



BC HOME SALES TO RISE IN 2019

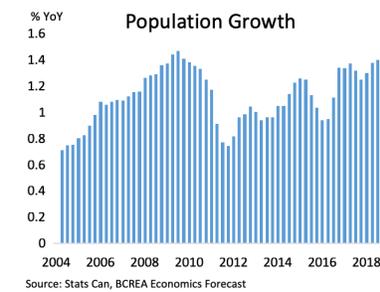
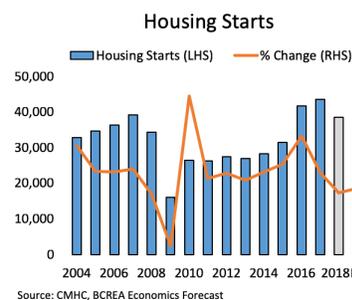
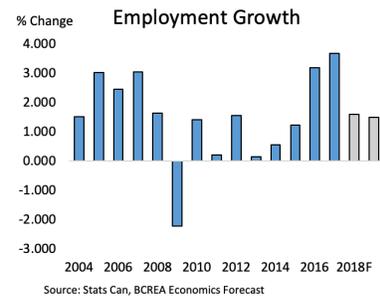
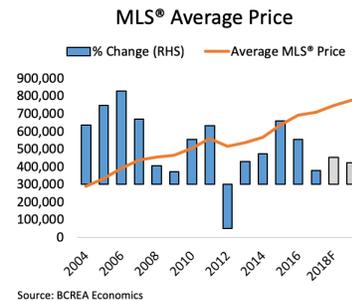
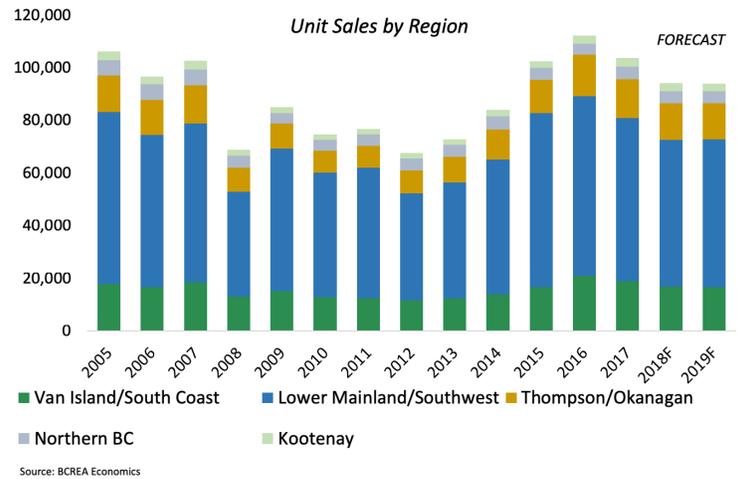
Multiple Listing Service (MLS®) residential sales in the province are forecast to decline 23 per cent to 80,000 units this year, after recording 103,768 residential sales in 2017. MLS® residential sales are forecast to increase 12 per cent to 89,500 units in 2019. The 10-year average for MLS® residential sales in the province is 84,800 units. The mortgage stress test on conventional mortgage borrowers cooled housing markets across the country this year. The erosion of affordability and loss of purchasing power induced by the stress test, as well as by moderately rising interest rates, are expected to temper housing demand through 2019.

Despite the drag from mortgage policy, strong performance of the BC economy continues to be highly supportive of housing demand. Five consecutive years of above trend growth in the province has led to a high level of employment and an unemployment rate that appears to be at a cyclical low. With further expansion of the economy now more reliant on gradual growth in the labour force, the sizable investment by LNG Canada over the next several years will provide a significant boost to provincial growth. As a result, our forecast for Real GDP growth has been upgraded to 2.9 per cent from our baseline of 2.5 per cent in 2019.

Demographics remain a significant factor in BC housing markets. Millennials' demand for urban rental and condominium homes is expected to remain strong over the next several years, while retirement-friendly markets are expected to be pressured by boomers with cashed-out equity to spend.

After several years of chronic supply shortages, total active residential listings across the province are up 30 per cent year-over-year. The combination of fewer home sales and a larger inventory of homes for sale has helped trend most markets to balanced conditions, meaning no advantage for buyers or sellers. As a result, home price growth has slowed considerably, and is expected to more closely reflect overall consumer price inflation. In addition, a record number of homes are under construction in BC, which will provide for much needed expansion of the housing stock and greater price stability.

MLS® Residential Sales British Columbia



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ECONOMIC OUTLOOK

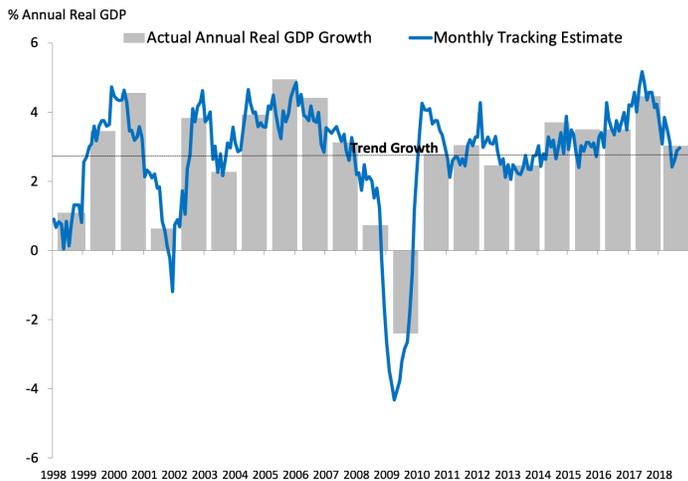
The outlook for the BC economy remains bright. Real GDP growth, though down from 2017's near 4 per cent mark, remains strong. The housing sector, bruised by the mortgage stress test and rising mortgage rates, appears to be recovering, the trade sector is finally out from under the cloud of uncertainty that was NAFTA and the economy of northern BC is about to be reshaped for generations by the largest private sector investment in Canadian history.

BC Economic Outlook	2017 ¹	2018F	2019F
Real GDP Growth (%)	3.9	2.8	2.9
Employment (millions)	2.467	2.491	2.534
Employment Growth (%)	3.7	1.0	1.7
Unemployment (000s)	133.9	126.5	118.6
Unemployment Rate (%)	5.1	4.8	4.5
Personal Disposable Income (\$billions)	183.8	192.0	200.0
Personal Disposable Income Growth (%)	4.9	4.4	4.2
Average Weekly Wage	936.4	984.0	1,003.7
Weekly Wage Growth (%)	1.7	5.1	2.0
Retail Sales (\$billions)	84.3	87.2	92.0
Retail Sales Growth (%)	9.3	3.5	5.5
Range of Posted 5-year Fixed Mortgage Rate	4.64-4.99	4.99-5.55	5.55-5.85

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

Source: BCREA Economics, Statistics Canada

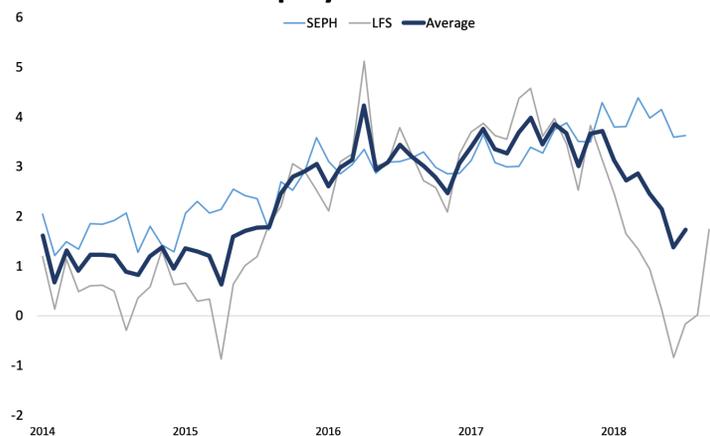
BCREA GDP NOWCAST



Source: RCFRA Economics

The BC economy carried momentum from a stellar 2017 into the first half of the year before slowing to trend over the summer.

BC Employment Growth



Source: Statistics Canada

Employment data has been mixed, to say the least, with SEPH payroll data signaling a robust expansion while labour force survey (LFS) data pointed to meagre job growth. In all likelihood, the truth lies somewhere in between. The provincial unemployment rate, at its lowest level in a decade, and robust wage growth

indicate an economy in which skilled labour is scarce, but also one in which employment growth is still strong. Despite outsized wage gains and steady employment growth, retail sales have posted only modest gains after a spending binge by BC consumers last year.

Home sales in BC and across the country, plummeted to start the year as new mortgage stress test rules took effect. With the purchasing power of even the most creditworthy borrowers being slashed by more than 20 per cent, home sales around the province steadily declined through the spring before bottoming out. With little supply available for sale to start 2018, that sharp decline in demand has not translated into very significant movement in prices. Rising mortgage rates are compounding the effect of the stress test with Canadian monetary policy driving mortgage rates higher as the Bank of Canada embarks on its first tightening cycle since 2004.

