

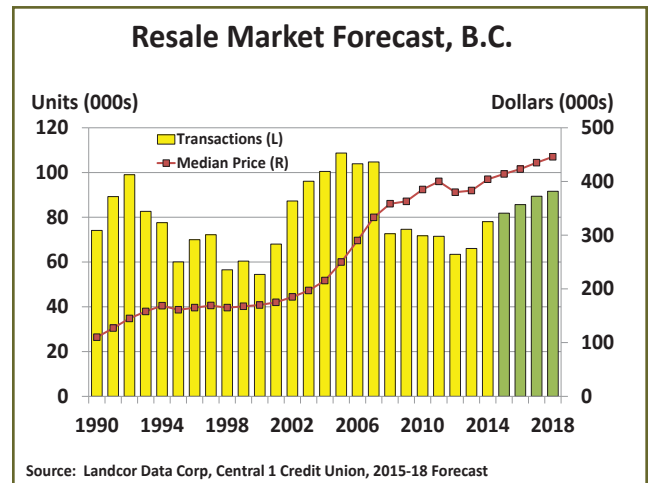
B.C. Housing Outlook 2015 - 2018

Highlights:

- Home sales and prices will rise modestly this year after strong 2014 rebound
- Stronger market conditions expected in larger urban areas and northern B.C.
- Lower oil prices a risk for recreational markets
- Mortgage rates stay near record low through 2015 with mild gains in 2016
- High Metro Vancouver prices will continue to rise due to the scarcity of developable land

Summary

Following a surprisingly upbeat performance in 2014, housing market momentum will carry through this year as persistently low interest rates and modest improvements in economic growth will lift housing sales and prices. However, gains will be comparatively modest, with sales growth of five per cent compared to 18 per cent last year, while the median provincial home value will climb 2.5 per cent to \$414,000. A stronger economic growth cycle and a relatively low sales base will keep transactions on a positive trend through 2018 with average annual price growth above two per cent, while new home construction will align with new household formation.



Regional variations will persist, particularly given recent gyrations in oil prices. Market conditions remain stronger in larger urban areas, particularly Metro Vancouver, owing to stronger economic and population growth. Areas with a larger recreational housing base will observe relatively strong sales gains but climbing from a low base, while weak market conditions will drive flat pricing conditions. Northern B.C. price growth will outperform the rest of the province.

Economic outlook

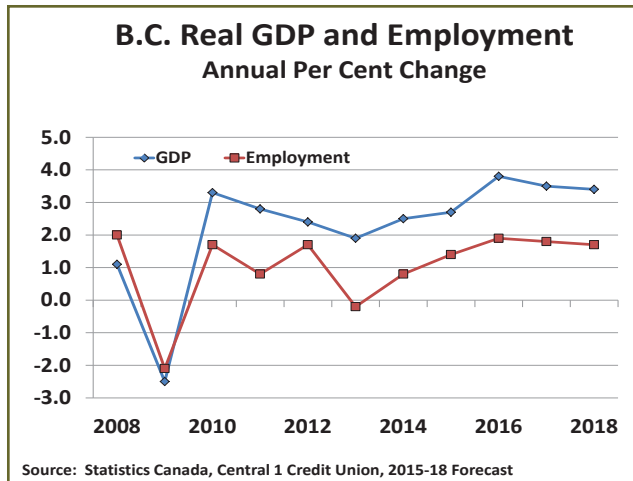
The broader economic and interest-rate environment will remain supportive of modest housing market expansion through the forecast period, although the recent oil price plunge is a risk for some Interior and Vancouver Island recreational markets.

B.C.'s economic growth will improve to 2.7 per cent this year compared to 2.5 per cent in 2014 as a strengthening U.S. economy and lower Canadian dollar will lift export-oriented sectors. Growth will provide a lift to hiring which has been mild at best in recent years, and will drive employment growth

Housing Forecast - Table 1

	2013	2014	2015	2016	2017	2018
Residential Resale Transactions, Units	66,047	78,075	81,825	85,675	89,400	91,600
% change	4.1	18.2	4.8	4.7	4.3	2.5
Residential Resale Median Transaction Price	383,000	404,000	414,000	423,000	435,000	446,300
% change	0.8	5.5	2.5	2.2	2.8	2.6
Housing Starts	27,054	28,300	28,900	30,400	31,000	32,300
% change	-1.5	4.6	2.1	5.2	2.0	4.2

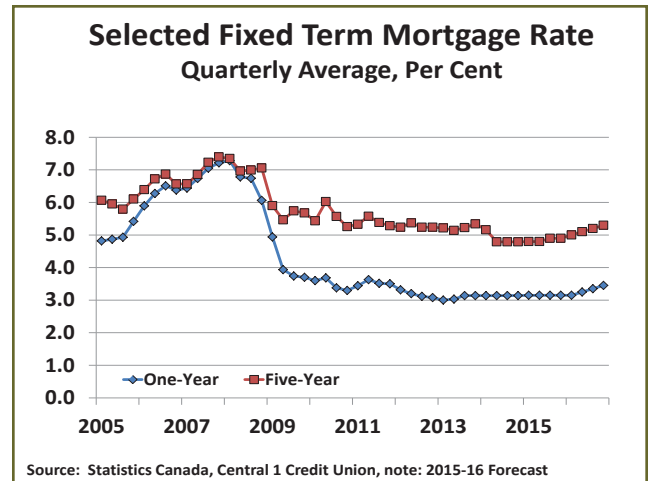
Source: Landcor Data Corp, Canada Mortgage and Housing Corporation, Central 1 Credit Union Forecast



of 1.4 per cent. We expect growth to propel higher in 2016 onwards as construction of major projects, including Site C and one liquefied natural gas (LNG) project begin, maintaining economic growth of more than three per cent, and employment growth between 1.7 to 2.0 per cent per year. Annual population growth will range from about 1.1 to 1.3 per cent over the period due primarily to international immigration and a return to positive interprovincial migration.

