

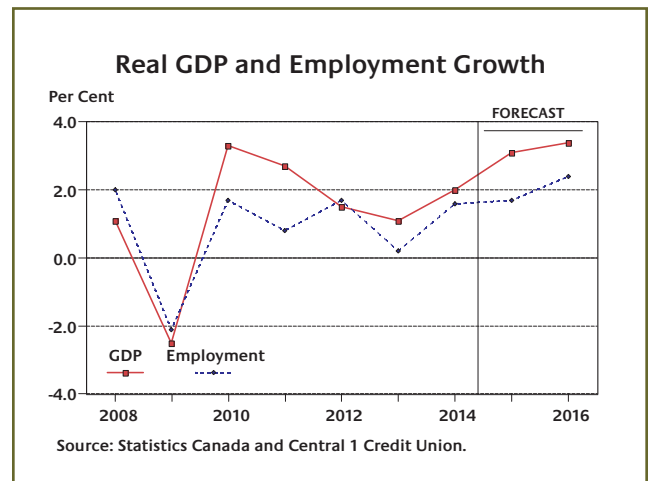
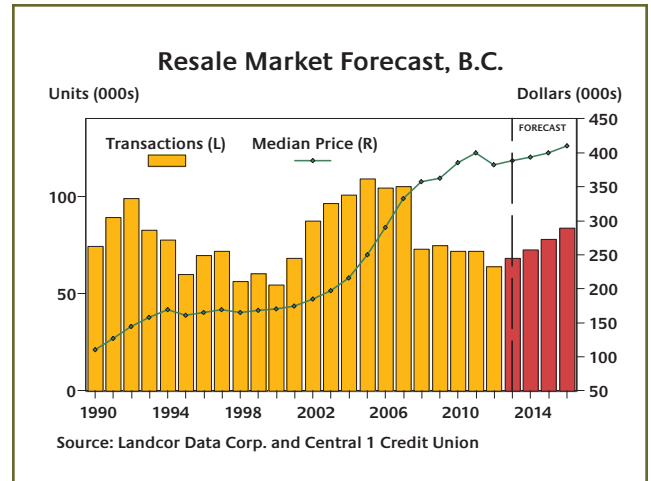
## B.C. Housing Forecast 2014 - 2016

### Highlights:

- B.C. housing market to experience steady but moderate growth in prices and sales through 2016
- Resale transaction to rise seven per cent to 72,500 in 2014 with median price growth of 1.5 per cent to \$394,000
- Forecast housing volume to remain subdued despite uptrend on tight mortgage insurance and credit constraints, rising mortgage rates and tempered economic rebound
- Improvement in recreational and retiree demand to generate modest improvements in interior and Vancouver Island markets
- Northern markets to record positive sales and price momentum as major projects fuel economic growth
- Provincial housing starts range-bound through 2016 and expected to 26,500 units in 2014

B.C.'s housing market entered 2013 on a sluggish note but experienced a surprisingly robust turnaround in momentum. A jump in resale activity drove sales significantly higher and contributed to a marginal gain in resale prices, while housing starts fell slightly from year ago levels.

Housing activity rebounded in spite of a weak economic backdrop as temporary factors underpinned growth. Sales early in the year were aided by a decline in mortgage rates to record low levels during the first quarter, while the initial shocks from 2012's tightening of mortgage insurance rules faded. Sales momentum subsequently accelerated as concerns around tapering of U.S. Federal Reserve Bank's quantitative easing led to higher bond yields,



which fuelled a rise in posted mortgage rates and tightening of rate discounts. Prospective buyers holding lower pre-approved contract rates advanced their purchases to avoid higher rate renewals. With ultra-low rate contracts largely expired and mortgage rates above early-year levels, these temporary drivers have already eased and are unlikely to provide a lift over the forecast horizon.

### Summary Housing Forecast

	2011	2012	2013	2014	2015	2016
Residential Transactions, Units	71,737	63,798	68,085	72,560	77,880	83,750
% change	-0.1	-11.1	6.7	6.6	7.3	7.5
Residential Median Transaction Price	400,000	382,000	388,000	394,000	403,000	415,000
% change	3.9	-4.5	1.6	1.5	2.3	3.0
Housing Starts	26,400	27,465	25,800	26,500	27,800	30,500
% change	-0.3	4.0	-6.1	2.7	4.9	9.7

Source: Landcor Data Corp, CMHC and Central 1 Credit Union

Further improvement in B.C.'s housing market will depend on economic growth as the low interest rate environment we have been accustomed to will tighten through 2016. Meanwhile, federal mortgage insurance and housing-related policy has been increasingly restrictive in recent years and is not expected to loosen over the forecast period.

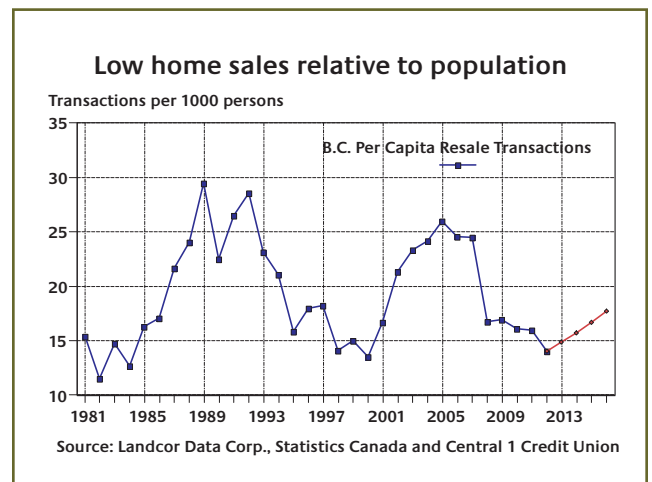
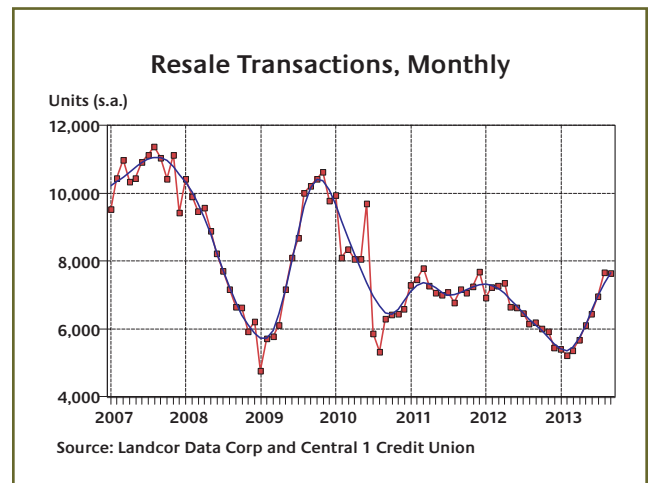
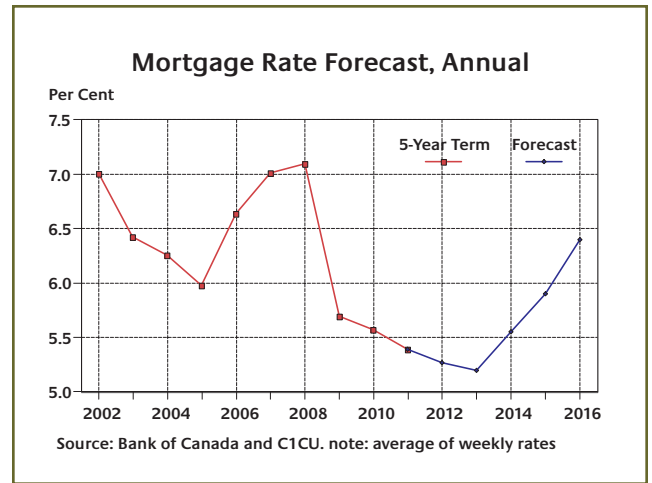
Growth in B.C.'s economy and household formation will continue to lift housing market activity but sales levels and price growth will remain subdued. B.C.'s economy is forecast to expand by only two per cent in 2014 following an anemic 1.1 per cent in 2013. While growth is projected to accelerate in 2015 onwards, employment will lag with growth of less than two per cent per year. Population growth follows suit with ongoing interprovincial outflows to the Prairie provinces constraining household formation.