Impact of B20 By Province

MLS® Home Sales (Seasonally Adjusted)

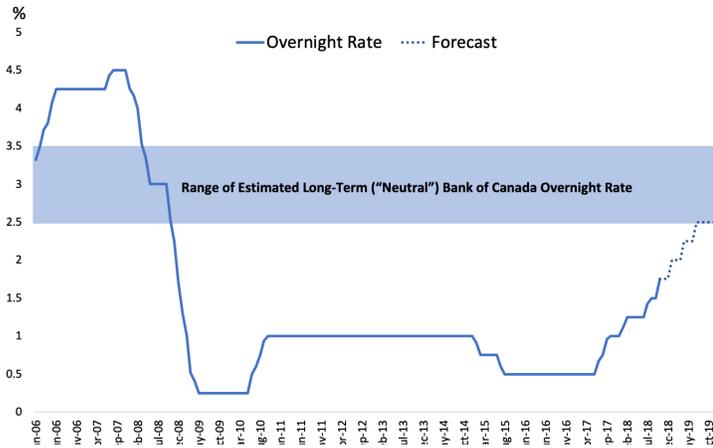
— Ontario — BC — Alberta — Canada



Source: BCREA Economics

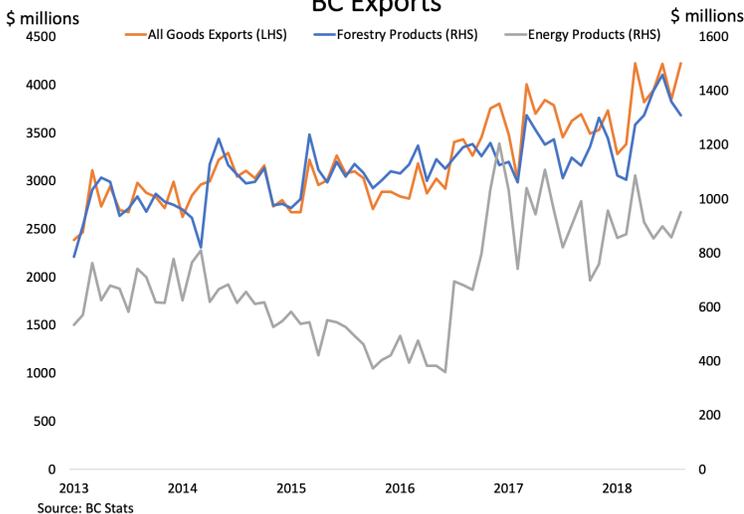
Although the 5-year qualifying rate has remained steady, mortgage rates will almost certainly rise as the Bank continues to tighten. We expect that homebuyers will face a near 6 per cent qualifying rate in 2019. New home construction remains robust, with total starts on pace to reach 40,000 units for a third consecutive year.

Bank of Canada Overnight Rate



Export growth trailed off in 2018 following double digit growth last year. Modest growth in the value of softwood lumber exports is one factor holding exports back. However, a renewal of NAFTA (now called the US-Mexico-Canada agreement or USMCA) removes much of the uncertainty surrounding BC's trade sector. While tariffs on BC softwood lumber remain, the new trade deal opens the possibility for the dispute to be resolved and the tariffs lifted. Energy exports, particularly the value of shipments of natural gas to the United States, are responsible for most of the slowdown in overall export growth this year. The US has steadily become more

BC Exports

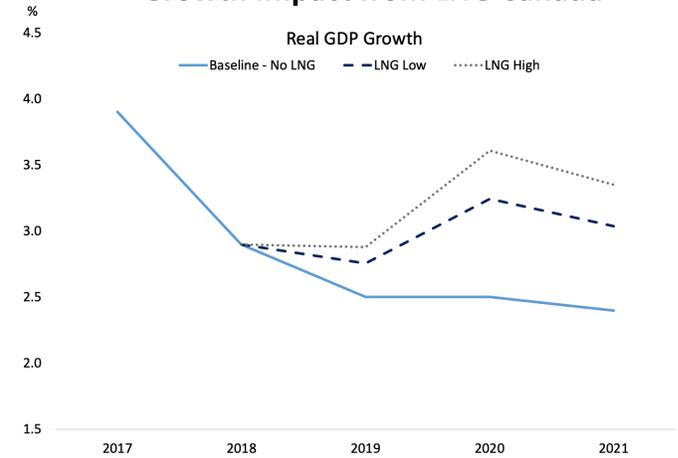


energy self-sufficient over the last decade, leading to an overall decline in its natural gas imports.

A general reading of economic data for 2018 is in-line with an economy returning to trend after an extended growth cycle. Indeed, that had been our baseline forecast until the approval of LNG Canada's \$40 billion terminal was announced early in the fall.

The LNG Canada project, located in Kitimat, has the potential to transform the economy of the North for years to come. The approval of the LNG terminal means that the \$6 billion Coastal GasLink pipeline will also be built, along with a myriad of upgrades in support of the larger LNG Canada project. Overall, as much as \$10 billion is estimated to be spent within BC over the next three years.

Growth Impact from LNG Canada



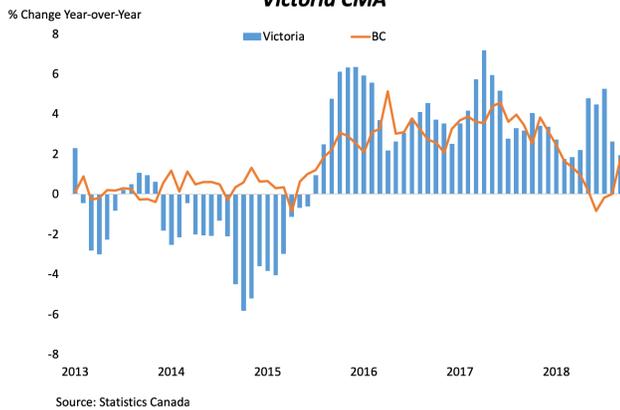
Source: BCREA Economics

The short-term impact on economic growth for the province is uncertain, but overwhelmingly positive. We estimate that direct spending alone could add between 0.5 and 0.8 per cent to growth over the next three years as construction of the massive infrastructure project gets underway. If so, instead of the BC economy returning to its long-run trend, it will be jumpstarted into another cycle of robust economic growth. For that reason, our forecast for economic growth in 2019 has increased to 2.9 per cent. The uptick in economic activity means increased employment growth, which should push the provincial unemployment rate even lower to 4.5 per cent. Beyond 2019, economic growth in the province will remain elevated above 3 per cent in both 2020 and 2021 as LNG spending ramps-up further.

VANCOUVER ISLAND-COAST

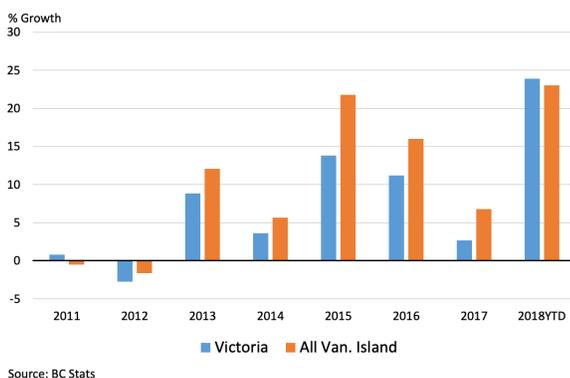
The Victoria, Vancouver Island and Powell River real estate boards service the Vancouver Island-Coast Region of the province. Housing demand in the region shifted lower this year. The mortgage stress test introduced in January severely eroded housing affordability for many would-be home buyers and slowed demand across the country. While home sales in Victoria have climbed since May, the effect of the mortgage stress test will likely continue to be a drag on demand over the next several quarters.

**Employment Growth
Victoria CMA**

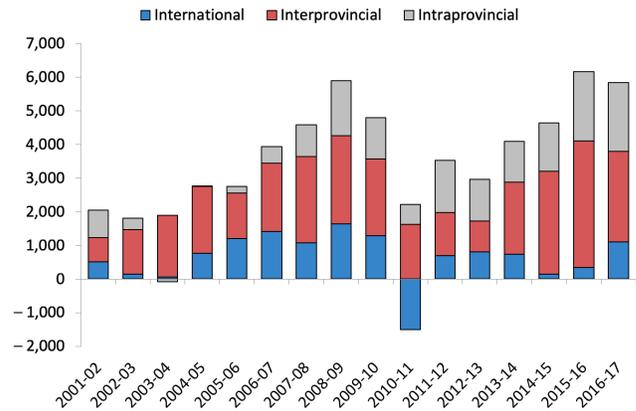


Despite the policy-driven ebb in home sales, the BC economy continues at above-trend growth, providing a solid foundation to housing demand. After five consecutive years of strong economic performance, the resulting high employment level has pulled the unemployment rate down to a cyclical low, which is typically a precursor to upward pressure on wages and rising disposable income.

