



B.C. Housing Market and Forecast Update 2026 - 2028

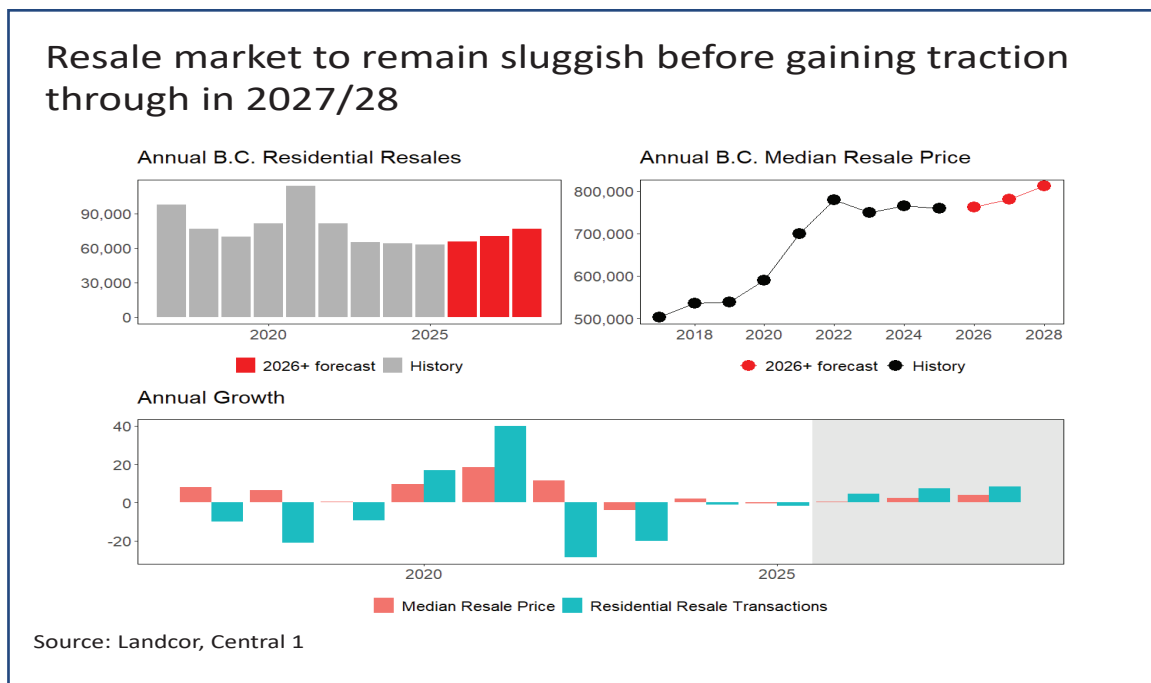
B.C.'s housing market enters 2026 in a prolonged period of weakness, with sales hovering near decade lows and price softness concentrated in the province's highest cost regions. High home values, economic uncertainty, and a sharp deceleration in population growth continue to weigh on demand, while elevated resale and new construction inventories—particularly in Metro Vancouver—keep market conditions tilted in favour of buyers. Although improvements in affordability and real incomes are expected to support a gradual recovery later in the year, the near term outlook remains defined by slow sales, regional divergence, and a pending sharp downturn in housing starts before conditions begin to tighten again through 2027–28.

Current trends

Early year data confirms a slow start for B.C.'s housing market in 2026. January MLS® sales slumped by 8 per cent m/m and 19 per cent y/y led by Metro Vancouver. Price levels also receded with declines in the Lower Mainland, which extended into February, pointing to weak buyer engagement heading into the spring.

This extends an extremely soft period for the housing market. Sales fell sharply following the run-up in mortgage rates in 2021 and have been trapped in a low volume environment, particularly when adjusting for population growth. Prices are down 12 per cent from peak 2022, which along with Ontario (-25 per cent), are the only provinces to see prices slump in recent years which contrasts with growth in other provinces.

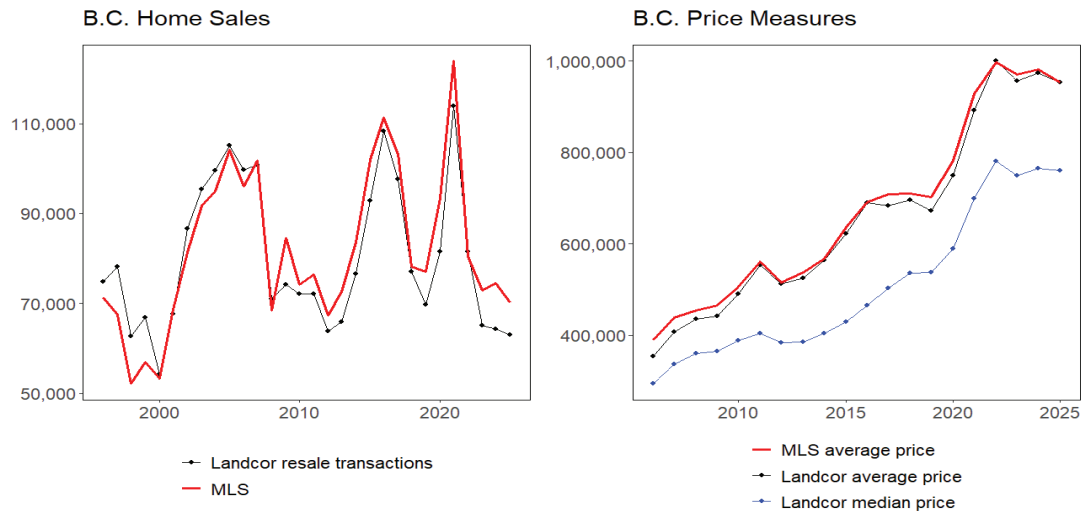
The key dividing line has been affordability. Across the country, high priced markets have generally deteriorated, with market conditions stronger in lower priced markets. This has been echoed among B.C.'s regions. While mortgage rates have settled lower in recent years, challenges in higher priced market have been amplified by current trade-sector/economic uncertainty and concerns of job loss in the event of a recession, which has curbed buyer sentiment.



