HOUSING MARKET INFORMATION

HOUSING MARKET OUTLOOK
British Columbia Region Highlights

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Second Quarter 2013

Housing Market Forecast

Figure 1

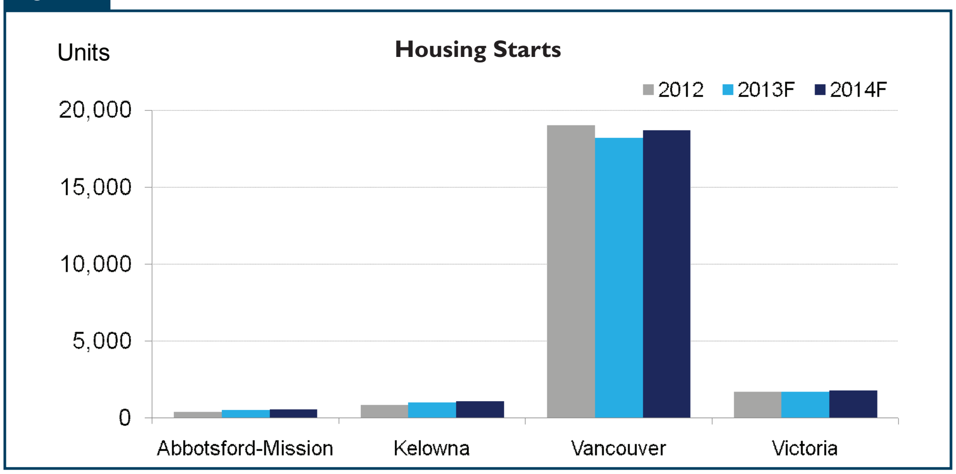
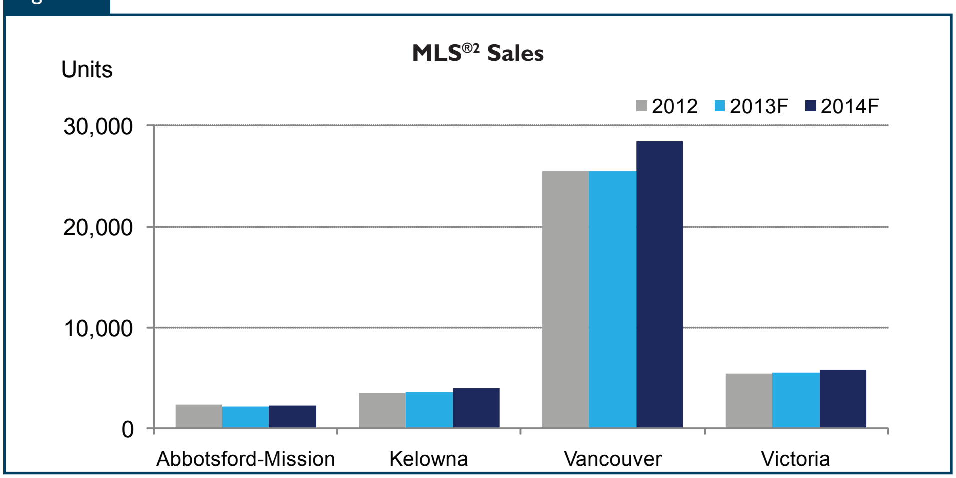


Figure 2



Overview[1]

- Housing starts are forecast to total 27,100 units in 2013 and 28,500 units in 2014.
- Existing MLS®[2] home sales in 2013 are expected to reach 69,300 units, up from 67,637 sales in 2012. In 2014, resale transactions will increase further to 77,000 sales, remaining below the ten-year average.
- Existing home prices are forecast to essentially hold steady in 2013 at $511,200, before rising to $520,700 in 2014.

[1] The outlook is subject to uncertainty. Although point forecasts are presented in this publication, CMHC also presents forecast ranges where appropriate. The forecasts included in this document are based on information available as of April 26, 2013.

[2] MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Economic Outlook

British Columbia's economy is forecast to expand 1.9 per cent in 2013 and 2.5 per cent in 2014, slightly ahead of the national average, and below the province's ten-year average pace. Modest growth in consumer spending and business investment are expected to contribute to economic growth.

Employment gains in the last year and a shift to full-time jobs in 2013 are forecast to support housing demand. Job growth is forecast at less than one per cent in 2013, with a pick up to 1.5 per cent projected in 2014. Slow growth in the labour force will keep the unemployment rate at 6.7 per cent in 2013. In 2014, the unemployment rate is forecast to increase to 7.0 per cent reflecting stronger growth in the labour force stemming from an expected turnaround in interprovincial migration.

