



ROBUST DEMAND TO PUSH HOME SALES HIGHER THIS YEAR

Housing demand across the province this year is expected to produce the highest level of unit sales since 2007. The alignment of economic growth, consumer confidence and rock-bottom mortgage interest rates is pushing home sales significantly higher. Multiple Listing Service® (MLS®) residential sales in British Columbia are forecast to rise 12 per cent to 94,300 units this year, after climbing 15 per cent to 84,000 in 2014, while MLS® residential sales are forecast to edge back nearly 3 per cent to 91,600 units in 2016. This will be the first year since 2007 that BC home sales will surpass the ten year average. A record 106,300 homes traded hands on the MLS® in BC during 2005.

After a number of years of tepid consumer spending, retail sales are expected to post a second consecutive year of robust growth, climbing 5.9 per cent this year after a 5.8 per cent up-tick in 2014. While there are mixed signals between measures of employment growth, labour demand is on a decidedly upward trend, with the average weekly wage forecast to climb more than 3 per cent this year and the unemployment rate expected to fall to a 5-year low.

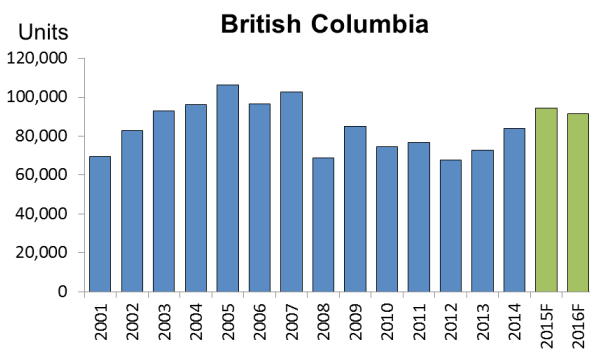
Across the province, nine of BC's 11 real estate board areas are forecast to experience increased housing demand this year. Vancouver and the Fraser Valley are forecast to lead the province with a 16 to 17 per cent increase in residential sales, while BC Northern, the board with the largest geographic area, is expected to experience some entrenchment this year before returning on a growth path in 2016.

Stronger consumer demand in most regions combined with fewer homes available for sale has most areas of the province now exhibiting balanced conditions, with the single-detached market in many of the South Coast communities favouring home sellers. The average MLS® residential price in the province is forecast to increase 7.4 per cent to \$610,500 this year, and a further 1.7 per cent to \$621,000 in 2016.

Provincial new home construction edged back a little over 1 per cent to 26,741 units last year, with fewer single-detached and multiple starts. Stronger consumer demand and dwindling inventories of newly completed and unoccupied units is expected to lead to a 7 per cent increase in BC housing starts to 28,700 units this year, and a further 1.4 per cent to 29,100 units in 2016.

MLS®	14	15f	16f
Sales	84,049	94,300	91,600
	15.2%	12.1%	-2.9%
Avg Price	568,405	610,500	621,000
	5.8%	7.4%	1.7%
\$ Volume	47.8 Bil	57.5 Bil	56.9 Bil
	21.9%	20.5%	-1.2%
Housing Starts¹			
Total	26,741	28,700	29,100
	-1.2%	7.3%	1.4%
Single	8,332	8,900	9,200
	-2.2%	6.8%	3.4%
Multiple	18,409	19,800	19,900
	-0.7%	7.6%	0.5%
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MLS® Residential Sales



Source: BCREA

Despite the aftershock of falling oil prices, the province is emerging largely unscathed and is shaping up to lead national growth this year. After increasing 2.4 per cent in 2014, the BC economy is forecast to expand 2.7 per cent both this year and next. Due to a more robust US economy and a competitive exchange rate, BC exports have been pushed higher. In addition, increased tourism - from international travelers to domestic "stay-cationers" - is expected to provide a much needed boost to many BC communities.



1. Source: BCREA Forecast; CMHC

ECONOMIC OUTLOOK

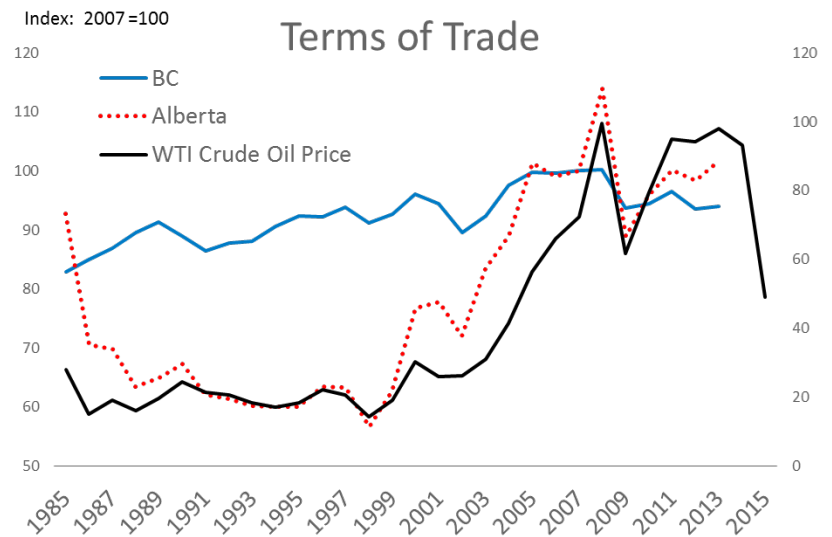
While many parts of Canada are struggling with the aftershock of falling oil prices, the BC economy is in the enviable position of being a growth leader. Household spending is on an upswing, reinvigorating the provincial housing market and boosting retail sales. Meanwhile, BC's trade and manufacturing sectors are benefiting from a rejuvenated US economy. However, the last piece of the economic growth puzzle, job creation, continues to be somewhat of a conundrum. Despite employment growth averaging less than 1 per cent over the last two years, there are encouraging signs of improvement in the labour market. 2015 has begun with robust wage growth, and the unemployment rate continues to trend lower after 2014's finish at a 5-year low of 6.1 per cent.

Since the end of 2014, oil prices have fallen by more than half. For a net exporter of oil like Canada, a shock to oil prices of that magnitude will have a significant impact on wages, employment, private investment and economic growth. Indeed, the Canadian economy contracted 0.6 per cent in the first quarter of 2015. Of course, not every province in Canada is an oil producer and therefore the shock from lower oil prices is not symmetric across provinces. As illustration, BC's terms of trade, the ratio of the price of goods BC exports to goods it imports and a major driver of income growth, is far less correlated with oil prices than in Alberta where incomes are highly dependent on the energy sector. In fact, low energy prices can actually prove positive for non-oil producing provinces like BC as falling gasoline and other energy prices give a boost to household expenditures.

Consumer spending in BC is already on an upswing following several years of restraint. Retail sales growth averaged just 3.2 per cent in the first four years post-2009 recession but picked up to 5.8 per cent in 2014, the highest rate of retail spending growth since 2007. Improved consumer confidence, aided by an acceleration in population growth, has also helped to propel the BC housing market with sales trending higher across the province. Strong net-migration into BC is supporting robust new-home construction, while non-residential construction is being driven by a boom in new office buildings and rock-bottom interest rates.

While the domestic side of the economy appears poised for strong growth, BC's trade and export sectors should get a welcome boost from the US economy.

BC Economy Less Exposed to Oil



	2014*	2015f	2016f
Real GDP Growth*	2.4%	2.7%	2.7%
Employment (\$ millions)	2.28	2.31	2.34
Unemployment (000s)	146.9	142.2	137.1
Unemployment Rate	6.1%	5.8%	5.5%
Personal Disposable Income (\$ millions)**	150.4	157.1	163.8
Average Weekly Wage	\$882	\$910	\$930
Retail Sales (\$ billions)	\$66.4	\$70.3	\$73.5
Net International Migration	33,890	35,500	36,300
Net Interprovincial Migration	10,042	10,000	10,500
Total Net Migration	43,932	45,500	46,800
	30.7%	3.6%	2.9%

*Data not yet available for 2014 has been estimated

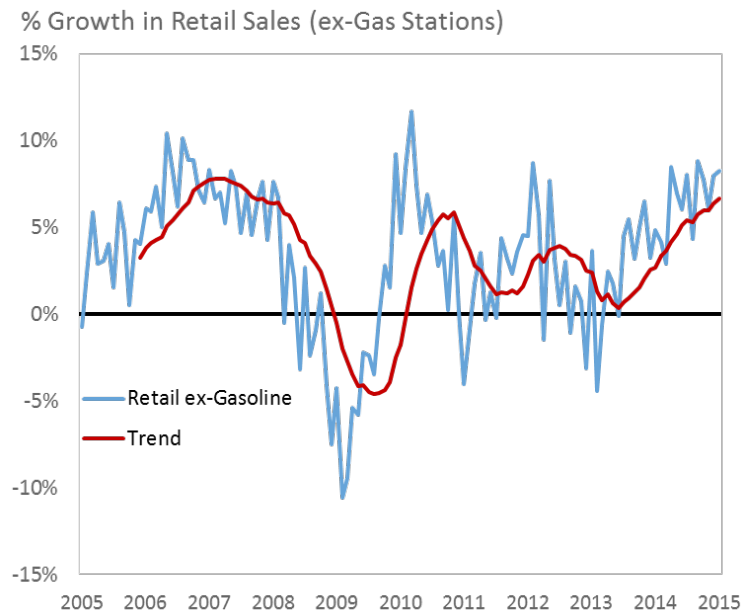
**Estimates of Personal Disposable Income were revised by Statistics Canada as part of its 2012 Historical Revision of the Canadian System of National Accounts

Notwithstanding what looks to be a weak start to the year for our largest trading partner, economic growth in the United States seems poised to pick up in 2015. Strong demand from the US should help to compensate for slightly weaker growth among BC's other major trading partners. Exports to both Japan and China have declined since the beginning of 2015 due to slowing growth in those economies.

