



Highlights

- Lower mainland home sales remained low in August
- Full-time employment drove hiring contraction in B.C.
- Unemployment level rose to 5.8 per cent in August
- Trade deficit increases

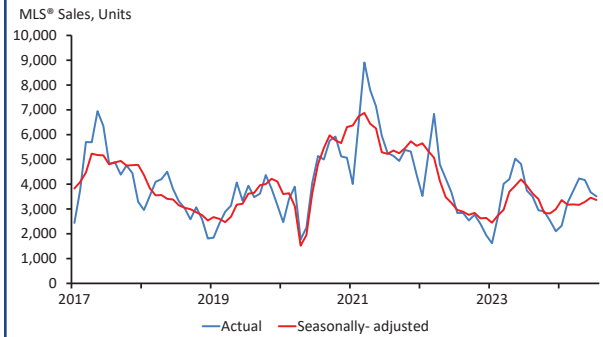
Lower Mainland housing weakness continues through August

Bryan Yu, Chief Economist

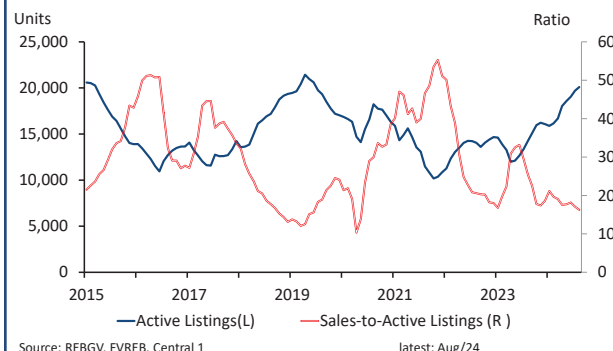
The struggling Lower Mainland housing market failed to gain any traction in August even as interest rates continued to slip. MLS® home sales remained low in August at scant 2,921 units based on Greater Vancouver and Fraser Valley real estate board data. This was 16.4 per cent below last year's levels and the third fewest same-month sales since 2010, unadjusted for the recent boom in population. On a seasonally- adjusted basis, we calculate a nearly three per cent monthly decline, but in line with levels observed through much of the year. While underlying demand remains elevated due to strong population growth and delayed homeownership, prospective homebuyers have stepped to the sidelines in anticipation of further rate cuts and improved affordability in coming quarters, while a softening labour market may also have tempered demand.

Sluggish home sales and elevated new listings are pushing housing inventories higher, providing more choice to buyers and by extension, more negotiating power. At nearly 21,000 units, active listings were up 38 per cent from a year ago and on a trend- basis sits near 2019 levels. The sales-to-active listings ratio fell to 13.8

Lower Mainland home sales remain sluggish in August

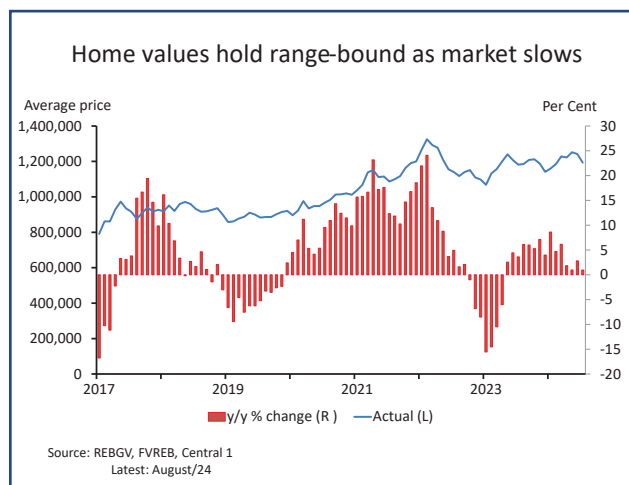


Inventory on the rise, conditions more favourable to buyers



per cent (16 per cent seasonally- adjusted), pointing to a shift into a buyers' market. That said, buyers have been frustrated by rigid sellers anticipating higher demand as interest rates decline further. The average home value remained steady in August at \$1.18 million following recent declines from the summer peak of \$1.25 million. The average price was unchanged from a year ago. The constant-quality benchmark price fell 0.6 per cent m/m, led by apartment (-0.5 per cent) and townhome (-0.8 per cent) prices. While the broad benchmark was down 1.5 per cent from a year ago, declines were largely for condo apartments.

We expect slow but steady market conditions to continue through much of the fourth quarter before a more vigorous pick up through 2025, specifically in entry level markets. Lower interest rates and elevated net savings in recent years will trigger more purchasing activity, while transfers from parents and grandparents to younger buyers will increase with lower rates on savings vehicles. Prices are forecast to rise about five per cent next year.