*Resale Transactions*

After starting with a whimper, home sales gained traction in 2013 with a rebound in monthly activity to a level consistent with the decade average. While by no means stellar -- we still see annual sales of less than 70,000 units, ranking among the lowest performances since the late 2000s -- the U-shaped recovery in home sales surpassed earlier expectations, led by larger urban areas on the south coast and southern interior.

Temporary factors driving this year's rebound will unwind through the first quarter of 2014. Despite a slip in the trend, annual transactions are forecast to rise seven per cent in 2014 to 72,500 units, reflecting a low comparative base in early 2013 and rising momentum later in 2014. Annual sales will rise to about 84,000 units through 2016. Although growth is significant, the sales level remains low when adjusted for the population base.

There are few catalysts on the horizon for a sharp rebound in sales. Home sales will depend on population and economic growth, which are forecast to expand at a subdued pace through most of 2014 before accelerating later in the forecast period. Low mortgage rates support housing demand, but a rising rate environment will eat into affordability, particularly affecting higher priced housing markets homes. Meanwhile, the serial tightening of mortgage insurance and other credit constraints will continue to constrain activity. Low-equity buyers are most impacted by the affordability squeeze, which affects demand for lower-priced homes and subsequent move up purchases.



A rebound in recreational and retiree housing markets in the southern interior and on Vancouver Island will remain shallow, but gradually pick up through the forecast period as the economy grows and older households revisit retirement plans. Northern B.C. housing markets are expected to see a pickup in activity as major investments drive demand.

*Median price*

B.C.'s sales upturn put an early end to a year-long slide in the provincial median home price. After pulling back about 4.5 per cent in 2012, reflecting both lower prices, and a lower share of sales in the higher-priced Lower Mainland market, the provincial median price is expected to rise about 1.5 per cent in 2013 to \$388,000. A modest uptick in Lower Mainland prices and strong growth in the north offset modest declines in the southern interior.

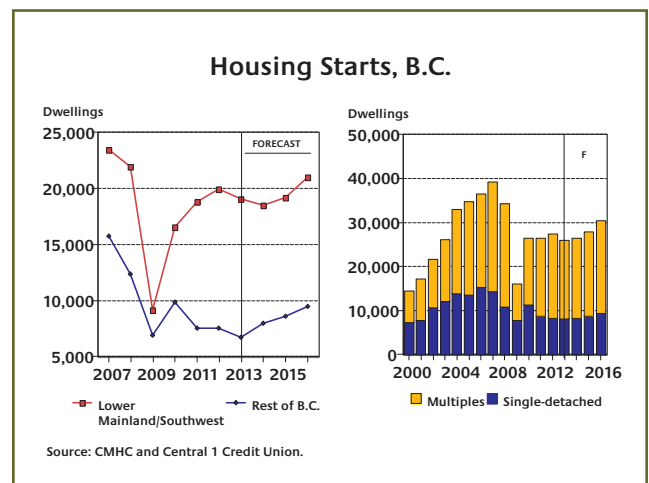
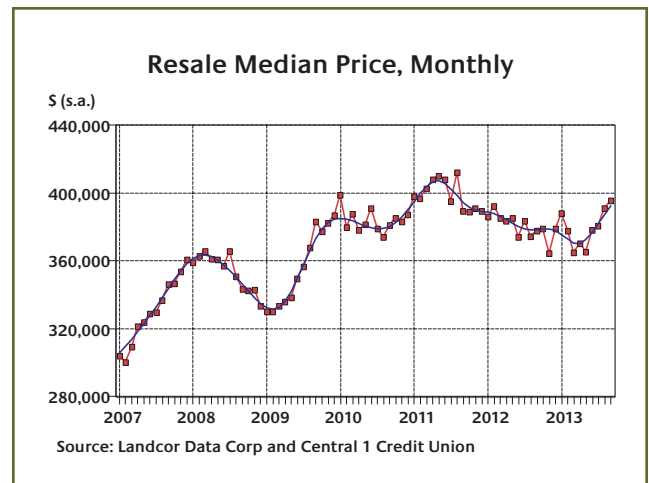
Home prices in B.C., and particularly the Lower Mainland, have remained resilient despite tempered demand. We have revised the provincial pricing outlook higher, and expect modest price growth of about 1.5 per cent in 2014, 2.5 per cent in 2015, and three per cent in 2016.

The Lower Mainland-Southwest, which comprises more than half of provincial sales, is forecast to record price growth of less than two per cent in 2014, with strengthening gains thereafter. Despite high prices and severe affordability challenges, sellers will remain steadfast in price expectations given stable economic conditions with inventory adjusting to maintain a balanced market. Firm price conditions will result in relatively low sales. New home inventory in the region is high but not excessive when adjusted for the population base, and will remain a damper on price growth.

Markets with a relatively larger share of recreational demand, particularly those on Vancouver Island and in the southern interior, were among the hardest hit during the recession with sharp cuts in sales and downward price pressure. Despite a forecast of higher sales, markets will remain oversupplied contributing to a slight moderation in prices through 2015. However, the inventory overhang is diminishing, reflecting low building in recent years and market absorption. Northern markets are expected to record strong price growth as major project construction and investment underpin activity.

**New home sales**

While resale activity makes up the bulk of total transactions, sales of new homes have averaged about 18 per cent since 1980, with the share rising and falling with housing construction cycles. New home transactions have typically aligned well with the construction cycle. As units are completed, title on pre-sold condos and houses are shifted to the buyer. Despite new home completions holding steady relative to 2012, new home transactions have not followed suit and are expected to decline about 18



per cent this year. Part of this deviation reflects an increase in recent rental housing construction, but lowered demand has slowed sales of unsold newly completed units while tempering price levels.

