

BC CHECK-UP 2021 **LIVE**



INDICATORS

CPABC's *BC Check-Up* uses the selected economic indicators to evaluate BC as a place to **LIVE**.



Housing Prices

How has the cost of residential housing changed?



Rental Market

How have residential rental prices and the availability of units changed?



Median Income

How much after-tax income does a representative family make in BC?



Housing Supply

How many housing units were completed across BC?



Population Change

How has BC's population changed, and where are the changes coming from?



Demographic Trends

What is the age distribution across BC's population?

PROVINCIAL SUMMARY

In the lead up to 2020, British Columbia witnessed rapid population growth, **attracting a growing number of residents** from other parts of the country and internationally. That trend was expected to continue in 2020 as the federal government **targeted a record 341,000 new permanent residents (PRs)** to offset our aging population and slowing natural growth rate (births minus mortalities).

Unfortunately, the travel restrictions and uncertainty arising from the COVID-19 pandemic disrupted the normal flow of migration across the globe and the actual increase in PRs across Canada was **just over half of the 2020 target**.¹

While BC fared better than other Canadian jurisdictions, its population growth of 56,757 in 2020 was **only about two-thirds of what we experienced in 2019** and the lowest gain since 2011. The decline was due to a significant net downturn of over 30,000 people in the international non-permanent resident (NPR) migration category, which includes many students and temporary workers. Conversely, the province saw net interprovincial and international PR migration increase modestly.

Overall, **BC's average age of 42.6** is older than the Canadian average of 41.4 and has increased by 0.7 years since 2016. Over the past five years, the proportion of British Columbians aged 65+ has expanded the most of any group, up to nearly a fifth (19.2%) of the population in 2020. The only other group to have positive growth over the period was those aged **25-39, the largest age group**, with 21.3% of BC's population.

The slowdown in population growth helped narrow the gap in housing supply. In 2020, nearly 39,000 housing units were completed, about 0.7 per new resident. This is well above the 0.5 units per new resident in 2019 and 0.3 at the recent low point in 2016. **Approximately 78% of this new supply is in attached units**, such as condos and townhouses. This is a stark increase from roughly 65% in 2016, and it points to the types of housing development started and sold prior to the pandemic.

The pandemic has shifted housing demand to larger detached homes, and many people are spending more time at home and seeking additional living space. This surge in demand coupled with record low interest rates has pushed prices to new highs across BC. By April 2021, the average house sold across BC cost \$943,845, **up by over \$210,000** compared to April 2020.

The price for rental units also increased across BC in 2020. The average rent for a **3+ bedroom was \$1,691 a month** and a 1 bedroom was \$1,260, **up 11.2% and 5.9% respectively** compared to 2019. While housing prices are highest in Metro Vancouver, they are rising significantly in every region in the province.

The median income of British Columbians **has not kept pace with rising prices**. In 2019, a family earned a median after-tax income of \$90,100, up 3.6% compared to 2016, while single individuals earned \$32,200, up 7.0% from 2016. This is much slower than the gains in residential real estate and below the overall inflation increase of 7.4% over the period.

To better understand the outlook on affordability and the economy, CPABC also surveyed its members who work in organizations across BC. After not breaking into the top three in 2020, **housing prices were identified by BC CPAs as the #1 challenge for business success** in 2021, and 80% of the respondents expect housing affordability to worsen in their region in 2021.

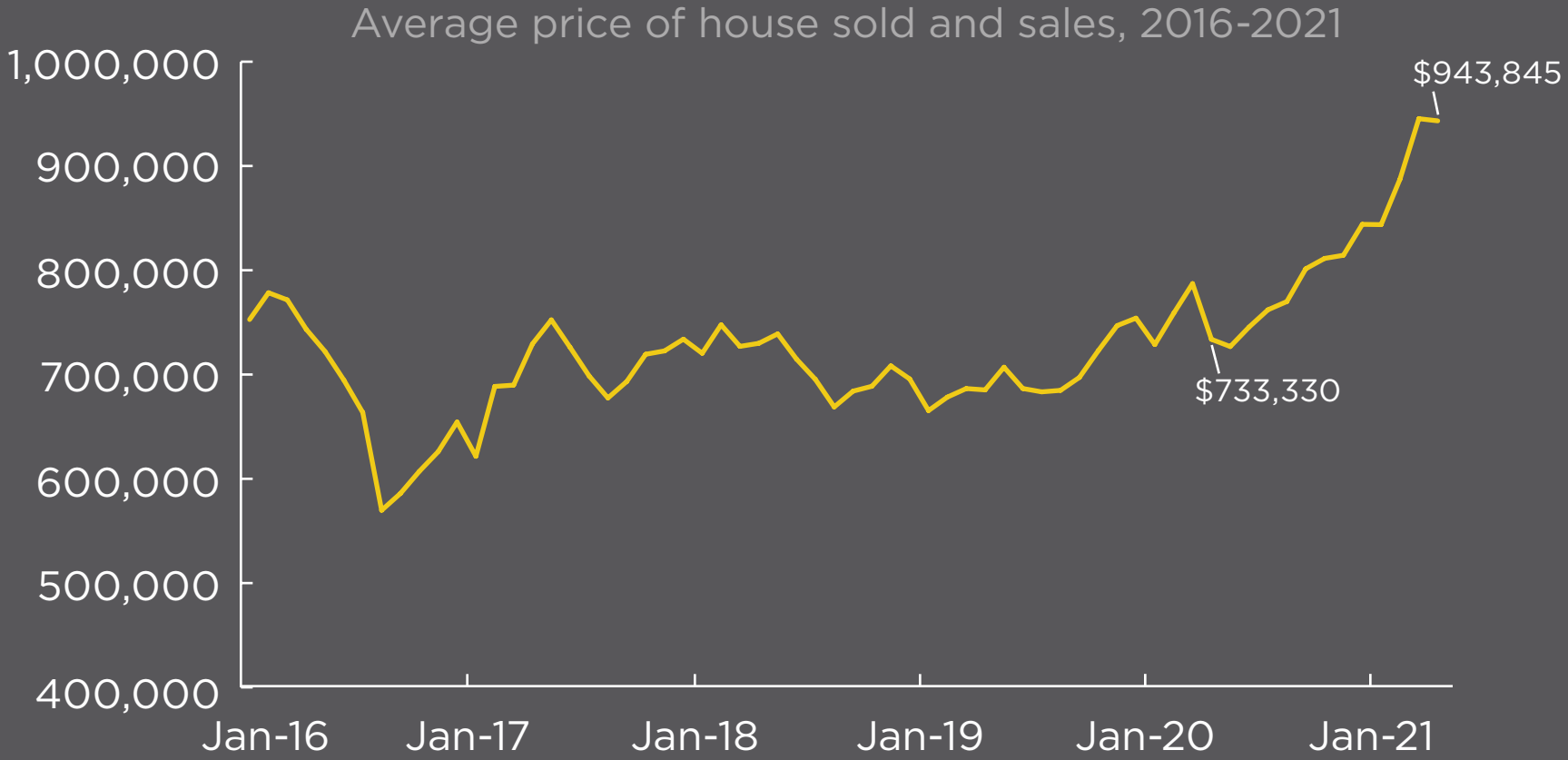
Despite this rising challenge, the economic outlook has improved considerably from 2020. **Over two-thirds of respondents** believe BC's economy will be stable or improve in 2021, and over four-in-five are confident about their organization's economic prospects.

PROVINCIAL SUMMARY



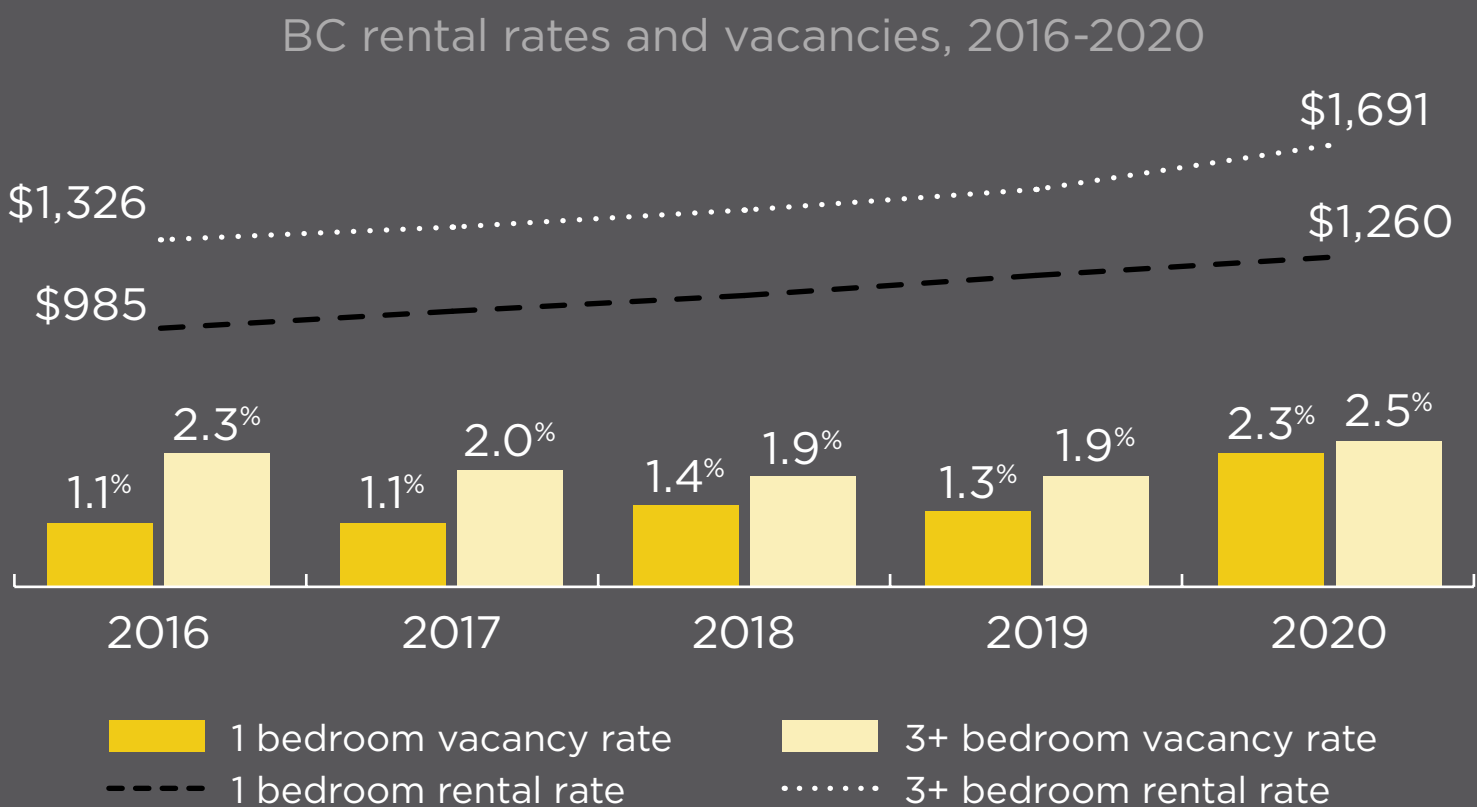
HOUSING PRICES

BC's real estate prices rapidly increased in the latter half of 2020 and into 2021. Driven by strong demand for detached homes, the average home sold for \$943,845 in April 2021 – up by nearly a third compared to April 2020.



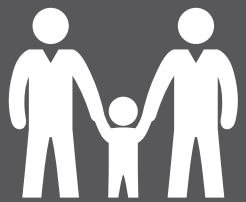
RENTAL MARKET

Residential vacancy rates hit a five-year high in 2020 as non-permanent resident migration declined. Despite more vacancies, rental rates continued to climb, with 3+ bedroom unit experiencing the largest gain in 2020, up 11.2% compared to 2019.

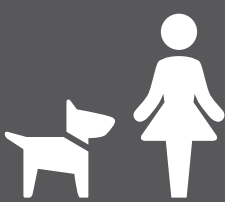


MEDIAN INCOME**

The median after-tax income for a family in BC was \$90,100 as of 2019, up \$3,100 since 2016. The median income for single individuals in 2019 was considerably less at \$32,200, up \$2,100 from 2016



Family Income
\$90,100
 (↑3.6% from 2016)



Individual Income
\$32,200
 (↑7.0% from 2016)

*Residential housing prices are based on monthly housing sales data from the CREA and is primarily useful to understand housing trends. The rapid price escalation in late 2020 and into 2021 is in large part due to the increased number of detached (more expensive) units being purchased.

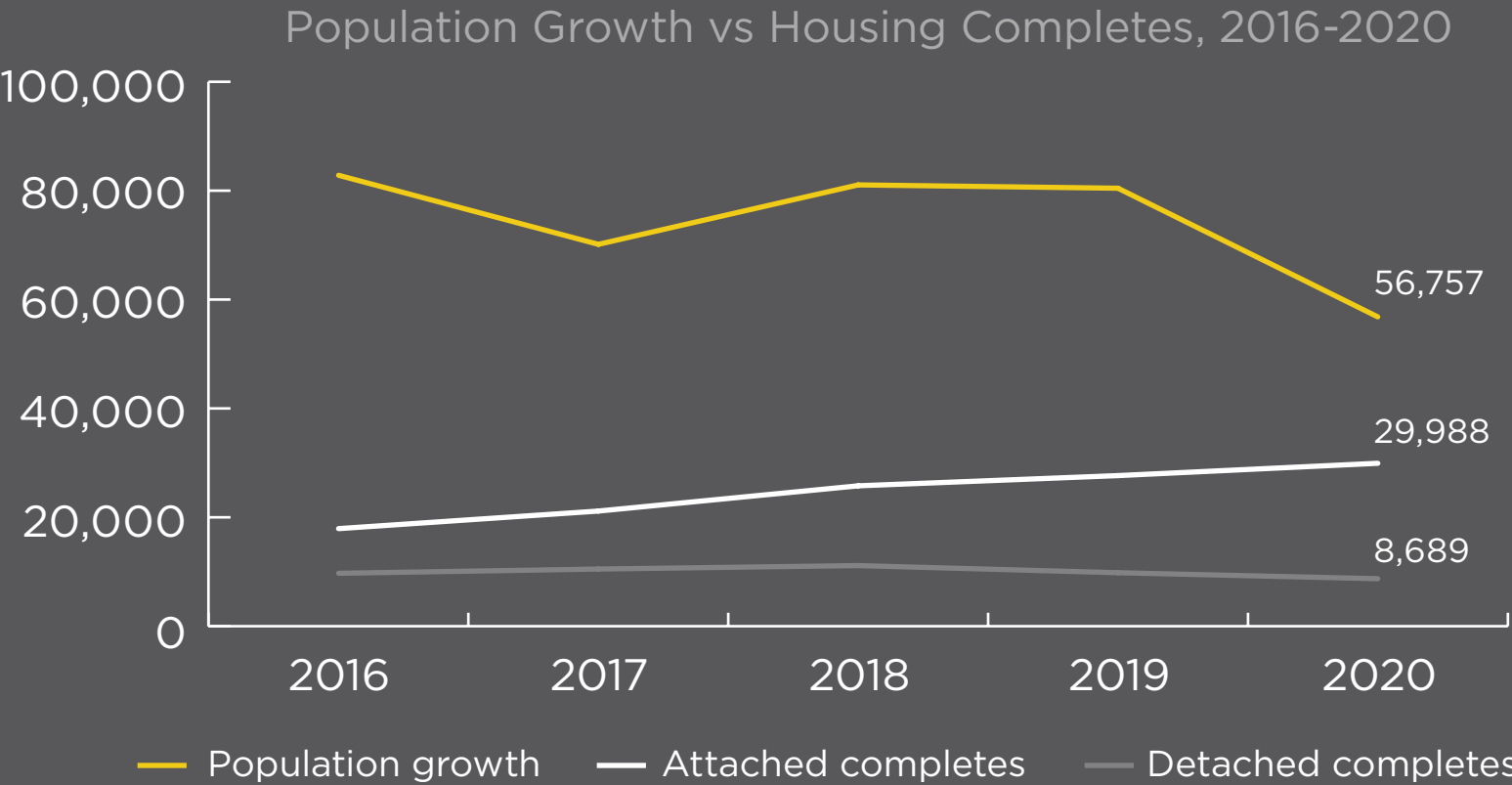
**2019 most recent data available, released March 2021. Given the significant economic downturn, income levels are unlikely to have improved in 2020. Median income after tax and government transfers. Family income is defined as an economic family of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law, adoption, or a foster relationship. The individual income is defined as a person not in an economic family, living either alone or with others who are unrelated, such as roommates or a lodger.