Lower Mainland MLS®

	Actual		m/m % ch		s.a. m/m % ch		y/y % ch		
	2023M08	2024M07	2024M08	2024M07	2024M08	2024M07	2024M08	2024M07	2024M08
Unit Sales	3,494	3,510	2,921	-4.4	-16.8	-2.6	-2.9	-6.2	-16.4
Average Price	1,185,343	1,192,807	1,183,430	-3.9	-0.8	-2.8	0.1	1.0	-0.2
New Listings	7,778	8,876	6,718	-1.1	-24.3	-0.2	1.3	-5.6	-13.6
Active Listings	15,261	21,737	21,091	2.6	-3.0	3.4	2.0	41.2	38.2
Sales-to-Active Listings	22.9	16.1	13.8	n/a	n/a	n/a	n/a	n/a	n/a
Benchmark Price									
	Actual		m/m % ch		s.a. m/m % ch		y/y % ch		
	2023M08	2024M07	2024M08	2024M07	2024M08	2024M07	2024M08	2024M07	2024M08
Total	1,143,700	1,129,300	1,126,364	-0.6	-0.3	0.6	0.9	-1.7	-1.5
Singles	1,802,000	1,833,700	1,831,500	-0.3	-0.1	0.8	1.2	1.7	1.6
Townhome	979,300	990,500	986,538	-0.8	-0.4	0.1	1.4	0.8	0.7
Apartment	715,300	714,400	713,186	-0.5	-0.2	0.3	1.0	-0.4	-0.3

B.C. employment continued to decline in August

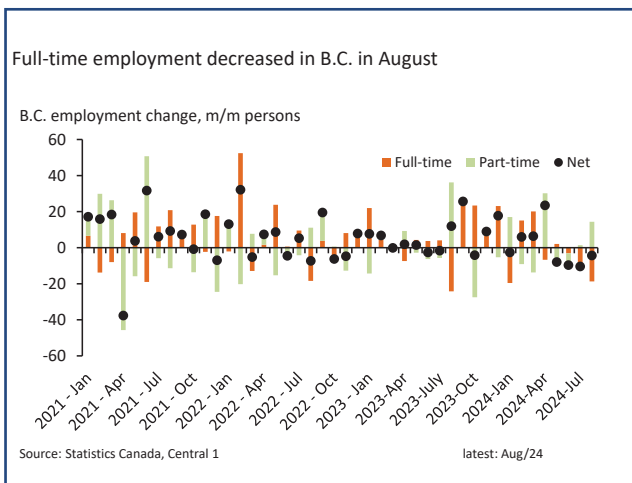
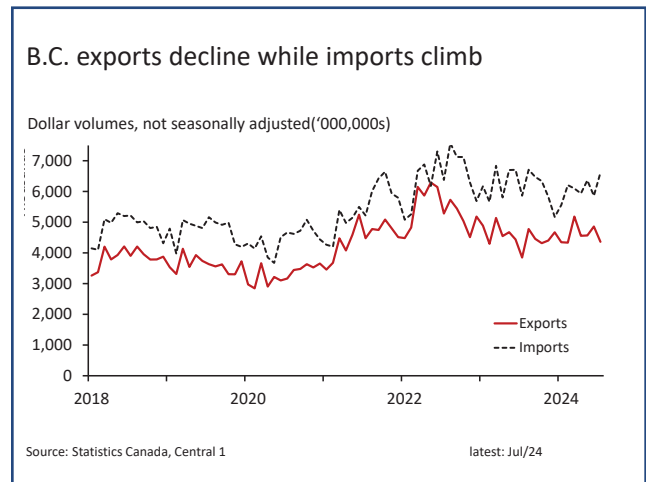
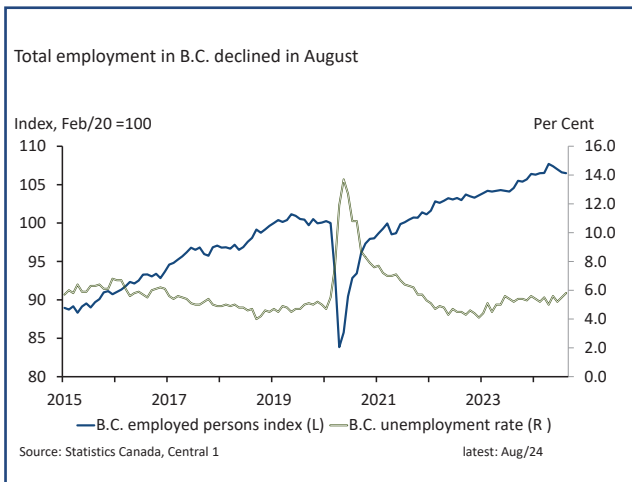
Ivy Ruan, Economic Analyst

