

BC Economic Outlook

Vancouver Real Estate Forum

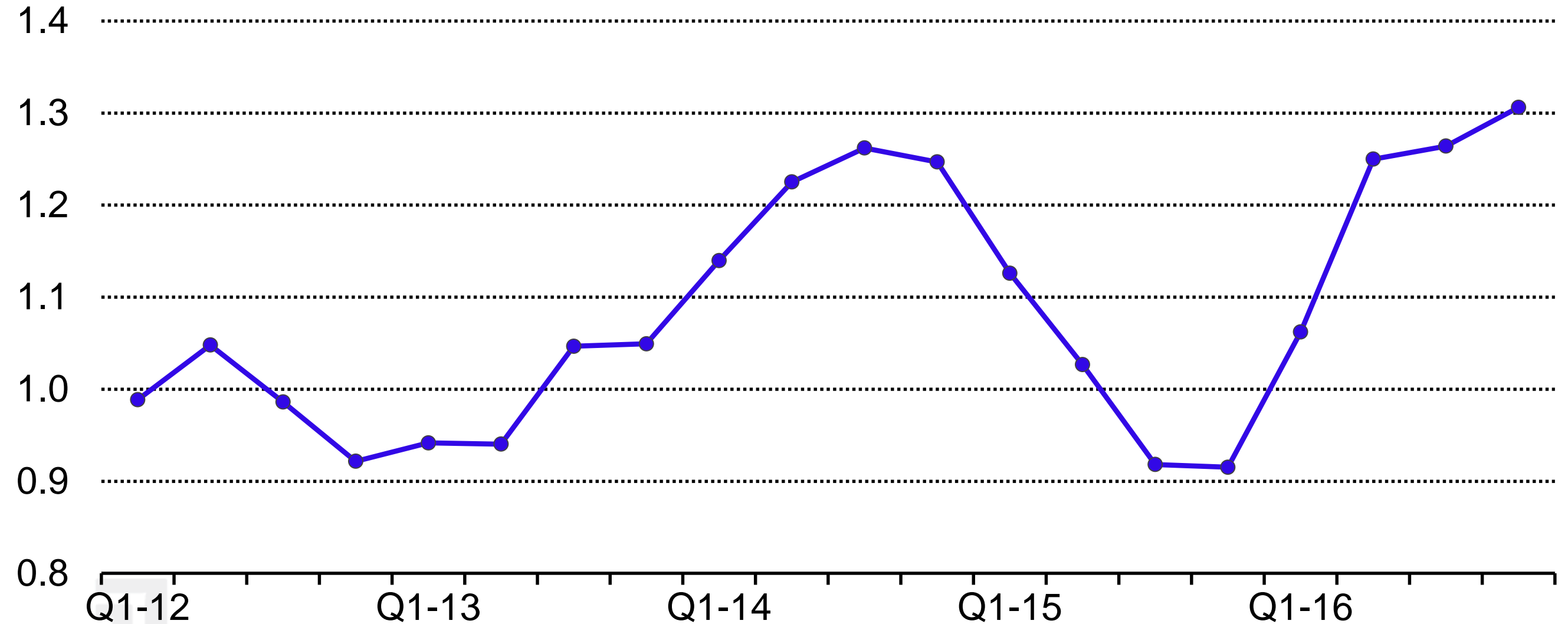
April 11, 2017

Helmut Pastrick
Chief Economist Central 1 Credit Union

Growth turns up

Population Growth Quarterly: British Columbia

Per cent change y/y



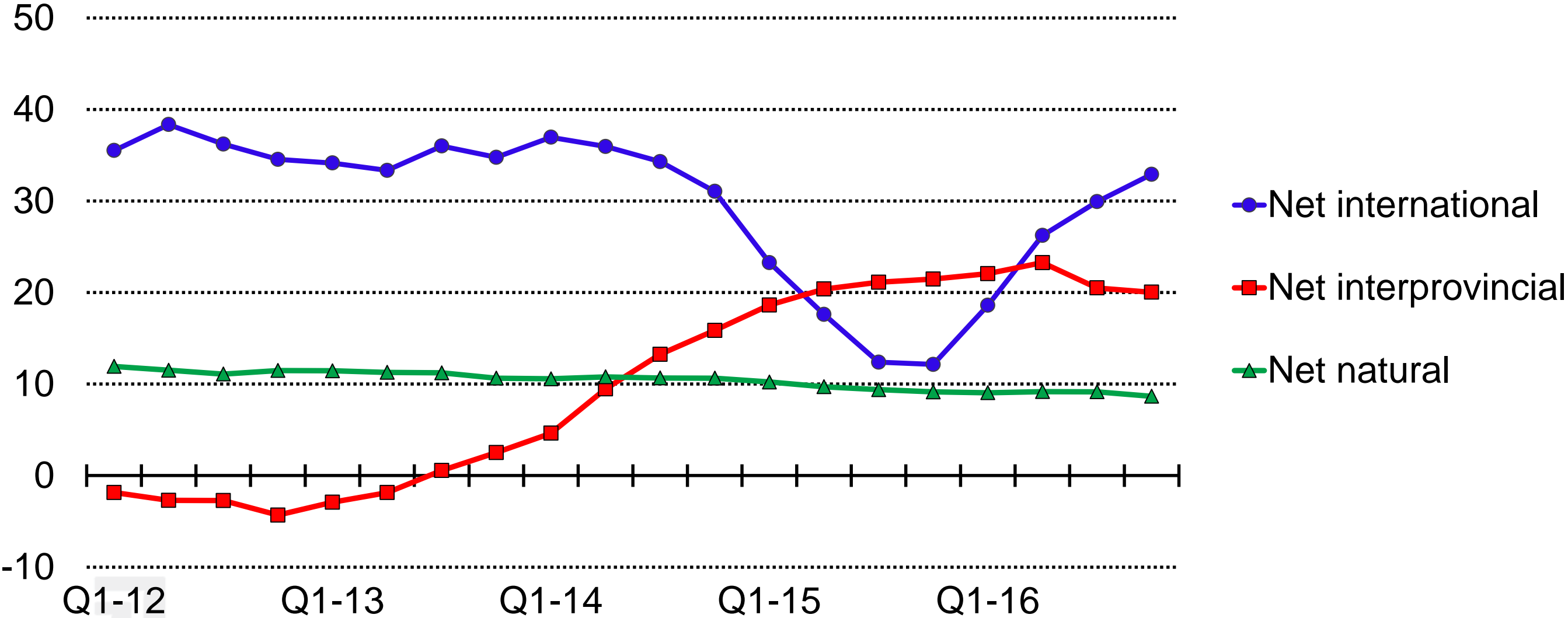
Source: Statistics Canada, Central 1 Credit Union.

Latest: Q4-16

International returns to trend

Population Growth Components Quarterly: British Columbia

Persons - thousands

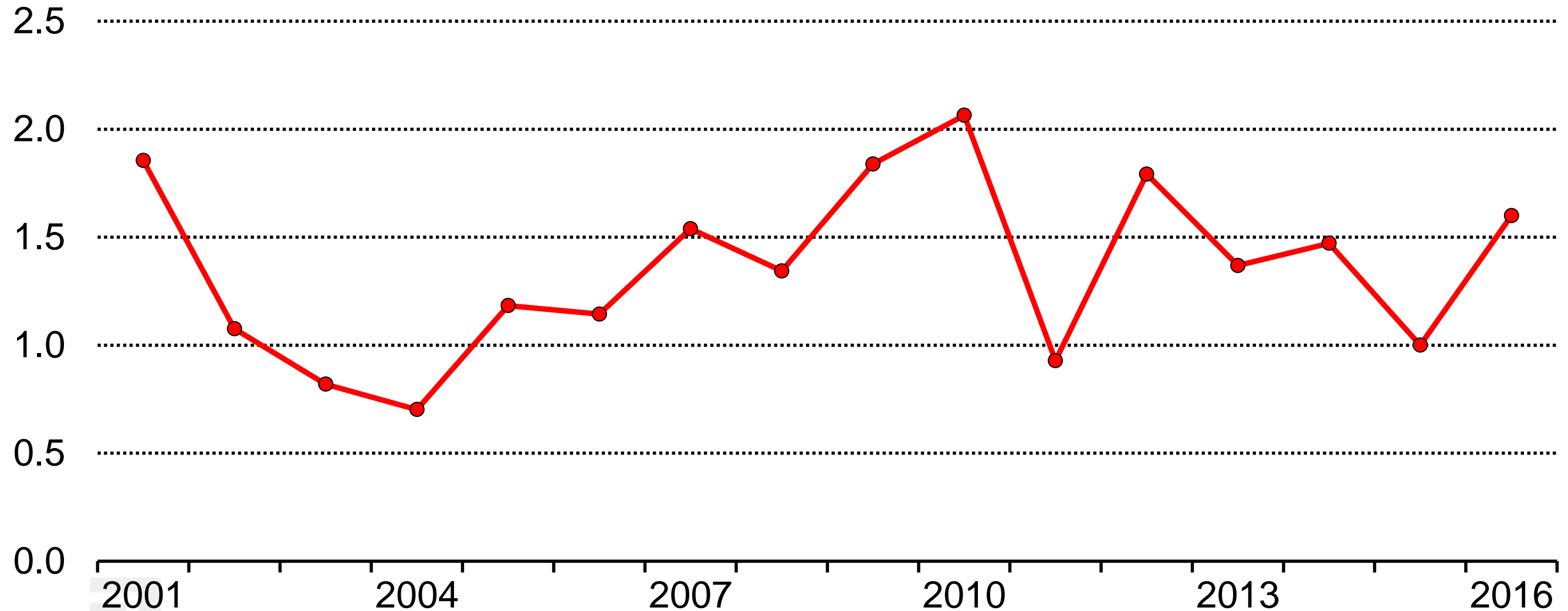


Source: Statistics Canada, Central 1 Credit Union. Note: 4-qtr. moving total. Latest: Q4-16