PROVINCIAL SUMMARY



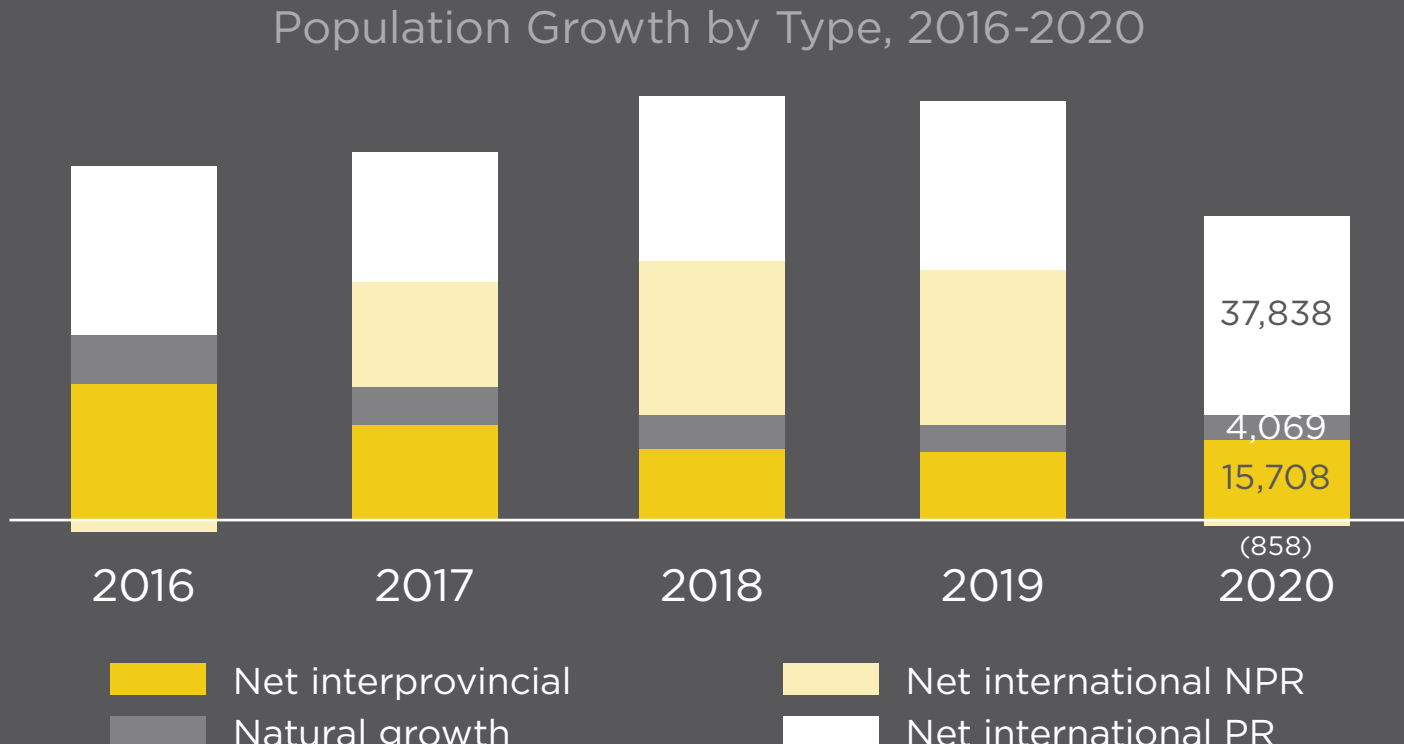
HOUSING SUPPLY

BC's population growth slowed in 2020 as the COVID-19 pandemic disrupted international migration. The number of completed housing units continued to increase, but the level remained below population growth and detached units continued to decline, squeezing the available housing supply.



POPULATION CHANGE

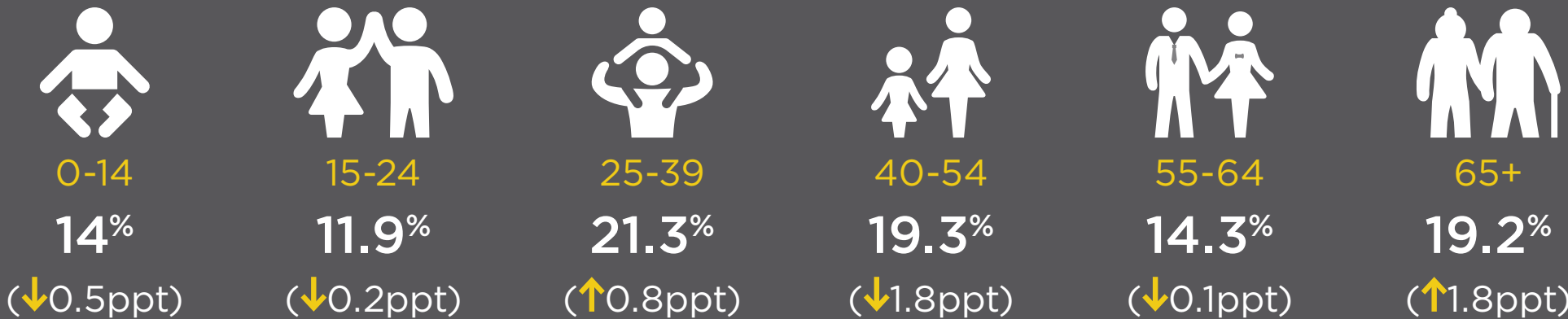
The slowdown in 2020 was primarily due to a decline in international non-permanent resident migration, which includes many students. Net interprovincial and international permanent resident migration were the major drivers of growth. Natural growth (births minus mortalities) in 2020 was less than half the level in 2016*.



DEMOGRAPHIC TRENDS

BC's average age was 42.6 in 2020, up 0.7 years from 2016 and above the Canadian average of 41.4. Those 65+ now make up nearly a fifth of the population, and millennials — age 25 to 39 — make up the largest demographic group across BC.