Although BC may not be able to completely shrug off an oil-induced slowdown in the rest of Canada, the outlook for the provincial economy is as bright as it has been in years. Following an estimated 2.4 per cent growth in real GDP in 2014, we are forecasting a strengthening in economic growth to 2.7 per cent in both this year and next.

Along with a faster pace of economic growth we expect a marked improvement in job creation over the next two years, pushing the provincial unemployment rate to a seven year low of 5.5 per cent by 2016 .

Consumer Spending Reinvigorated



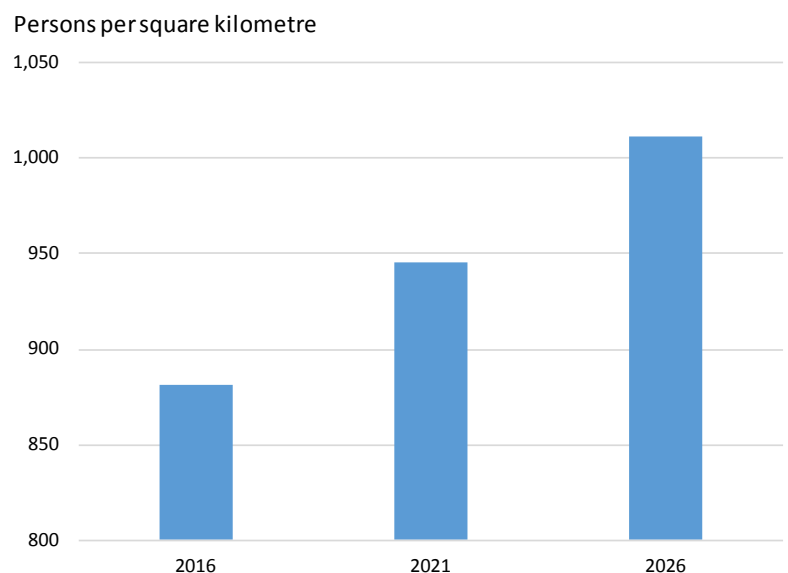
HOUSING STARTS

Total housing starts were somewhat constrained by a large volume of units already under construction last year with 2014 ending down 1.2 per cent to 26,741 units. Single-detached starts fell 2.2 per cent in spite of an increase in single-detached starts in major CMAs and CAs. Multiple starts fell 0.7 per cent.

New home construction in BC has maintained a steady pace over the past several years, growing relatively in-line with the rate of new household formations. A surging provincial housing market has led to a sustained decline in the inventory of unsold new homes which, combined with a demographic favourable to increased housing demand, should spur new home construction over the next two years.

Moreover, housing density in larger centres should continue to be under pressure from growing populations. That growth will require a larger share of multiple unit construction and an associated decline in more land intensive single-

Increasing Population Density in Vancouver CMA



Source: BC Stats; Statistics Canada; BCREA Economics

detached homes. We are forecasting a 7.3 per cent increase in total housing starts this year to 28,700 units, led by a 7.6 per cent increase in multiple units, and a further 1.4 per cent increase in 2016 to 29,100 units.

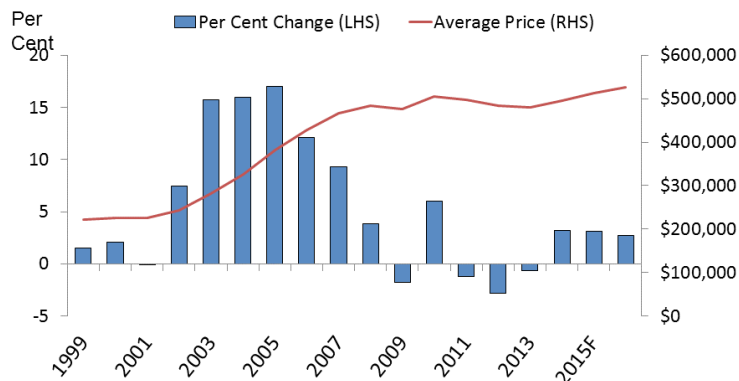
VICTORIA REAL ESTATE BOARD

Stronger economic conditions, consumer confidence and rock-bottom mortgage interest rates are underpinning housing demand in Victoria. In addition, the local tourism sector is gearing up for a banner year, driven by a robust US economy and favourable exchange rate. After experiencing below-average consumer demand for several years, the Victoria housing market has bounced back with a strong surge in unit sales. After rising 12 per cent in 2014, MLS® residential sales are forecast to climb nearly 14 per cent to 7,250 units this year, the highest annual tally since 2009. Housing demand is expected to continue at an elevated pace in 2016, although with total unit sales edging back 3.4 per cent to 7,000 units.

The combination of stronger consumer demand and a 12 per cent decline in the number of homes for sale has strengthened market conditions in most communities. As a result, home prices are expected to continue on an upward trajectory with the strongest price growth occurring in the single-detached market segment. The MLS® Home Price Index has advanced at an annual pace of 3 per cent in recent months and this pace is expected to continue through 2015. As a result, the average annual MLS® residential price is forecast to increase 3.1 per cent to \$512,000 this year, and a further 2.7 per cent to \$526,000 in 2016.

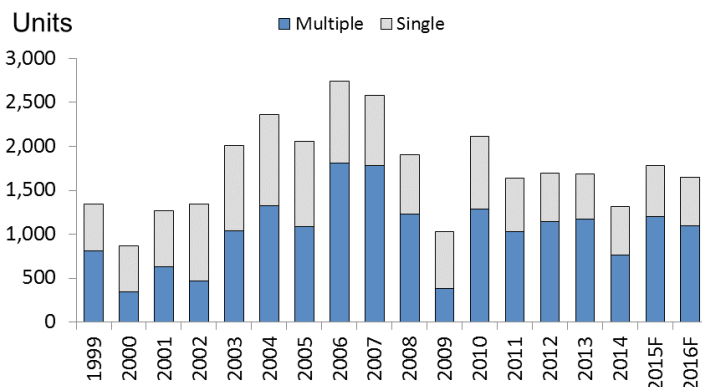
After a surge in homebuilding in 2013, the resulting increase in inventory led to a sharp decline in housing starts last year. A 35 per cent decline in multiple starts dragged total housing starts down 22 per cent in 2014. However, strengthening consumer demand and a drawdown of new home inventories has builders busy again this year. Total housing starts are forecast to rise more than 35 per cent this year to 1,780 units. Multiple starts are expected to climb 57 per cent to 1,200 units this year, while single-detached starts are expected to rise a more modest 5.3 per cent to 580 units. More than two-thirds of new homes in Victoria are now multi-family.

