



MARKET INSIGHT

YEAR END 2002

CANADA MORTGAGE AND HOUSING CORPORATION

BC AT A GLANCE

- Low interest rates and an increase in the number of new jobs drove significant increases in both housing sales and starts in BC in 2002.
- The 80,432 housing sales recorded in 2002 are the highest since 1993. Sales volumes and price appreciation drove total sales over \$19 billion.
- Developers responded to strong demand by ramping up housing starts to 21,625 units in 2002, a 25.5 per cent increase over 2001 levels.
- A series of interest rate hikes are widely anticipated in the latter half of 2003. However, it is expected that economic growth, job creation and improving migration will sustain housing demand and drive sales of 78,000 units in 2003.
- Low inventories of new homes available for purchase suggest that the momentum of housing starts seen in 2002 will carry into 2003. CMHC forecasts starts of 23,000 units for BC in 2003.

HOUSING MARKET TRENDS

	Vancouver	Victoria	Abbotsford	Kelowna	Prince George	Kamloops	Nanaimo
Housing Starts 2002 ⁽¹⁾	13,197	1,344	1,038	1,591	100	235	440
% change 2002/2001	+21.5%	+6.3%	na	+44.2%	+29.9%	+17.5%	+34.1%
Total MLS ^(R) Sales 2002 ⁽²⁾	33,864	7,069	2,425	3,708	993	1,305	1,284
% change 2002/2001	+21.4%	+10.3%	+28%	+23.9	+1.4%	+11.6%	+6.3%
MLS ^(R) Average SD Price 2002 ⁽²⁾	\$394,544	\$280,219	\$223,217	\$221,055	\$120,464	\$158,594	\$161,417
% change 2002/2001	+6%	+8%	+9%	+12%	+3.3%	+5.8%	+9%

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

BC'S ECONOMIC TRENDS

	2002 Recent Statistics	2003 Forecast
GDP Growth (% change)	+ 2%	+ 2.7%
Employment Rate (% change)	+ 1.6%	+ 1.9%
Mortgage Rate (3 year term)	6.0%	6.0 to 8.0%
Net Interprovincial Migration (# migrants)	-6,000	-3,000
Net International Migration (# migrants)	32,000	33,700
Population Growth (% change)	+ 0.9	+ 0.9

Source: Statistics Canada and CMHC Forecasts



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LEADING EDGE INFORMATION

CMHC's annual Rental Market Reports are now available.

Includes comprehensive analysis and forecasts of vacancy rates and average rents. Also contains sub-market details for townhouse and apartment buildings with three or more units. Available Now for Vancouver, Victoria, Kelowna and BC markets.

Single issues \$40/centre

To purchase any of these local products or for more information please contact, Lisa Preston at (604)737-4088 or lpreston@cmhc-schl.gc.ca

Don't miss CMHC's recently released annual Rental Market FastFaxes.

Quick summary of rental markets for urban centres in BC. Includes key information on average apartment rents, vacancies and the number of units for all BC municipalities with populations over 10,000. Available for 10 major geographic areas in BC:

Abbotsford/Chilliwack
BC Southern Interior
Kamloops
Kelowna
Metro Victoria

Mid Vancouver Island
Northern Vancouver
Island/SunshineCoast
Prince George
Vancouver

Single Issues: \$30 per centre

DID YOU KNOW?

Did you know that in downtown Vancouver, 47% of the condominium units built after 1990 were purchased by investors who subsequently placed them into the rental market?

Find out more with the soon to be released report: ***The Impact of the Investor Condominium Market in Vancouver.*** As part of research study commissioned by CMHC, PriceWaterhouse-Coopers (PWC) surveyed and analysed condominium sales in Richmond, Burnaby and City of Vancouver for the period 1990 to 2000.

PWC researchers paid particular attention to the distribution and trends in unit size, price and product type (high-rise, low rise, townhouse etc.).

The report will be released in the Spring of 2003 and it will be available in print format only. To receive a **free copy** of this Part IX Research study by mail, contact Lisa Preston at (604)737-4088 or e-mail: lpreston@cmhc-schl.gc.ca.

NEED MORE INFORMATION

For additional market information, including local analysis and data, you can rely on the following members of the BC Market Analysis Centre:

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