HOUSING MARKET OUTLOOK
British Columbia

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fall 2018

Highlights[1]

- Resale market activity, particularly in large urban centres, is anticipated to slow across the province, resulting in average prices holding steady over the forecast horizon

- New construction activity is anticipated to decline through 2020 as population growth slows

- Apartment vacancy rates are expected to see gradual increases over the next two years as new supply enters the market

Moderation in resale market activity will remain as population growth slows

Resale market conditions in British Columbia have shifted significantly since the end of 2017 as higher mortgages rates, slower economic and population growth and housing-related policy changes have resulted in a 21% decline in MLS® Sales in the first eight months of 2018, relative to the same period in 2017. Population growth, particularly interprovincial migration into the province, has slowed since the third quarter of 2017 and has had a material impact on the pace of sales across all large urban centres and allowed active listings to rebuild after being historically low for the past 2 years. Shifting market conditions across BC's large urban centres is resulting in movement back towards balanced or even buyers' market conditions in some cases, which is beginning to flatten price growth or, in some areas, result in price declines.

Rising mortgage rates since May 2017 and stricter borrowing requirements are also having an impact on potential home buyers through two channels; 1) rising rates increase the carrying cost of holding a mortgage and; 2) rising rates have an impact on borrowing capacity (see Figure 3). The effects of rising mortgage rates are more likely to be felt in BC's large urban centres that have experienced strong price gains in the past two years. Therefore, some of the uncertainty in our resale market outlook lies with the timing and magnitude of changes in interest rates over the forecast horizon.

Figure 1

British Columbia housing starts to moderate on softening fundamentals
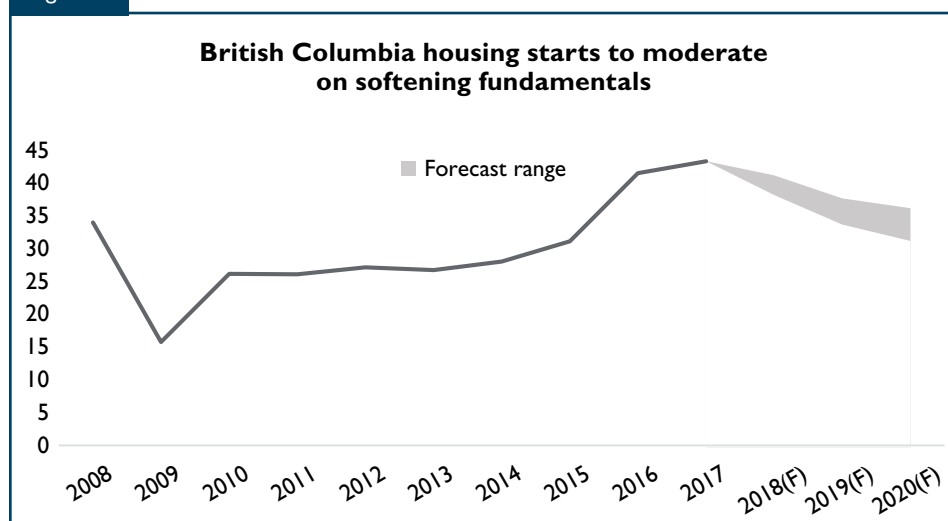
Source: CMHC; (F): Forecast

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[1] The forecasts and historical data included in this document reflect information available as of October 5, 2018. In the text, "large urban centres" refers to Census Metropolitan Areas in BC as defined by Statistics Canada.

Overall, we anticipate MLS® Sales to trough in 2018 and see some recovery in 2019-20 while MLS® Average Prices will see a relatively flat growth profile with some risk of decline as demand and supply find a new balance.

New home construction anticipated to moderate in 2019 as fundamentals soften

Housing starts in BC continued to perform at a similar level this year compared to 2017 through the first eight months of 2018. Housing starts are anticipated to soften going into 2019 through to 2020, moving back towards the 10-year average pace of new construction. Movements in new construction tend to lag shifts in resale market conditions, particularly in larger urban areas, contributing to the forecasted pattern of a relatively gradual decline in the pace of new construction.

Gradual upward movement in the apartment vacancy rate is expected in 2019-20

In line with moderating fundamentals, rental market conditions across BC are anticipated to loosen as a result of slower growth in demand and a significant amount of new rental units set to enter the market at completion over the forecast horizon as purpose-built rental construction across the province increased significantly in the past two years. However, despite the increase in supply of rental units, demand for rental is anticipated to remain fairly robust and result

