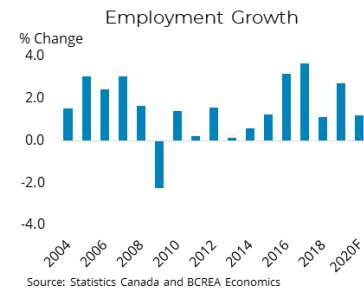
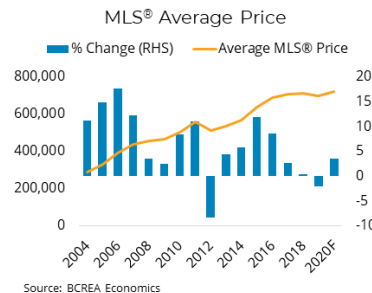
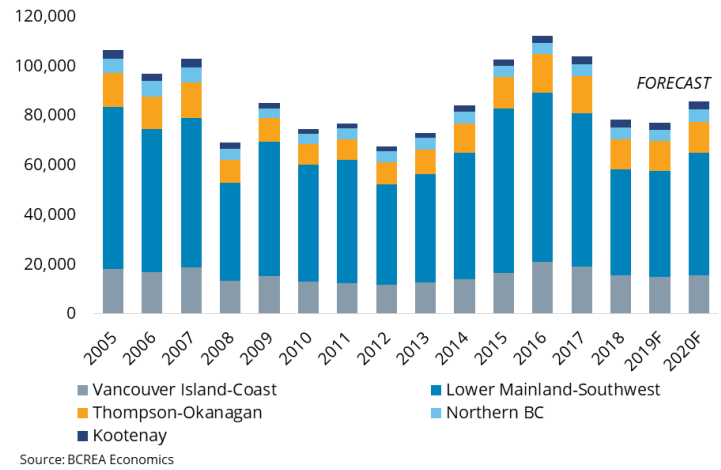
After a slow start to 2019, MLS® home sales in BC have embarked on a sustained upward trend since the spring. Slower BC economic growth and headwinds emanating from the South, along with the dampening effects of federal mortgage rules and provincial tax policy, mean that home sales are simply returning to trend after sustaining a significant shock, rather than returning to the heights of recent years.

Despite the significant improvement in market activity, sluggishness out of the gate will likely mean that provincial MLS® sales decline for a third consecutive year in 2019 to 77,100 unit sales. However, we expect all markets across BC to post rising sales in 2020 with total provincial MLS® sales up 10.9 per cent to their long-run average of about 85,500 units.

As demand normalizes, the accumulation of resale inventory has reversed course in many markets around BC. We anticipate that this trend will continue in 2020 with sales and listings finding balance. For most markets this will mean price growth that's in-line with inflation, though for some supply-constrained areas we are forecasting strong price growth. This is particularly true in the parts of Northern BC most directly impacted by massive LNG Canada investment. After a projected 2 per cent decline in the provincial MLS® average price in 2019, we anticipate a rise of 3.6 per cent in 2020.

Unexpectedly strong new home construction activity continued in 2019, particularly in Metro Vancouver. Total provincial housing starts are forecast to rise close to 8 per cent this year, surpassing the 40,000-unit mark for a third consecutive year and reaching a record high of 44,000 total starts. That elevated pace of new home construction adds to an already large pipeline of homes under construction. The overwhelming majority of those units are apartments, which have long and variable completion times. However, as this supply is added to the market, future price growth will likely be constrained.

MLS® Home Sales British Columbia



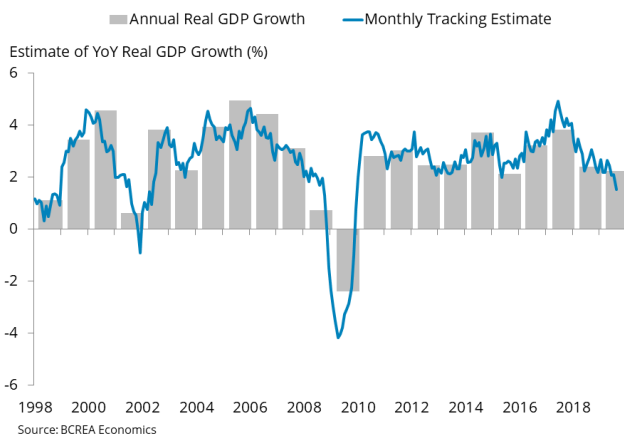
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ECONOMIC OUTLOOK

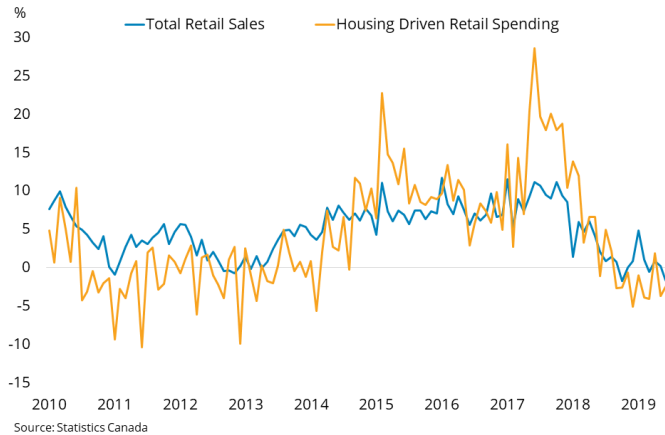
The BC economy, feeling the effects of a policy-driven decline in the housing market and a volatile global trade environment, is likely to post a second consecutive year of slowing real GDP growth in 2019. We are forecasting that the BC economy will grow 2 per cent this year, on the heels of 2.4 per cent growth in 2018 and nearly 4 per cent growth in 2017. We expect economic growth will turn around in 2020 as the housing market recovers and the province benefits from a surge in non-residential construction investment.

BCREA GDP NOWCAST



Previously spendthrift BC households have turned austere over the past two years. Spending on retail goods is on pace to grow just under one per cent in 2019, the slowest growth of retail spending since the 2009 recession.

Consumer Spending Slowing

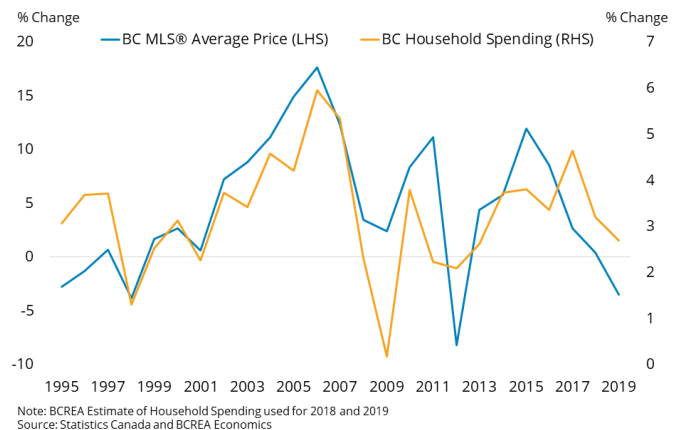


BC Economic Outlook	2018 ¹	2019F	2020F
Real GDP Growth (%)	2.4	2.0	2.4
Employment (millions)	2.494	2.561	2.592
Employment Growth (%)	1.1	2.7	1.2
Unemployment Rate (%)	4.7	4.7	4.8
Personal Disposable Income (\$billions)	194.6	204.6	213.6
Personal Disposable Income Growth (%)	5.9	5.1	4.4
Average Weekly Wage	974.8	990.5	1,015.2
Weekly Wage Growth (%)	4.1	1.0	2.5
Retail Sales (\$billions)	86.0	86.7	89.7
Retails Sales Growth (%)	2.0	0.8	3.5
Average 5-year Fixed Mortgage Rate	3.37-3.72	2.77-3.71	2.85-3.05

1. Values have been estimated where data has not yet been released.

Some of that slowdown is a function of increased debt servicing costs due to rising interest rates through 2018, a challenge for BC's more highly indebted households. However, the slowdown in the BC housing market has also played a major role in slowing consumption spending. Home sales tend to create spin-off spending activity as new homeowners purchase furniture and appliances or invest in renovations. Indeed, sales at home furnishing and appliance stores as well as sales of building supplies have fallen over the past two years. Moreover, the modest decline in home prices has impacted consumption in two ways: firstly, through a "wealth-effect," in which a small decline in perceived wealth leads to a reduction in spending, and secondly, lower prices and more difficult access to credit has translated to slowing home equity extraction, a key driver of consumer spending in recent years.

Consumer Spending and Home Prices



While employment in BC is still on track to post impressive growth, the once-robust provincial labour market has recently shown signs of weakening. Since the spring, employment in BC contracted four consecutive months, shedding 25,200 jobs in all—about half of which were full-time positions. Those job losses pushed the provincial unemployment rate up from its 2018 low of 4.2 per cent to just under 5 per cent by the end of September.

