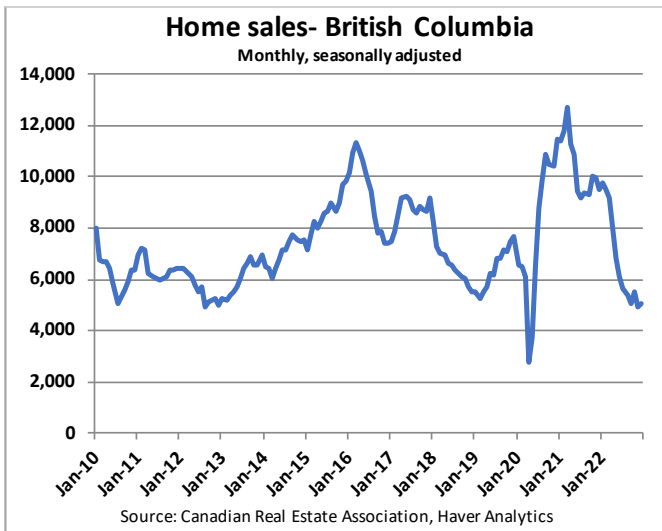




Housing and Mortgage Market Review: *January 2023*

Resale demand remains at decade lows across B.C.

Rising interest rates and weak consumer confidence continue to weigh on housing demand in British Columbia. Seasonally adjusted home sales across the province fell a further 3.9% in the fourth quarter and are now down 60% from peak levels.



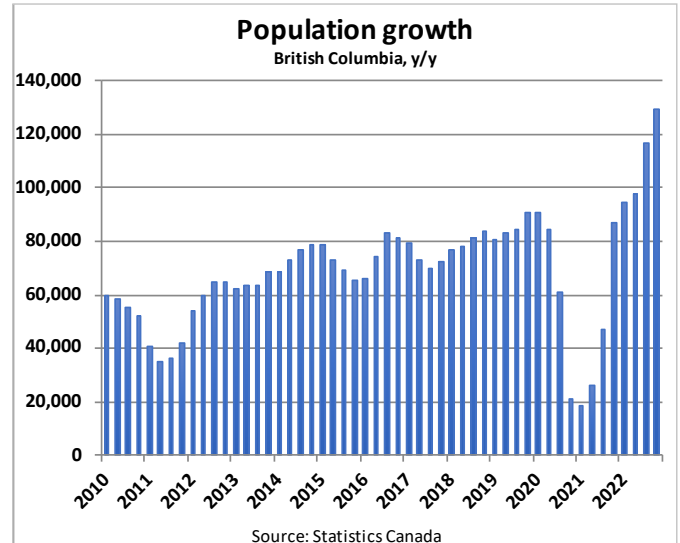
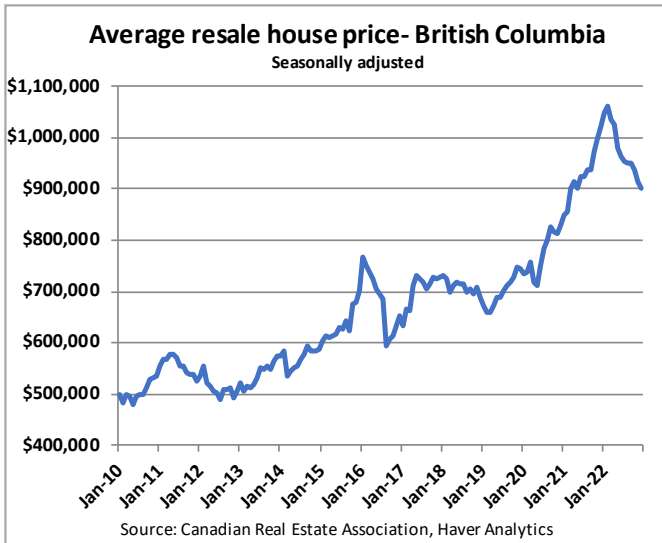
Active listings across the province ended the year 63% above year-ago levels. With supply up and sales down, the months of inventory indicator has risen to nearly 5.9 from a low of less than two at the start of 2022.