The recent collapse in oil prices is generally positive for B.C.'s housing landscape, but does pose challenges for certain regions. Lower oil and gasoline prices keep money in the pockets of households which can be allocated to other spending, including housing. Lower inflationary pressures will keep interest rates at accommodative levels through the forecast period. However, weaker growth in Alberta due to plunging crude will likely limit a demand recovery for B.C. recreational property in the interior and on Vancouver Island as weaker economic growth and corporate profits will limit household income growth, local home prices, and discretionary purchases. Furthermore, cuts in capital expenditures will trigger lower demand for labour and limit opportunities for the mobile work force that currently treks between northern Alberta and communities across Canada, including B.C., which could negatively impact local demand.

At the risk of sounding like broken record, record-low mortgage rates will not last indefinitely, but will remain low enough to underpin housing market demand this year and next. Capital and money market yields have evolved at a weaker than anticipated pace and with pressures on the Canadian economic outlook from low oil prices it is clear that borrowing costs will be "lower for longer," keeping administered rates low. The Bank of Canada is expected to remain



on the sidelines again through 2015 before hiking the policy rate in the first quarter of 2016, with only mild increases thereafter. Variable mortgage rates are likely to climb by only 100 basis points by the end of 2016 and a further 150 bps through 2018. The posted five-year rate, which fell to a record low in early 2014 will hold below five per cent this year, and will climb less than 50 bps in 2016. We expect the five-year rate to average about 6.5 per cent in 2018.

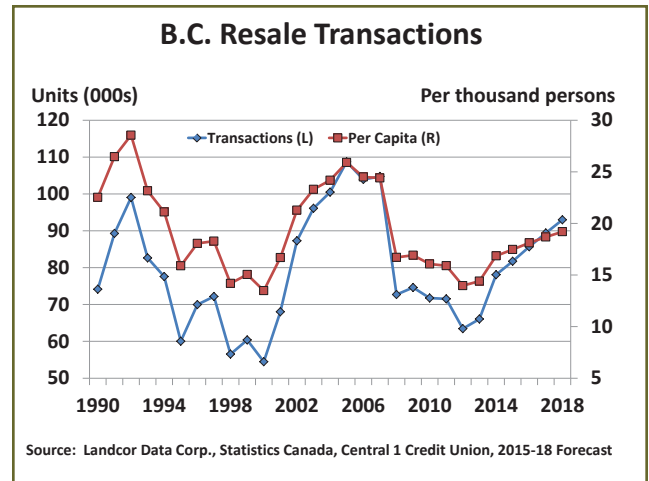
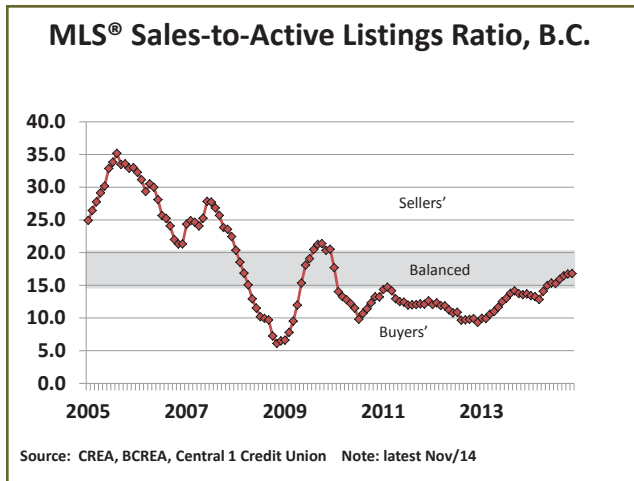
Buyers can expect significant discounts off the posted rates due to competition among financial institutions for a relatively modest flow of transactions. According to CAAMP, the average discount on a five-year fixed-rate mortgage was about 1.8 percentage points off the posted rate.¹ The mild uplift in interest rates over the forecast period is expected to be offset by modest economic growth through 2015 that will accelerate from 2016 onwards – driving hiring momentum, population gains and housing demand.

Provincial Housing Outlook

B.C.'s housing market is expected to build on last year's momentum, lifting home sales, prices and new home construction across the province. However, growth in activity, and subsequently the contribution of housing to economic growth, is expected to moderate after 2014's stronger than anticipated rebound.