MLS® Residential Price Victoria



Source: BCREA

Housing Starts Victoria



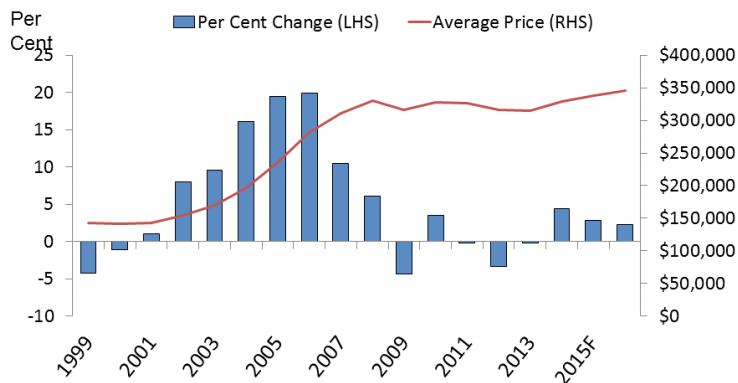
Source: CMHC, BCREA Forecast

MLS®	Sales				Total	Avg Price			Housing Starts ²		
	Total ¹	Detached	Attached	Apartment		Detached	Attached	Apartment	Total	Single	Multiple
2014	6,371	3,819	716	1,626	496,473	601,103	415,860	324,988	1,315	551	764
	11.9%	13.6%	6.5%	12.7%	3.2%	2.1%	0.9%	7%	-22%	7.2%	-34.8%
2015f	7,250	4,300	825	1,925	512,000	622,000	428,000	332,000	1,780	580	1,200
	13.8%	12.6%	15.2%	18.4%	3.1%	3.5%	2.9%	2.2%	35.4%	5.3%	57.1%
2016f	7,000	4,150	800	1,850	526,000	636,000	435,000	338,000	1,650	550	1,100
	-3.4%	-3.5%	-3%	-3.9%	2.7%	2.3%	1.6%	1.8%	-7.3%	-5.2%	-8.3%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Victoria CMA Sources: CMHC, BCREA Forecast

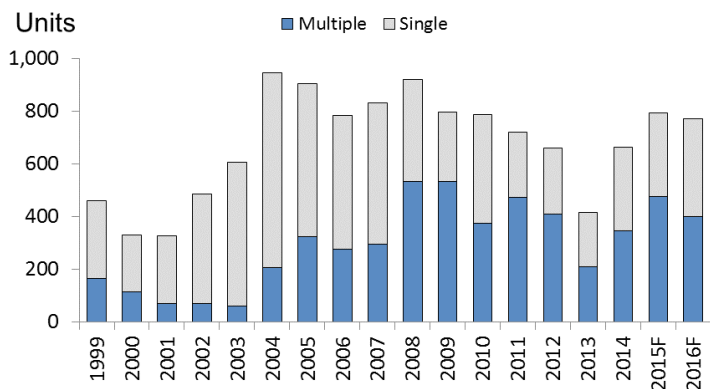
VANCOUVER ISLAND REAL ESTATE BOARD

MLS® Residential Price Vancouver Island



Source: BCREA

Housing Starts Nanaimo



Source: CMHC, BCREA Forecast

Housing demand in 2015 is shaping up to be the strongest since 2008. BC exports are on the rise as a result of a more robust US economy and a weaker Canadian dollar is making BC an attractive vacation destination for both international travellers and “staycationers”. Consumer confidence is also exceptionally strong as evidenced by a dramatic increase in retail sales. Stronger economic conditions combined with favourable population growth, especially among retirees, is expected to contribute to a 5.7 per cent increase in MLS® residential sales to 7,600 units this year and a nearly 4 per cent increase to 7,900 units in 2016.

Stronger than expected housing demand during the busy spring market has propelled overall market conditions on Vancouver Island to the margin between a balanced and sellers’ market. Total active listings in the market were down approximately 8 per cent during the first four months of the year. This suggests home prices are rising slightly above the rate of overall inflation. Indeed, the MLS® Benchmark price for a single detached home was up 3.4 per cent in April compared to the previous year. The average MLS® residential price is expected to increase nearly 3 per cent to \$338,000 this year and a little over 2 per cent to \$345,500 in 2016.

After recording a decade low of 415 housing starts in the Nanaimo CA during 2013, new construction activity bounced back last year, climbing 60 per cent to 665 units. The inventory of complete and unoccupied new homes reached a ten-year low in the first quarter and home builders are once again ramping up production. Total housing starts in the Nanaimo CA are expected to climb nearly 20 per cent this year on the strength of a 37 per cent increase in multiple starts. While a modest pullback in multiple starts is expected in 2016 as builders finish existing projects, single detached starts are expected to pick up most of the slack by climbing nearly 16 per cent to 370 units.

MLS®	Sales				Avg Price				Housing Starts ²		
	Total ¹	Detached	Attached	Apartment	Total	Detached	Attached	Apartment	Total	Single	Multiple
2014	7,187	4,874	641	554	328,740	360,317	250,481	195,759	665	318	347
	9.7%	9.8%	9.4%	11%	4.4%	4.5%	3.9%	-1.3%	60.2%	55.1%	65.2%
2015f	7,600	5,100	680	650	338,000	369,000	252,000	185,000	795	320	475
	5.7%	4.6%	6.1%	17.3%	2.8%	2.4%	0.6%	-5.5%	19.5%	0.6%	36.9%
2016f	7,900	5,360	705	610	345,500	375,000	255,000	190,000	770	370	400
	3.9%	5.1%	3.7%	-6.2%	2.2%	1.6%	1.2%	2.7%	-3.1%	15.6%	-15.8%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Nanaimo CA Sources: CMHC, BCREA Forecast

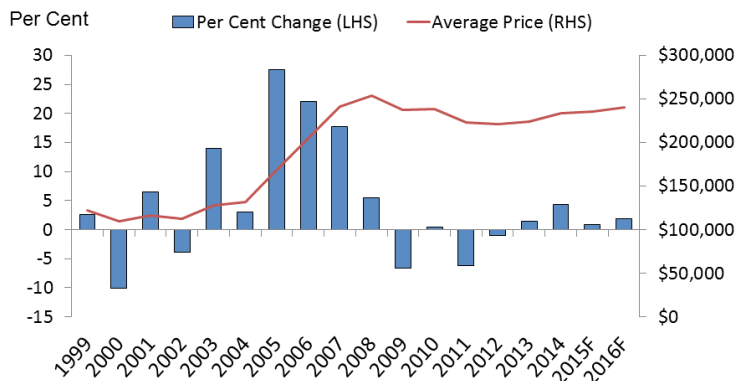
POWELL RIVER SUNSHINE COAST REAL ESTATE BOARD

MLS® residential sales in the Powell River board area are forecast to edge back 7 per cent to 300 units this year after climbing 14 per cent to 323 units in 2014, the highest number of residential sales since 2005. Rather than a downturn, the forecast number of home sales represents a continuing high level of consumer demand. Stronger economic conditions both at home and abroad are contributing to rising BC exports, increasing tourism and strong population growth. In addition, Powell River is benefitting from the growing number of retirees looking to the BC coast for their retirement years. Further, exceptionally strong retail sales in the province are a strong signal that household balance sheets are on track and that confidence is high.

Market conditions in Powell River have improved significantly over the past year. The combination of fewer homes for sale and strong consumer demand has pushed the market to balanced/sellers' conditions. This means that home prices across most home types are increasing roughly in-line with inflation. As a result, the average MLS® residential price is expected to increase nearly 1 per cent to 235,500 this year, before increasing nearly 2 per cent to \$240,000 in 2016.

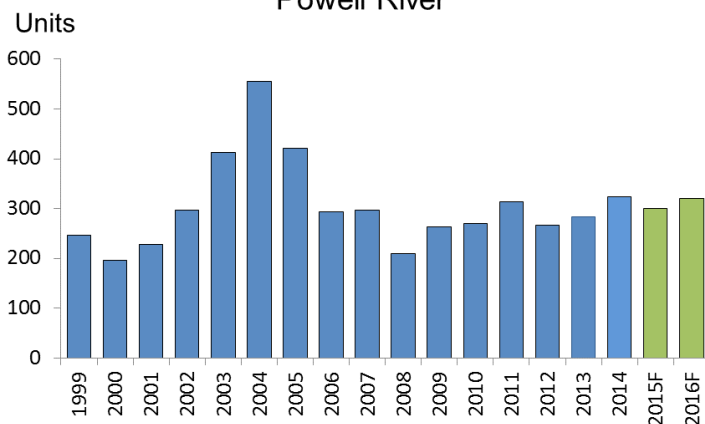
New home construction in the Powell River CA is forecast to average 25 units this year and next, close to the trend rate over the past five years. However, given the small market size, this forecast could vary significantly from actual activity if a new multi-family project comes online next year.