Housing transaction patterns historically weak

In 2025, B.C. home sales fell on a full-year basis, with MLS® activity down 5.7 per cent. Resale title transfers, which offer a more consistent measure of completed sales and exclude new home transactions, fell a modest 1.8 per cent. Sales were the lowest since 2012. These measures typically move in tandem, although there can be divergence. Nevertheless, transactions are low regardless of how the data is cut.

Housing sales remain at recession-like levels, prices decline

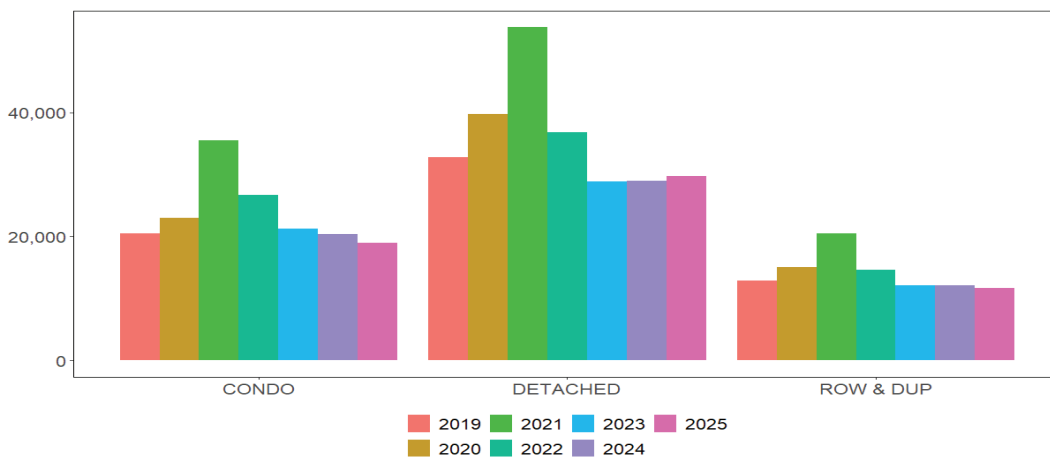


Source: CREA, Landcor, Central 1

Among products, apartment title transfers fell nearly 7 per cent, with row and duplex units down 2.9 per cent. Detached sales rose 2.4 per cent. The gap reflects sales retreats in the Lower Mainland- Southwest where multi-family sales make up the majority of sales, with more steady conditions in other markets. A difficult labour market for younger workers, low migration has limited demand by end-use buyers while investors have shied away from a weak rental market. These factors have limited move up purchases. Lower Mainland- Southwest sales fell 7.8 per cent, with sharp declines across Metro Vancouver through the Fraser Valley.

Sales trend lower in multi-family market, driven by Metro Vancouver

B.C. Annual Residential Housing Transactions by product



Source: Landcor, Central 1

Average MLS® prices have been range-bound but fell 2.9 per cent last year to \$953,900 with title transfers down a similar 2.1 per cent. Average values are influenced by extreme values, particularly higher priced detached homes in a market like Vancouver. The median resale price fell 0.7 per cent in 2025 to \$760,000. Both average and median values have eased with similar patterns across product types. While prices have slipped over the past several years, this followed rapid gains early in the pandemic. That said, just as sales patterns have varied, so have prices. The decline in median home value was led by a 1.6 per cent decline in the Lower Mainland-

Southwest, rose in some lower priced regions, reflecting differences in affordability, and demographics. That said, prices in smaller markets can swing sharply. Thompson-Okanagan prices rose, even as Kelowna's median price declined.

The median price of a home sold in Metro Vancouver was nearly \$925,000 in 2025 with nearby Squamish above \$1 million. Other high-priced areas included Victoria (\$900,000), Kelowna (\$772,500), and tiny Parksville at \$815,000. On the other side of the spectrum, the lowest priced urban areas could be found among B.C.'s northern interior communities including Dawson Creek (\$283,000) and nearby Fort St. John (\$336,250).