BC Population Distribution by Age, 2020 vs 2016



*Population data from 2016 and earlier includes a "residual" category when a component could not be identified; this has been left out of this chart for comparison's purposes.

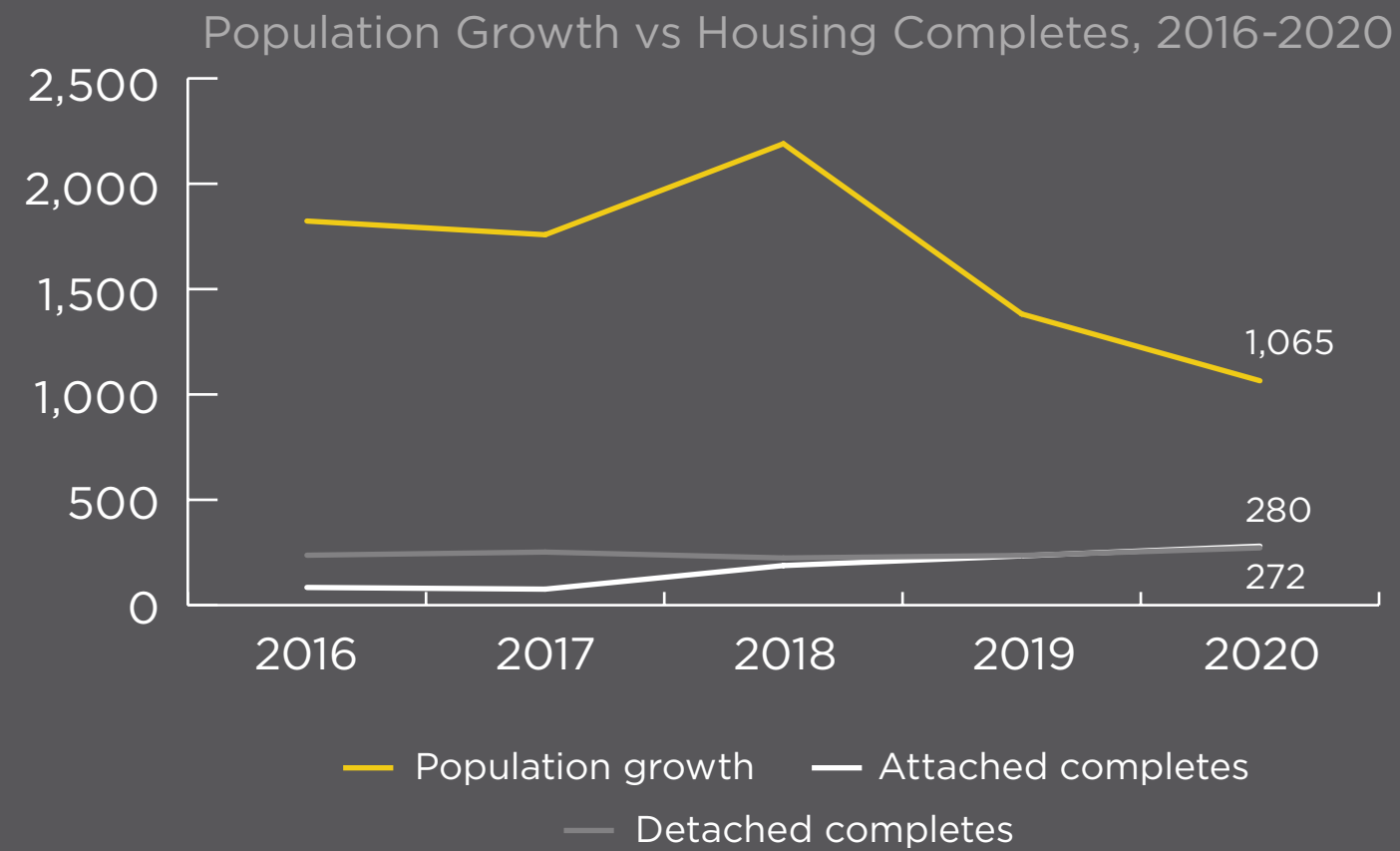


CARIBOO



HOUSING SUPPLY

Despite a recent slowdown in population growth, the overall gain from 2016 to 2020 was double that in the five-years prior. The number of completed housing units** rose, with gains concentrated in attached units, such as condos and townhouses.



HOUSING PRICES

Prince George Rental Rates 2020*:

- One bedroom: \$763 (↑4.0%)
- Three+ bedroom: \$979 (↓3.3%)

Average Assessed Property Value 2020*:

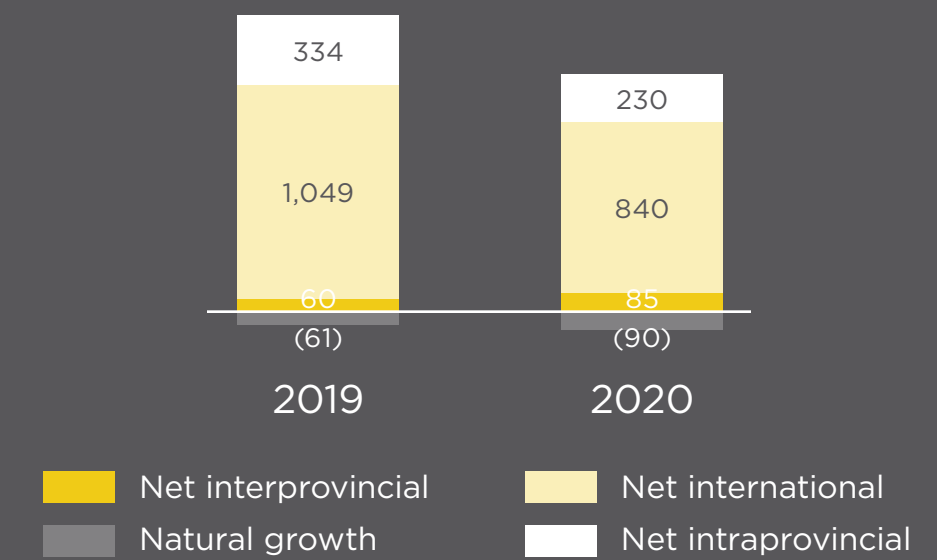
- Prince George: \$318,461 (↑5.4%)
- Williams Lake: \$244,066 (↑5.7%)
- Quesnel: \$224,646 (↑11.2%)



POPULATION CHANGE

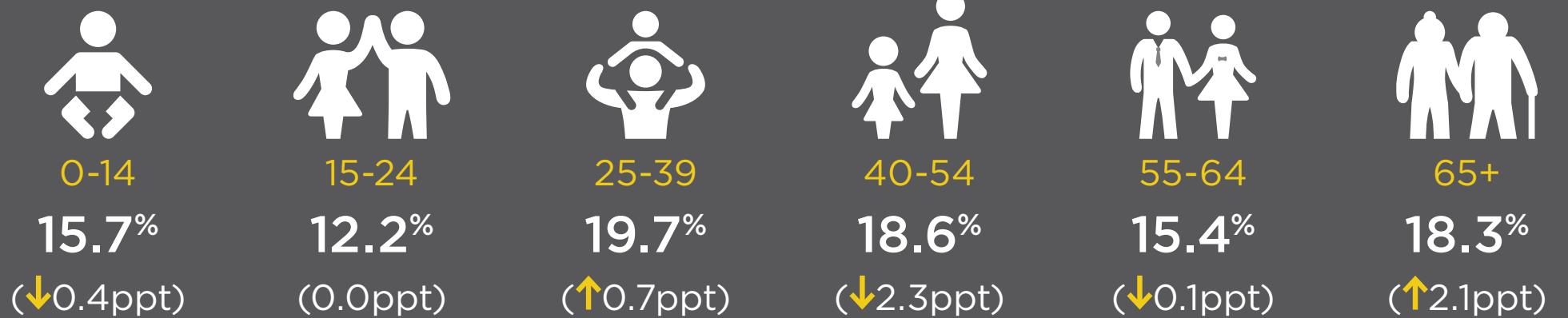
International migration has contributed the majority of the region's population growth since 2017. Natural growth became negative starting in 2019, meaning there were more mortalities than births in the region.

