



Highlights

- Fraser Valley led the surge in B.C. housing sales in March
- Insufficient housing supply remained across province
- Sales in manufacturing industries in B.C decline in February, erasing January's gain

B.C. housing market grew further in March following February's rebound

Ivy Ruan, Economic Analyst

Housing sales had another robust month in March following February's rebound, marking the first back-to-back monthly gains since March 2022. However, new and active listings saw large declines during the same period, and average sale prices rose again. Despite the fact that limited inventories and persistence of high interest rate remained critical in the B.C. housing market, March results may call it a shift in momentum for B.C.'s hard-pressed housing market.

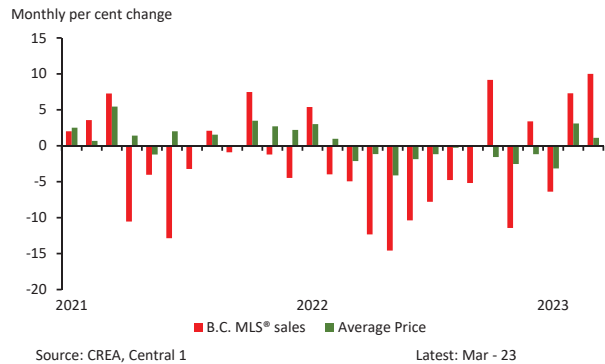
B.C. MLS® sales rose 10 per cent (seasonally adjusted) to 5,666 units in March, following February's 7.3 per cent growth. This marked the highest sale level since last July, and almost half of the peak pandemic high in March 2021 and just 9.0 per cent below the pre-pandemic level in February 2020. Erosion in prices and easing interest rate expectations may have contributed to this increase.

Broad sales were reported in most real estate board areas. Notably, the Lower Mainland-Southwest was led by Fraser Valley (+39.9 per cent). Following the robust gain recorded in February, Greater Vancouver gained another 3.0 per cent more sales in March. In contrast, sales were down in Victoria (-4.9 per cent) and Kootenay (-13.6 per cent) following their large growths last month.

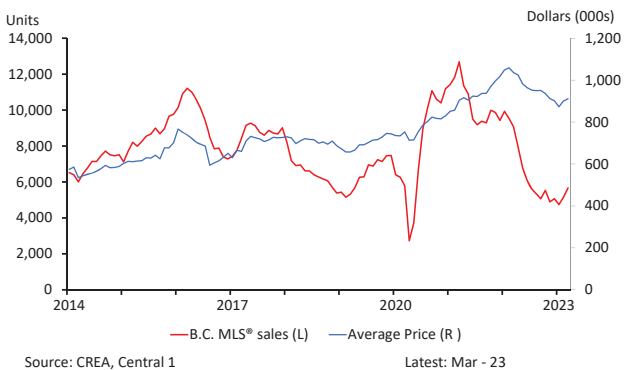
Higher sales were not matched by supply. New listings in B.C. fell 8.7 per cent following the 7.5 per cent drop in February, contributing to fewer month-end active listings (-6.3 per cent, seasonally adjusted). Broad declines were reported across real estate board areas and led by the Lower Mainland-Southwest.

Insufficient supply started to drive markets to benefit sellers' conditions across the province. Average home

Home sales surged in March, average price rose as well



Housing trends may shift



prices recovered 1.1 per cent to \$910,981. This recovery is near November's level, albeit still 14.1 per cent lower than peak (\$1,060,480). Greater Vancouver recorded the largest monthly gain (+1.9 per cent) in average sale price among real estate board areas.

Adjusted for seasonal effects, benchmark prices continued to drop in March. On an aggregate B.C. basis, the benchmark price was down 0.5 per cent to \$919,800. This was 12.8 per cent below peak in March 2022 but still 29.7 per cent higher than the pre-pandemic level in February 2020. While benchmark prices for most regions were down, Chilliwack saw 0.8 per cent growth. Benchmark prices tend to lag turning points in the market and prices are likely stabilizing. Declines in housing inventories in addition to strong population growth could make room for hikes in sale prices. That said, affordability remains a severe constraint to buyers and economic growth is expected to erode.

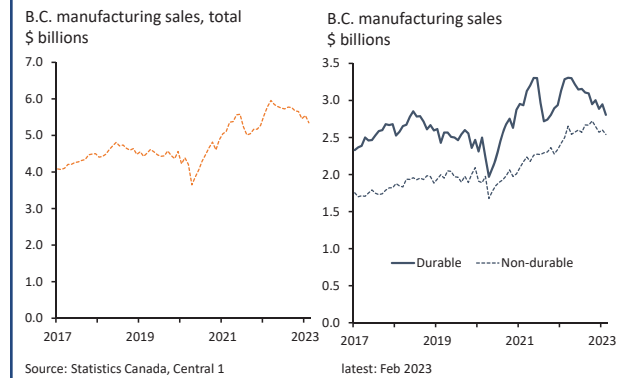
B.C. manufacturing industries saw dwindled sales in February

Eloho Ennah, Economic Analyst

Following January's increase, manufacturing sales in B.C. dipped in February. On a seasonally adjusted basis, sales in B.C.'s manufacturing industries declined by 3.6 per cent to \$5.3 billion in February, more than countering the increase of 2.2 per cent in the prior month. Sales in the durable goods industries declined the most, down by 4.8 per cent while the non-durable goods industries' sales fell 2.3 per cent. Year-over-year, manufacturing sales in B.C. decreased 7.6 per cent with durable goods sales falling 14.6 per cent and non-durable goods sales increasing 1.7 per cent. Unadjusted for seasonality, manufacturing sales in the province were down 7.2 per cent in February 2023 compared to same month in 2022. Durable goods sales declined 14.6 per cent while non-durable goods sales were up 2.4 per cent in the same period.

In February, eight of the ten durable goods industries experienced sales decline on a seasonally adjusted basis. Primary metal manufacturing sales plunged 16.6 per cent in February, following the increase of 17.6 per cent in January. Sales in machinery manufacturing industries was also down 16.1 per cent during the month. Furniture and related product manufacturing sales fell by 5.7 per cent. Similarly, computer and electronic product manufacturing sales declined 5.5 per cent. Electrical equipment, appliance and component manufacturing sales fell 4 per cent. In addition, sales in fabricated metal product manufacturing industries and transportation equipment manufacturing industries also dropped 4.6 per cent and 4.9 per cent respectively. Miscellaneous manufacturing sales

Sales in manufacturing industries in B.C decline in February



declined 2.1 per cent during the month. Balancing these declines were sales increases in non-metallic mineral product manufacturing and wood product manufacturing industries, increasing by 9.6 per cent and 1.3 per cent respectively.

Within the non-durable goods industries, textile mills sales were up 15.8 per cent and food manufacturing sales rose 0.6 per cent while sales in leather and allied product manufacturing industries dropped 1.8 per cent. The Vancouver metro area saw a 6.0 per cent decline in manufacturing sales in February. Sales in non-durable goods industries in the region lessened by 8.3 per cent and durable goods industries experienced a 3.7 per cent drop in sales.

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