



B.C. Economic Briefing

Highlights

- B.C. home sales decreased by 1.1 per cent; prices fell by 1.6 per cent
- Annual home sales fell by 5.7 per cent in 2025 compared to 2024
- B.C. housing starts rise in December
- Housing starts in B.C. 4.7 per cent lower in 2025 compared with 2024
- Canadian permits decline in November
- B.C. issued more building permits in November

2025 sales end on a weak note as home sales fall in December

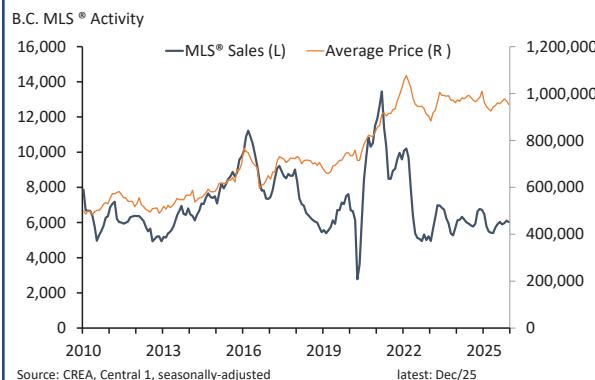
Eloho Ennah, Economic Analyst

B.C. home sales fell in December by 1.1 per cent to a seasonally-adjusted 6,033 units following a 2.3 per cent rise in the month prior. December's lower sales figure concluded a year of poor performance with annual sales falling by 5.7 per cent to 70,233 units, among the lowest levels observed since 2012. Housing market activity started 2025 on slow footing as trade tensions lowered consumer confidence and weak economic and labour market conditions factored into to subdued sales.

Among real estate boards, sales decreased significantly in Greater Vancouver by 5.4 per cent while they also decreased on Vancouver Island (excluding Victoria) by 6.3 per cent in December. Sales also declined in Chilliwack (-5.9 per cent) and Victoria (-2.2 per cent). That said, higher sales were noted in the Okanagan area, with South Okanagan and Okanagan Mainline sales rising by 6.0 per cent and 5.0 per cent, respectively. They also increased in the Kootenay (12.7 per cent), Kamloops (5.3 per cent), and Northern B.C. (7.2 per cent).

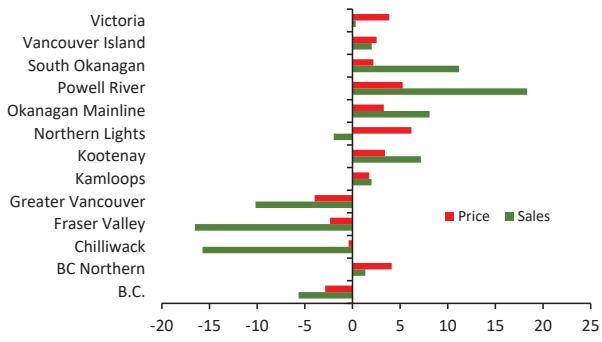
Home values remain elevated despite a decrease in average prices by 1.6 per cent in December to \$953.2K. This was 11.5 per cent below all-time high in February 2022. Price declines were reported in Greater Vancouver (-1.1 per cent), Chilliwack (-3.9 per cent), South Okanagan (-10.8 per cent) and Northern B.C. (-0.6 per cent). On the other hand, prices were lifted in Victoria (0.7 per cent), Vancouver Island (excl. Victoria, 0.5 per cent), Kamloops (1.8 per cent) and the Kootenay (3.7

Home sales declined in B.C.; prices fall in December



Lower Mainland housing market underperforms in 2025

Annual MLS® performance change, 2025 vs 2024



per cent). Quality-adjusted benchmark prices, which are a better gauge of trend, edged up only slightly (0.1 per cent) in B.C..

On an annual basis, weak performance was mostly noted on the Lower Mainland, reflecting more severe affordability constraints in the region, which, coupled with economic uncertainty, kept more buyers on the sidelines for most of the year. The Greater Vancouver area saw sales drop by 10.2 per cent to levels last seen in the early 2000s. Slow activity aided in alleviating some price pressures as the average price in the area declined but remained above \$1 million. On the contrary, sales increased in other areas during the year, up notably in South Okanagan (11.2 per cent), Okanagan Mainline (8.1 per cent), and the Kootenay (7.2 per cent). The average home price in the province came in at \$953.3K in 2025, lower than in 2024 by 2.9 per cent but was still significantly elevated.

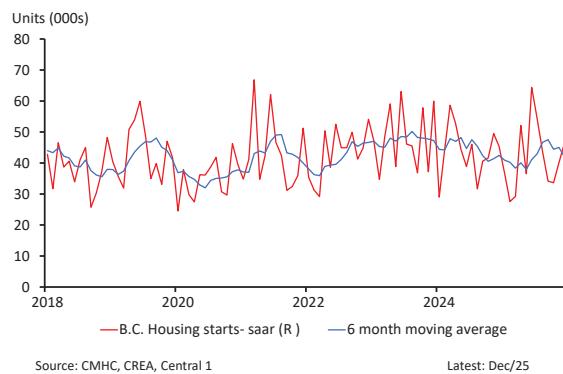
Inventory remained high and new listings increased by 1.8 per cent in December. Overall, new listings in the province hovered above historical figures in 2025.

