



For immediate release

BC Housing Demand to Slow Through 2019

BCREA 2018 First Quarter Housing Forecast Update

Vancouver, BC – March 9, 2018. The British Columbia Real Estate Association (BCREA) released its 2018 First Quarter Housing Forecast update today.

Multiple Listing Service® (MLS®) residential sales in the province are forecast to decline 8.6 per cent to 94,855 units in 2018, after decreasing 7.5 per cent in 2017. A record 112,209 unit sales were recorded in 2016. The ten-year average for MLS® residential sales in BC is 84,800 units. Strong employment growth, consumer confidence and favourable demographics have been highly supportive of housing demand over the last four years. However, slower economic growth, tougher mortgage qualification rules, and a rising interest rate environment are expected to slow the pace of housing demand over the next two years.

“Housing demand in the province is expected to moderate this year and in 2019,” said Cameron Muir, BCREA Chief Economist. “More stringent mortgage qualifications and rising interest rates will further erode affordability and household purchasing power.”

The 5-year qualifying rate is forecast to rise 35 basis points to 5.49 per cent by Q4 2018, and another 21 basis points to 5.70 per cent by Q4 2019. “With home prices already at an elevated level, BC households are more vulnerable to rising interest rates.”

The supply of homes for sale continues to trend at or near decade lows in most BC regions. However, this condition hasn’t gone unnoticed by home builders. There are over 60,000 homes now under construction in the province, well above the previous peak of 45,000 units recorded in 2008. In Metro Vancouver, over 42,000 units are in the pipeline, 56 per cent more than recorded in 2008. Slowing consumer demand combined with a surge in new home completions over the next several quarters will create more balance in the housing market and produce less upward pressure on home prices. The average MLS® residential price in the province is forecast to increase 6.0 per cent to \$752,000 this year, and a further 4.0 per cent to \$781,800 in 2019.

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To view the full BCREA Housing Forecast, click [here](#).

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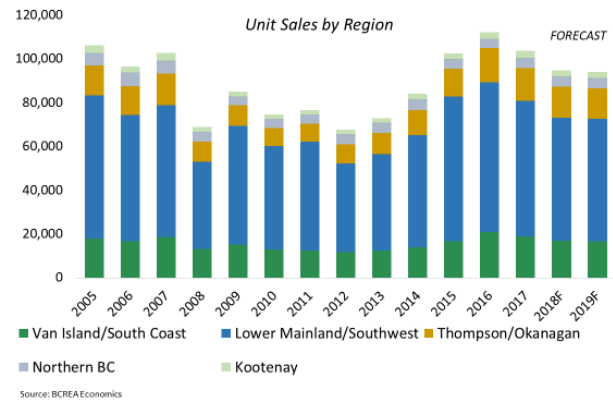
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MLS® Residential Sales
British Columbia



Housing Forecast Update Table – Q1 2018

Board Area	Unit Sales			Average MLS® Price (\$)		
	2017F	2018F	2019F	2017F	2018F	2019F
Victoria	8,464 -15.6%	7,650 -9.6%	7,475 -2.3%	\$652,928 11.5%	\$685,000 4.9%	\$710,000 3.6%
Vancouver Island	10,038 -4.7%	8,950 -10.8%	8,800 -1.7%	\$431,255 12.5%	\$464,000 7.6%	\$481,000 3.7%
Powell River	406 -2.6%	360 -11.3%	355 -1.4%	\$316,776 11.4%	\$332,000 4.8%	\$340,000 2.4%
Greater Vancouver	36,604 -10.5%	33,600 -8.2%	34,000 1.2%	\$1,031,546 1.4%	\$1,090,000 5.7%	\$1,130,000 3.7%
Fraser Valley	21,436 -7.1%	18,800 -12.3%	18,400 -2.1%	\$701,842 3.7%	\$758,000 8.0%	\$782,000 3.2%
Chilliwack and District	3,983 -7.5%	3,850 -3.3%	3,750 -2.6%	\$464,897 16.8%	\$498,000 7.1%	\$520,000 4.4%
Kamloops and District	3,345 5.2%	3,150 -5.8%	3,000 -4.8%	365,184 5.7%	385,000 5.4%	397,000 3.1%
Okanagan Mainline	9,053 -9.8%	8,800 -2.8%	8,750 -0.6%	\$497,604 7.8%	\$531,000 6.7%	\$545,000 2.6%
South Okanagan*	2,431 -1.1%	2,260 -7.0%	2,150 -4.9%	\$399,851 9.8%	\$420,000 5.0%	\$431,000 2.6%
Northern Lights	436 67.7%	385 -11.7%	395 2.6%	\$248,854 6.6%	\$256,000 2.9%	\$263,000 2.7%
Kootenay	3,274 10.8%	2,850 -13.0%	2,775 -2.6%	\$307,051 9.9%	\$326,000 6.2%	\$332,000 1.8%
BC Northern	4,293 5.5%	4,200 -2.2%	4,175 -0.6%	\$274,131 4.0%	\$279,000 1.8%	\$283,000 1.4%
BC Total	103,763 -7.5%	94,855 -8.6%	94,025 -0.9%	709,579 2.7%	752,100 6.0%	781,840 4.0%

*Excluding Northern Lights

About BCREA

The [British Columbia Real Estate Association](#) (BCREA) is the professional association for about 22,000 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. For detailed statistical information, contact your [local real estate board](#). MLS® is a cooperative marketing system used only by Canada's real estate boards to ensure maximum exposure of properties listed for sale.

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