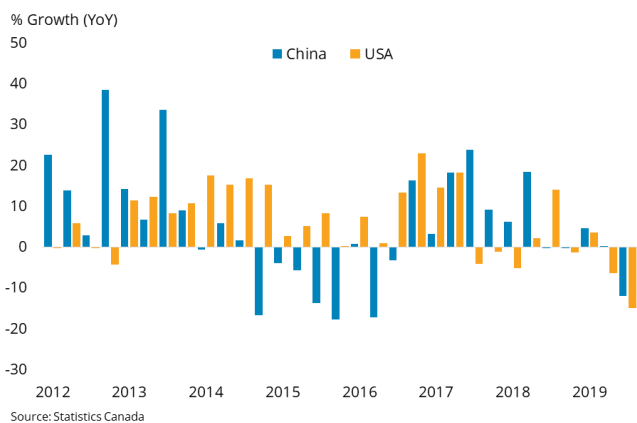
Indicators of business investment are somewhat mixed. Imports of machinery and equipment trended lower, suggesting less investment in capital equipment. However, construction intentions for BC are very strong, reflecting major project spending scheduled in the near-term.

An overall slowing of domestic demand has been exacerbated by the ongoing drama of global trade. The volatility around US-China trade relations has the potential to seriously threaten economic growth globally. Rising trade tensions between the United States and China feed growing fears of a global economic slowdown. Those fears pulled long-term Canadian interest rates low enough to invert the Canadian yield curve—a frequent, though not infallible, pre-cursor to recession. While the ultimate resolution of the trade war remains uncertain, the impact on demand from BC’s most important trading partners has been clearly negative.

stress test. While the Bank of Canada has not yet followed the US Federal Reserve in lowering its policy rate, the dramatic fall in Canadian bond yields has translated to sustained sub-3 per cent 5-year mortgage rates. Rising home sales and a firmer outlook for home prices should help turn around consumer confidence and perhaps spur households to pick up spending.

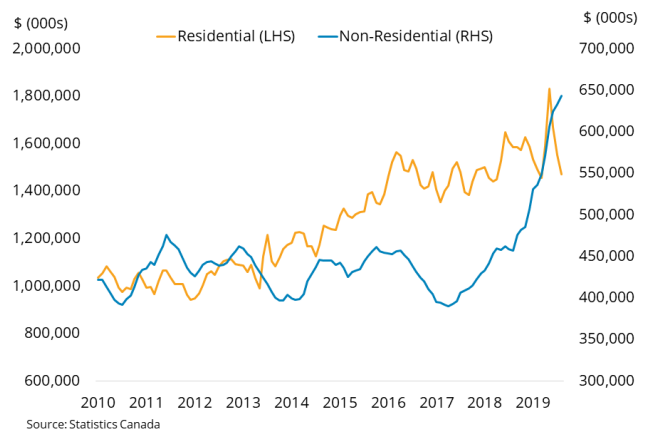
Although the pace of housing starts is anticipated to slow over the next year, both residential and non-residential construction investment remains strong. Housing starts in the province were much higher than anticipated through the first half of 2019, as some construction activity in the Metro Vancouver area was pushed forward to avoid higher development costs slated to be implemented in the back half of the year. That surge in new home construction kept the total number of units under construction at a record high, despite an uptick in the pace of completions. Moreover, non-residential construction has surged with major projects like LNG Canada now underway. The volume of non-residential building permits is up over 30 per cent for the second consecutive year in 2019, while construction investment spending has rocketed up 50 per cent since the beginning of 2018.

China-USA Trade War and BC Export Growth



While the BC economy faces some headwinds, there are many reasons to be optimistic about the future. The worst of the 2018 housing shock appears to be behind us, and a recovery of home sales is underway. That recovery has been aided by a sharp reversal in borrowing costs since early 2019, providing at least minor relief from the B20

Construction Investment



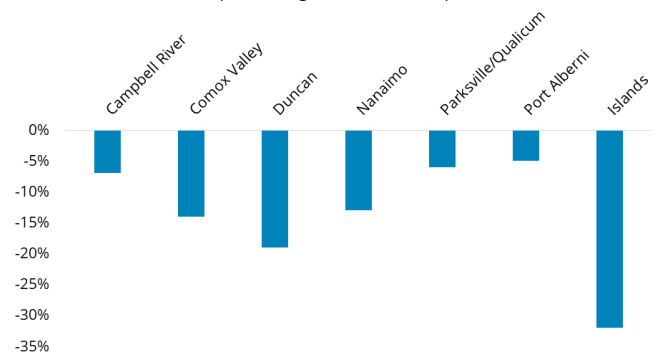
The BC economy has weathered significant shocks over the past two years but looks to emerge in relatively good shape. Economic growth, while far from the enviable 3 per cent plus of recent years, has fallen back to its long-term trend. A rebound in consumer spending in 2020 along with well-timed construction investment should help push real GDP growth to 2.4 per cent next year.

VANCOUVER ISLAND-COAST

The Vancouver Island-Coast region is serviced by the Vancouver Island Real Estate Board, the Victoria Real Estate Board and the Powell River and Sunshine Coast Real Estate Board.

While home sales in all Vancouver Island markets were down in 2018, this year has seen some regional divergence. MLS® unit sales in both the Vancouver Island and Victoria board regions started the year slow before mounting a strong recovery through the spring. However, while Victoria has seen monthly sales rise in six of the last seven months, sales in the Vancouver Island board region have been more variable, declining in four of the last seven months.

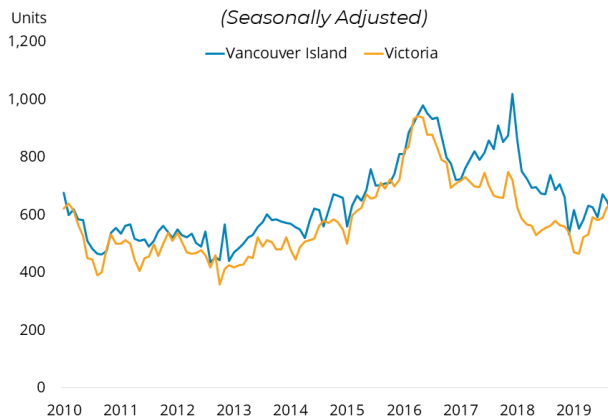
Vancouver Island Home Sales by Sub-Region
(% Change in Sales YTD)



Source: BCREA Economics

Regional economics may be the key driver behind the slump in sales outside of Victoria. Employment growth across the Island struggled through the first half of 2019 but started to pick up in Victoria toward the end of summer. In contrast, the job growth outside of Victoria has remained negative year-round.

MLS® Home Sales
(Seasonally Adjusted)

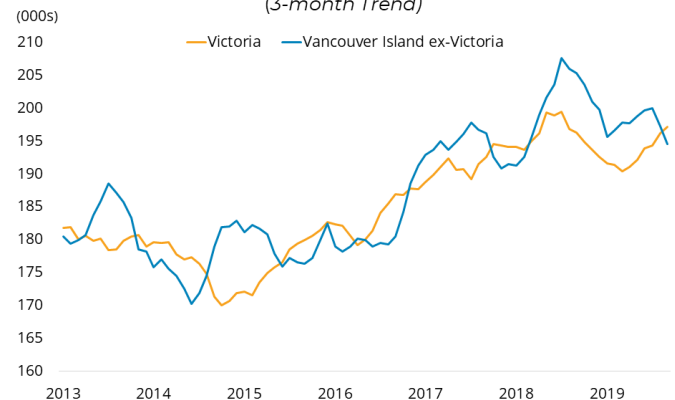


Source: BCREA Economics

The sustained recovery in Victoria is expected to continue through the remainder of the year, ultimately resulting in 2.3 per cent growth in sales in 2019. Conversely, the Vancouver Island board area is expected to post a third straight year of declines, with MLS® unit sales down 10 per cent.

Sales in the Vancouver Island board region are down across all submarkets and product types. While the speculation tax is likely hurting demand in some traditional recreational markets on the Island, potential buyers do not seem to be discriminating between taxable and non-taxable markets. Home sales in Nanaimo, where the speculation tax is levied, are down 13 per cent year-to-date in September, equalling the decline in the non-taxable areas of the Island.

Employment
(3-month Trend)



Source: Statistics Canada

Weakness in employment growth on the Island is seasonably attributed to the struggling forestry sector. The forestry industry in BC is challenged by tariffs on softwood lumber and somewhat sluggish demand from the US residential construction sector. This has led to declining shipments of wood products and falling employment in natural resource sectors around BC.

Tariffs Hurting Forestry Sector

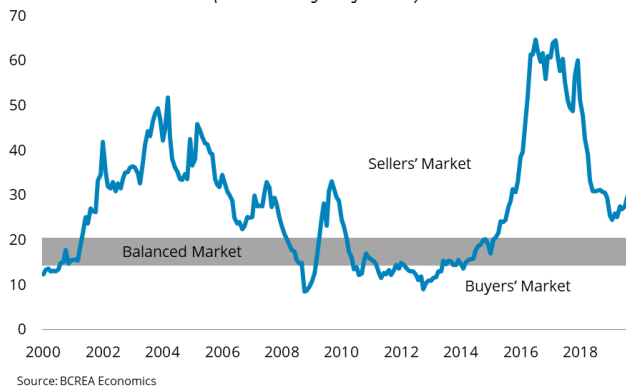


There are contrasting trends on the supply side as well. Victoria has seen a gradual rise in the inventory of homes for sale, though total listings appear to have begun trending lower in recent months as sales have outpaced new listings.