Weakness in market activity will likely persist in the near term given rising global uncertainty, while slowing immigration and elevated prices also contribute to slow sales. That said, a rebound could be prompted by steady mortgage rates and improving consumer confidence which could revive activity.

Home starts in B.C. increased in December, but annual starts dropped from prior year

Eloho Ennah, Economic Analyst

Housing starts in B.C. rise in December



Housing starts in B.C. continued to rise in December as urban area starts increased by 15.6 per cent to 46,350 units on a seasonally-adjusted annualized basis. This followed a 19.2 per cent uptick in November and was due to higher multi-family home starts (+16.9 per cent) as well as higher single-family home starts (+5.1 per cent). That said, it should be noted that housing starts values tend to fluctuate monthly.

Compared to 2024, actual home starts in B.C. decreased by 4.7 per cent in 2025. B.C. was one of three provinces seeing lower starts during the year highlighting the impact of a slow economy, lower apartment condominium pre-sales in recent years, moderating population growth, and lingering affordability constraints. These factors have contributed to subdued residential activity in B.C.'s construction sector and new residential building plans will likely be subdued in the near term pending an improvement in market conditions.

Three out of the seven largest urban regions in B.C. noted substantial increases in housing starts in from November to December. Victoria saw starts rose by

67.1 per cent while they were up in Vancouver by 18.9 per cent. Housing starts also increased in Kamloops by 0.5 per cent. Countering these increases were declines in Kelowna (-67.3 per cent), Chilliwack (-30.9 per cent), Nanaimo (-59.1 per cent), and Abbotsford-Mission (-19.0 per cent).

On an annual basis, actual housing starts were elevated in Abbotsford-Mission (79.6 per cent), while also up in Victoria (16.1 per cent). Starts fell in other areas: Chilliwack (-8.0 per cent), Vancouver (-3.3 per cent), Nanaimo (-56.5 per cent), Kelowna (-31.4 per cent) and Kamloops (-30.0 per cent).

Across Canada, housing starts in 2025 were 5.9 per cent higher than the previous year. Multi-family starts increased by 8.7 per cent driving the annual increase, while single-family starts fell by 5.7 per cent.

B.C. construction sector permits up on higher residential

Alan Chow, Business Economist

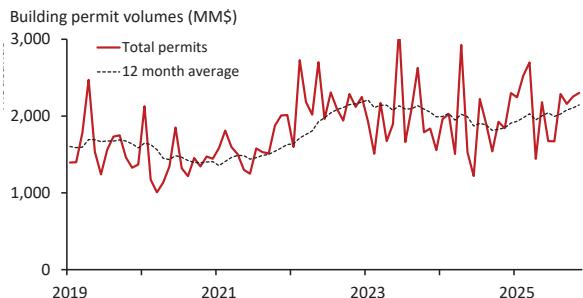
After having risen 15.7 per cent or \$1.8 billion in October, Canadian building permits fell 13.1 per cent in November to a seasonally-adjusted \$12.0 billion, similar to September's level although below 2025's monthly average of \$12.3 billion. Residential permit volumes fell 12.0 per cent or \$1.0 billion to \$7.5 billion while non-residential permit volumes fell 14.9 per cent or \$788.2 million to \$4.5 billion. Both are below their monthly average in 2025 of \$7.7 billion and \$4.6 billion.

B.C. saw a different story compared to the nation this month as it saw building permit volumes climbing marginally, up 2.2 per cent or \$48 million this month to just over \$2.3 billion. Residential permit volumes pushed this growth with an increase of 16.1 per cent or \$205 million to just under \$1.4 billion. On the other hand, non-residential permit volumes declined by 16.2 per cent to \$816 million.

Driving B.C.'s rise in the residential sector was a growth in multiple-dwelling building permits of 18.7 per cent to just above \$1.2 billion. Single-dwelling buildings permits also rose 4.0 per cent to \$234 million. That said, year-to-date residential permits were up 13.5 per cent owing entirely to growth in multiple-dwelling building permits, which were up 17.4 per cent while single-dwelling permits are down 2.4 per cent. That said, gains continue to reflect projects with long planning and development cycles that have gotten underway.

B.C.'s non-residential sector saw building permit volumes decline in all types of structures. Institutional and governmental permits fell 4.3 per cent to \$488

B.C. building permits rose in November



Source: Statistics Canada, Central 1

latest: Nov/25

million. Commercial building permits also fell 24.2 per cent to \$294 million while industrial building permits fell 55.3 per cent to \$33.5 million. Year-to-date permits in B.C.'s non-residential sector are up 14.3 per cent with institutional and government building permits up 62.3 per cent, commercial building permits up 9.8 per cent, and industrial building permits down 57.8 per cent.

In B.C.'s metro areas, only two out of the seven areas saw higher permit volumes in November compared to October. Vancouver reported notable monthly growth at 11.6 per cent and Kelowna saw growth of 12.6 per cent.

For more information, contact economics@central1.com.