



Highlights

- Metro Vancouver MLS® sales slipped in January
- Canadian permits grew in December as residential permits surged
- B.C. led multi-family residential permit increase in December; non-residential permits issued fell
- Durable goods manufacturing sales down in December as transportation equipment sales fall
- Wood product sales subdued in 2024

Lower Mainland housing market loses momentum to start 2025

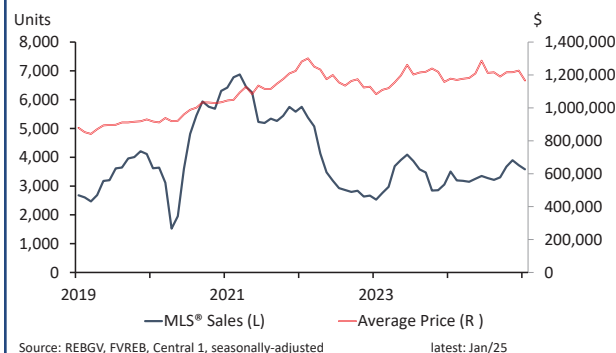
Bryan Yu, Chief Economist

Housing market activity in B.C.'s Lower Mainland slowed at the start the year as U.S. tariff threats raised economic uncertainty, dampening buyer confidence. This uncertainty overshadowed demand drivers like declining interest rates and measures to boost housing demand through higher price caps for mortgage insurance eligibility and availability of 30-year amortization for all first-time buyers.

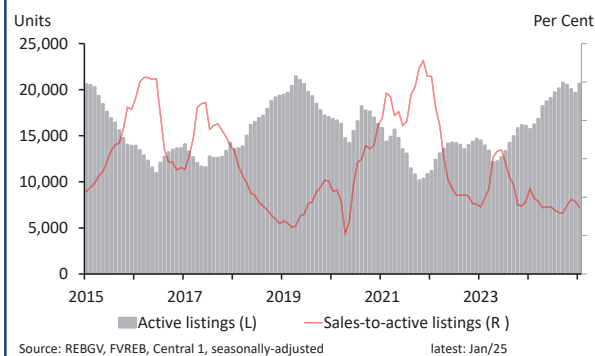
Total MLS® sales in the region spanning Metro Vancouver, Abbotsford-Mission and the Sea-to-Sky highway region came in at 2,330 units. This was up 0.3 per cent, year-over-year from January 2024 and compared to a 27 per cent increase in December. Sales were down about 15 per cent compared to the 10-year January average. The upward trend in momentum has turned over and we calculate a seasonally adjusted decline of about 4 per cent month-to-month.

Softer January sales also coincided with rising existing home supply as new listing surged were up 50 per cent year-over-year, while active listings jumped 40 per cent to the highest level since 2019. At least some of this likely came from completed but unsold units in new developments, which may be making their way to the MLS® listings market, primarily in the condominium market. The sales-to-active listing ratio slumped to 13

Lower Mainland sales and prices roll back in January amidst uncertainty



Housing inventory pops higher, early signs of buyers' market



per cent which points to a potential buyers' market and while a single month does not a trend make with the seasonally adjusted ratio still at 17 per cent, there is excess supply in the apartment market given a dearth in investment demand. The federal U-turn in temporary residents, and measures to limit apartment flipping and short-term rentals have contributed to the weakness.

The region's average price fell sharply by five per cent in January to a still lofty \$1.14 million, partly due to geography and product composition. Nonetheless, it was a significant pullback and largest single-month drop since May 2022, signaling early year weakness. The MLS® housing price index was unchanged during the month but declined on a seasonally adjusted basis, with apartment and townhome prices in decline.

Lower Mainland MLS®									
	Actual			m/m % ch		s.a. m/m % ch		y/y % ch	
	2024M01	2024M12	2025M01	2024M12	2025M01	2024M12	2025M01	2024M12	2025M01
Unit Sales	2,324	2,686	2,330	-17.6	-13.3	-4.4	-3.8	27.5	0.3
Average Price	1,159,732	1,203,319	1,141,693	0.6	-5.1	0.8	-4.9	5.4	-1.6
New Listings	5,868	2,857	8,759	-51.9	206.6	3.3	15.0	40.3	49.3
Active Listings	12,524	16,116	17,479	-19.6	8.5	-2.1	5.0	28.4	39.6
Sales-to-Active Listings	18.6	16.7	13.3	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	
	2024M01	2024M12	2025M01	2024M12	2025M01	2024M12	2025M01	2024M12	2025M01
Total	1,103,600	1,101,300	1,102,291	-0.2	0.1	0.5	-0.5	0.0	-0.0
Singles	1,741,800	1,788,500	1,795,296	-0.0	0.4	0.6	0.2	2.5	3.2
Townhome	954,900	976,400	971,127	-0.5	-0.5	0.5	-1.1	2.4	1.7
Apartment	706,300	696,900	695,715	-0.4	-0.2	0.4	-1.6	0.0	-1.4

Lower Mainland MLS® , Year-to-Date					
	Actual			y/y % ch	
	2024M01	2024M12	2025M01	2024M12	2025M01
Unit Sales	2,324	40,429	2,330	0.9	0.3
Average Price	1,159,732	1,204,947	1,141,693	1.6	-1.6
New Listings	5,868	91,886	8,759	20.1	49.3
Active Listings	12,524	18,805	17,479	33.1	39.6
Sales-to-Active Listings	18.6	18.3	13.3	na	na

B.C. construction sector notes elevated permit issuances in December

Ivy Ruan, Economic Analyst

Canadian building permits rebounded in December after two consecutive monthly declines. The total value of permits issued rose by 11.0 per cent to \$13.1 billion, driven by a surge in residential permits (+21.2 per cent). This was offset by a 5.9 per cent decline in the non-residential sector. Despite the monthly increase, total building permit values in the fourth quarter edged up by \$430.8 million (+1.2 per cent) to \$37.5 billion, marking the fourth consecutive but slowest quarterly gain in 2024. Growth in the residential sector drove this increase, while the non-residential sector declined after reaching a record high in the third quarter. The industrial (-\$876.1 million) and commercial (-\$635.0 million) components both saw declines, whereas the institutional component rose by \$150.1 million.

