

Economics

HOUSING FORECAST



April 2025

Economic Outlook

Vancouver Island-Coast

Lower Mainland

Thompson-Okanagan

Northern BC

Kootenay





Economic Outlook

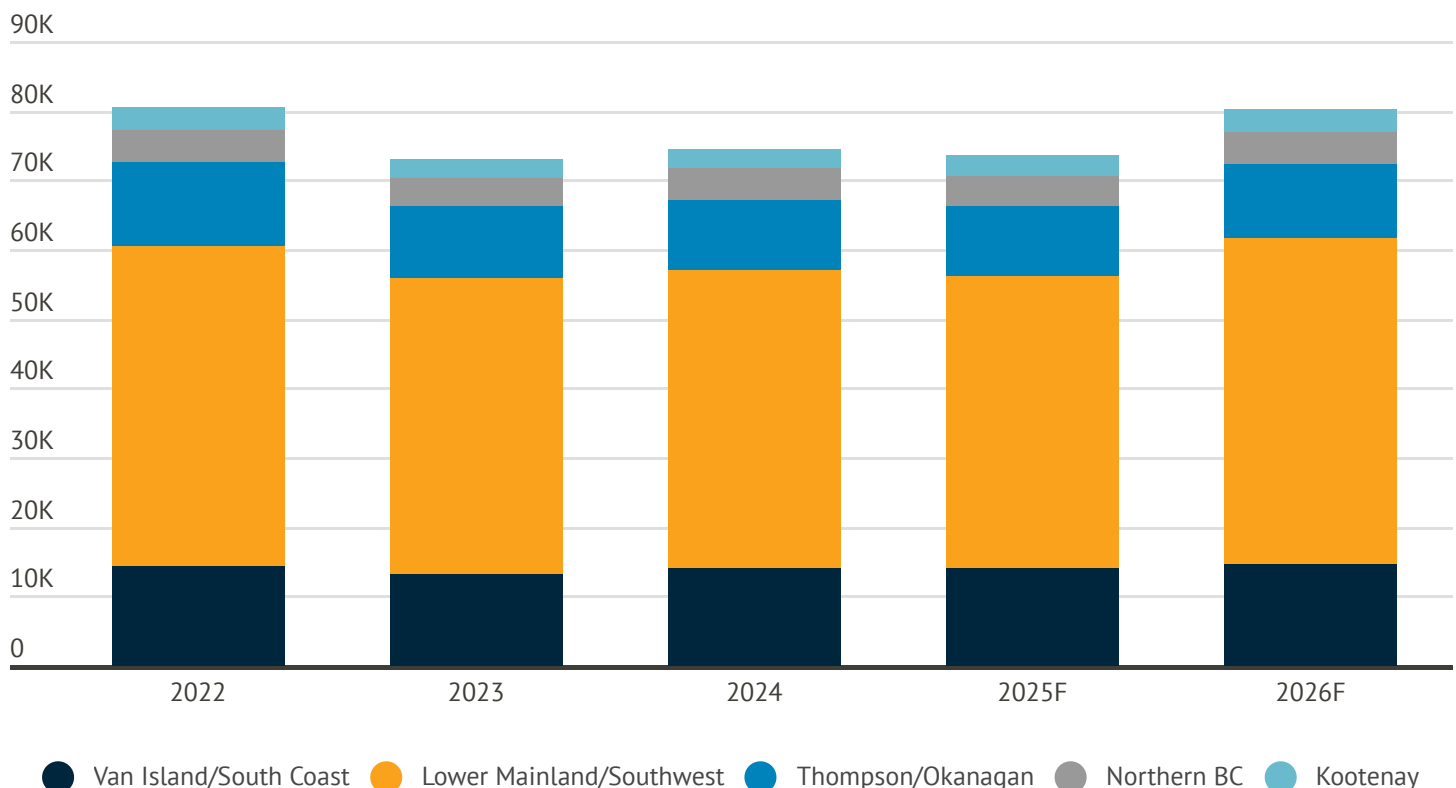
Hopes for a return to normalcy in the BC housing market were swiftly dashed this year, upended by a pointless and mutually destructive trade war. Home sales across the province had been on an upward trajectory since October of 2024, but uncertainty about the direction of the economy caused by the threat of sweeping tariffs on Canadian exports to the United States has pushed many buyers back to the sidelines. After a strong start in January, home sales ended the first quarter at a 68,000-unit annual pace, or 20 per cent below the long-run average.

Weakening home sales are occurring even as interest rates fall. The Bank of Canada has lowered its overnight rate from 5 per cent to 2.75 per cent in the past year while the average five-year fixed mortgage rate has fallen below 4.5 per cent from a peak of over 6 per cent at the end of 2023. That improvement in the rate environment was starting to provide a jolt to home sales prior to the swirling uncertainty, but now the outlook for rates is much more uncertain given the Bank of Canada's concerns over the possible inflationary impact of a trade war with the US.

Those concerns somewhat constrain the Bank's ability to lower rates further, even in the face of a weakening economy. Moreover, increased selling of US dollar assets is pushing US government bond yields higher, which is also putting some upward pressure on Canadian interest rates. The five-year bond yield, while volatile, has been on an uptrend that, if sustained, could lead to slightly higher five-year fixed mortgage rates.

While the BC economy is somewhat more insulated from the US compared to other provinces, our other major trading partners have also been hit with significant tariffs, which will slow demand in those countries. In particular, a trade war between BC's two largest trading partners – the US and China – will dramatically slow global growth and reduce demand for BC exports. Taking this broader trade war into account, the BC economy may face a very challenging environment over the next year, and the impact could reduce growth in BC to near zero with a significant risk of recession.

MLS® Home Sales *British Columbia*



Source: BCREA Economics



Economic Outlook (Cont'd)

Given strong demographic trends, falling interest rates, and two years of below-average sales, there is substantial pent-up demand in the market. However, it is clear that buyers will need some certainty on the economic front before feeling confident to move off the sidelines. When that happens, we anticipate a 25 per cent increase in sales activity from the current level. The trouble is determining when the cloud of uncertainty might lift and what state the economy will be in at that time. We anticipate that sales will trend roughly at a 70,000-unit annual pace this year with some pick-up into next year as we gain certainty on trade policy and its impacts.

With slower sales, provincial resale inventory is likely to average above 40,000 listings for the first time in over a decade, in addition to an inventory of unsold new units that is also at a decade high. As a result, we expect average prices in some regions and market segments to face some downward pressure. Overall, however, we forecast largely flat average prices as sellers wait out the current environment.

Sales Recovery Upended

BC MLS® Home Sales (Seasonally Adjusted)

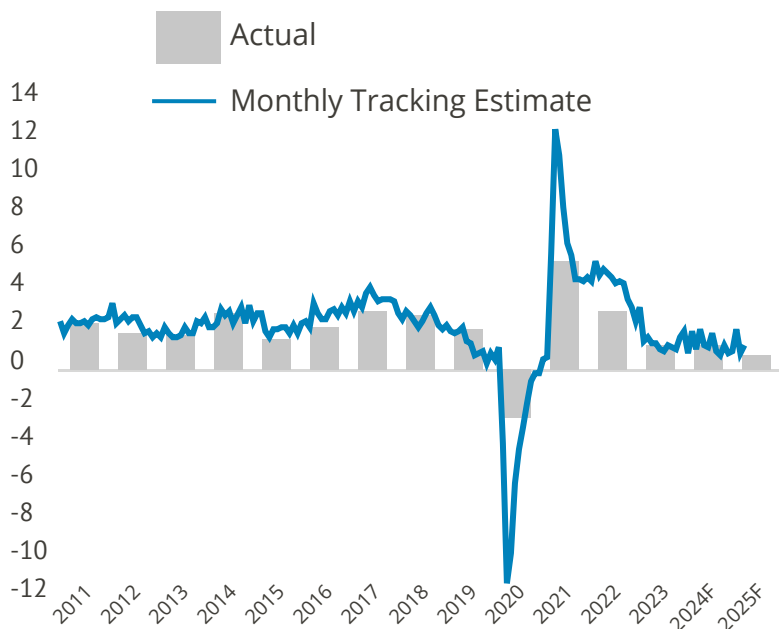


Source: BCREA Economics

BCREA Nowcast

British Columbia

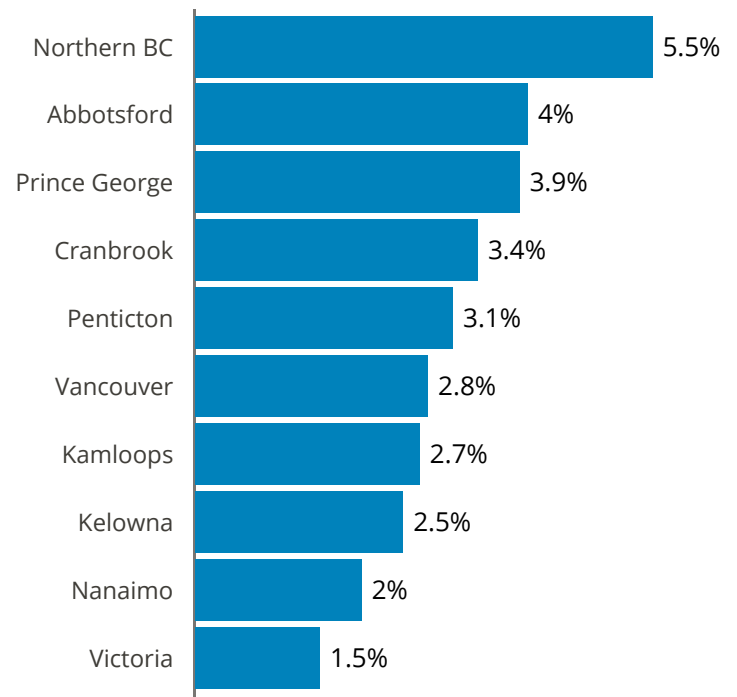
% Year-Over-Year Real GDP Growth



Source: BCREA Economics

Regional Exposure to Tariffs

Share of Workforce Exposed to US Trade



Source: BCREA Economics



BC Economic Outlook

	2021	2022	2023	2024	2025F	2026F
Real GDP Growth (%)	7.1	3.5	1.6	1.5	0.9	2
Employment Growth (%)	6.2	3.1	1.6	1.8	0.8	1.4
Unemployment Rate (%)	6.5	4.6	5.2	5.8	6.5	6.8
Household Disposable Income Growth (%)	3.9	5.3	4.5	4	3.5	4
Weekly Wage Growth (%)	2.4	4.8	6.2	5.8	1.8	2
Retail Sales Growth (%)	12.6	3.1	-0.1	0.2	2.5	3

BC Housing Outlook

	2021	2022	2023	2024	2025F	2026F
MLS® Unit Sales	124,671	80,350	72,935	74,479	73,650	80,150
% change	32.6	-33.1	-9.2	2.1	-1.1	8.8
MLS® Average Price (\$)	927,868	998,023	971,683	981,871	972,800	1,004,000
% change	18.7	7.6	-2.6	1	-0.9	3.2
MLS® Dollar Volume (\$billions)	114.95	80.19	70.87	73.00	71.61	80.36
% change	57.3	-30.2	-11.6	3	-1.9	12.2
Housing Starts	47,607	46,721	50,490	45,828	39,000	42,000
% change	26.2	-1.9	8.1	-9.2	-14.9	7.7
Single	11,025	9,906	6,965	5,550	5,000	5,500
% change	29.4	-10.1	-29.7	-20.3	-9.9	10
Multiple	36,682	36,815	43,525	40,278	34,000	36,500
% change	25.2	0.6	18.2	-7.5	-15.6	7.4
Average Five-Year Fixed Mortgage Rate (%)	2.2	4.5	5.6	5	4.5	4.5

Source: Statistics Canada; RateHub; BCREA Economics



Vancouver Island-Coast

(Vancouver Island Real Estate Board / Victoria Real Estate Board / Powell River and Sunshine Coast Real Estate Board)