MLS® Residential Price Powell River



Source: BCREA

MLS® Residential Sales Powell River



Source: BCREA

MLS®	Sales			Avg Price			Housing Starts ²
	Total ¹	Detached	Condo	Total ¹	Detached	Condo	Total
2014	323 14.1%	256 16.4%	43 7.5%	233,407 4.3%	260,926 2.3%	165,314 10.1%	36 176.9%
2015f	300 -7.1%	230 -10.2%	45 4.7%	235,500 0.9%	270,000 3.5%	158,000 -4.4%	25 -30.6%
2016f	320 6.7%	245 6.5%	50 11.1%	240,000 1.9%	274,000 1.5%	161,000 1.9%	25 0%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Powell River CA Sources: CMHC, BCREA Forecast

MORTGAGE RATE FORECAST

Mortgage Rate Forecast								
	2015				2016			
Term	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
1-Year	2.85	2.85	2.85	2.85	2.85	2.85	2.85	3.00
5-Year	4.74	4.74	4.74	4.79	4.99	5.14	5.24	5.24

Note: Data is Average of Weekly Rates

Sources: Bank of Canada; BCREA

Canadian bond yields were sent plummeting to new lows from a surprise rate cut by the Bank of Canada at its January meeting. Despite this, posted mortgage rates have moved only slightly lower and banks passed only a partial amount of the 25 basis point rate cut to prime rates that govern variable mortgages.

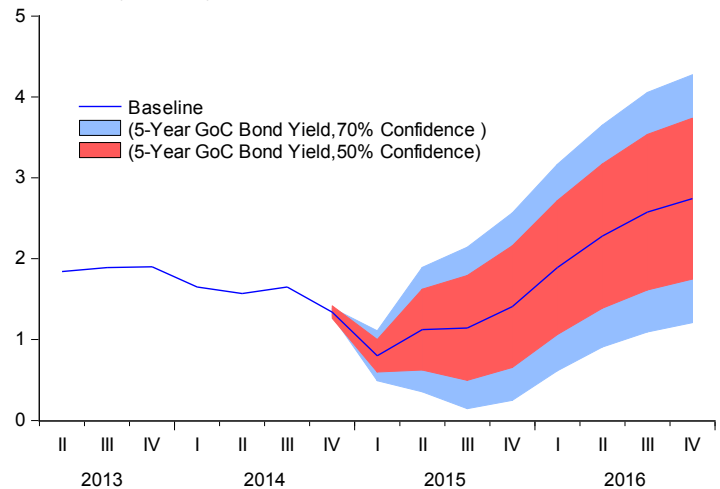
Since the Bank surprised markets in January, expectations for future rate decisions have fluctuated wildly, whipsawing longer-term interest rates. The 5-year bond yield has rebounded recently after breaching the 1 per cent mark on its way to a record low of 0.59 per cent, while the 5-year fixed mortgage rate, the qualifying rate for all insured mortgages, currently sits at 4.64 per cent. That may be the absolute floor on the posted 5-year fixed rate given that a 75 basis point decline in the 5-year bond yield translated to only a 14 basis point reduction in the qualifying rate.

It may be quite some time before mortgage rates move materially higher. The last time the qualifying rate was above 5 per cent, it corresponded with a 5-year yield of around 1.8 per cent. Our current interest rate projection shows that the most likely scenario is for 5-year yields to begin closing in on that level a year from now, around the first quarter of 2016.

Therefore, we are forecasting that mortgage rates will remain at current historically low levels for a considerable part, if not all, of 2015. In addition, 1-year mortgage rates are likely to remain at 2.85 per cent, or equal to the prevailing prime rate for much of 2015 as well.

5-Year Bond Yields - A long way from “normal”

Canadian 5-yr Treasury Bond Rate (%)



Source: BCREA

Note: The shaded areas represent confidence bands around our baseline forecast

As the Canadian economy recovers from the dramatic decline in oil prices, and if the US Federal Reserve begins tightening as expected in the summer months, we could start to see some upward pressure on long-term interest rates towards the end of the year and into 2016.

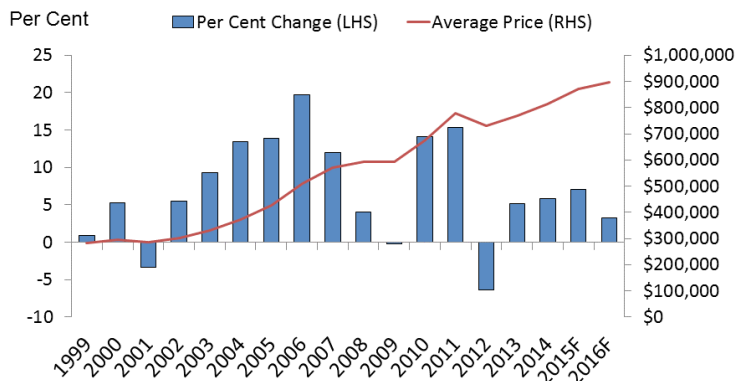
REAL ESTATE BOARD OF GREATER VANCOUVER

The Vancouver housing market is expected to build on last year’s strong performance and post the highest number of residential transactions in a decade. The recent surge in consumer demand comes on the heels of several years of below-average performance. While rock-bottom mortgage interest rates have provided a counterbalance to rising home prices, stronger economic conditions have boosted consumer confidence and elevated consumption from the retail level all the way up to home purchases. Housing demand in the largest urban market in the province is being driven primarily by local demand from both new and existing residents. While foreign investment is evident in the luxury segment, it remains a relatively small niche market in Metro Vancouver. MLS® residential sales through the Real Estate Board of Greater Vancouver are forecast to rise nearly 17 per cent to 39,400 units this year, before edging back 4.6 per cent to 37,600 units in 2016.

Market conditions in Vancouver have improved as a result of consumer demand rising faster than the number of homes for sale. While the market is exhibiting sellers’ market conditions overall, there is variability according to product type and its location in the region. The MLS® Home Price Index (HPI) Composite, the price of a typical home in the REBGV area, was up 8.5 per cent in April compared to the previous year. However, elevated prices in the detached home market were the main driver as the proportion of detached homes in the housing stock continues to decline. Over the past five years, the HPI for detached homes climbed 29 per cent while the HPI for apartments increased by a more modest 5 per cent. The average MLS® residential price is forecast to increase 7 per cent to \$870,000 this year and a further 3 per cent to \$898,000 in 2016, mainly on the strength of rising detached home prices.

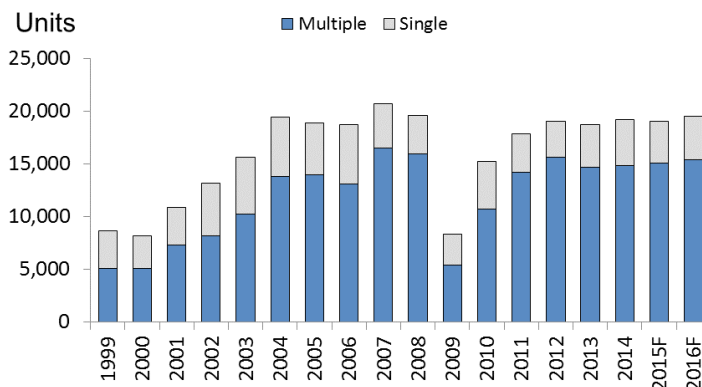
Robust consumer demand has helped pull both resale and new home inventories lower and tighter market conditions have given a green light to Vancouver builders and developers. However, a relatively high number of new units currently under construction is expected to temper housing starts to a little over 19,000 units in 2015. Next year, total housing starts in the Vancouver CMA are forecast to increase 2.4 per cent to 19,500 units.

MLS® Residential Price Greater Vancouver



Source: BCREA

Housing Starts Vancouver



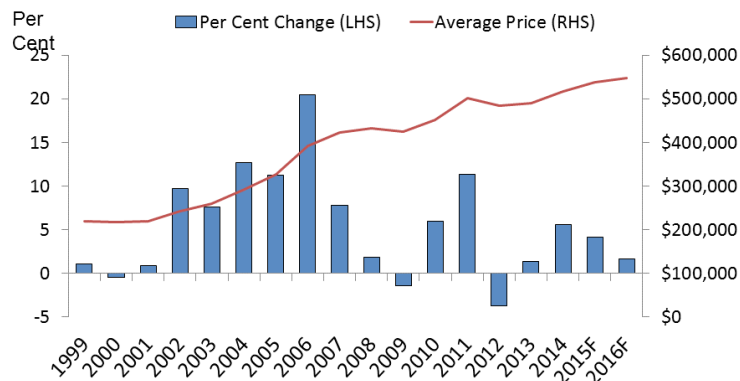
Source: CMHC, BCREA Forecast

MLS®	Sales				Avg Price				Housing Starts ²		
	Total ¹	Detached	Attached	Apartment	Total	Detached	Attached	Apartment	Total	Single	Multiple
2014	33,693	14,060	5,709	13,416	812,652	1,245,218	579,681	458,576	19,212	4374	14,838
	16.2%	20.1%	10.8%	14.3%	5.8%	4.8%	2.8%	3.8%	2.8%	9.2%	1%
2015f	39,400	16,200	6,775	15,850	870,000	1,400,000	635,000	465,000	19,040	3940	15,100
	16.9%	15.2%	18.7%	18.1%	7.1%	12.4%	9.5%	1.4%	-0.9%	-9.9%	1.8%
2016f	37,600	15,400	6,450	15,200	898,000	1,450,000	650,000	475,000	19,500	4100	15,400
	-4.6%	-4.9%	-4.8%	-4.1%	3.2%	3.6%	2.4%	2.2%	2.4%	4.1%	2%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Vancouver CMA Sources: CMHC, BCREA Forecast