Despite relatively tight market conditions, price growth in Victoria has turned negative and the MLS® average price is forecast to fall 3.9 per cent in 2019. The disconnect between market conditions and prices may be at least partially explained by downward pressure from significant new home construction in the Victoria area in recent years. Those units are now completing and being added to the market, resulting in an accumulation of unsold new home inventory.

Victoria Real Estate Board

Sales-to-Active Listings Ratio (Seasonally Adjusted)

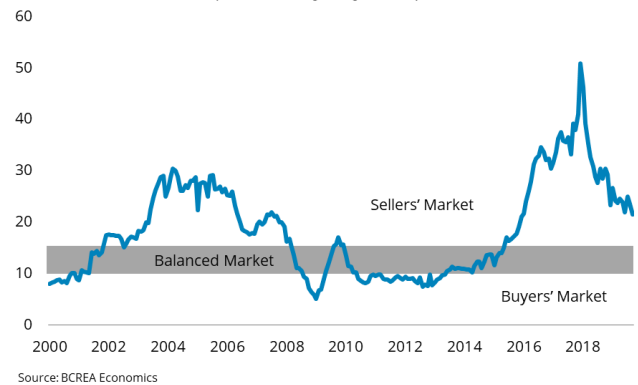


On the other hand, active listings in the Vancouver Island board region, while modestly higher, remain near historical lows despite

softer housing demand. As a result, market conditions continue to favour sellers and average prices are on track to grow close to 4.5 per cent this year.

Vancouver Island Real Estate Board

Sales-to-Active Listings Ratio (Seasonally Adjusted)

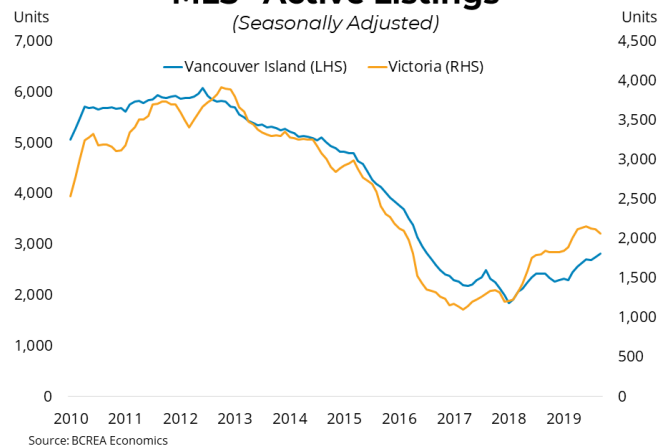


We expect that both the Victoria and Vancouver Island board regions will see home sales normalize in 2020. For Victoria, that means sales stabilizing around their long-run average at 7,260 sales, an increase of 4.8 per cent over 2019. For Vancouver Island, sales are forecast to pick-up 6 per cent following three years of falling demand.

Rising home sales and strong new supply in Victoria will keep price growth in check next year, with average prices forecast to increase just 1 per cent to \$680,000. As stronger home sales in the Vancouver Island region meet low supply, we anticipate the market conditions will remain fairly tight, leading to a second year of over 4 per cent price growth.

MLS® Active Listings

(Seasonally Adjusted)

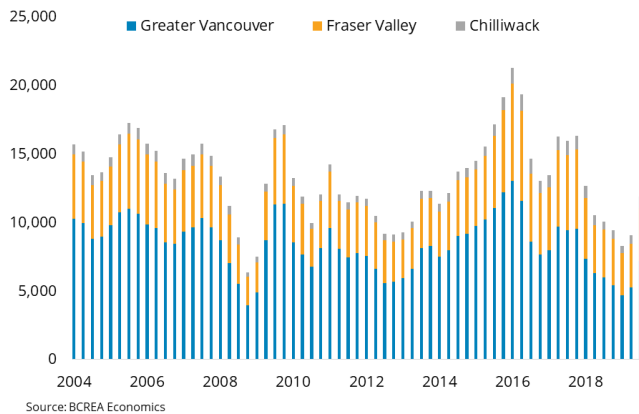


LOWER MAINLAND-SOUTHWEST

The Lower Mainland-Southwest region, serviced by the Real Estate Board of Greater Vancouver, the Fraser Valley Real Estate Board and the Chilliwack and District Real Estate Board, was the most negatively impacted of any region by the B20 mortgage stress test and provincial tax measures. Home sales ended 2018 down 32 per cent in Greater Vancouver, 31 per cent in the Fraser Valley and 29 per cent in Chilliwack.

While home sales initially struggled in 2019, there are encouraging signs of recovery across all markets in the Lower Mainland. Home sales in Greater Vancouver have now increased in seven of the last eight months, with sales returning to long-run average levels. Likewise, in the Fraser Valley and Chilliwack, home sales are returning to normal following a year and a half of slow sales activity.

MLS® Home Sales
(Seasonally Adjusted)

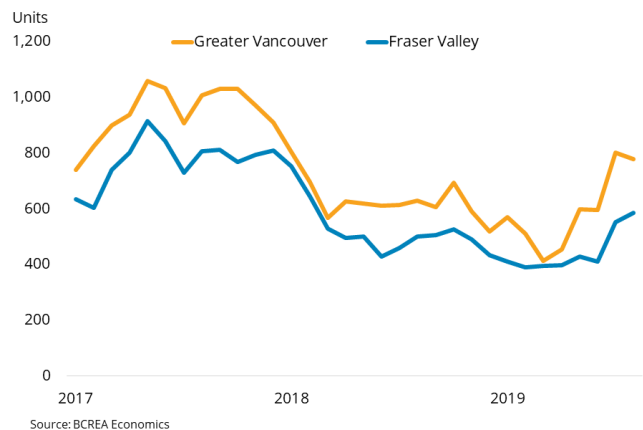


As sales recover, the once rising inventory of homes for sale has reversed course. Total active listings in Greater Vancouver and the Fraser Valley have fallen steadily since April on a seasonally adjusted basis and have declined five months straight in the Chilliwack board area.

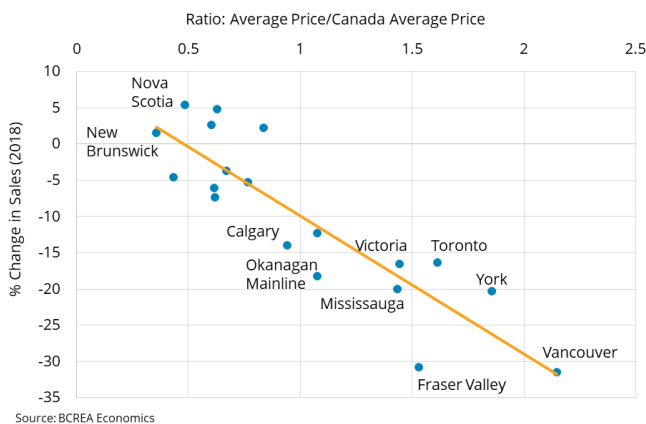
Rising home sales and falling supply have helped to firm up market conditions, though prices across the Lower Mainland are expected to finish modestly lower in 2019. Much of the price weakness in Greater Vancouver is owing to softer demand in the single detached market. However, sales in the single detached market are strengthening and we anticipate that price growth will return to positive territory next year.

It's no surprise that the mortgage stress test hit the Lower Mainland particularly hard given the challenging affordability of the region and the demographic makeup that skews toward young families. Moreover, provincial tax measures like the speculation tax and the increase and expansion of the foreign buyer tax had their most significant impact on the high-end of the market, especially for single detached homes in Metro Vancouver.

Single Detached Sales Recovering

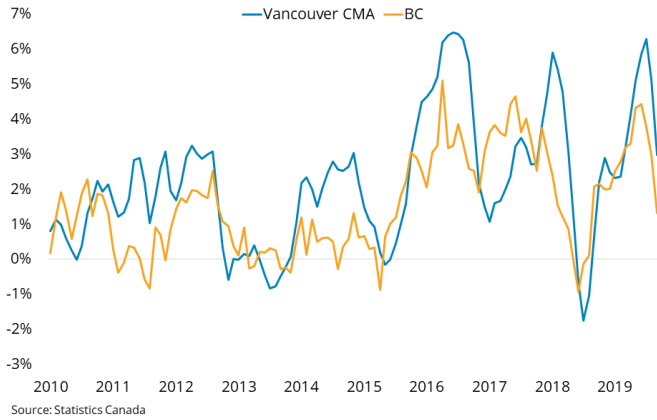


B20 Has More Impact in Expensive Markets



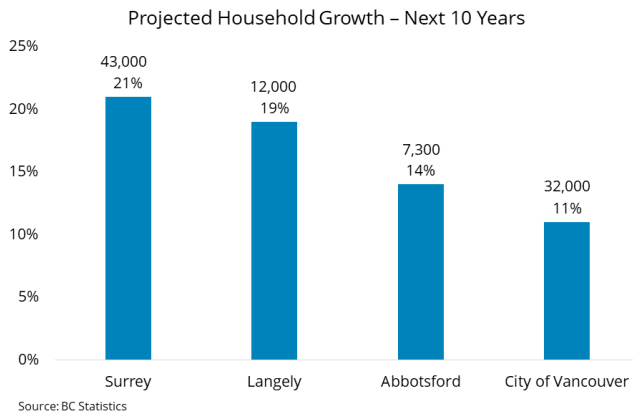
Housing demand should be further supported by a modest uptick in economic growth and strong regional employment growth. After two years of slowing growth in the BC economy, we are forecasting that the economy will pick up, helped by a recovering housing market, higher consumer spending and a surge in non-residential construction investment.

