



# MARKET INSIGHT

FOURTH QUARTER 2005

CANADA MORTGAGE AND HOUSING CORPORATION

## BC AT A GLANCE

With the British Columbia economy posting above-average growth rates in 2005 and 2006, both resale and new home markets will remain very active.

Housing starts will total 32,600 units this year as builders balance demand- and supply-side factors. Increased employment, growth in incomes and the spill-over from a very active resale market continue to fuel the demand for new homes. The number of people working in the province increased 3.3 per cent last year.

A low unemployment rate and employment opportunities will attract people from other provinces, generating additional demand for housing. However, rising mortgage

rates and higher home prices will push up mortgage carrying costs, cooling home ownership demand.

A large number of projects in the pipeline will result in 19,800 housing starts in multiple-unit developments in 2006, down from the 20,948 units started during 2005. Single-detached starts, which peaked in 2004, will total 12,800 units in 2006, a 6.7 per cent decline from last year.

Resale markets will remain active with 97,000 homes changing hands this year, down 8.7 per cent from last year's record level. CMHC forecasts a 7.6 per cent increase in the average resale price in British Columbia in 2006, on top of double-digit gains recorded during the last two years. As a result, the average price will approach \$355,000.

## HOUSING MARKET TRENDS

	Vancouver	Victoria	Abbotsford	Kelowna	Prince George	Kamloops	Nanaimo
<b>Housing Starts</b>							
(Jan. - Dec. 2005)	18,914	2,058	1,012	2,755	284	589	905
% chge. from Jan. - Dec. 2004	-2.7%	-12.9%	-6.6%	23.9%	-8.1%	51.0%	18.9%
<b>Total MLS Sales</b>							
(Jan - Dec. 2005)	40,986	7,294	4,035	4,797	1,471	2,154	2,203
% chge. from Jan. - Dec. 2004	11.3%	3.9%	7.9%	15.8%	20.1%	7.9%	2.8%
<b>MLS Average SD House Price</b>							
(Jan. - Dec. 2005)	\$587,972	\$463,399	\$314,975	\$353,019	\$147,828	\$221,633	\$267,351
% chge. from Jan. - Dec. 2004	11.6%	20.0%	13.5%	16.3%	13.9%	17.3%	21.6%

SD = Single Detached

Sources: (1) CMHC Market Analysis Publications.

(2) Real Estate Boards of: Greater Vancouver; Victoria, Fraser Valley, Okanagan Mainline, BC Northern, Kamloops, and Vancouver Island.

Note: MLS sales do not include mobile homes. A 114 unit congregate housing project boosted Prince George housing starts in 2004.

2005 Prince George singles starts are up 43.1% over 2004.

Multiple Listing Service (MLS)® is a registered certification mark owned by the Canadian Real Estate Association.

## BC'S ECONOMIC TRENDS

	2005 Recent Statistics	2006 Forecast
<b>GDP Growth</b> (% change)	3.8%*	3.5%
<b>Employment Growth</b> (% change)	3.3%	2.7%
<b>Mortgage Rate</b> (3 year term)	5.6%	6.0% - 6.5%
<b>Net Interprovincial Migration</b> (# of migrants)	9,000*	10,500
<b>Net International Migration</b> (# of migrants)	31,000*	33,000
<b>Population Growth</b> (% change)	1.3%	1.3%

\* estimate

Canada



## LEADING EDGE INFORMATION

**Now you can keep on top of Canada's housing market with CMHC — absolutely FREE.**

Market Analysis Centre's national suite of electronic reports gives you access to the most accurate, comprehensive and up-to-date information.

To view, download or subscribe to FREE reports, visit [www.cmhc.ca/mktinfo/store](http://www.cmhc.ca/mktinfo/store) anytime.

**On time, on target, the way you want it**

Sign up for convenient subscriptions to receive every pdf format issue automatically emailed directly to you on the day of release, for as long as you want them or you can access current and recent reports individually as needed.

Planning for 2006 and wondering when housing market information will be available? Check out CMHC's 2006 report and press release calendar on our web site.

Follow these steps to view the 2006 calendar:

- Go to **www.cmhc.ca**
- From the browse by topic menu on the left side of the page, select **Housing Markets Domestic & International**
- Select **Market Trends and Statistics**
- and there you will find a link to the **press release and report calendar**.

## DID YOU KNOW?

Did you know that BC has the largest share of multiple-housing starts of all the provinces? In 2006, over 60 per cent of new home starts in the province will be in multiple-unit developments. That's well ahead of the 48 per cent national average and the 35 per cent share in Alberta.

For more information on provincial and local forecasts including resale markets, new home construction and rental markets, check out the **Housing Market Outlook, Canada Edition, First Quarter 2006** available for free at [www.cmhc.ca/mktinfo/store](http://www.cmhc.ca/mktinfo/store)

## NEED MORE INFORMATION?

### BC Inquiries

*Carol Frketic*  
BC Regional Economist  
Tel (604) 737-4067  
[cfrketic@cmhc.ca](mailto:cfrketic@cmhc.ca)

### Vancouver/Lower Mainland

*Cameron Muir*  
Senior Market Analyst  
Tel (604) 737-4144  
[cmuir@cmhc.ca](mailto:cmuir@cmhc.ca)

### Northern BC

*Andy Ni*  
Market Analyst  
Tel (604) 737-4052  
[ani@cmhc.ca](mailto:ani@cmhc.ca)

### Vancouver/Whistler

*Robyn Adamache*  
Market Analyst  
Tel (604) 737-4008  
[radamach@cmhc.ca](mailto:radamach@cmhc.ca)

### Okanagan/Interior

*Paul Fabri*  
Market Analyst  
Tel (250) 712-4334  
[pfabri@cmhc.ca](mailto:pfabri@cmhc.ca)

### Vancouver Island

*Peggy Prill*  
Market Analyst  
Tel (250) 363-8045  
[pprill@cmhc.ca](mailto:pprill@cmhc.ca)

*Lee King*  
Corporate Representative  
Tel (250) 363-8050  
[lking@cmhc.ca](mailto:lking@cmhc.ca)

If you wish to receive **Market Insight** free of charge by e-mail, or if you would like to purchase any of our specialty regional reports, please contact: *Lisa Preston*, Administrator, Products & Services  
Tel (604) 737-4088 [lpreston@cmhc.ca](mailto:lpreston@cmhc.ca)

Visit CMHC's website [www.cmhc.ca](http://www.cmhc.ca)

© 2006 Canada Mortgage and Housing Corporation

All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this book may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation.