



MARKET INSIGHT

THIRD QUARTER 2006

CANADA MORTGAGE AND HOUSING CORPORATION

BC AT A GLANCE

BC's housing sector saw dips in both sales and new home starts during third quarter 2006 despite robust economic expansion, strong employment growth and high levels of consumer confidence. Slightly higher mortgage rates and rising prices dampened demand, and year-to-date sales are 7.4% below 2005 levels. However, existing home prices continued their uptrend, posting a 17% gain from last year.

BC employment growth continues strong - over 60,000 more people were employed during the third quarter compared to the same period in 2005. The unemployment rate edged up to 4.8% in September, but remained well below Canada's 6.4%, which means BC continues to draw people from other provinces to work here. The province recorded solid net gains from interprovincial migration during the

first two quarters of 2006, second only to Alberta's increases.

BC's resale markets reported more listings and slower sales, lifting markets towards balanced conditions as supply rose to meet strong demand. At the end of third quarter 2006, most markets continued to favour sellers but are progressing towards balance in 2007. The BC average resale home price continues to rise and is approaching the \$400,000 mark, pricing some potential homebuyers out of the market.

About 8,800 new homes were started in urban British Columbia (areas with a population of 10,000 or more) during the third quarter, three per cent below levels posted during the same quarter last year.

HOUSING MARKET TREND

	Vancouver	Victoria	Abbotsford	Kelowna	Prince George	Kamloops	Nanaimo
Housing Starts							
(Jan. - Sept. 2006)	14,737	1,980	957	2,076	247	514	600
% chge. from Jan. - Sept. 2005	5.8%	27.0%	19.2%	1%	-5.4%	27%	-17.4%
Total MLS Sales							
(Jan. - Sept. 2006)	28,870	5,242	3,166	3,619	NA	1,945	1,488
% chge. from Jan. - Sept. 2005	-10.9%	-7.2%	-0.5%	-9.0%		6%	-14.4%
MLS Average SD House Price							
(Jan. - Sept. 2006)	\$714,573	\$521,180	\$364,875	\$431,111	NA	\$278,898	\$308,874
% chge. from Jan. - Sept. 2005	23.2%	13.8%	17.8%	23.8%		27.6%	17.6%

SD = Single Detached NA = Not Available

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.

Sales include single and multi-family residential homes. Sales totals do not include mobile homes.

BC'S ECONOMIC TRENDS

	2005 Recent Statistics	2006 Forecast
GDP Growth (% change)	3.5%	3.5%
Employment Growth (% change)	3.3%	3.0%
Mortgage Rate (3 year term)	5.5%	6.0% - 6.5%
Net Interprovincial Migration (# of migrants)	4,811	5,320
Net International Migration (# of migrants)	38,843	36,277
Population Growth (% change)	1.3%	1.3%

LEADING EDGE INFORMATION**Announcing Enhancements to CMHC's Market Analysis Products and Services**

- Secondary Rental Market Information
- Additional Spring Rental Market Survey
- Annual Renovation Expenditure Survey in 10 Major Centres, including Vancouver
- Publications for additional centres

Starting in December 2006, and throughout 2007, CMHC will introduce a number of enhancements designed to broaden knowledge of housing markets for all participants - industry, consumers and governments.

Visit: www.cmhc.ca/housingmarketinformation to view, download and print:

- Canadian Housing Statistics
- Consumer Intentions to Buy or Renovate a Home
- Housing Information Monthly
- Housing Market Outlook, Canada and Major Centres
- Housing Now, Canada, Major Centres and Regional
- Monthly Housing Statistics
- Rental Market Reports

CMHC Market Analysis will be making changes to our product line-up, and **Market Insight** will not be available in 2007 - check out some of the publications above to get even more detailed info than you receive in Market Insight or contact an analyst for updated information.

DID YOU KNOW?

CMHC's 12th annual **Housing Outlook Conference** is sold out! If you are interested in learning more about forecasts presented at this November 14 event, contact us. And check out website in early September 2007 so you can be in on next year's conference.

Kelowna, Victoria, Vancouver Housing Market Outlook Autumn 2006 reports are now available at

www.cmhc.ca/housingmarketinformation

Also available is the fourth quarter edition of **Housing Market Outlook, Canada**, with the detailed BC forecast.

NEED MORE INFORMATION?**BC Inquiries**

Carol Frketic
BC Regional Economist
Tel (604) 737-4067
cfrketic@cmhc.ca

Vancouver

Bryan Yu
Market Analyst
Tel (604) 737-4008
byu@cmhc.ca

Vancouver

Richard Sam
Market Analyst
Tel (604) 737-4089
rsam@cmhc.ca

Lee King
Corporate Representative
Tel (250) 363-8050
lking@cmhc.ca

Northern BC

Andy Ni
Market Analyst
Tel (604) 737-4052
ani@cmhc.ca

Vancouver Island

Peggy Prill
Market Analyst
Tel (250) 363-8045
pkill@cmhc.ca

Okanagan/Interior

Paul Fabri
Market Analyst
Tel (250) 712-4334
pfabri@cmhc.ca

Visit CMHC's website www.cmhc.ca

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