Vancouver Island Tourism - Hotel Room Revenues



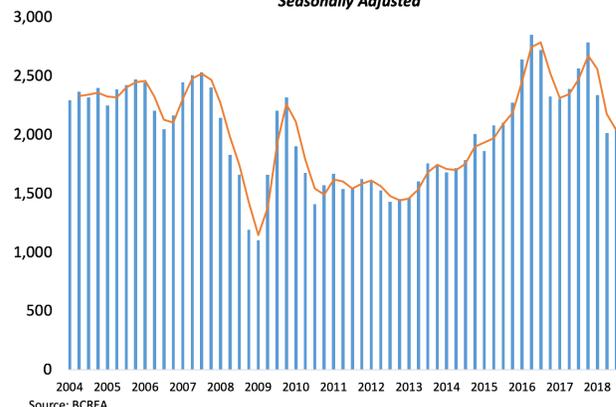
Net Migration - Victoria CMA



While a strong economy is providing a backstop to housing demand province-wide, the Vancouver Island-Coast region draws more than its fair share of retirees, most of whom are mortgage-free and not subject to the stress test. Indeed, over 50 per cent of home buyers in the Vancouver Island Real Estate Board were retirees in 2017. Moreover, retirees are less susceptible to the ebb and flow of the business cycle and are expected to help underpin housing demand in the region over the next decade.

In addition, household growth is also supported by a large cohort of millennials, many of whom are now entering their household-forming years. Both local millennials reaching their household-forming life stage and millennial migrants seeking employment opportunities and housing affordability will bolster housing demand, especially in the urban areas of Victoria and Nanaimo.

**MLS® Unit Sales – Vancouver Island
Seasonally Adjusted**

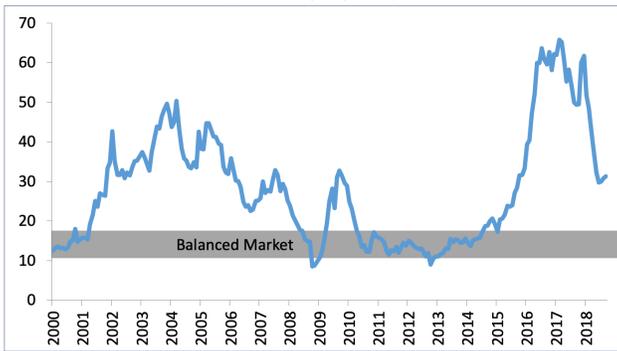


The supply of homes for sale in the region has increased since the beginning of the year, largely the result of policy-induced decline in demand. However, despite more supply and less demand, market conditions have remained largely in favour of home sellers. While the high end of the market has softened considerably in some areas, home prices are expected to remain relatively stable next year, after climbing 6 per cent in Victoria and 12 per cent on Vancouver Island this year.

As a result of slower demand and capacity constraints, housing starts are slowing in the region. Home builders are closely monitoring the absorption rates of their units currently under construction as well as assessing their capacity to increase production.

Victoria Real Estate Board

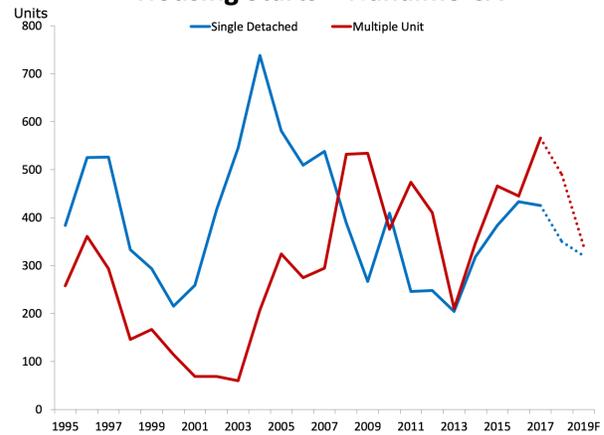
Sales-to-Active Listings Ratio
(Seasonally Adjusted)



Source: BCREA

The lack of housing supply in the region has induced a significant increase in homebuilding activity. The number of units under construction in Victoria has more than tripled over the past three years and is 44 per cent higher than the previous peak in 2008.

Housing Starts – Nanaimo CA

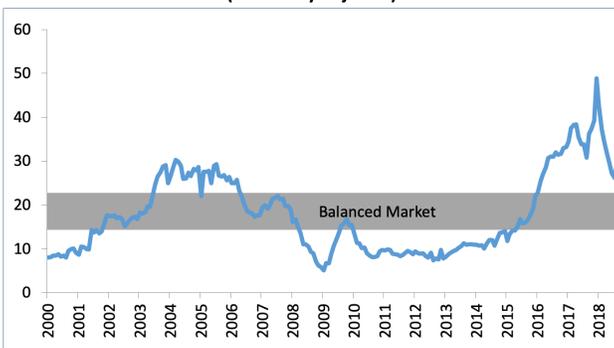


Source: CMHC, BCREA Economics

A strong provincial economy and favourable demographics will underpin housing demand in the region next year. However, against this backdrop, the tough new mortgage stress test, moderately rising interest rates and an already elevated price level are expected to operate as governors on home sales and home price appreciation in 2019.

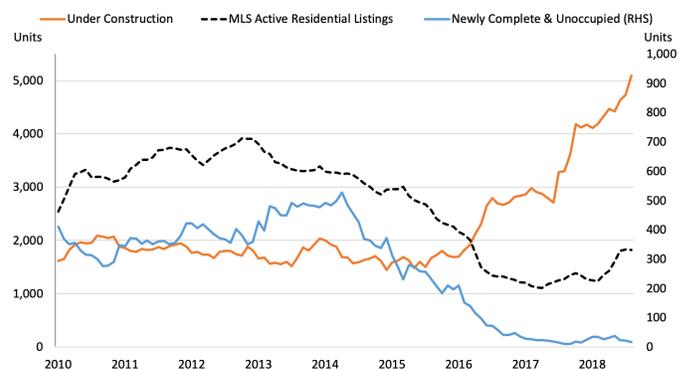
Vancouver Island Real Estate Board

Sales-to-Active Listings Ratio
(Seasonally Adjusted)



Source: BCREA

Victoria Housing Supply



Source: CMHC, VREB, 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 typically contributes to approximately 60 per cent of the housing demand in the province.

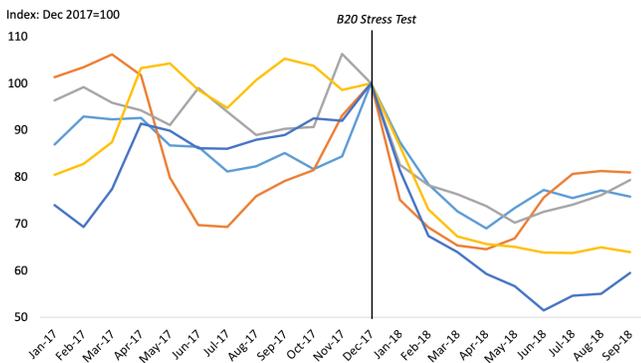
Despite an exceedingly robust economy, housing demand fell sharply this year. After its introduction in January, the stress test on conventional mortgages has cooled housing markets across the country. Its 200 basis point increase in the qualifying rate was a shock to housing markets and its impact was especially pronounced in affordability-strapped Metro Vancouver. While the downturn appears largely over, housing demand may trend near its current level for several quarters before exhibiting a noticeable recovery.

Despite the largely policy-induced slowdown in consumer demand, the strong BC economy continues to underpin the housing market. Real GDP growth is expected to post its fifth consecutive year of above-trend performance and is now only being limited by a relatively slow-growing labour force. The employment level is high, while the unemployment rate is nearing a cyclical low. The cumulative effect of a long period of strong economic growth is typically accommodative to housing demand as higher employment levels lead to growing disposable income and consumer confidence. However, against this backdrop, relatively high household debt and rising interest rates are likely beginning to crowd out consumer spending, with retail sales growth slowing this year.

Impact of B20 By CMA

MLS® Home Sales (Seasonally Adjusted)

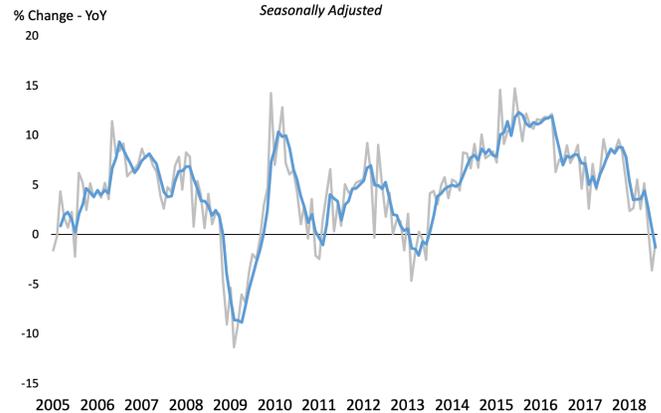
— Calgary — Greater Toronto — Victoria — Greater Vancouver — Fraser Valley



Source: BCREA Economics

Retail Sales Growth – Vancouver CMA

Seasonally Adjusted

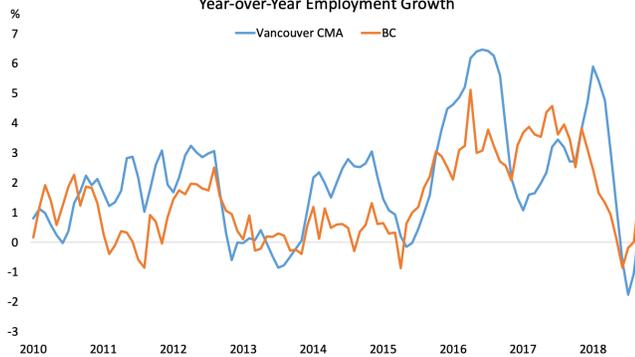


Source: Statistics Canada, BCREA Economics

Employment Growth

Year-over-Year Employment Growth

— Vancouver CMA — BC



Source: Statistics Canada

Population growth is trending at a two-year high in Metro Vancouver, while it's been a decade since the Abbotsford population has grown as fast. Household growth in the region is fuelled by migration. While net interprovincial migration is ebbing as an improving Alberta economy slows the exodus of job-seeking households from that province, net international migration has increased. With immigration the largest component of population growth in the region, an expected rise in the number of immigrants to Canada will bolster population growth and housing demand in the future.