New home transactions are expected to rebound in 2014 by 30 per cent but remain at a low level of 15,500 units. The sales trend is expected to pick up as buyers look towards new homes and incentives and housing starts and completion remain steady.

*Housing Starts*

Housing starts are forecast to be range-bound through 2016. Following a near six per cent decline in 2013, starts are expected to climb two per cent in 2014 to about 26,500 units.

New construction in the Lower Mainland Southwest will decline slightly as builders respond to elevated inventory. In contrast, starts are expected to turn higher in most other areas of the province. With the inventory overhang diminishing and relatively low levels of units under construction, builders and developers are expected to lift production as economic conditions improve.

Starts will continue to trend higher through 2016, but remain below cycle-highs. A positive economic growth cycle and household formation will push sales to about 30,500 units by 2016. Construction of apartment and townhomes remain the dominant form of new housing as markets adapt to affordability challenges by offering increased density.

### Rental Market

Rental market conditions vary significantly by local area. Larger urban markets like Metro Vancouver, Victoria and Kelowna typically have lower vacancy rates, reflecting higher population growth and diversified economies. Relatively tighter conditions are also observed in more northerly markets, which have benefitted from the commodities-related investment cycle and job creation. In contrast, areas with stronger dependence on industries like tourism and forestry have higher vacancy rates.

The provincial vacancy rate of purpose-built rental units edged lower in 2013 after increasing in 2012. The average townhome and apartment vacancy rate likely declined to about 2.6 per cent this year. Tighter mortgage insurance and credit constraints, slightly higher mortgage rates, and a tempered labour market have delayed homeownership for some low-equity buyers. However, downward pressure was offset by an increased supply of both purpose-built rental units and private, investor-owned condominium rentals.

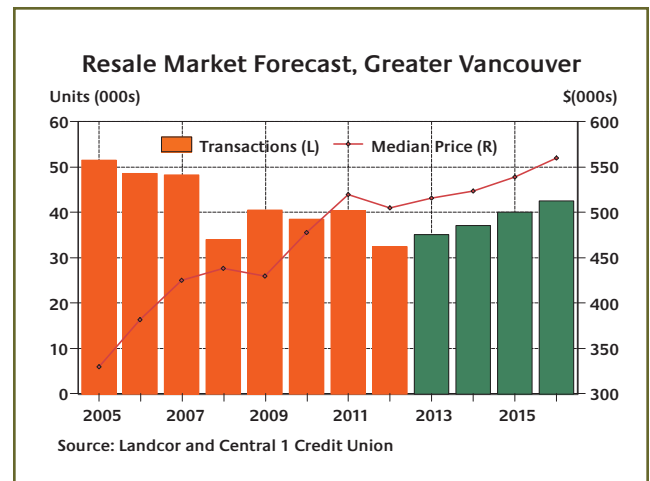
Rental vacancy rates will ease in 2015 and 2016. Constraints to homeownership for first-time buyers and modest improvements in the economy will increase demand for housing, including rental units. The provincial vacancy rate is forecast to dip to 2.5 per cent in 2014, and trend to about 2.2 per cent by 2016.

### Regional Resale Market Activity

Regional housing market activity can differ sharply from provincial trends, particularly given the significant weight attributed to the Lower Mainland-Southwest. While general macro-economic factors including interest rates, the economic environment and confidence impact all markets, local economic and housing market circumstances contribute to regional differences.

#### *Lower Mainland-Southwest*

Housing market activity in the Lower Mainland-Southwest region is the primary driver of provincial housing market trends. The region makes up about



60 per cent of total resale transactions, the bulk of which is in Greater Vancouver region, with the remainder in the Abbotsford-Mission and Chilliwack-anchored Fraser Valley.

### *Greater Vancouver*

The increase in Greater Vancouver sales was the big surprise for B.C.'s housing market in 2013. Following a listless start, home sales embarked on a U-shaped recovery, handily outpacing our earlier sales and price forecasts. Sales rose from near recessionary levels despite a tepid regional economic back drop that generated no net job gains for the year and chilled consumer spending.

While prior year employment and population growth and stable consumer confidence underpinned some of the rebound, gains were likely propelled by temporary factors. Interest rate induced rebounds have been stronger in higher-priced urban markets like Greater Vancouver given buyer sensitivity to affordability constraints, while a fading of the initial shock of last year's mortgage insurance rule tightening also boosted activity. The sharp improvement in housing activity subsequently firmed market conditions to end the softening price trend observed earlier in the year.

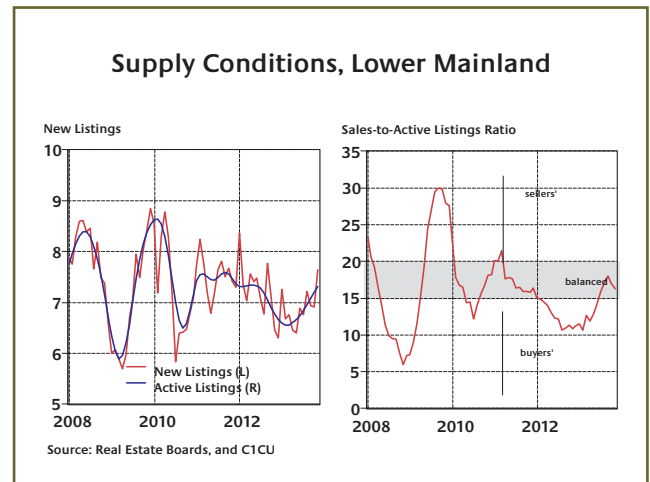
Annual resale transaction growth is projected to rise eight per cent to 35,100 units following last year's 20 per cent drop, with the median value of homes sold two per cent higher at \$516,000. Despite the hefty annual gain, overall sales will remain among the lowest levels observed in the past decade. Sales growth will be led by a 10 per cent increase in apartment condominium sales this year, the first increase since 2009. Price gains are led by a near three per cent rebound in detached home prices, while growth in apartment and attached home prices remain muted.

While resale activity will remain well above 2013 lows, momentum is forecast to wane into the second quarter of 2014 as temporary drivers subside and sluggish economic growth, tighter credit constraints, upside pressure on mortgage rates, and high prices lean against a market recovery. Elevated new home inventory will also limit a resale market recovery as developer incentives attract some first-time buyers, limiting resale market churn. The number of units still under construction remains elevated, pointing to a persistence of high inventory over the next couple of years.

Median resale home prices have ebbed and flowed with market conditions in recent years, but generally held within a narrow range. Prices have not crashed despite periods of excessive sales weakness, befuddling some observers and dashing hopes of ardent bears.

Affordability undoubtedly remains the key challenge for home buyers given high prices and more recently, a series of mortgage insurance and policy tightening measures that cut purchasing power and raised borrowing costs.