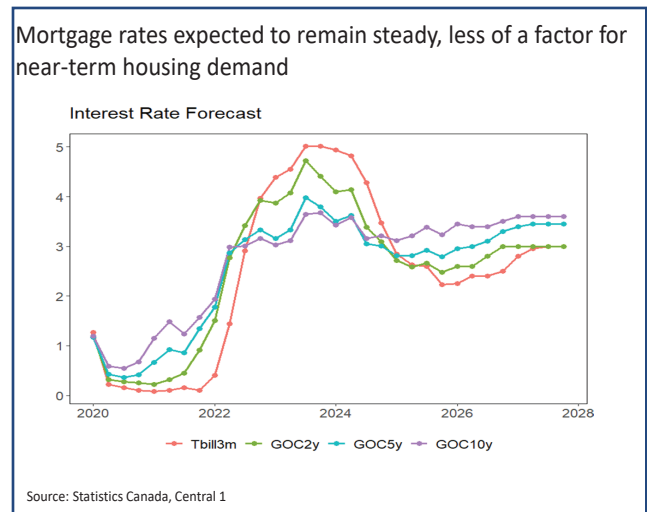
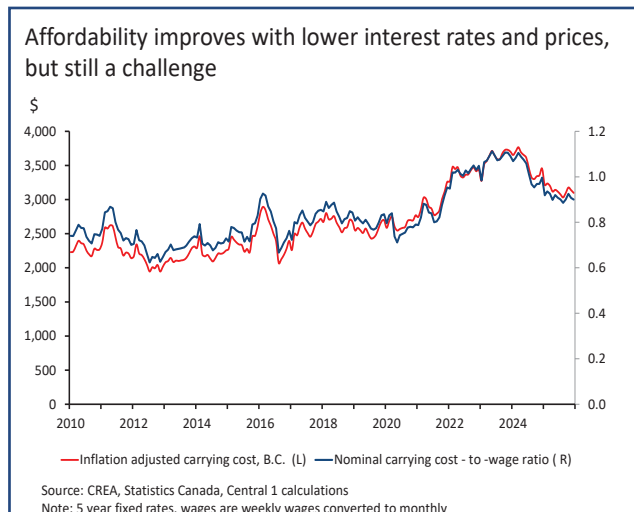
As detached homes dominate sales in smaller regions and condos dominate in the Lower Mainland, provincial aggregates are heavily influenced by changing regional and product composition. Over the past five years, about 35 per cent of homes sold in Metro Vancouver were detached, and 47 per cent in Victoria. This number only declines given land constraints and more multi-family construction. In smaller markets elsewhere in the province this share is 60 -80 per cent.

[See Appendix for regional sales and price trends](#)

Housing demand drivers to remain subdued in 2026

B.C.'s housing market is expected to pick up this year on improved affordability but remain subdued over the forecast period owing to persistent economic uncertainty and low population growth.

Improved affordability will contribute to higher demand and sales volume. Mortgage rates have declined over the past two years. 3- and 5- year rates have declined to about 4 per cent from a range of 5 to 6 per cent. Affordability remains a challenge with mortgage rates still double that seen during the pandemic low and compares to 3 per cent rate preceding the pandemic, but the combination of lower prices and interest rates, and inflation points to the lowest real carrying costs since 2021. However, buyers are unlikely to see material rate reductions going forward. We expect the Bank of Canada is expected to hold its policy rate steady this year, with a hike in 2027, with current Middle East volatility potentially driving inflation and rates higher.

