



Highlights

- B.C. home sales increased by 2.0 per cent; prices rise by 1.3 per cent
- B.C. inflation rate rises again to 2.0 per cent in September
- B.C. housing starts declined in October
- Canadian retail spending fell in September
- B.C. retail sales decreased in September, down for a third straight month
- Long term outlooks improve

Home sales rise in B.C. in October

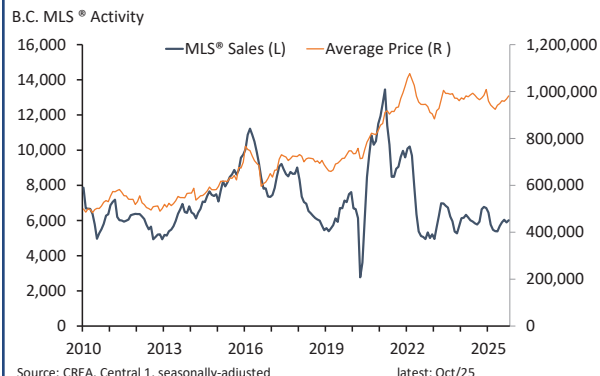
Eloho Ennah, Economic Analyst

B.C. home sales rebounded in October, following a downtick in the prior month. MLS® sales in B.C. increased by 2.0 per cent month-over-month to a seasonally-adjusted 6,011 units. That said, this was also 9.5 per cent lower than a year ago, as weak economic conditions and severe affordability issues in the province continue to suppress housing demand.

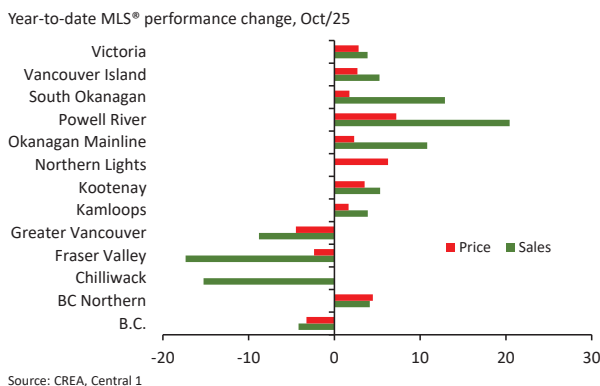
Housing market performance varied at the real estate board level. Sales increased in Greater Vancouver by 4.2 per cent while they also increased in Victoria by 6.0 per cent. The most significant increase in sales was noted in the Kootenay with the monthly sales figure rising by 32.8 per cent in October, although sharp swings are not abnormal in small markets. In contrast, sales fell in the Okanagan Mainline (-7.6 per cent), Vancouver Island (excluding Victoria) (-1.5 per cent), Kamloops (-9.5 per cent), and Northern B.C. (-3.9 per cent). Year-to-date sales in the province continue to trend below levels from 2024 (-4.9 per cent in October), while sales are significantly beneath pandemic levels. Most of this weakness is driven by poor market conditions in the Lower Mainland, while other markets have seen higher sales year-to-date.

Affordability constraints remain a limiting factor in the market as average home prices continued to grow in October. Average prices increased by 1.3 per cent to \$981,100, 0.9 per cent more than a year ago and trending higher since March 2025; although 8.9 per

Home sales increase in B.C.; prices rise in October



Lower Mainland housing market underperforms in 2025



cent below all-time high in February 2022. In Greater Vancouver, prices rose 0.5 per cent, while Victoria saw a higher 2.4 per cent increase. the provincial level, benchmark composite prices—typically a better indicator of underlying trends—were flat month-to-month and largely unchanged across most real estate markets.

Provincial new listings decreased by 2.6 per cent in October, with the sales-to-new listing ratio at 45.2 per cent, signifying relatively balanced conditions in the province. The number of new listings on the market has continued to fall as sellers are also being cautious.

Although monthly sales in B.C. have recovered from the tariff-induced slump earlier this year, we still note ongoing weakness in market activity. Slowing immigration, sky-high prices, and a weak labour market

are factors that will continue to subdue sales going forward.

