

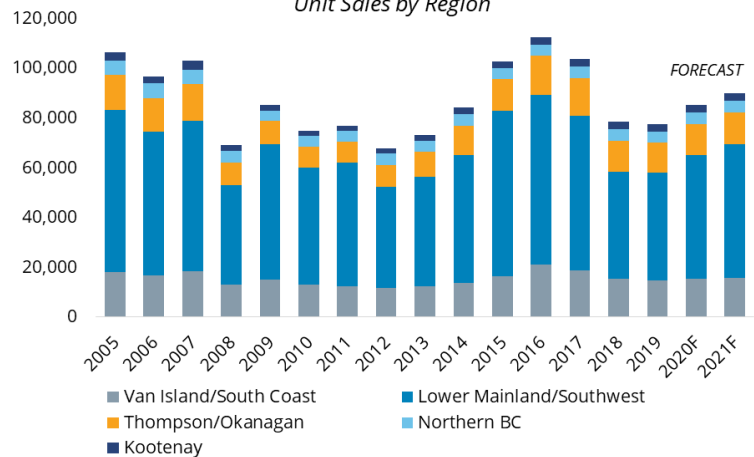
First Quarter—January 2020

The outlook for home sales in 2020 is considerably brighter than the past two years. A strong recovery that began in the middle of last year helped to offset an uncommonly languid spring, and sales closed out 2019 essentially unchanged from the year before. Momentum carried through to 2020 will put the housing market on more solid footing, aided by low interest rates and an improving economy. We forecast 2020 MLS® unit sales will normalize around their long-run average of about 85,000 units before rising to 90,700 units in 2021.

The BC economy has slowed over the past two years, hindered by heightened uncertainty in global trade and a faltering housing market. Weaker home sales and a more stringent consumer credit environment dragged household consumption to a second straight year of sub-par growth, as evidenced by sputtering retail sales. However, strong wage growth and an expected rise in home prices should translate to higher consumption spending as consumer confidence brightens. With major investment projects also ramping up – LNG Canada being most prominent – we expect to see a modest uptick in provincial economic growth from an estimated 2 per cent in 2019 to 2.4 per cent in 2020.

While demand is recovering, the supply of homes for sale has not managed to keep pace. New listings activity did not materially increase during the downturn in home sales, and total inventory did not accumulate to the same extent as in prior slowdowns. New home construction hit a record high for BC in 2019, adding to the already historically high number of units under construction. However, much of that new supply is still years from reaching the market. As a result, market conditions around the province are tightening and home prices will likely face upward pressure as demand continues to firm. In 2020, we expect the MLS® average price will rise 4.8 per cent to \$734,000.

MLS® Residential Sales
British Columbia
Unit Sales by Region



Source: BCREA Economics

MLS®	2019	2020F	2021F	Housing Starts ¹	2019	2020F	2021F
Sales	77,349	85,290	90,700	Total	44,932	37,700	34,500
	-1.5%	10.3%	6.3%		10%	-16.1%	-8.5%
Avg Price	700,397	734,000	762,200	Single	8,792	8,800	8,500
	-1.6%	4.8%	3.8%		-21.2%	0.1%	-3.4%
\$ Volume	54.2 Bil	62.6 Bil	69.1 Bil	Multiple	36,140	28,900	26,000
	-3%	15.6%	10.4%		21.7%	-20%	-10%

1. Source: BCREA Forecast; CMHC

BC Economic Outlook	2019 ¹	2020F	2021F
Real GDP Growth (%)	2	2.4	2.6
Employment Growth (%)	2.6	1.5	1.4
Unemployment Rate (%)	4.7	4.8	4.7
Personal Disposable Income Growth (%)	5	4.4	4.5
Weekly Wage Growth (%)	2.5	2.1	2
Retails Sales Growth (%)	0.6	3.5	4

1. Values have been estimated where data has not yet been released.
Source: BCREA Economics, Statistics Canada

Housing Forecast Summary — First Quarter

Board Area	Unit Sales			Average MLS® Price (\$)		
	2019	2020F	2021F	2019	2020F	2021F
Victoria	6,892 1.8%	7,300 5.9%	7,500 2.7%	688,689 -1.7%	705,000 2.4%	720,000 2.1%
Vancouver Island	7,539 -10.2%	7,800 3.5%	7,950 1.9%	488,848 5.1%	505,400 3.4%	520,000 2.9%
Powell River Sunshine Coast	322 -11.3%	330 2.5%	350 6.1%	363,074 0.6%	366,000 0.8%	368,000 0.5%
Greater Vancouver	25,681 2.5%	30,500 18.8%	33,700 10.5%	986,797 -5.9%	1,010,000 2.4%	1,040,000 3%
Fraser Valley	14,683 -1%	16,500 12.4%	17,600 6.7%	721,775 -3.5%	750,000 3.9%	775,000 3.3%
Chilliwack and District	2,809 -0.7%	2,900 3.2%	3,000 3.4%	522,776 1.1%	530,000 1.4%	545,000 2.8%
Kamloops and District	2,876 -3.6%	2,950 2.6%	3,050 3.4%	418,846 7%	424,500 1.3%	435,000 2.5%
Okanagan Mainline	7,389 -2.2%	7,600 2.9%	7,700 1.3%	524,841 0.8%	531,000 1.2%	543,000 2.3%
South Okanagan*	1,770 -6.1%	1,850 4.5%	1,950 5.4%	430,516 2.9%	440,000 2.2%	446,000 1.4%
Northern Lights	358 -5.5%	360 0.6%	400 11.1%	257,839 2.3%	265,000 2.8%	270,000 1.9%
Kootenay	2,896 -5.5%	3,000 3.6%	3,100 3.3%	344,351 7.2%	350,000 1.6%	358,000 2.3%
BC Northern	4,134 -6.1%	4,200 1.6%	4,400 4.8%	310,548 5.1%	340,000 9.5%	352,000 3.5%
BC Total	77,349 -1.5%	85,290 10.3%	90,700 6.3%	700,397 -1.6%	734,000 4.8%	762,200 3.8%

NOTE: The Northern Lights Real Estate Board (NLREB) became part of the South Okanagan Real Estate Board (SOREB) on January 1, 2011.

*Excluding Northern Lights

BCREA Economics provides timely research, analysis and information on economic factors affecting British Columbia and its housing markets.

The British Columbia Real Estate Association (BCREA) is the professional association for about 23,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's 11 real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

To demonstrate the profession's commitment to improving Quality of Life in BC communities, BCREA supports policies that help ensure economic vitality, provide housing opportunities, preserve the environment, protect property owners and build better communities with good schools and safe neighbourhoods.

Send questions and comments about the Housing Forecast to:

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Additional economics information is available on BCREA's website at: bcrea.bc.ca.

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