



Highlights

- Home sales and prices were back up in B.C. in March
- Building intentions kept rising in B.C. in February as the non-residential and residential sectors posted gains in permits issued

B.C. home sales up moderately in March

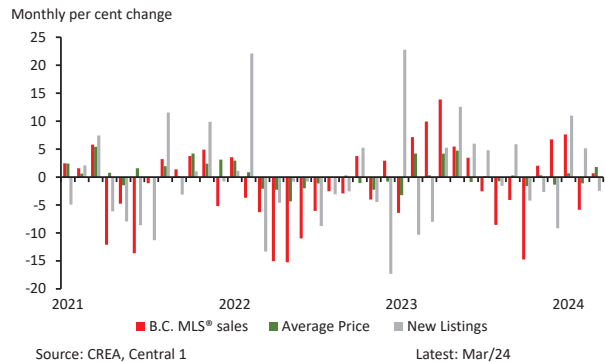
Eloho Ennah, Economic Analyst

In March, B.C.'s housing market saw slight improvement as home sales nudged higher. After a 5.9 per cent decline in February, seasonally adjusted MLS® home sales rebounded, increasing by 0.7 per cent to reach 5,866-unit sales in March. Home prices in the province also rose, increasing by 1.8 per cent, reflecting elevated home values. Momentum in the housing market has waned in the last few months as buyers halt purchases in hopes of a rate cut, while affordability concerns limit their purchasing power.

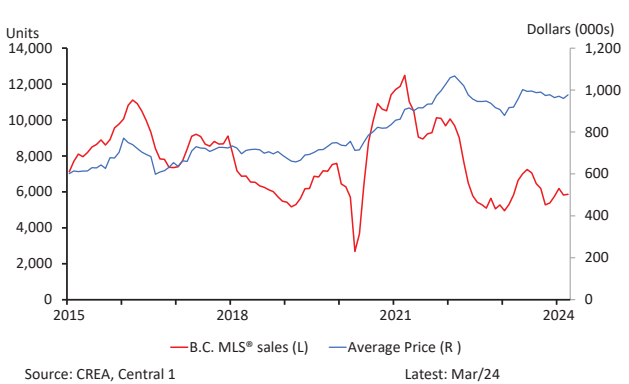
MLS® home sales increased in most of the provinces' real estate boards. The Greater Vancouver area saw a gain of 1.4 per cent in home sales following the decline in the previous month. In Chilliwack, home sales increased only slightly by 0.5 per cent while the Kootenays reported a 17.2 per cent increase. Home sales also rose 9.4 per cent in Vancouver Island while they were unchanged in the Fraser Valley region. In addition, home purchases in Kamloops increased by 0.5 per cent. However, the Okanagan-Mainline and South Okanagan recorded sales declines of 8.9 per cent and 19 per cent, respectively.

Home values in B.C. increased during the month, reaching \$976,893 in March. Prices have fluctuated since mid-2023, dropping 8.4 per cent from the historical peak point in February 2022 and 2.5 per cent from peak in 2023. This month's gain was as a result of higher prices in Greater Vancouver region where home values increased by 1.1 per cent and made up for a decline in February of 0.9 per cent. In both the South Okanagan and Okanagan-Mainline, home prices increased by 2.9 per cent and 7.7 per cent, respectively. The Fraser Valley also saw prices increase by 2.1 per cent while the

Home sales and average price up in March, new listings recede



B.C. home sales and prices increase moderately



Kootenays noted an 11.0 per cent monthly increase. In Chilliwack, they rose by 0.7 per cent. In contrast, home values in Kamloops receded by 6.1 per cent while those on Vancouver Island declined by 0.5 per cent.

In March, seasonally adjusted benchmark prices, which take into account home attributes and product composition unlike average prices, continued to decline. Lower Mainland benchmark prices, which consists of Greater Vancouver and the Fraser Valley, fell by an additional 0.2 per cent while being down 1.6 per cent in the Okanagan Valley. In addition, Vancouver Island benchmark prices fell 0.4 per cent in March.

There was a drop of new residential listings in B.C. during March, following two consecutive monthly increases. During the month, new listings decreased by 2.5 per cent as sellers await better market conditions. Meanwhile, the sales-to-new listings ratio increased to

46.2 per cent from 44.7 per cent, moving closer to a balanced market. Months of inventory also increased by 3.7 per cent. Sales activity is expected to remain subdued into the late spring months, with the possibility of rate cuts in the second half of the year potentially fueling stronger market activity.

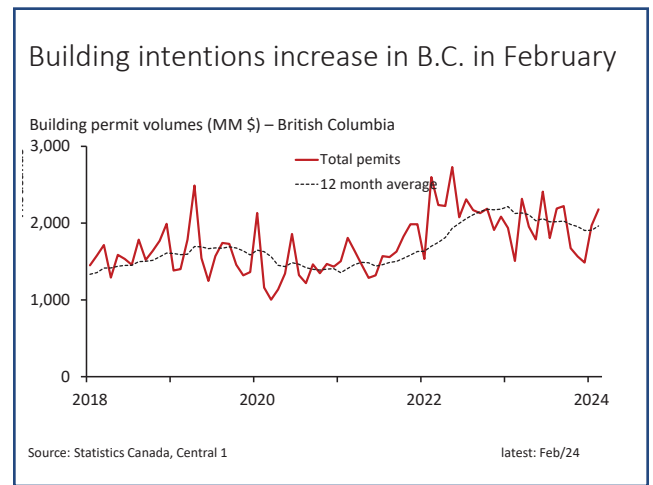
B.C. construction industry continues to see permit issuance growth in February

Eloho Ennah, Economic Analyst

Following the uptick in January, building permits in B.C. continued their rise in February, increasing by 10.6 per cent to build off the 32.4 per cent surge seen in January. The increase was driven by higher permits issued in both the residential and non-residential sectors, with construction intentions growing by 5.9 per cent and 19.8 per cent, respectively. Year-over-year, total permit values soared by 44.6 per cent. While the 12-month moving average shows a continuing downtrend in permit issuances since late 2022, the recent increase could point to an upshift in construction activity. However, this growth may be tempered by high interest rates and other elevated costs.

Residential building permits issued in the province increased to \$1.4 billion during the month as both of its subcategories rose. Single dwelling residential permits increased by 9.4 per cent, following an 8.4 per cent decrease in the prior month. Multi-family building permits also increased by 5.1 per cent, although not as high as the 36.9 per cent increase in January.

Non-residential permit values advanced in February to \$804.9 million, as all but one subcategory posted increases during the month. The value of industrial permits soared, up by more than twelve times the value from January, largely due to a permit issued for a new dairy processing facility in Abbotsford-Mission.



While commercial permits also rose by 16.3 per cent, government permits issuances fell sharply by 85.5 per cent.

Most of B.C.'s census metropolitan areas saw decreased permit issuances in February. Vancouver saw a 1.7 per cent decline in monthly permit values, but permits were up by 53.5 per cent compared to the previous year. In Chilliwack, permit issuances fell by 37.5 per cent compared to the previous month and by 19.4 per cent compared to the previous year. In Victoria, permits declined by 16.2 per cent during the month and by 40.0 per cent year-on-year. Nanaimo also reported a decrease of 20.9 per cent in February with a 2.7 per cent yearly decline. Abbotsford-Mission reported significant gains in permits during the month with more than ten times the value of permits in January. Permits values also rose in Kelowna and Kamloops, up by 8.2 per cent and 18.2 per cent, respectively.

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