



Highlights

- Employment in B.C. up slightly in January by 0.1 per cent
- Lower Mainland home sales fall by 28 per cent year-over-year in January

Unemployment rate down in B.C., jobs nudge higher

Bryan Yu, Chief Economist

B.C.'s labour market held steady to start the 2026 year as employment nudged slightly higher and the unemployment rate fell to the lowest level since July. Total employment in the province edged up 0.1 per cent or 3.5k to a seasonally-adjusted 2.947k people in January. In comparison, national employment fell by 0.1 per cent, but all provinces other than Ontario had also recorded gains over December. The employment trend has generally moved higher in recent months but was unchanged on a 12-month basis highlighting some of the province's struggles in job creation, while some workers may have relocated over the Rockies. A bright spot for hiring during the month was a shift to full-time work which surged 36.4k or 1.6 per cent, which points to better quality work.

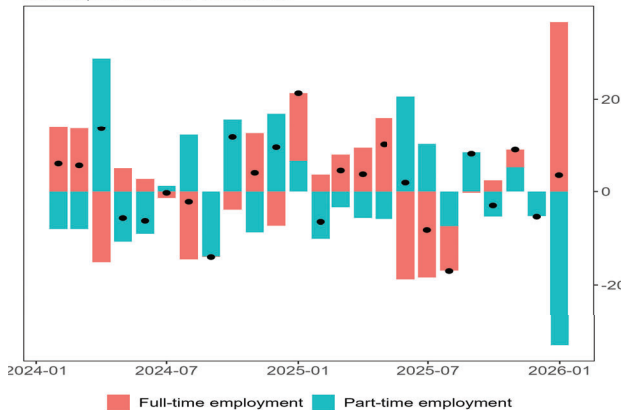
Consistent with the broader national figure, B.C.'s unemployment rate declined in January to 6.1 per cent from 6.3 per cent. While the slight uptick in employment contributed, B.C. labour force declined by 0.2 per cent as labour supply was constrained by a contraction in

the working age population, reflecting reductions in international immigration, while the participation rate also nudged lower. There was, however, an increase in the employment rate as a result. Despite low job gains, the province's unemployment rate was third lowest in Canada behind only Saskatchewan and Quebec but owes in part to a relatively low participation rate. A lower share of people in the province is engaged in the workforce, potentially owing to the province being a destination for early retirement or lifestyle living.

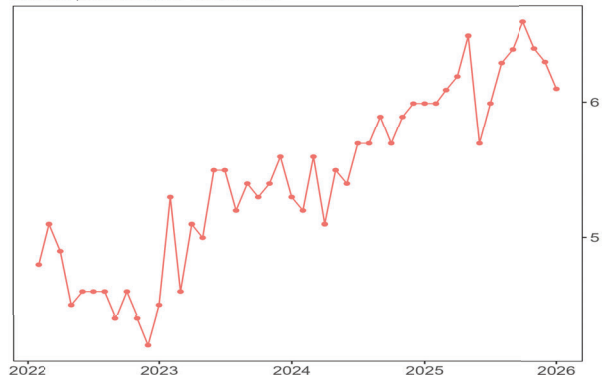
On an industry basis, B.C. bucked the national manufacturing decline in January, with sector employment up 1.6k or 0.9 per cent. That said, 12-month sector employment was down 5.1 reflecting trade challenges and weak forestry activity. In other sectors, wholesale trade popped higher (12.2k or 13.8 per cent) after a significant drop in December, while information/culture/recreation also rebounded by 9.3k or 7.6 per cent to reverse prior declines. Transportation and warehousing also posted gains. On the downside, there were steep declines in retail trade (-17.7k or 5.2 per cent), education (-8.1k or 3.5 per cent), and hospitality (-5.5k or 2.8 per cent). Broad trends continue to point to weakness in tariff sensitive sectors like forestry, manufacturing, and transportation/warehousing, even as most goods are moving across the border freely. Construction has remained surprisingly resilient even as concerns about residential project starts increase. By tenure, public-sector employment continued to rise with a 0.5 per cent gain m/m and 3.1 per cent y/y, while private-sector employment slipped 0.1 per cent m/m and 0.7 per cent y/y.