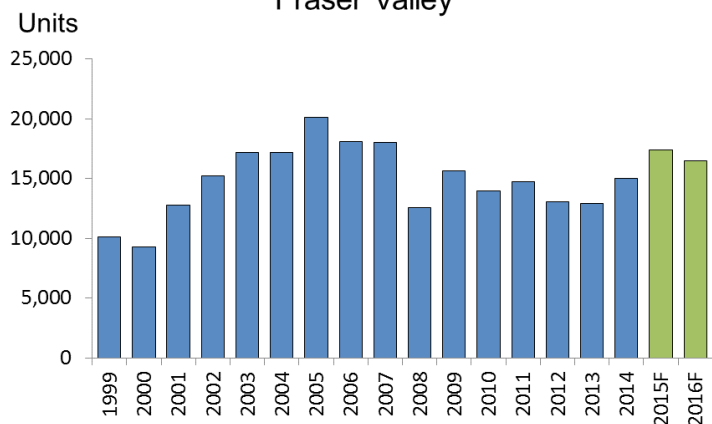
FRASER VALLEY REAL ESTATE BOARD

MLS® Residential Price Fraser Valley



Source: BCREA

MLS® Residential Sales Fraser Valley



Source: BCREA

Housing demand in the Fraser Valley has exhibited significant upward momentum over the last 12 months. Consumer confidence is being buoyed by improving economic conditions and rock-bottom mortgage interest rates. In addition, robust population growth led by immigration and a net inflow of migrants from other provinces is bolstering housing demand and stimulating additional new home construction. After climbing over 16 per cent in 2014, MLS® residential sales through the Fraser Valley Real Estate Board are expected to continue accelerating at the same pace this year. MLS® residential sales are forecast to increase nearly 16 per cent to 17,400 in 2015, the highest annual tally since 2007. A modest increase in mortgage interest rates is expected contribute to consumer demand edging back nearly 5 per cent to 16,500 units in 2016.

Strong consumer demand combined with fewer homes available for sale has propelled the Fraser Valley into sellers' market conditions. However, market conditions vary between home types and communities. Single detached homes are facing the strongest relative demand and as a result, are expected to experience a nearly 10 per cent increase in the average annual MLS® price. After edging lower for several years, apartment condominiums are expected to experience some upward movement in price this year, albeit rising by a more modest 1.4 per cent. The average MLS® residential price, which is weighted by the product type and sale location, is forecast to rise 4.1 per cent to \$539,000 this year and a further 1.7 per cent to \$548,000 in 2016.

Housing starts in the Abbotsford-Mission CMA declined sharply last year as a result of a high number of units either newly completed or under construction. However, that inventory has waned with the newly completed and unsold inventory, and is now at its lowest level since 2006. Home builders are expected to ramp up production this year leading to a 61 per cent increase in multiple starts, while the lack of available land will pull single detached housing starts back 24 per cent to 190 units.

MLS®	Sales				Avg Price				Housing Starts ²		
	Total ¹	Detached	Attached	Apartment	Total	Detached	Attached	Apartment	Total	Single	Multiple
2014	15,017	8,095	3,489	2,431	517,718	642,871	354,016	228,718	499	251	248
	16.5%	17.5%	18.2%	4.7%	5.6%	4.4%	3.9%	4.4%	-33.4%	24.9%	-54.7%
2015f	17,400	9,350	4,100	2,850	539,000	705,000	370,000	232,000	590	190	400
	15.9%	15.5%	17.5%	17.2%	4.1%	9.7%	4.5%	1.4%	18.2%	-24.3%	61.3%
2016f	16,500	8,900	3,850	2,750	548,000	720,000	375,000	235,000	725	275	450
	-5.2%	-4.8%	-6.1%	-3.5%	1.7%	2.1%	1.4%	1.3%	22.9%	44.7%	12.5%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Abbotsford CMA Sources: CMHC, BCREA Forecast

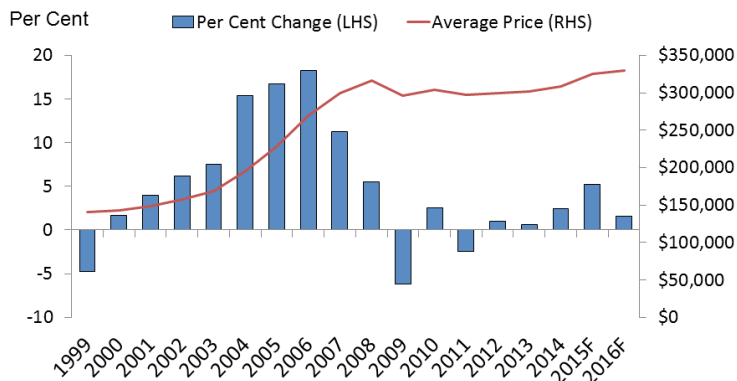
CHILLIWACK AND DISTRICT REAL ESTATE BOARD

After several years of below average performance, demand for housing in Chilliwack has ratcheted higher. Chilliwack is now expected to post the highest number of MLS® residential sales since 2007. Housing demand surged ahead in 2014, climbing more than 21 per cent from the previous year. Increased consumer confidence and stronger overall economic conditions are expected to push home sales even higher this year, up a further 8 per cent to 2,700 units. While historically low mortgage interest rates are helping to underpin housing affordability, the trigger for many potential home buyers is confidence in their financial position. A marked acceleration in retail sales this year, as well as in home sales, is tangible evidence that consumer confidence is well entrenched.

Market conditions in Chilliwack have steadily improved. Total active residential listings are down nearly 10 per cent and, combined with a marked increase in demand, Chilliwack is now on the threshold of a sellers' market. The single detached market is shaping up to be the most active and as a result is expected to experience a significant increase in average price this year, up over 6 per cent to \$370,000. As a result of stronger consumer demand and an increased number of newer units, the average price of an apartment in Chilliwack is expected to be 7 per cent higher this year at \$155,000. Overall, the average MLS® residential price is forecast to rise 5.2 per cent to \$325,000 this year and a further 1.5 per cent to \$330,000 in 2016.

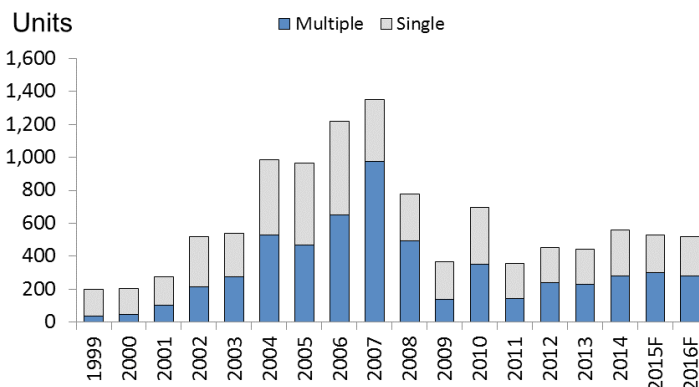
New home construction in the Chilliwack CA is off to a slow start this year after posting a strong performance in 2014. Total housing starts climbed 26 per cent last year with roughly balanced gains in the single detached and multiple unit home types. However, through the first quarter of the year, new home construction is proceeding at a modest 350 unit annual pace, which translates into a 36 per cent decline from 2014. We expect the lull in new construction activity will likely be rather short-lived as strong consumer demand draws down inventory and builders ramp up production in response. Nevertheless, total starts are forecast to edge back a little over 5 per cent to 530 units this year.

MLS® Residential Price Chilliwack



Source: BCREA

Housing Starts Chilliwack



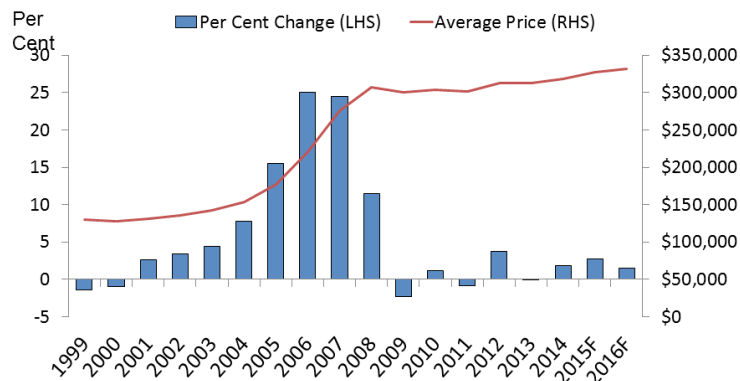
Source: CMHC, BCREA Forecast

MLS®	Sales				Avg Price				Housing Starts ²		
	Total ¹	Detached	Attached	Apartment	Total	Detached	Attached	Apartment	Total	Single	Multiple
2014	2,499 21.2%	1,450 27.9%	575 23.7%	249 -3.5%	308,790 2.4%	348,020 -1.4%	255,325 3.4%	144,889 0.3%	559 26.2%	280 29.6%	279 22.9%
2015f	2,700 8%	1,600 10.3%	600 4.3%	260 4.4%	325,000 5.2%	370,000 6.3%	258,000 1%	155,000 7%	530 -5.2%	230 -17.9%	300 7.5%
2016f	2,770 2.6%	1,625 1.6%	620 3.3%	270 3.8%	330,000 1.5%	375,000 2.7%	260,000 0.8%	151,000 -2.6%	520 -1.9%	240 4.3%	280 -6.7%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Chilliwack CA Sources: CMHC, BCREA Forecast

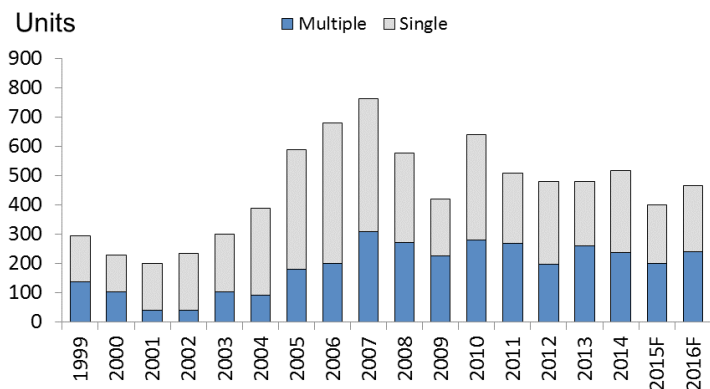
KAMLOOPS AND DISTRICT REAL ESTATE ASSOCIATION

MLS® Residential Price Kamloops



Source: BCREA

Housing Starts Kamloops



Source: CMHC, BCREA Forecast

Housing demand in Kamloops this year is expected to be the strongest since 2007, with a total of 2,480 MLS® residential sales forecast for the year, up nearly 10 per cent from 2014. A more robust US economy combined with a favourable exchange rate is helping to push BC exports higher and reignite tourism. In addition, a significant increase in retail sales is a signal that household balance sheets are on track and that consumer confidence is high. Many potential home buyers are also taking stock of rock-bottom interest rates and their potential to rise in the near future. Indeed, home sales are expected to remain relatively unchanged in 2016 in part due to marginally higher mortgage interest rates and their impact on affordability.

Total active listings on the market in Kamloops have been relatively unchanged over the first four months of the year. A stable inventory combined with rising consumer demand has created relatively balanced conditions in the Kamloops housing market, with home price rising roughly in line with overall inflation. As a result, the average MLS® residential price is expected to increase 2.8 per cent to a record \$327,000 this year. Additions to the housing stock as well as the number of homes for sale are expected to limit growth in the average home price to 1.5 per cent to \$332,000 in 2016.

New home construction in the Kamloops CA climbed more than 8 per cent in 2014 to 518 units after two years of dwindling activity. New construction of multiple units has been constrained in recent years by elevated level inventory, but this slowdown will likely be short-lived as the inventory of multiple units have trended sharply downward. However, a marked increase in housing starts is unlikely to occur until later this year and into 2016. Total housing starts are forecast to decline nearly 23 per cent to 400 units this year, before rising over 16 per cent to 465 units in 2016.

MLS®	Sales				Total	Avg Price			Housing Starts ²		
	Total ¹	Detached	Attached	Apartment		Detached	Attached	Apartment	Total	Single	Multiple
2014	2,260	1,637	269	145	318,241	357,018	278,351	195,253	518	281	237
	-4.6%	1.2%	-7.6%	-36.1%	1.9%	0.2%	1.9%	1.8%	8.1%	28.3%	-8.8%
2015f	2,480	1,810	300	170	327,000	370,000	280,000	192,000	400	200	200
	9.7%	10.6%	11.5%	17.2%	2.8%	3.6%	0.6%	-1.7%	-22.8%	-28.8%	-15.6%
2016f	2,500	1,820	290	190	332,000	375,000	278,100	197,500	465	225	240
	0.8%	0.6%	-3.3%	11.8%	1.5%	1.4%	-0.7%	2.9%	16.3%	12.5%	20%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Kamloops CA Sources: CMHC, BCREA Forecast

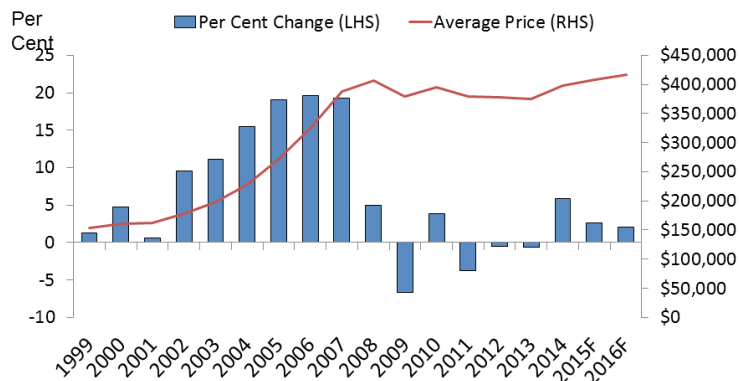
OKANAGAN MAINLINE REAL ESTATE BOARD

Housing demand across the Okanagan Mainline Real Estate Board area has ratcheted higher. MLS® residential sales surged ahead by nearly 24 per cent last year, after increasing 13 per cent in 2013. While rock-bottom mortgage rates are helping to underpin affordability, stronger economic conditions, consumer confidence and population growth are key market drivers this year. A more robust US economy and a favourable exchange rate are bolstering BC exports and providing a lift to tourism. Both international visitors and domestic “staycations” are expected to rise this year. Consumer confidence is also elevated by the accelerated rate of growth in BC retail sale. The Okanagan continues to attract buyers from outside of the region, with nearly 40 per cent of home sales during the in the first quarter going to buyers outside of the board area, and over 15 per cent from Alberta. MLS® residential sales are expected reach their highest level since 2007, climbing a further 7.6 per cent to 8,100 units this year.

Market conditions have improved as a result of elevated housing demand and a 10 per cent decline in the number of homes for sale. Some market segments are exhibiting sellers’ conditions with home prices rising above the overall inflation rate. The average MLS® residential price is expected to rise 2.6 per cent to \$408,000 this year, before increasing a further 2.1 per cent to \$416,500 in 2016.

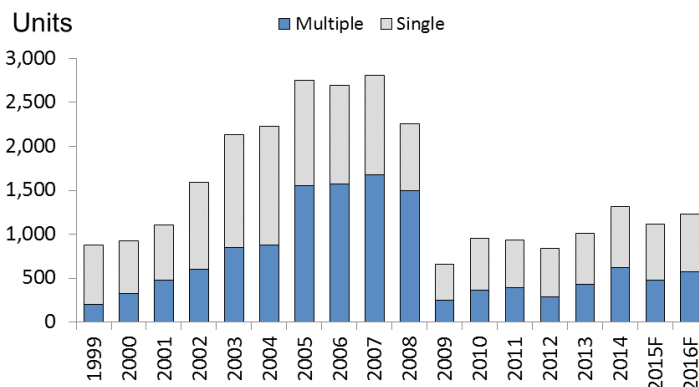
Stronger housing market conditions and a steep decline in the inventory of unsold new homes propelled housing starts up by nearly 30 per cent in the Kelowna CMA last year. Multiple starts climbed by nearly 42 per cent, while single detached housing starts increased by 20 per cent. After last year’s surge in new construction activity, housing starts are expected to edge back 15 per cent to 1,115 units, as builders concentrate on completing existing projects.

MLS® Residential Price Okanagan Mainline



Source: BCREA

Housing Starts Kelowna



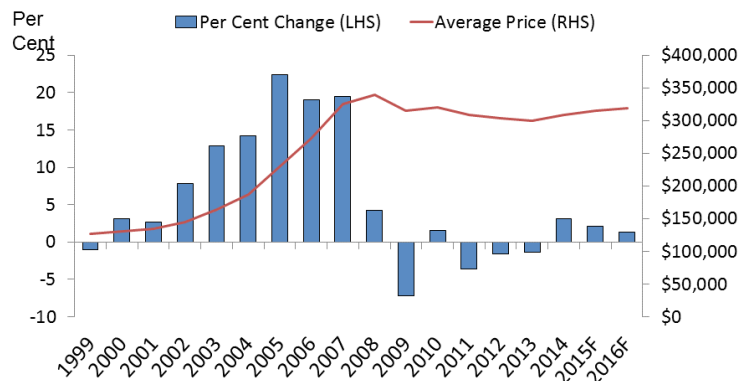
Source: CMHC, BCREA Forecast

MLS®	Sales				Avg Price				Housing Starts ²		
	Total ¹	Detached	Attached	Apartment	Total	Detached	Attached	Apartment	Total	Single	Multiple
2014	7,525	4,168	1,150	1,208	397,661	465,263	330,413	236,737	1,311	695	616
	23.7%	20.5%	27.6%	33.2%	5.9%	5.6%	2.6%	4.4%	29.4%	20%	41.9%
2015f	8,100	4,500	1,320	1,260	408,000	474,000	331,000	243,000	1,115	640	475
	7.6%	8%	14.8%	4.3%	2.6%	1.9%	0.2%	2.6%	-15%	-7.9%	-22.9%
2016f	7,620	4,300	1,200	1,170	416,500	485,000	332,000	247,000	1,225	650	575
	-5.9%	-4.4%	-9.1%	-7.1%	2.1%	2.3%	0.3%	1.6%	9.9%	1.6%	21.1%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Kelowna CMA Sources: CMHC, BCREA Forecast

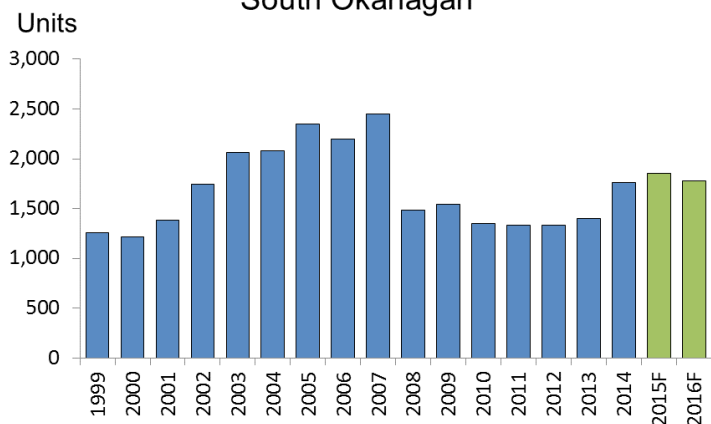
SOUTH OKANAGAN REAL ESTATE BOARD

MLS® Residential Price South Okanagan*



* Excluding Northern Lights
Source: BCREA

MLS® Residential Sales South Okanagan*



* Excluding Northern Lights
Source: BCREA

The South Okanagan is expected to post the highest number of MLS® residential sales this year since 2007. After ratcheting higher last year, homes sales are expected to climb a further 5.3 per cent to 1,850 units in 2015. Historically low mortgage interest rates are bolstering purchasing power and enabling a significant rally in retail sales activity. After several years of below average performance, home sales are on a marked upward trajectory. BC Export volumes are growing as a result of a more robust US economy and a favourable exchange rate is contributing to increased tourism. A positive inflow of migrants from other provinces combined with a growing number of retirees is also helping to underpin housing demand in the South Okanagan.

Stronger consumer demand has drawn down the inventory of homes for sale by nearly 8 per cent over the past twelve months. As a result, market conditions are now firmly in balanced territory, with home prices moving in relative tandem with overall inflation. The average MLS® residential price is forecast to increase 2.1 per cent to 315,000 this year, before climbing an additional 1.3 per cent to \$319,000 in 2016.

Total housing starts in the Penticton CA are forecast to maintain the momentum that was gained last year, after new construction activity more than doubled. Rising consumer demand and dwindling inventories of newly completed and unoccupied units is expected to keep home builders busy both this year and next. Total housing starts are forecast to rise an additional 38 per cent to 250 units this year, and remain relatively unchanged in 2016, albeit edging back 2 per cent to 245 units.

MLS®	Sales					Avg Price				Housing Starts ²		
	South Okanagan				Northern Lights	South Okanagan			Northern Lights	Penticton CA	Dawson Creek CA	
	Total ¹	Detached	Attached	Apartment	Total	Total	Detached	Attached	Apartment	Total	Total	
2014	1,757	976	192	298	374	308,494	375,529	233,638	226,761	283,271	181	297
	25.4%	31.2%	21.5%	8.4%	4.8%	3.1%	2.4%	-3.7%	1.1%	5%	126.3%	53.9%
2015 ^f	1,850	1,020	210	330	330	315,000	385,000	245,000	227,000	292,000	300	240
	5.3%	4.5%	9.4%	10.7%	-11.8%	2.1%	2.5%	4.9%	0.1%	3.1%	65.7%	-19.2%
2016 ^f	1,780	980	190	320	400	319,000	390,000	247,000	235,000	297,250	245	260
	-3.8%	-3.9%	-9.5%	-3%	21.2%	1.3%	1.3%	0.8%	3.5%	1.8%	-18.3%	8.3%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
2. Sources: CMHC, BCREA Forecast

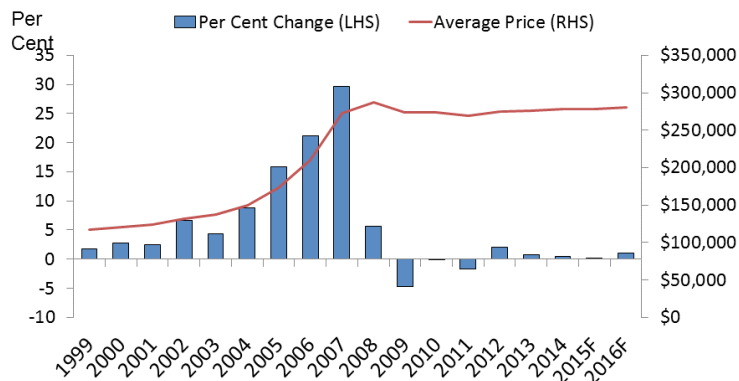
KOOTENAY REAL ESTATE BOARD

After climbing 22 per cent to nearly 2,540 units in 2014, MLS® residential sales through the Kootenay Real Estate Board are expected to increase a further 4.5 per cent 2,650 units this year, putting housing demand in the region at its strongest level since 2007. This coincides with improving economic conditions in the province, as a more robust US economy and a favourable exchange rate boost export activity. In addition, tourism is expected to benefit from increased international visits and a rise in “staycations.” Consumers have also emerged from hibernation as retail sales have posted significant gains this year. Finally, the downward side of oil prices appears to have had little effect on demographics, as many Albertans continue to look to BC as a retirement destination.

Market conditions in the region are expected to be in relative balance this year. However, such a large geographic area can experience wide variations between urban centres. In the aggregate, home prices are expected to remain stable, with the average MLS® residential price expected to remain unchanged at \$278,000 this year. The average home price is forecast to edge up a little over 1 per cent to \$281,000 in 2016.

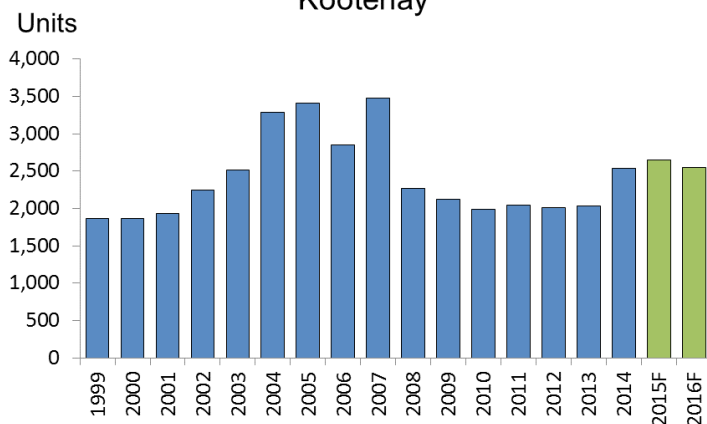
New home construction in the Cranbrook CA is forecast to trend in a range of 75 to 85 total units annually over the next two years; that level is consistent with the five-year average. Single-detached housing starts are expected to be the majority of new home construction, comprising at least 85 per cent of all new home construction activity. However, given the small market size, this forecast could vary significantly from actual activity if even one additional new multi-family project comes online next year.