Figure 2

MLS® Sales-to-Available Listings Ratio* moderating in BC Metropolitan Areas
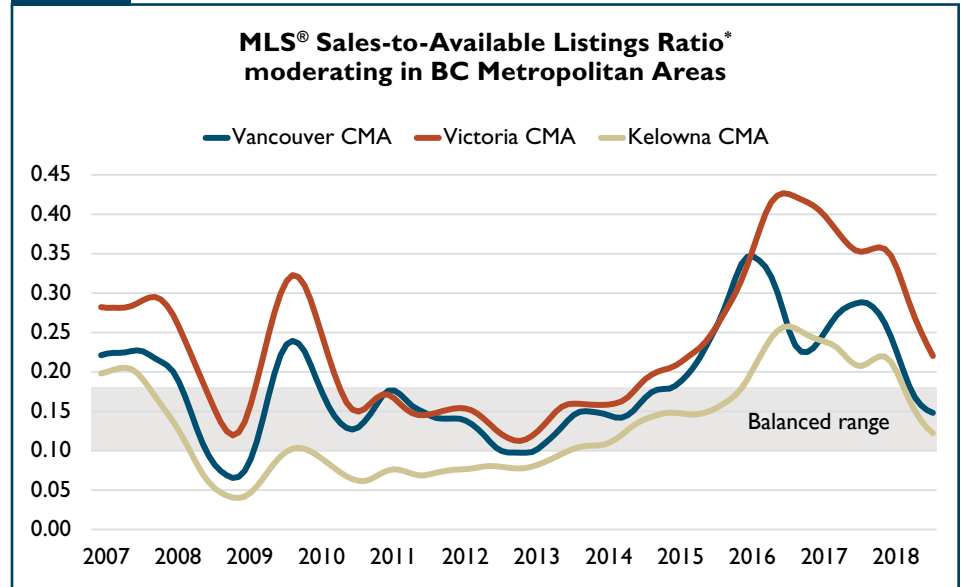
Source: REBGV, FVREB, VREB, OMREB
* The Sales-to-Available ratio is a measure of market balance and can be thought of as a scaled version of the Sales-to-Active Listings ratio. It is calculated as: Sales/(Active Listings + Sales). The Sales-to-Available ratio is the percentage of homes offered for sale in a given month that were sold (e.g., a 50% Sales-to-Available ratio means half of the homes offered for sale in a given month were sold in that month). The Sales-to-Available ratio, unlike the Sales-to-Active Listings ratio, is bounded between 0 and 100%. Balanced market conditions have a ratio between 10% and 18%.

in the apartment vacancy rate for the province increasing gradually through to 2020. Meanwhile, average rents for purpose built apartments are anticipated to continue to see increases stronger than inflation in both 2019 and 2020.

Vancouver and Abbotsford-Mission CMAs

Resale market sales and prices to move lower in the Vancouver CMA

Over the next two years, the resale home markets of the Vancouver[2] and Abbotsford-Mission Census Metropolitan Areas (CMAs) will be characterized by lower sales, higher inventories of homes for sale, and

lower home prices compared with recent market highs. This shift in conditions marks the end of the "two speed" market conditions that had prevailed in the region since mid-2016, whereby lower-priced properties experienced higher demand and price growth compared with higher-priced properties. As 2018 has progressed, demand and home prices have now softened across all market segments and local geographies.

Slowing population and employment growth and rising mortgage rates have impacted demand for some properties in the Vancouver CMA.

[2] The resale market outlook now covers the entire Vancouver CMA, which is a combination of submarkets from both the Real Estate Board of Greater Vancouver (REBGV) and the Fraser Valley Real Estate Board (FVREB). Previous editions of CMHC's *Housing Market Outlook* covered the territory of the REBGV only.

This reality, when combined with housing policy changes from all levels of government, has resulted in an evolution of short- to medium-term home price expectations compared with where they were one to two years ago. Changes in these expectations, in line with market conditions, will have a particular impact on the higher end segment of the market, where property prices are largely equity-driven[3].
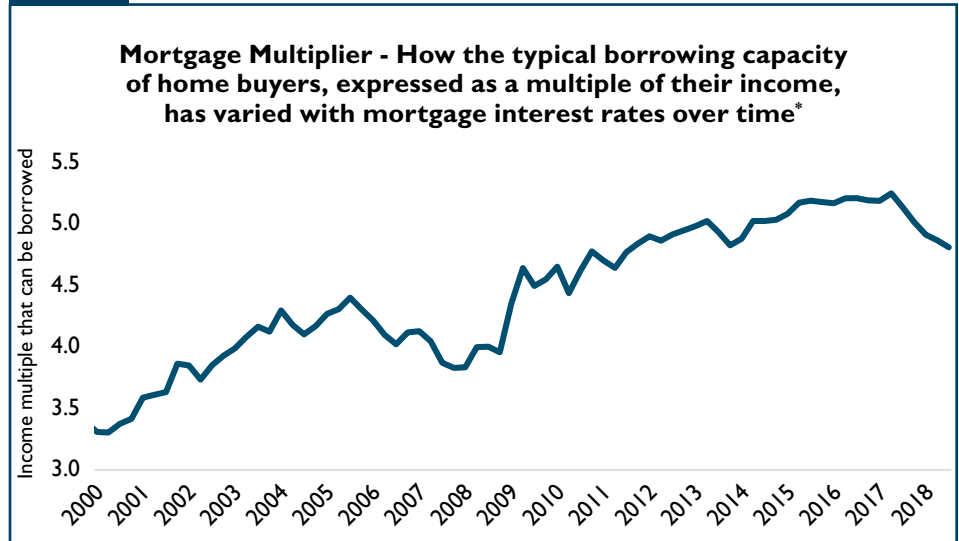
While existing home sales are expected to rebound in 2019 from the trough in 2018 in order to be more in line with the region's growing population, resales will remain below the levels seen in 2015-2017. Newly constructed homes coming onto the resale market will also lend some support to sales through the end of the forecast horizon.

New home construction expected to slow following record starts

With resale market home prices moving lower and a record number of new units currently under construction across the region, housing starts are expected to decline in the Vancouver CMA over the next two years. Completions of new units are expected to continue running ahead of household formation into 2019, necessitating a pullback in new construction as projected inventories of unsold units rise.

New condominium apartment developments may face longer sales periods over the forecast horizon as consumers have more options in a rising inventory environment. From a tenure perspective, new rental projects are expected to comprise a

| Figure 3 |

Mortgage Multiplier - How the typical borrowing capacity of home buyers, expressed as a multiple of their income, has varied with mortgage interest rates over time*

Source: Statistics Canada; Calculations by CMHC

* Borrowing capacity influences the housing market through changing the amount that home buyers have the ability to pay when shopping for a home. The chart visualizes the sensitivity of borrowing capacity to changes in mortgage interest rates. It depicts the size of the mortgage loan, expressed as a multiple of household income, that home buyers could typically borrow when purchasing a home at different points in time. For example, a value of 4 means that a household with a combined income of $100,000 per year would have access to a $400,000 mortgage loan. The calculation of typical borrowing capacity assumes a 32% Gross Debt Service ratio (GDS) and a 25-year amortization for the loan. The borrowing capacity has varied over time based on mortgage interest rates and the regulatory environment, but this visualization reflects the impact of changes in mortgage interest rates only.

| Figure 4 |

Vancouver CMA MLS® average price to moderate as interest rates rise over the forecast horizon
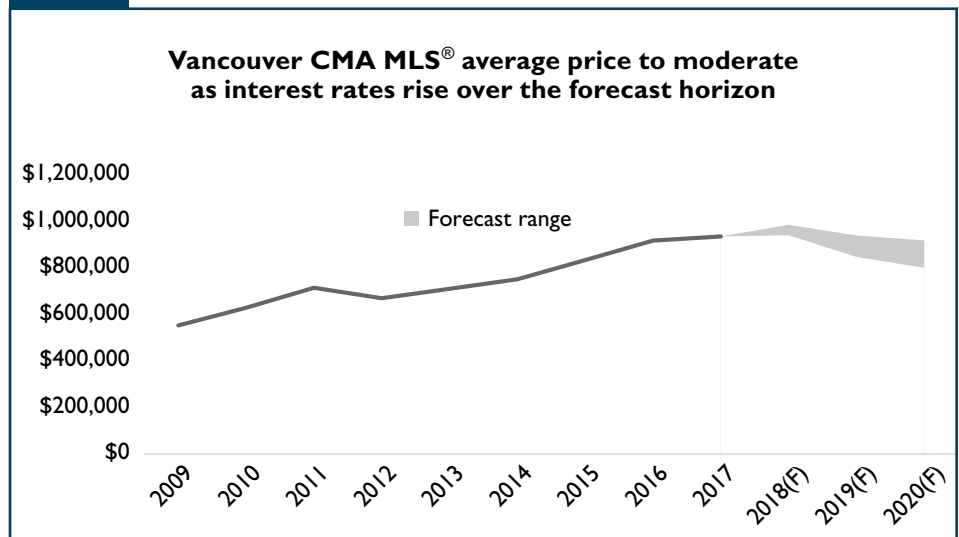
Source: REBGV, FVREB; CMHC; (F): Forecast

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[3] According to the 2016 Canadian Census results for the Vancouver CMA, 50% of home buyers of properties valued $2.5 million or more reported a household income of less than $75,000, including 20% of the total who reported an income of less than $25,000. This suggests that existing equity plays an important part in the purchase of homes at the higher end of the market.

greater share of the construction mix due to tight rental market conditions and a more favourable development environment in many municipalities in the region.

With the record pace of units under construction, the availability and costs[4] of materials and labour in the region could restrain the viability of some new developments. Given that there are a number of large infrastructure projects planned for the region, these constraints are expected to remain in the medium term even with lower residential construction.

In the Abbotsford-Mission CMA, the pace of new construction is expected to follow the trend for the overall region, with lower starts forecast as builders focus on completing existing projects following record starts in 2017.

Rental market demand to remain high

Rental demand is expected to remain high throughout the forecast period, resulting in continued low vacancy rates and rising rents across the region. Demand will be underpinned by positive net migration and sustained challenges with ownership housing affordability for many households despite lower home prices.

In September 2018, there were 7,819 rental apartments under construction in the Vancouver CMA, equal to 7.2% of the current rental universe. As these units complete over the next two years, the vacancy rate is expected to rise slightly; however, it will remain low in absolute terms, reflecting the strong demand for rental housing in the region. In the Abbotsford-Mission CMA, vacancy

rates are forecast to rise a bit quicker as fewer interprovincial migrants move to the area and new rental units are added to the stock.

With the rental market expected to remain tight across the region, average rents will continue increasing faster than inflation. The increasing share of new, typically more expensive, rental units in the market as well as rents for existing units rising to market levels with the turnover of long-term tenants will also contribute to higher average rent levels.

Victoria CMA

Starts will recede from record breaking pace

Housing starts are forecast to decline from a peak reached in 2017. Fundamental demand-side factors such as population growth, employment growth, and affordability indicate more modest levels of construction moving forward. In addition, the rate of price growth has retreated from recent double-digit, accelerating growth to annual appreciation in the single digits. With price growth moderating, it is expected that production on higher cost projects will also moderate.

There is upside risk and starts could end 2018 on the higher end of the forecast range if some projects move ahead earlier than expected, but the general trend over the forecast horizon is for annual starts to ease and be more consistent with the levels seen in 2016.

The inventory of new homes on the high end of the price spectrum has trended up from a low point and is relatively more abundant than one year ago. The relative affordability

of multi-family units appears to be driving low inventory in that segment, but as projects currently under construction complete, the inventory of homes will increase. The number of housing units under construction in Victoria's housing market this year is the highest seen in a generation, and is a risk to rapidly rising inventory levels if the large number of units under construction are not absorbed in a timely manner.

Resale market facing affordability headwinds

Sales, like starts, have adjusted downwards from a peak. Into 2018, sales declined considerably on weakening fundamentals. The declining trend in sales coincides with a slower pace of interprovincial migration and tighter credit market conditions, similar to other BC markets. With more modest population and employment growth over the forecast horizon, supports for higher sales are less likely. With rising mortgage rates and overvaluation detected by the Metro Victoria Housing Market Assessment, affordability for new buyers will also be a headwind for the market for resale homes.

While price growth in 2018 slowed, it remains above inflation and continues to outpace what would be expected given fundamental factors. Our outlook is for the pace of price growth to slow over the forecast horizon. Partially, this slowing in average price growth will come from a shift to more condo sales as opposed to single detached sales. It is likely that condo prices will continue to rise, albeit at a slower pace, until more supply is introduced into the market over the next two years. Available listings of single-detached

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[4] According to Statistics Canada's building construction price index, the cost of constructing a residential high-rise apartment building in the Vancouver CMA increased 16.6% between Q2 2016 and Q2 2018 (Table 18-10-0135-01).

properties have already trended back to a level that indicates that buyers have plenty of options, and this will moderate price growth of single-detached homes.

Rental vacancy rates will start to rise

The vacancy rate in Metro Victoria will start to migrate over the 1% mark. The primary driver of the increase will come from the introduction of new supply. Units already under construction will expand the universe of purpose built rental significantly. The rate of rental construction being experienced has not occurred in Metro Victoria since the late 1970's, and is a direct response to the fact that the vast majority of new households formed in Victoria are choosing to live in rental accommodation rather than own their own home[5].