Employment Growth (Year-over-Year)



In addition to a strengthening economy, favourable regional demographics provide further support for consistent strong housing demand.

Metro Vancouver and Fraser Valley Population Growth

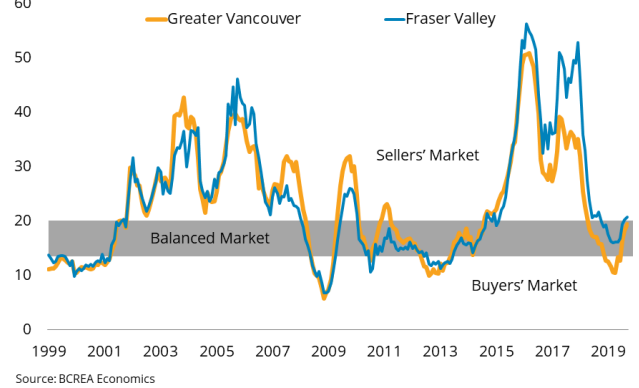


The Lower Mainland is projected to add over 100,000 people over the next five years, and close to 150,000 over the next ten. Much of that growth is slated to occur in the Fraser Valley area, particularly in Surrey and Langley, which are expected to see household growth of 21 and 19 per cent, respectively, or a combined 55,000 households by 2030.

Those factors will help sustain the recovery already underway, pushing MLS® sales in Greater Vancouver up 18 per cent to 30,100 units in 2020. Home sales in the Fraser Valley are forecast to rise 12.4 per cent in 2020 to 16,460 units, and the Chilliwack market is expected to see a 5.1 per cent rise to 2,900 units.

On the supply side, re-sales listings will likely remain in-line with overall market activity, keeping market conditions more or less balanced across the Lower Mainland.

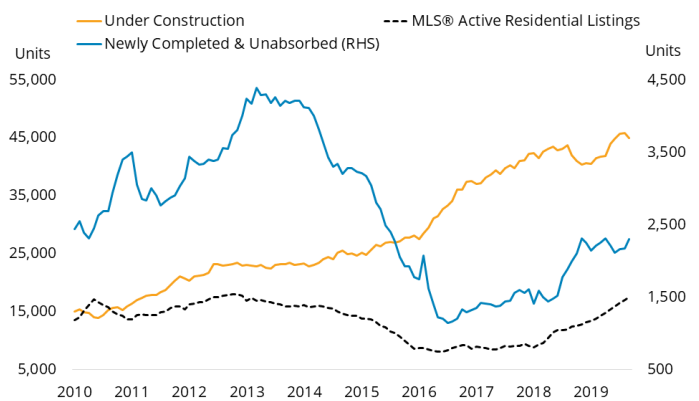
Greater Vancouver and Fraser Valley Sales-to-Active Listings Ratio (Seasonally Adjusted)



With markets in balance, price growth will probably fall in-line with inflation. We are forecasting the MLS® average price in Greater Vancouver will rise 1 per cent to \$995,000. In the Fraser Valley, we forecast prices will rise 2.8 per cent to \$738,500 and we expect average prices in Chilliwack to rise 1.1 per cent to \$536,000.

The rapid pace of new home construction over the past several years means there is a huge 45,000-unit pipeline of homes under construction in Metro Vancouver. While the time to completion for new apartment buildings is notoriously long in Greater Vancouver, the eventual addition of these units to the market may translate to muted price growth in the condo segment.

Metro Vancouver Housing Supply



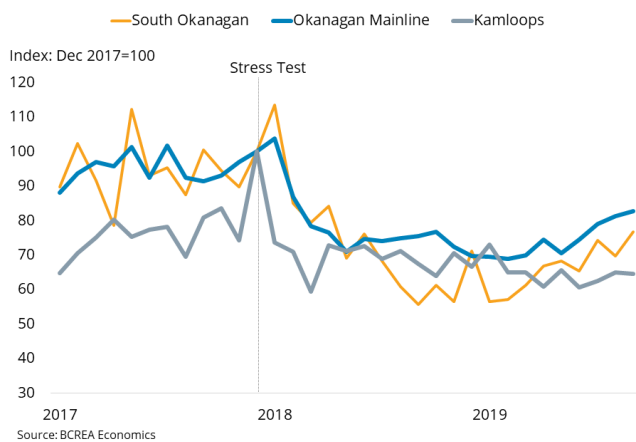
THOMPSON-OKANAGAN

MLS® home sales in the Thompson-Okanagan region, serviced by the Okanagan Mainline Real Estate Board, South Okanagan Real Estate Board and Kamloops and District Real Estate Association, are on pace for a third consecutive down year as markets absorb the impact of the B20 stress test and the provincial speculation tax.

Like most markets around the province, home sales in the Okanagan Mainline and South Okanagan struggled in the first few months of the year, as rising mortgage rates compounded the negative effects of the stress test. However, a rapid and substantial decline in Canadian mortgage rates helped spur a recovery in the late spring that has sustained into the fall. Because of the slow start to the year, sales in the Okanagan Mainline are projected to fall 1.4 per cent in 2019 to 7,300 units, while sales in the South Okanagan are forecast to fall 9.3 per cent to 1,710 units.

In contrast to the Okanagan, home sales in the Kamloops area have been trending lower for much of the year. However, as a more affordable region, home sales in Kamloops were not as hard hit by the B20 stress test and therefore do not have as much ground to make up in returning to a normal level of sales activity.

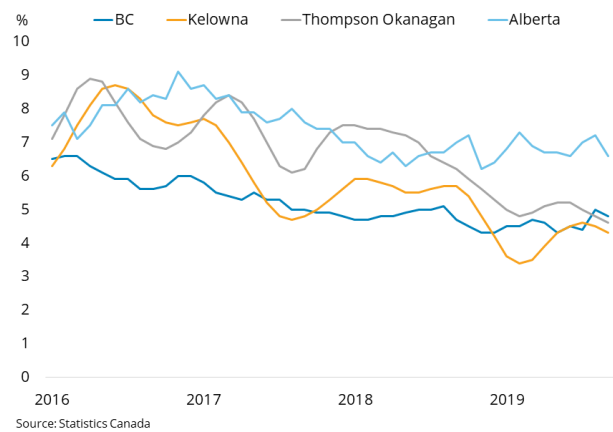
Home Sales Since Introduction of B20



Along with lower mortgage rates, housing demand across the region has been getting a boost from strong local economic conditions. The unemployment rate in Kelowna and the wider Thompson-Okanagan development region has been trending lower since mid-2018 and has even fallen below the provincial unemployment rate in recent months.

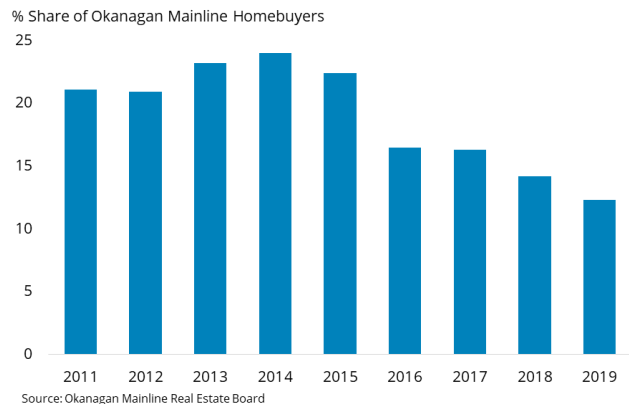
While local fundamentals are strong, the region also relies on demand from Albertan buyers, both for recreational and retirement property. In the Okanagan Mainline region, sales to Albertans has historically composed up to 20 percent of total sales. That source of demand has been softer in recent years due to a number of factors, most prominently the struggling Alberta economy and the levying of a speculation tax on out-of-province buyers in 2018.

Regional Unemployment Rates



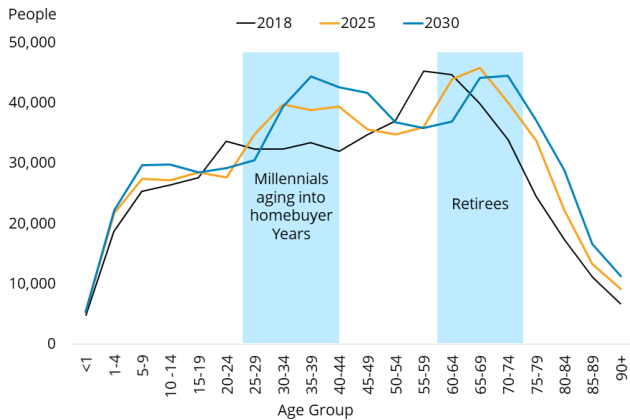
The share of Canadian buyers from outside of BC fell from nearly 25 per cent in 2014 to 15 per cent in 2016 following the crash in oil prices. That share has since fallen to around 12 per cent following the imposition of the speculation tax in Kelowna and West Kelowna.