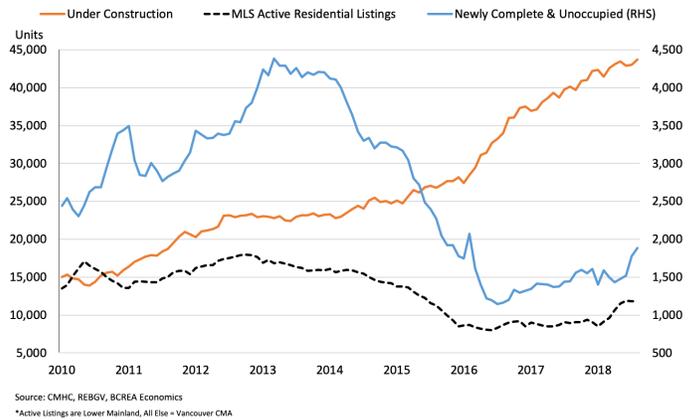
Finally, demographics are playing a key role in the region’s housing market. While some baby boomers will cash out and relocate to other areas of the province as they reach retirement, the vast majority are expected to age in place, near family and friends. The millennials, as influential as their boomer parents, are now entering their household-forming years, and will continue to bolster demand for rental housing and condominiums.

Slower housing demand has contributed to an increase in active listings and trended the market into balanced conditions. Sellers’ market conditions have emerged at the higher end of the market. However, it’s typical for the highest priced market segments to exhibit greater price volatility than the rest of the market.

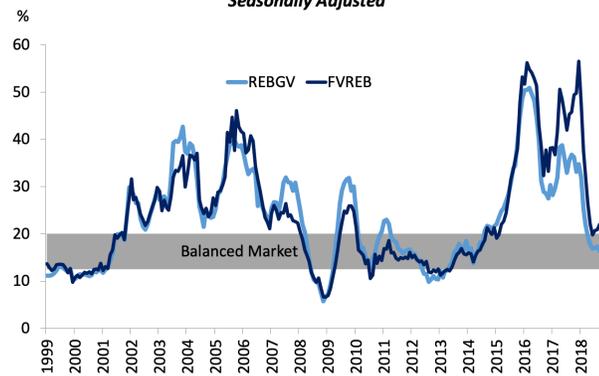
While slower housing demand is reminiscent of 2012 when maximum amortizations were reduced to 25 years, active listings are still a fraction of their level at the time. This provides some cushion as the market adjusts to the affordability shock of the B-20 stress test.

approximately 24,000 housing starts are expected both this year and next in Metro Vancouver. This significant increase in new supply will expand the housing stock, provide more choice to consumers and lessen upward pressure on the region’s home prices.

Metro Vancouver Housing Supply



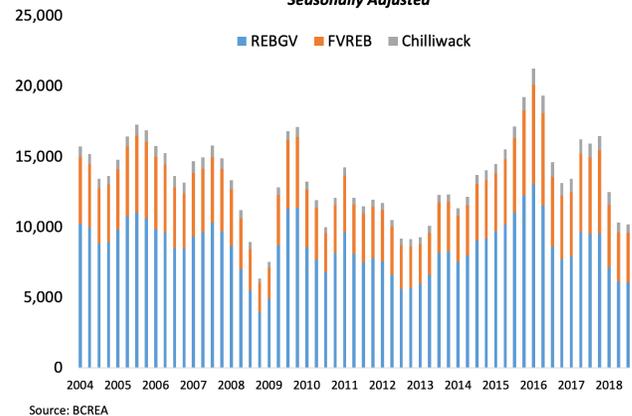
Sales-to-Active Listings Ratio
Seasonally Adjusted



New home construction continues at a frenetic pace in the region. There are nearly 44,000 units under construction in Metro Vancouver, 60 per cent above the previous peak of 27,000 units recorded in 2008. In addition,

Home sales through the Real Estate Board of Greater Vancouver and the Fraser Valley Real Estate Board are expected to decline 28 to 30 per cent in 2018, while home sales through the Chilliwack and District Real Estate Board are expected to decline 22 per cent. Some recovery is expected next year, as households retrench their finances to reflect the mortgage stress test and higher interest rates. The combination of slower sales activity and an increase in the supply is expected to keep the annual average sales price to a modest 3 to 5 per cent gain in 2019.

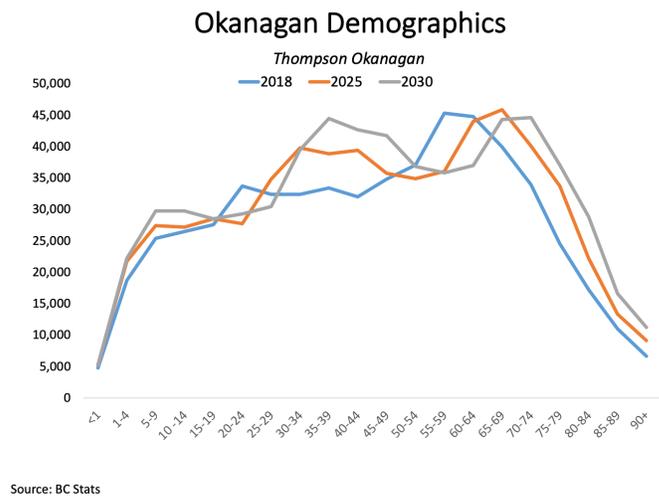
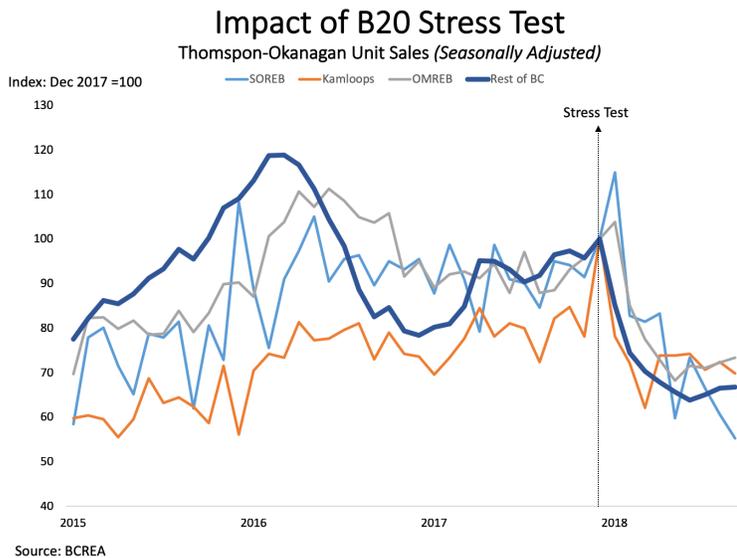
MLS® Unit Sales – Lower Mainland
Seasonally Adjusted



THOMPSON-OKANAGAN

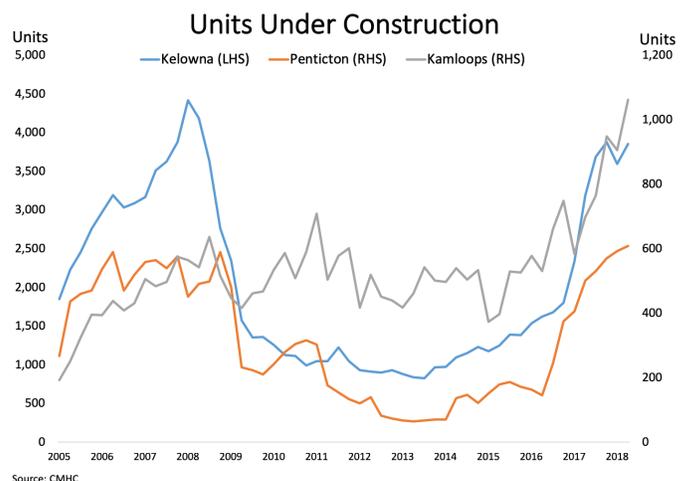
MLS® home sales in the Thompson-Okanagan region, which is serviced by the Okanagan Mainline, South Okanagan and Kamloops Real Estate Boards, are beginning to recover from the fallout of the mortgage stress test implemented at the beginning of the year. Homes sales across the three board areas fell about 30 per cent from the end of 2017 to the third quarter of 2018. However, sales in both the Okanagan Mainline and Kamloops area have been recovering since the spring, while home sales in the South Okanagan showed signs of bouncing back before once again falling in September.

