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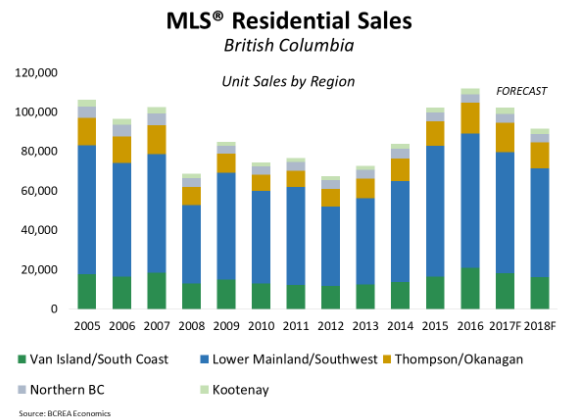
Housing Market Facing Headwinds Despite Strong Economy

BCREA 2017 Fourth Quarter Housing Forecast

Vancouver, BC – November 28, 2017. The British Columbia Real Estate Association (BCREA) released its 2017 Fourth Quarter Housing Forecast today.

Multiple Listing Service® (MLS®) residential sales in the province are forecast to decline 10.4 per cent to 91,700 units in 2018, after an expected 8.8 per cent decrease this year. A record 112,209 unit sales were recorded in 2016. The ten-year average for MLS® residential sales in BC is 84,700 units. Strong economic and demographic fundamentals are supporting elevated housing demand. However, a number of factors are expected to temper home sales in the province next year.

“Housing demand across the province will face increasing headwinds in 2018,” said Cameron Muir, BCREA Chief Economist. “A rising interest rate environment combined with more stringent mortgage stress tests will reduce household purchasing power and erode housing affordability.” The 5-year qualifying rate is forecast to rise 20 basis points to 5.15 per cent by Q4 2018, and the new qualification rules for conventional mortgages will erode purchasing power by up to 20 per cent. “Given the rapid rise in home prices over the past few years, the effect of these factors will likely be magnified.”



The supply of homes for sale is now trending at or near decade lows in most BC regions. The imbalance between supply and demand has been largely responsible for rapidly rising home prices. The combination of weakening consumer demand and a surge in new home completions next year is expected to induce more balanced market conditions, producing less upward pressure on home prices. The average MLS® residential price in the province is forecast to increase 3.1 per cent to \$712,300 this year, and a further 4.6 per cent to \$745,300 in 2018.

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To view the full BCREA Housing Forecast, click [here](#).

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Housing Forecast Update Table – Q4 2017

Board Area	Unit Sales			Average MLS® Price (\$)		
	2016	2017F	2018F	2016	2017F	2018F
Victoria	10,028 27.5%	8,400 -16.2%	7,700 -8.3%	585,745 12.3%	653,000 11.5%	662,400 1.4%
Vancouver Island	10,532 26.6%	9,600 -8.8%	8,400 -12.5%	\$383,192 12.8%	\$445,000 16.1%	\$458,900 3.1%
Powell River	417 9.4%	375 -10.1%	350 -6.7%	\$284,471 15.3%	\$322,250 13.3%	\$324,800 0.8%
Greater Vancouver	40,880 -5.2%	36,800 -10.0%	33,000 -10.3%	1,017,228 12.7%	1,023,900 0.7%	1,080,000 5.5%
Fraser Valley	23,086 15.1%	20,900 -9.5%	18,700 -10.5%	\$676,946 17.2%	\$705,000 4.1%	\$739,900 5.0%
Chilliwack and District	4,306 37.2%	3,740 -13.1%	3,450 -7.8%	\$397,911 18.4%	\$469,400 18.0%	\$489,800 4.3%
Kamloops and District	3,181 23.6%	3,275 3.0%	2,860 -12.7%	345,528 5.9%	365,400 5.8%	372,900 2.1%
Okanagan Mainline	10,036 25.6%	9,100 -9.3%	8,200 -9.9%	\$461,791 13.1%	\$490,800 6.3%	\$504,800 2.9%
South Okanagan*	2,459 21.6%	2,425 -1.4%	2,180 -10.1%	\$364,296 11.3%	\$397,000 9.0%	\$412,000 3.8%
Northern Lights	260 -16.7%	375 44.2%	330 -12.0%	\$233,357 -13.4%	\$237,000 1.6%	\$243,000 2.5%
Kootenay	2,955 18.2%	3,260 10.3%	2,850 -12.6%	\$279,500 1.5%	\$309,600 10.8%	\$319,500 3.2%
BC Northern	4,069 -3.4%	4,100 0.8%	3,720 -9.3%	\$263,703 -0.4%	\$277,000 5.0%	\$281,000 1.4%
BC Total	112,209 9.5%	102,350 -8.8%	91,740 -10.4%	691,100 8.6%	712,300 3.1%	745,300 4.6%

*Excluding Northern Lights

About BCREA

The [British Columbia Real Estate Association](http://www.bcrea.bc.ca) (BCREA) is the professional association for about 22,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's 11 real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

To demonstrate the profession's commitment to improving [Quality of Life](#) in BC communities, BCREA supports policies that help ensure economic vitality, provide housing opportunities, preserve the environment, protect property owners and build better communities with good schools and safe neighbourhoods. For detailed statistical information, contact your [local real estate board](#). MLS® is a cooperative marketing system used only by Canada's real estate boards to ensure maximum exposure of properties listed for sale.

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