

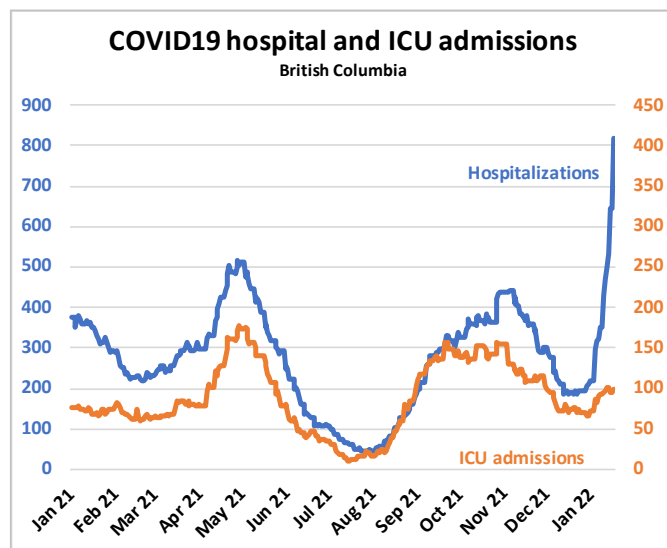
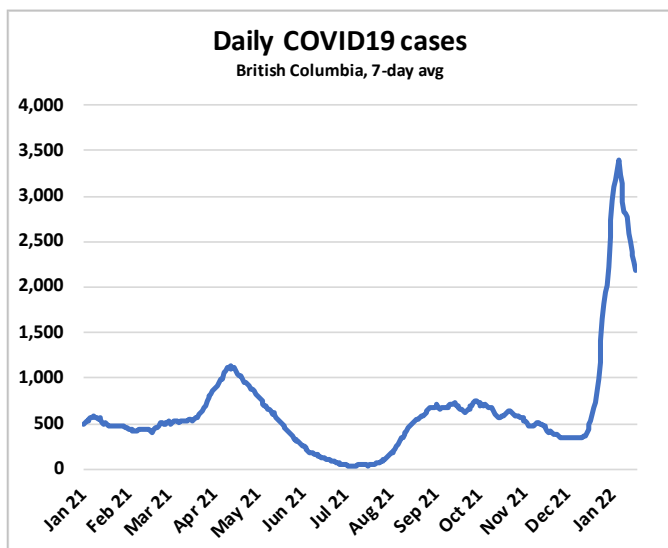


Housing and Mortgage Market Review

Low Supply and High Demand Spells Hectic Spring Homebuying Season for B.C.

COVID cases in British Columbia appear to have peaked for now, a trend that may be confirmed by the slowdown in ICU admissions as of mid-January.

The good news is that the normal relationship between hospitalizations and ICU admissions has broken down, suggesting that while Omicron is far more contagious, it's also a less virulent strain. Still, with hospitalizations rising and an ongoing shortage of healthcare workers in most provinces, COVID-related restrictions will remain in place for a while longer, and that will likely weigh modestly on economic growth this quarter.