Homebuyers Outside of BC in Okanagan Mainline



Although current tax policy and mortgage rules are a drag on demand, the favourable regional demographic factors supporting housing demand from both millennial households and retiring baby boomers should translate to strong home sales in 2020.

Thompson-Okanagan Demographics



Source: BC Statistics

We are forecasting MLS® sales in the Okanagan Mainline board area to rise 4.1 per cent in 2020 to 7,600 units. In the South Okanagan, we expect a 5.3 per cent increase in MLS® sales in 2020 to 1,800 units and in the Kamloops and District board area, we are projecting sales will reach 3,050 units in 2020, an increase of 5.2 per cent.

On the supply side, the inventory of listings in the Okanagan Mainline and South Okanagan were accumulating throughout most of 2019 but seemed to have plateaued in the spring months as demand recovered. However, significant new construction

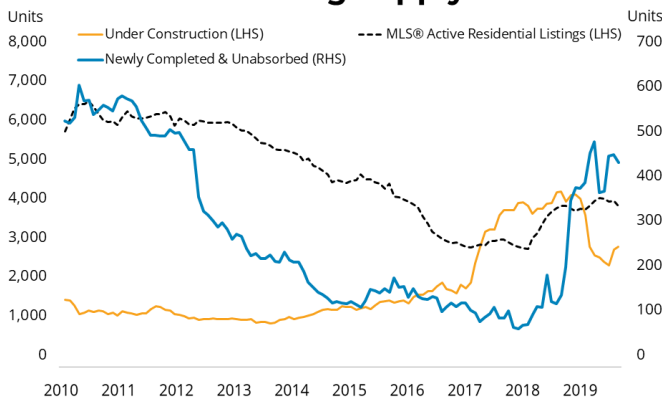
around Kelowna and Penticton in recent years, combined with softer demand, has led to rising inventory of new homes. The total number of new units completed but unabsorbed into the market now sits at its highest level since 2012.

As demand stabilizes around its long-run average, markets should fall into relative balance, leading to price growth that's in-line with inflation. For that reason, we are forecasting the MLS® average price in the Okanagan Mainline area will rise 1.6 per cent in 2020 to \$540,000, while the MLS® average price in the South Okanagan will increase 1.8 per cent to \$437,800.

In contrast to the Okanagan, the Kamloops area remains deeply under-supplied. Total listings in Kamloops peaked in 2012 at over 2,000 total listings but have trended at half that level for the past three years. As a result, market conditions in Kamloops are very tight, as reflected by a 30 per cent increase in the MLS® average price since 2014.

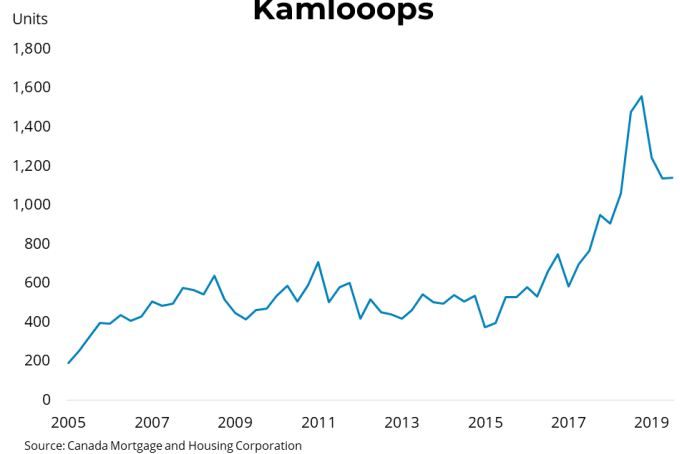
Fortunately, the pace of new home construction in the Kamloops region has ramped up in recent years and those units are now completing, adding much-needed housing supply to the region. As supply gradually increases, we expect price growth in the Kamloops region to slow from its current elevated pace of 7 per cent in 2019 to 1 per cent in 2020.

Okanagan Mainline and Kelowna Housing Supply



*Active Listings are OMREB, All Else = Kelowna CMA
Source: Canada Mortgage and Housing Corporation, Okanagan Mainline Real Estate Board and BCREA Economics

Homes Under Construction in Kamloops

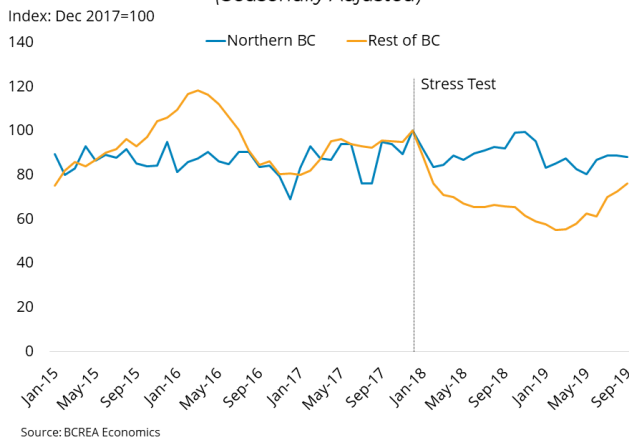


Source: Canada Mortgage and Housing Corporation

NORTHERN BC

Housing markets in Northern BC were largely able to weather the policy-induced demand shock that held back sales in the rest of the province in the first half of 2019. However, a struggling BC forestry sector and an uncertain environment for global trade is holding back demand. MLS® unit sales in the region covered by the BC Northern Real Estate Board are down 3.8 per cent in 2019 to date, compared to an 11 per cent decline in the rest of the province. Total dollar volume of sales is up 1 per cent in the North versus a 15 per cent decline in the rest of the province. The divergence is largely due to momentum in the northern economy from LNG and BC Hydro investments, as well as strong housing affordability due to relatively high wages and lower average house prices.

MLS® Home Sales (Seasonally Adjusted)

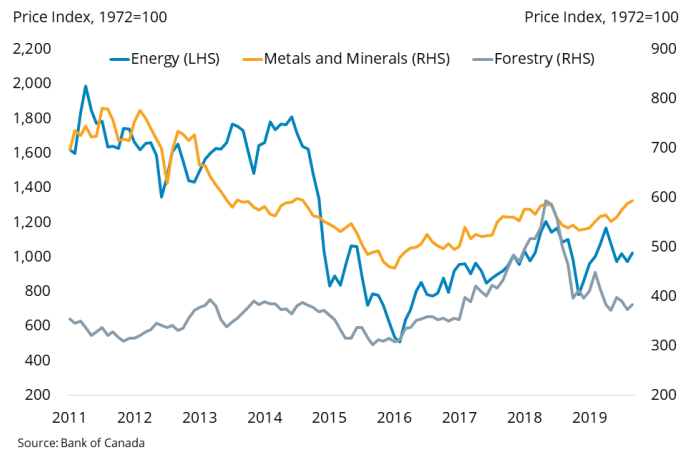


The northern economy is becoming the epicentre of investment activity in BC. Construction has begun on the \$36 billion LNG Canada terminal in Kitimat and the \$4.8 billion Coastal GasLink pipeline, while construction of BC Hydro’s Site C Dam near Fort St. John continued. Additionally, recent investments have been made to start construction on improving transportation infrastructure (i.e., roads and bridges) and expanding port capacity.

The injection of economic stimulus, along with recent increases in prices for metals and minerals,¹ should help the North absorb some of the difficulties brought on by US export tariffs in the forestry sector, as well as timber supply challenges brought on by previous wildfire activity that further exacerbated the challenges of the Mountain Pine Beetle epidemic. US trade tariffs and tight timber supply are expected to continue to put

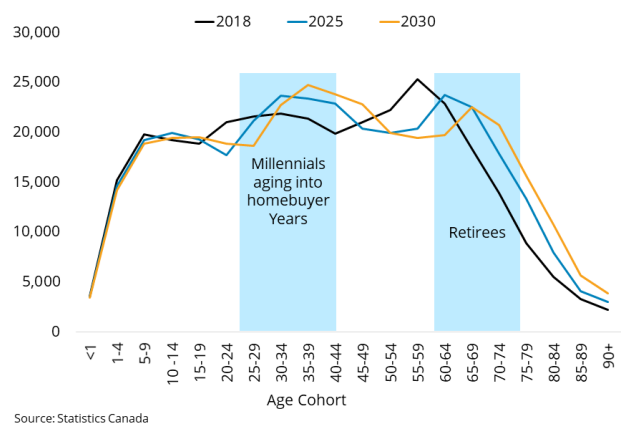
downward pressure on forestry prices, placing drag on the local manufacturing and export sector.

Commodity Prices



Despite some challenges, full-time employment in the Northwest and Northeast regions have nearly regained their pre-oil shock levels, helped by increased construction activity. As LNG projects continue to ramp-up, strong employment and wage growth are expected to continue as the labour market tightens, which in turn is expected to boost housing demand. Moreover, over the next decade, the millennial generation will be aging into their prime earning and homebuying years. That will provide further support for strong housing demand, as well as the need for an expansion in the housing stock.

