



Highlights

- B.C. housing starts up again
- B.C. inflation rate up to 2.7 per cent in March; higher gasoline and shelter prices lifted figure
- Durable goods industries led the growth in manufacturing in February

B.C. Housing starts up above last year's pace this month

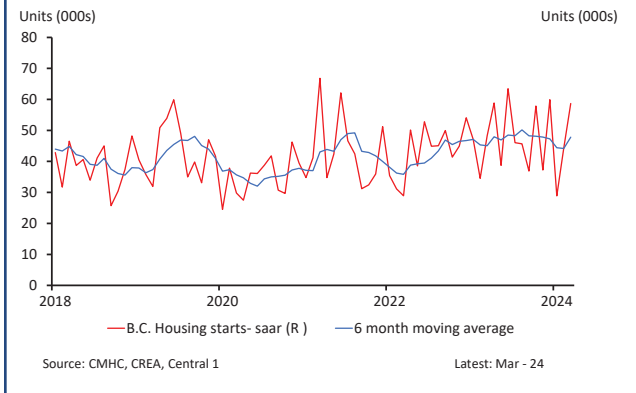
Alan Chow, Business Economist

Urban housing starts in B.C. picked up again in March. On a seasonally adjusted annualized basis, housing starts in B.C. increased to 58,670 for March. This marks an increase of 32.3 per cent compared to the previous month and is well above the average of the last six months, which was around 47,800. Multifamily starts increased 38.5 per cent to a rate of 55,095, but this was balanced out by a 21.4 per cent decline in single-family starts, which totaled 3,575. Nationally, housing starts declined 6.9 per cent with multifamily unit starts down 7.8 per cent and single-family unit starts down 3.2 per cent.

Among the seven metro areas listed in B.C., five of them reported higher housing starts in March. Vancouver continues to lead the way, with a 27.2 per cent increase to a seasonally adjusted annualized rate of 41,720. This rate was above last year's monthly average of 33,200. Victoria had a 65.6 per cent increase to 5,486 housing starts, which is above last year's average of around 5,000. Kelowna saw 4,775 housing starts, a 14.8 per cent increase from the previous month. Kamloops and Nanaimo were the two regions that saw fewer housing starts compared to the previous month.

In a year-over-year comparison, unadjusted housing starts in B.C. increased by 21 per cent, up from 4,018 in March 2023 to 4,867 in March 2024. The number of single-family home constructions starts decreased, with only 266 units started this March compared to 399 units last March, representing a 33 per cent decline. Additionally, multifamily unit construction starts increased, up from 3,619 units in March 2023 to 4,601 units in March 2024, representing a 27 per cent increase.

Housing starts in B.C. increase



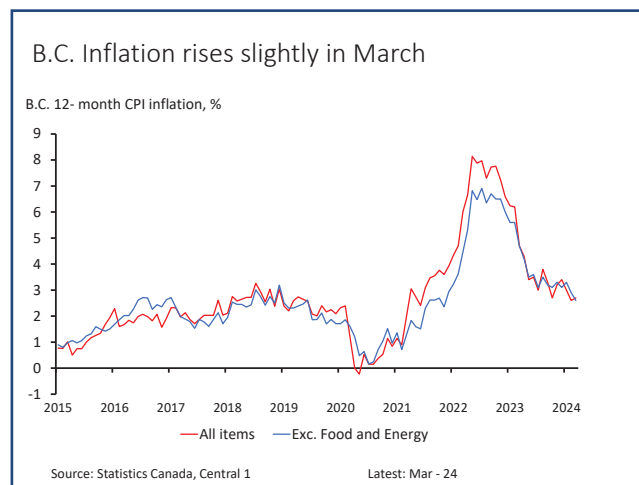
B.C. inflation rate rises in March

Eloho Ennah, Economic Analyst

The headline consumer price inflation in B.C. rose to 2.7 per cent in March from 2.6 per cent previously, just slightly below the national figure for the month. Growing shelter and gasoline prices were the leading cause of this gain as they accelerated during the month. Although this month's reading increased after two consecutive declines, the number remains within the Bank of Canada's target band of one to three per cent inflation.