Population Growth by Type



DEMOGRAPHIC TRENDS

The Cariboo's average age of 41.8 was slightly younger than the provincial average. However, the proportion of those aged 65+ has increased significantly over the past five years.



*Changes compared to the same period of previous year. Housing prices based on BC Assessment average 2020 property value as the Canadian Real Estate Association does not provide recent housing sale information for this development region.

**Housing completion data only available for census areas of population 10,000 or higher in the region, which includes Prince George, Quesnel and Williams Lake. "Attached completes" include units such as condos, apartments and townhomes.

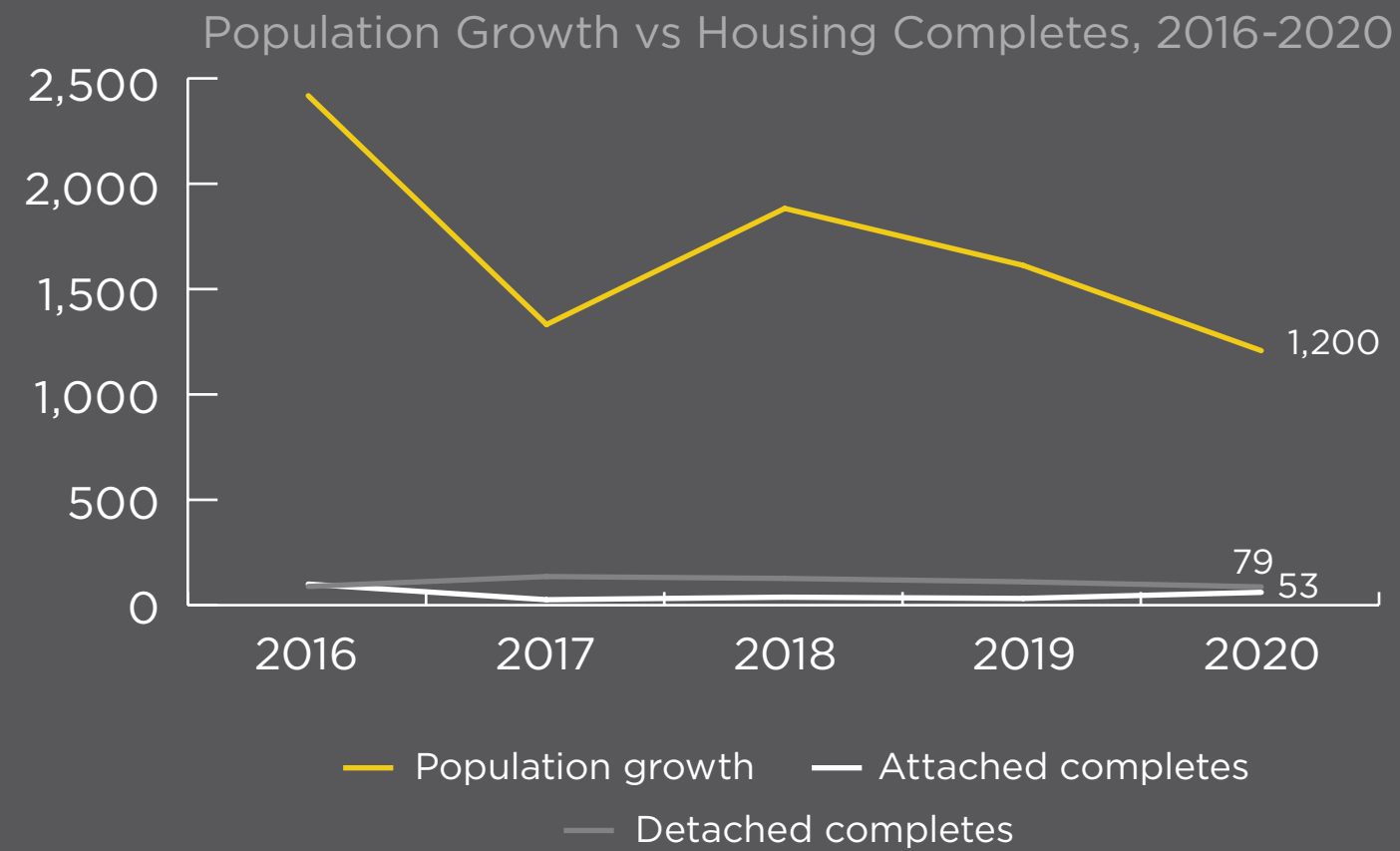


KOOTENAY



HOUSING SUPPLY

The region's annual population growth has been on a downward trend since 2016, so it is not surprising to see housing completes remain low. However, the 727 units completed over the period is well below the population gain of 8,414, putting pressure on supply**.



HOUSING PRICES

Cranbrook Rental Rates 2020*:

- One bedroom: \$732 (↑5.0%)
- Three+ bedroom: \$1,152 (↑18.5%)

Kootenay Housing Sales Price April 2021*:

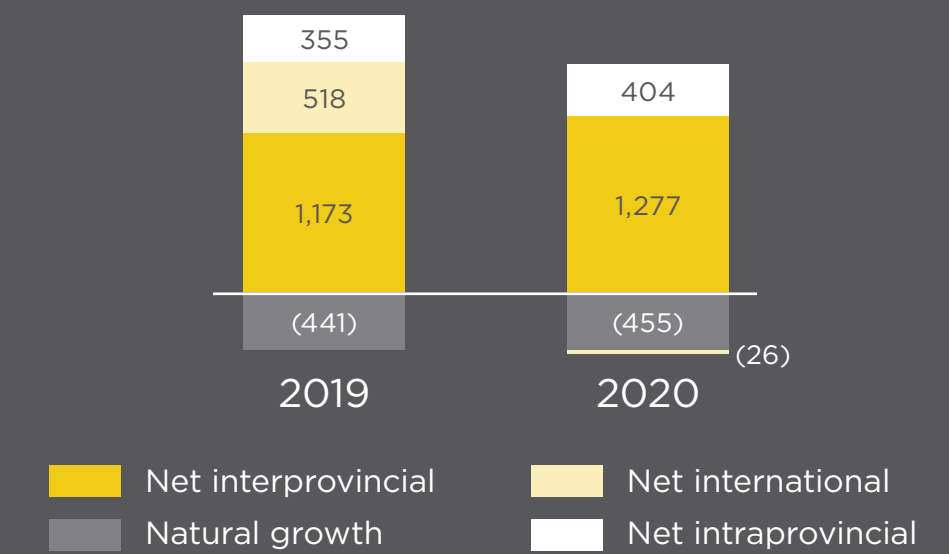
- Average price: \$443,274 (↑34.8%)