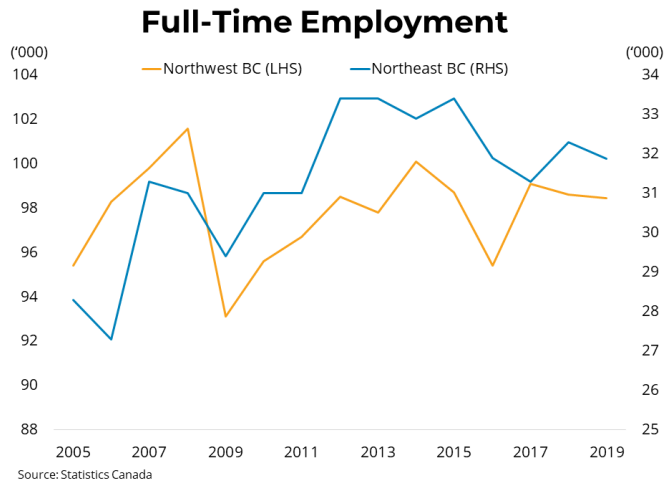
Northern Population Demographics



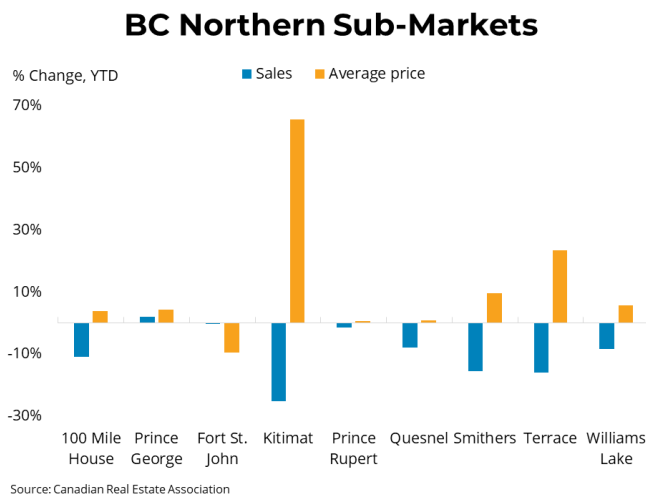
We are forecasting that total MLS® unit sales will be down slightly in 2019 from their 2018 level, ultimately finishing about 2.4 per cent lower in 2019. Continued growth in the

1. Improvements in the outlook for metals and minerals has led to increased exploration activity in the region.

regional economy, however, is expected to elevate housing demand in 2020, with sales expanding 7 per cent.

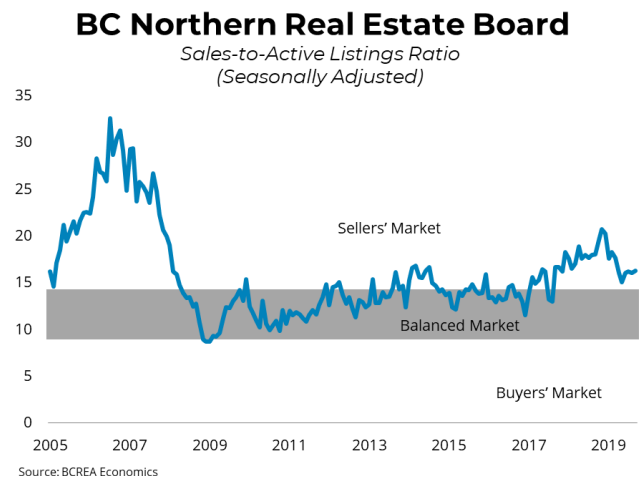


Although LNG Canada is constructing a temporary accommodation centre for 7,500 workers, we still expect significant pressure on the limited northern housing stock. Indeed, even though demand has softened slightly in 2019 to date, we are still seeing significant upward pressure on prices in some markets. The most glaring example is Kitimat, which saw a surge in demand following the LNG Canada approval, but where there is very little available supply. Even though sales were slow to start the year, prices have been pushed close to 65 per cent higher than last year. A similar situation is developing in Terrace, which has seen average prices rise 23 per cent compared to this time last year.

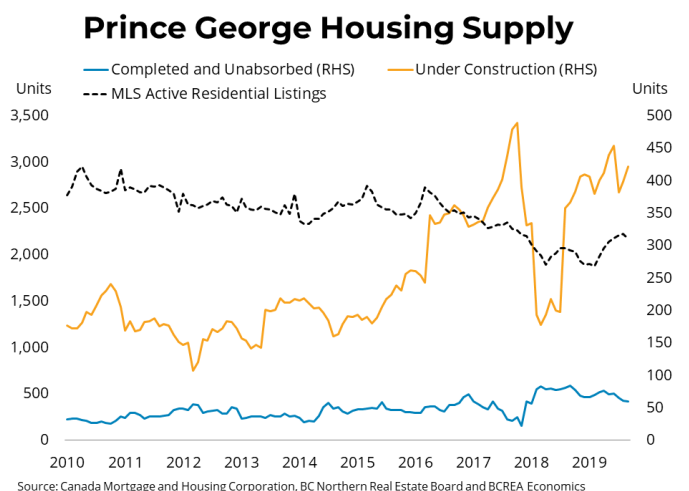


Larger and more economically diversified markets like Prince George have seen much smaller growth

in unit sales and prices. Meanwhile, Fort St. John is the only region to report a fall in average prices in 2019 to date, but this could change as pending construction on the Coastal GasLink attracts workers to the area, placing upward pressure on housing demand. MLS® average prices were up for the BC Northern board area in the later part of 2019 and are expected to finish the year with about 5 per cent growth and just over 8 per cent in 2020. Market conditions in the board area remain tight due to low supply of active listings and very little inventory of newly completed homes. At the current level of sales-to-active listings, a measure of overall market balance, we would classify the North as being in a sellers' market.

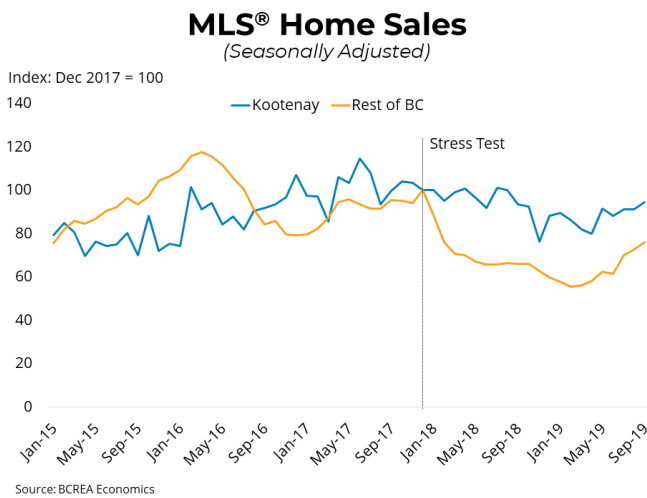


Given the anticipated boost to housing demand and favourable demographics, new construction in the North will have to accelerate. The number of units currently under construction has indeed risen thanks to a jump in housing starts last year, but housing starts have so far slowed considerably in 2019. We are forecasting this trend will reverse in 2020, with housing starts rising by 12 per cent in Prince George and surrounding areas.

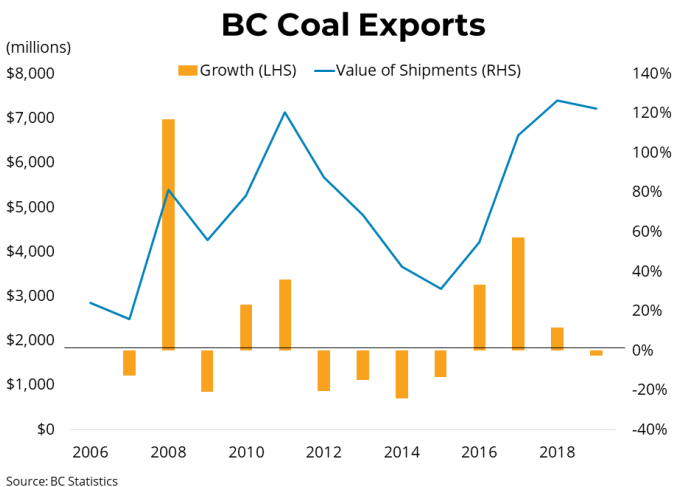


KOOTENAY

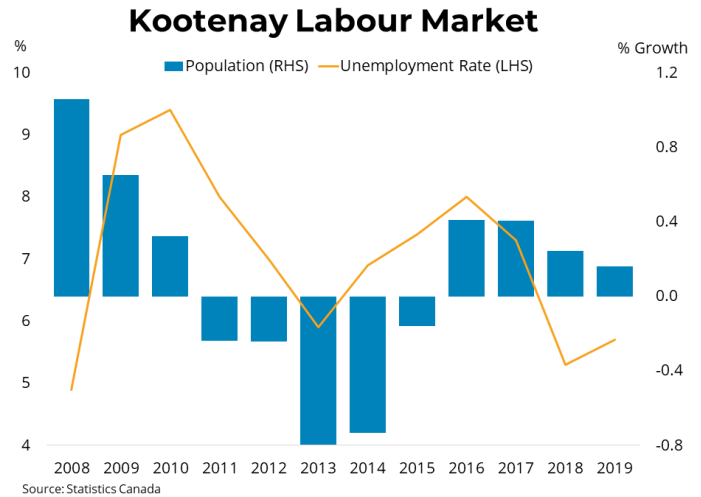
Home sales in the Kootenay region continue to outperform the rest of the province in 2019 to date, showing minimal impact from the mortgage stress test. MLS® home sales in the Kootenay region, serviced by the Kootenay Association of REALTORS®, are down 10 per cent compared to last year, weighed down by higher borrowing costs earlier in the year that have since come down slightly and a slowdown in the provincial economy. This is comparable to the 10 per cent decline also reported in the rest of the province during the same period.