Population growth turns up

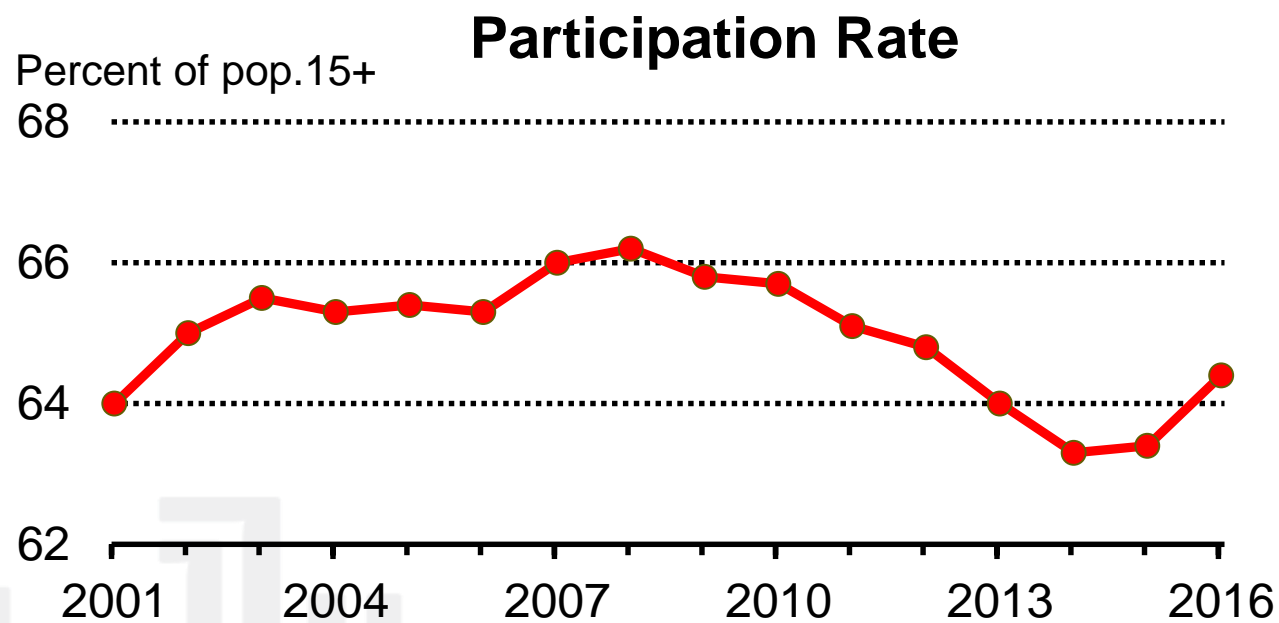
Population Growth: Metro Vancouver

Per cent



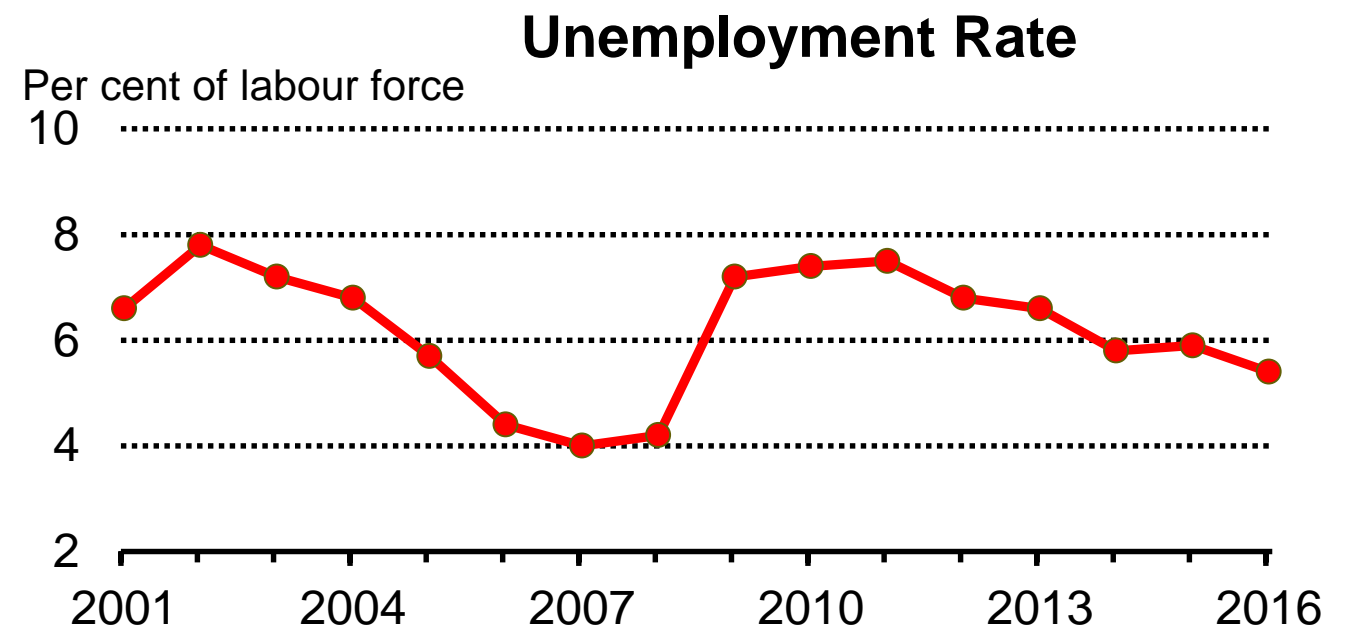
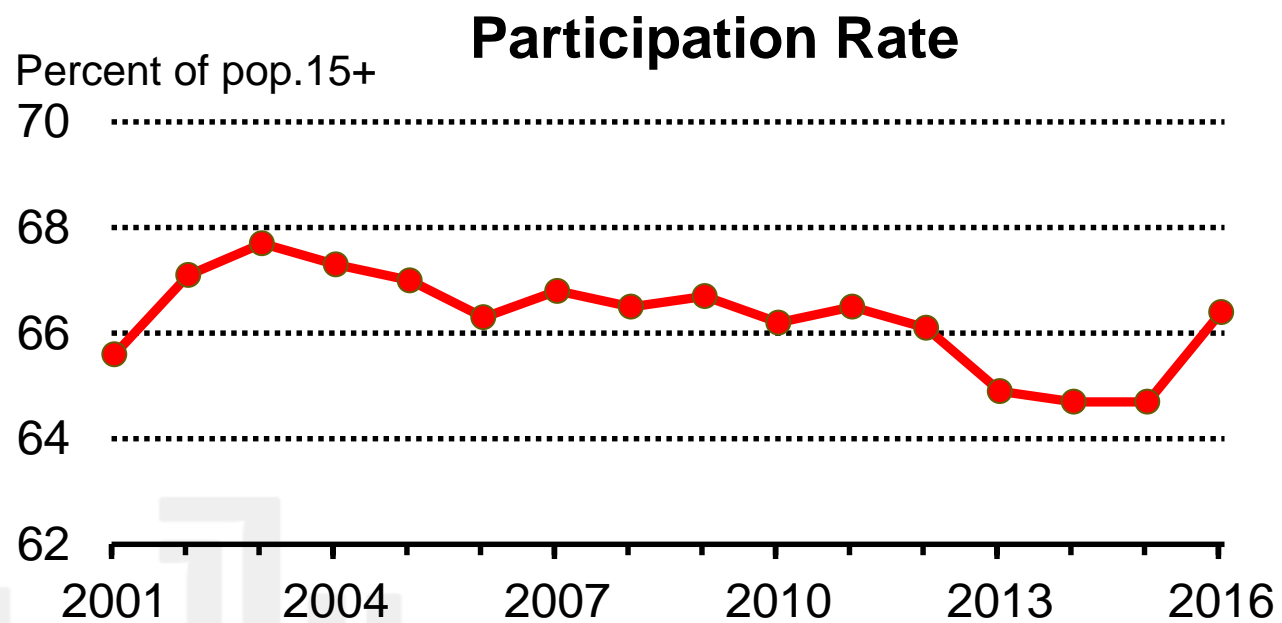
Source: Statistics Canada, C1CU. Note: Population as of July 1. Latest data re preliminary.