Economic growth in BC remained strong in 2018, though down from the blistering near 4 per cent pace set in 2017. The economy of the Thompson-Okanagan has prospered alongside the wider provincial economy, particularly in the Kelowna CMA where employment surged higher in late 2016, driven by job gains in healthcare and construction. Those industries are clearly responding to the underlying demographics of the region, which are attracting young families in search of more affordable housing opportunities as well as retirees taking advantage of the Okanagan's favorable climate.



While a strong economy and favourable demographic trends should support stronger consumer demand in 2019, rising mortgage rates are compounding the effect of the mortgage stress test. As the Bank of Canada embarks on its first tightening cycle since 2004, the 5-year qualifying rate has been pushed higher, which along with the stress test has forced many previously qualified buyers to the sidelines. We expect that Canadian mortgage rates will continue to rise in 2019, tempering the rebound in home sales. Overall, we forecast that MLS® sales will rise about 5 per cent in the Okanagan Mainline board area, a little over 4 per cent in the South Okanagan and 2.3 per cent in Kamloops.

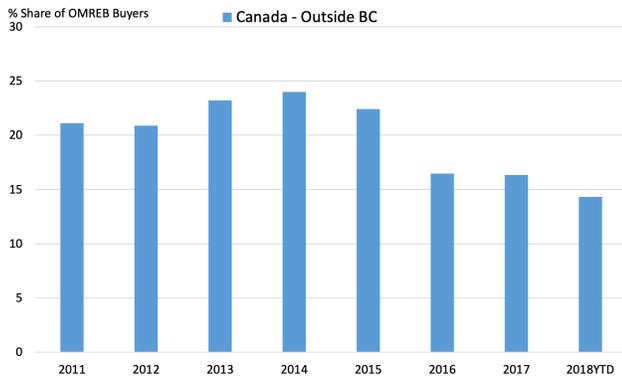
To serve these populations, new home construction has ramped up considerably. Total units under construction in Kelowna and Penticton are at levels



not seen since 2007 and units under construction in the Kamloops area are the highest in the city’s history. In contrast to past construction booms, construction of rental units is also nearing or exceeding an all-time high for the region. Housing starts in Kelowna, although down from a record year in 2017, remain relatively robust at a projected 2,500 units this year and 2,200 units in 2019.

The implementation of the provincial speculation tax, which applies to recreational properties or second homes in Kelowna and West Kelowna, presents a risk to the outlook for the Okanagan Mainline region. Canadian buyers from outside of BC historically make up between 15 and 20 per cent of home sales in the Okanagan Mainline and are now subject to a 0.5 per cent annual tax if properties are left vacant for longer than 6 months.

Homebuyer Origins
Okanagan Mainline Estate Board



Source: OMREB

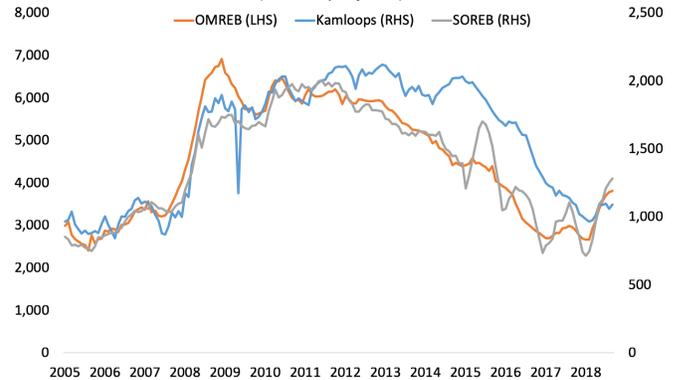
Given that at least a part of the new construction underway in Kelowna was intended for out-of-province recreational property buyers, there is the risk of excess supply if those buyers are deterred by the speculation tax.

A shock to demand from the mortgage stress test is causing the inventory of homes available for sale to trend higher for the first time in ten years. However, MLS® active listings in the Okanagan Mainline and South Okanagan are still more than

40 per cent from their previous peak, and listings in Kamloops remain about half of the level from 2014. As a result, even though demand has declined, average home prices are still on pace to post strong growth this year.

As the massive pipeline of new units complete over the next year, the added supply should help to alleviate tight market conditions in the region.

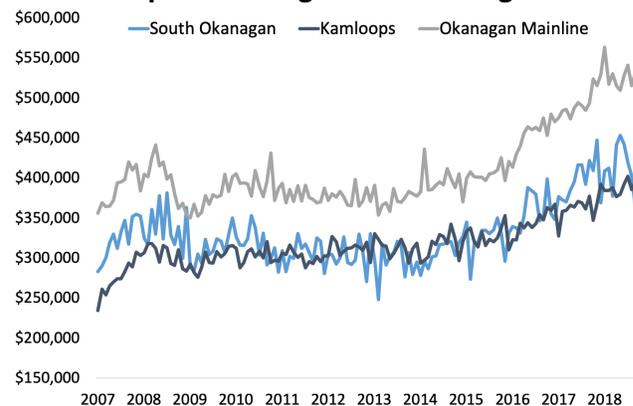
MLS® Active Listings
(Seasonally Adjusted)



Source: BCREA

We are forecasting that the MLS® average price in the Okanagan Mainline region will rise 4.8 per cent next year but will be essentially flat in the South Okanagan. The MLS® average price in Kamloops is projected to rise 3.6 per cent.

Thompson-Okanagan MLS® Average Price

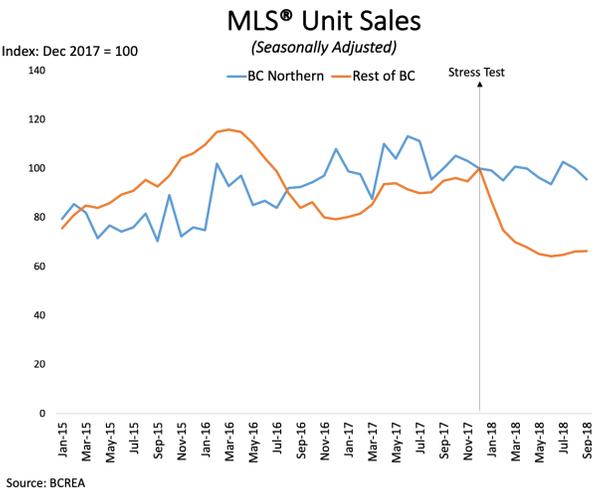


Source: BCREA

NORTHERN BC

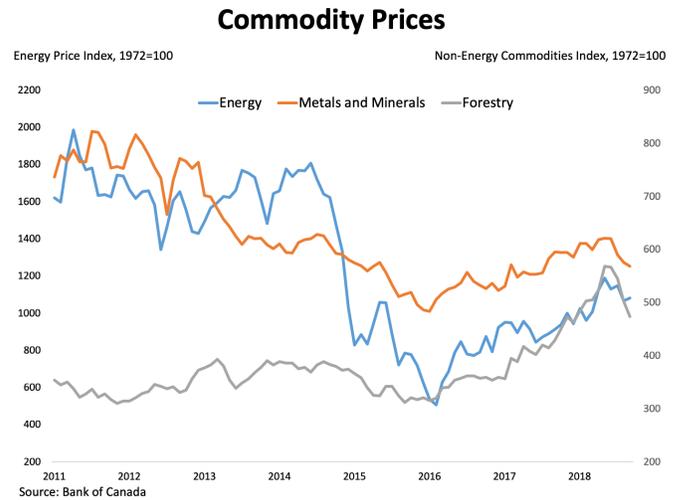
While the BC economy enjoyed its strongest stretch of economic growth in over a decade, the economy of northern BC has lagged behind. The decline in global commodity prices in late 2014 trimmed exploration activity and the value of natural resource exports, leading to mine closures and layoffs. All of that started to change in 2017, as commodity prices bounced back, and northern housing markets generally outperformed the rest of the province this year. Moreover, with the approval of the \$40 billion LNG Canada project, the fortunes of the North have perhaps never been brighter.

MLS® residential sales across the BC Northern Real Estate Board area (which encompasses a vast and diverse geography from 100 Mile House to Prince Rupert to Fort St. John) have defied expectations in 2018, rising 1.1 per cent through the first nine months of the year at a time when home sales are down more than 20 per cent province-wide due to the mortgage stress test and rising mortgage rates.