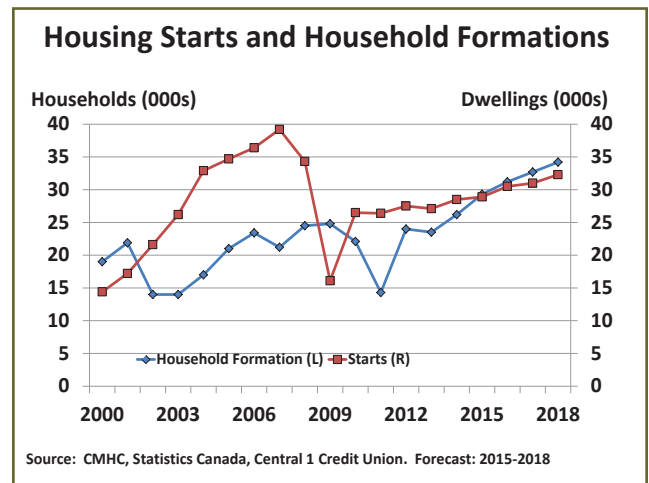
Provincial resale transactions are forecast to climb by a modest five per cent this year to about 81,800 units as the persistence of rock-bottom interest rates and economic growth sustain demand, and lower new home inventories generate less competition for prospective sellers. While the anticipated gain pales

¹ Canadian Association of Accredited Mortgage Professionals, Annual State of the Residential Mortgage Market in Canada. November 2014.



in comparison to last year's 18 per cent surge, recall that last year's marked a rebound to respectability after a dismal performance in 2013, which was runner-up to 2012 for the crown of *10-year low*.

Stronger housing demand and a lower pace of new home construction has diminished the overhang of existing and new home inventories. A tighter market condition as exhibited by a higher sales-to-active listing ratio, particularly in the larger urban areas, led to price growth across the province in 2014. The median price of resale homes climbed 5.5 per cent last year to about \$404,000. Relatively stronger sales growth in higher-priced urban areas, and a rotation to detached homes contributed to some of this increase, but prices were up more broadly. B.C.'s median home price remains firm and will climb by 2.5 per cent this year with growth led by Greater Vancouver and northern B.C. markets. The latter is lifted by a combination of economic growth and speculative demand due to anticipation of LNG projects in the future.



Over the medium-term the forecast is for modest growth in resale home transactions through 2018. Sales growth will average about four per cent per year to reach nearly 92,000 units by the end of the forecast period. While annual gains are significant, there is room to grow. Prior to the most recent recession, sales consistently reached 100,000 units. Even with sales at this level, per capita activity sits below the average dating back to 1990. Tighter mortgage insurance rules, interest rate creep, and constrained affordability will continue to weigh on first-time buyer purchases and limit growth in the move-up market. The median home price appreciation will average 2.5 per cent from 2016 to 2017 rising to \$435,000. Growth will remain below the historical long-term average of more than five per cent due to the modest demand profile — growth averaged more than eight per cent per year in the 2000s.

Housing Starts

Moderate growth in housing demand and lower new home inventories will contribute to a lift in housing starts of about two per cent this year to 28,900 units. This follows a near five per cent gain in 2014 that was driven by Kelowna and Nanaimo, and steady Metro Vancouver construction.

Excess supply is less of a constraint than in previous years as higher demand has pared developer-owned inventory. At the end of 2014, urban-B.C. new home inventory was down 25 per cent year-over-year, with substantial drops across markets. In combination with sharply lower post-recession construction, inventory outside Metro Vancouver has fallen to a level unseen since 2007. While Metro Vancouver hasn't declined as dramatically given a steady pace of building in recent years, levels are not a significant threat to the market given modest population growth in the region

Despite an improved backdrop for building, starts will trend only moderately higher through 2018, reaching 30,000 units in 2016 and 32,500 units by 2018. Housing starts align closely with household forma-

tion, which will average about 31,500 persons per year from 2015-18. Developers will remain cautious to avoid overbuilding the market given a high level of units under construction in Metro Vancouver, low population growth elsewhere in the province, and downside economic risks from the slide in oil prices.

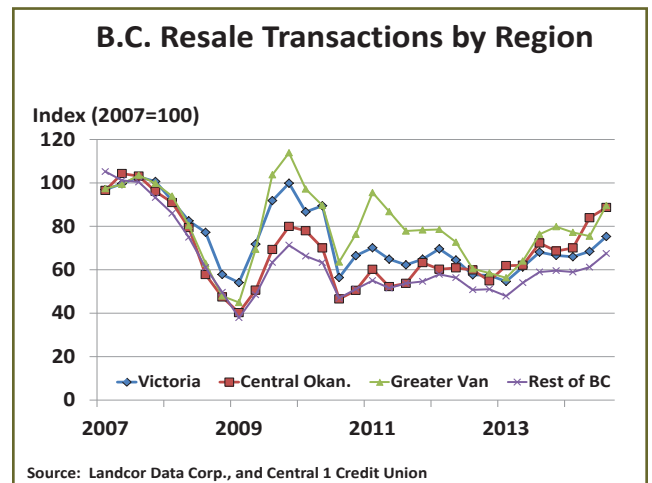
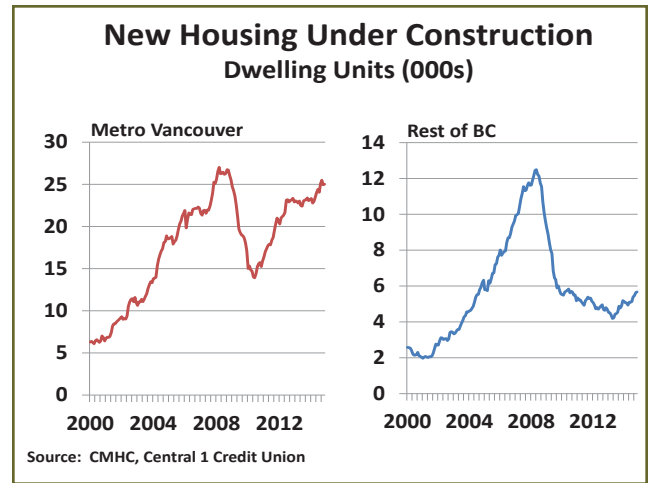
Gains in resale transactions and housing starts will generate a modest lift for broader economic growth in B.C. over the forecast period. With sales and construction growth feeding more transaction fees, development-related costs, and an upshift in renovation spending, overall residential investment will three per cent this year after a five per cent gain in 2014.