British Columbia employment fell for a fourth consecutive month in August with a drop of 4,300 people (-0.2 per cent). Despite the monthly retrenchment, year-over-year hiring growth of 1.7 per cent was still slightly above the national performance of 1.6 per cent. The unemployment rate rose 0.3 points to 5.8 per cent as labour force expanded slightly (0.1 per cent). The labour participation rate dropped to 64.2 per cent from 64.4 per cent last month, along with a 0.3 per cent increase in population.

The decline of full-time employment led the overall contraction in B.C. employment in August. Part-time employment rose by 2.5 per cent (14,400 people), following the modest increase during the previous month. Full-time employment fell 0.8 per cent or 18,700 people. The Vancouver Census Metropolitan

area (CMA) saw a 1.1 per cent decrease in its employment level, while the unemployment rate rose to 6.3 per cent, from 5.8 per cent recorded in July. During the same month last year, Vancouver CMA's unemployment rate level was at 5.8 per cent.

By sector, the goods producing industries led the decline in employment in August, with a 1.3 per cent decrease, offsetting the 0.1 per cent gain in services producing industries. The manufacturing sector led the monthly decrease at 1.1 per cent (-2,000 people), along with the decreases seen in the rest of the goods producing sector. Recent announcement of sawmill closures will likely add downward pressure to manufacturing employment going forward. The health care and social assistance sector (-5,600 people or -1.4 per cent) reported a large decline in hiring in August. Notable hiring decline was also seen in sectors such as public administration (-2.8 per cent). The declines were offset by the employment gains in sectors such as finance, insurance, real estate, rental and leasing (3,800 people or 2.1 per cent).



equipment and parts, up 11.0 per cent, and forestry products and building and packaging materials, up 2.3 per cent. Eight out of the 11 categories are also seeing year- to- date export growth. Higher year- to- date exports were seen in metal ore and non-metallic minerals, up 18.7 per cent or \$423 million, forestry products and building and packaging materials, up 3.1 per cent or \$215 million, and farm, fishing, and intermediate food products, up 13.4 per cent or \$204 million. Offsetting the increase in these categories was a 7.1 per cent or \$783.9 million decline in energy products.

Exports and imports decline in July

Alan Chow, Business Economist

In July 2024, B.C.'s merchandise exports decreased for the first time after two consecutive monthly increases. Exports declined 10.3 per cent to \$4.4 billion. On the other hand, B.C. saw a higher volume of imports for July and an increase of 12.9 per cent to \$6.6 billion. As a result, the trade deficit for the month was \$2.2 billion, up from last months' revised number of \$1.0 billion. This was the highest deficit since June 2023. Overall exports for the last 12 months are down five per cent from the previous 12 months. Over the same period, imports are down 5.7 per cent. Year to date, exports are up 1.1 per cent while imports are down 2.5 per cent.

The monthly decrease in exports was seen in six out of the 11 categories. Energy products was by far the largest contributor, down 31.5 per cent. This is followed by metal ores and non-metallic minerals, down 15.4 per cent, and electronic and electrical equipment and parts, down 8.2 per cent. Offsetting these declines were increases in farm, fishing and intermediate products, up 25.3 per cent, Industrial machinery,

The monthly increase in imports was relatively broad based as seen in 10 out of the 11 categories. Leading the way was consumer goods, up 15.2 per cent, followed by energy products, up 64.6 per cent, and metal ores and non-metallic minerals, up 138.4 per cent. This was the highest monthly dollar volume for this category since September 2023. The lone category to see lower monthly imports was aircraft and other transportation equipment and parts, which was down 10.5 per cent. Despite the overall decline in year-to-date imports, seven out of the 11 categories saw higher volumes. The top three categories were consumer goods, up 5.4 per cent or \$577 million, aircraft and other transportation equipment and parts, up 31.4 per cent or \$375 million, and farm, fishing and intermediate food products, up 10.5 per cent or \$274 million. More than offsetting the increases in these categories were declines in industrial machinery, equipment and parts, down 28.3 per cent or \$2.2 billion, and energy products, down 19.9 per cent or \$60 million.

For more information, contact economics@central1.com.