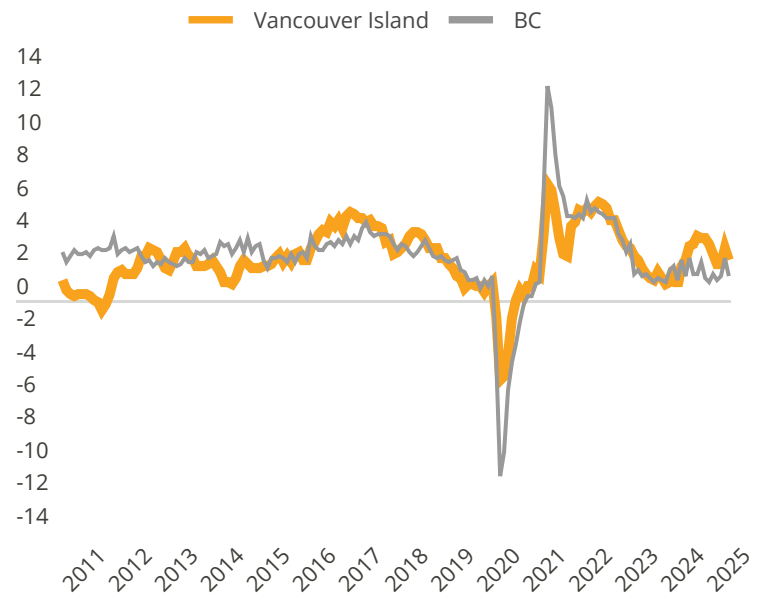
The Vancouver Island-Coast region began 2025 at a pace of sales slightly higher than the same time last year but still below the ten-year average. Additionally, the trajectory of sales across the Island since February paints a dimmer picture for the housing market, as uncertainty forces some prospective buyers to the sidelines.

Unfortunately, while US tariffs remain in place, we expect both economic and housing activity to struggle in 2025. We forecast unit sales to rise by 1.8 per cent in Victoria and 7.6 per cent in Powell River, while falling by 3.8 per cent in the Vancouver Island Real Estate Board area. Behind a smoother economic environment in 2026, we estimate a 4.5 per cent increase in sales in Victoria, a 5.7 per cent jump in the Vancouver Island board area, and a 7.7 per cent rise in Powell River.

Home prices are expected to remain relatively flat this year as markets continue to accumulate inventory. The average MLS® price is forecast to rise by 1.7 per cent in Victoria, 0.4 per cent in the Vancouver Island board region, and 1 per cent in Powell River. With a more stable economic landscape, we expect prices to rise by 2.2 per cent in Victoria, 3.6 per cent in the Vancouver Island board area, and 0.3 per cent in Powell River in 2026 as demand recovers.

BCREA Nowcast

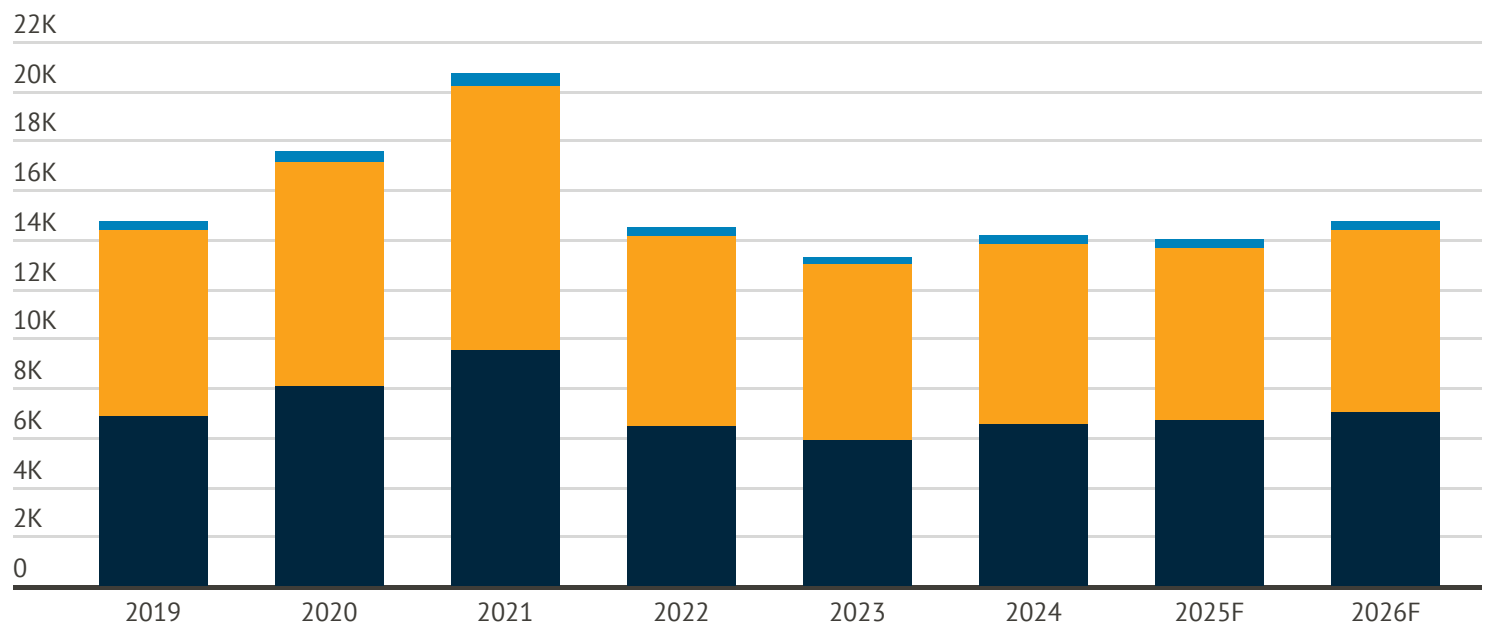
% Year-Over-Year Real GDP Growth



Source: BCREA Economics

MLS® Home Sales

Vancouver Island-Coast



Source: BCREA Economics

Victoria Vancouver Island Powell River



Vancouver Island-Coast

MLS® Unit Sales	2024	%	2025F	%	2026F	%
Victoria Real Estate Board	6,582	10.9	6,700	1.8	7,000	4.5
Single Detached	3,145	13.4	3,150	0.2	3,350	6.3
Apartment	2,186	6.3	2,150	-1.6	2,350	9.3
Townhouse	866	16.9	825	-4.7	900	9.1
Vancouver Island Real Estate Board	7,280	2.3	7,000	-3.8	7,400	5.7
Single Detached	4,407	0.1	4,300	-2.4	4,500	4.7
Apartment	860	-1	850	-1.2	900	5.9
Attached	1,158	10.8	1,100	-5	1,150	4.5
Powell River Sunshine Coast Real Estate Board	302	18	325	7.6	350	7.7
Single Detached	238	22.7	250	5	270	8
MLS® Average Price (\$)	2024	%	2025F	%	2026F	%
Victoria Real Estate Board	973,702	-0.9	990,000	1.7	1,011,700	2.2
Single Detached	1,296,593	-1.9	1,295,100	-0.1	1,317,900	1.8
Apartment	599,560	-4.7	611,500	2	641,800	5
Townhouse	803,707	0	831,500	3.5	862,200	3.7
Vancouver Island Real Estate Board	733,932	2.4	737,000	0.4	763,900	3.6
Single Detached	894,375	2.7	886,900	-0.8	905,800	2.1
Apartment	429,790	5.1	432,800	0.7	450,900	4.2
Attached	594,521	1.4	596,500	0.3	615,500	3.2
Powell River Sunshine Coast Real Estate Board	606,743	-4.1	613,000	1	615,000	0.3
Single Detached	676,074	-6.5	683,000	1	685,000	0.3