The Kootenay economy has benefited in recent years from an upswing in the value of coal shipments, which declined slightly in 2019. Forest products on the other hand, the region's other main resource export, continue to weaken from last year's tariff-induced demand shock and tightening timber supply.



A strong regional economy has provided a boost to once-lagging population growth. After declining for 5 consecutive years, the Kootenay region has now posted four straight years of modest but positive population growth. Employment in the region has been steadily declining since the beginning of 2019, largely due to declines in the services-producing industries.



In contrast to the experience of the Okanagan, demand from out-of-province buyers has maintained in recent years in the Kootenay region. The Kootenay's more affordable home prices and lack of a speculation tax on non-BC residents may make the Kootenay the preferred destination for Alberta buyers looking for recreational property in the coming years. However, the ongoing struggles of the Alberta economy are likely limiting demand for recreational properties.

These factors have helped home sales in the Kootenay region to out-perform other BC markets over the past two years. Still, the region is not immune from the broad downturn in economic activity this year and we are forecasting that home sales will end 2019 with a 5.4 per cent decline before bouncing back and rising 3.4 per cent in 2020.

While housing demand is forecast to be modestly lower in 2019, the inventory of active listings continues to trawl along at close to ten-year lows. That situation means that market conditions in the Kootenay region are tilted toward sellers in terms of pricing. We are forecasting that MLS® average prices will rise 7.4 per cent in 2019 to \$345,000 and continue to rise in 2020 by a smaller 2.9 per cent.

BC Housing Outlook	2016	2017	2018	2019F	2020F
MLS® Unit Sales	112,426	103,965	78,517	77,100	85,500
% change	9.5	-7.5	-24.5	-1.6	10.9
MLS® Average Price	\$690,355	\$708,868	\$711,601	\$698,000	\$723,000
% change	8.6	2.7	0.4	-2	3.6
MLS® Dollar Volume (\$billions)	\$77.55	\$73.63	\$55.82	\$53.82	\$61.82
% change	18.8	-5.1	-24.2	-3.6	14.9
Housing Starts	41,843	43,664	40,857	44,000	35,100
% change	33.1	4.4	-6.4	7.7	-20.2
Single	12,278	12,346	11,163	8,800	9,300
% change	20.9	0.6	-9.6	-21.2	5.7
Multiple	29,565	31,318	29,694	35,200	25,800
% change	38.8	5.9	-5.2	18.5	-26.7
Total Net Migration	59,102	61,334	61,028	67,000	68,000
% change	60.2	3.8	-0.5	9.8	1.5
Net International Migration	35,516	48,610	57,126	60,000	63,000
% change	152.6	36.9	17.5	5	5
Net Interprovincial Migration	23,586	12,724	3,902	7,000	5,000
% change	3.3	-46.1	-69.3	79.4	-28.6
Range of Posted 5-year Fixed Mortgage Rate (%)	4.64-4.74	2.59-3.23	3.37-3.72	2.77-3.71	2.85-3.05

BC Economic Outlook ¹	2016	2017	2018	2019F	2020F
Real GDP Growth (%)	3.5	3.8	2.4	2	2.4
Employment (millions)	2.38	2.47	2.49	2.56	2.59
Employment Growth (%)	3.1	3.7	1.1	2.7	1.2
Unemployment Rate (%)	6	5.1	4.7	4.7	4.8
Personal Disposable Income (\$billions)	176.0	183.8	194.6	204.6	213.6
Personal Disposable Income Growth (%)	5.3	4.9	5.9	5.1	4.4
Average Weekly Wage	920.9	936.4	974.8	990.5	1,015.2
Weekly Wage Growth (%)	0.8	1.7	4.1	1	2.5
Retail Sales (\$billions)	77.1	84.3	86.0	86.7	89.7
Retails Sales Growth (%)	7.7	9.6	2	0.8	3.5

Sources: BCREA Economics, Statistics Canada

1. Values have been estimated where data has not yet been released.

Lower Mainland-Southwest

MLS® Unit Sales		2018	%	2019F	%	2020F	%
Real Estate Board of Greater Vancouver		25,051	-31.6	25,460	1.6	30,100	18.2
Single Detached		7,502	-34.6	8,300	10.6	9,500	14.5
Apartment		12,838	-29.8	12,230	-4.7	14,600	19.4
Townhouse		4,302	-31.5	4,580	6.5	5,600	22.3
Fraser Valley Real Estate Board		14,837	-30.8	14,640	-1.3	16,460	12.4
Single Detached		6,145	-34.3	6,300	2.5	7,400	17.5
Apartment		4,303	-30.5	4,000	-7	4,200	5
Townhouse		4,045	-26.2	4,090	1.1	4,560	11.5
Chilliwack and District Real Estate Board		2,829	-29	2,760	-2.4	2,900	5.1
Single Detached		1,539	-30.6	1,520	-1.2	1,680	10.5
Apartment		545	-18.8	430	-21.1	440	2.3
Townhouse		617	-33.7	650	5.3	700	7.7
MLS® Average Price		2018	%	2019F	%	2020F	%
Real Estate Board of Greater Vancouver	\$	1,048,435	1.6	\$ 985,000	-6.1	\$ 995,000	1
Single Detached	\$	1,709,287	-2.5	\$ 1,570,000	-8.1	\$ 1,600,000	1.9
Apartment	\$	713,252	10.1	\$ 660,000	-7.5	\$ 675,000	2.3
Townhouse	\$	924,149	7.3	\$ 870,300	-5.8	\$ 875,000	0.5
Fraser Valley Real Estate Board	\$	747,725	6.5	\$ 718,600	-3.9	\$ 738,500	2.8
Single Detached	\$	1,105,716	4.2	\$ 1,045,000	-5.5	\$ 1,060,000	1.4
Apartment	\$	401,455	22.8	\$ 391,000	-2.6	\$ 392,000	0.3
Townhouse	\$	594,771	10	\$ 580,000	-2.5	\$ 584,600	0.8
Chilliwack and District Real Estate Board	\$	516,843	11.2	\$ 530,000	2.5	\$ 536,000	1.1
Single Detached	\$	652,514	11.3	\$ 659,400	1.1	\$ 665,000	0.8
Apartment	\$	262,651	22.6	\$ 268,900	2.4	\$ 270,000	0.4
Townhouse	\$	435,851	9.6	\$ 429,100	-1.5	\$ 435,000	1.4
Housing Starts		2018	%	2019F	%	2020F	%
Vancouver CMA		23,404	-10.7	29,550	26.3	21,900	-25.9
Single		4,592	-6.5	3,550	-22.7	3,900	9.9
Multiple		18,812	-11.7	26,000	38.2	18,000	-30.8
Abbotsford CMA		1,045	-38.9	1,340	28.2	1,150	-14.2
Single		313	-24.8	340	8.6	350	2.9
Multiple		732	-43.4	1,000	36.6	800	-20
Chilliwack CA		875	-15.3	1,020	16.6	800	-21.6
Single		423	-34.3	420	-0.7	400	-4.8
Multiple		452	16.2	600	32.7	400	-33.3