Labour market: British Columbia



Source: Statistics Canada.

Labour market: Metro Vancouver



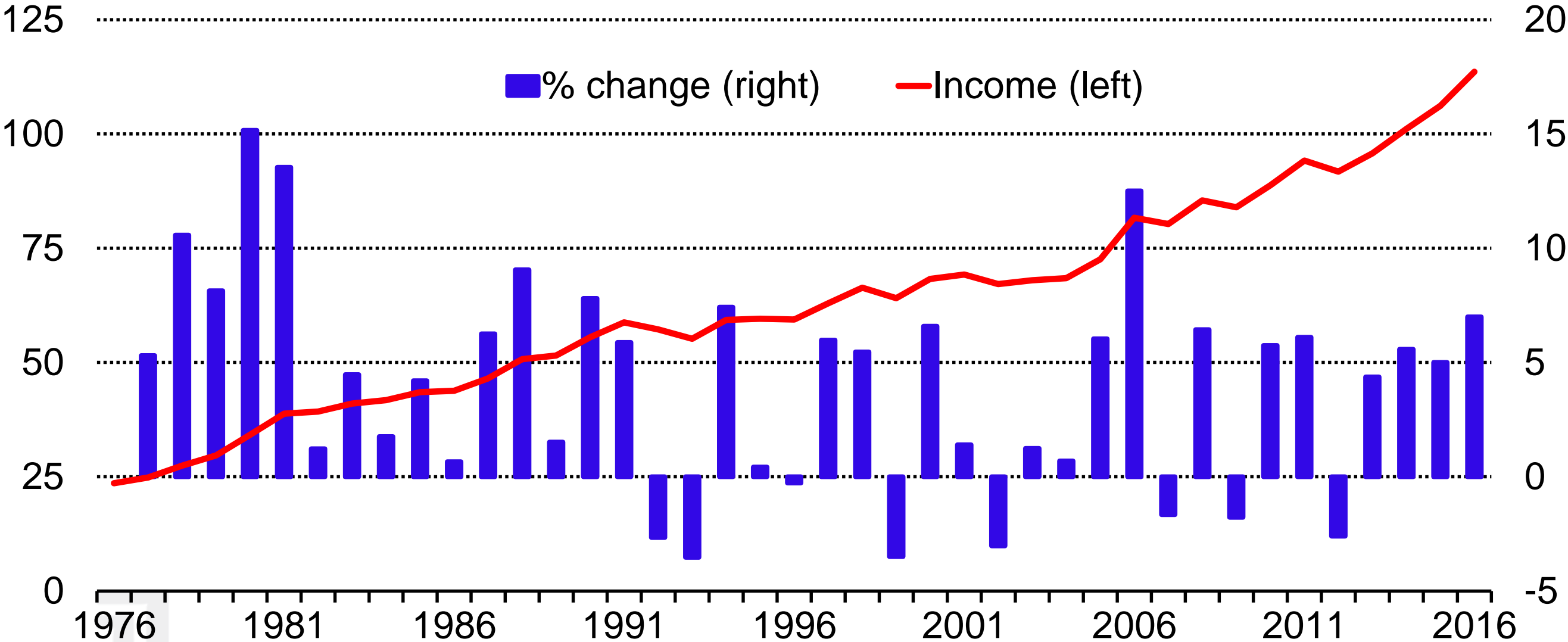
Source: Statistics Canada.

Faster income growth since 2012

Median Income Non-elderly Families: Metro Vancouver

Dollars – thousands

Per cent change



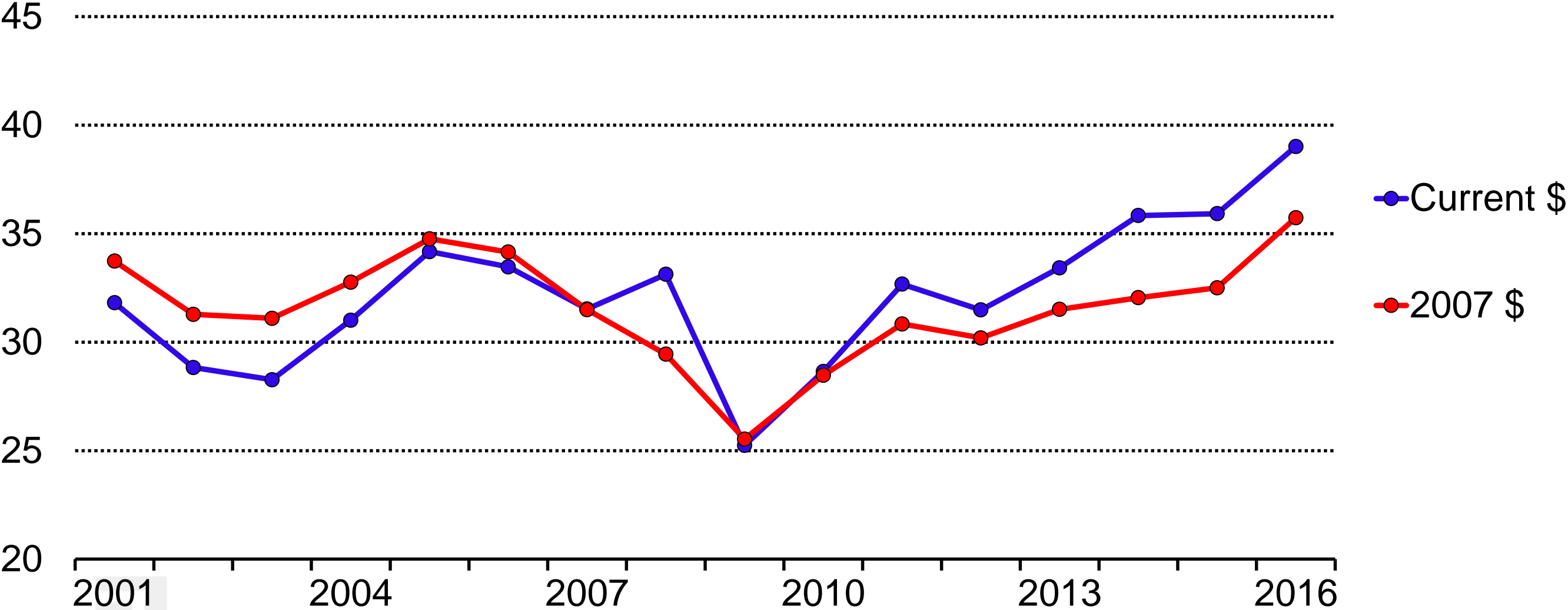
Source: Statistics Canada, Central 1 Credit Union.

Latest: 2014 actual, 2015 estimate, 2016 forecast.