POPULATION CHANGE

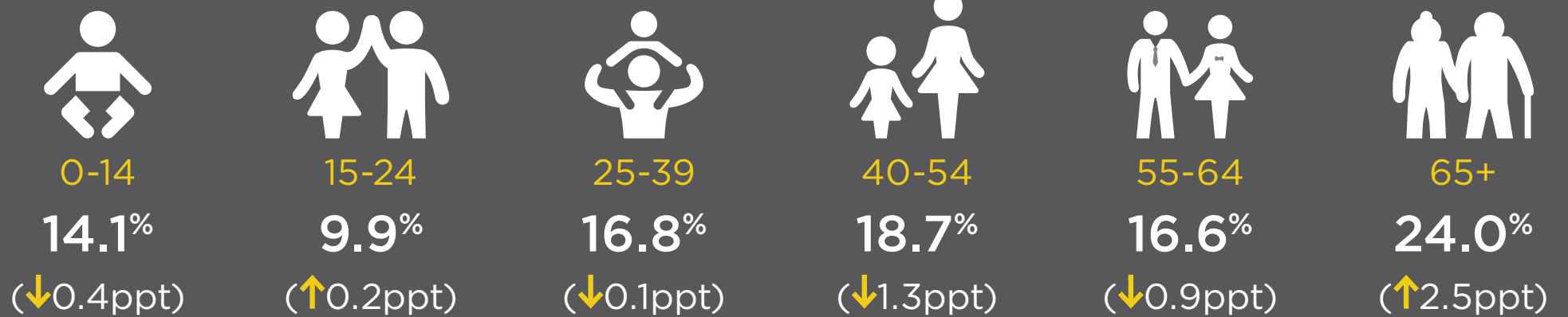
Interprovincial migration continued to be the largest driver of population growth in 2020, but the region also benefited from a net gain of residents from other parts of the province. Net international growth became negative due to a decline in non-permanent resident migration.

Population Growth by Type



DEMOGRAPHIC TRENDS

The proportion of residents aged 15-24 and 65+ were the only age groups to increase between 2016 and 2020. The region's average age of 45.3 is tied with Thompson-Okanagan for the second oldest in the province.



*Changes compared to the same period of previous year.

**Housing completion data only available for census areas of population 10,000 or higher in the region, which includes Cranbrook and Nelson. "Attached completes" include units such as condos, apartments and townhomes.

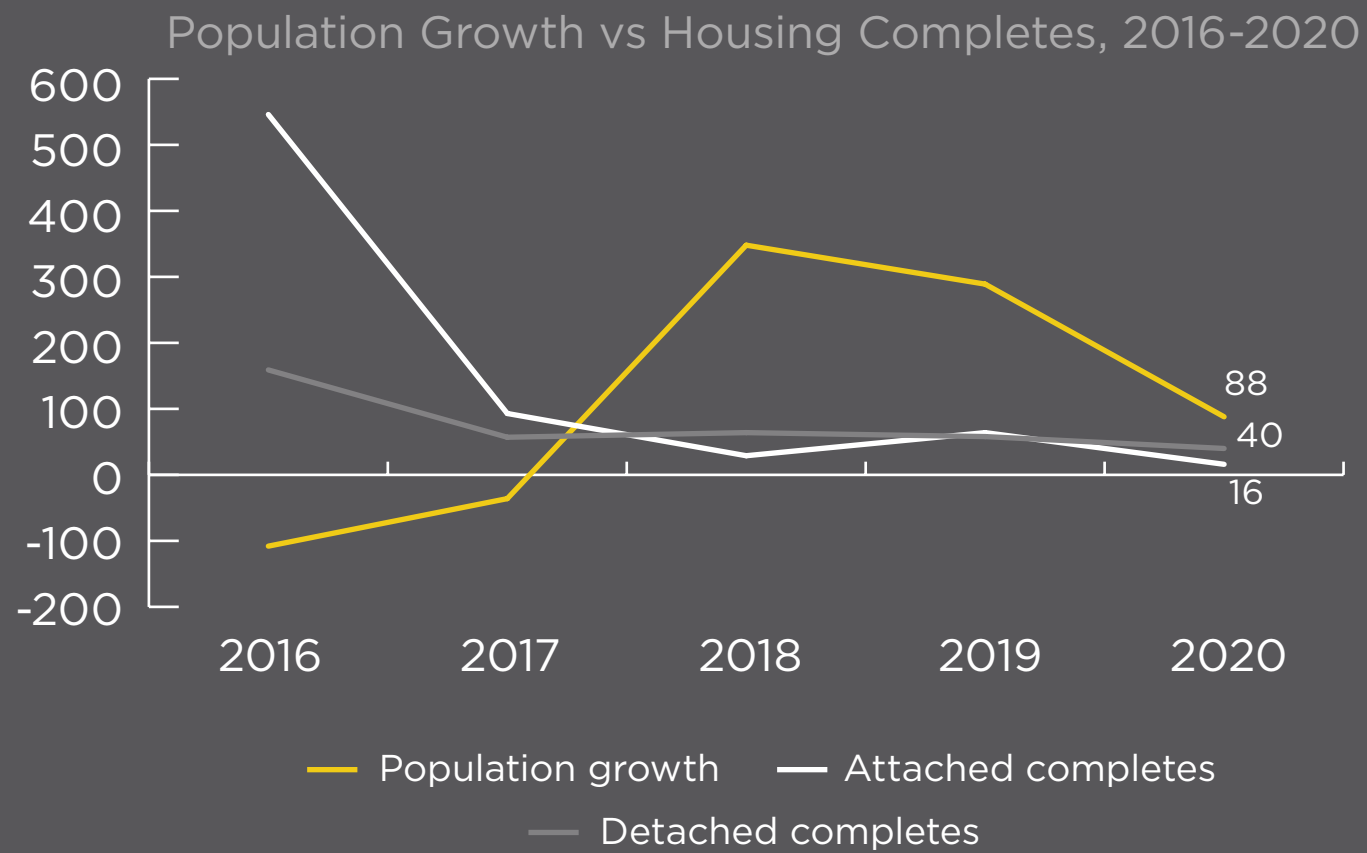


NORTHEAST BC



HOUSING SUPPLY

The region had the slowest population growth rate across the province, up 1.0% over the past five years. There was a record number of completed housing units in 2016, and the region was the only one in the province where completes outpaced population gains**.



HOUSING PRICES

Fort St. John Rental Rates 2020*:

- One bedroom: \$755 (↓2.1%)
- Three+ bedroom: \$1,044 (↓7.4%)

South Peace River Housing Sales Price April 2021*:

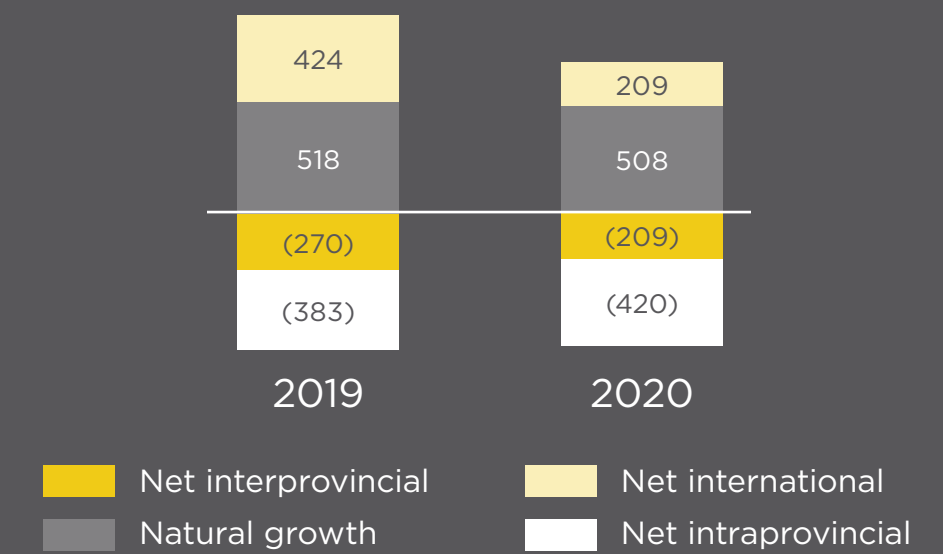
- Average price: \$305,961 (↑29.4%)