The province's population is forecast to grow about one per cent per year, compared to 0.9 per cent in 2012. In 2012, British Columbia experienced a net gain of 27,328 people from other parts of Canada and the world. Net international migration increased to 35,985 people; however this was partly offset by an 8,657-person outflow of people to other parts of Canada, mainly Alberta. The rising trend in international migration and a smaller net loss to the rest of Canada is expected to add 36,700 people in 2013 and 41,300 people in 2014.

Mortgage rates		
1 Year	Q1 2013	3.00
	Change from Q1 2012	-0.30
	2013 (F)	3.00 - 3.25
	2014 (F)	3.25 - 3.75
5 Year	Q1 2013	5.21
	Change from Q1 2012	-0.05
	2013 (F)	5.00 - 5.50
	2014 (F)	5.25 - 5.75

Source: Bank of Canada, CMHC Forecast
NOTE: Mortgage rate forecast is based on Q1 2013 data

Housing Market Outlook

Reflecting stronger economic, employment and population growth in British Columbia going forward, the outlook for the province's housing market in 2014 is for an increase in existing home sales and new home construction compared to 2013. Housing starts are projected to total 27,100 units in 2013 and 28,500 units in 2014.

Single-detached home starts are expected to increase in 2013 and 2014. Housing starts are forecast to rise to 9,200[3] units in 2013 and to 9,600 in 2014, compared to 8,333 units in 2012.

Multiple-family housing starts are forecast to trend lower in 2013 reflecting lower existing home prices and slightly elevated inventories of new, completed and unoccupied units, compared to a year ago. Multiple-family housing starts are forecast to reach 17,900 units in 2013 and increase to 18,900 units in 2014, compared to 19,132 units in 2012.

MLS® sales are expected to trend higher from 67,637 units in 2012 to 69,300 units in 2013 and 77,000 units in 2014. While employment and population growth would suggest a higher level of resale activity, a number of factors are expected to dampen home sales. These factors include buyers taking a wait-and-see attitude as existing home prices moderate in the Vancouver and Victoria housing markets and a general reluctance on the part of sellers to list their homes at a lower price, reducing the supply of homes for sale.

The moderation in listing activity that has accompanied lower levels of sales is forecast to keep existing home prices steady in 2013 at $511,200, before rising to $520,700 in 2014, compared to an average MLS® price of $514,836 in 2012. On a quarterly basis, resale home prices are forecast to grow at a modest pace.

[3] Beginning in January 2013, CMHC adjusted and harmonized the methodology for tracking accessory suites in the Starts and Completions Survey. While the total British Columbia housing starts forecast is not affected, this methodology change will influence the breakdown of the forecast by home type, as an estimated 500 units are expected to be re-classified in 2013 to "single-detached" from "apartment" in the Vancouver CMA.

B.C. Region Economic and Housing Indicators

		Labour Market				Housing Market				
		Emp. Growth SA[2] (%)	Unemp. Rate SA[2] (%)	Average Weekly Earnings ($)		Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price[3] ($)
Kamloops	Q1 2013	2.2	6.3	n/a	Q1 2013	33	31	2	403	$385,231
	Q1 2012	11.9	9.5	n/a	Q1 2012	46	41	5	408	$394,276
	Change[1]	-9.7	-3.1	-	% Change	-28.3	-24.4	-60.0	-1.2	-2.3
Nanaimo	Q1 2013	15.2	6.0	n/a	Q1 2013	106	49	57	259	$342,228
	Q1 2012	-4.1	5.3	n/a	Q1 2012	234	47	187	334	$352,501
	Change[1]	19.3	0.7	-	% Change	-54.7	4.3	-69.5	-22.5	-2.9
Prince George	Q1 2013	-5.7	5.7	n/a	Q1 2013	16	16	0	216	$241,009
	Q1 2012	4.2	7.4	n/a	Q1 2012	15	11	4	226	$241,704
	Change[1]	-9.9	-1.7	-	% Change	6.7	45.5	-100.0	-4.4	-0.3
Abbotsford-Mission	Q1 2013	3.9	7.0	810	Q1 2013	175	44	131	481	$341,573
	Q1 2012	3.9	10.1	801	Q1 2012	103	47	56	535	$328,309
	Change[1]	0.1	-3.1	1.2%	% Change	69.9	-6.4	133.9	-10.1	4.0
Kelowna	Q1 2013	-3.8	7.1	862	Q1 2013	136	89	47	701	$371,052
	Q1 2012	-1.1	9.4	881	Q1 2012	120	82	38	766	$372,641
	Change[1]	-2.7	-2.3	-2.2%	% Change	13.3	8.5	23.7	-8.5	-0.4
Vancouver	Q1 2013	0.6	6.8	892	Q1 2013	3,980	844	3,136	5,569	$757,238
	Q1 2012	2.8	6.6	873	Q1 2012	4,631	700	3,931	7,098	$775,693
	Change[1]	-2.3	0.2	2.2%	% Change	-14.1	20.6	-20.2	-21.5	-2.4
Victoria	Q1 2013	-2.3	5.5	846	Q1 2013	288	98	190	1,128	$457,620
	Q1 2012	4.4	5.4	821	Q1 2012	288	119	169	1,378	$481,325
	Change[1]	-6.7	0.1	3.1%	% Change	0.0	-17.6	12.4	-18.1	-4.9
B.C.	March 13	0.1	7.0	875	Q1 2013	5,269	1,546	3,723	13,572	$530,435
	March 12	1.6	7.0	857	Q1 2012	6,150	1,538	4,612	16,724	$552,785
	Change[1]	-1.5	0.0	2.2%	% Change	-14.3	0.5	-19.3	-18.8	-4.0
CANADA	March 13	1.2	7.2	875	Q1 2013	33,477	12,065	21,412	94,187	$369,460
	March 12	1.2	7.2	857	Q1 2012	39,902	13,116	26,786	108,525	$365,525
	Change[1]	0.0	0.0	2.2%	% Change	-16.1	-8.0	-20.1	-13.2	1.1