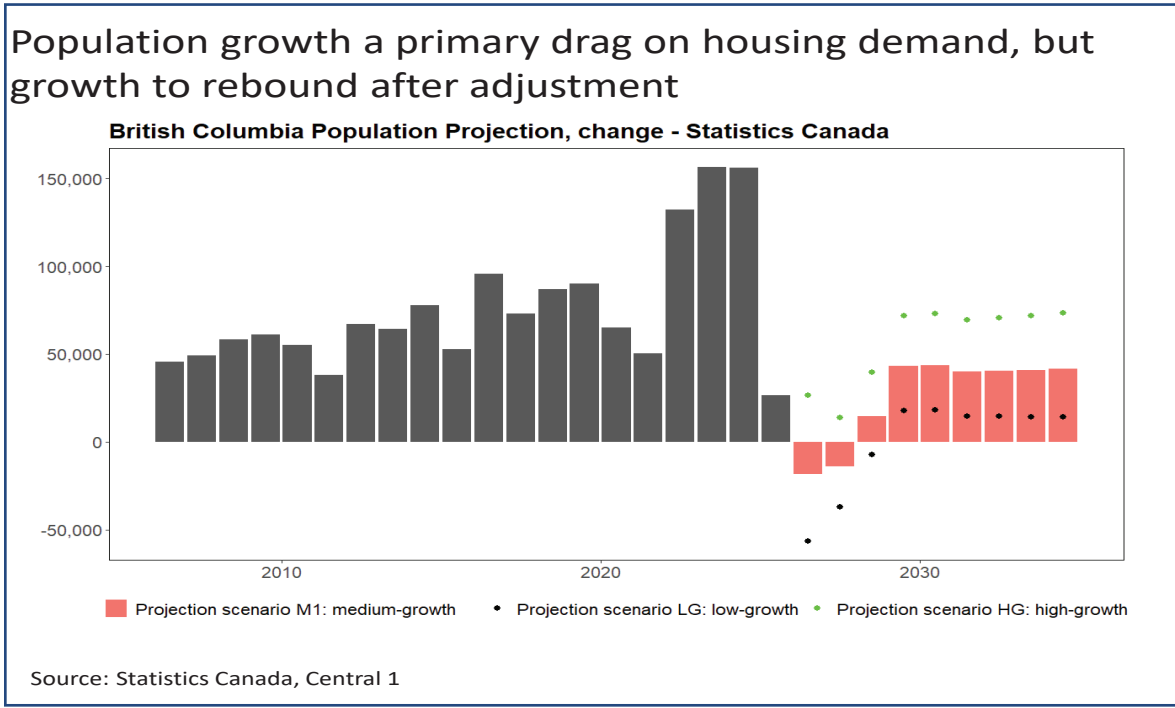


Several economic headwinds will also limit a recovery. Economic uncertainty has weighed more heavily on higher-priced markets, in which B.C. has many. Trade and economic risks have hit consumer confidence, which has amplified caution in high-priced markets. This reflects household concerns about mortgage servicing in event of a job loss. More broadly, economic growth and hiring is expected to be slow. While business and consumers normalize to the uncertainty, B.C.'s gross domestic product (GDP) is forecast to grow at about 1.3 per cent this year, with a similar gain in total employment before stronger recovery in 2028. Low job vacancies and hiring generate less churn in the labour market and slows wage growth. There is downside risk to employment as the patterns showed no gain on a 12- month basis in January, although trends are anticipated to firm over the course of the year.

Real incomes in the aggregate have increased which should support housing, but it is also the case that gains have largely accrued to the highest income earners. As we have [shown](#), lower- to- mid-income earners have seen saving hampered by higher prices for essential items, reducing net savings. Adding this to a soft labour market, growth in demand for entry level homes and rental demand is likely to remain subdued.

Federal government efforts to reduce the temporary share of the population to 5 per cent will keep population growth near zero if not negative over the next two years. The ratio in Canada was 6.8 per cent on October 1, which was already down from 7.6 per cent in same period 2024. In B.C. this ratio remains much higher at 8.4 per cent given the region's and Metro Vancouver's attraction of international students. The ratio will continue to decline as student and work visas are reduced through limited inflow and higher exits, and some of these individuals transition into permanent residency.

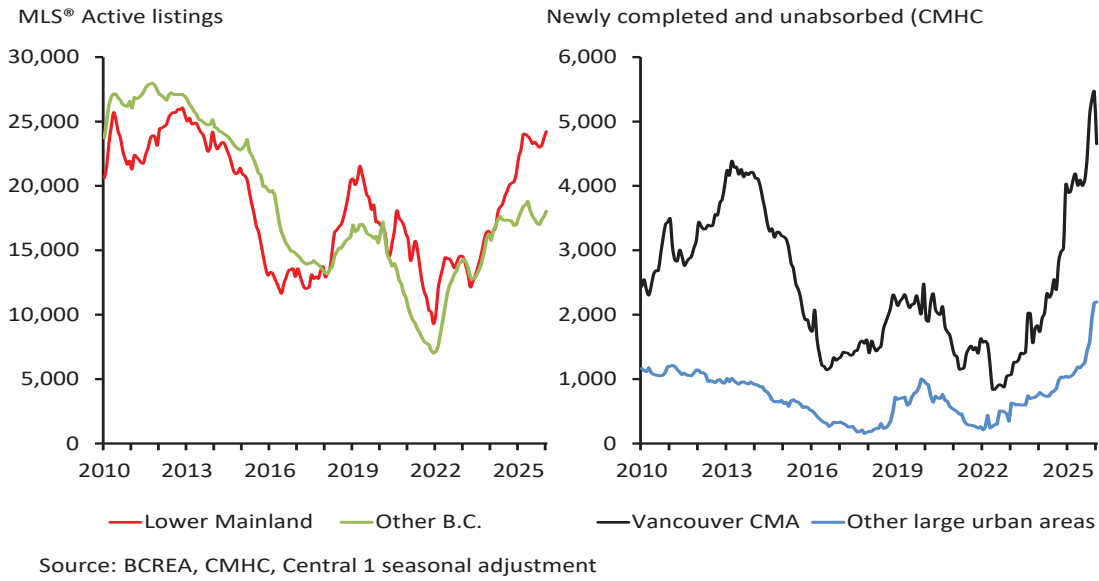
Statistics Canada's population growth projections provide a sense of how growth could play out. In its medium-growth scenarios, B.C. broadly experiences deeper population declines than peer provinces and the nation as a whole including a contraction of 0.3 to 1.0 per cent this year, and a further reduction of 0 to 0.7 per cent in 2028. This will depend on the evolution of immigration policy, and we view it likely that policies will be fine-tuned to allow entry of higher skilled entrants going forward. Declines of this magnitude are unprecedented, but as was the accelerated growth in prior years. Federal immigration targets moves the population levels back toward long-term trend. Weakness in population is expected to be concentrated in Metro Vancouver given reliance on immigration with other regions showing mild growth until population growth turns around. On the interprovincial front, improved affordability trends in B.C. helps to stem the net outflow to Alberta, with aging populations choosing interior and Island markets.