Exports revive in 2016

International Merchandise Exports: British Columbia

Dollars - billions

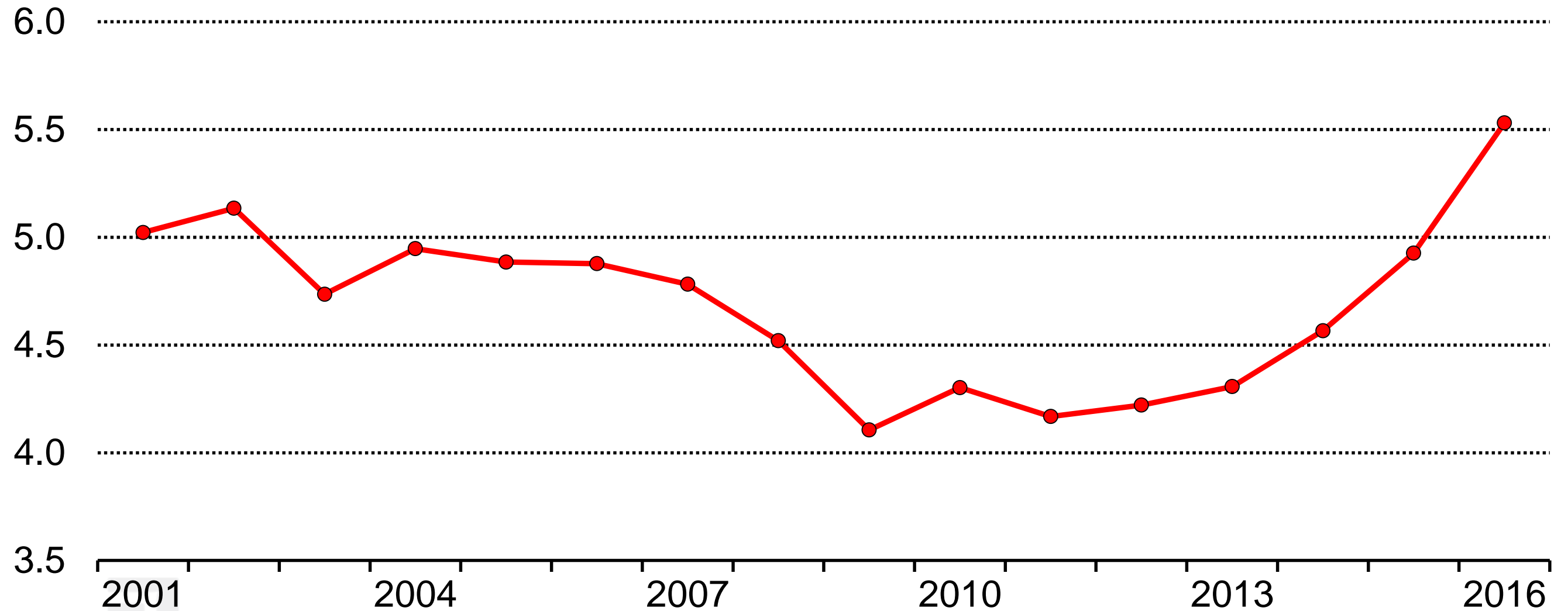


Source: Statistics Canada, Central 1 Credit Union.

Sharp upturn since 2013, at record high

International Tourist Entries: British Columbia

Persons - millions

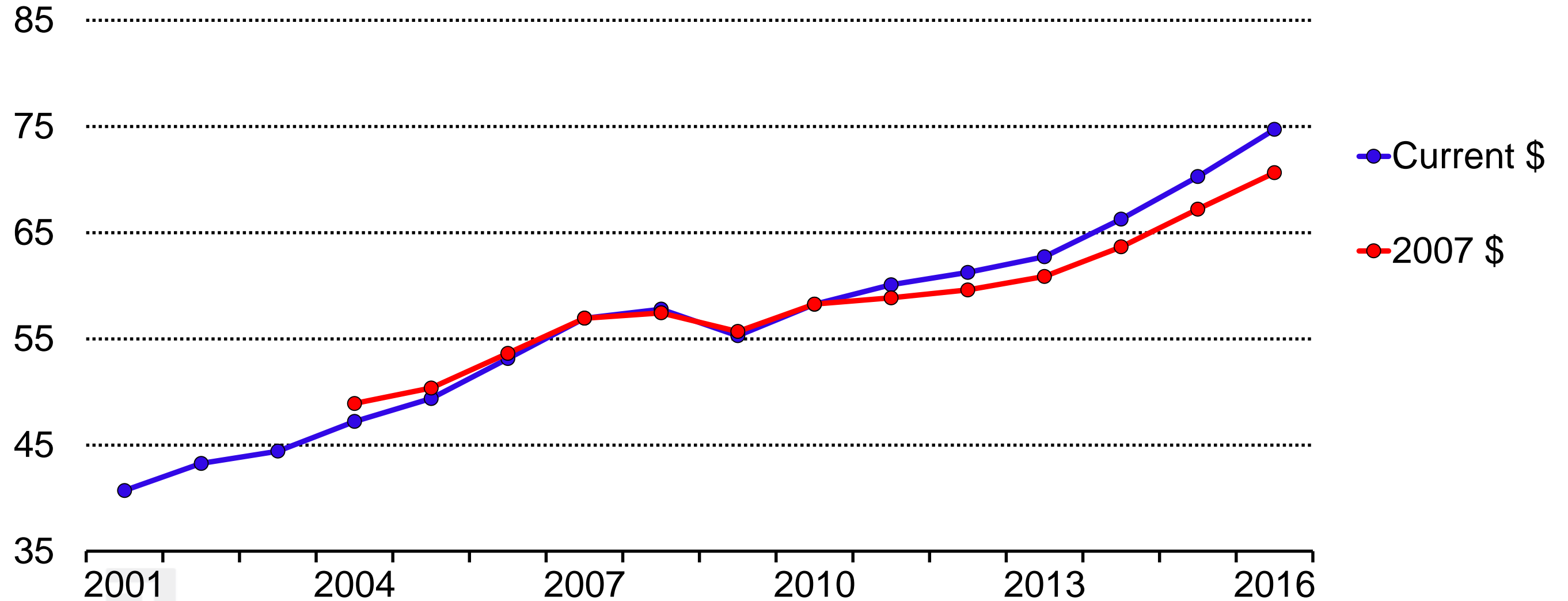


Source: Statistics Canada.

