



## Highlights

- B.C. inflation rate down to 2.0 per cent in September
- B.C. housing starts rose in September
- Home sales in B.C continued up in September by 0.6 per cent, prices flat
- B.C. durable manufacturing sales led the overall sales' decrease

## B.C. inflation rate declined further in September

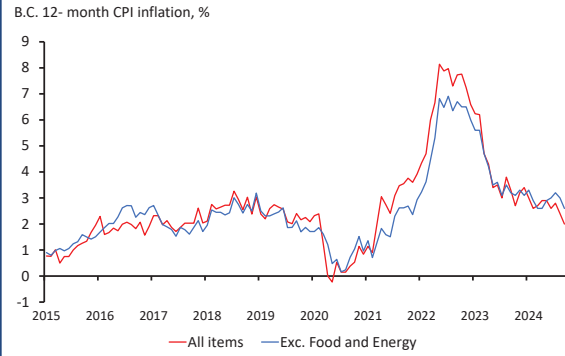
*Eloho Ennah, Economic Analyst*

B.C.'s inflation rate eased further in September on a year-over-year basis. Headline inflation in the province came in at two per cent in September, down from the 2.4 per cent pace in August. This was also the lowest reading in more than three years, but the highest among all provinces. In addition, core inflation (excluding food and energy) declined from three per cent to 2.6 per cent.

Falling gasoline prices were the main reason for the slowdown in all-items CPI. On a year-over-year basis, gasoline prices declined by 12.2 per cent. This was the fourth consecutive reduction in gasoline prices noted in the province and was likely due to decreasing crude oil prices as the global economy slows. Energy prices also dropped by eight per cent while transportation costs fell year-over-year by 0.8 per cent, after increasing by 0.4 per cent in August.

Shelter prices remained elevated but slowed significantly on a year-over-year basis in September while prices of services also fueled consumer price growth. The former rose by 5.4 per cent during the month and eased from 6.4 per cent in August. Contributing to elevated growth was high rented and owned accommodation costs. Services price growth also slowed considerably, up by 3.7 per cent as opposed to 4.7 per cent in the prior month.

B.C. Inflation rate continues decline in September



Source: Statistics Canada, Central 1

Latest: Sept - 24

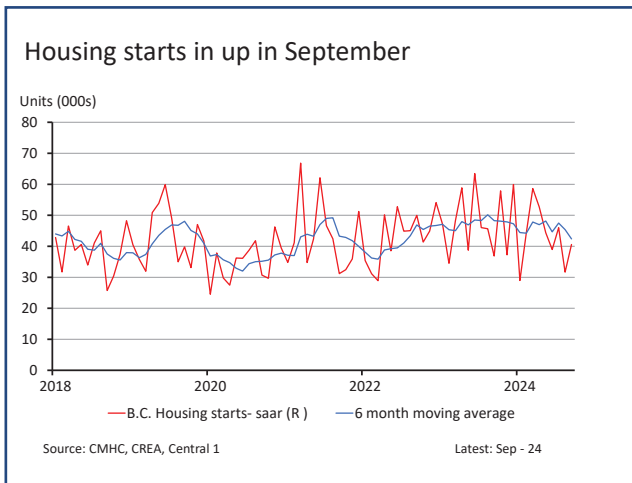
The growth in food prices remained the same as in the last two months at 2.8 per cent. Goods prices decreased by 0.5 per cent on a year-over-year basis. Items related to recreation, education and reading showed a price drop of 1.6 per cent, while alcoholic beverages, tobacco products and recreational cannabis prices rose by 3.2 per cent.

## Pace of housing starts up in September but down for the third quarter

*Alan Chow, Business Economist*

The rate of housing starts in B.C. rose in September. On a seasonally adjusted annualized basis, B.C. saw 40,588 housing units started in September, a 28.2 per cent increase from last month's 31,650 housing units. This is still slightly below this year's monthly average of 42,908 units. Nationally, housing starts are up 5.5 per cent from the previous month.