Sellers will find a shallow pool of buyers at current price levels but they remain wedded to price expectations. With a stable albeit unspectacular employment and economic performance, and low interest rates,



sellers can afford to be patient. Sellers have shown a willingness to delay sale plans if reservation prices are not met, with listings activity following sales trends. Speculative investors have generally been weeded out since the recession, and will not be a catalyst for a price correction.

Entry-level buyers seeking significant cuts to prices are unlikely to find much luck with recent apartment and townhome condo buyers looking to move up the property ladder. Owners have faced a period of stagnant home prices that have trailed detached gains. Price cuts would whittle down their equity and impede further financing availability. The entry-level

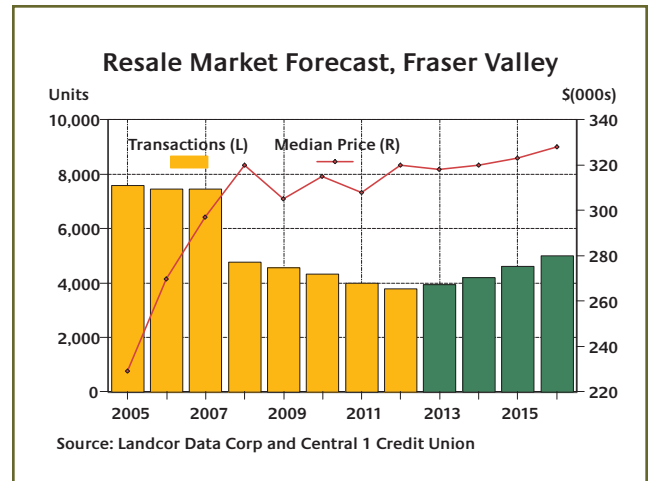
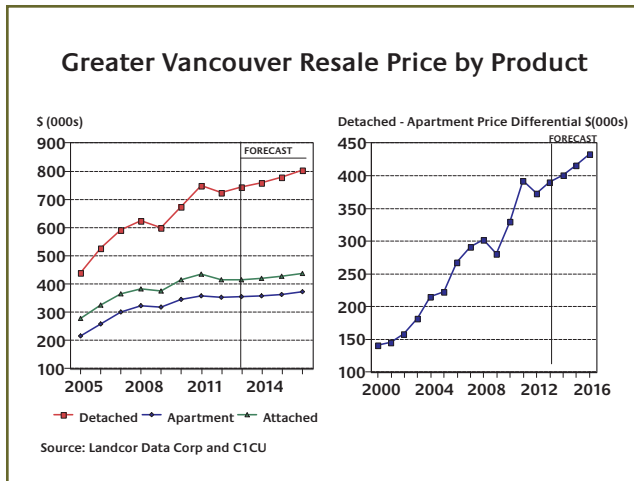
### Greater Vancouver Resale transactions

	2011	2012	2013	2014	2015	2016
All Units	40,375	32,433	35,100	37,100	40,000	42,500
% change	4.7	-19.7	8.2	5.7	7.8	6.3
Detached	19,089	14,771	16,000	16,500	17,100	18,000
% change	15.0	-22.6	8.3	3.1	3.6	5.3
Condo Apartment	14,283	11,756	13,000	14,000	15,400	16,600
% change	-3.6	-17.7	10.6	7.7	10.0	7.8
Attached	6,688	5,555	5,900	6,300	6,900	7,600
% change	-2.4	-16.9	6.2	6.8	9.5	10.1

### Greater Vancouver Resale Median Price

	2011	2012	2013	2014	2015	2016
All Units	520,000	505,000	516,000	524,000	539,000	560,000
% change	8.8	-2.9	2.2	1.6	2.9	3.9
Detached	750,000	725,500	745,000	760,000	785,000	825,000
% change	11.0	-3.3	2.7	2.0	3.3	5.1
Condo Apartment	357,500	352,000	355,000	359,000	367,000	375,000
% change	3.6	-1.5	0.9	1.1	2.2	2.2
Attached	435,000	416,000	415,000	420,000	430,000	441,000
% change	4.8	-4.4	-0.2	1.2	2.4	2.6

Source: Landcor Data Corp and Central 1 Credit Union



sector is expected to remain relatively weak in coming years, as buyers count on income gains, economic growth, and parental help to bridge the gap. Sluggishness will extend to the move-up market, although normalization from low-per capita sales, and ongoing population growth and immigration will keep sales on an upward path.

A disconnect between buyer affordability constraints and elevated home prices leads to relatively low sales over the forecast period. Annual resale transactions are forecast to rise modestly over the forecast horizon but levels will remain sluggish and well below mid-decade highs. Apartment and townhome sales are forecast to rise at a stronger pace than detached homes, reflecting densification patterns in the region, downsizing, and a detached market that is out of reach for many potential buyers.

Affordability constraints will limit growth in multi-family prices to a range of about one to three per cent per year through 2016, with acceleration in the latter part of the forecast due a stronger economy and labour market. Detached home prices are forecast to rise at a stronger pace of two per cent in 2014, before gaining at a pace of three to five per cent per year through 2016 to \$825,000. Stronger detached market appreciation reflects growth of land values in a land-constrained market.

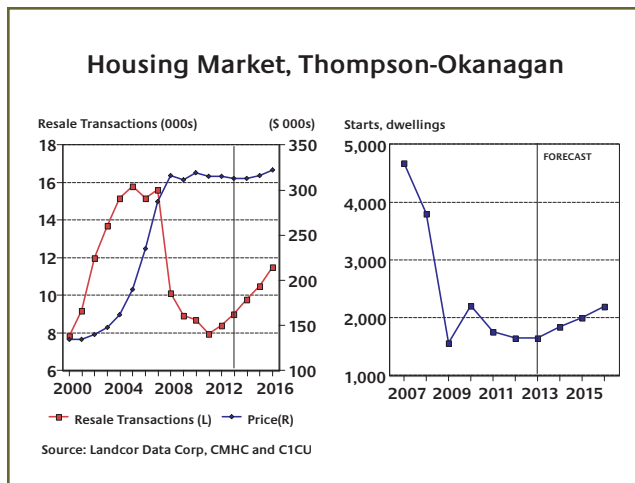
**Fraser Valley**

Housing market activity in the Fraser Valley was again sluggish in 2013 but the sales trend picked up with broader market momentum. Led by a modest uptrend in Chilliwack, resale home sales are projected to increase four per cent to 3,950 units in 2013 year, marking the first annual gain since 2005.

Nevertheless, the regional market remains weak. Sales are about half mid-decade levels, reflecting a deceleration in regional population growth and sluggish labour market performance. Parts of the Fraser Valley have increasingly become bedroom-communities for the Greater Vancouver area given the attractiveness of lower home prices, particularly for those commuting to Surrey and Langley. This trend decelerated with the broader population and economic slowdown and stability in Greater Vancouver pricing. Population growth fell to 0.6 per cent in 2012, compared to an average gain of about 1.5 per cent over the past decade. Regional employment growth has been positive over the past year, but unemployment rates in both Chilliwack and Abbotsford remain elevated.

