



Highlights

- Lower Mainland housing market remained weak despite growth in sales in May
- B.C. employment grew for a third straight month, up 0.4 per cent
- The unemployment rate increased to 6.4 per cent from 6.2 per cent
- B.C. merchandise exports fell as imports rose in April amidst unstable trade relations with the United States

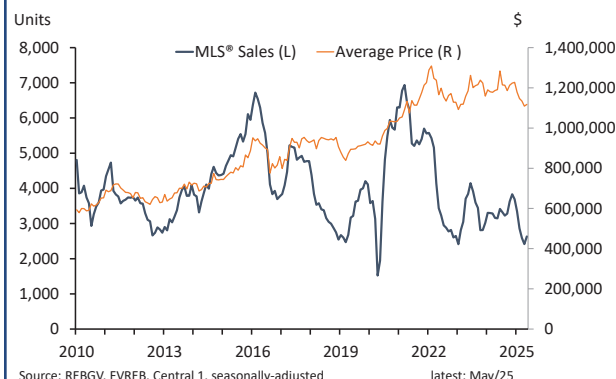
Lower Mainland housing steadies in May

Bryan Yu, Chief Economist

Housing market volume in B.C.'s Lower Mainland region nudged higher in May, potentially pointing to a bottom in sales following the uncertainty-driven downturn extending back to November. Data from the Vancouver and Fraser Valley real estate boards showed 4,166 unit sales in May—down 20 per cent year-over-year, but an improvement from April's 26 per cent drop. Seasonally-adjusted sales (C1 calculation) rose 9 per cent month-over-month, which was still 30 per cent lower than November's pace and close to the trough seen in late 2022 and 2019. Levels remain above pandemic-era lows, albeit with a significantly larger population base. Lower home values, more favourable interest rates, and some calm in the trade war rhetoric may have pushed more buyers off the fence.

Despite the sales increase, the housing market remains weak with limited sales, elevated new listings and excess supply in the new condo market contributing to excess inventory in the resale market. Active listings rose 2.6 per cent month-over-month (seasonally-adjusted) and 30 per cent year-over-year—the highest levels since 2012. With the sales-to-active listings ratio at about 13 per cent, this points to a shallow buyers' market which is likely to put further downward pressure on prices. At the same time, modest improvement in sentiment could quickly rebalance conditions.

Home sales and prices steady in May, trend weak



High housing inventory puts buyers in driver's seat



While the average price rose 2.6 per cent to \$1.17 million (unadjusted), reversing a 2.2 per cent decline in April, prices remain soft and six per cent lower than a year ago. Since the end of 2024, the average price has fallen about 9 per cent to match the late 2022 low and 15 per cent off the early 2022 peak. The location of home sales and product mix influences headline average prices, but the composite price index, which adjusts for this, points to negative momentum. The index fell 1.1 per cent month-over-month (seasonally-adjusted) and 3.1 per cent year-over-year. Declines have been consistent by product type.

Downward home pressure is expected to continue through the third quarter. The market needs greater economic certainty, a reduction in interest rates, and lower inventory to rebalance. While there is likely to be improved affordability ahead for buyers, it is likely fleeting given long-term housing shortages.

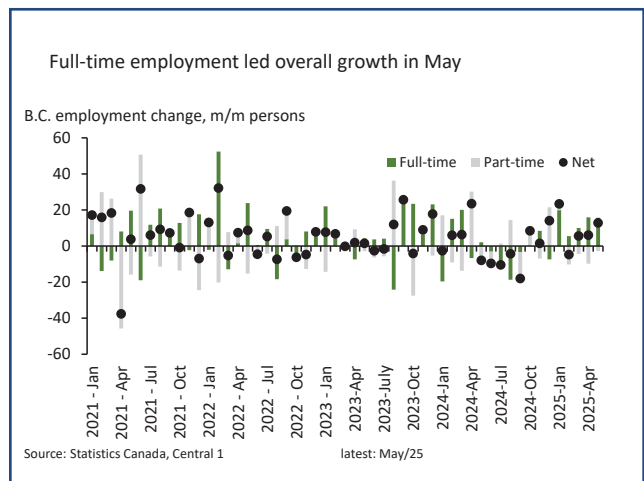
B.C. labour market sustained employment growth in May

Ivy Ruan, Senior Analyst

Employment in B.C. rose notably in May by 0.4 per cent or 13,000 persons, which was the fastest pace among Canada's large provinces. Year-over-year employment growth in B.C. rose to 1.2 per cent yearly growth which was just slightly below the national performance of 1.4 per cent. The province's labour force grew by 0.7 per cent, outpacing employment gains and nudging the unemployment rate slightly from 6.2 per cent to 6.4 per cent, still below the national average. The labour participation rate rose to 65.6 per cent from 65.0 per cent, along with a 0.1 per cent increase in population.

During the month, full-time employment led growth. Full-time employment grew by 0.7 per cent (15,700 persons) while part-time employment dropped by 0.5 per cent (-2,800 person). The Vancouver Census Metropolitan area (CMA) saw a 0.9 per cent increase in its employment level, while the unemployment rate rose to 6.6 per cent from 6.3 per cent in April.