Vancouver Island-Coast

MLS® Unit Sales		2018	%	2019F	%	2020F	%
Victoria Real Estate Board		6,770	-20	6,925	2.3	7,260	4.8
Single Detached		3,417	-25.1	3,680	7.7	3,900	6
Apartment		2,080	-25.3	2,215	6.5	2,350	6.1
Townhouse		768	-11.2	790	2.9	800	1.3
Vancouver Island Real Estate Board		8,391	-16.4	7,550	-10	8,000	6
Single Detached		5,467	-21.7	5,100	-6.7	5,400	5.9
Apartment		1,047	-13	910	-13.1	920	1.1
Townhouse		1,317	-7.2	1,200	-8.9	1,250	4.2
Powell River Sunshine Coast Real Estate Board		363	-12.3	315	-10.3	330	4.8
Single Detached		280	-17.2	260	-7.1	260	0
Condo		53	-8.6	60	13.2	55	-8.3
Single Family Mobile		18	80	20	11.1	15	-25
MLS® Average Price		2018	%	2019F	%	2020F	%
Victoria Real Estate Board		\$ 700,630	7.3	\$ 673,000	-3.9	\$ 680,000	1
Single Detached		\$ 874,008	5.1	\$ 848,000	-3	\$ 857,000	1.1
Apartment		\$ 469,544	11.9	\$ 460,000	-2	\$ 463,500	0.8
Townhouse		\$ 601,439	12	\$ 600,000	-0.2	\$ 603,000	0.5
Vancouver Island Real Estate Board		\$ 465,124	7.9	\$ 485,700	4.4	\$ 505,400	4.1
Single Detached		\$ 544,109	8.3	\$ 564,800	3.8	\$ 585,000	3.6
Apartment		\$ 271,946	11.5	\$ 290,000	6.6	\$ 298,000	2.8
Townhouse		\$ 370,707	13	\$ 385,700	4	\$ 395,000	2.4
Powell River Sunshine Coast Real Estate Board		\$ 360,998	13.2	\$ 355,000	-1.7	\$ 358,400	1
Single Detached		\$ 397,148	15.5	\$ 388,000	-2.3	\$ 395,000	1.8
Condo		\$ 247,426	26.3	\$ 255,000	3.1	\$ 257,000	0.8
Single Family Mobile		\$ 94,978	-9	\$ 92,000	-3.1	\$ 95,000	3.3
Housing Starts		2018	%	2019F	%	2020F	%
Victoria CMA		4,273	10.6	3,100	-27.5	3,075	-0.8
Single		818	-8.7	600	-26.7	625	4.2
Multiple		3,455	16.5	2,500	-27.6	2,450	-2
Nanaimo CMA		834	-15.8	1,670	100.2	1,130	-32.3
Single		315	-25.9	320	1.6	330	3.1
Multiple		519	-8.3	1,350	160.1	800	-40.7

Thompson-Okanagan

MLS® Unit Sales		2018	%	2019F	%	2020F	%
Okanagan Mainline Real Estate Board		7,559	-18.3	7,300	-1.4	7,600	4.1
Single Detached		3,820	-19.3	3,650	-4.5	3,840	5.2
Apartment		1,601	-15.5	1,470	-8.2	1,500	2
Townhouse		1,639	-19.6	1,735	5.9	1,800	3.7
South Okanagan Real Estate Board		1,885	-22.4	1,710	-9.3	1,800	5.3
Single Detached		1,016	-23.0	960	-5.5	1,000	4.2
Apartment		363	-19.2	320	-11.8	330	3.1
Townhouse		314	-27.5	280	-10.8	330	17.9
Kamloops & District Real Estate Assoc.		2,984	-10.8	2,900	-2.8	3,050	5.2
Single Detached		1,811	-14.1	1,800	-0.6	1,900	5.6
Apartment		355	-3.5	325	-8.5	350	7.7
Townhouse		394	-13.6	370	-6.1	380	2.7
MLS® Average Price		2018	%	2019F	%	2020F	%
Okanagan Mainline Real Estate Board	\$	521,206	5.5	\$ 531,500	1	\$ 540,000	1.6
Single Detached	\$	655,663	5.3	\$ 654,000	-0.3	\$ 662,000	1.2
Apartment	\$	322,752	2.9	\$ 343,500	6.4	\$ 350,000	1.9
Townhouse	\$	495,617	11.2	\$ 490,000	-1.1	\$ 496,000	1.2
South Okanagan Real Estate Board	\$	418,422	4.6	\$ 430,000	2.8	\$ 437,800	1.8
Single Detached	\$	531,630	4.4	\$ 538,000	1.2	\$ 540,000	0.4
Apartment	\$	284,456	10.5	\$ 295,000	3.7	\$ 301,000	2
Townhouse	\$	358,756	2.4	\$ 381,000	6.2	\$ 385,000	1
Kamloops & District Real Estate Assoc.	\$	390,668	7	\$ 418,000	7	\$ 422,000	1
Single Detached	\$	465,721	9.3	\$ 475,000	2	\$ 493,000	3.8
Apartment	\$	243,986	12.8	\$ 279,500	14.6	\$ 283,500	1.4
Townhouse	\$	344,866	3.2	\$ 363,000	5.3	\$ 370,000	1.9
Housing Starts		2018	%	2019F	%	2020F	%
Kelowna CMA		2,555	-28.6	2,060	-19.4	2,030	-1.5
Single		618	-33	475	-23.1	480	1.1
Multiple		1,937	-27	1,585	-18.2	1,550	-2.2
Penticton CMA		602	7.7	390	-35.2	360	-7.7
Single		168	6.3	100	-40.5	90	-10
Multiple		434	8.2	290	-33.2	270	-6.9
Kamloops CA		1,220	85.4	540	-55.7	495	-8.4
Single		307	-6.4	240	-21.7	220	-8.5
Multiple		913	176.7	300	-67.1	275	-8.3

Kootenay

MLS® Unit Sales		2018	%	2019F	%	2020F	%
Kootenay Real Estate Board		3,065	-6.4	2,900	-5.4	3,000	3.4
Single Detached		1,865	-6.1	1,750	-6.2	1,800	2.9
Apartment		374	2.7	330	-11.8	340	3
Townhouse		212	-2.8	200	-5.7	210	5
MLS® Average Price		2018	%	2019F	%	2020F	%
Kootenay Real Estate Board		\$ 321,123	4.6	\$ 345,000	7.4	\$ 355,000	2.9
Single Detached		\$ 338,000	5	\$ 367,500	8.7	\$ 385,000	4.8
Apartment		\$ 187,700	1.2	\$ 195,000	3.9	\$ 200,000	2.6
Townhouse		\$ 253,500	-0.1	\$ 275,000	8.5	\$ 282,000	2.5
Housing Starts		2018	%	20189F	%	2020F	%
Cranbrook CMA		63	3.3	80	27	80	0
Single		55	-9.8	70	27.3	70	0
Multiple		8	NA	10	25	10	0

Northern BC

MLS® Unit Sales		2018	%	2019F	%	2020F	%
BC Northern Real Estate Board		4,404	2.6	4,300	-2.4	4,600	7
Single Detached		3,794	1	3,650	-3.8	3,700	1.4
Northern Lights Area ¹		379	-12.5	340	-10.3	400	17.6
Single Detached		306	-16.8	290	-5.2	340	17.2
MLS® Average Price		2018	%	2019F	%	2020F	%
BC Northern Real Estate Board		\$ 295,427	7.8	\$ 310,000	4.9	\$ 335,000	8.1
Single Detached		\$ 305,279	7.2	\$ 345,000	13	\$ 362,000	4.9
Northern Lights Area ¹		\$ 252,060	1.7	\$ 255,600	1.4	\$ 260,000	1.7
Single Detached		\$ 272,355	-0.4	\$ 290,000	6.5	\$ 293,000	1
Housing Starts		2018	%	2019F	%	2020F	%
Prince George CMA		427	57	335	-21.5	375	11.8
Single		194	2.1	170	-12.4	185	8.8
Multiple		233	184.1	165	-29	190	14.9
Dawson Creek CMA		32	88.2	20	-37.5	45	125
Single		14	7.7	10	-28.6	15	50
Multiple		18	350	10	-44.4	30	200

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 (\$)		
	2018	2019F	2020F	2018	2019F	2020F
Victoria	6,770 -20%	6,925 2.3%	7,260 4.8%	700,630 7.3%	673,000 -3.9%	680,000 1%
Vancouver Island	8,391 -16%	7,550 -10%	8,000 6%	465,124 7.9%	485,700 4.4%	505,400 4.1%
Powell River Sunshine Coast	363 -13%	315 -13.2%	330 4.8%	360,998 13.2%	355,000 -1.7%	358,400 1%
Greater Vancouver	25,051 -32%	25,460 1.6%	30,100 18.2%	1,048,435 1.6%	985,000 -6.1%	995,000 1%
Fraser Valley	14,837 -31%	14,640 -1.3%	16,460 12.4%	747,725 6.5%	718,600 -3.9%	738,500 2.8%
Chilliwack and District	2,829 -29%	2,760 -2.4%	2,900 5.1%	516,843 11.2%	530,000 2.5%	536,000 1.1%
Kamloops and District	2,984 -11%	2,900 -2.8%	3,050 5.2%	390,668 7%	418,000 7%	422,000 1%
Okanagan Mainline	7,559 -18%	7,300 -3.4%	7,600 4.1%	521,206 5.5%	531,500 2%	540,000 1.6%
South Okanagan*	1,885 -22%	1,710 -9.3%	1,800 5.3%	418,422 4.6%	430,000 2.8%	437,800 1.8%
Northern Lights	379 -12%	340 -10.3%	400 17.6%	252,060 1.7%	255,600 1.4%	260,000 1.7%
Kootenay	3,065 -6%	2,900 -5.4%	3,000 3.4%	321,123 4.6%	345,000 7.4%	355,000 2.9%
BC Northern	4,404 2.6%	4,300 -2.4%	4,600 7%	295,427 7.8%	310,000 4.9%	335,000 8.1%
BC Total	78,517 -24%	77,100 -1.8%	85,500 10.9%	711,601 0.4%	698,000 -1.9%	723,000 3.6%

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 23,000 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.

Send questions and comments about the Housing Forecast to:

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

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