Supply of housing remains elevated

Market conditions in early 2026 continue to favour buyers amidst low sales and high inventories. Data from the BC Real Estate Association highlights active listings that were up 6 per cent over a 12- month period, including more than 18,000 units in the Lower Mainland which is near still near a cycle high. Sales-to-active listing ratios point to buyers' markets in most regions except Vancouver Island. Adding to existing home inventories has been a sharp rise in new condominium inventory as newly constructed projects have not fully sold through. Projects met minimum pre-sale financing requirements in the pre-construction phase, but demand dried up as projects built out leading to overhang of unsold units, including 5,000 units in the Metro Vancouver area. Some of these units have ended up in MLS® listings upon completion by investors due to an inability to flip contracts, service mortgages, or a lack of rental demand. These numbers will remain elevated with more than 40,000 condominium units currently being built across the province. Excess supply of listings will continue to be a drag on prices, but sales are also impacted as potential buyers are spooked by an oversupplied market. That said, inventory is manageable relative to the population and housing stock and is expected to decline once demand picks up.

Higher levels of inventory predominantly a Lower Mainland story



Resale market forecast

Soft conditions are forecast with similar increases in both MLS® and title transfers of four per cent. Sales rise through 2028 and are expected to gain traction as population growth returns, and long-term supply risks return to the spotlight with declines in new home construction. That said, even with elevated yearly increases, annual resale transactions are expected to remain below 78,000 units by the end of 2028. From 2010-2019, the average annual resale transaction flow was about 80,000 units. MLS® trends are consistent. Annual sales rebound sharply in the Lower Mainland but sales remain far from historical norms, while other regions including Vancouver Island and the southern interior normalize.

The provincial resale median price is forecast to remain unchanged this year at \$760,000 extending a stagnant period but gains 2.4 per cent in both 2027 and 4.0 per cent in 2028. MLS® values rise at a similar pace. Subdued market conditions point to no growth in prices in the Lower Mainland Southwest but gains elsewhere in the province and relatively more volume in the detached space to lift nudge up the median price and increase the average MLS® value by 1 per cent. Price growth is expected to remain stronger in ground-oriented products although a declining share of these sales in the Lower Mainland curbs growth in the provincial figure. Excess supply in large urban areas holds back prices in the near-term but lower inventory and less construction of homeowner product going forward drives prices higher. Large urban area prices move back towards previous highs.

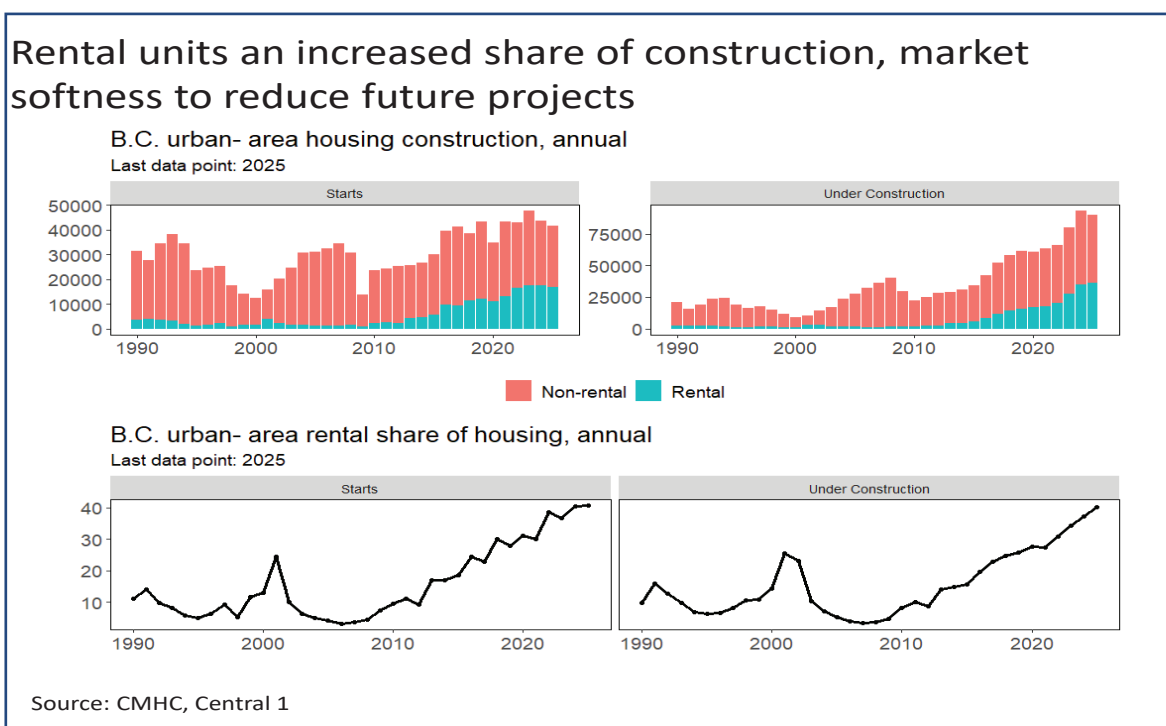
Housing starts to finally buckle

Annual B.C. housing starts slipped a modest 3.5 per cent to 44,193 units in 2025 and remained within the range observed since 2021 despite industry-wide concerns of a downturn. Among metro areas, declines were modest in Metro Vancouver, but up in Victoria and Abbotsford-Mission, with sharper declines in other urban markets. However, stability in the data masks underlying weakness in the construction sector.