Broad market momentum in 2014 but market conditions mixed

Rising sales momentum led to a stronger hand-off to 2015 in most regions of the province. Nonetheless, we still observe diverse market conditions, with some regions recovering to sales trends last seen during the mid-2000s and stronger price growth, while others, despite positive momentum, still facing a near-recessionary sales environment with little in the way of price appreciation.

Larger urban areas have fared better with sales trends in Greater Vancouver and Kelowna-anchored Central Okanagan rebounding to 90 per cent of levels observed in 2007. Sales in Victoria have recovered by a lesser extent to 75 per cent of the base as public-sector constraint weighs, but have still outperformed the rest of the province. While a myriad of factors drive growth, the stronger recovery in B.C.'s urban areas is being driven by local demand due to stronger population growth, particularly in Greater Vancouver, and the persistently low interest rate environment. Kelowna also observed some lift from increased recreational purchases. Stronger demand and restraint in construction have pared existing and new home inventories, contributing to tighter markets and rising prices. The median home value climbed about six per cent in both Greater Vancouver and the Central Okanagan, with a more modest gain of four per cent in the Victoria area.

Elsewhere, resale housing market activity has generally remained dormant. Outside B.C.'s large and medium-sized urban areas, demand has been held in check by a flat, and in a number of cases, contracting population base. Recreational and retiree-oriented demand is only modestly improving and remains constrained by a modest-growth economy. Despite



significant gains last year, sales in the Okanagan (outside Kelowna) and the Kootenay continued to trend at less than 65 per cent of mid-decade levels while inventory levels remain elevated, limiting price appreciation. Similar sales and pricing patterns emerged on the Island with market conditions in Victoria and Nanaimo outperforming the rest of the region.

Northern B.C. has been a curious case of underperforming sales but outperforming prices. While a weaker mining environment and low population growth have impeded household formation and sales, aggressive price growth signals persistently strong demand for desirable homes. A relatively low sales base can lead to swings in median values, and indeed the Nechako median price fell about four per cent after a 14 per cent gain in 2013, but the general upward trend in prices continued in 2014. Northern B.C. price growth has handily outpaced all other regions over the past few years particularly in the northwest and northeast quadrants. Higher incomes, increased value-added renovations, and speculative demand based on expected future economic growth in the region have contributed. Elevated building permits suggest demand may be flowing directly into

the new home market as underinvestment in previous cycles has limited choice in the housing stock.

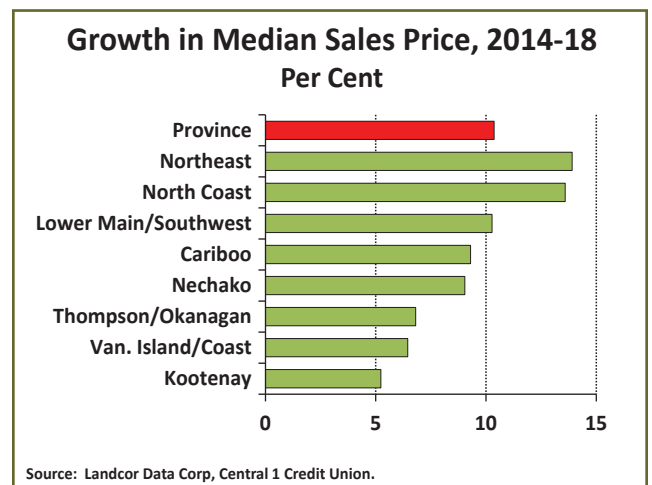
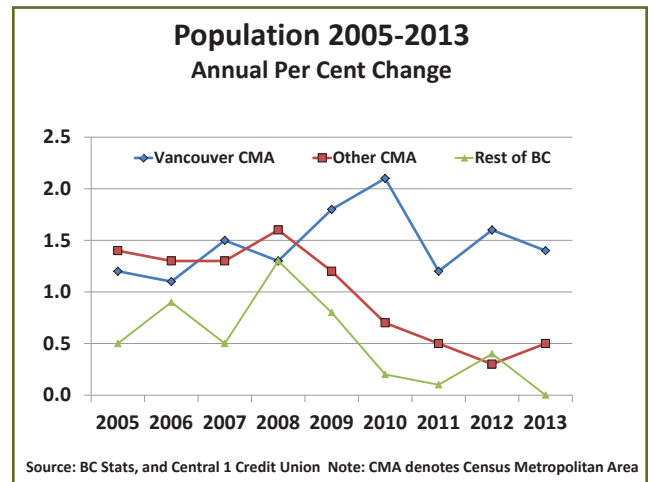
Housing market strength to remain concentrated in Greater Vancouver and North

Regional housing market patterns are forecast to perform broadly in line with 2014 this year, albeit with milder sales and price growth. Over the medium-term the sales and price trend remains positive. Growth in prices will be led by Greater Vancouver and northern B.C., while recreational markets remain relatively weaker.