Strong sales gains since 2013

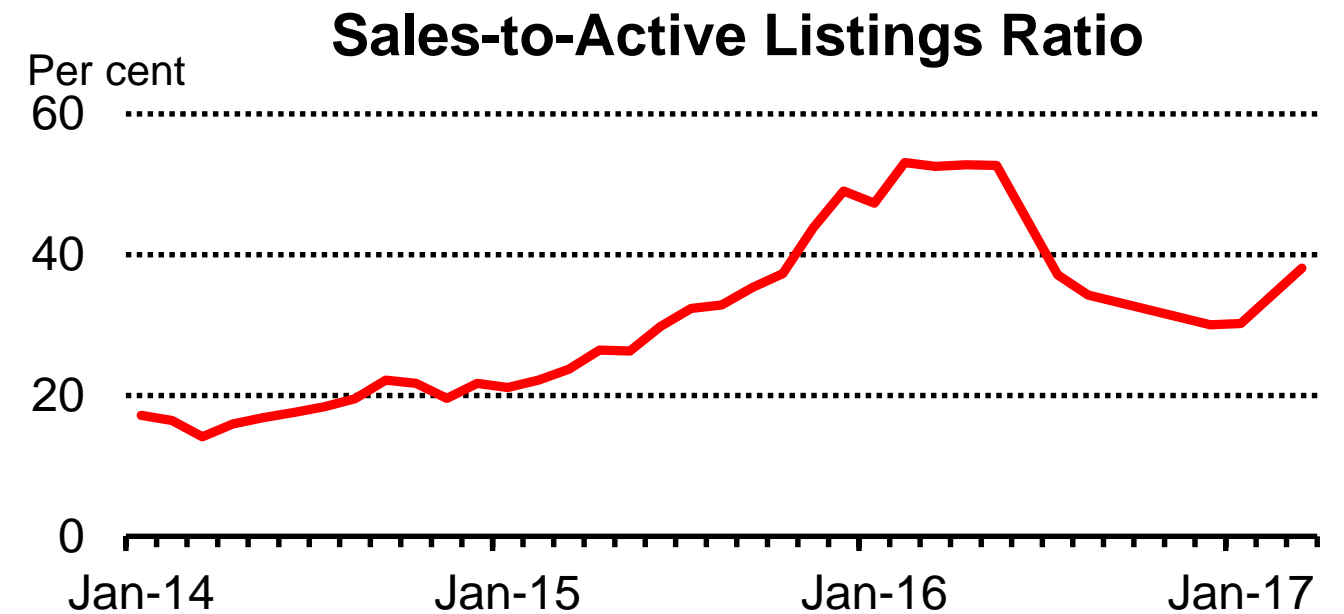
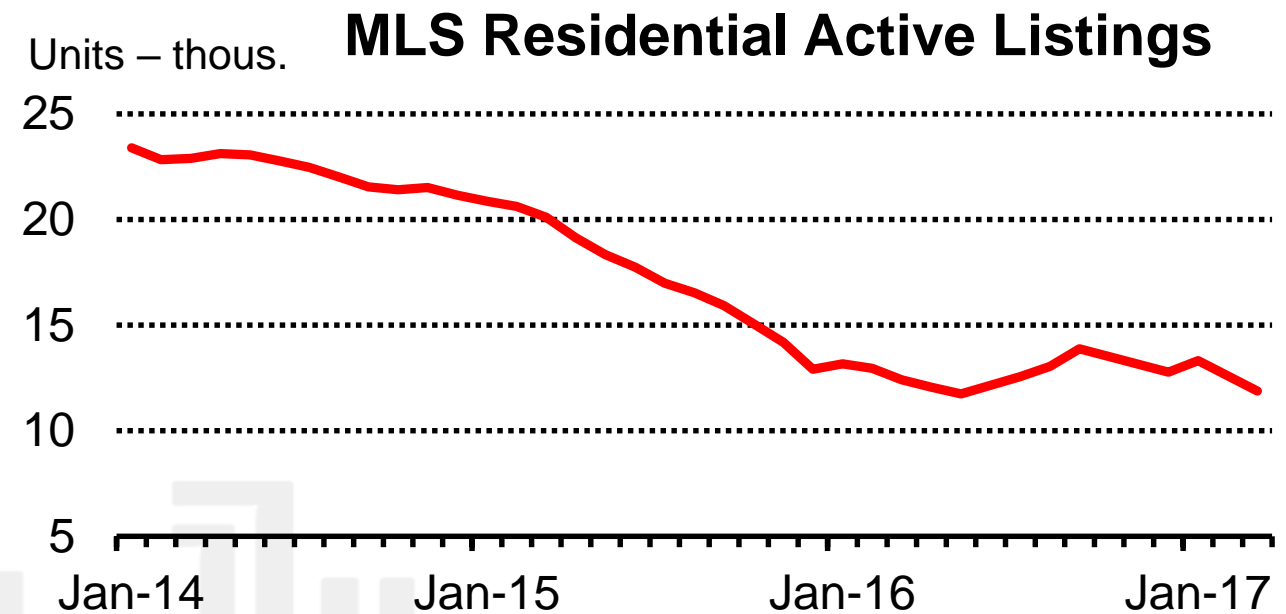
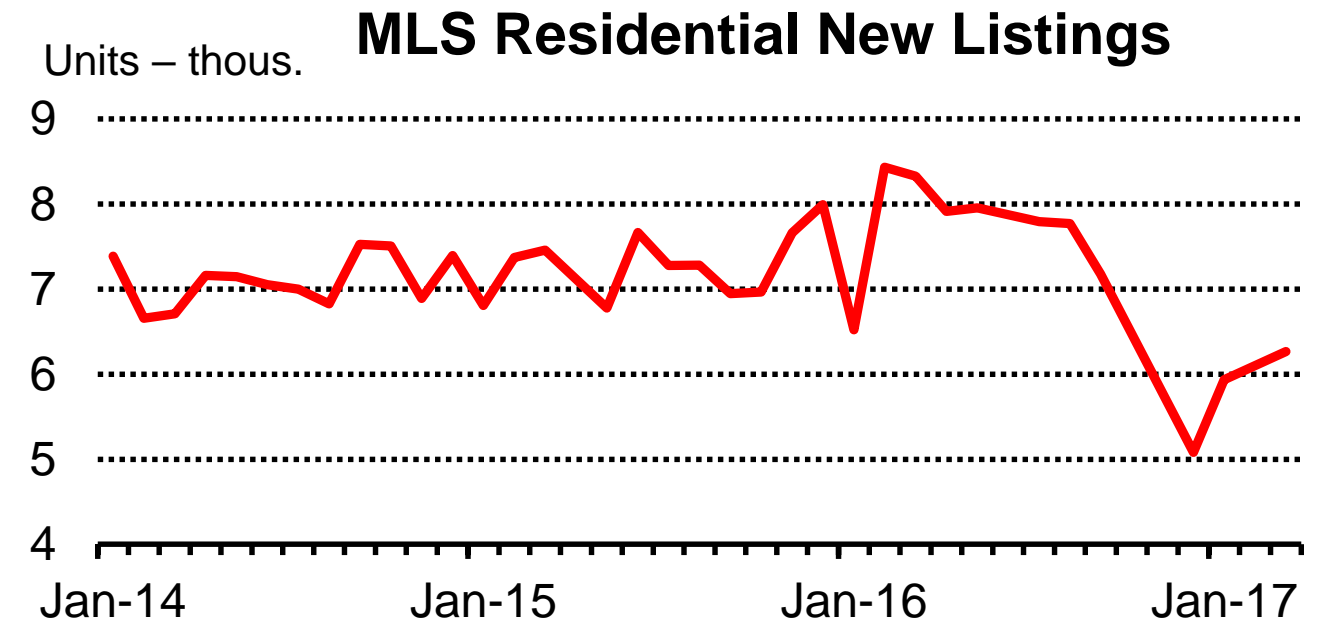
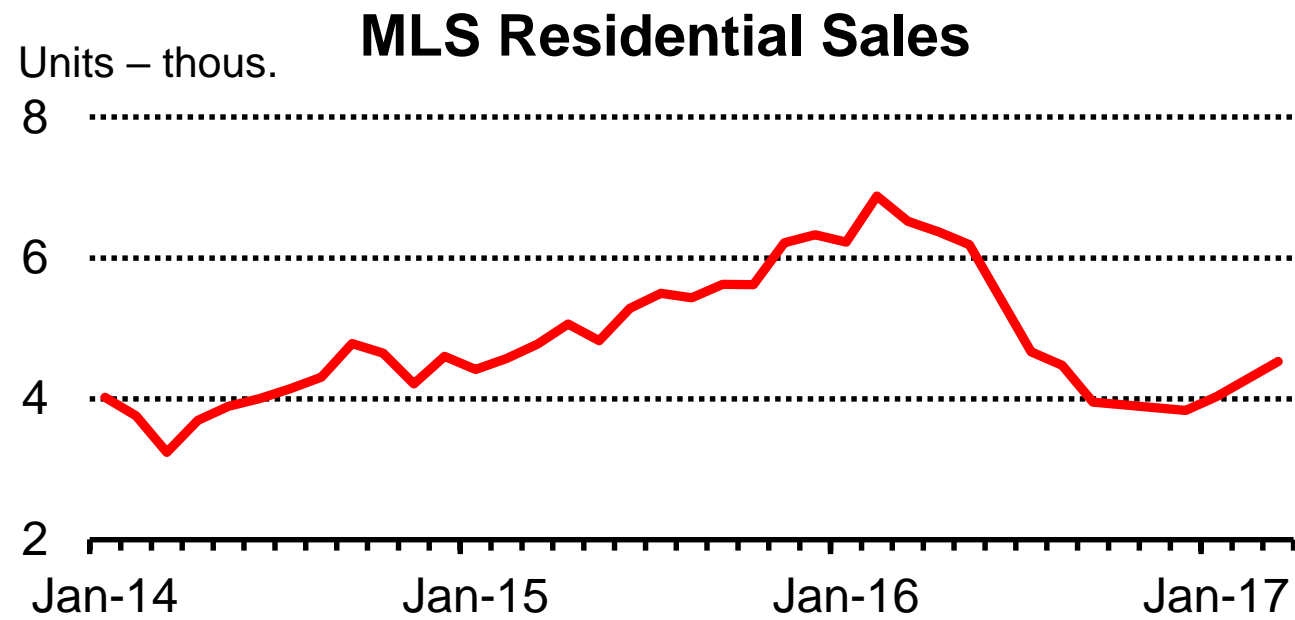
Retail Sales: British Columbia

Dollars - billions



Source: Statistics Canada, Central 1 Credit Union.