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[1]Changes to the Unemployment Rate and Employment Growth represent the ***absolute*** difference between current rates and the rates for the same period in the previous year.

[2] Seasonally adjusted Labour Force data is not available for Kamloops, Nanaimo, Prince George, and Kelowna, therefore, raw data was used.
[3] MLS® Average Price for Prince George, Nanaimo, and Kamloops is for single-detached units only
Source: Statistics Canada (CANSIM), CMHC (Starts and Completions Survey), CREA
"SA" means Seasonally Adjusted

British Columbia Housing Market Outlook (units and percentage change)	2008	2009	2010	2011	2012	2013(F)	2014(F)	2013Q1	2013Q2 (F)	2013Q3 (F)	2013Q4 (F)
Housing Starts:											
Single	10,991	7,892	11,462	8,867	8,333	9,200	9,600	8,348	9,200	9,500	9,575
%	-24.1	-28.2	45.2	-22.6	-6.0	10.4	4.3	3.2	10.2	3.3	0.8
Multiple	23,330	8,185	15,017	17,533	19,132	17,900	18,900	15,863	17,700	18,900	19,200
%	-5.6	-64.9	83.5	16.8	9.1	-6.4	5.6	-3.2	11.6	6.8	1.6
Total	34,321	16,077	26,479	26,400	27,465	27,100	28,500	24,211	26,900	28,400	28,775
%	-12.4	-53.2	64.7	-0.3	4.0	-1.3	5.2	-1.1	11.1	5.6	1.3
Existing Home Markets:											
MLS® Sales	68,923	85,028	74,640	76,721	67,637	69,300	77,000	61,528	67,000	72,500	76,000
%	-33.0	23.4	-12.2	2.8	-11.8	2.5	11.1	-1.2	8.9	8.2	4.8
MLS® Average Price	454,599	465,725	505,178	561,304	514,836	511,200	520,700	513,930	508,000	510,000	514,000
%	3.5	2.4	8.5	11.1	-8.3	-0.7	1.9	2.1	-1.2	0.4	0.8

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Source: CMHC (Starts and Completions Survey), CREA

All data in this table, except the MLS (R) average price, is seasonally adjusted at annual rates. The MLS (R) average price data is actual.

B.C. Region - Housing Forecast Ranges

	2013			2014		
	Point Forecast	High Forecast	Low Forecast	Point Forecast	High Forecast	Low Forecast
British Columbia						
Housing Starts	27,100	28,400	25,800	28,500	31,700	25,300
Multiple	17,900	18,700	17,100	18,900	20,900	16,900
Single	9,200	9,700	8,700	9,600	10,800	8,400
MLS® Sales	69,300	74,100	64,500	77,000	82,500	71,500
MLS® Average Price ($)	511,200	525,400	497,000	520,700	535,200	506,200
Canada						
Housing Starts	182,900	192,500	173,300	188,900	211,300	166,500
Multiple	103,100	108,000	98,200	106,500	118,300	94,700
Single	79,800	84,500	75,100	82,400	93,000	71,800
MLS® Sales	443,400	474,800	412,000	468,600	501,400	435,800
MLS® Average Price ($)	369,700	380,000	359,400	377,300	392,200	362,400