Fraser Valley sales are forecast to pick up at a modest pace through 2016 but stay at low levels. Economic growth will provide some upward momentum, but a material rebound needs a strong real-estate cycle in the Greater Vancouver region to drive commuter demand, which is not forthcoming. Resale home activity is forecast to rise about six per cent in 2014, with gains of about nine per cent in each of 2015 and 2016. However, sales will remain about two-thirds of mid-decade highs.

Tempered demand and elevated new and existing home inventory will keep prices level over the forecast period. After edging lower this year, largely on lower condominium apartment prices, the median price for all properties is forecast to hold in both 2014 and 2015 near \$320,000, before rising 1.5 per cent in 2016. New home inventories, which continue to constrain pricing, will dissipate over the next two years. Housing starts and units under construction have slowed sharply in recent years suggesting a gradual decline in inventory overhang.

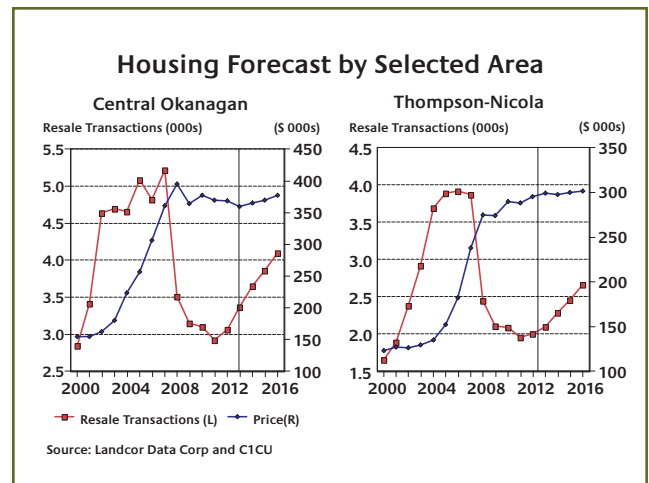


### Thompson-Okanagan

Sluggish housing market conditions in the Thompson-Okanagan persist but the market has stabilized and is expected to record a second consecutive year of resale transaction growth, but a slight drop in the region-wide median price. The area, which spans from Kamloops-centred Thompson-Nicola through the Okanagan region anchored by Kelowna, Vernon and Penticton, remains in a post-recession housing slump as a confluence of factors remain a sector drag.

While the region recently benefitted from positive forestry- and mining-related activity, recession-induced cuts in discretionary spending weigh. A recovery in tourism and recreational property markets -- previously propped up by from Alberta and Greater Vancouver buyers -- has proved elusive. Low external demand has dampened local economic conditions and slowed population growth and household formation. Inventory overhang from the mid-decade housing boom has declined but is elevated, and has led to a sharp construction slowdown in recent years, depressing regional price growth.

The stagnant housing environment is expected to continue. While resource-oriented sectors are set to improve, there are few signs of a rapid turnaround from the recreational market. Sales are expected to trend higher and surpass 10,000 units in 2015 but remain below demographic norms and far below mid-decade levels when activity hovered above 15,000 units. Momentum will be led by economic growth and some pick-up in recreational and retiree demand, aided in part by rising prices for U.S. property alternatives and lower Canadian dollar. Meanwhile, inventory drawdown will continue, providing less competition for the existing home market and alleviating downward price pressure.



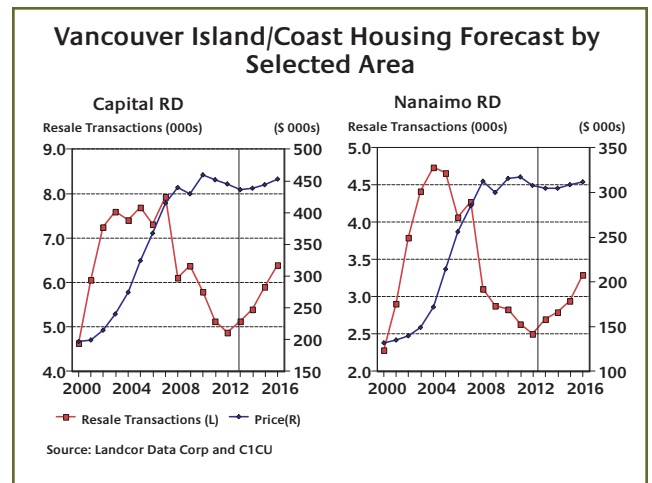
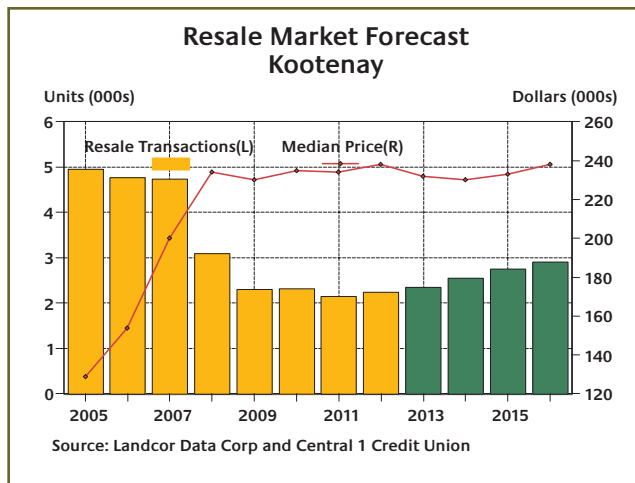
The Kelowna-anchored Central Okanagan is projected to lead regional sales growth in 2013, with a 10 per cent gain in sales. Like other large urban areas, growth likely reflected temporary increase in local demand due to mortgage rate hikes. Home sales are forecast to rise by eight per cent in 2014 and more than five per cent each year thereafter. However, sales will remain low and inventories elevated. The median home value is expected to fall about two per cent this year, before rising by about 1.5 per cent annually through the forecast horizon. The median home price will remain within the narrow range observed since 2009.

Market conditions are similar in Thompson-Nicola, which includes Kamloops. Sales are forecast to rise by a more modest five per cent this year, with growth of about eight per cent thereafter. Similar to the rest of the region, activity remains below cycle highs, but on a positive growth trend. However, persistence of excess inventory will keep prices flat near \$300,000 through 2016.

### Kootenay

Similar to the Thompson-Okanagan region, housing market activity in the Kootenay was hit hard following the recession. While there was some boost from coal-related investments, external demand for recreational and retiree real estate similarly dried up. Weak economic conditions has led to a slump in population growth that has averaged about 0.3 cent per year since 2010, compared to about two per cent per year in the three years prior, curtailing domestic demand.

Kootenay home sales are expected to trend higher through the forecast period, but remain at sluggish levels. Recreational demand will see some pick up as economic growth and incomes improve, aided in



part by rising prices for U.S. property alternatives and lower Canadian dollar. Sales are forecast to rise eight per cent in 2014 following a five per cent gain in 2013, and trend higher through the forecast period. However, sales will reach only 2,900 units by 2016 – about 60 per cent of peak levels observed mid-decade. The median home value, which has stagnated since 2008, will vary little over the coming period. Regional housing oversupply, a trait shared with other markets oriented towards recreational demand, will temper upward pressure on prices through 2014, before mild gains in 2015 and 2016.

