



For immediate release

Slower Growth Expected for Economy and Housing Market

BCREA 2018 Second Quarter Housing Forecast

Vancouver, BC – May 31, 2018. The British Columbia Real Estate Association (BCREA) released its 2018 Second Quarter Housing Forecast today.

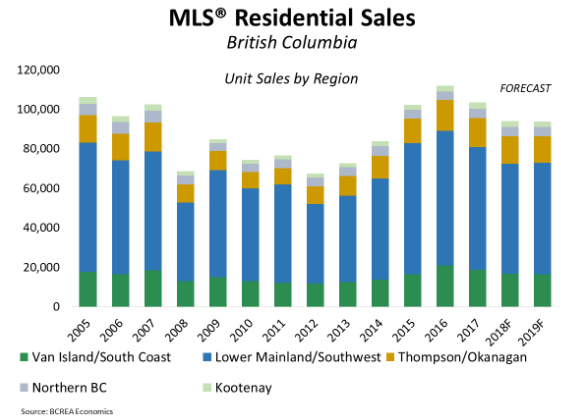
Multiple Listing Service® (MLS®) residential sales in the province are forecast to decline 9 per cent to 94,200 units this year, after posting 103,700 unit sales in 2017. MLS® residential sales are forecast to remain relatively unchanged in 2019, albeit down 0.2 per cent to 94,000 units. Housing demand is expected to remain above the 10-year average of 84,800 units into 2020.

“The housing market continues to be supported by a strong economy,” said Cameron Muir, BCREA Chief Economist. “However, slower economic growth is expected over the next two years as the economy is nearing full employment and consumers have stepped back from their 2017 spending spree.”

“Demographics will play a key role in the housing market over the next few years,” added Muir, “as growth in the adult-aged population is bolstered by immigration and the massive millennial generation enters its household forming years.”

Muir notes there are, however, significant headwinds in the housing market. “Rising mortgage interest rates will further erode affordability and purchasing power, with the effect being exacerbated by an already high price level. The legacy of tougher mortgage qualifications for conventional mortgagors will be a reduction of their purchasing power by up to 20 per cent, and the provincial government’s expansion of the foreign buyer tax and several other policies aimed at taxing wealth is sending a negative signal to the market and likely diverting investment elsewhere.”

The combination of slowing housing demand and rising new home completions is expected to trend most BC markets toward balanced conditions this year, and lead to less upward pressure on home prices.



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

For more information, please contact:

Cameron Muir
Chief Economist
Direct: 604.742.2780
Mobile: 778.229.1884
Email: cmuir@bcrea.bc.ca

1420 – 701 Georgia Street W, PO Box 10123, Pacific Centre, Vancouver, BC V7Y 1C6

President James Palanio | President-Elect Michael Trites | bcrea@bcrea.bc.ca | 604.683.7702 (tel)
Past President Jim Stewart | CEO Darlene Hyde | www.bcrea.bc.ca | 604.683.8601 (fax)



Housing Forecast Update Table – Q2 2018

Board Area	Unit Sales			Average MLS® Price (\$)		
	2017	2018F	2019F	2017	2018F	2019F
Victoria	8,464 -15.6%	7,650 -9.6%	7,540 -1.4%	652,928 25.2%	685,000 4.9%	710,000 3.6%
Vancouver Island	10,038 -4.7%	8,760 -12.7%	8,640 -1.4%	\$431,255 26.9%	\$464,000 7.6%	\$482,800 4.1%
Powell River	406 -2.6%	430 5.9%	415 -3.5%	\$316,773 28.4%	\$374,000 18.1%	\$384,400 2.8%
Greater Vancouver	36,604 -10.5%	32,700 -10.7%	33,900 3.7%	1,031,546 14.3%	1,080,000 4.7%	1,104,900 2.3%
Fraser Valley	21,436 -7.1%	19,200 -10.4%	18,750 -2.3%	\$701,842 21.5%	\$752,000 7.1%	\$790,000 5.1%
Chilliwack and District	3,983 -7.5%	3,850 -3.3%	3,720 -3.4%	\$464,897 38.4%	\$531,700 14.4%	\$552,800 4.0%
Kamloops and District	3,345 5.2%	3,210 -4.0%	3,100 -3.4%	365,184 11.9%	393,100 7.6%	404,600 2.9%
Okanagan Mainline	9,053 -9.8%	8,500 -6.1%	8,200 -3.5%	\$497,604 21.8%	\$530,200 6.6%	\$547,400 3.2%
South Okanagan*	2,430 -1.2%	2,300 -5.3%	2,200 -4.3%	\$399,972 22.2%	\$421,000 5.3%	\$426,300 1.3%
Northern Lights	438 67.8%	375 -14.4%	400 6.7%	\$248,429 -7.8%	\$240,000 -3.4%	\$243,000 1.3%
Kootenay	3,274 10.8%	3,060 -6.5%	2,850 -6.9%	\$307,051 11.5%	\$322,200 4.9%	\$332,000 3.0%
BC Northern	4,293 5.5%	4,200 -2.2%	4,330 3.1%	\$274,131 3.6%	\$281,000 2.5%	\$285,000 1.4%
BC Total	103,764 -7.5%	94,235 -9.2%	94,045 -0.2%	709,577 11.5%	745,600 5.1%	775,900 4.1%

*Excluding Northern Lights

About BCREA

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. 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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