Labour market indicators British Columbia

British Columbia employment, m/m person change
Last data point: 2024-01-01 to 2026-01-01



British Columbia unemployment rate (%)
Last data point: 2022-01-01 to 2026-01-01



Statistics Canada, Central 1

Regionally, the 3-month average data points to stronger y/y employment growth in Kelowna (9.3 per cent), Chilliwack (7.3 per cent), and Nanaimo (6.7 per cent). Vancouver's gain was 0.5 per cent, with a decline in Victoria. Trends remain mixed, with higher employment growth showing some cooldown. The unemployment rate was lowest in Kamloops and Victoria, both below 5 per cent (4.8 per cent and 4.4 per cent, respectively), with Vancouver at 6.3 per cent.

Lower Mainland housing: Tepid start for market in January

Bryan Yu, Chief Economist

It was a rough start to the year for the Lower Mainland housing market as already weak market conditions deteriorated further amidst softer economic growth, rising geo-political uncertainties and more tariff threats from the U.S. on Canada. The latest local real estate board data showed a 28 per cent year-over-year decline in January sales. This was only slightly above same-month 2023 when the market was reeling over sharp interest rate increases, and going back 25 years, was the third lowest on record. On a seasonally-adjusted basis, we calculate a 13 per cent monthly decline as buyers shifted back to the sidelines, pushing the trend down to a level unseen in a year.

While uncertainty is likely a driver of underlying market weakness, low churn in the housing market reflects related impacts of a subdued labour market and excess inventory of new and existing condo units and rental availability. This has limited condominium sales and move-up options.

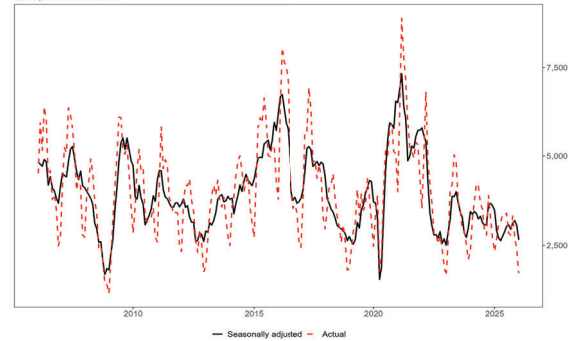
The oversupply in the existing home market has only intensified. New listings fell 9.2 per cent y/y but rose monthly by 2.8 per cent (seasonally-adjusted). Weak sales drove the sales-to-active listings ratio, which is a measure of the demand and supply imbalance deep into buyers' market territory to 8.9 per cent. We typically look for a 15-to-20-point reading for a balanced market, and levels point to further price erosion over the first half of the year.

Home prices continued to fall, with the average price declining to \$1.122 million, which was down 1.7 per cent from a year ago. Seasonally-adjusted, the value fell 0.2 per cent from December marking a third straight decline. This is about 13 per cent off the peak observed in early 2022. The quality-adjusted benchmark price declined by a steeper 6.0 per cent y/y, and 1.4 per cent m/m (seasonally-adjusted), but this difference is due partly to compositional influences in

Poor start for Lower Mainland home sales

Lower Mainland MLS sales

Let 666 point 2008-01-01 to 2024-01-01

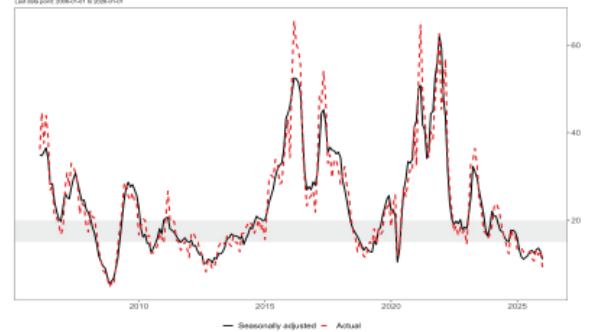


Source: GVR, FVREB, Central 1

Buyers' market deepens

Lower Mainland MLS sales-to-active listings ratio

Let 666 point 2008-01-01 to 2024-01-01



Source: GVR, FVREB, Central 1

average values. The decline from peak for benchmark values has been comparable to the average value and is consistent with broader market weakness. Prices have fallen at a consistent pace from a year ago across product types. Among areas, declines have been deeper in the Fraser Valley markets, specifically North Delta (-9.2 per cent) and North Surrey (-8.2 per cent), alongside Burnaby East (-10 per cent).

Soft conditions are likely to continue in the near-term given overhang of inventory levels, low population growth, high rental vacancy rates, and ongoing uncertainty. That said, interest rate cuts over the past year should support higher—but still low—housing volumes.

For more information, contact economics@central1.com.