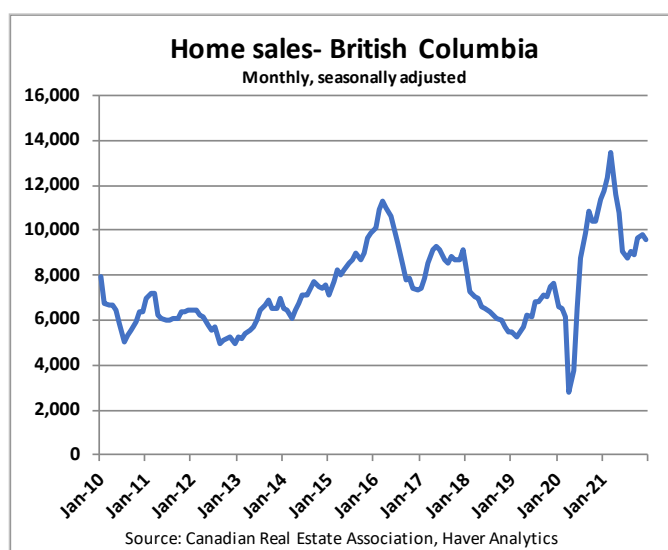


Housing and Mortgage Market Review

British Columbia

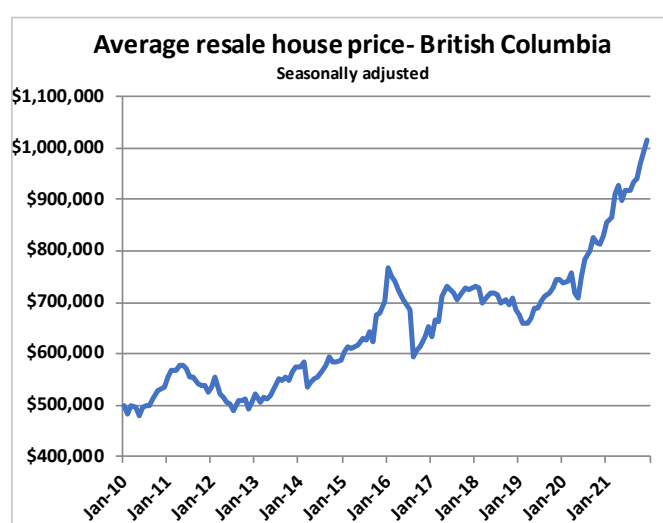
Home Sales

Home sales across B.C. remain at very high levels, though they are still below the peak reached in early 2021. Still, supply remains exceptionally low, with active inventory across the province down 29% compared to this time last year and down 66% since the beginning of 2020. Months of inventory are at a razor-thin 1.7, the lowest on record.



The strong supply/demand imbalance has pushed values to record levels, with the average house price up 22.4% year-over-year in the fourth quarter.

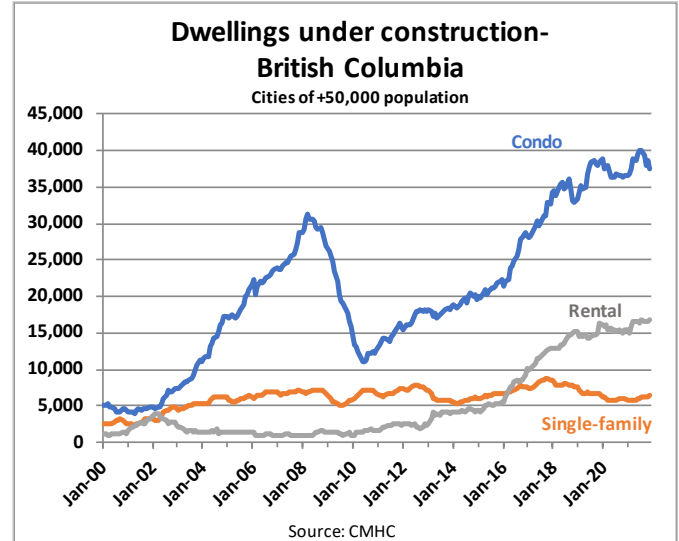
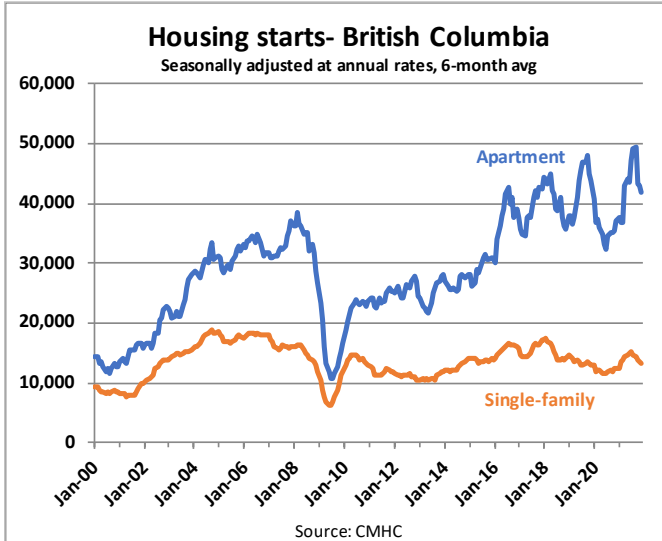
The inventory shortage remains particularly acute in the single-family segment and, unfortunately, that doesn't look set to change soon. Housing starts have been very strong in B.C. recently, but single-family starts remain below decade averages. And while there's plenty of construction activity happening, it's overwhelmingly concentrated in the condo and rental apartment segments where nearly 55,000 combined dwellings are under construction compared to just 6,000 single-family dwellings.