Persistently low mortgage rates and improving economic environment will underpin moderate sales gains in B.C.'s larger urban areas although tighter mortgage insurance policies remain a constraint. Tightening of market conditions will extend through 2015 to lift prices modestly higher. Greater Vancouver is expected to post median price growth of about three per cent per year through 2018, outpacing gains in other urban areas as more severe land-supply constraints contribute higher to underlying land values.

Regions in the Interior and Vancouver Island geared more towards recreational property sales will likely see moderate sales growth but levels will remain low with below-average price gains. While recreational property markets are benefitting from a general pickup in economic growth, tourism, and a lower dollar – the latter which has made Canadian property more affordable relative to rising prices in the U.S. – the recent plunge in crude prices to \$50 per barrel poses a significant risk. A prolonged slump in oil prices will inhibit discretionary demand from Alberta as economic growth in that province slows and the housing market cools. A return to modest price appreciation in the B.C. recreational markets requires stronger demand to pare inventories and bring market conditions into balance. This could take another year and signals weak pricing conditions outside large urban markets on Vancouver Island, and in the Okanagan and Kootenay areas.

In contrast, we see northern B.C. real estate markets benefitting from an export-led growth cycle and major project announcements/construction. While the state of LNG is still fluid, we remain cautiously optimistic that at least one project will be given the green light this year, while the government has already announced it will go ahead with the Site-C Dam in the northeast. LNG development will lift economic activity from the northwest through the



northeast driving terminal and pipeline construction and drilling. Adding to this is improvements in forestry demand and general manufacturing due to growth in the U.S. economy and housing market. It is not entirely positive however, as weak coal, metal and mineral prices have led to mine closures or curtailments in northern communities like Tumbler Ridge and Fraser Lake and cuts in development and exploration spending.

Greater Vancouver outlook

A housing forecast for B.C. requires a closer examination of Greater Vancouver, given the large share of provincial sales and home prices that are heads and shoulder above other major markets across Canada.

Fears of a housing price correction in Canada's housing market intensified again late last year as Bank of Canada research suggested a potential overvaluation of 10 to 30 per cent set.² Despite the bank downplaying the risk of anything more than a soft landing,

² Bank of Canada. Financial System Review. Dec. 2014 and Bauer, Gregory. International House Price Cycles, Monetary Policy, and Risk Premiums. Dec. 2014

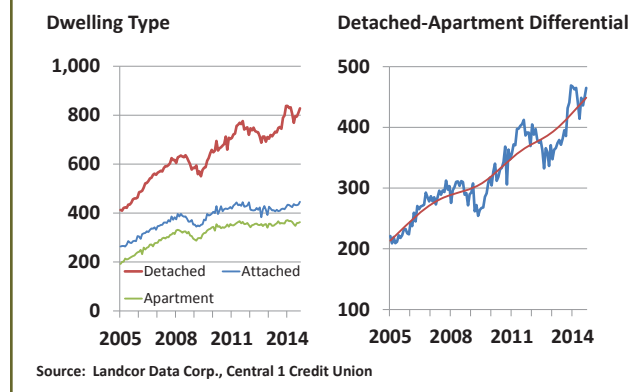
given that conditions that preceded previous correction are not present – namely a rapid run up in prices and higher inflationary expectations, the media reaction was swift. While research was based on national figures in a cross-country analysis, it is hard not to associate the findings with Metro Vancouver and its sky-high prices. However, we should be clear about the limitations of the study, including its use of a limited set of predictive variables (real per capita income and interest rates), and more importantly the lack of variables related to land-supply – which is largely a result of insufficient data. It is our view that future housing appreciation in Metro Vancouver will be driven by land scarcity that will only intensify over time and generate upward price momentum. Affordability erosion will only be slowed by changes in the housing stock that promote increased multi-family construction and other intensive uses of land.

Following a 21 per cent sales gain in 2014 Greater Vancouver sales will not repeat this year, but resale transactions are expected to climb five per cent this year and rise modestly thereafter to 46,400 units by 2017. Improving economic and labour market conditions, low mortgage rates and increased international migration will underpin activity. Tighter supply and demand conditions that led into 2015 point to further price appreciation. The median price is forecast to climb three per cent – which is generally expected to hold through the forecast period.

Sales will rotate towards apartments and townhomes following sharp gains in detached homes sales last year. While the series of mortgage insurance tightening in recent years continues to constrain first-time and low-equity home buyers, condo market activity climbs as accelerated price growth in the detached housing market has put the white picket fence out of reach for many households – meaning move-up buyers increasingly stay in the multi-family market or look to the regional outskirts for affordable detached dwellings. Declining new home condo inventory will also drive fewer developer incentives, which will keep buyers in the resale market and drive increased churn. Despite stronger multi-family sales momentum, price levels will rise faster for detached properties by over three per cent per year, compared to a range of about 2.5 per cent for other unit types.