Lower Mainland

(Greater Vancouver REALTORS® / Fraser Valley Real Estate Board / Chilliwack and District Real Estate Board)

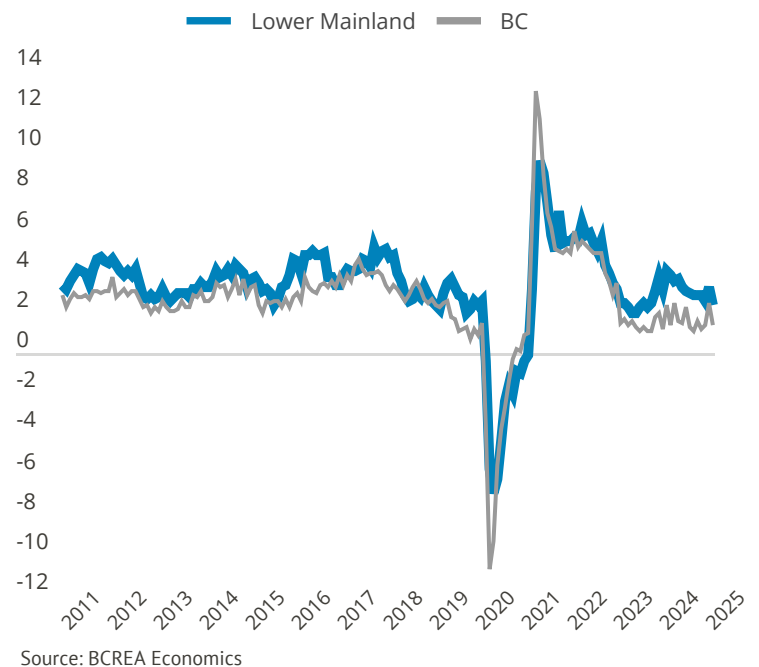
The fallout from economic uncertainty due to the threat of a global trade war has weighed most heavily on sales activity in the Lower Mainland. This reflects a broader issue of deteriorating affordability in Greater Vancouver and the Fraser Valley, which is exacerbated by a weaker economic outlook.

Through the first quarter of 2025, home sales in the Greater Vancouver and Fraser Valley regions are about 7 per cent and 23 per cent below the already weak sales observed at the start of 2024. Overall, sales are forecasted to fall this year by 1.6 per cent in Greater Vancouver and 2.4 per cent in the Fraser Valley, while rising by 1.7 per cent in Chilliwack. That said, we expect a strong rebound in 2026, with sales growing by 13.5 per cent in Greater Vancouver, 7.4 per cent in the Fraser Valley, and 10.7 per cent in Chilliwack.

As of March, active listings in Greater Vancouver and the Fraser Valley were 37.9 per cent and 53.5 per cent higher than the same time the previous year, respectively. Coupled with disproportionately weak demand, we expect prices to be down 0.5 to 2 per cent on average in both markets, with prices remaining mostly flat in Chilliwack. In 2026, we forecast price growth of 1.7 per cent in Greater Vancouver and Chilliwack, with higher growth of 3.6 per cent in the Fraser Valley.