**Vancouver Island**

The Vancouver Island housing market showed signs of a mild turnaround in 2013, but soft market conditions remain a key theme for the region. Following five consecutive annual declines, resale transactions are expected to end the year six per cent higher than a year ago. However, weak sales and elevated inventories contributed to a one per cent dip in the median price, marking a fourth decline over a five-year period.

Rising sales prevail, but levels will remain low as key challenges persist. Weak tourism, government belt-tightening and low external demand for real estate have weighed on the economy and population growth, constraining housing market activity. Employment on the island has trend higher over the past four years, but has yet to recoup recessionary losses. Meanwhile, population growth decelerated to a microscopic 0.3 per cent last year, with weak gains across the region.

Similar to southern interior markets, the rapid post-recession downturn in recreational- and retiree-demand remains cut deeply into real estate demand, particularly in markets outside the capital region. A mild recovery in this sector is expected, particularly in

the retiree market as retirement plans are revisited, but discretionary demand will remain sluggish without substantial demand growth from Alberta other Prairie provinces and the Lower Mainland. Government spending restraint continues but employment is expected to hold steady. Dictated by wage contracts and budget plans, income gains and hiring will be tempered but public-sector uncertainty will fade, providing some uplift to home purchases.

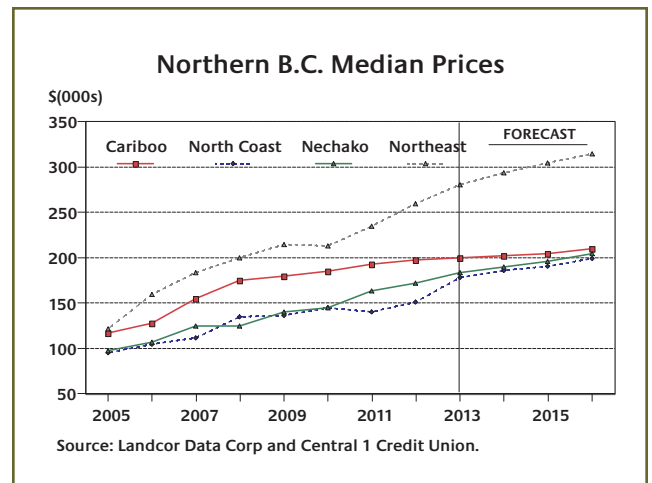
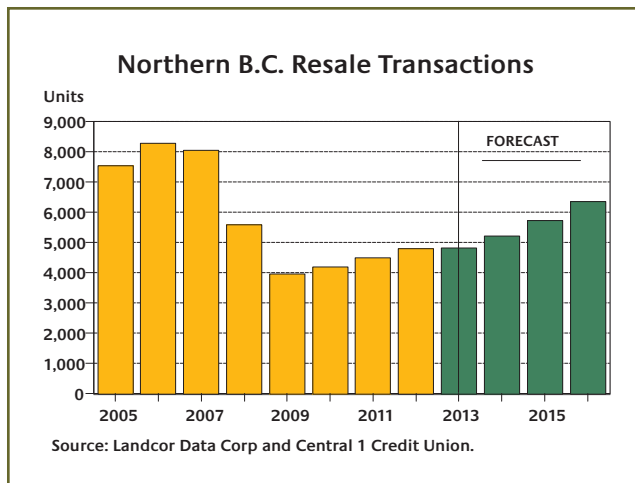
Following this year’s gain, Vancouver Island sales are forecast to rise a modest five per cent in 2014, with stronger gains in 2015 and 2016. However, total resale transactions forecast at about 14,000 units in 2016 will be well below the range of 18,000 to 20,000 units observed from 2005 through 2007. The median home value for the region is forecast to remain range-bound through 2015 near \$335,000. Excess inventory of both new and existing units, fuelled by overbuilding prior to the recession will temper price growth despite rising sales. However, oversupply will be less of a weight on prices going forward. While elevated, inventory is being drawn down due to some demand-side improvements, while new supply has been dampened by sharp declines in housing starts in recent years.

**Northern B.C.**

Following a sharp recessionary downturn, northern B.C. markets were among the first to rebound on a positive long-term outlook on mining, energy and infrastructure investments and a plethora of good news related to major project announcements. While these factors continue to underpin medium- to long-term demand, sales activity took a breather this year as soft commodity prices and tight credit slowed resource exploration and local economic activity.

Total resale transactions in northern B.C., in which Central 1 includes the Cariboo, North Coast & Necha-





ko, and Northeast regions, is expected to hold steady relative to 2012. However, performance among regions was mixed. Sales in the Cariboo will end 2013 up a modest three per cent led by gains in Fraser Fort George. Meanwhile, sales in the North Coast are projected to reach 1,000 units this year, marking a 14 per cent gain from 2012. In contrast, sales in the Nechako and Northeast pulled back this year, and are expected to finish 2013 down nine to 10 per cent, offsetting gains in other regions.

This lull in activity is temporary. Home sales are forecast to shift higher over through 2016. Increased activity will reflect employment, population and income gains geared to the commencement and expectations of major commodity-based projects across the north, including liquefied natural gas terminals and port expansions in the northwest, mining in the interior and continued activity in the oil and gas fields in the northeast. Activity in the Cariboo, which felt the brunt of province’s forestry downturn, has been slower to recover than more northerly regions but is expected to rebound, going forward. The growing importance of the Prince George area as a northern gateway and hub will keep resale transactions on an up-trend. Sales in the north are forecast to rise by about eight to 10 per cent per year through 2016.

Despite a sales deceleration, home prices continued to swell as confidence in long-term regional economic growth and income gains underpinned values. While a modest gain of less than two per cent is projected for the Cariboo, the median home price in the North Coast is expected to reach \$178,000, up 15 per cent from 2012, with the Nechako and Northeast regions expected to record gains of above seven per cent.

While a repeat of 2013 gains is not expected, price growth will remain robust over the forecast period. Markets were not overbuilt during the recession, limiting inventory excess. Median prices are forecast to rise about three per cent per year outside the Cariboo.