Similar to the outlook in the Vancouver CMA, average rents in the Victoria CMA are expected to increase with the addition of newly built apartments, but also due to turnover. The average rent paid in Metro Victoria is currently well below the price paid by new entrants to the market. As older units turn over, their rents will be increased to reflect the new price level. As such, the average rent will increase, in part, as the lower end of the price distribution catches up to current market prices.
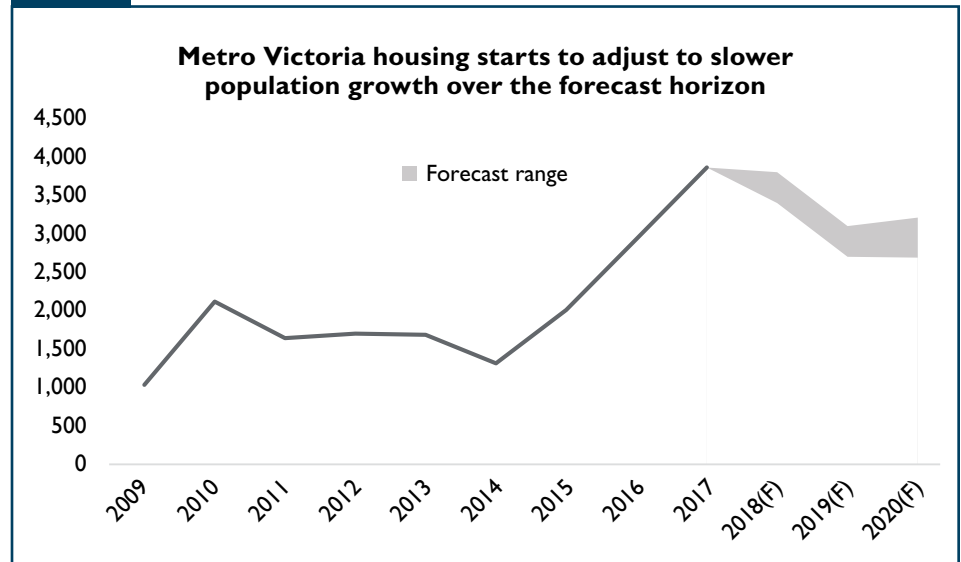
Source: CMHC; (F): Forecast

Kelowna CMA

Resale market activity slowing based on softening fundamentals

In the first eight months of 2018, MLS® sales activity was down 19% relative to the same period in 2017, representing a full 31% decline relative to the peak pace of sales seen in 2016. As a result of slowing demand, active listings on the market in any given month have been on the rise and, at the time of writing, inventory levels were at a similar level to those seen in 2014. This slowing in activity largely comes on the heels of key shifts in key housing market fundamentals including rising mortgage rates and slowing population growth driven by a decline in interprovincial migration into BC which began, in earnest, in the third quarter of 2017. Slowing interprovincial migration into the Kelowna area can be partially explained by a recovery in the pace of economic growth in the

Prairie Provinces, creating greater competition for labour and drawing individuals back to Alberta, in particular.

The combination of shifting fundamentals, slowing sales and rising inventories is anticipated to result in a flatter price growth profile over the forecast horizon as competition for individual units, regardless of the market segment, relaxes and market conditions become more balanced (see Figure 1). The Kelowna CMA is anticipated to maintain a slower pace of resale market activity more in line with the 2013-14 period with some recovery in the pace of sales anticipated in 2019 and 2020. Additional risks to resale market outlook include additional housing-related policy changes, faster than anticipated mortgage rate increases and stronger than anticipated economic growth in the Prairie Provinces.

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[5] Between the 2011 National Household Survey and the 2016 Census, the net increase in renter households was 7,385 and in owner households it was 1,975, this means roughly 80% of additional households formed in Metro Victoria were renters. Further, the net increase in ownership households was negative for households with primary maintainers under the age of 60.

New home construction anticipated to continue to moderate based on slowing population growth

Housing starts in the first eight months of 2018 were down 29%, relative to the same period in 2017, with declines seen in both the single-detached and multi-unit segments. As population growth slows and resale market inventory maintains at a higher level than the historic lows seen over the past two years, annual housing starts are also anticipated to moderate due to the rising level of supply in the new home and resale markets. However, demand for multi-unit options is anticipated to continue to remain fairly robust as price points for multi-unit options remain attractive to both young adults moving into homeownership as well as incoming retirees and downsizers.

Rental market anticipated to see some upward movement in the vacancy rate

The apartment vacancy rate in Kelowna is anticipated to increase gradually over the forecast horizon as population growth slows, new supply enters the market and young working age individuals enter homeownership, as price growth in the area slows. Multi-unit rental options will continue to see fairly robust demand as a larger proportion of individuals aged 25-34 years and 55 years and older choose rental, reflecting shifting preferences.

Figure 6

Kelowna housing starts forecast to moderate as population growth slows
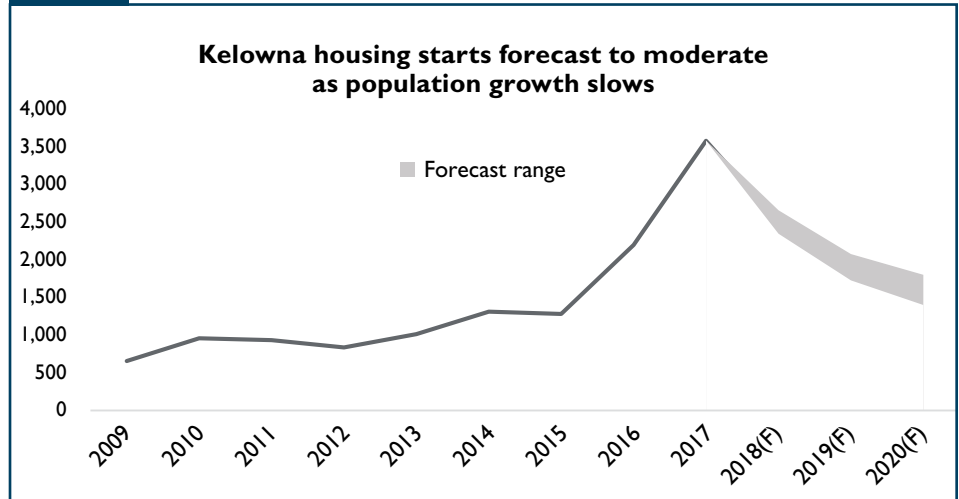
Source: CMHC; (F): Forecast