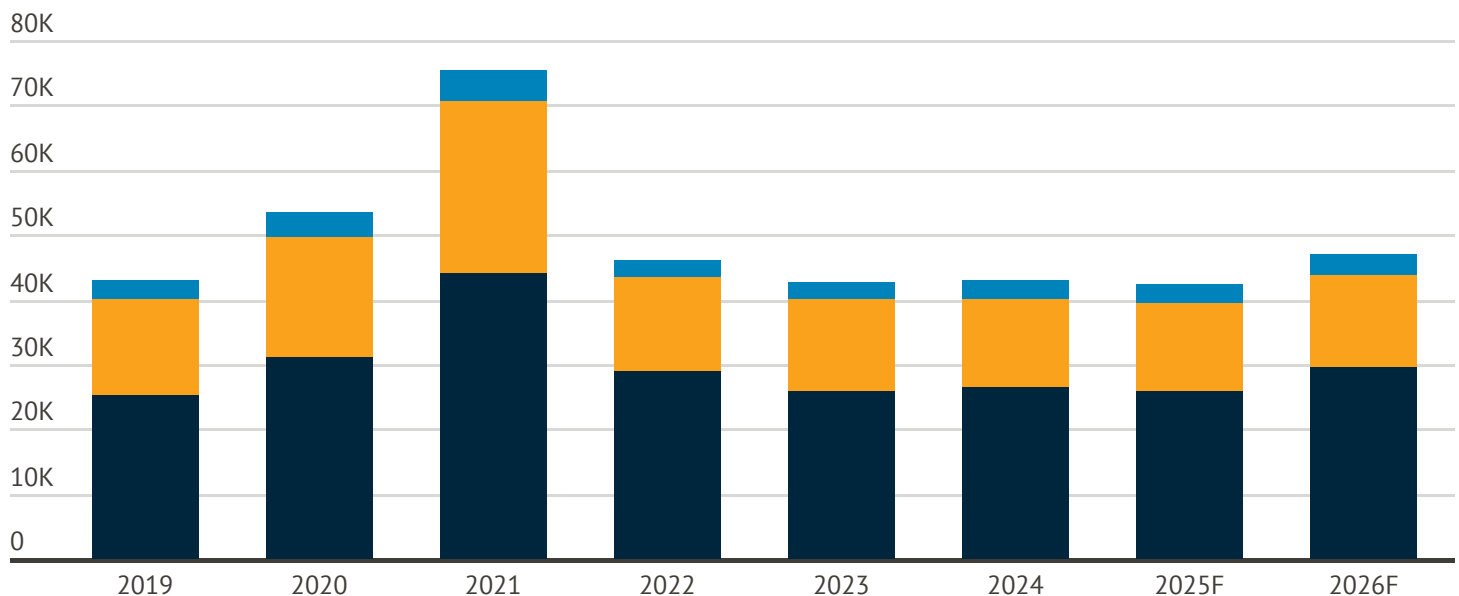
BCREA Nowcast

% Year-Over-Year Real GDP Growth



MLS® Home Sales

Lower Mainland



Source: BCREA Economics

Greater Vancouver Fraser Valley Chilliwack



Lower Mainland

MLS® Unit Sales	2024	%	2025F	%	2026F	%
Greater Vancouver REALTORS®	26,419	1.3	26,000	-1.6	29,500	13.5
Single Detached	7,408	-0.2	7,100	-4.2	7,900	11.3
Apartment	13,570	-0.9	13,700	1	16,000	16.8
Townhouse	5,235	8.8	4,950	-5.4	5,200	5.1
Fraser Valley Real Estate Board	13,832	-0.9	13,500	-2.4	14,500	7.4
Single Detached	5,198	1.2	4,800	-7.7	5,300	10.4
Apartment	4,484	-3.5	4,300	-4.1	4,500	4.7
Attached	3,883	0.4	4,100	5.6	4,400	7.3
Chilliwack and District Real Estate Board	2,754	6.4	2,800	1.7	3,100	10.7
Single Detached	1,452	4.2	1,500	3.3	1,550	3.3
Apartment	489	13.2	450	-8	500	11.1
Attached	681	8.1	750	10.1	800	6.7
MLS® Average Price (\$)	2024	%	2025F	%	2026F	%
Greater Vancouver REALTORS®	1,291,773	1.2	1,265,000	-2.1	1,286,700	1.7
Single Detached	2,199,182	0.4	2,152,600	-2.1	2,180,000	1.3
Apartment	814,406	1.3	814,300	0	833,100	2.3
Townhouse	1,259,729	2.8	1,257,300	-0.2	1,262,700	0.4
Fraser Valley Real Estate Board	1,038,736	2.2	1,032,400	-0.6	1,070,000	3.6
Single Detached	1,611,152	0.5	1,587,200	-1.5	1,642,800	3.5
Apartment	558,676	2.3	559,500	0.1	550,500	-1.6
Attached	867,417	2.2	868,800	0.2	857,400	-1.3
Chilliwack and District Real Estate Board	768,443	3.3	772,000	0.5	785,000	1.7
Single Detached	979,190	2.9	932,000	-4.8	961,300	3.1
Apartment	420,105	6.6	390,000	-7.2	416,400	6.8
Attached	643,382	5.4	620,000	-3.6	625,000	0.8



Thompson-Okanagan

(Association of Interior REALTORS®)

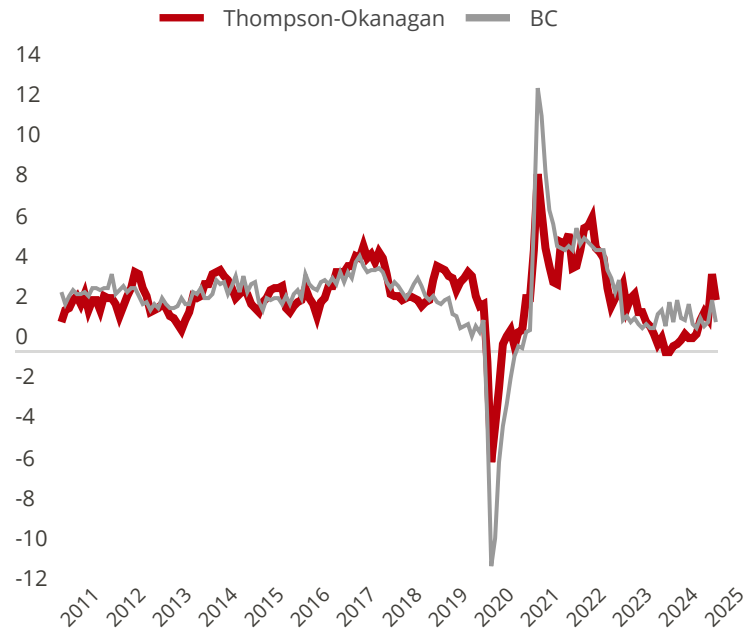
A rebound in local economic activity has driven the Thompson-Okanagan housing market onto more solid footing to start 2025. Indeed, the improving regional economy is partially reflected in housing activity, where year-to-date unit sales are 9.1 per cent above the same time last year in the Okanagan. However, sales are still 4.4 per cent lower than the first quarter of 2024 in Kamloops.

Much like the rest of the province, regional sales are expected to be hampered by broader economic issues moving forward. Therefore, sales are forecast to fall 3.7 per cent this year in the Okanagan, while Kamloops is expected to see a 2 per cent bump in unit sales thanks to better affordability. We expect pent-up demand to enter markets in 2026 with clearer direction on both trade and monetary policy. Consequently, home sales are projected to rise 6.7 per cent in the Okanagan and 8.3 per cent in Kamloops for 2026.

Slower market activity over the past two years has led to a dramatic increase in regional inventory, with active listings climbing towards their highest level in a decade. As activity continues to struggle in 2025, we expect modest price growth of 1.4 per cent in the Okanagan and 0.5 per cent in Kamloops, before stronger market dynamics contribute to a 2.6 per cent jump in prices across the region in 2026.

BCREA Nowcast

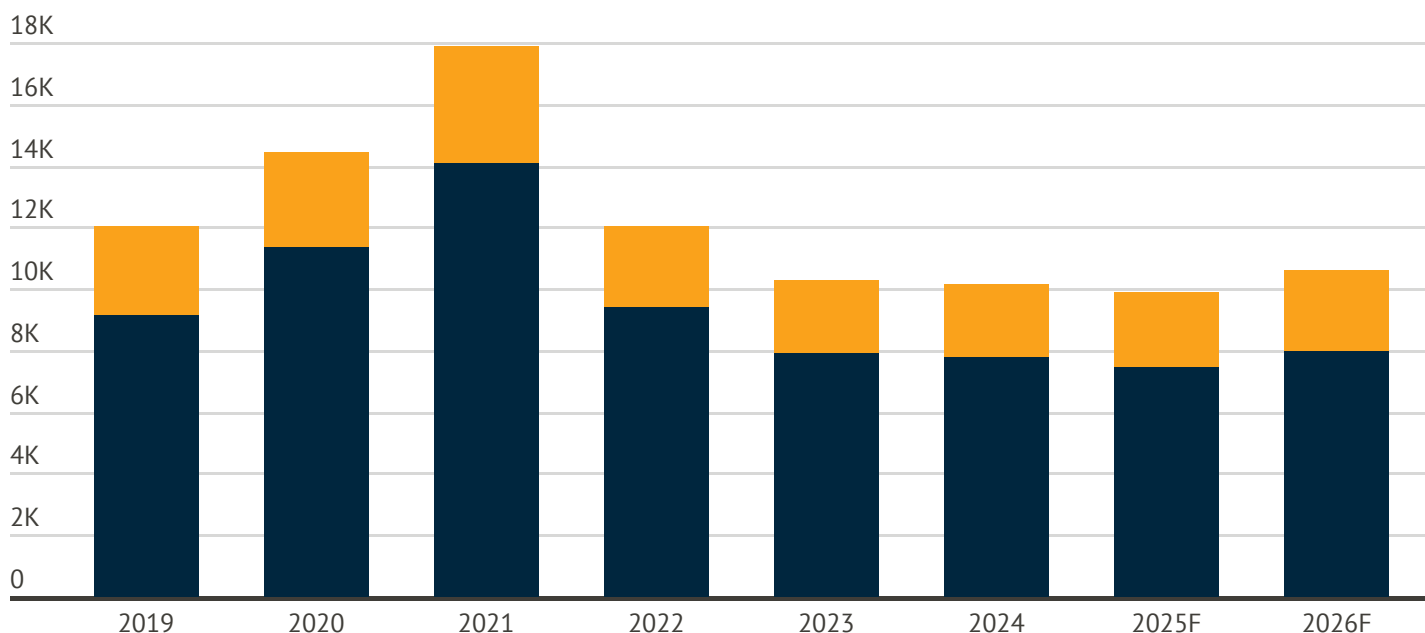
% Year-Over-Year Real GDP Growth



Source: BCREA Economics

MLS® Home Sales

Thompson-Okanagan



Source: BCREA Economics

■ Okanagan ■ Kamloops



Thompson-Okanagan

MLS® Unit Sales	2024	%	2025F	%	2026F	%
Okanagan ¹	7,792	-1.3	7,500	-3.7	8,000	6.7
Single Detached	4,108	-0.9	4,100	-0.2	4,200	2.4
Apartment	1,622	-4.5	1,600	-1.4	1,750	9.4
Townhouse	1,410	4.8	1,300	-7.8	1,450	11.5
Kamloops ¹	2,354	-1.3	2,400	2	2,600	8.3
Single Detached	1,407	1.4	1,400	-0.5	1,500	7.1
Apartment	293	-7.9	300	2.4	350	16.7
Attached	444	-5.9	450	1.4	500	11.1

MLS® Average Price (\$)	2024	%	2025F	%	2026F	%
Okanagan ¹	744,809	-1	755,000	1.4	775,000	2.6
Single Detached	964,791	-1.8	976,100	1.2	1,000,000	2.4
Apartment	454,823	-3	472,700	3.9	492,200	4.1
Townhouse	631,492	0.7	649,000	2.8	682,000	5.1
Kamloops ¹	608,717	3.1	612,000	0.5	628,000	2.6
Single Detached	722,912	2.3	724,800	0.3	740,000	2.1
Apartment	373,578	-2.3	388,400	4	393,900	1.4
Attached	547,816	3.2	560,300	2.3	576,100	2.8

1. The Okanagan Mainline Real Estate Board (OMREB) amalgamated with the South Okanagan Real Estate Board (SOREB) on January 1, 2021, to form the Association of Interior REALTORS®. In February 2022, the Association merged with the Kootenay and Kamloops real estate boards.



Northern BC

(BC Northern Real Estate Board / South Peace River)

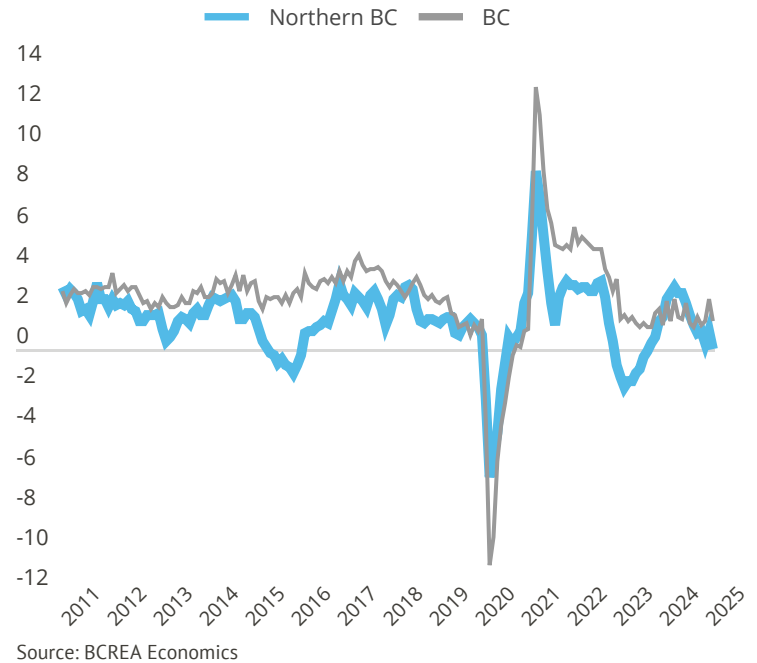
After a strong economic rebound in the first half of 2024, year-over-year GDP growth in the North has once again cooled to start 2025. This is largely driven by weaker employment trends in the construction, manufacturing, and wholesale / retail sectors, each of which are uniquely vulnerable as tariffs threaten the Northern economy.

Despite experiencing downturns in the labour market and broader economy, the housing markets of Northern BC have been remarkably resilient. During the first quarter of 2025, the North boasted year-to-date unit sales 10.4 per cent higher than the same time last year. While Northern BC has experienced strong price growth in recent years, it remains one of the more affordable regions in the province. This affordability is clearly helping to sustain market activity even in the face of an uncertain outlook.

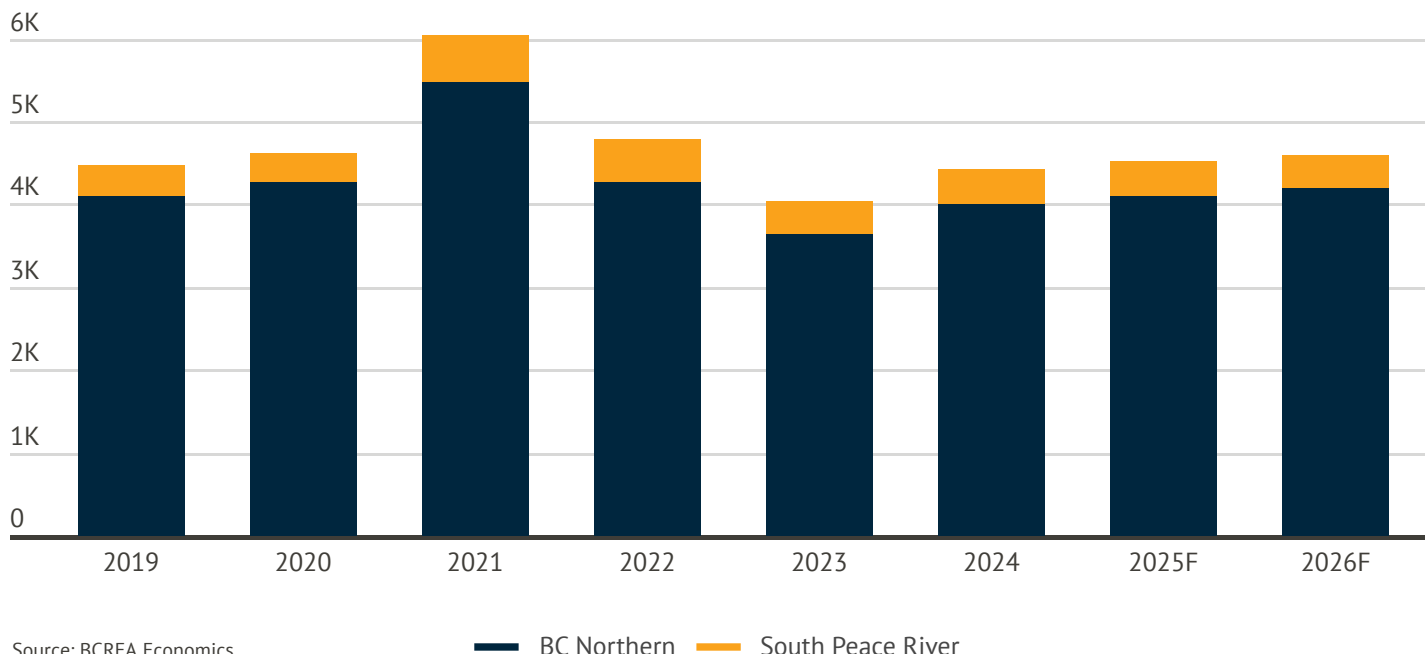
Due to friendlier buying conditions, we forecast sales activity to remain stable in the North with a 2.1 per cent increase in unit sales in 2025. Additionally, a longer-term accumulation of active listings will help keep prices mostly flat in 2025. Due to these stronger fundamentals, we expect the broader improvements in economic conditions in 2026 to be reflected by a slight uptick in market activity, with sales and prices rising by 2.4 and 1.8 per cent, respectively.

BCREA Nowcast

% Year-Over-Year Real GDP Growth



MLS® Home Sales Northern BC





Northern BC

MLS® Unit Sales	2024	%	2025F	%	2026F	%
BC Northern	4,014	10.2	4,100	2.1	4,200	2.4
Single Detached	2,838	10.6	2,900	2.2	3,000	3.4
South Peace River ¹	399	0	425	6.5	400	-5.9
Single Detached	339	1.2	360	6.2	340	-5.6
MLS® Average Price (\$)	2024	%	2025F	%	2026F	%
BC Northern	426,387	3.6	430,000	0.8	437,700	1.8
Single Detached	490,697	3.3	495,900	1.1	512,000	3.2
South Peace River ¹	301,715	4.6	313,000	3.7	317,000	1.3
Single Detached	335,995	5.5	346,000	3	353,000	2

1. The former Northern Lights Real Estate Board has been renamed the South Peace River Region of the Association of Interior REALTORS®.



Kootenay

(Association of Interior REALTORS®)

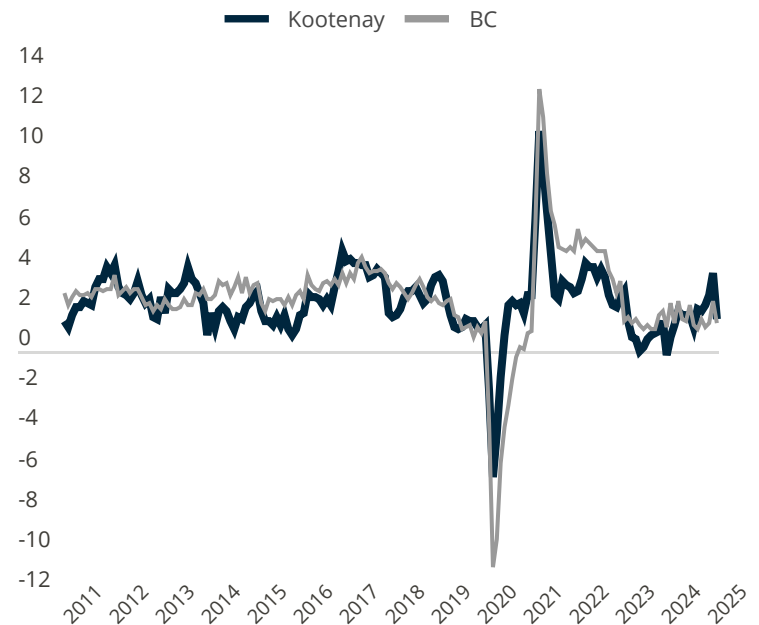
The Kootenay economy closed 2024 nearly as strongly as any region in the province, with growth ranging between 2 to 3 per cent year-over-year. Coupled with better affordability conditions, the Kootenay has relatively outperformed other areas of the province in terms of sales activity. Home sales in the region have tracked slightly above the pace of historical averages, with year-to-date sales 12 per cent above the same time last year.

We expect these trends to be helped by future cuts from the Bank of Canada, leading to 2,900-unit sales in 2025, 5.4 per cent above the number of units sold in 2024. We expect momentum to carry into 2026, as reflected by a 6.9 per cent jump to 3,100 home sales as the overall economy recovers and borrowing costs ease.

While active listings have increased in the Kootenay area, they remain below what we consider a level required for long-run balance in the market. As a result, market conditions in the Kootenay could tighten quickly from a surge in demand, leading to higher prices. However, we believe inventory has accumulated to levels that can comfortably cushion prospective buyers who enter the market as conditions improve over the next two years. Consequently, we expect prices to grow by 2.7 per cent this year and 3 per cent in 2026.