Recent housing market trends: Lower Mainland REBs

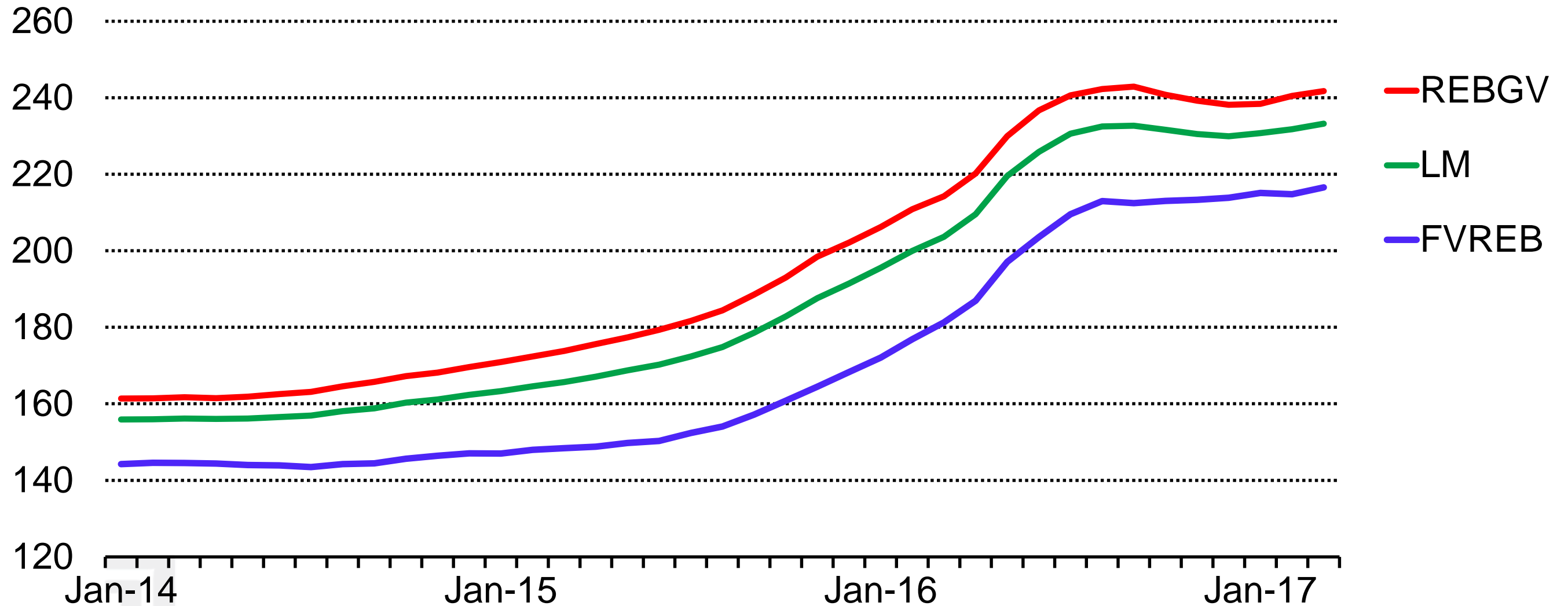


Source: CREA, BCREA, Central 1 Credit Union. Note: Seasonally adjusted. Latest: Mar-17

Price decline ends

MLS Home Price Index: Lower Mainland REBs

Jan. 2005 = 100

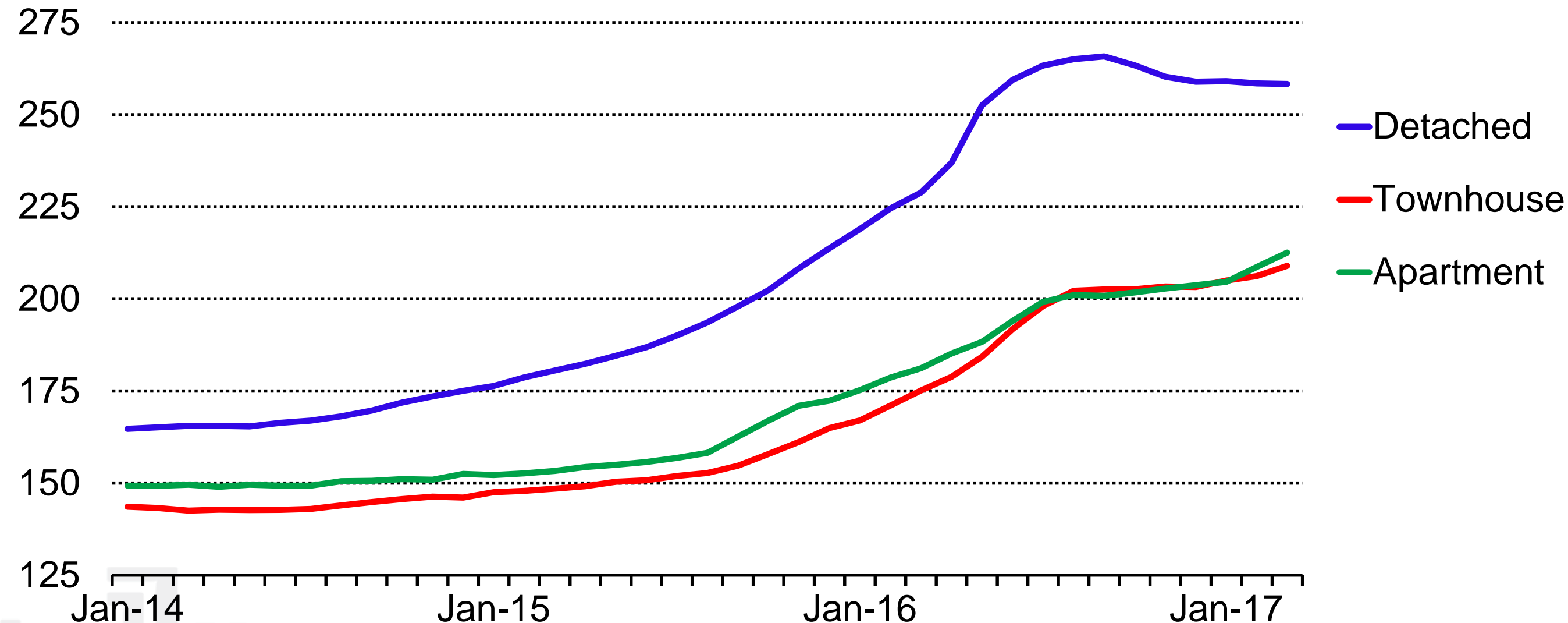


Source: CREA, Central 1 Credit Union. Note: Seasonally adjusted. Latest: Mar-17

Multi-unit home prices rising

MLS Home Price Index by Dwelling Type: Lower Mainland

Jan. 2005 = 100



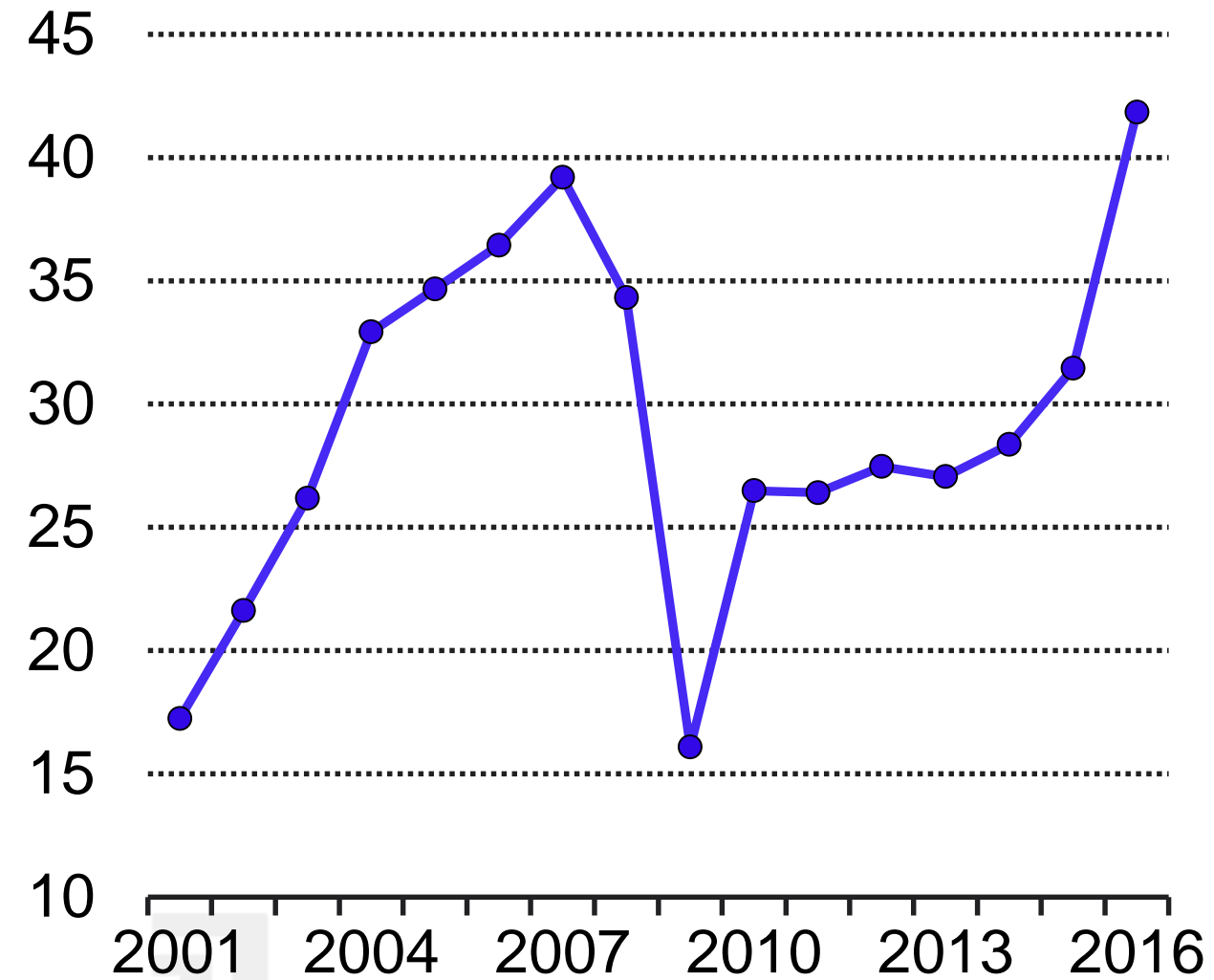
Source: CREA, Central 1 Credit Union. Note: Seasonally adjusted.