CMHC tracks housing starts once a foundation has been poured, and excavation and other works occur well in advance of official starts. Recent housing starts are still reflecting projects pre-sold years ago, rather than current demand. Historically, housing starts lag shortly after the resale market cycle as speculative construction activity cools and adjustment in the pre-sale sector. However, the relationship looks to have broken down in the current cycle, with starts remaining elevated. Larger and more complex (including phased) apartment projects is a factor which is evident in Metro Vancouver, while there has also been a shift in recent years to rental market construction supported by government policy and financing which has continued to support the build out of new projects. Rental share of start and units under construction in B.C. has climbed to about 40 per cent of units, and higher for multi-family construction. In the mid-2000s, this was close to nil.

Going forward, housing starts ratchet lower. Lack of pre-sales in the current cycle, and significant standing developer inventory, mean financing thresholds have not been met which will lead to a severe decline in future projects. This is consistent with commentary from the development industry and data from real estate marketing firms. The rental market active, but even here, there is likely to be a pullback in new projects with an increase in rental vacancy rates and lower rents in many areas of the province, although patterns are far from uniform. Moreover, as we warned in prior [research](#), the rental supply wave is on its way with the ratio of rental units under construction to the size of the purpose-built rental pool at multi-decade highs at 15-20 per cent in Vancouver and Victoria, and higher in Kelowna. These rental units will come onstream over several years but speaks to product in the pipeline that likely curbs rental construction.

Housing starts are forecast to decline 17 per cent this year and another 3.5 per cent in 2027 before slowly increasing in 2028. A marked slowdown in housing starts will directly impact the market for trades labour and curb wage growth, although there is likely to be shifting of trades to public-sector investments. Lower new home construction, specifically in the condominium market leads to more robust increase in housing sales and prices in later years which is consistent with our resale market outlook. Housing supply scarcity push prospective homebuyers scramble to purchase what is available which drives home values higher. Housing construction will respond but the average time to complete units sits at two years once started.



The rental market has transitioned from years extreme tightness to oversupply on lower immigration and weaker economy. B.C.'s rental vacancy rate spiked to 3.5 per cent in 2025 from 1.9 per cent in 2024 and marked the highest rate since 2000. Smaller bachelor and 1- bedroom suites recorded the largest increases reflecting these drivers. Among urban areas, Metro Vancouver with an apartment vacancy rate of 3.7 per cent), alongside Kelowna which saw its apartment vacancy rate jump to 6.4 per cent, drove increases. While some markets were steady, larger markets saw softening conditions with both demand factors and increasing supply contributing. Rents have followed suit as asking rents fallen sharply, and more landlords offer incentives for renters. Vacancy rates are expected to rise over the next two years provided immigration remains low as more projects complete construction, while rent growth stalls. For the most part, average rent growth remains low but positive as turnover of rent-controlled units yield higher rents at market, but asking rent trends will be flat. Rental conditions are expected to tighten in 2028 as immigration begins to normalize.

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B.C. Housing Outlook

	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Resale land title transfers										
Sales	64,235	63,083	65,859	70,666	76,602	-1.3	-1.8	4.4	7.3	8.4
Median Price	765,000	760,000	762,280	780,575	811,798	2.0	-0.7	0.3	2.4	4.0
MLS®										
Unit sales	74,438	70,221	73,030	78,872	86,759	2.0	-5.7	4.0	8.0	10.0
Average price	981,430	953,190	962,722	1,010,858	1,051,292	1.1	-2.9	1.0	5.0	4.0
New listings	162,029	169,036	174,952	183,700	192,885	15.8	4.3	3.5	5.0	5.0
Sales to new listings	45.9	41.5	41.7	42.9	45.0					
Housing Starts										
Total starts	45,828	44,193	37,564	36,437	38,259	-9.2	-3.6	-15.0	-3.0	5.0
Single starts	5,550	5,355	5,248	5,248	5,353	-20.3	-3.5	-2.0	0.0	2.0
Multi starts	40,278	38,838	32,313	31,182	32,897	-7.5	-3.6	-16.8	-3.5	5.5

Source: Landcor, CREA, CMHC, Central 1

Residential Resale Housing Outlook - All Unit Types

Land title transfers

	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
British Columbia	64,235	63,083	65,859	70,666	76,602	-1.3	-1.8	4.4	7.3	8.4
Vancouver Island/Coast	11,950	12,769	13,152	14,073	14,917	2.7	6.9	3.0	7.0	6.0
Mainland/Southwest	36,384	33,544	35,557	38,401	42,241	-3.2	-7.8	6.0	8.0	10.0
Kootenay	2,777	2,825	2,853	2,967	3,116	1.2	1.7	1.0	4.0	5.0
Thompson/Okanagan	8,984	9,694	9,985	10,784	11,754	-3.0	7.9	3.0	8.0	9.0
Cariboo	2,156	2,164	2,207	2,273	2,342	12.6	0.4	2.0	3.0	3.0
North Coast	668	677	711	732	754	5.0	1.3	5.0	3.0	3.0
Nechako	365	395	387	387	395	8.3	8.2	-2.0	0.0	2.0
Northeast	951	1,015	1,015	1,035	1,056	2.8	6.7	0.0	2.0	2.0

