



## Highlights

- B.C. home sales decreased by 8.2 per cent; prices fall by 0.5 per cent
- B.C. housing starts grow in January
- B.C. exports fall by 1.5 per cent year-over-year while imports are up by 7.9 per cent
- B.C. inflation rate was 1.7 per cent in December
- Canadian retail spending falls in December
- B.C. retail sales dip in December .

## B.C. home sales plunge in January

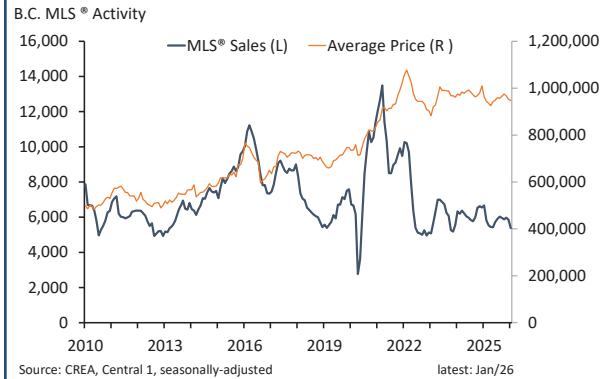
*Eloho Ennah, Economic Analyst*

B.C. home sales receded in January to start off the year on a substantially weaker note. Seasonally-adjusted home sales declined by 8.2 per cent in January to 5,376 units. On a year-over-year basis, sales were 19.4 per cent lower. January sales were also 31 per cent below the ten-year average and the lowest monthly value since November 2023, as weak market activity dragged into the new year.

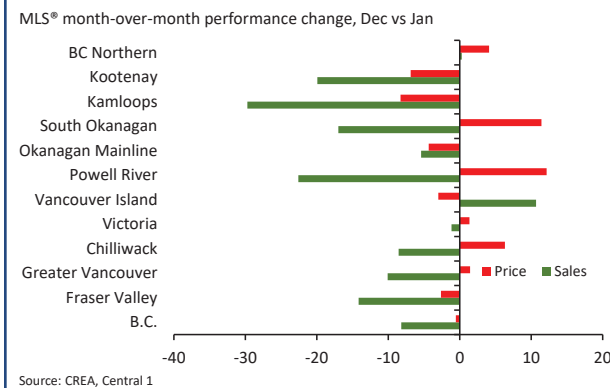
Among real estate boards, sales decreased substantially in the Greater Vancouver by 10.1 per cent while they also decreased in Chilliwack by 8.6 per cent. Sharper declines were also reported in South Okanagan (-17.0 per cent), the Kootenay (-19.9 per cent), Kamloops (-29.7 per cent), Okanagan Mainline (-5.4 per cent), and Victoria (-1.2 per cent). On the contrary, sales increased on Vancouver Island (excl Victoria) by 10.7 per cent and in Northern B.C. by 0.3 per cent.

The Lower Mainland area continued to see the weakest market conditions during the month. Local real estate board data for January showed a 28 per cent year-over-year decline in sales in the region, marking the third lowest reading in a 25-year period. Recent weakness has been from the culmination of uncertainty from potential buyers as geopolitical tensions rise whilst economic growth also remains soft. Elevated strain in the provinces' labour market and an accumulation of inventories also contribute to weakness. New listings jumped by 10.7 per cent. As buyers remained on the sidelines, the sales-to-new listings ratio in the province moved away from balanced range, down to 34.6 per cent.