Multifamily unit starts were up 34.5 per cent to 36,255 units while single-family units were down 7.8 per cent to 4,333 units. For the third quarter of 2024, on a seasonally adjusted annualized basis, B.C. saw 37,789 housing units started, down 13.2 per cent when compared to the second quarter of 2024 and down 16.4 per cent from the third quarter of 2023. Multifamily units for the third quarter came in at 33,270 units, down 15.0 per cent from the second quarter and down 16.1 per cent from a year earlier. Single-family units came in at 4,519 units, up 2.6 per cent from the previous quarter but down 18.0 per cent from a year



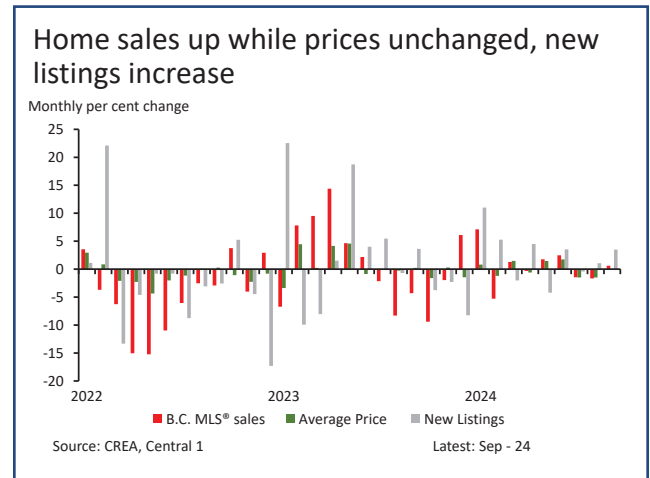
ago. Among the seven metro areas in B.C., five saw a higher rate of housing starts in September. Vancouver saw housing starts climb to 23,463 from 20,462 while Kelowna bounced back from a year low of 702 the previous month to 5,619 in September. On the other hand, Victoria saw housing starts decline to 4,257 from 5,373. Abbotsford saw a large month of housing starts in September at 3,197. For comparison, the monthly average number of housing unit starts this year is 1,202. Kamloops also saw a large uptick going from 43 last month to 779 in September. Chilliwack was down at 211, which is the second lowest month this year, below the 531 monthly average. And finally, Nanaimo saw 158 in September, well below the average of 1,045.

Year to date, the number of housing units started in B.C., unadjusted, are down eight per cent compared to the same period last year with 32,251 units vs 35,052 units. The number of multifamily units was down six per cent from 30,716 units to 28,902 units, while single-family units is down 23 per cent from 4,336 units to 3,349 units. Four out of the seven metro areas in B.C. are showing higher year- to- date housing starts as of September. Those are Abbotsford, Chilliwack, Kelowna and Nanaimo. B.C. is one of the four provinces with fewer year-to-year housing starts compared to the previous year. Nationally, year to day, housing starts are up two per cent, with both single-family homes and multifamily homes up two per cent.

## B.C. home sales increased slightly in September

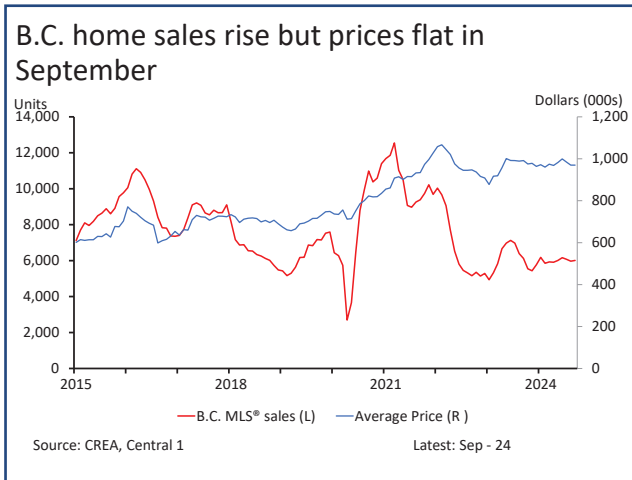
*Eloho Ennah, Economic Analyst*

The B.C. housing market activity remained tempered in September with only mild uptick in sales during the month. On a monthly basis, seasonally adjusted MLS® home sales in B.C. reached 6,008 units, up by 0.6 per cent from August. Year over year, sales declined by 1.8 per cent as the downward trend home purchases persisted.