B.C. year over year inflation up for third month in a row

Alan Chow, Business Economist

B.C.'s inflation rate edged up in October to 2.0 per cent year-over-year, from 1.9 per cent in September. This is the third consecutive month that price levels have risen. Core measures of inflation also accelerated as inflation excluding energy rose to 2.5 per cent from 2.2 per cent. Inflation excluding both food and energy rose by 2.3 per cent, up from 1.8 per cent. **Nationally**, inflation rate changes were similar to the all-items inflation rate, down from 2.4 per cent to 2.2 per cent. Inflation excluding energy went up from 2.7 per cent to 2.8 per cent, and inflation excluding food and energy up from 2.4 per cent to 2.7 per cent.

In B.C., energy prices fell 5.6 per cent year-over-year in October — an accelerated decline from the 2.7 per cent drop in the previous month. Gasoline prices fell 7.9 per cent compared to 3.4 per cent in September. From April to October, gasoline prices in B.C. were down 1.1 per cent and energy prices were down 0.3 per cent.

Food price inflation decelerated in B.C., rising by 3.2 per cent year-over-year in October compared to 3.9 per cent in September. After seeing three consecutive months of positive year-over-year price appreciations, bakery and cereal products saw year-over-year price decline of 1.2 per cent. Vegetable prices were down 2.0 per cent, after seeing the first year-over-year price rise of 1.1 per cent seen in September. Fish and seafood prices, along with meat prices, saw growth accelerated up 9.1 per cent from 7.3 per cent and up 7.9 per cent from 6.5 per cent. Food from restaurants though saw price growth slow to 2.7 per cent from 2.8 per cent.

Shelter costs rose 1.9 per cent year-over-year, up from 1.7 per cent. Rented accommodation costs were up 2.4 per cent from 1.8 per cent, while owned accommodation rose 2.0 per cent from 1.8 per cent.

Transportation costs grew by 0.8 per cent in October, down from 1.5 per cent growth seen in the previous month. Inter-city transportation prices were down 1.5 per cent. This was the 16th month in a row that the annual changes as been negative, although the year-over-year decline has decreased over the recent four

B.C. inflation rate climb slightly

B.C. 12-month CPI inflation, %



Source: Statistics Canada, Central 1

Latest: Oct - 25

months. Clothing and food wear prices were up 2.9 per cent, down from 3.7 per cent. Household operations, furnishings, and equipment inflation accelerated from 1.3 per cent to 2.3 per cent.

Overall, the growth in the price of goods slowed to 1.5 per cent in October from 2.0 per cent in September. Durable goods prices though grew by 2.4 per cent, up from 2.2 per cent while semi-durable goods saw price growth stay the same at 1.7 per cent. Non-durable goods saw price growth of 0.9 per cent, down from 0.9 per cent. Service prices rose 2.5 per cent, up from 1.9 per cent. It was the first time the year-over-year price growth increased since February 2025.

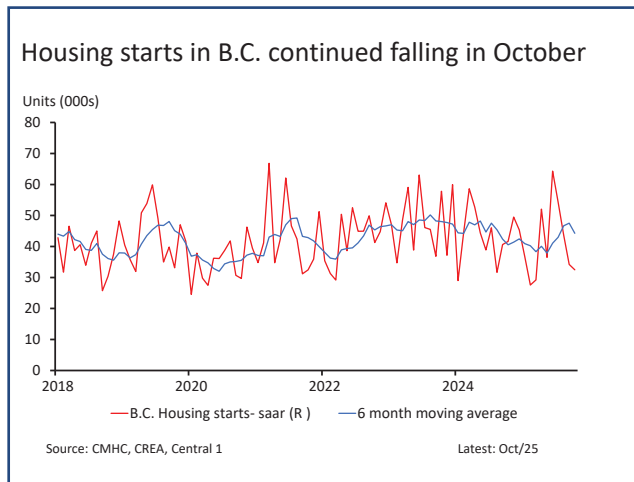
Home starts in B.C fall in October for a fourth month

Eloho Ennah, Economic Analyst

Housing starts in B.C. came in lower for yet another month with urban area starts down by 5.1 per cent to 32,480 units on a seasonally-adjusted annualized basis. This was the fourth consecutive month of lower housing starts in the province and was due to lower multifamily starts which declined by 8.0 per cent. Tempering some of the loss was a rise in single-family housing starts, up by 16.3 per cent.