A key characteristic of the market has been the divergence between detached and multi-family prices. While condo markets have been soft, with median home values flat since 2010, detached values have surged owing to stronger demand from higher-equity buyers and could reflect a stronger flow of established new immigrants, retirees, or early wealth

Greater Vancouver Resale Price by Dwelling Dollars (000s)



transfers from parents.³ Income suites have also made detached homes attractive relative to other housing types. At more than \$800,000, the median detached home value was more than \$400,000 above that of a median-priced apartment condominium in 2014. Although the ratio is not much higher than previous mid-2000 peaks, the dollar-differential has surged from about \$215,000 over the period creating a chasm too wide to cross for many buyers looking to move up market.

While there is considerable debate, we see sky-high prices in Greater Vancouver having more room to grow with little risk of a significant downturn. High regional home prices will continue to be underpinned by the scarcity of developable land relative to expansion in the population and international demand.

With land pressures at the core of price growth, detached home prices will outperform over the medium-to-long term although a pick up in condo demand could temporarily narrow the differential. A growing population requires boxes in the sky – higher density and more intensive use of land – which will lift underlying land values. Developers will continue to package and convert existing residential and commercial lots to construct higher density product, bidding land and home prices higher.

Single-family housing is increasingly a luxury good detached from income drivers. Detached homes made up about 65 per cent of the owned-accommodation housing stock in 2000, compared to just over half now. This share will further decline given that houses consistently make up only a fifth of annual housing starts. The resale transaction trend has aligned with changes in the stock. This relative scarcity will continue to drive stronger appreciation of detached and

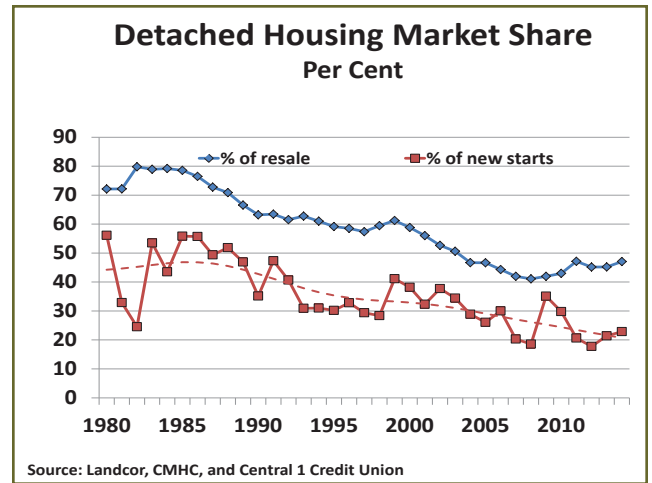
³ CAAMP, Annual State of the Residential Mortgage Market in Canada, 2014

duplex prices. Condo apartment will be the driver of housing affordability for most family housing. Values will grow at a slower pace as municipalities increase density allotments and builders intensify use of the land through taller and larger structures and offer a deeper breadth of options for family-housing. A key shift will be a change in the perspective of buyers who will accept that the housing ladder may begin and end in condo-dwelling. The median detached home price will surpass \$900,000 by 2017, while apartment condos will hold below \$400,000. As attached properties become the next step up, prices will reach \$470,000.

More new home starts have lifted the number of units in the pipeline to the highest level since 2009, but with residential multi-family projects being larger and more complex than ever, projects are being built over a period of two to three years from start-date, and have an ample window to be sold prior to completion. The recent uplift is not a risk to the near-term housing market. Higher densities and multi-family units as the dominant product form mean the elevated number of units under construction and higher inventories could be the norm given developers are meeting the needs of both current and future demand. Builders will be relatively cautious to guard against excess supply.

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Housing Forecast- Table 2

		2013	2014	2015	2016	2017	2018
Resale Market Transactions	All Units	66,047	78,075	81,825	85,675	89,400	91,600
	% change	4.1	18.2	4.8	4.7	4.3	2.5
	Detached	35,514	42,800	44,200	46,000	47,400	48,500
	% change	3.7	20.5	3.3	4.1	3.0	2.3
	Condo Apartment	16,705	19,400	20,600	22,200	23,550	24,200
	% change	4.8	16.1	6.2	7.8	6.1	2.8
	Row/Duplex	10,295	12,400	13,000	13,400	13,900	14,300
	% change	4.4	20.4	4.8	3.1	3.7	2.9
Resale Median Price	All Units	383,000	404,000	414,000	423,000	435,000	446,300
	% change	0.8	5.5	2.5	2.2	2.8	2.6
	Detached	474,000	507,000	522,000	536,000	551,650	568,200
	% change	1.1	7.0	3.0	2.7	2.9	3.0
	Condo Apartment	315,000	319,000	324,000	330,400	338,700	346,500
	% change	0.0	1.3	1.6	2.0	2.5	2.3
	Row/Duplex	347,000	356,000	365,000	373,500	383,800	394,200
	% change	0.0	2.6	2.5	2.3	2.8	2.7
MLS® Activity	Sales	72,936	84,049	88,250	91,700	95,400	97,350
	% change	-11.8	15.2	5.0	3.9	4.0	2.0
	Listings	147,209	150,600	155,000	159,000	164,000	168,000
	% change	-1.2	2.3	2.9	2.6	3.1	2.4
	Average Price	537,414	568,405	585,000	595,000	608,000	625,000
	% change	-8.3	5.8	2.9	1.7	2.2	2.8
Housing Starts, Units	Total	27,054	28,300	28,900	30,400	31,000	32,300
	% change	-1.5	4.6	2.1	5.2	2.0	4.2
	Single-Detached	8,522	9,500	9,900	10,400	10,800	11,100
	% change	2.3	11.5	4.2	5.1	3.8	2.8
	Multi-family	18,532	18,800	19,000	20,000	20,200	21,200
	% change	-3.1	1.4	1.1	5.3	1.0	5.0