Median price

	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
British Columbia	765,000	760,000	762,280	780,575	811,798	2.0	-0.7	0.3	2.4	4.0
Vancouver Island/Coast	740,000	762,000	777,240	796,671	820,571	2.8	3.0	2.0	2.5	3.0
Mainland/Southwest	914,500	899,900	899,900	935,896	992,050	3.3	-1.6	0.0	4.0	6.0
Kootenay	475,000	493,000	497,930	512,868	528,254	5.6	3.8	1.0	3.0	3.0
Thompson/Okanagan	627,000	645,000	651,450	664,479	691,058	0.3	2.9	1.0	2.0	4.0
Cariboo	395,250	415,000	427,450	435,999	444,719	1.6	5.0	3.0	2.0	2.0
North Coast	370,000	430,000	417,100	429,613	442,501	0.0	16.2	-3.0	3.0	3.0
Nechako	348,000	340,000	346,800	350,268	353,771	10.5	-2.3	2.0	1.0	1.0
Northeast	285,000	307,500	316,725	323,376	329,844	2.5	7.9	3.0	2.1	2.0

Source: Landcor, Central 1

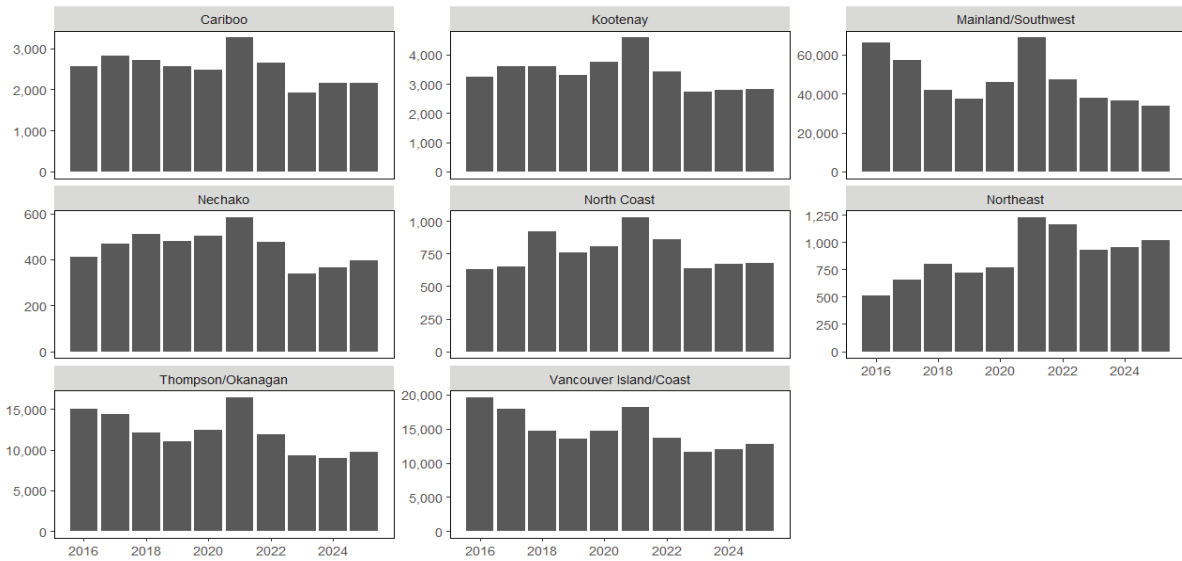
Resale Title Transfer Statistics by CMA and CA

	Resale Transactions				Median Price			
	2024	2025	2024	2025	2024	2025	2024	2025
Victoria	5,192	5,515	5.3	6.2	865,000	900,000	1.8	4.0
Duncan	853	885	-2.3	3.8	715,000	715,000	2.1	0.0
Port Alberni	381	414	13.1	8.7	527,000	535,000	5.6	1.5
Nanaimo	1,688	1,844	-1.3	9.2	680,000	711,000	2.3	4.6
Parksville	823	861	9.6	4.6	830,000	815,000	3.6	-1.8
Courtenay	1,192	1,227	5.4	2.9	699,450	745,000	3.6	6.5
Powell River	260	288	17.1	10.8	558,750	578,750	-0.2	3.6
Campbell River	596	684	-11.3	14.8	626,700	649,400	4.0	3.6
Vancouver	30,386	27,911	-3.1	-8.1	950,000	925,000	3.3	-2.6
Squamish	443	519	5.0	17.2	1,000,000	1,009,823	3.0	1.0
Chilliwack	2,040	1,789	-0.6	-12.3	745,000	740,000	6.6	-0.7
Abbotsford - Mission	2,414	2,175	-7.9	-9.9	789,000	815,000	8.8	3.3
Penticton	921	1,019	-0.3	10.6	560,000	580,000	-4.1	3.6
Kelowna	3,264	3,625	-6.3	11.1	765,000	772,500	0.7	1.0
Vernon	1,044	1,162	-5.8	11.3	616,889	635,750	2.0	3.1
Salmon Arm	324	348	-3.6	7.4	560,000	620,500	-1.7	10.8
Nelson	236	259	-1.3	9.7	683,500	675,000	6.0	-1.2
Cranbrook	396	390	-5.0	-1.5	485,500	495,000	9.1	2.0
Kamloops	1,759	1,785	2.2	1.5	610,000	611,500	3.4	0.2
Quesnel	246	249	0.8	1.2	320,500	335,000	3.4	4.5
Williams Lake	470	497	1.3	5.7	399,950	407,500	1.0	1.9
Prince Rupert	148	151	21.3	2.0	419,500	415,000	6.2	-1.1
Terrace	194	221	6.0	13.9	480,000	515,001	7.3	7.3
Prince George	1,289	1,278	20.7	-0.9	428,000	450,000	2.5	5.1
Dawson Creek	253	273	2.0	7.9	290,000	285,000	3.2	-1.7
Fort St. John	490	547	10.4	11.6	325,000	335,000	0.0	3.1