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## Appendix

Housing Forecast.....	10
Transactions by Products.....	11
Median Price by Product.....	12
Annual Residential Resales.....	13
Median Annual Residential Price.....	14
Total Housing Starts.....	15
Forecast Summary.....	16
Population Components.....	16
Mortgage Rates.....	16

### Housing Forecast

		2011	2012	2013	2014	2015	2016
Residential Transactions	All Units	86,302	78,397	79,985	88,060	94,880	101,850
	% change	-2.5	-9.2	2.0	10.1	7.7	7.3
	Resale Component	71,737	63,798	68,085	72,560	77,880	83,750
	% change	-0.1	-11.1	6.7	6.6	7.3	7.5
	New Component	14,565	14,599	11,900	15,500	17,000	18,100
	% change	-12.7	0.2	-18.5	30.3	9.7	6.5
Median Price	All Units	400,000	383,000	386,000	393,000	402,500	414,000
	% change	2.6	-4.3	0.8	1.8	2.4	2.9
	Resale Component	400,000	382,000	388,000	394,000	403,000	415,000
	% change	3.9	-4.5	1.6	1.5	2.3	3.0
	New Component	399,900	387,393	393,000	396,000	404,000	415,000
	% change	-2.5	-3.1	1.4	0.8	2.0	2.7
MLS® Activity	Sales	76,721	67,637	71,500	76,000	81,300	87,500
	% change	2.8	-11.8	5.7	6.3	7.0	7.6
	Listings	160,844	158,888	146,000	153,000	158,000	164,000
	% change	-0.2	-1.2	-8.1	4.8	3.3	3.8
	Average Price	561,304	514,836	534,000	544,000	555,000	570,000
	% change	11.1	-8.3	3.7	1.9	2.0	2.7
Housing Starts, Units	Total	26,400	27,465	25,900	26,500	27,800	30,500
	% change	-0.3	4.0	-5.7	2.3	4.9	9.7
	Single-Detached	8,867	8,333	8,200	8,400	8,800	9,500
	% change	-22.6	-6.0	-1.6	2.4	4.8	8.0
	Multi-family	17,533	19,132	17,700	18,100	19,000	21,000
	% change	16.8	9.1	-7.5	2.3	5.0	10.5
Vacancy Rate		2.5%	2.8%	2.6%	2.5%	2.3%	2.2%

Source: Landcor Data Corp, CREA, CMHC and Central 1 Credit Union \* apartment and townhome

Transactions by Product							
		2011	2012	2013	2014	2015	2016
Total Transactions	All Units	86,302	78,397	79,985	88,060	94,880	101,850
	% change	-2.5	-9.2	2.0	10.1	7.7	7.3
	Detached	42,674	38,315	40,050	42,100	45,300	47,800
	% change	1.2	-10.2	4.5	5.1	7.6	5.5
	Condo Apartment	25,099	22,890	22,700	27,100	30,000	32,700
	% change	-7.3	-8.8	-0.8	19.4	10.7	9.0
	Row/Duplex	14,925	13,800	13,600	14,600	15,800	17,300
	% change	-3.3	-7.5	-1.4	7.4	8.2	9.5
Resale Transactions	All Units	71,737	63,798	68,085	72,560	77,880	83,750
	% change	-0.1	-11.1	6.7	6.6	7.3	7.5
	Detached	38,360	34,568	36,750	38,300	41,200	43,500
	% change	4.0	-9.9	6.3	4.2	7.6	5.6
	Condo Apartment	18,721	15,957	17,300	18,800	20,800	23,000
	% change	-4.0	-14.8	8.4	8.7	10.6	10.6
	Row/Duplex	11,091	9,892	10,500	11,300	12,200	13,300
	% change	-4.6	-10.8	6.1	7.6	8.0	9.0
New Home Transactions	All Units	14,565	14,599	11,900	15,500	17,000	18,100
	% change	-12.7	0.2	-18.5	30.3	9.7	6.5
	Detached	4,314	3,747	3,300	3,800	4,100	4,300
	% change	-18.3	-13.1	-11.9	15.2	7.9	4.9
	Condo Apartment	6,378	6,933	5,400	8,300	9,200	9,700
	% change	-15.7	8.7	-22.1	53.7	10.8	5.4
	Row/Duplex	3,834	3,908	3,100	3,300	3,600	4,000
	% change	0.5	1.9	-20.7	6.5	9.1	11.1

Source: Landcor Data Corp and Central 1 Credit Union

Median Price by Product		2011	2012	2013	2014	2015	2016
All Transactions	All Units	400,000	383,000	386,000	393,000	402,500	414,000
	% change	2.6	-4.3	0.8	1.8	2.4	2.9
	Detached	513,249	479,000	482,000	491,000	503,000	515,000
	% change	5.0	-6.7	0.6	1.9	2.4	2.4
	Condo Apartment	331,000	324,500	323,000	328,500	333,000	338,000
	% change	1.8	-2.0	-0.5	1.7	1.4	1.5
	Row/Duplex	369,500	351,224	354,000	359,000	364,500	372,000
	% change	1.2	-4.9	0.8	1.4	1.5	2.1
Resale Transactions	All Units	400,000	382,000	388,000	394,000	403,000	415,000
	% change	3.9	-4.5	1.6	1.5	2.3	3.0
	Detached	507,000	470,000	475,000	485,000	501,000	519,000
	% change	5.6	-7.3	1.1	2.1	3.3	3.6
	Condo Apartment	325,000	314,500	314,000	317,000	323,000	330,000
	% change	3.2	-3.2	-0.2	1.0	1.9	2.2
	Row/Duplex	368,000	348,000	349,000	355,000	362,000	370,000
	% change	2.5	-5.4	0.3	1.7	2.0	2.2
New Home Transactions	All Units	399,900	387,393	393,000	396,000	404,000	415,000
	% change	-2.5	-3.1	1.4	0.8	2.0	2.7
	Detached	545,000	545,000	530,000	539,000	550,000	562,000
	% change	2.6	0.0	-2.8	1.7	2.0	2.2
	Condo Apartment	350,000	345,000	348,000	353,000	359,000	365,000
	% change	-2.5	-1.4	0.9	1.4	1.7	1.7
	Row/Duplex	370,950	359,900	374,000	378,000	385,000	393,000
	% change	-3.6	-3.0	3.9	1.1	1.9	2.1

Source: Landcor Data Corp and Central 1 Credit Union

## Annual Residential Resale Transactions

	2011	2012	2013	2014	2015	2016
Vancouver Island/Coast	11,478	10,796	11,400	12,000	12,900	14,000
% change	-7.0	-5.9	5.6	5.3	7.5	8.5
Lower Mainland/Southwest	45,652	37,561	40,500	43,000	46,000	49,000
% change	3.1	-17.7	7.8	6.2	7.0	6.5
Thompson/Okanagan	7,959	8,394	9,000	9,800	10,500	11,500
% change	-8.6	5.5	7.2	8.9	7.1	9.5
Kootenay	2,149	2,237	2,350	2,550	2,750	2,900
% change	-7.1	4.1	5.1	8.5	7.8	5.5
Cariboo	2,087	2,193	2,260	2,400	2,700	3,000
% change	-5.6	5.1	3.1	6.2	12.5	11.1
North Coast	694	880	1,000	1,075	1,150	1,250
% change	34.8	26.8	13.6	7.5	7.0	8.7
Nechako	460	453	415	460	510	600
% change	18.3	-1.5	-8.4	10.8	10.9	17.6
Northeast	1,258	1,284	1,160	1,275	1,370	1,500
% change	15.6	2.1	-9.7	9.9	7.5	9.5
Province	71,737	63,798	68,085	72,560	77,880	83,750
% change	-0.1	-11.1	6.7	6.6	7.3	7.5