## Home sales decline in B.C.; prices fall in January



## Majority of B.C. housing markets underperform in January

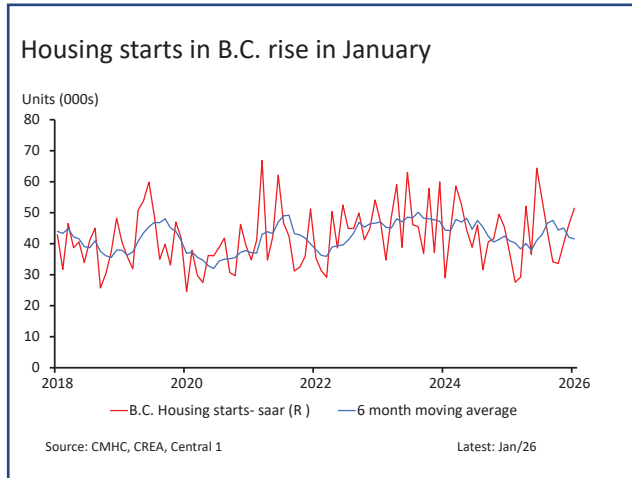


Home values are still elevated but average prices decreased by 0.5 per cent in January to \$947,400. This was 12.1 per cent below the historical high in February 2022. Price declines were reported on Vancouver Island (excl Victoria, -3.0 per cent), Kamloops (-8.3 per cent), Okanagan Mainline (-4.3 per cent) and the Kootenay (-6.9 per cent). In contrast, prices increased in Greater Vancouver (1.4 per cent), Chilliwack (6.3 per cent), Victoria (1.4 per cent), and South Okanagan (11.4 per cent). Quality-adjusted benchmark prices, which are a better gauge of trend, declined by 1.0 per cent in B.C.

Market activity will likely remain subdued in the near term amid weak population growth, economic weakness and heightened trade uncertainty. But a rebound could be prompted by steady mortgage rates and improving consumer confidence in supporting demand.

## Home starts in B.C rose in January

Eloho Ennah, Economic Analyst



Urban area housing starts in B.C. rose in January by 10.9 per cent to 51,449 units (seasonally-adjusted annualized rate) driven by gains in both multi-family home starts (+11.4 per cent) as well as higher single-family home starts (+6.9 per cent).

Although monthly figures can be volatile, the trend in home construction activity remains soft. The six-month moving average continued to edge lower in January reflecting a sluggish economic backdrop, low pre-sales in recent years, moderating population growth, and ongoing affordability pressures. 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 on a monthly basis. Home starts surged in Kamloops to more than eleven times the previous month's level, while they also nearly tripled in Kelowna. Starts also rose by 10.5 per cent in Abbotsford. These gains were partially offset by declines in Vancouver (-1.1 per cent), Victoria (-7.1 per cent), Chilliwack (-63.3 per cent) and Nanaimo (-59.3 per cent).

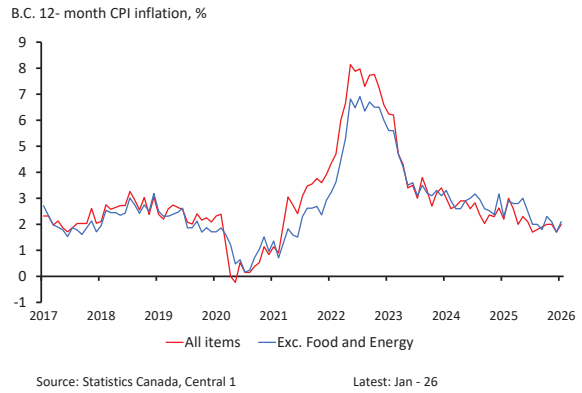
Year-over-year, home starts were 41.5 per cent higher owing to strong starts in areas like Vancouver (+37 per cent), Victoria (+287.9 per cent), and Kamloops (+2,105.3 per cent).

## B.C. inflation rate decelerates in December

Alan Chow, Business Economist

B.C.'s inflation rate moved up in January 2026, with year-over-year growth in consumer price index coming in at 2.0 per cent, up from 1.7 per cent in December 2025. This rate was tied for the third lowest

## B.C. inflation rates move up in January



rate amongst the provinces (along with Ontario and Alberta). The year-over-year inflation rate has been ranged round between 1.7 – 2.0 since July 2025. Base year effects of the temporary GST/HST exemptions in December 2024 to February 2025 contributed to upward pressure across the country, with B.C. seeing upward pressure on restaurant prices and alcoholic beverages. Inflation excluding energy rose from 2.2 per cent to 2.8 per cent, which was the highest year-over-year rate since the 3.0 per cent seen in May 2025. Inflation, excluding both food and energy, rose to 2.1 per cent from 1.7 per cent.

Food price inflation picked up again, rising by 6.1 per cent year-over-year in January 2026 following an increase of 5.2 per cent in December. This is the largest increase since August 2023 when it rose 6.3 per cent year-over-year. In particular, groceries like meat increased in price by 8.7 per cent, the highest increase since June 2023, while fish and seafood prices rose by 7.5 per cent, although that is a slow-down from the previous month of 8.9 per cent. Coffee price growth remained high, rising 30.0 per cent. The price of food purchased at restaurants also increased by 8.0 per cent. On the other hand, vegetable prices declined 1.0 per cent year-over-year while fruit prices only increased by 0.8 per cent.