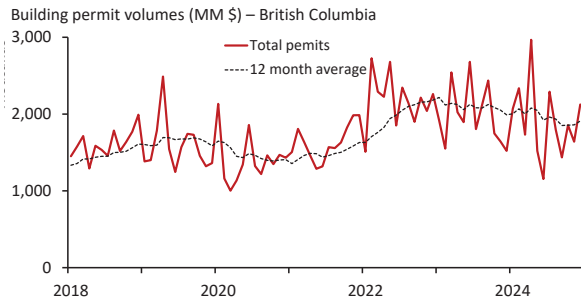
On an annual basis, the total value of Canadian building permits increased by \$10.5 billion (+7.8 per cent) to \$145.3 billion in 2024, the highest level since the data series began in 2017. However, in constant dollar terms (2017=100), the total value of permits grew by 3.7 per cent in 2024 but remained the second-lowest annual level since 2017. This trend reflects a decline in

the real value of single-family building permits, which tempered gains in the multi-family and non-residential sectors.

In December, non-residential building permits in B.C. fell 16.1 per cent, reversing the strong gains from the previous month as all subsectors saw reductions in permit issuances. Commercial and institutional/governmental permits fell by 2.96 per cent and 26.8 per cent, respectively, while industrial permits also dropped by 26.8 per cent. On a quarterly basis, B.C.'s non-residential sector saw a slight decline in the fourth quarter. The downturn was largely driven by decreases in the industrial (-\$139.9 million) and commercial (-\$23.9 million) components. However, these losses were largely offset by gains in institutional/governmental permits, which increased by \$161.7 million.

B.C. was among the provinces leading the growth in residential building permit issuances in December, surging by 62.9% to \$1.5 billion. This rebound followed a 28.0% decline in November and was driven by significant increases in both single-dwelling and multi-unit permits. The multi-unit dwelling sector saw an 80.2% increase in permit values, contributing significantly to national growth in this category. Single-dwelling permits also rose, increasing by 12.2% during the month.

B.C. building permits surged in December



On a quarterly basis, B.C.'s residential sector recorded a modest gain in the fourth quarter. The multi-unit sector grew by \$109.5 million, while single-dwelling permits declined by \$10.3 million.

Most census metropolitan areas experienced an increase in building permit issuances in December. In Vancouver, total permits rose by 60.2 per cent compared to November and surged by 88.0 per cent year-over-year. Victoria also saw an increase, with permit issuances up 26.4 per cent from the previous month, though they remained slightly below last year's level. In contrast, Kelowna reported a significant decline, with permits falling by 38.1 per cent in December, bringing total permit values 41.1 per cent below their level from the previous year.

B.C. manufacturing sales up slightly in December

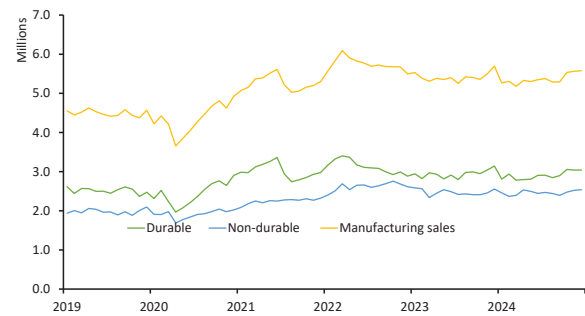
Eloho Ennah, Economic Analyst

Manufacturing sales in B.C. inched up 0.3 per cent to \$5.6 billion in December, following a 0.5 per cent gain in manufacturing sales in the prior month. Durable goods industries contributed to the monthly decline, with sales in the industry down by 0.1 per cent while non-durable goods sales grew by 1.3 per cent.

The decline in the durable goods industry was as a result of lower transportation equipment sales which dipped by 6.8 per cent. Fabricated metal product sales also decreased by 2.6 per cent while wood product sales fell by 0.3 per cent during the month. Countering these declines was an increase in primary metal sales, which grew by a 2.1 per cent gain. Data for the majority of subsectors in the non-durable goods category is suppressed for confidentiality reasons, but food manufacturing sales increased by 1.3 per cent after a 1.5 per cent gain in November.

B.C. Manufacturing sales see minor increase in December

B.C. manufacturing sales, \$ billions



In the Vancouver metro area, overall manufacturing sales declined by 3.3 per cent in December, with durable goods industries sales down by 1.7 per cent and non-durable goods industries sales also down by 4.7 per cent.

On a full year basis, B.C. unadjusted manufacturing sales declined 1.5 per cent in 2024 compared to 2023, as sales were tepid in the first half of the year before trending higher in the latter months. Durable goods sales fell by 1.9 per cent during the year as a result of decreased fabricated metal sales (-11.1 per cent) and computer and electronic product sales (-21.2 per cent). Wood product sales, the largest component in the category, also fell by 0.3 per cent. Weak economic conditions and reduced construction and housing market activity impacted demand for forestry products in 2024. Non-durable goods sales decreased by 1.1 per cent.

Most Canadian manufacturing sales were destined for the United States in 2024, with transportation equipment and food industries leading exports. Demand for B.C.'s manufacturing products in 2025 remain uncertain as the country awaits potential U.S tariff reimpositions, which would significantly impact sales.

For more information, contact economics@central1.com.