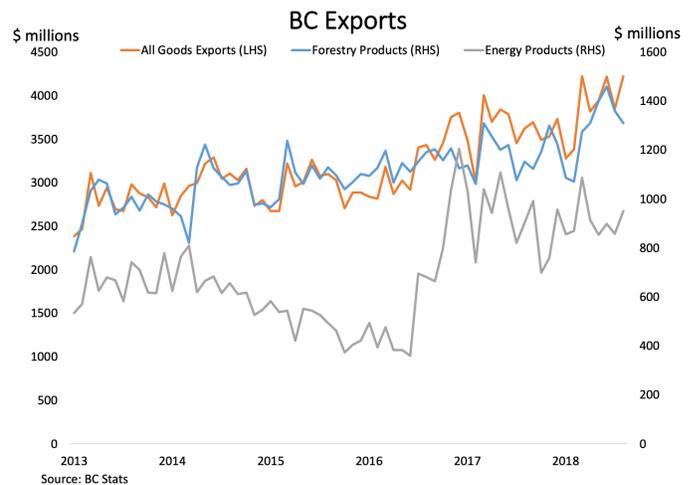


Employment growth across the northern region picked up in 2018, outpacing most labour markets in the province. One reason employment growth has improved is the upswing in global commodity prices and the accompanying job-creating exploration and production activities that rising prices engender. Prices for forest products jumped 20 per cent in 2017 and, although forestry prices have trended lower this year, they remain near multi-year highs. Likewise, energy prices are close to 20 per cent higher than this time last year while

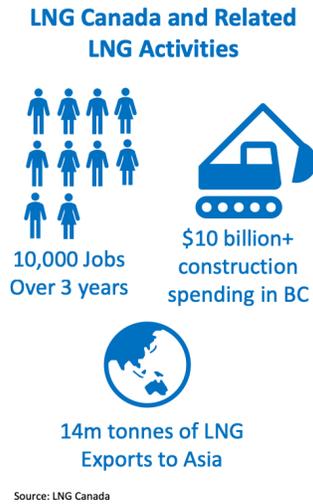
metals and mineral prices have given back some gains after a double digit increase in 2017.



Although most forestry prices are higher, growth in the value of softwood lumber exports has been held back by tariffs implemented in 2017. However, a newly inked renegotiation of the North American Free Trade Agreement should open the possibility for the dispute to be resolved and the tariffs lifted. Energy exports, particularly the value of shipments of natural gas to the United States, are responsible for much of the slowdown in overall export growth this year. The US has steadily become more energy self-sufficient over the last decade, leading to an overall decline in its natural gas imports. That shift makes the LNG Canada announcement even more important for the future of BC's oil and gas sector.

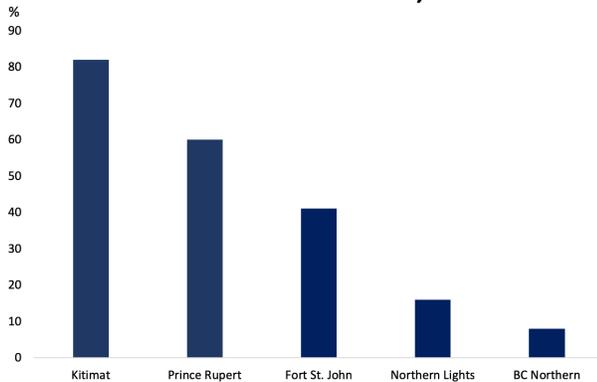


The LNG Canada project, located in Kitimat, has the potential to be transformational for the economy of northern BC. The approval of the LNG terminal means that the \$6 billion Coastal GasLink pipeline will also be built, along with a myriad of upgrades in support of the larger LNG project. Overall, as much as \$10 billion is estimated to be spent within BC.



Looking back on the original LNG excitement from 2012 to 2014, before the crash in oil prices derailed the initial enthusiasm, provides a glimpse at how northern housing markets may be impacted by the LNG Canada announcement. Market conditions along the North Coast were extremely tight from 2012 to 2014. Limited supply and a sudden spike in demand caused prices to rise 82 per cent in Kitimat, 60 per cent in Prince Rupert and 41 per cent in Fort St. John. That compares with an 8 per cent increase in prices for the BC Northern region as a whole.

Northern Home Price Growth, 2012-2014



Source: BCNREB

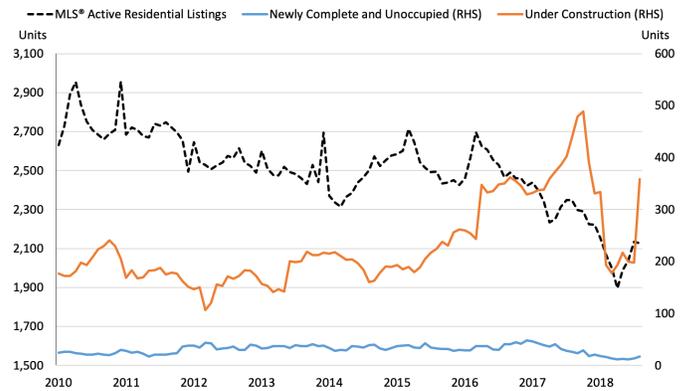
As construction of the LNG Canada project gets underway, we expect that demand for housing will ramp-up as workers are drawn from not only the north but

from all around the province and other parts of Canada as well. We are forecasting that home sales in the BC Northern area will rise close to 6 per cent in 2019 with larger gains concentrated along the North Coast around Kitimat and Prince Rupert.

This uptick in demand comes at time when supply along the North Coast, and in the broader BC Northern Real Estate Board area, is somewhat limited.

New home construction in the North was essentially flat in recent years with very few new units built outside of major centres in the Cariboo region like Prince George and Quesnel. Although LNG Canada is constructing temporary accommodation capable of housing up to 7,000 workers, we still expect significant pressure on the limited northern housing stock. As rising demand meets that limited supply, we anticipate that prices in the region will rise, perhaps by as much as 10 per cent next year.

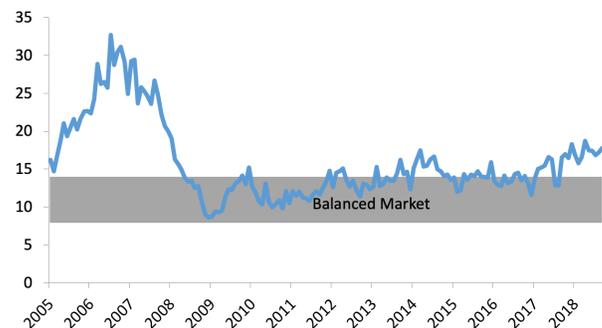
Prince George Housing Supply



Source: CMHC, BCNREB, BCREA Economics

BC Northern Real Estate Board

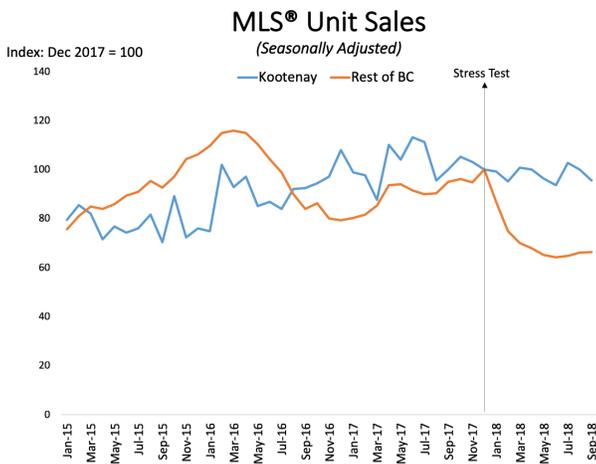
Sales-to-Active Listings Ratio (Seasonally Adjusted)



Source: BCREA

KOOTENAY

BC's Kootenay region showed few signs of slowing in 2018 following the introduction of the mortgage stress test. While other markets around the province saw home sales decline by close to 30 per cent, MLS® sales in the Kootenay remain relatively healthy, though are expected to post a slight decline this year and next.

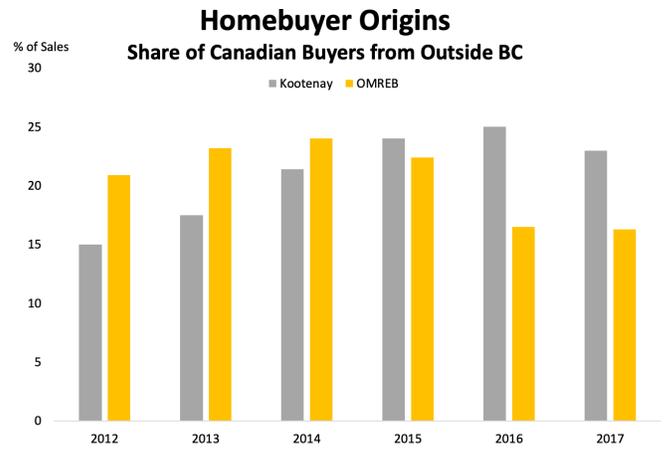


Source: BCREA

The regional economy of the Kootenay appears to be thriving. Employment is up 5 per cent in 2018 and the region has attracted an influx of job seekers, expanding the local labour force and driving housing demand. A rebound in the forestry sector and a strong regional manufacturing base have propelled employment growth in 2018, but the services sector is also expanding. The region's finance, insurance and real estate sector recorded its highest level of employment in three years and the professional services, education and transportation sectors have all recorded strong year-over-year gains in employment. The region's rich metallurgical coal deposit continues to be a primary engine of the regional economy. The value of coal shipments from BC remains near a record high despite a modest dip in 2018.