Latest: Mar-17

Housing starts surge in 2016

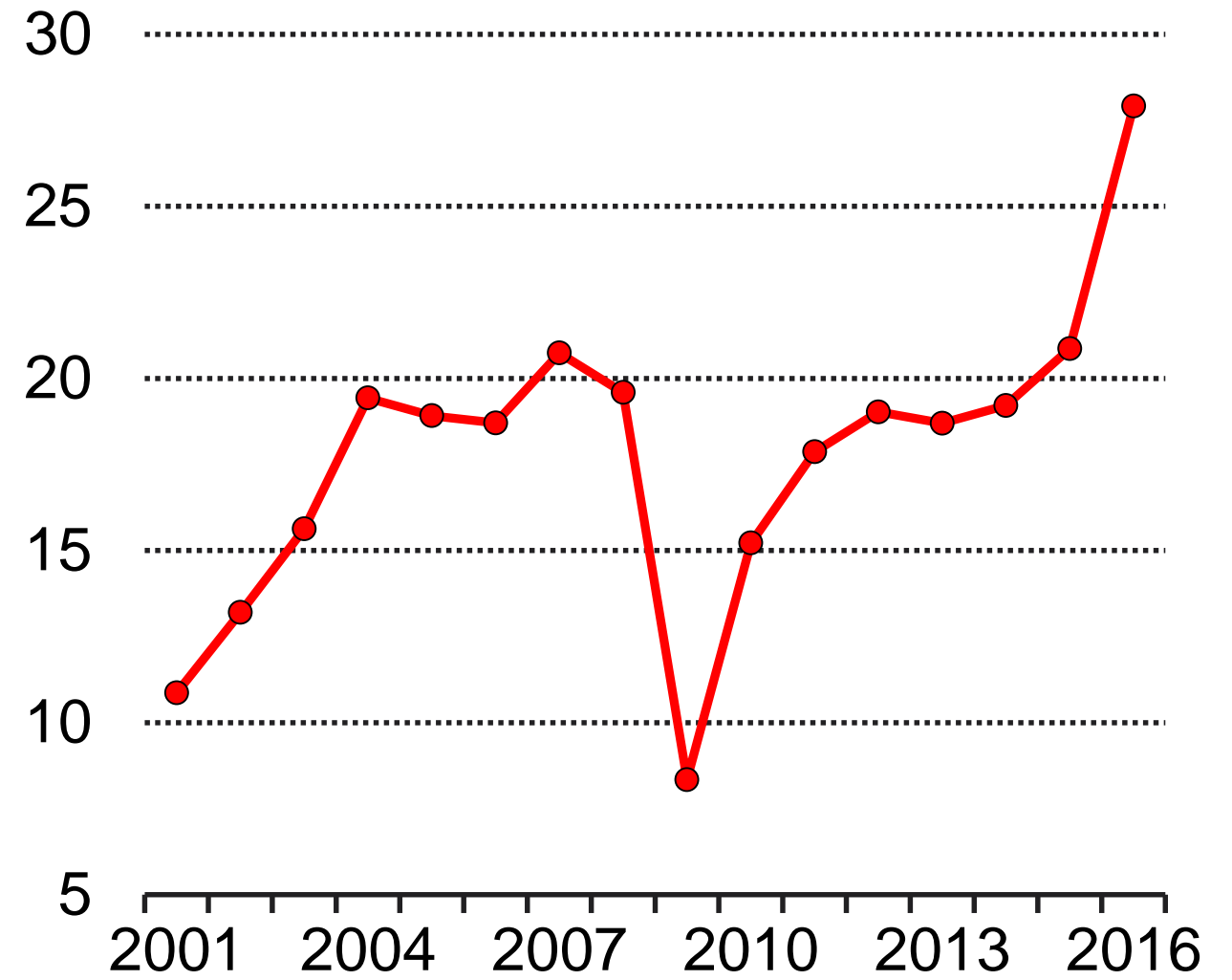
Housing Starts: BC

Units - thousands



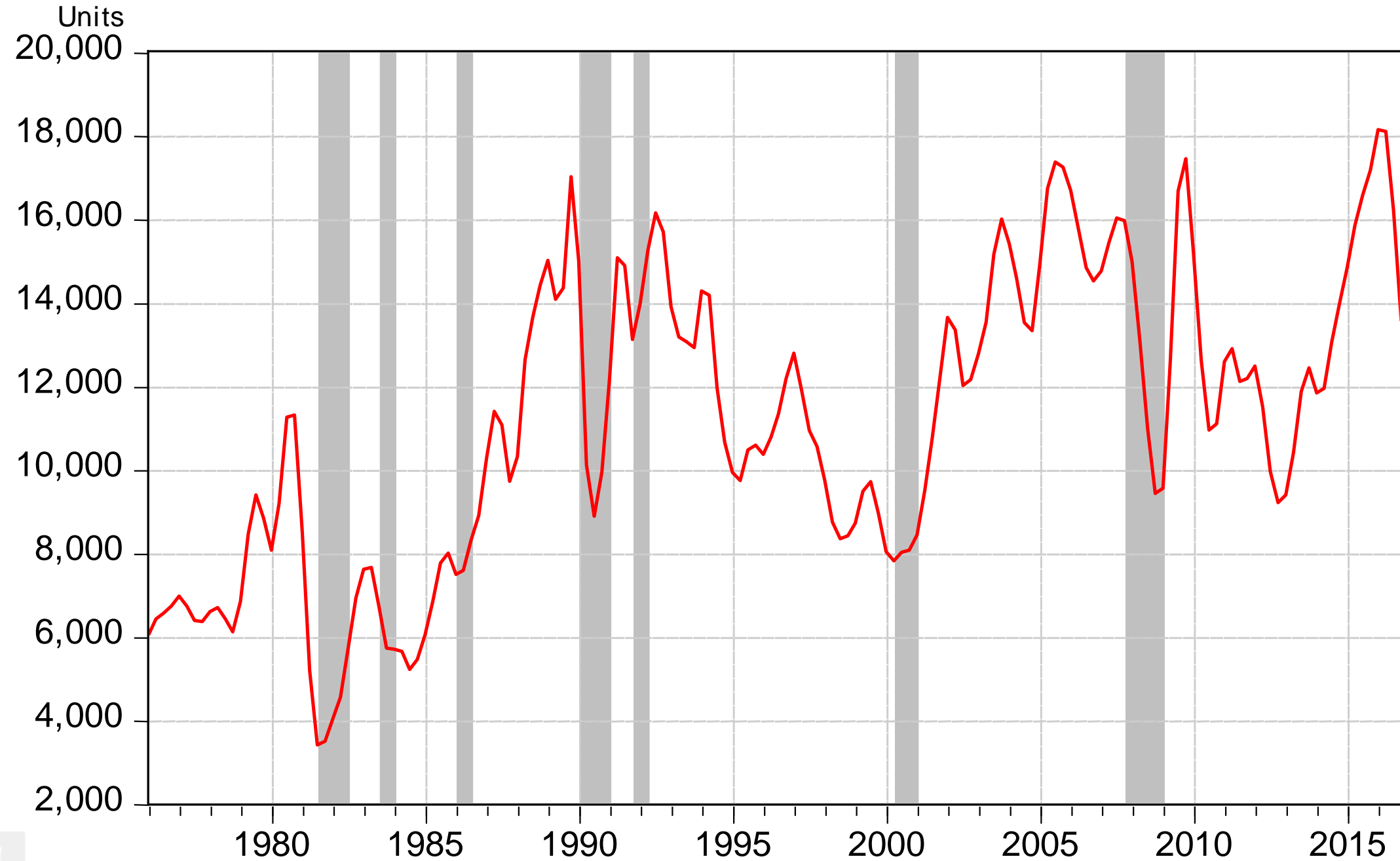
Housing Starts: Metro Vancouver

Units - thousands



Source: Statistics Canada.