Sales performance was mixed amongst the B.C. real estate boards. The Greater Vancouver Area real estate board posted an increase in home purchases during the month, up by three per cent in September but down by 5.2 per cent year over year. Other areas where sales rose were Vancouver Island (3.4 per cent) and the Kootenay (10.7 per cent). In contrast, sales fell significantly in the Okanagan Mainline (17.2 per cent) and South Okanagan (16.5 per cent). Chilliwack also reported a 3.3 per cent dip in monthly sales while they pulled back in Kamloops by 1.5 per cent.

Home prices in B.C. showed no change in September, coming in at \$969,959, same as the prior month. This was below the February 2022 peak by 9.1 per cent. Home values in Greater Vancouver continued to fall in September, decreasing by 0.6 per cent monthly, while down year over year by 3.3 per cent. In Chilliwack,



prices also declined by 1.8 per cent. They also pulled back substantially in South Okanagan by 11.1 per cent, while falling in the Okanagan Mainline by nearly one per cent. Home values rose in other areas, up in the Kootenay (4.8 per cent), Vancouver Island (1.3 per cent), and slightly in Kamloops by 0.2 per cent.

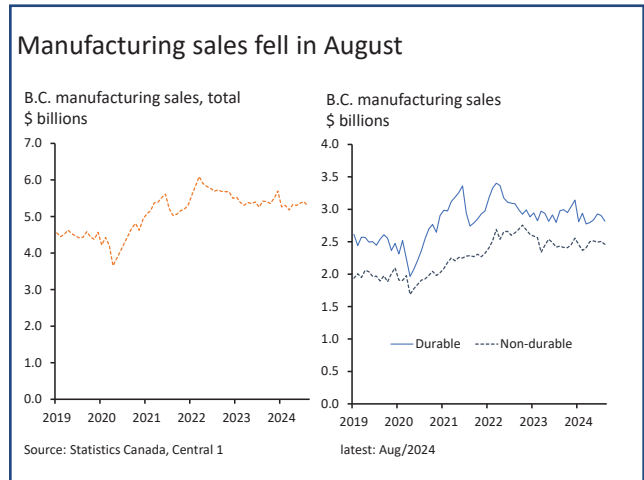
Average prices can mask compositional sales effects and the benchmark price index, which accounts for home attributes and product composition, decreased in September by 0.2 per cent. That said, benchmark price changes tend to lag average price turns. Within B.C., Lower Mainland benchmark prices, encompassing Greater Vancouver and the Fraser Valley, fell by 0.5 per cent, while declining by 0.1 per cent in Vancouver Island. However, they increased in the Okanagan Valley by one per cent.

Residential new listings in B.C. increased by 3.5 per cent in September, and market conditions remained nearly balanced with a sales-to-new listings ratio of 43.0 per cent. September's data shows signs of a still subdued housing market due to still-high interest rates. We would expect market activity to speed up as more interest rate costs accumulate and spur increasing activity in the market. That said, affordability constraints in the region remain a limitation to sales growth.

## B.C. manufacturing sales fell in August

*Ivy Ruan, Economic Analyst*

Manufacturing sales in B.C. fell in August to \$2.4 billion. Non-durable goods industries experienced a decrease of 1.5 per cent in monthly sales, in addition to the 3.2 per cent drop in durable goods sales. On a year-over-year basis, B.C. manufacturing sales were 2.7 per cent higher than last August, while being also down by 2.3 per cent on a year-to-date basis.



Within the durable goods industries, mixed results were observed across categories, with notable decrease in fabricated metal product manufacturing, which saw a monthly decrease of 11.4 per cent following last month's increase. Machinery manufacturing saw an increase of 9.3 per cent. Wood product manufacturing in B.C. has seen a downtrend since November 2023 before June's surge, yet the July and August decreases (-8.3 per cent and 6.3 per cent) reversed the gain in June. Pressures will continue given a cascade of announcements related to mill closures in recent quarters. Transportation equipment manufacturing also experienced a notable decrease in sales by 19.0 per cent, while primary metal manufacturing also had a 4.4 per cent decrease during the same period. On a yearly basis, durable goods reported 5.4 per cent fewer sales, and non-durable goods industries in B.C. posted 0.7 per cent higher than manufacturing sales.

Within the Vancouver metro area, manufacturing sales fell 0.4 per cent in the month of August, with durable goods industries edged up 0.1 per cent and non-durable goods industries down by 0.9 per cent.

*For more information, contact [economics@central1.com](mailto:economics@central1.com).*