Although start values tend to fluctuate monthly, the six-month average declined in October. Construction activity is likely to slow further in the near term, given the weak economy, lower pre-sales of apartment condominium in recent years, slowing population growth, and challenging real estate market impacting new constructions.

Three out of the seven largest urban regions in B.C. reported substantial increases in housing starts in



October. Although their cumulative gains were not enough to counter significant losses in major centres like Vancouver, where starts decreased by 16.9 per cent to an annualized 19,360 units, Chilliwack (-66.0 per cent), Kamloops (-16.7 per cent), and Abbotsford-Mission (-0.4 per cent).

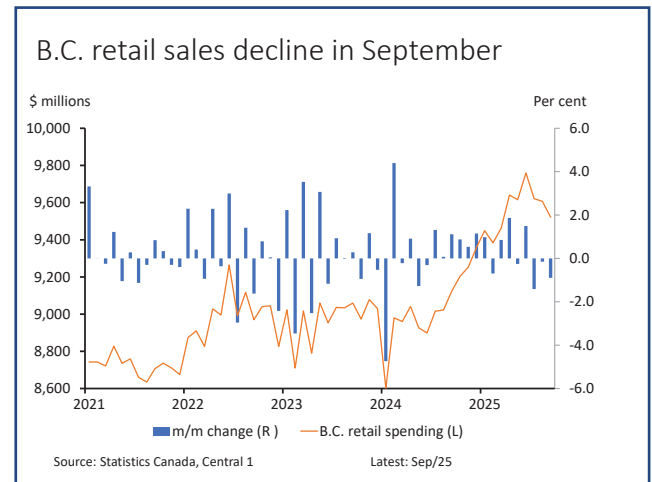
B.C.'s year-to-date housing starts volume was lower than same period last year, with 34,282 units started compared to 35,698 units in 2024 (4.0 per cent). Multifamily units were 3.4 per cent lower compared to the same period last year at 30,873 units, and single-family starts declined 8.7 per cent, from 3,732 units to 3,409 units.

Four of B.C.'s seven metro areas recorded higher unadjusted housing starts year-to-date, including Abbotsford-Mission, Chilliwack, Kamloops and Victoria. Vancouver saw 4.5 per cent lower housing starts year-to-date compared to the same period last year. Across Canada, year-to-date housing starts grew 4.5 per cent year-over-year as of October 2025. Multifamily starts increased by 6.4 per cent, while single-family starts have declined by 3.3 per cent.

B.C. monthly retail sales decline in September

Eloho Ennah, Economic Analyst

Canadian retail sales decreased by 0.7 per cent in September to \$69.8 billion, following the 1.0 per cent gain in the prior month. Retail sales have been range-bound in 2025 and the advanced estimate for October provided by Statistics Canada suggests sales were relatively unchanged during the month, likely pointing to a sustained weakness in consumer spending as households remain prudent given economic slack and soft labour market conditions. In real terms, retail spending fell 0.8 per cent from August. Quarterly sales were up a mild 0.2 per cent, but down in real terms by 0.3 per cent.



Six out of nine subsectors recorded lower sales in September with the largest drop in sales seen at motor vehicle and parts dealers. Core retail sales, which exclude gasoline stations and fuel vendors and motor vehicle and parts dealers, were flat.

B.C. retail spending contracted for a third month, falling by 0.9 per cent in September after a 0.2 per cent dip in August. Unadjusted retail sales in B.C. increased by 5.6 per cent compared to the same month in 2024. Year-to-date, retail sales have risen by 6.7 per cent, suggesting strong demand driven by both local demand and domestic tourism.