POPULATION CHANGE

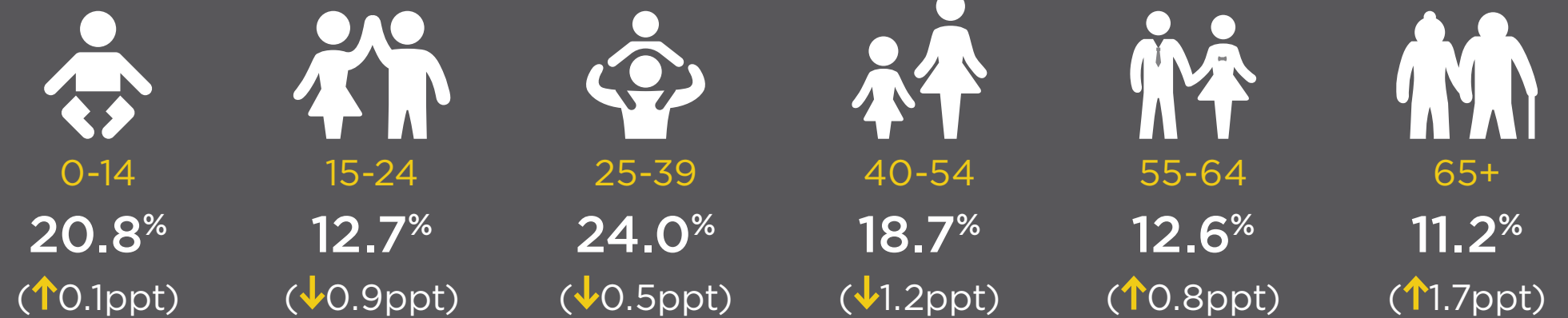
Although there has been a steady improvement since 2016, the region continued to see residents relocating to other parts of the province in 2020. This is offset by the region's strong natural growth rate (births minus mortalities).

Population Growth by Type



DEMOGRAPHIC TRENDS

Northeast BC continued to be the youngest region in the province, with an average age of 36.6, a full six years younger than the provincial average. The proportion of those aged 0-14 (20.8%) and 25-39 (24.0%) are the highest of any region in the province.



*Changes compared to the same period of previous year.

**Housing completion data only available for census areas of population 10,000 or higher in the region, which includes Fort St. John and Dawson Creek. "Attached completes" include units such as condos, apartments and townhomes.

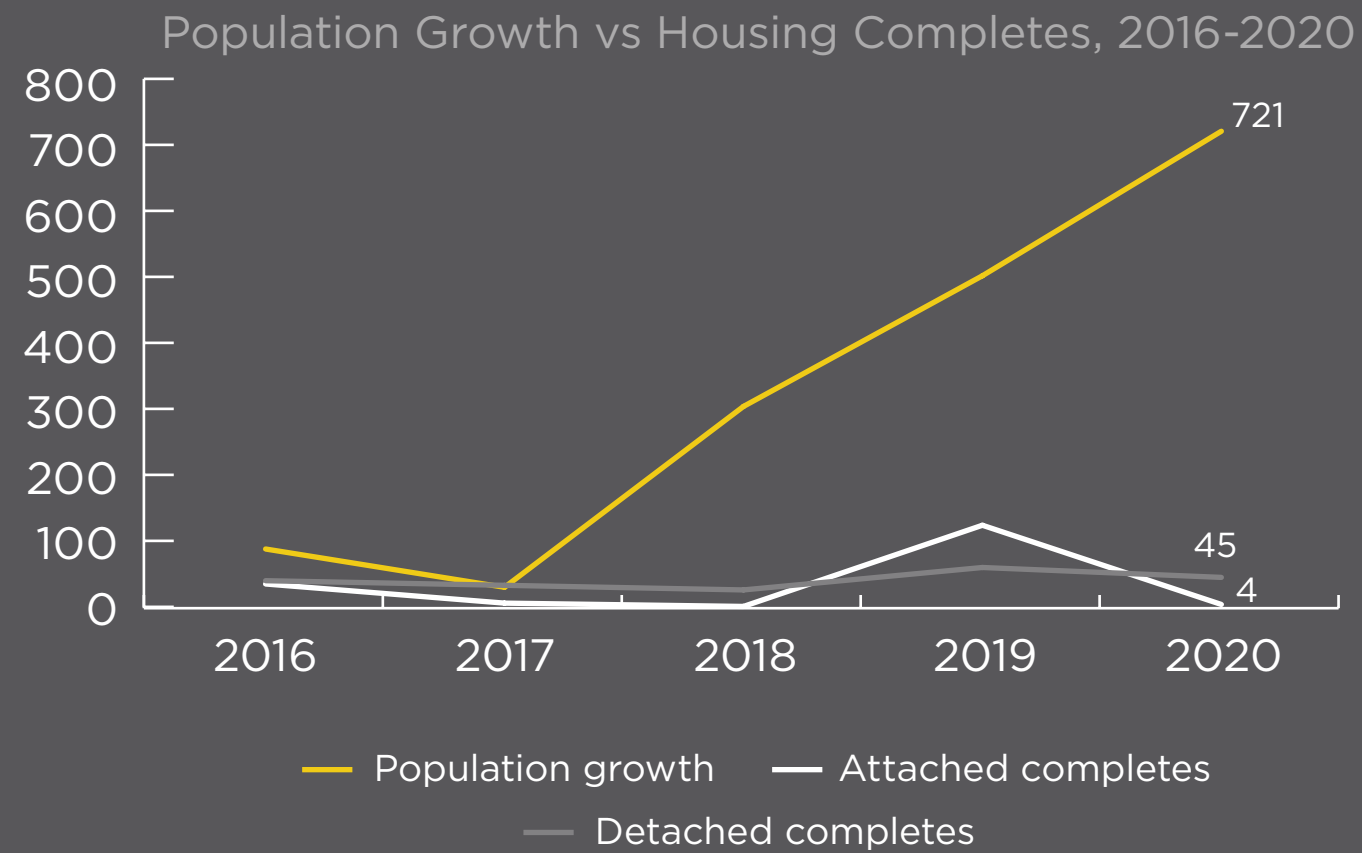


NORTHWEST BC



HOUSING SUPPLY

Northwest BC was the only region to see an uptick in population growth in 2020, a trend which began in 2018 in part due to ongoing major project development. The number of completed housing units slowed in the region's two largest municipalities**.



