



Highlights

- Home sales in B.C. continued to grow in June, up by 2.8 per cent monthly
- Home prices in Greater Vancouver reach new all-time high
- Both non-residential and residential sectors see substantial dip in permits issued in May

B.C. home sales increase further in June

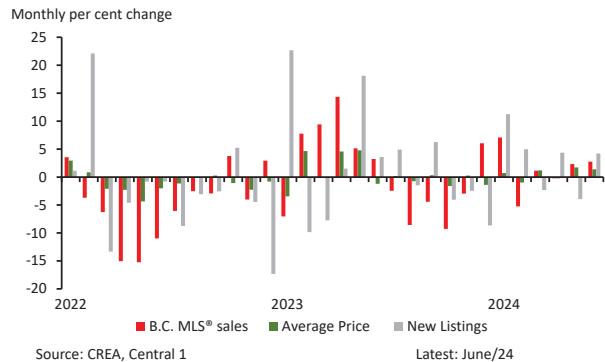
Eloho Ennah, Economic Analyst

Housing market activity in B.C. picked up pace in June, following months of low sales volume. Seasonally adjusted MLS® home sales in B.C. came in at 6,166 units, increasing by 2.8 per cent from the prior month, following a 2.3 per cent increase in May. Year-over-year, sales were down by 14.3 per cent in the province, and still near recessionary lows. Despite this, home values in the province increased by 1.4 per cent in June.

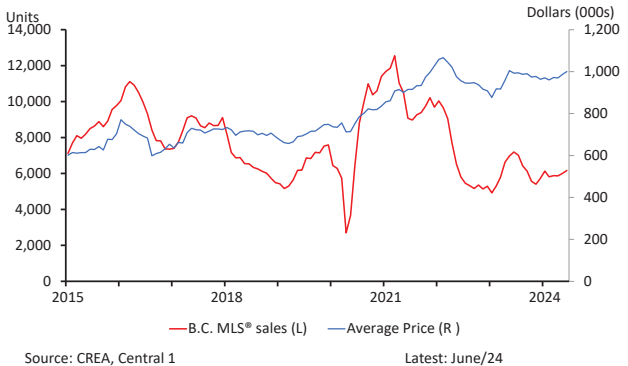
Regional real estate board results were mixed throughout the province. Home sales in the Greater Vancouver area saw an 8.3 per cent gain in June following the decline of 6.5 per cent in May, giving a boost to overall provincial performance. This was also the largest monthly gain since May 2023. Chilliwack recorded a third back-to-back gain in sales, with an increase of 5.3 per cent in June, while in Kamloops, sales also rose by nearly 3.0 per cent. Vancouver Island sales were up by 3.9 per cent. In contrast, regions to record monthly sales declines were Okanagan Mainline (-3.9 per cent), South Okanagan (-2.2 per cent), Fraser Valley (-1.1 per cent) and the Kootenay (-2.1 per cent).

Home prices in B.C. increased during the month to slightly over \$1 million, the highest value since the most recent peak in May 2023 and 6.2 per cent shy of the all-time peak in February 2022. Greater Vancouver home values increased by 2.3 per cent to \$1.3 million, reaching the highest value on record in the province. Home prices on Vancouver Island also rose by 2.4 per cent

Home sales and prices increase, new listings up



B.C. home sales and prices rise in June



in June, a consecutive and equal magnitude increase from May. Kamloops home values were up by 6.8 per cent during the month. In Okanagan-Mainline and South Okanagan, home prices increased by 0.5 per cent and 1.6 per cent, respectively. In contrast, prices fell in Chilliwack (-2.1 per cent), Kootenay (-2.4 per cent) and slightly in the Fraser Valley (-0.2 per cent).

Average prices can mask compositional sales effects, but the benchmark price index marked another decline during the month, with overall benchmark prices down by 0.2 per cent, a sustained trend since last quarter of 2023. That said, benchmark price changes tend to lag average price turns. Within B.C., Lower Mainland benchmark prices, encompassing Greater Vancouver and the Fraser Valley, were flat in June. Vancouver Island benchmark prices grew by 0.5 per cent while they fell by 0.8 per cent in the Okanagan Valley.

Residential new listings in B.C. increased by 4.2 per cent in June to make up for losses in the previous month. Market conditions remained balanced with a sales-to-new listings ratio of 45.8 per cent, but down slightly from 46.5 per cent in May. Although market momentum remains weak, the first interest rate cut during the month incentivized more buyers to jump off the sidelines. We expect the sales to speed up in the fourth quarter, given underlying demand from population growth. Although, affordability constraints may weigh down market performance.

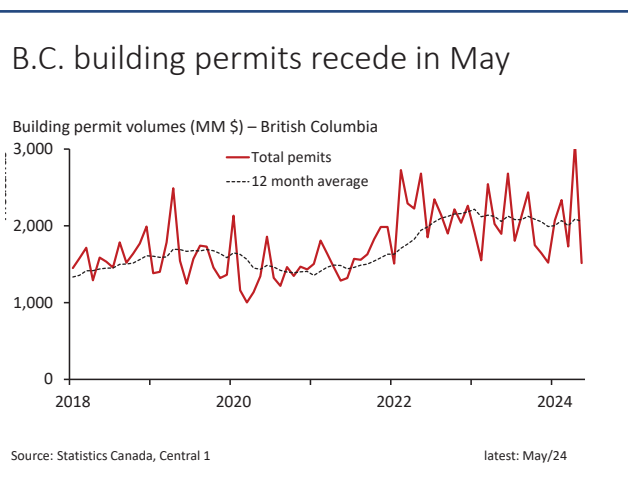
B.C. permit issuance record significant drop in May

Eloho Ennah, Economic Analyst

B.C. building permits plummeted in May following the record-breaking gain in the previous month. Building permit values in the province fell by 50.7 per cent to reach a seasonally adjusted \$1.5 billion, after the 77.6 per cent increase in April. Due to substantially reduced permits issued in both the non-residential and residential sectors, this month's significant decline contributed the most to the national dip in building permit issuances. That said, unadjusted for seasonality, year-to-date permits were up by 15.3 per cent compared to same period in 2023.

Monthly permit numbers tend to fluctuate widely, but the 12-month moving average has remained range-bound since 2022, as construction and borrowing costs are still elevated, disincentivizing activities in the sector. It will take multiple rate cuts to see a substantial boost in activity in the sector.

Residential building permits in B.C. more than halved during the month and reached \$982 million. This downtick was due to much lower multi-family permits issued, as they fell by 59.3 per cent in June. Single dwelling residential permits also declined for the second consecutive month, down by 12.3 per cent.



Non-residential permit values decreased by 44.1 per cent, reaching \$532 million, as all subcategories saw lower permits during the month. Following notable gains in April, both industrial and commercial permit values declined by 33.4 per cent and 53.2 per cent, respectively. Institutional and governmental permits also experienced a 22.4 per cent dip during the month.

Sector performance across B.C.'s census metropolitan areas were mixed in May. Permits in Vancouver dropped by nearly 67.0 per cent and were down year-over-year by 31.6 per cent. In Kelowna, permits also declined by 9.1 per cent while they pulled back 37.0 per cent in Nanaimo. On the other hand, permits issuance increased in Chilliwack, up by 38.9 per cent while they rose in Abbotsford-Mission by 23.4 per cent monthly. Victoria saw a 2.0 per cent increase in permits as well.

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