

# Economics

## What Will Happen Next In BC Real Estate Market?

With real estate being a red hot topic in the media lately, BCREA's Economics Team has compiled a series of reports to examine market statistics and potentially correct some common misconceptions.

The first Market Intelligence Report, *Myth of the Retreating Millennial*, examined the narrative that millennials are leaving Vancouver in droves because of high housing costs which has become a familiar one in the media, but is it correct? The report corrects the common misconception that millennials are retreating from Vancouver through an examination of population estimates for the region. The report reveals that millennials are, in fact, not retreating,

and that the population aged 20 to 34 years old has actually increased significantly in the city.

The second report, *What Happens Next to Home Prices?*, examines periods of rapid price acceleration, defined as 20 per cent or higher year-over-year growth, and the fact that an acceleration in prices is generally followed by a reversion of growth back to its long-run average within 12 months. This pattern is far from unusual in Vancouver. In fact, since 1981, there have been 46 months in which prices rose by more than 20 per cent on a year-over-year basis and 38 of those months occurred prior to 2010.

The Association's Economics Team plans to produce further Market Intelligence Reports to provide statistical insight on BC's real estate market as media trends surface. To read BCREA's Market Intelligence Reports, visit the Publications section of the following page [www.bcrea.bc.ca/news-and-publications/economics/forecasts-and-presentations](http://www.bcrea.bc.ca/news-and-publications/economics/forecasts-and-presentations).