By sector, increases were seen in both the goods-producing (1.3 per cent or 6,800 persons) and the services-producing industries (0.3 per cent or 6,100 persons). Construction saw the largest gain in employment (4.4 per cent or 11,200 persons) in the goods sectors, offsetting the declines in other sectors such as manufacturing (-1.5 per cent or 2,900 persons), agriculture (-19.9 per cent or 3,400 persons). Tariffs on Canadian products may have triggered losses in export-oriented goods sectors. Within the services-producing sector, professional, scientific and technical services employment grew by 3.6 per cent or 11,100 persons while the accommodation and food services sector recorded a decline of 4.8 per cent (9,000 persons). Notable gains in employment were also seen in health care and social assistance (2.1 per cent or 8,700 persons) and educational services (3.7 per cent or 8,100 persons).



B.C.'s labour market continued to show modest strength in May, with full-time employment posting small gains despite ongoing Canada–U.S. trade tensions and new tariffs. At the same time, the start of the student summer job season brought signs of strain, as the Labour Force Survey reported rising student unemployment. With fewer opportunities in retail and other part-time roles, youth employment is expected to face greater pressure in the months ahead.

B.C. merchandise exports decline; imports rise in April

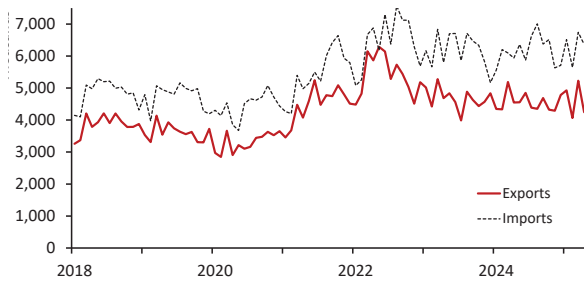
Eloho Ennah, Economic Analyst

In April, Canada's international trade balance was notably impacted by US tariffs as merchandise exports and imports showed significant declines, consequently widening Canada's trade deficit with the world to the highest on record, up from \$2.3 billion in March to \$7.1 billion. On a seasonally-adjusted basis, exports decreased by 10.8 per cent, while imports fell by 3.5 per cent¹. View our [national commentary](#) for more information.

¹ It should be noted that Statistics Canada cautions on the use of recent import data as the Canada Border Service Agency Assessment and Revenue Management system transition initiative has delayed the receiving of receipts. Estimate values were used for November 2024 to April 2025 and future revisions are likely. Also, an appreciating Canadian dollar during the month also contributed to lower exports.

B.C. merchandise exports fall in April

Dollar volumes, not seasonally adjusted ('000,000s)



Source: Statistics Canada, Central 1

latest: Apr/25

Although provincial data is unadjusted for seasonality, B.C. saw lower merchandise exports in April, falling by 6.7 per cent year-over-year as exports reached \$4.2 billion. This was as a result of forestry products and building and packaging materials exports receding significantly during the period (-16.5 per cent or -\$179.0 million). In addition, metal and non-metallic mineral products exports fell by 18.1 per cent (-\$70.6 million) while industrial machinery, equipment and parts exports also declined by 28.8 per cent (-\$69.8 million). Farm, fishing and intermediate food products exports reduced by 23.2 per cent (-\$65.5 million) during the period as well and consumer goods exports decreased by 14.8 per cent (-\$52.3 million). In contrast, metal ores and non-metallic minerals exports increased by 14.0 per cent (\$59.8 million) while energy exports rose by 3.8 per cent (\$48.2 million). Motor vehicle and parts exports also grew by 9.5 per cent (\$5.7 million).

On a yearly basis, non-seasonally adjusted imports to B.C. increased by 7.2 per cent to reach \$6.4 billion, driven by a 12.1 per cent (\$191.6 million) increase in consumer goods and a 140 per cent (\$90.9 million) surge in metal ores and non-metallic minerals imports. On the other hand, motor vehicles and parts imports pulled back significantly, falling 13.6 per cent (-\$98.8 million) and forestry products and building and packaging materials imports declined by 4.0 per cent (-\$17.7 million). Farm, fishing and intermediate food products imports also fell by 2.5 per cent (-\$10.6 million).

Exports to the United States from B.C. decreased by 11.8 per cent, while imports decreased by 11.1 per cent on a year-over-year basis. Imports from other countries rose by 16.4 per cent but exports declined by 1.4 per cent. During a season of unstable trade relations between Canada and the U.S., the proportion of B.C. exports to the U.S. and imports from have been on the decline for two consecutive months. Exports from the province to the U.S. made up 48.4 per cent of total exports, compared to 57.0 per cent in January. Imports from the U.S. also made up 27.8 per cent of total imports during the month, compared to 32.0 per cent in January. While B.C. has relatively less exposure to tariffs in comparison to other provinces due to looser US trade ties, long-lasting tariffs will continue to negatively impact sectors like forestry and the primary metal industry, likely leading to more production curtailment and layoffs. Retaliatory tariffs and a weak economy would also suppress import growth as well.

For more information, contact economics@central1.com.