MLS® Residential Price Kootenay



Source: BCREA

MLS® Residential Sales Kootenay



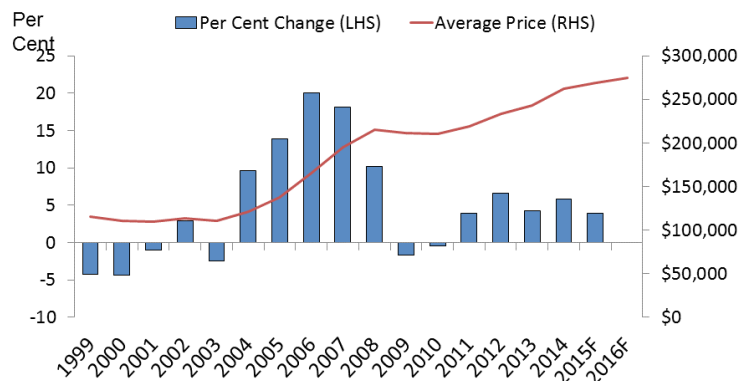
Source: BCREA

MLS®	Sales				Avg Price				Housing Starts ²		
	Total ¹	Detached	Attached	Apartment	Total	Detached	Attached	Apartment	Total	Single	Multiple
2014	2,536	1,496	184	254	277,867	282,900	264,132	180,183	86	86	0
	22%	18.4%	17.2%	35.1%	0.5%	1.4%	2.8%	4.6%	4.9%	19.4%	-100%
2015f	2,650	1,575	195	260	278,000	284,000	261,000	181,200	75	65	10
	4.5%	5.3%	6%	2.4%	0%	0.4%	-1.2%	0.6%	-12.8%	-24.4%	n/a
2016f	2,550	1,540	190	265	281,000	288,000	262,000	185,000	85	70	15
	-3.8%	-2.2%	-2.6%	1.9%	1.1%	1.4%	0.4%	2.1%	13.3%	7.7%	50%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
 2. Cranbrook CA Sources: CMHC, BCREA Forecast

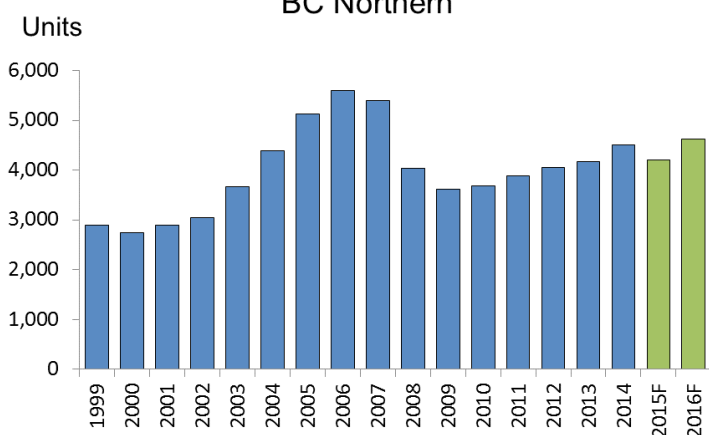
BC NORTHERN REAL ESTATE BOARD

MLS® Residential Price BC Northern



Source: BCREA

MLS® Residential Sales BC Northern



Source: BCREA

Housing demand in Northern BC is expected to moderate this year, as fallout from depressed oil prices and slower than anticipated investment in commodity exploration and transmission infrastructure limits home buying activity. Delays in proposed LNG plants and contingent pipelines are also pushing some purchase decisions to the back burner. After climbing nearly 8 per cent to 4,500 units last year, MLS® residential sales are expected to fall back nearly 7 per cent to 4,200 units in 2015. However, a more robust US economy and a competitive exchange rate are leading to rising BC exports and providing a much needed boost to tourism. This, combined with more pronounced investment activity in 2016, is expected to push home sales up more than 10 per cent to 4,625 units next year.

Market conditions across the North are exhibiting relative balance as there is sufficient housing supply to meet consumer demand in aggregate. However, given the large size of the region and the diversity of its many urban areas, local market conditions can vary significantly. After climbing 7.6 per cent to \$262,000 in 2014, the average MLS® residential price across BC Northern Real Estate Board area is expected to edge up 2.6 per cent to \$269,000 this year, and a further 2.2 per cent to 275,000 in 2016.

New home construction in the Prince George CA is set to increase this year following two consecutive years of declining activity. In 2014, only 25 new multiple units began construction. However, single detached starts did trend near their historic average at 133 units. Total housing starts are forecast to increase nearly 8 per cent this year on the strength of additional multiple starts. Over the next two years we anticipate total housing starts will trend close to 170 units per year.

BC Northern Real Estate Board

MLS®	Sales			Avg Price		
	Total ¹	Detached	House & Acreage	Total	Detached	House & Acreage
2014	4,507 7.9%	2,630 4.7%	687 16%	262,174 7.6%	278,507 7.5%	329,354 2.8%
2015f	4,200 -6.8%	2,500 -4.9%	620 -9.8%	269,000 2.6%	288,000 3.4%	333,000 1.1%
2016f	4,625 10.1%	2,725 9%	680 9.7%	275,000 2.2%	295,000 2.4%	338,000 1.5%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
2. BC Northern Real Estate Board Sources: CMHC, BCREA Forecast

Prince George

MLS®	Sales	Avg Price		Housing Starts ²	
		Detached	Detached	Total	Single
2014	983 4.9%	270,608 3.8%	158 -19%	133 5.6%	25 -63.8%
2015f	995 1.2%	278,000 2.7%	170 7.6%	130 -2.3%	40 60%
2016f	1,010 1.5%	281,300 1.2%	175 2.9%	115 -11.5%	60 50%

1. Sum of product types may not match as total may include other property types; i.e., mobile, house and acreage
2. Prince George CA Sources: CMHC, BCREA Forecast

Housing Forecast Summary – Second Quarter

Board Area	Unit Sales			Average MLS® Price (\$)		
	2014	2015F	2016F	2014	2015F	2016F
Victoria	6,371 11.9%	7,250 13.8%	7,000 -3.4%	496,473 3.2%	512,000 3.1%	526,000 2.7%
Vancouver Island	7,187 9.7%	7,600 5.7%	7,900 3.9%	328,740 4.4%	338,000 2.8%	345,500 2.2%
Powell River Sunshine Coast	323 14.1%	300 -7.1%	320 6.7%	233,407 4.3%	235,500 0.9%	240,000 1.9%
Greater Vancouver	33,693 16.2%	39,400 16.9%	37,600 -4.6%	812,652 5.8%	870,000 7.1%	898,000 3.2%
Fraser Valley	15,017 16.5%	17,400 15.9%	16,500 -5.2%	517,718 5.6%	539,000 4.1%	548,000 1.7%
Chilliwack and District	2,499 21.2%	2,700 8.0%	2,770 2.6%	308,790 2.4%	325,000 5.2%	330,000 1.5%
Kamloops and District	2,260 -4.6%	2,480 9.7%	2,500 0.8%	318,241 1.9%	327,000 2.8%	332,000 1.5%
Okanagan Mainline	7,525 23.7%	8,100 7.6%	7,620 -5.9%	397,661 5.9%	408,000 2.6%	416,500 2.1%
South Okanagan*	1,757 25.4%	1,850 5.3%	1,780 -3.8%	308,494 3.1%	315,000 2.1%	319,000 1.3%
Northern Lights	374 4.8%	330 -11.8%	400 21.2%	283,271 9.5%	292,000 3.1%	297,250 1.8%
Kootenay	2,536 22.0%	2,650 4.5%	2,550 -3.8%	277,867 0.5%	278,000 0%	281,000 1.1%
BC Northern	4,507 7.9%	4,200 -6.8%	4,625 10.1%	262,174 4.3%	269,000 2.6%	275,000 2.2%
BC Total	84,049 15.2%	94,260 12.1%	91,565 -2.9%	568,405 5.8%	610,800 7.5%	621,300 1.7%

NOTE: The Northern Lights Real Estate Board (NLREB) became part of the South Okanagan Real Estate Board (SOREB) on January 1, 2011.

*Excluding Northern Lights

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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.

Send questions and comments about the Housing Forecast to:

Cameron Muir, Chief Economist,
cmuir@bcrea.bc.ca; 604.742.2780

Brendon Ogmundson, Economist,
bogmundson@bcrea.bc.ca; 604.742.2796

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