Sources : CMHC

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B.C. Region Housing Forecast - New Construction									
	Housing Starts	2012	2013(F)*	% chg (2012/2013)	2014(F)*	% chg (2013/2014)	YTD 2013**	YTD 2012**	% chg (2012/2013)
Kamloops	Single-Detached	283	225	-20.5	300	33.3	31	41	-24.4
	Multiple	198	275	38.9	225	-18.2	2	5	-60.0
	Total	481	500	4.0	525	5.0	33	46	-28.3
Nanaimo	Single-Detached	248	300	21.0	280	-6.7	49	47	4.3
	Multiple	411	400	-2.7	430	7.5	57	187	-69.5
	Total	659	700	6.2	710	1.4	106	234	-54.7
Prince George	Single-Detached	160	160	0.0	160	0.0	16	11	45.5
	Multiple	51	60	17.6	70	16.7	0	4	-100.0
	Total	211	220	4.3	230	4.5	16	15	6.7
Abbotsford-Mission	Single-Detached	198	225	13.6	235	4.4	44	47	-6.4
	Multiple	173	275	59.0	300	9.1	131	56	133.9
	Total	371	500	34.8	535	7.0	175	103	69.9
Kelowna	Single-Detached	544	600	10.3	650	8.3	89	82	8.5
	Multiple	292	400	37.0	450	12.5	47	38	23.7
	Total	836	1,000	19.6	1,100	10.0	136	120	13.3
Vancouver	Single-Detached	3,381	3,950	16.8	3,800	-3.8	844	700	20.6
	Multiple	15,646	14,250	-8.9	14,900	4.6	3,136	3,931	-20.2
	Total	19,027	18,200	-4.3	18,700	2.7	3,980	4,631	-14.1
Victoria	Single-Detached	552	600	8.7	720	20.0	98	119	-17.6
	Multiple	1,148	1,100	-4.2	1,080	-1.8	190	169	12.4
	Total	1,700	1,700	0.0	1,800	5.9	288	288	0.0

Source: CMHC (Starts and Completions Survey)
(F) = CMHC Forecast
* Although point forecasts are provided in this table, please refer to the "Housing Forecast Range" table to get the relevant ranges.
** YTD = January - March

B.C. Region Housing Forecast - Resale Market									
		2012	2013(F)*	% chg (2012/2013)	2014(F)*	% chg (2013/2014)	YTD 2013**	YTD 2012**	% chg (2012/2013)
Kamloops[1]	MLS® Sales(#)	1,630	1,700	4.3	1,850	8.8	403	408	-1.2
	MLS® Avg. Price ($)	382,582	375,000	-2.0	379,000	1.1	385,231	394,276	-2.3
Nanaimo[1]	MLS® Sales(#)	1,402	1,450	3.4	1,600	10.3	259	334	-22.5
	MLS® Avg. Price ($)	353,493	350,000	-1.0	357,000	2.0	342,228	352,501	-2.9
Prince George[1]	MLS® Sales(#)	1,090	1,125	3.2	1,150	2.2	216	226	-4.4
	MLS® Avg. Price ($)	251,959	258,000	2.4	262,000	1.6	241,009	241,704	-0.3
Abbotsford-Mission	MLS® Sales(#)	2,332	2,200	-5.7	2,300	4.5	481	535	-10.1
	MLS® Avg. Price ($)	339,488	335,000	-1.3	340,000	1.5	341,573	328,309	4.0
Kelowna	MLS® Sales(#)	3,516	3,600	2.4	4,000	11.1	701	766	-8.5
	MLS® Avg. Price ($)	400,027	402,000	0.5	408,000	1.5	371,052	372,641	-0.4
Vancouver	MLS® Sales(#)	25,445	25,500	0.2	28,500	11.8	5,569	7,098	-21.5
	MLS® Avg. Price ($)	730,036	718,000	-1.6	745,000	3.8	757,238	775,693	-2.4
Victoria	MLS® Sales(#)	5,460	5,500	0.7	5,800	5.5	1,128	1,378	-18.1
	MLS® Avg. Price ($)	484,164	480,000	-0.9	490,000	2.1	457,621	481,326	-4.9

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[1] MLS® Average Price for Prince George, Nanaimo, and Kamloops is for single-detached units only

Source: CREA
(F) = CMHC Forecast
* Although point forecasts are provided in this table, please refer to the "Housing Forecast Range" table to get the relevant ranges.
** YTD = January - March

B.C. Region Housing Forecast - Rental Market						
	Vacancy Rate		Average Rent 1-Bedroom Units		Average Rent 2-Bedroom Units	
	2012	2013(F)	Oct 2012	Oct 2013(F)	Oct 2012	Oct 2013(F)
Kamloops	3.9	3.5	711	720	876	880
Nanaimo	6.7	7.0	665	664	795	800
Prince George	4.0	3.5	615	625	738	750
Abbotsford-Mission	4.2	3.9	661	665	818	825
Kelowna	4.0	3.5	750	760	927	935
Vancouver	1.8	1.5	982	1,015	1,261	1,300
Victoria	2.7	2.3	828	835	1,059	1,061
Canada[1]	2.8	2.5	n/a	n/a	n/a	n/a

Source: CMHC Fall Rental Market Survey
(F) = CMHC Forecast
[1] All centres 100,000+

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