In B.C., energy prices have continued to fall since March, down 11.4 per cent year-over-year in January, and an accelerated decline from the 9.2 per cent drop in the previous month. Gasoline prices fell 16.3 per cent compared to 13.7 per cent dip in December. Transportation costs, which tend to be affected by gasoline prices, decreased by 1.6 per cent. Natural gas prices rose 11.0 per cent month-over-month as B.C. Utilities Commission approved a price hike on natural gas for FortisBC.

Shelter costs increased 1.8 per cent year-over-year, down marginally from 1.9 per cent in December. Rented accommodation costs were up 4.6 per cent

from 3.3 per cent. This is the fourth consecutive month the year-over-year inflation rate rose. Owned accommodation fell to 0.9 per cent from 1.5 per cent. This was the first time the year-over-year inflation rate for this was below 1.0 per cent since August 2020. Homeowners' replacement cost declined by 1.6 per cent, reflecting declining home values recently.

Clothing and footwear prices rose by 1.0 per cent while household operations, furnishings, and equipment inflation decelerated from 3.4 per cent to 2.6 per cent. Growth in the price of goods held steady in January at 1.2 per cent while the growth in the price of service accelerated to 2.5 per cent from 2.0 per cent.

Nationally, the year-over-year inflation rate slowed to 2.3 per cent from 2.4 per cent. Inflation, excluding food and energy, slowed from 2.5 per cent to 2.4 per cent. That said, this is the first full month for base year effect from the GST/HST exemptions which covered about 10 per cent of goods in the same period in 2024.

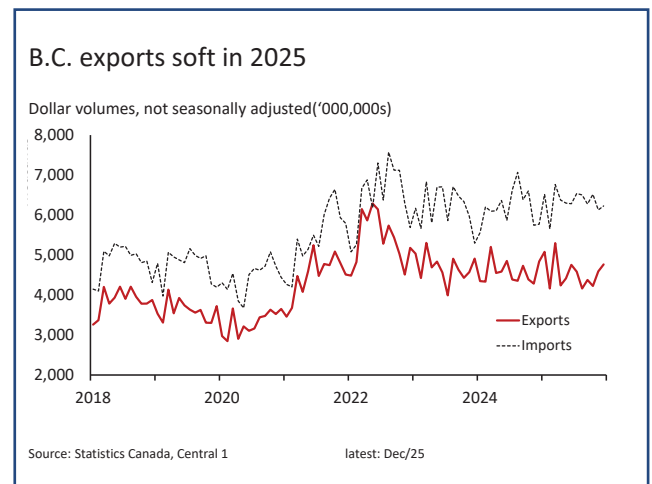
## B.C. exports weak in 2025

*Eloho Ennah, Economic Analyst*

B.C. merchandise exports continued growing in December on a monthly basis (3.8 per cent, unadjusted for seasonality), but year-over-year, exports declined by 1.5 per cent \$4.8 billion. This followed a 7.2 per cent year-over-year gain in November. Imports were also up by 1.7 per cent month-over-month and increased by 7.9 per cent compared to the same month in 2024 to \$6.2 billion.

Although monthly figures are unadjusted for seasonality, the year-over-year decline was driven by lower forestry products and building and packaging materials exports, down by 28.3 per cent (-\$284.7 million) year-over-year. Tariffs have magnified the weakness from timber supply constraints and other duties already imposed by the U.S. Other notable declines were in farm, fishing and intermediate food products (-21.4 per cent or -\$44.6 million), energy products (-2.2 per cent or -\$34.7 million), electronic and electrical equipment and parts (-9.3 per cent or -\$28.8 million), and motor vehicle and parts exports (-30.6 per cent or -\$24 million). On the other hand, metal ores and non-metallic minerals exports jumped by 63.4 per cent (+\$294.1 million), while industrial machinery, equipment and parts exports also increased by 19.0 per cent (+\$39.1 million)

On the imports side, electronic and electrical equipment and parts imports contributed to higher year-over-year figure as imports of the category rose by 36.1 per cent (+\$235.7 million). Metal and non-metallic mineral product imports also increased by 43.4 per



cent (+\$158.7 million). Countering these gains was a drop in energy imports (-20.7 per cent or -\$52.2 million) and metal ores and non-metallic minerals imports (-10.3 per cent or -\$10.6 million) when compared to December 2024.