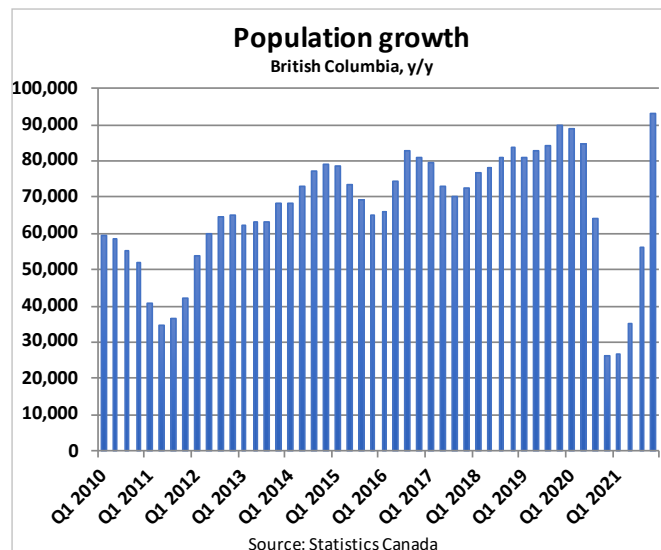


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Population growth in B.C. has rebounded sharply off the pandemic lows to hit record highs in the fourth quarter.



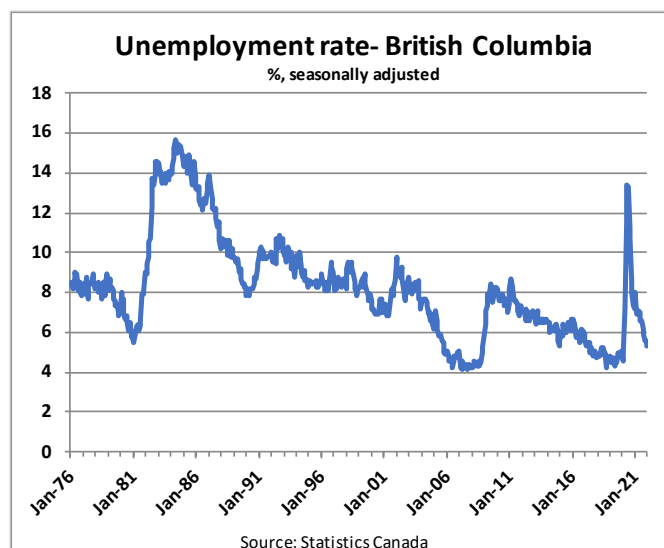
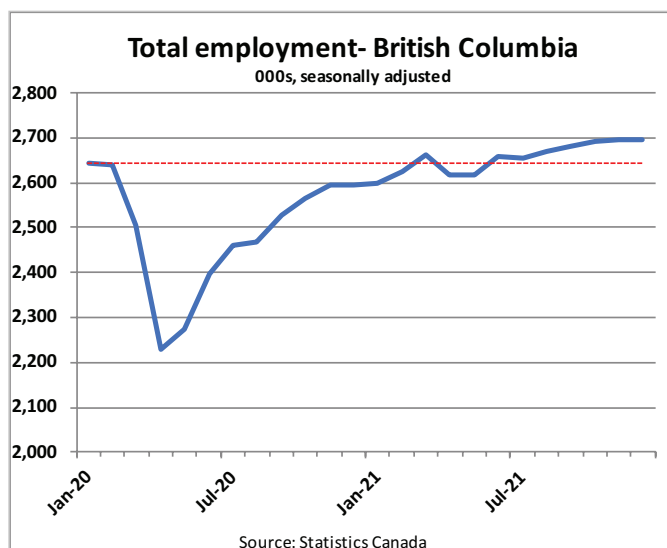


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British Columbia

Solid economic momentum

B.C.'s economy had solid momentum to end the year. The province continues to see strong job creation, with total employment now over 50,000 above pre-pandemic levels. The unemployment rate has fallen sharply in recent months and ended the year at 5.3%, well below the long-term average.



What it all means: With strong population growth, a solid economic backdrop and an ongoing shortage of housing supply, it looks like we're heading for a very strong—even hectic —spring selling season in most B.C. metro areas. Higher interest rates should weigh on demand towards the back half of the year, which should hopefully bring some much-needed balance to this market.

**Any forecasts/projects 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.



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