Forecast Summary British Columbia Fall 2018										
	2015	2016	2017	2018(F)		2019(F)		2020(F)		
				(L)	(H)	(L)	(H)	(L)	(H)	
New Home Market										
Starts:										
Single-Detached	10,152	12,278	12,346	9,700	10,500	9,800	10,800	9,500	10,900	
Multiples	21,294	29,565	31,318	29,300	30,900	24,800	26,800	22,500	24,900	
Starts - Total	31,446	41,843	43,664	38,500	41,500	34,000	38,000	31,500	36,500	
Resale Market										
MLS® Sales	102,511	112,211	103,759	76,600	83,400	79,100	87,900	81,500	92,500	
MLS® Average Price($)	636,620	691,120	709,597	683,100	749,900	681,800	756,200	675,400	758,600	
Economic Overview										
Mortgage Rate(5 year)(%)	4.67	4.66	4.78	5.00	5.60	5.40	6.20	5.50	6.50	

	2015	2016	2017	2018(F)	2019(F)	2020(F)
Rental Market						
October Vacancy Rate (%)	0.8	0.7	0.8	1.0	1.3	1.4
Two-bedroom Average Rent (October)($)	1,272	1,347	1,444	1,532	1,609	1,665
One-bedroom Average Rent (October)($)	1,030	1,103	1,168	1,240	1,301	1,349
Economic Overview						
Population	4,715,872	4,778,963	4,841,078	4,885,709	4,944,239	5,000,194
Annual Employment Level	2,306,200	2,379,500	2,466,800	2,479,400	2,501,500	2,525,800
Net Migration	35,204	56,204	59,792	46,132	46,270	46,300
Average Weekly Earnings ($)	914	921	936	987	1,011	1,042

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

Rental Market: Corresponds to universe of privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll-up of the Census Metropolitan Area (CMA) historical data and forecasts from each province.

The forecasts (F) included in this document are based on information available as of 5th October 2018. (L)= Low end of Range.(H)= High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey - Market Absorption Survey - Rental Market Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2018-2020).

Forecast Summary Vancouver CMA Fall 2018										
	2015	2016	2017	2018(F)		2019(F)		2020(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	4,622	5,169	4,911	4,400	4,600	4,000	4,400	4,000	4,400
Multiples	16,241	22,745	21,293	18,800	20,400	15,700	17,500	12,900	14,900
Starts - Total	20,863	27,914	26,204	23,300	24,900	19,800	21,800	17,000	19,200
Resale Market									
MLS® Sales	56,493	53,961	50,033	35,500	37,400	40,400	43,700	40,200	44,700
MLS® Average Price($)	833,152	917,162	934,977	940,000	985,000	847,000	939,000	800,000	918,000
Economic Overview									
Mortgage Rate(5 year)(%)	4.67	4.66	4.78	5.00	5.60	5.40	6.20	5.50	6.50

	2015	2016	2017	2018(F)	2019(F)	2020(F)
Rental Market						
October Vacancy Rate (%)	0.8	0.7	0.9	1.1	1.3	1.3
Two-bedroom Average Rent (October)($)	1,368	1,450	1,552	1,645	1,720	1,770
One-bedroom Average Rent (October)($)	1,079	1,159	1,223	1,295	1,355	1,400
Economic Overview						
Population	2,509,942	2,542,278	2,571,262	2,606,458	2,642,041	2,677,595
Annual Employment Level	1,298,500	1,359,200	1,400,900	1,416,300	1,419,100	1,441,800

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This table presents resale data and forecasts for the entire Vancouver CMA, which is a combination of submarkets from both the Real Estate Board of Greater Vancouver (REBGV) and the Fraser Valley Real Estate Board (FVREB). Previous editions of CMHC's Housing Market Outlook covered the territory of the REBGV only.

Rental Market: Privately initiated rental apartment structures of three units and over.