On top of strong local demand conditions, the Kootenay continues to be a desired location for recreational homebuyers from Alberta, especially in the East Kootenay. Alberta buyers accounted for 30 per cent of home purchases in the East Kootenay and 9 per cent in the West Kootenay in 2017, while other Canadian buyers accounted for a further 5 per cent

across the region. That demand may become even more significant given that the Kootenay is exempt from the

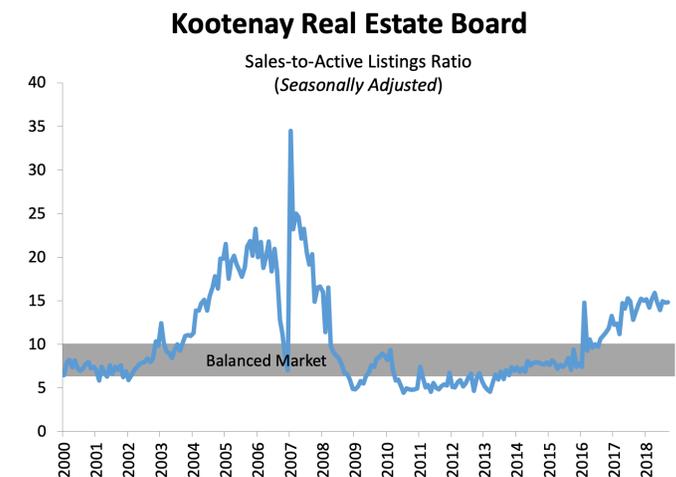


Source: Kootenay Real Estate Board

provincial speculation tax while competitor markets in the Okanagan are not.

Countering otherwise strong local demand, rising mortgage rates are impacting demand in the region, and will continue to negatively affect consumer demand in 2019. We are forecasting MLS® home sales in the Kootenay will decline 6.5 per cent this year and a further 2 per cent in 2019.

While demand is expected to moderate, housing supply in the Kootenay remains near decade lows. That has created an imbalance of demand over supply in local markets, resulting in upward pressure on home prices. The MLS® average price in the Kootenay is forecast to rise close to 5 per cent in 2018 and 4.4 per cent in 2019.



Source: BCREA

BC Housing Outlook	2015	2016	2017	2018F	2019F
MLS® Unit Sales	102,514	112,211	103,764	80,000	89,500
% change	22.0	9.5	-7.5	-22.9	11.9
MLS® Average Price	\$636,607	\$691,120	\$709,577	\$718,600	\$760,000
% change	12.0	8.6	2.7	1.3	5.8
MLS® Dollar Volume (\$billions)	\$65.26	\$77.55	\$73.63	\$57.49	\$68.03
% change	36.6	18.8	-5.1	-21.9	18.3
Housing Starts	31,446	41,843	43,664	40,500	34,900
% change	10.9	33.1	4.4	-7.2	-13.8
Single	10,152	12,278	12,346	10,900	10,200
% change	6.1	20.9	0.6	-11.7	-6.4
Multiple	21,294	29,565	31,318	29,600	24,700
% change	13.3	38.8	5.9	-5.5	-16.6
Total Net Migration	35,204	56,204	59,792	59,300	61,000
% change	-25.5	59.7	6.4	-0.8	2.9
Net International Migration	12,377	33,734	49,590	51,500	55,000
% change	-60.5	172.6	47	3.9	6.8
Net Interprovincial Migration	22,827	22,470	10,202	7,800	6,000
% change	43.9	-1.6	-54.6	-23.5	-23.1
Range of Posted 5-year Fixed Mortgage Rate (%)	4.64-4.79	4.64-4.74	4.64-4.99	4.99-5.55	5.55-5.85

BC Economic Outlook	2015	2016	2017 ¹	2018F	2019F
Real GDP Growth (%)	3.5	3.5	3.9	2.8	2.9
Employment (millions)	2.31	2.38	2.47	2.49	2.53
Employment Growth (%)	1.2	3.1	3.7	1.0	1.7
Unemployment (ooos)	149.9	152.9	133.9	126.5	118.6
Unemployment Rate (%)	6	6	5.1	4.8	4.5
Personal Disposable Income (\$billions)	167.2	176	183.8	192	200
Personal Disposable Income Growth (%)	5.9	5.3	4.9	4.4	4.2
Average Weekly Wage	\$914	\$921	936.4	984.0	1,003.7
Weekly Wage Growth (%)	3.6	0.8	1.7	5.1	2
Retail Sales (\$billions)	\$71.6	\$77.1	84.3	87.2	92
Retails Sales Growth (%)	6.9	7.7	9.3	3.5	5.5

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

Lower Mainland-Southwest

<i>MLS® Unit Sales</i>	2017	%	2018F	%	2019F	%
Real Estate Board of Greater Vancouver	36,604	-10.5	25,780	-29.6	31,400	21.8
Single Detached	11,476	-21.7	8,000	-30.3	9,500	18.8
Apartment	18,282	-4.1	13,300	-27.3	16,000	20.3
Townhouse	6,277	-0.5	4,100	-34.7	5,500	34.1
Fraser Valley Real Estate Board	21,436	-7.1	15,520	-27.6	17,850	15
Single Detached	9,359	-21	6,500	-30.5	8,100	24.6
Apartment	6,191	21.9	4,400	-28.9	4,600	4.5
Townhouse	5,484	-2.1	4,320	-21.2	4,800	11.1
Chilliwack and District Real Estate Board	3,983	-7.5	3,100	-22.2	3,210	3.5
Single Detached	2,219	-11.7	1,650	-25.6	1,700	3
Apartment	671	31.8	580	-13.6	600	3.4
Townhouse	931	-15.8	720	-22.7	760	5.6
<i>MLS® Average Price</i>	2017	%	2018F	%	2019F	%
Real Estate Board of Greater Vancouver	\$ 1,031,546	1.4	\$ 1,050,000	1.8	\$ 1,080,000	2.9
Single Detached	\$ 1,752,247	-0.6	\$ 1,710,000	-2.4	\$ 1,720,000	0.6
Apartment	\$ 647,651	17.1	\$ 720,600	11.3	\$ 732,400	1.6
Townhouse	\$ 861,393	12.2	\$ 934,800	8.5	\$ 950,800	1.7
Fraser Valley Real Estate Board	\$ 701,842	3.7	\$ 752,000	7.1	\$ 790,000	5.1
Single Detached	\$ 1,061,011	8.2	\$ 1,120,000	5.6	\$ 1,155,000	3.1
Apartment	\$ 326,787	24.1	\$ 406,200	24.3	\$ 401,400	-1.2
Townhouse	\$ 540,468	20.7	\$ 600,500	11.1	\$ 603,800	0.5
Chilliwack and District Real Estate Board	\$ 464,897	16.8	\$ 519,800	11.8	\$ 520,900	0.2
Single Detached	\$ 586,421	19.1	\$ 648,500	10.6	\$ 650,000	0.2
Apartment	\$ 214,237	18.1	\$ 261,200	21.9	\$ 264,000	1.1
Townhouse	\$ 397,628	26.3	\$ 433,100	8.9	\$ 435,000	0.4
<i>Housing Starts</i>	2017	%	2018F	%	2019F	%
Vancouver CMA	26,204	-6.1	24,150	-7.8	23,900	-1.0
Single	4,911	-5	4,450	-9.4	4,200	-5.6
Multiple	21,293	-6.4	19,700	-7.5	19,700	0
Abbotsford CMA	1,710	50.5	865	-49.4	920	6.4
Single	416	-11.3	345	-17.1	400	15.9
Multiple	1,294	94	520	-59.8	520	0
Chilliwack CA	1,033	34.3	900	-12.9	750	-16.7
Single	644	59.4	475	-26.2	325	-31.6
Multiple	389	6.6	425	9.3	425	0

Vancouver Island-Coast

<i>MLS® Unit Sales</i>	2017	%	2018F	%	2019F	%
Victoria Real Estate Board	8,464	-15.6	6,720	-20.6	6,980	3.9
Single Detached	4,562	-21.7	3,670	-19.6	3,750	2.2
Apartment	2,784	-4.5	2,100	-24.6	2,230	6.2
Townhouse	865	-14.7	750	-13.3	790	5.3
Vancouver Island Real Estate Board	10,038	-4.7	8,200	-18.3	8,640	5.4
Single Detached	6,985	-1.4	5,680	-18.7	5,700	0.4
Apartment	1,203	22.3	990	-17.7	1,100	11.1
Townhouse	1,419	4.5	1,200	-15.4	1,275	6.3
Powell River Sunshine Coast Real Estate Board	406	-2.6	360	-11.3	380	5.6
Single Detached	338	-1.5	300	-11.2	310	3.3
Condo	58	-3.3	50	-13.8	60	20
Single Family Mobile	10	-28.6	10	0	10	0
<i>MLS® Average Price</i>	2017	%	2018F	%	2019F	%
Victoria Real Estate Board	\$ 652,928	11.5	\$ 693,400	6.2	\$ 697,800	0.6
Single Detached	\$ 831,651	12.5	\$ 878,900	5.7	\$ 880,000	0.1
Apartment	\$ 419,633	18.4	\$ 460,300	9.7	\$ 461,500	0.3
Townhouse	\$ 536,771	15.1	\$ 584,400	8.9	\$ 591,200	1.2
Vancouver Island Real Estate Board	\$ 431,255	12.5	\$ 483,500	12.1	\$ 484,800	0.3
Single Detached	\$ 502,311	14.2	\$ 544,700	8.4	\$ 550,500	1.1
Apartment	\$ 243,844	14.4	\$ 272,700	11.8	\$ 277,800	1.9
Townhouse	\$ 327,985	16.6	\$ 368,000	12.2	\$ 370,000	0.5
Powell River Sunshine Coast Real Estate Board	\$ 316,773	11.4	\$ 374,000	18.1	\$ 390,000	4.3
Single Detached	\$ 343,787	9.1	\$ 412,000	19.8	\$ 433,500	5.2
Condo	\$ 195,956	10.8	\$ 200,000	2.1	\$ 210,000	5
Single Family Mobile	\$ 104,415	52.2	\$ 112,000	7.3	\$ 117,800	5.2
<i>Housing Starts</i>	2017	%	2018F	%	2019F	%
Victoria CMA	3,862	31.7	3,820	-1.1	2,750	-28
Single	896	-1.5	820	-8.5	650	-20.7
Multiple	2,966	46.6	3,000	1.1	2,100	-30
Nanaimo CMA	991	12.9	840	-15.2	660	-21.4
Single	425	-1.8	350	-17.6	320	-8.6
Multiple	566	27.2	490	-13.4	340	-30.6