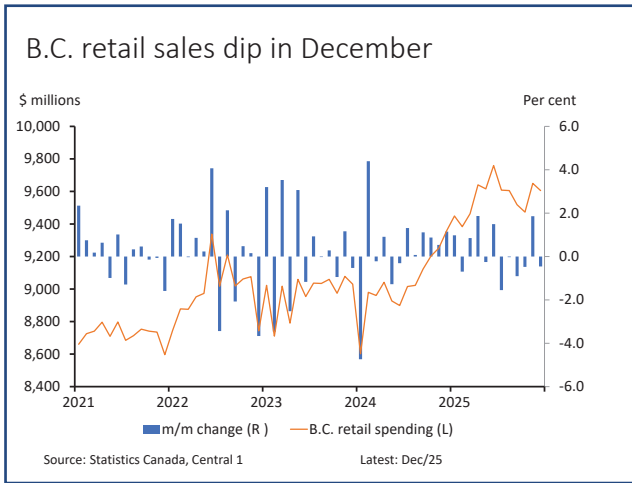
Despite large monthly swings, export trends remained soft in B.C. in 2025, reflecting the impact of U.S. tariffs on key products like lumber and the end of de minimis treatment of low-value shipments. Compared to 2024, exports declined by 0.4 per cent (-\$208.9 million), mostly due to weak forestry products, building and packaging materials exports (-10.5 per cent or -\$1.3 billion), and energy exports (-2.7 per cent or -\$446.2 million). In contrast, imports were 2.3 per cent higher during the period, as consumer goods imports soared by 6.3 per cent (+\$1.3 billion), among other increases. That said, energy imports pulled back significantly (-26.2 per cent or -\$1.1 billion).

B.C. continued to lessen its dependence on the U.S. market. The share of B.C. goods exports destined for the U.S. fell to 49 per cent in December from 55 per cent in January and is far lower than its provincial peers. B.C.'s export base is more geographically diversified with greater exposure to Asian markets. These ties will likely strengthen in the future as liquefied natural gas exports rise and given a projected rebound in seafood exports to China as trade tensions ease.

## B.C. monthly retail sales decline in December

*Alan Chow, Business Economist*

Canadian retail sales slipped slightly in December after seeing a strong November. On a seasonally adjusted basis, retail sales fell 0.4 per cent in December to \$70.0 billion after rising 1.2 per cent in November. Core retail sales, which exclude gasoline stations and fuel vendors and motor vehicles and parts dealers, also declined but at a slower rate of 0.3 per cent.



Overall retail sales were slowed by weaker sales at motor vehicles and parts dealers, which were down by 1.6 per cent to \$18.7 billion. This is the lowest monthly sales level since September 2024 sales of \$18.4 billion. Building material and garden equipment and supplies dealers also saw sales fall 4.0 per cent to \$3.84 billion, which was the second lowest month this year. On the other hand, gasoline stations and fuel vendors saw sales rise for a second month in a row by 2.8 per cent to \$6.3 billion. Sporting goods and hobby items also saw sales rise 1.0 per cent to \$4.2 billion for the highest monthly sales this year. Also seeing a yearly high were health and personal care retailers, which saw sales rise 0.4 per cent, and clothing and clothing accessories, where sales came in at \$4.0 billion, just slightly above the previous month. In 2025, retail sales rose 4.0 per cent.

On a provincial level, B.C. seasonally-adjusted retail sales fell in December by 0.5 per cent after rising 1.8 per cent in November on revised numbers. Unadjusted retail sales in B.C. increased by 4.7 per cent compared to the same month in 2024. For 2025, retail sales have increased by 5.9 per cent with six out of the nine categories seeing higher sales for the year.

Subsector data is unadjusted for seasonality, but year-over-year figures showed higher sales in seven out of the nine categories. Health and personal care retailers saw the highest rise, up 18.7 per cent to \$1.0 billion. This is followed by food and beverage retailers, up 5.5 per cent to \$2.2 billion. On the decline was building material and garden equipment supplies dealers, which saw year-over-year sales fall 10.0 per cent to \$382 million.

Regionally, the Vancouver metro area reported a 0.6 per cent rise in seasonally-adjusted retail sales on a month-over-month basis in December to \$4.94 billion, which was the third highest monthly sales this year. For 2025, retail sales were up 6.5 per cent.

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