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Forecast Summary Abbotsford-Mission CMA Fall 2018										
	2015	2016	2017	2018(F)		2019(F)		2020(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market										
Starts:										
Single-Detached	393	469	416	330	380	350	400	340	400
Multiples	413	667	1,294	460	550	400	490	380	500
Starts - Total	806	1,136	1,710	810	910	760	880	750	870
Resale Market										
MLS® Sales	3,482	4,707	4,181	2,800	3,000	2,500	2,700	2,600	3,000
MLS® Average Price($)	379,916	468,388	519,096	576,000	594,000	558,000	581,000	552,000	582,000
Economic Overview										
Mortgage Rate(5 year)(%)	4.67	4.66	4.78	5.00	5.60	5.40	6.20	5.50	6.50

	2015	2016	2017	2018(F)	2019(F)	2020(F)
Rental Market						
October Vacancy Rate (%)	0.8	0.5	0.2	0.4	0.8	1.5
Two-bedroom Average Rent (October)($)	864	915	934	970	1,005	1,040
One-bedroom Average Rent (October)($)	712	744	765	795	815	840
Economic Overview						
Population	184,021	188,419	190,714	194,150	196,825	199,400
Annual Employment Level	91,100	91,100	93,400	95,100	96,400	97,800

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Rental Market: Privately initiated rental apartment structures of three units and over.

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Source: CMHC (Starts and Completions Survey - Market Absorption Survey - Rental Market Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2018-2020).

Forecast Summary Victoria CMA Fall 2018									
	2015	2016	2017	2018(F)		2019(F)		2020(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	687	910	896	780	860	730	810	660	750
Multiples	1,321	2,023	2,966	2,620	2,940	1,970	2,290	2,030	2,460
Starts - Total	2,008	2,933	3,862	3,400	3,800	2,700	3,100	2,690	3,210
Resale Market									
MLS® Sales	7,868	10,028	8,464	6,500	6,700	6,200	6,600	6,300	6,700
MLS® Average Price($)	521,616	585,745	652,928	693,900	703,300	706,500	718,800	710,000	722,400
Economic Overview									
Mortgage Rate(5 year)(%)	4.67	4.66	4.78	5.00	5.60	5.40	6.20	5.50	6.50

	2015	2016	2017	2018(F)	2019(F)	2020(F)
Rental Market						
October Vacancy Rate (%)	0.6	0.5	0.7	1.0	1.5	1.8
Two-bedroom Average Rent (October)($)	1,128	1,188	1,288	1,385	1,490	1,580
One-bedroom Average Rent (October)($)	867	912	988	1,065	1,145	1,215
Economic Overview						
Population	366,852	372,795	377,414	380,860	384,860	389,020
Annual Employment Level	178,100	184,300	192,200	196,500	198,000	200,000

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Rental Market: Privately initiated rental apartment structures of three units and over.

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Source: CMHC (Starts and Completions Survey - Market Absorption Survey - Rental Market Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2018-2020).

Forecast Summary Kelowna CMA Fall 2018									
	2015	2016	2017	2018(F)		2019(F)		2020(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	628	785	923	705	795	650	810	590	810
Multiples	652	1,411	2,654	1,585	1,915	1,000	1,340	725	1,075
Starts - Total	1,280	2,196	3,577	2,345	2,655	1,725	2,075	1,400	1,800
Resale Market									
MLS® Sales	5,378	6,693	5,836	4,510	4,790	4,335	4,965	4,265	5,235
MLS® Average Price($)	435,261	494,886	541,374	575,500	584,500	571,000	589,000	566,400	593,600
Economic Overview									
Mortgage Rate(5 year)(%)	4.67	4.66	4.78	5.00	5.60	5.40	6.20	5.50	6.50

	2015	2016	2017	2018(F)	2019(F)	2020(F)
Rental Market						
October Vacancy Rate (%)	0.7	0.6	0.2	0.5	1.2	1.6
Two-bedroom Average Rent (October)($)	1,002	1,066	1,151	1,210	1,250	1,280
One-bedroom Average Rent (October)($)	799	864	937	990	1,015	1,040
Economic Overview						
Population	195,305	199,494	202,208	205,100	208,400	211,800
Annual Employment Level	92,000	90,900	100,200	103,000	105,000	106,100

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Methodology for forecast ranges

This edition of *Housing Market Outlook* incorporates forecast ranges for housing variables. However, all analyses and forecasts of market conditions continue to be conducted using the full range of quantitative and qualitative tools currently available.

The range provides a relatively precise guidance to readers on the outlook while recognizing the small random components of the relationship between the housing market and its drivers. The range is based on the coefficient of variation* of historical data and on past

forecast accuracy. It provides precision and direction for forecasts of housing variables,

given a specific set of assumptions for the market conditions and underlying economic fundamentals.