Subsector data is unadjusted for seasonality, but year-over-year figures showed higher sales in all categories except building material and garden equipment and supplies dealers, which posted a decline of 6.6 per cent. Motor vehicle and parts dealers' sales saw an increase of 8.6 per cent, which may reflect tariff-through. Health and personal care retailers' sales increased by 9.2 per cent in the same period while sporting goods sales increased by 17.1 per cent. Food and beverage sales rose by 2.6 per cent and gasoline and fuel vendors saw a 2.4 per cent gain in the same period.

Regionally, the Vancouver metro area reported a 1.0 per cent decrease in seasonally-adjusted retail sales on a month-over-month basis in September. The unadjusted sales were up by 3.6 per cent compared to last September.

Long term improves in B.C. but short-term outlook falls

Alan Chow, Business Economist

The Canadian Federation of Independent Business (CFIB) Barometer Survey for November reported both an improved long-term and short-term outlook. The 12-month confidence index was up by 8.7 points

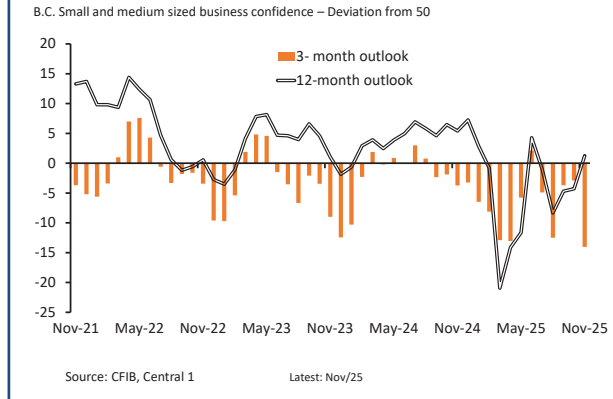
from a revised 46.7 points in October to 55.5 points in November. This is the highest level it's been since December 2024 at 56.5 points. The short-term index was only marginally up from a revised 44.8 points to 46.0 points. A value above 50 points means on net, more businesses are optimistic than pessimistic for the period ahead. On balance, while the outlook has improved in recent months, uncertainty is still at the top of mind for small businesses with the current state of business health remaining below its historical averages.

Of the 12 sectors listed, ten had higher long-term index values compared to the previous month. The highest increase was a tie between construction (up 15.1 points from 45.3 to 60.4) and hospitality (up 15.1 from 44.3 to 59.4). The largest decline was in agriculture, falling 3.6 points to 50.7. The industry with the highest value was professional services with an index value of 60.9. The industry with the lowest value was transportation and warehousing with an index value of 45.8. 10 out of the 12 industries also had long term index values above 50 points.

For the short-term index, six out of the 12 sectors saw a higher index value. The biggest jump was again in construction, up 9.2 points to 45.5. The largest decline was in hospitality, which fell 8.1 points to 32.9 points. This was also the industry with the lowest index value. The one with the highest value was professional services at 54.9 points. Only three out of the 12 industries had short-term index values above 50 points.

B.C.'s long-term index was up 5.5 points to 51.3 in November. This was the fourth largest change but its value only ranks it eighth among provinces. All provinces also now have long-term indexes above 50 points, with the lowest being Newfoundland at 50.0 points. The highest was New Brunswick with 60.4 points.

Long-term confidence improves but short term declines



In the short-term index, B.C. had the largest decline and lowest index value, falling 11.1 points to 36.0 points. The largest increase was a tie between Quebec (going from 48.9 to 52.5) and Alberta (going from 44.3 to 47.9). Quebec also had the highest short-term index value. Only two provinces had short-term index values above 50.

Survey results highlights that insufficient demand and shortages of skilled labour continued to be the most noted constraints to sales or production growth for businesses in B.C. Other challenges included limited physical space and a shortage of working capital. Among input costs, tax/regulatory costs, wages, and insurance were most cited, followed by occupancy, electricity, product inputs, and fuel. Full-time staffing plans were weakened as only 10 per cent of businesses expected to increase staff levels, down from 13 per cent last month. Meanwhile, 16 per cent planned to reduce full-time staff, which was higher than October's number of 15 per cent.

For more information, contact economics@central1.com.