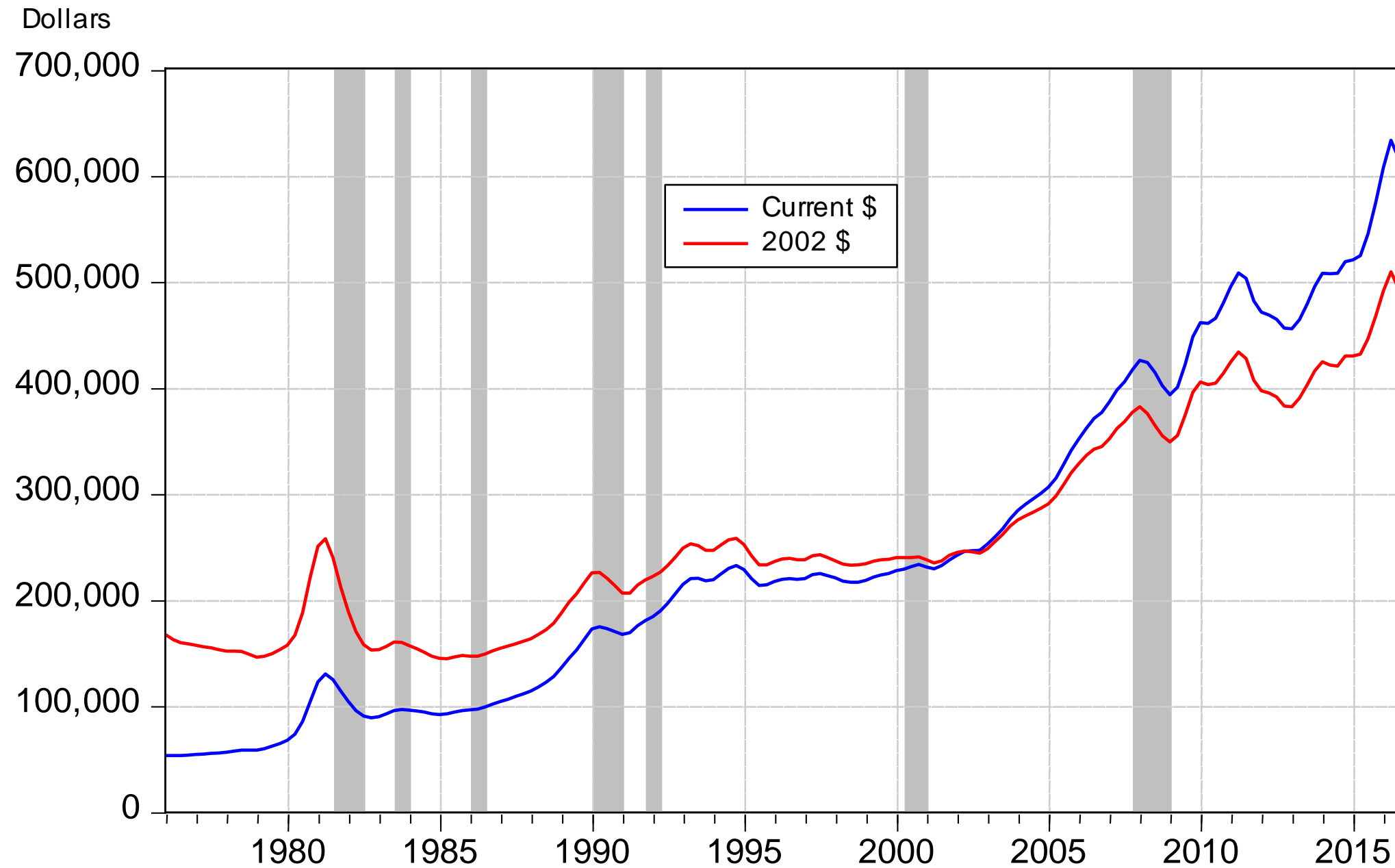
Metro Vancouver Residential Sales and B.C. Economic Recessions



Source: BC Stats, Landcor Data Corp., Central 1 Credit Union. Note: Trend-cycle data, shaded areas represent recessions.

Latest: 2016 Q4

Metro Vancouver Residential Median Sale Price and B.C. Economic Recessions

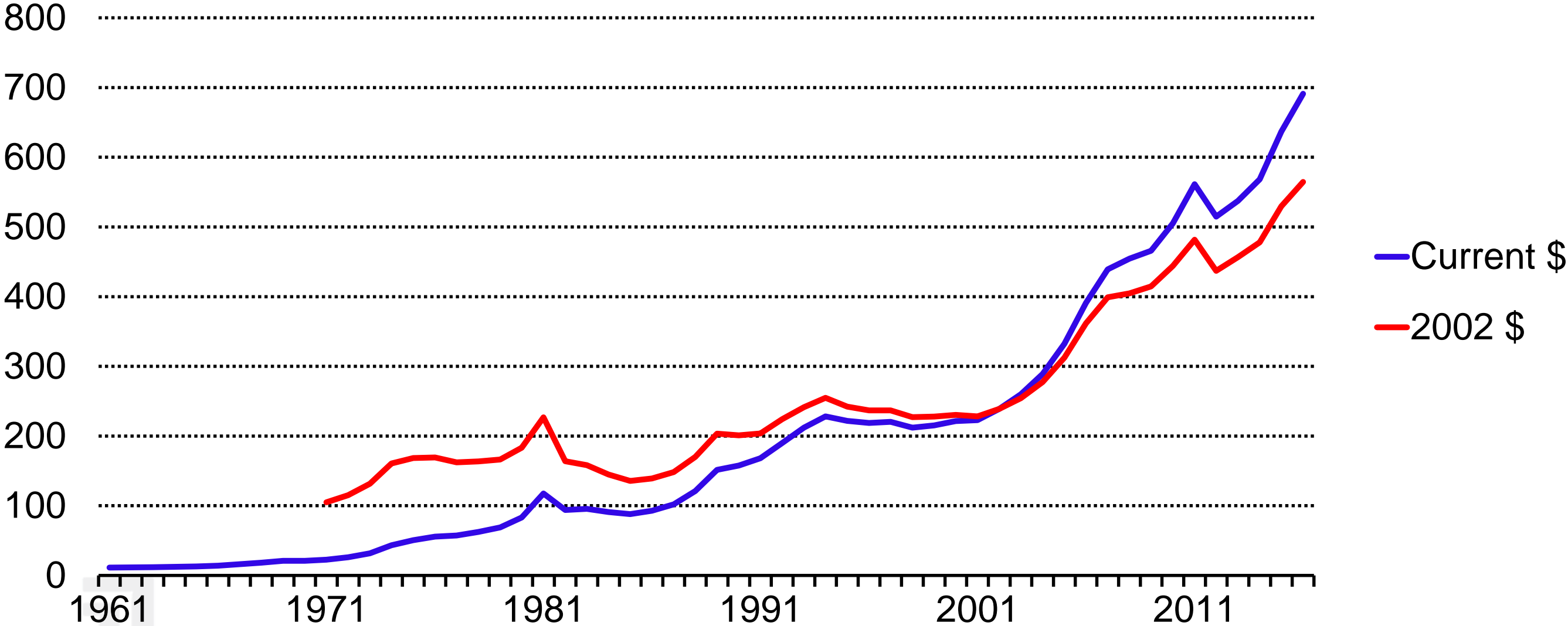


Source: BC Stats, Landcor Data Corp., Central 1 Credit Union. Note: Deflated by Vancouver CPI, trend-cycle data. Shaded areas represent recessions. Latest: 2016 Q4.

Long-term uptrend in housing prices

MLS Residential Average Sale Price: B.C.

Dollars – thousands



Source: CREA, Statistics Canada, Central 1 Credit Union. Note: Deflated by BC CPI. Latest: 2016

Good growth prospects

B.C. Economic and Housing Forecasts					
Indicator	2014	2015	2016	2017	2018
Nominal GDP, % change	5.2	3.8	5.2	4.9	5.0
Real GDP, % change	3.3	3.3	3.8	2.7	3.2
Employment, % chg.	0.6	1.2	3.2	2.0	1.8
Unemployment rate, %	6.1	6.2	6.0	5.5	5.1
Population, % change	1.2	1.0	1.2	1.4	1.3
Housing sales, % change	14.4	21.2	11.3	-5.0	5.0
Median price, % change	5.2	5.5	8.2	0.0	3.0
Housing starts, % change	4.8	10.9	33.1	8.0	8.0

Source: Statistics Canada, Landcor Data Corp., Central 1 Credit Union

Economy and housing to keep advancing

Metro Vancouver Economic and Housing Forecasts					
Indicator	2014	2015	2016	2017	2018
Employment, % chg.	2.3	1.7	4.7	2.0	1.5
Unemployment rate, %	5.8	5.9	5.4	5.0	4.5
Population, % chg.	1.5	1.0	1.6	1.6	1.5
Housing sales, % chg.	14.0	26.7	2.0	-5.0	5.0
Housing price ¹ , % chg.	8.6	5.4	13.8	-8.0	8.0
Housing starts, % chg.	2.8	8.6	33.8	10.0	8.0
HPI, % chg.	3.7	10.2	26.6	12.0	10.0

Source: Statistics Canada, Teranet, CMHC, Central 1 Credit Union. 1. Median price.

Thank you