Legend: Forecast Range

x-axis: 2012 2013 2014 2015 2016 2017 2018(F) 2019(F) 2020(F)
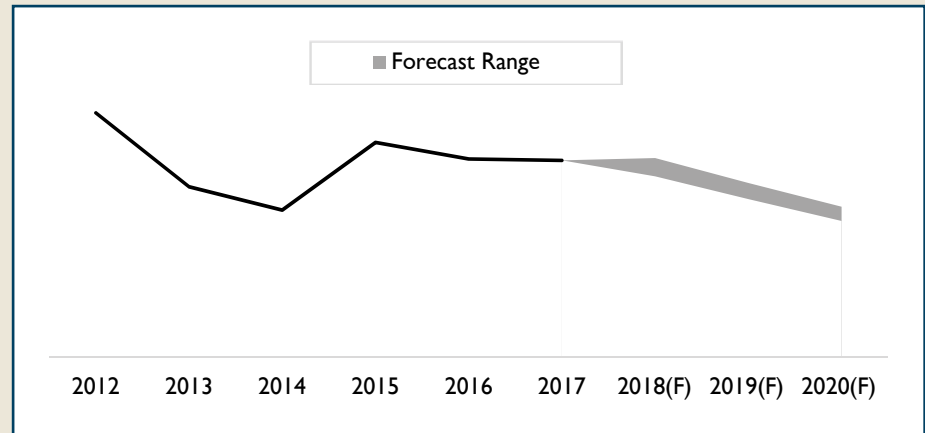
* The coefficient of variation in this case is the standard deviation divided by the mean of that series. A higher coefficient of variation would produce wider ranges due to the higher volatility of the data, while a lower coefficient of variation would produce tighter ranges.

DEFINITIONS AND METHODOLOGY

New Home Market

Historical home starts numbers are collected through CMHC's monthly **Starts and Completions Survey**. Building permits are used to determine construction sites and visits confirm construction stages. A **start** is defined as the beginning of construction on a building, usually when the concrete has been poured for the whole of the structure's footing, or an equivalent stage where a basement will not be part of the structure.

Dwelling Types

Single-Detached Start:
The start of a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure.

Semi-Detached Start:
The start of each of the dwellings in a building containing two dwellings located side-by-side, adjoining no other structure and separated by a common or party wall extending from ground to roof.

Row (or Townhouse) Start:
Refers to the commencement of construction on a dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

Apartment and other Starts:
Refers to the commencement of construction on all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

Intended Market

Freehold Start:
Refers to the commencement of construction of a residence where the owner owns the dwelling and lot outright.

Condominium (including Strata-Titled) Start:
Refers to the commencement of construction of an individual dwelling which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

Rental Start:
Refers to the commencement of construction of a dwelling constructed for rental purposes regardless of who finances the structure.

Average and Median Single Detached Home Prices:
Are estimated using CMHC's **Market Absorption Survey**, which collects home prices at absorption and measures the rate at which units are sold or rented after they are completed. Dwellings are enumerated each month after a structure is completed until full absorption occurs. The term "**absorbed**" means that a housing unit is no longer on the market as it has been sold or rented.

New Home Price Indexes:
Changes in the New Home Price Indexes are estimated using annual averages of Statistics Canada's monthly values for New Housing Price Indexes (NHPI).

Resale Market

Historical resale market data in the summary tables of the Housing Market Outlook Reports refers to residential transactions through the Multiple Listings Services (MLS®) as reported by The Canadian Real Estate Association (CREA). In Quebec, this data is obtained by the Centris® listing system via the Quebec Federation of Real Estate Boards.

MLS® (Centris® in the province of Quebec) Sales:
Refers to the total number of sales made through the Multiple Listings Services in a particular year.

MLS® (Centris® in the province of Quebec) Average Price:
Refers to the average annual price of residential transactions through the Multiple Listings Services.

Rental Market

Rental Market vacancy rates and two bedroom rents information is from Canada Mortgage and Housing Corporation's (CMHC's) October **Rental Market Survey** (RMS). Conducted on a sample basis in all urban areas with populations of 10,000 and more, the RMS targets privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey obtains information from owners, managers, or building superintendents through a combination of telephone interviews and site visits.

Vacancy Rate:
The vacancy rate refers to the average vacancy rate of all apartment bedroom types. A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Two Bedroom Rent:
The rent refers to the average of the actual amount tenants pay for two bedroom apartment units. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water.

Economic Overview

Labour Force variables include the Annual Employment Level, Employment Growth, Unemployment Rate.
Source: Statistics Canada's Labour Force Survey.

Net Migration:
Sum of net interprovincial (between provinces), net intra-provincial (within provinces), net international (immigration less emigration), returning Canadians and temporary (non-permanent) residents as provided to the CANSIM database by Statistics Canada's Demography Division. Sources of inter-provincial and intra-provincial migration data include a comparison of addresses from individual income tax returns for two consecutive years from Canada Revenue Agency (CRA) taxation records. The migration estimates are modelled, with the tax file results weighted to represent the whole population.

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- Rental Market Reports, Canada and Provincial Highlights
- Rental Market Reports, Major Centres
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