

## What's In Store For Greater Vancouver's Housing Market?

Source: REALTORLINK December 1, 2006

On November 14th, Canada Mortgage and Housing Corporation held its 12th Annual Housing Outlook Conference, Shifting Gears: Housing Market to 2010. In addition to CMHC's forecasts for the BC and Vancouver housing markets, this year's conference featured the results of a recently completed study by the Urban Futures Institute, The Impact of the 2010 Olympics on the Vancouver and Sea-to-Sky Housing Markets. Over the course of four hours, CMHC's expert speakers answered the following three big questions:

What sort of housing market can you expect in 2007? Will the US housing market slowdown hurt our market here in British Columbia? What effect will the 2010 Olympics have on you and your clients?

Carol Frketich, CMHC BC Regional Economist, forecasted low inflation, a relatively strong Canadian dollar and a stable outlook for interest and mortgage rates through 2007. She believed that resale and new home prices will continue to increase in 2007 but at a slower pace. She also suggested that sales activity will remain high by historical standards despite the Greater Vancouver housing market cooling slightly in response to interest and mortgage rate increase in 2006.

Frketich also spoke at length about the US market's significant slowdown, which is a result of different economic conditions than what we have in British Columbia. She explained that both markets have different economies, which create different housing markets. BC has a great economic picture which means it has a great housing picture - its growing economy, record low unemployment, inter-provincial migration, international immigration, real income growth, and low inflation and low interest rates are benefiting Greater Vancouver buyers and sellers alike.

David Baxter, Executive Director of the Urban Futures Institute, delivered an impressive presentation on the economic benefits of hosting the 2010 Winter Olympic and Paralympic Games. When talking about the economic benefits of hosting the Games, a lot of people focus on attracting tourism, garnering international media attention, stimulating transportation investment and the construction of new sports and leisure facilities. However, the 2010 Olympics will also affect our housing market, most notably in the Squamish and Whistler/Pemberton communities who will see 11 per cent and 13.4 per cent increases in their populations by 2031. He also advised to watch the increase of young workers coming to BC for Olympic job opportunities. He predicts that MLS sales activity will increase to reflect the demands and needs of those potential buyers and sellers as they transition from rentals to owning a home, then trade up or down to suit their post-Games lifestyle.