Source: Landcor Data Corp, Canadian Real Estate Association,
Canada Mortgage and Housing Corporation, Central 1 Credit Union Forecast

Real Residential Investment (\$2007 Millions): British Columbia						
	2013	2014	2015	2016	2017	2018
Real Residential Investment (Millions)	18,579	19,543	20,123	20,883	21,309	22,054
% Change	0.5	5.2	3.0	3.8	2.0	3.5
Total New Dwellings	8,325	8,795	9,070	9,545	9,720	10,140
% Change	-2.3	5.6	3.1	5.2	1.8	4.3
Renovations	7,525	7,865	8,097	8,328	8,513	8,724
% Change	3.0	4.5	3.0	2.9	2.2	2.5
Total Acquisition Costs	2,492	2,634	2,703	2,750	2,808	2,914
% Change	2.4	5.7	2.6	1.7	2.1	3.8

Source: Statistics Canada, Canadian Real Estate Association, Central 1 Credit Union Forecast

Annual Residential Resale Transactions by Development Region						
	2013	2014	2015	2016	2017	2018
Vancouver Island/Coast	11,360	12,750	13,500	14,200	14,800	15,280
% change	5.6	12.2	5.9	5.2	4.2	3.2
Lower Mainland/Southwest	38,451	46,500	48,600	50,800	53,000	54,100
% change	3.1	20.9	4.5	4.5	4.3	2.1
Thompson/Okanagan	9,123	11,100	11,600	12,100	12,500	12,800
% change	9.1	21.7	4.5	4.3	3.3	2.4
Kootenay	2,372	2,750	2,800	2,900	3,000	3,100
% change	6.1	15.9	1.8	3.6	3.4	3.3
Cariboo	2,170	2,380	2,550	2,750	3,000	3,200
% change	-1.0	9.7	7.1	7.8	9.1	6.7
North Coast	1,043	1,020	1,100	1,170	1,250	1,300
% change	19.3	-2.2	7.8	6.4	6.8	4.0
Nechako	385	395	425	445	470	490
% change	-14.4	2.6	7.6	4.7	5.6	4.3
Northeast	1,143	1,180	1,250	1,310	1,380	1,430
% change	-11.1	3.2	5.9	4.8	5.3	3.6
Province	66,047	78,075	81,825	85,675	89,400	91,600
% change	4.1	18.2	4.8	4.7	4.3	2.5
Select Regional Districts						
	2013	2014	2015	2016	2017	2018
Greater Vancouver	33,325	40,300	42,300	44,300	46,400	47,400
% change	3.6	20.9	5.0	4.7	4.7	2.2
Capital	4,995	5,600	6,000	6,300	6,700	6,900
% change	2.7	12.1	7.1	5.0	6.3	3.0
Central Okanagan	3,449	4,350	4,500	4,650	4,800	4,900
% change	12.8	26.1	3.4	3.3	3.2	2.1
Fraser Fort-George	1,425	1,600	1,700	1,810	1,910	2,000
% change	4.2	12.3	6.3	6.5	5.5	4.7
Fraser Valley	3,769	4,500	4,700	4,900	5,100	5,200
% change	-0.7	19.4	4.4	4.3	4.1	2.0
Nanaimo	2,712	3,020	3,170	3,340	3,530	3,650
% change	8.6	11.4	5.0	5.4	5.7	3.4
Thompson-Nicola	2,135	2,225	2,380	2,520	2,650	2,750
% change	6.8	4.2	7.0	5.9	5.2	3.8

Source: Landcor Data Corp, Central 1 Credit Union Forecast

Median Annual Residential Price by Development Region

	2013	2014	2015	2016	2017	2018
Vancouver Island/Coast	332,000	341,000	346,000	351,000	356,000	363,000
% change	-0.9	2.7	1.5	1.4	1.4	2.0
Lower Mainland/Southwest	480,000	506,000	517,000	530,000	546,000	560,000
% change	2.1	5.4	2.2	2.5	3.0	2.6
Thompson/Okanagan	313,000	323,000	330,000	335,000	340,000	345,000
% change	-0.6	3.2	2.2	1.5	1.5	1.5
Kootenay	235,000	239,000	242,000	245,500	248,000	251,500
% change	-1.3	1.7	1.3	1.4	1.0	1.4
Cariboo	200,000	215,000	222,000	227,000	231,000	235,000
% change	1.5	7.5	3.3	2.3	1.8	1.7
North Coast	185,000	217,000	223,000	231,000	238,000	246,500
% change	21.5	17.3	2.8	3.6	3.0	3.6
Nechako	195,000	188,000	193,000	197,000	201,500	205,000
% change	14.0	-3.6	2.7	2.1	2.3	1.7
Northeast	277,500	302,000	313,000	325,500	337,000	344,000
% change	6.7	8.8	3.6	4.0	3.5	2.1
Province	383,000	404,000	414,000	423,000	435,000	446,300
% change	0.8	5.5	2.5	2.2	2.8	2.6