## Annual Residential Resale Transactions

	2011	2012	2013	2014	2015	2016
Greater Vancouver	40,375	32,433	35,100	37,100	40,000	42,500
% change	4.7	-19.7	8.2	5.7	7.8	6.3
Capital	5,129	4,886	5,130	5,400	5,900	6,400
% change	-11.5	-4.7	5.0	5.3	9.3	8.5
Central Okanagan	2,919	3,064	3,370	3,650	3,860	4,100
% change	-5.9	5.0	10.0	8.3	5.8	6.2
Fraser Fort-George	1,362	1,367	1,430	1,600	1,800	2,100
% change	-2.6	0.4	4.6	11.9	12.5	16.7
Fraser Valley	4,003	3,793	3,950	4,200	4,600	5,000
% change	-7.6	-5.2	4.1	6.3	9.5	8.7
Nanaimo	2,640	2,504	2,700	2,800	2,950	3,300
% change	-6.8	-5.2	7.8	3.7	5.4	11.9
Thompson-Nicola	1,956	2,005	2,100	2,285	2,460	2,665
% change	-6.3	2.5	4.7	8.8	7.7	8.3

Source: Landcor Data Corp and Central 1 Credit Union

Median Annual Residential Price						
	2011	2012	2013	2014	2015	2016
Vancouver Island/Coast	340,000	335,000	332,000	334,000	337,000	340,000
% change	-2.3	-1.5	-0.9	0.6	0.9	0.9
Lower Mainland/Southwest	488,000	472,000	481,000	489,000	503,000	520,000
% change	9.1	-3.3	1.9	1.7	2.9	3.4
Thompson/Okanagan	315,000	315,000	313,300	313,000	316,000	322,000
% change	-1.4	0.0	-0.5	-0.1	1.0	1.9
Kootenay	234,000	238,000	232,000	230,000	233,000	238,000
% change	-0.4	1.7	-2.5	-0.9	1.3	2.1
Cariboo	193,000	197,308	200,000	202,000	205,000	210,000
% change	4.3	2.2	1.4	1.0	1.5	2.4
North Coast	140,000	151,500	178,000	186,000	191,000	199,000
% change	-3.4	8.2	17.5	4.5	2.7	4.2
Nechako	163,250	172,000	184,000	190,000	196,000	205,000
% change	12.6	5.4	7.0	3.3	3.2	4.6
Northeast	235,000	259,750	280,300	294,000	305,000	315,000
% change	10.3	10.5	7.9	4.9	3.7	3.3
Province	400,000	382,000	388,000	394,000	403,000	415,000
% change	3.9	-4.5	1.6	1.5	2.3	3.0

Median Annual Residential Price						
	2011	2012	2013	2014	2015	2016
Greater Vancouver	520,000	505,000	516,000	524,000	539,000	560,000
% change	8.8	-2.9	2.2	1.6	2.9	3.9
Capital	452,000	445,000	436,000	438,000	444,000	453,000
% change	-1.7	-1.5	-2.0	0.5	1.4	2.0
Central Okanagan	370,123	369,000	360,000	365,000	370,000	378,000
% change	-1.8	-0.3	-2.4	1.4	1.4	2.2
Fraser Fort-George	204,300	210,000	213,000	215,000	217,000	222,000
% change	4.8	2.8	1.4	0.9	0.9	2.3
Fraser Valley	308,000	320,000	318,000	320,000	323,000	328,000
% change	-2.2	3.9	-0.6	0.6	0.9	1.5
Nanaimo	317,500	308,000	305,000	305,000	309,000	312,000
% change	0.5	-3.0	-1.0	0.0	1.3	1.0
Thompson-Nicola	288,500	295,000	299,000	298,000	300,000	302,000
% change	-0.5	2.3	1.4	-0.3	0.7	0.7

Source: Landcor Data Corp and Central 1 Credit Union

Total Housing Starts							
		2011	2012	2013	2014	2015	2016
Vancouver Island/Coast	Total	3,196	3,173	2,700	3,000	3,300	3,500
	% change	-20.3	-0.7	-14.9	11.1	10.0	6.1
Lower Mainland/Southwest	Total	18,837	19,922	19,100	18,500	19,200	21,000
	% change	13.5	5.8	-4.1	-3.1	3.8	9.4
Thompson/Okanagan	Total	1,763	1,645	1,650	1,850	2,000	2,200
	% change	-20.3	-6.7	0.3	12.1	8.1	10.0
Kootenay	Total	75	73	70	80	95	110
	% change	-56.6	-2.7	-4.1	14.3	18.8	15.8
Cariboo	Total	238	301	275	320	350	400
	% change	-21.2	26.5	-8.6	16.4	9.4	14.3
North Coast	Total	35	23	25	30	40	50
	% change	29.6	-34.3	8.7	20.0	33.3	25.0
Northeast	Total	221	361	390	380	395	415
	% change	-28.5	63.3	8.0	-2.6	3.9	5.1
Province	Total	26,400	27,465	25,800	26,500	27,800	30,500
	% change	-0.3	4.0	-6.1	2.7	4.9	9.7

Source: CMHC and Central 1 Credit Union

### Forecast Summary: British Columbia

	2011	2012	2013	2014	2015	2016
Real GDP, % chg.	2.7	1.5	1.1	2.0	3.1	3.4
Nominal GDP, % chg.	4.4	2.3	2.4	3.2	4.6	5.8
Employment, % chg.	0.8	1.7	0.2	1.6	1.7	2.4
Unemployment Rate, %	7.5	6.7	6.5	6.4	6.3	5.7
Population, % chg.	1.0	1.0	0.9	0.9	1.0	1.1
Retail Sales, % chg.	3.2	1.9	1.0	3.5	3.6	4.5
Personal Income, % chg.	4.7	4.9	2.7	3.3	4.0	5.0
Consumer Price Index, % chg.	2.3	1.1	0.2	1.2	1.4	1.6

Statistics Canada, Central 1 Credit Union

### Population components: British Columbia

	2011	2012	2013	2014	2015	2016
Population, 000s	4499.1	4543.3	4582.0	4623.2	4669.5	4720.8
% change	0.7	1.0	0.9	0.9	1.0	1.1
Net Migration, 000s	30.8	32.6	27.4	31.7	34.3	44.4
Net International, 000s	27.4	35.3	35.2	35.4	35.9	42.9
Net Interprovincial, 000s	3.4	-2.7	-7.8	-3.8	-1.6	1.5

Statistics Canada, Central 1 Credit Union

### Posted Fixed Term Mortgage Rates

	2011	2012	2013	2014	2015	2016
1-Year	3.52	3.17	3.10	3.20	3.85	4.60
3-Year	4.28	3.90	3.70	3.95	4.40	5.10
5-Year	5.37	5.27	5.20	5.55	5.90	6.40

Bank of Canada, Central 1 Credit Union