Appendix

Title transfer resale transactions

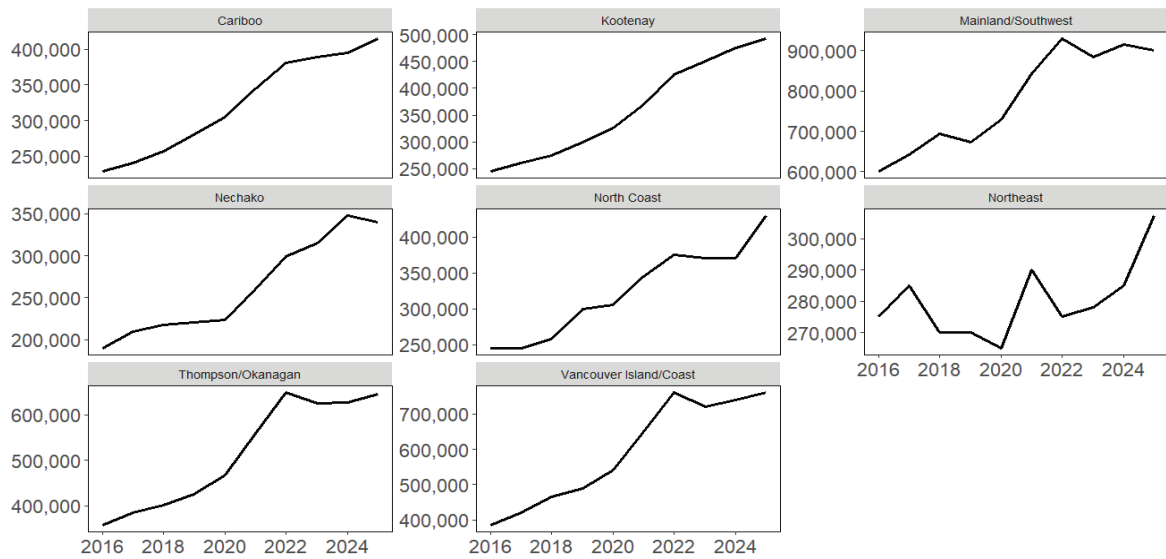
Annual Residential Housing Transactions by region



Source: Landcor, Central 1

Title transfer resale median price

Annual Residential Resale Median Price by region

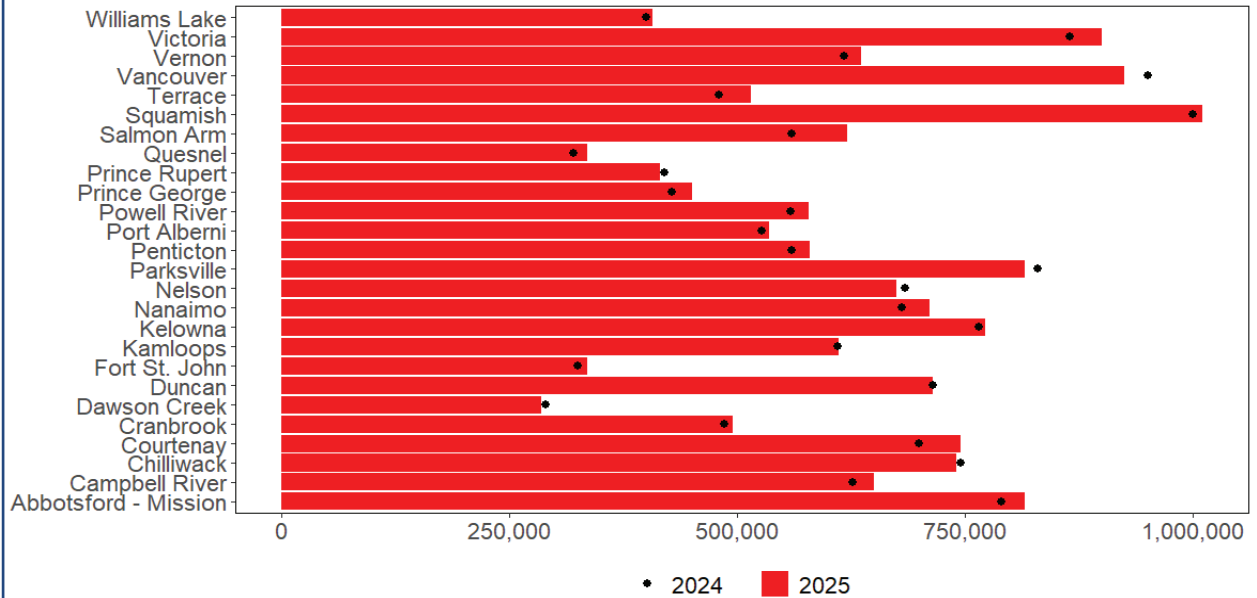


Source: Landcor, Central 1

Title transfer urban area median resale price

B.C. CMA/CA Resale Median Price, \$

Source: Landcor, Central 1



Source: Landcor, Central 1

Terms

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