Select Regional Districts

	2013	2014	2015	2016	2017	2018
Greater Vancouver	515,000	547,000	564,000	580,000	597,000	614,000
% change	3.0	6.2	3.1	2.8	2.9	2.8
Capital	434,000	450,000	457,000	464,000	470,000	478,900
% change	-2.5	3.7	1.6	1.5	1.3	1.9
Central Okanagan	357,500	380,000	390,000	395,500	401,000	408,000
% change	-2.9	6.3	2.6	1.4	1.4	1.7
Fraser Fort-George	213,000	227,000	234,000	239,000	244,000	249,000
% change	1.7	6.6	3.1	2.1	2.1	2.0
Fraser Valley	318,000	329,000	332,000	336,000	340,000	345,000
% change	-0.6	3.5	0.9	1.2	1.2	1.5
Nanaimo	305,000	316,000	322,000	327,000	331,000	336,000
% change	-1.0	3.6	1.9	1.6	1.2	1.5
Thompson-Nicola	298,500	304,000	306,000	310,000	314,000	319,000
% change	1.2	1.8	0.7	1.3	1.3	1.6

Source: Landcor Data Corp, Central 1 Credit Union Forecast

Urban Area Housing Starts by Development Region

	2013	2014	2015	2016	2017	2018
Vancouver Island/Coast	2,704	2,570	2,750	2,900	3,000	3,050
% change	-6.6	-5.0	7.0	5.5	3.4	1.7
Lower Mainland/Southwest	19,988	20,400	20,600	21,300	21,800	22,300
% change	0.3	2.1	1.0	3.4	2.3	2.3
Thompson/Okanagan	1,865	2,330	2,200	2,300	2,350	2,450
% change	13.4	24.9	-5.6	4.5	2.2	4.3
Kootenay	82	85	80	85	95	110
% change	12.3	3.7	-5.9	6.3	11.8	15.8
Cariboo	276	235	275	320	360	375
% change	-8.3	-14.9	17.0	16.4	12.5	4.2
North Coast	30	**	**	**	**	**
% change	30.4	**	**	**	**	**
Northeast	578	730	580	530	575	550
% change	60.1	26.3	-20.5	-8.6	8.5	-4.3
Total B.C. Housing Starts*	27,054	28,300	28,900	30,400	31,000	32,300
% change	-1.5	4.6	2.1	5.2	2.0	4.2

* includes rural areas

** insufficient data

Greater Vancouver Resale transactions

	2013	2014	2015	2016	2017	2018
All Units	33,325	40,300	42,300	44,300	46,400	47,700
% change	3.6	20.9	5.0	4.7	4.7	2.8
Detached	15,068	18,800	19,500	19,800	19,500	19,700
% change	3.7	24.8	3.7	1.5	-1.5	1.0
Condo Apartment	12,194	14,200	15,200	16,500	17,900	18,700
% change	3.8	16.5	7.0	8.6	8.5	4.5
Attached	5,723	6,800	7,100	7,800	8,400	8,575
% change	3.5	18.8	4.4	9.9	7.7	2.1

Greater Vancouver Resale Median Price

	2013	2014	2015	2016	2017	2018
All Units	515,000	547,000	564,000	580,000	597,000	614,000
% change	3.0	6.2	3.1	2.8	2.9	2.8
Detached	750,050	812,000	845,000	875,000	907,000	939,000
% change	4.1	8.3	4.1	3.6	3.6	3.5
Condo Apartment	357,700	362,000	369,000	377,000	387,000	397,000
% change	1.6	1.2	1.9	2.2	2.7	2.6
Attached	415,000	434,000	445,000	455,000	470,000	484,100
% change	0.0	4.6	2.5	2.2	3.3	3.0

Source: Landcor Data Corp, Central 1 Credit Union Forecast

Economic Forecast Summary Table

	2013	2014	2015	2016	2017	2018
Real GDP, % Change	1.9	2.5	2.7	3.8	3.5	3.4
Employment, % Change	-0.2	0.8	1.4	1.9	1.8	1.7
Unemployment Rate, (%)	6.6	6	5.7	5.5	5.5	5.4
Population, % Change	0.9	1.1	1	1.1	1.2	1.3
Housing Starts (000s)	27.1	28.3	28.9	30.4	31	32.3
Personal Income, % Change	4.7	3.4	4	5.4	5.4	4.8
Consumer Price Index, % Change	-0.1	1.1	1.3	1.6	2.1	2.3

Statistics Canada, Central 1 Credit Union Forecast

Population components: British Columbia

	2013	2014	2015	2016	2017	2018
Population, 000s	4,582.6	4,631.3	4,677.8	4,730.7	4,788.3	4,848.8
% change	0.9	1.1	1.0	1.1	1.2	1.3
Net In Migration (000s)	28.7	39.3	37.5	44.3	49.4	52.7
Net International(000s)	30.6	37.0	34.6	36.8	43.0	45.6
Net Interprovincial (000s)	-1.9	2.3	2.9	7.4	6.4	7.2

Statistics Canada, Central 1 Credit Union Forecast

Posted Fixed Term Mortgage Rates

	2013	2014	2015	2016	2017	2018
Prime	3.00	3.00	3.00	3.50	4.50	5.00
1-Year	3.08	3.14	3.15	3.30	4.20	5.00
3-Year	3.74	3.68	3.52	3.72	4.60	5.30
5-Year	5.23	4.89	4.85	5.15	5.30	6.00

Source: Statistics Canada, Central 1 Credit Union Forecast

Terms

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