Housing and Mortgage Market Review

British Columbia

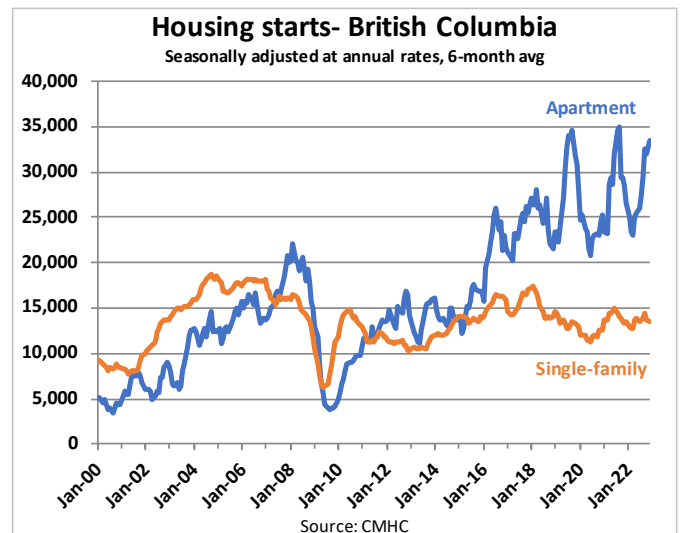
With the market balance deteriorating, prices remain under pressure. Seasonally adjusted average prices slid 5.1% from Q3 to Q4, and are now 11.8% below levels from one year ago.



Population growth smashes records

B.C. has added a record 130,000 people to its population over the past year, which, over the long term, will prove supportive of housing demand.

Housing starts remain solid across the province, but primarily due to strong construction activity in the apartment segment, which includes both condos and purpose-built rentals. Construction activity in the highly-coveted single-family segment actually slowed slightly to end the year.



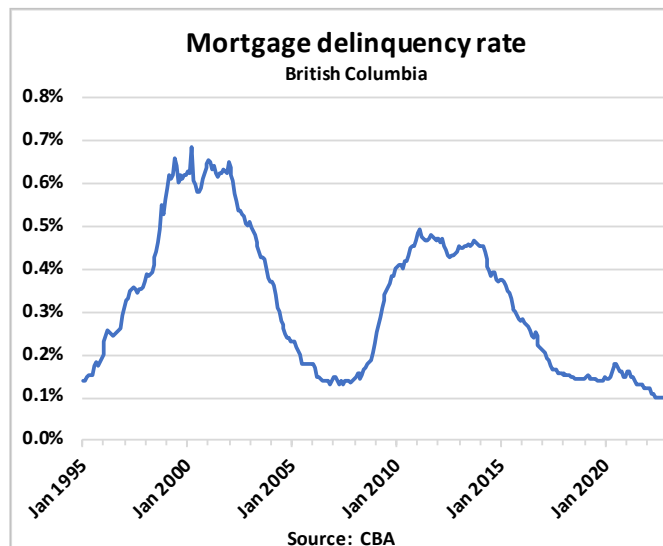
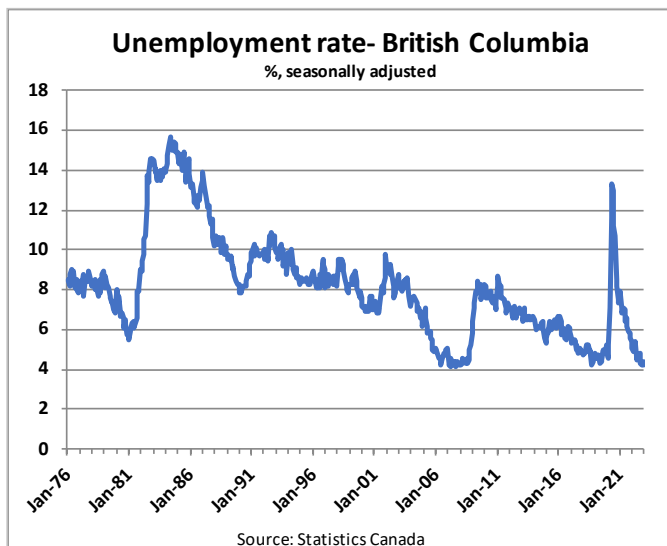
Solid employment trends cap off 2022

The province added 13,000 jobs in the fourth quarter while the unemployment rate edged down to a near-record low of 4.2%.



Housing and Mortgage Market Review

British Columbia



Mortgage delinquencies across the province remained at a record low of just 0.1%.

Delinquencies are a lagging indicator. In other words, they rise well after the economy weakens.

What it all means: B.C.'s housing market continues to work through a difficult adjustment period brought on by the rapid ascent of interest rates in 2022. Challenging times may persist for a while yet. Forward indicators of economic activity point to a significant cooldown and likely recession next year, which means weak demand and declining prices may persist well into 2023.

**Any forecasts contained in this report are accurate as of the date indicated.*

Ben Rabidoux is the founder of Edge Realty Analytics (www.edgeanalytics.ca), which equips top real estate and mortgage professionals with timely research and insightful marketing infographics to help them stand apart from the competition and stay engaged with their clients and prospects.

He is also the founder and president of North Cove Advisors, a market research firm serving institutional and high net worth clients since 2013 that is consistently ranked top 5 for Canadian economic coverage by Brendan Wood International.

He is a frequent guest and contributor in major media outlets, including Bloomberg, The Wall Street Journal, Reuters, The Globe and Mail, The Toronto Star, Macleans, and many others.



MORTGAGE PROFESSIONALS CANADA