Shelter prices increased by 6.8 per cent year-over-year in March, following a 6.2 per cent increase in February, as both rental and owned accommodation costs remained high. Monthly, the shelter component increased by 0.7 per cent. On the other hand, prices for household operations, furnishings and equipment decreased by 0.5 per cent. In another notable increase, gasoline prices rose by 4.4 per cent on a year-over-year basis, completely countering the 4.3 per cent decline in the prior month. This consequently led to an increase in transportation and energy costs by 1.8 per cent and 1.5 per cent, respectively.

Food inflation remains persistent; however, price growth has decelerated sharply from a year ago. Food prices grew by 3.6 per cent year-over-year in March, only slightly down from the 3.7 per cent in February. Excluding the impact of food and energy prices, core inflation decelerated further to 2.6 per cent from 2.9 per cent.

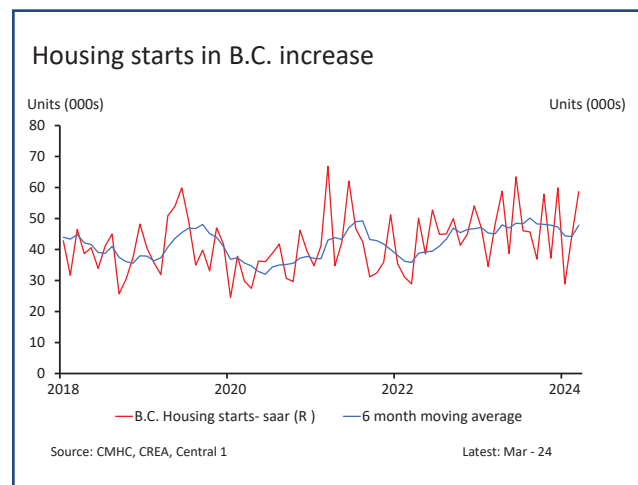


In March, goods prices rose slightly by 0.5 per cent on a year-over-year basis, higher than the 0.3 per cent gain in February. Prices of services grew by 4.5 per cent, consistent with last month's gain. Items related to recreation, education and reading posted a price increase of 0.7 per cent while alcoholic beverages, tobacco products and recreational cannabis prices increased 3.0 per cent.

B.C. manufacturing sales' growth resumed in February

Ivy Ruan, Economic Analyst

In February, manufacturing sales in B.C. rebounded by 1.8 per cent on a monthly basis, following the large decline seen in January. On a seasonally-adjusted basis, the dollar amount of sales in February was \$5.39 billion, up from January's \$5.30 billion in sales. Non-durable goods industries experienced a decrease of 1.6 per cent in monthly sales, while durable goods industries contributed to the overall growth with a 4.8 per cent increase in monthly sales. On a year-over-year basis, B.C. manufacturing sales were 0.07 per cent higher than last February.



Within the durable goods industries, monthly growths were seen across most categories, except computer and electronic product manufacturing, which saw a decrease of 4.8 per cent, and transportation equipment manufacturing, which saw a decrease of 12.2 per cent. Following last month's large decline in manufacturing sales, wood product manufacturing in B.C. reported a 5.2 per cent rebound in sales in February. Non-metallic mineral product manufacturing experienced the largest proportional increase in sales at 27.6 per cent, while fabricated metal product manufacturing also had a 10.9 per cent increase during the same period. On a yearly basis, durable goods reported 4.8 per cent more sales, whereas non-durable goods (down 5.1 per cent) industries in B.C. posted lower manufacturing sales.

Within the Vancouver metro area, manufacturing sales rose by 1.8 per cent in the month of February, with durable goods industries up 3.1 per cent and non-durable goods industries up by 0.7 per cent, reversing the declines from last month.

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