Thompson - Okanagan

<i>MLS® Unit Sales</i>	2017	%	2018F	%	2019F	%
Okanagan Mainline Real Estate Board	9,053	-9.8	7,450	-17.7	7,800	4.7
Single Detached	4,606	-13.1	3,800	-17.5	4,050	6.6
Apartment	1,888	3.3	1,630	-13.7	1,700	4.3
Townhouse	1,387	-9.3	1,150	-17.1	1,175	2.2
South Okanagan Real Estate Board	2,430	-1.2	1,970	-18.9	2,050	4.1
Single Detached	1,319	-8.3	1,050	-20.4	1,100	4.8
Apartment	449	18.8	390	-13.1	400	2.6
Townhouse	433	1.6	340	-21.5	350	2.9
Kamloops & District Real Estate Assoc.	3,345	5.2	3,080	-7.9	3,150	2.3
Single Detached	2,108	-1.6	1,850	-12.2	1,925	4.1
Apartment	368	26.9	400	8.7	380	-5
Townhouse	456	12.9	430	-5.7	460	7
<i>MLS® Average Price</i>	2017	%	2018F	%	2019F	%
Okanagan Mainline Real Estate Board	\$ 497,604	7.8	\$ 539,000	8.3	\$ 565,000	4.8
Single Detached	\$ 601,177	8.1	\$ 662,000	10.1	\$ 690,000	4.2
Apartment	\$ 315,391	12	\$ 330,000	4.6	\$ 350,000	6.1
Townhouse	\$ 413,166	10.2	\$ 440,000	6.5	\$ 470,000	6.8
South Okanagan Real Estate Board	\$ 399,972	9.8	\$ 421,000	5.3	\$ 423,200	0.5
Single Detached	\$ 509,298	12.6	\$ 535,000	5	\$ 537,000	0.4
Apartment	\$ 257,432	9.9	\$ 280,000	8.8	\$ 284,000	1.4
Townhouse	\$ 350,446	19	\$ 355,500	1.4	\$ 360,000	1.3
Kamloops & District Real Estate Assoc.	\$ 365,184	5.7	\$ 388,000	6.2	\$ 402,000	3.6
Single Detached	\$ 425,910	7.5	\$ 458,000	7.5	\$ 470,000	2.6
Apartment	\$ 216,250	4.3	\$ 245,000	13.3	\$ 258,000	5.3
Townhouse	\$ 334,307	12.5	\$ 345,000	3.2	\$ 367,000	6.4
<i>Housing Starts</i>	2017	%	2018F	%	2019F	%
Kelowna CMA	3,577	62.9	2,930	-18.1	3,030	3.4
Single	923	17.6	730	-20.9	800	9.6
Multiple	2,654	88.1	2,200	-17.1	2,230	1.4
Penticton CMA	559	28.5	355	-36.5	295	-16.9
Single	158	1.9	125	-20.9	145	16
Multiple	401	43.2	230	-42.6	150	-34.8
Kamloops CA	658	-5.6	1,020	55	625	-38.7
Single	328	26.6	270	-17.7	225	-16.7
Multiple	330	-24.7	750	127.3	400	-46.7

Kootenay

<i>MLS® Unit Sales</i>	2017	%	2018F	%	2019F	%
Kootenay Real Estate Board	3,274	10.8	3,060	-6.5	3,000	-2
Single Detached	1,987	10.8	1,900	-4.4	1,850	-2.6
Apartment	364	23	375	3	370	-1.3
Townhouse	218	14.1	225	3.2	230	2.2
<i>MLS® Average Price</i>	2017	%	2018F	%	2019F	%
Kootenay Real Estate Board	\$ 307,051	9.9	\$ 321,500	4.7	\$ 335,500	4.4
Single Detached	\$ 322,015	14.2	\$ 338,000	5	\$ 342,000	1.2
Apartment	\$ 185,491	19.7	\$ 187,700	1.2	\$ 190,000	1.2
Townhouse	\$ 253,799	3.6	\$ 253,500	-0.1	\$ 257,000	1.4
<i>Housing Starts</i>	2017	%	2018F	%	2019F	%
Cranbrook CMA	61	-38.4	55	-9.8	75	36.4
Single	61	-19.7	50	-18	60	20
Multiple	-	-100	5	NA	15	200

Northern BC

<i>MLS® Unit Sales</i>	2017	%	2018F	%	2019F	%
BC Northern Real Estate Board	4,293	5.5	4,400	2.5	4,650	5.7
Single Detached	3,756	5.9	3,750	-0.2	4,000	6.7
Northern Lights Area¹	438	67.8	375	-14.4	400	6.7
Single Detached	368	65.8	320	-13	340	6.3
<i>MLS® Average Price</i>	2017	%	2018F	%	2019F	%
Kootenay Real Estate Board	\$ 274,131	4	\$ 289,800	5.7	\$ 320,000	10.4
Single Detached	\$ 284,739	4.7	\$ 310,900	9.2	\$ 345,000	11
Northern Lights Area¹	\$ 248,429	6.5	\$ 240,000	-3.4	\$ 252,500	5.2
Single Detached	\$ 273,413	8.7	\$ 269,000	-1.6	\$ 290,000	7.8
<i>Housing Starts</i>	2017	%	2018F	%	2019F	%
Prince George CMA	272	-13.1	405	48.9	290	-28.4
Single	190	4.4	185	-2.6	190	2.7
Multiple	82	-37.4	220	168.3	100	-54.5
Dawson Creek CMA	17	70	10	-41.2	40	300
Single	13	85.7	5	-61.5	20	300
Multiple	4	33.3	5	25	20	300

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 (\$)		
	2017	2018F	2019F	2017	2018F	2019F
Victoria	8,464 -15.6%	6,720 -20.6%	6,980 3.9%	652,928 25.2%	693,400 6.2%	697,800 0.6%
Vancouver Island	10,038 -4.7%	8,200 -18.3%	8,640 5.4%	\$431,255 26.9%	\$483,500 12.1%	\$484,800 0.3%
Powell River Sunshine Coast	406 -2.6%	360 -11.3%	380 5.6%	\$316,773 28.4%	\$374,000 18.1%	\$390,000 4.3%
Greater Vancouver	36,604 -10.5%	25,780 -29.6%	31,400 21.8%	1,031,546 14.3%	1,050,000 1.8%	1,080,000 2.9%
Fraser Valley	21,436 -7.1%	15,520 -27.6%	17,850 15%	\$701,842 21.5%	\$752,000 7.1%	\$790,000 5.1%
Chilliwack and District	3,983 -7.5%	3,100 -22.2%	3,210 3.5%	\$464,897 38.4%	\$519,800 11.8%	\$520,900 0.2%
Kamloops and District	3,345 5.2%	3,080 -7.9%	3,150 2.3%	365,184 11.9%	388,000 6.2%	402,000 3.6%
Okanagan Mainline	9,053 -9.8%	7,450 -17.7%	7,800 4.7%	\$497,604 21.8%	\$539,000 8.3%	\$565,000 4.8%
South Okanagan*	2,430 -1.2%	1,970 -18.9%	2,050 4.1%	\$399,972 22.2%	\$421,000 5.3%	\$423,200 0.5%
Northern Lights	438 67.8%	375 -14.4%	400 6.7%	\$248,429 -7.8%	\$240,000 -3.4%	\$252,500 5.2%
Kootenay	3,274 10.8%	3,060 -6.5%	3,000 -2%	\$307,051 11.5%	\$321,500 4.7%	\$335,500 4.4%
BC Northern	4,293 5.5%	4,400 2.5%	4,650 5.7%	\$274,131 3.6%	\$289,800 5.7%	\$320,000 10.4%
BC Total	103,764 -7.5%	80,015 -22.9%	89,510 11.9%	709,577 11.5%	718,600 1.3%	760,000 5.8%

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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