BCREA Nowcast

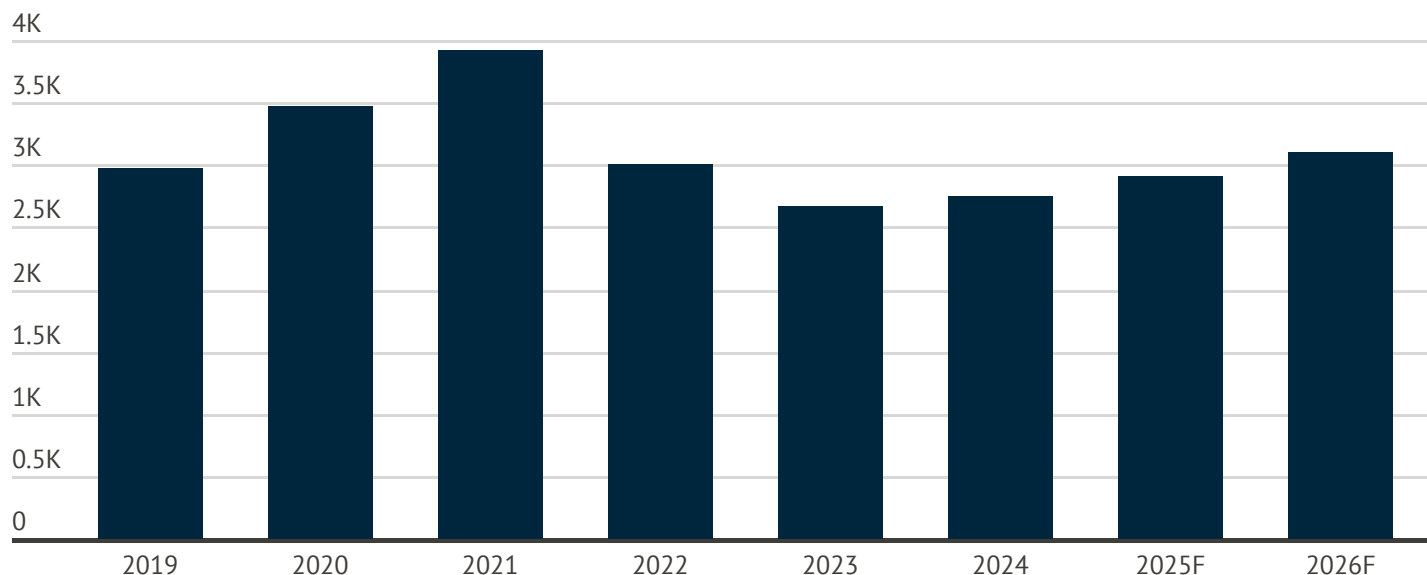
% Year-Over-Year Real GDP Growth



Source: BCREA Economics

MLS® Home Sales

Kootenay



Source: BCREA Economics



Kootenay

MLS® Unit Sales	2024	%	2025F	%	2026F	%
Kootenay ¹	2,751	3.2	2,900	5.4	3,100	6.9
Single Detached	1,764	3.3	1,850	4.9	1,950	5.4
Apartment	389	-10.4	430	10.5	480	11.6
Townhouse	300	6.4	325	8.3	350	7.7

MLS® Average Price (\$)	2024	%	2025F	%	2026F	%
Kootenay	550,264	5.7	565,000	2.7	582,000	3
Single Detached	651,617	5.5	663,000	1.7	677,300	2.2
Apartment	304,115	14.4	327,300	7.6	348,700	6.5
Townhouse	460,005	1.3	468,200	1.8	500,000	6.8

1. The Okanagan Mainline Real Estate Board (OMREB) amalgamated with the South Okanagan Real Estate Board (SOREB) on January 1, 2021, to form the Association of Interior REALTORS®. In February 2022, the Association merged with the Kootenay and Kamloops real estate boards.



Housing Forecast Summary – Second Quarter 2025

Board Area	MLS® Unit Sales			MLS® Average Price (\$)		
	2024	2025F	2026F	2024	2025F	2026F
Victoria	6,582 10.9%	6,700 1.8%	7,000 4.5%	973,702 -0.9%	990,000 1.7%	1,011,700 2.2%
Vancouver Island	7,280 2.3%	7,000 -3.8%	7,400 5.7%	733,932 2.4%	737,000 0.4%	763,900 3.6%
Powell River Sunshine Coast	302 18%	325 7.6%	350 7.7%	606,743 -4.1%	613,000 1%	615,000 0.3%
Greater Vancouver	26,419 1.3%	26,000 -1.6%	29,500 13.5%	1,291,773 1.2%	1,265,000 -2.1%	1,286,700 1.7%
Fraser Valley	13,832 -0.9%	13,500 -2.4%	14,500 7.4%	1,038,736 2.2%	1,032,400 -0.6%	1,070,000 3.6%
Chilliwack and District	2,754 6.4%	2,800 1.7%	3,100 10.7%	768,443 3.3%	772,000 0.5%	785,000 1.7%
Interior:						
Okanagan	7,792 -1.3%	7,500 -3.7%	8,000 6.7%	744,809 -1%	755,000 1.4%	775,000 2.6%
Kamloops	2,354 -1.3%	2,400 2%	2,600 8.3%	608,717 3.1%	612,000 0.5%	628,000 2.6%
Kootenay	2,751 3.2%	2,900 5.4%	3,100 6.9%	550,264 5.7%	565,000 2.7%	582,000 3%
South Peace River	399 0%	425 6.5%	400 -5.9%	301,715 4.6%	313,000 3.7%	317,000 1.3%
BC Northern	4,014 10.2%	4,100 2.1%	4,200 2.4%	426,387 3.6%	430,000 0.8%	437,700 1.8%
BC Total	74,479 2.1%	73,650 -1.1%	80,150 8.8%	981,871 1%	972,800 -0.9%	1,004,000 3.2%



BCREA is the provincial association for BC REALTORS®. As a champion for the real estate sector, BCREA advances REALTOR® professionalism and ensures the REALTOR® voice is heard, for the benefit of consumers and communities, across BC. By working in collaboration with the province's real estate boards and associations, our mission is to provide professional development opportunities, advocacy, economic and policy research, and standard forms so REALTORS® are trusted, respected, and proud of their profession.

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