HOUSING PRICES

Average Assessed Property Value 2020*:

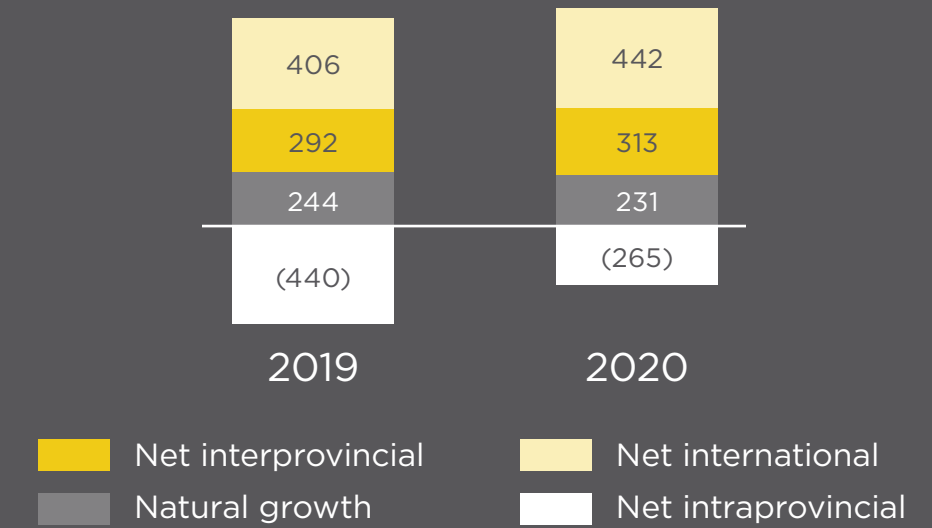
- Kitimat: \$348,994 (↑38.0%)
- Terrace: \$377,938 (↑20.4%)
- Smithers: \$308,690 (↑9.8%)
- Prince Rupert: \$290,961 (↑2.9%)



POPULATION CHANGE

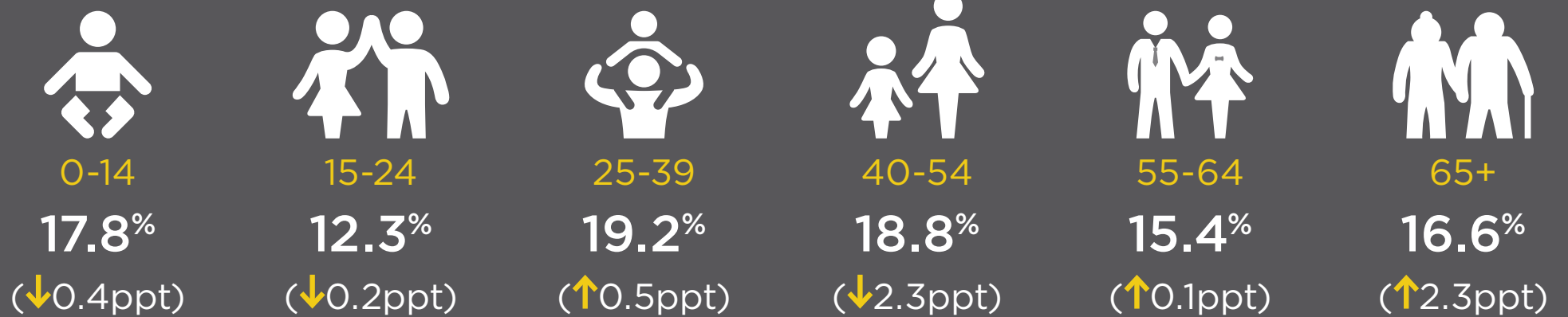
As economic prospects improved in the region, the loss of residents to other parts of BC has slowed over the past five years and the area is attracting international and interprovincial migration.

Population Growth by Type



DEMOGRAPHIC TRENDS

At an average age of 40.5, Northwest BC residents are the second youngest in the province. However, the region's getting older quicker than the province as a whole.



*Changes compared to the same period of previous year. Housing prices based on BC Assessment average 2020 property value as the Canadian Real Estate Association does not provide recent housing sale information for this development region.

**Housing completion data only available for census areas of population 10,000 or higher in the region, which includes Prince Rupert and Terrace.

***Attached completes include units such as condos, apartments and townhomes.



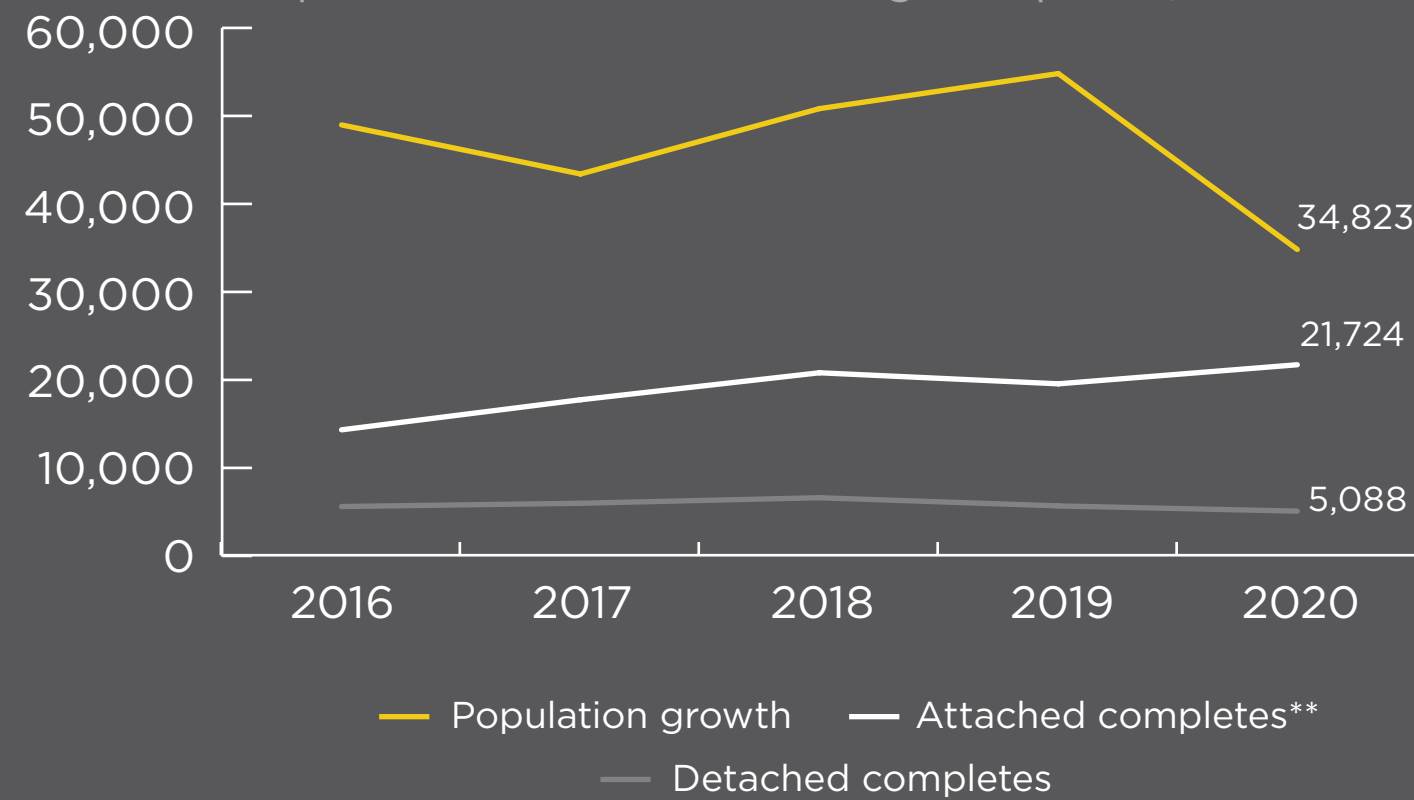
SOUTHWEST BC



HOUSING SUPPLY

Population growth slowed by over a third (36.5%) in 2020 compared to 2019, narrowing the gap between the number of completed housing units and new residents. Growth in the number of housing completes is concentrated in smaller attached units, such as condos and townhomes.

Population Growth vs Housing Completes, 2016-2020



HOUSING PRICES

Greater Vancouver Rental Rates 2020*:

- One bedroom: \$1,382 (↑5.8%)
- Three+ bedroom: \$2,063 (↑11.8%)

Lower Mainland Housing Sales Price April 2021*:

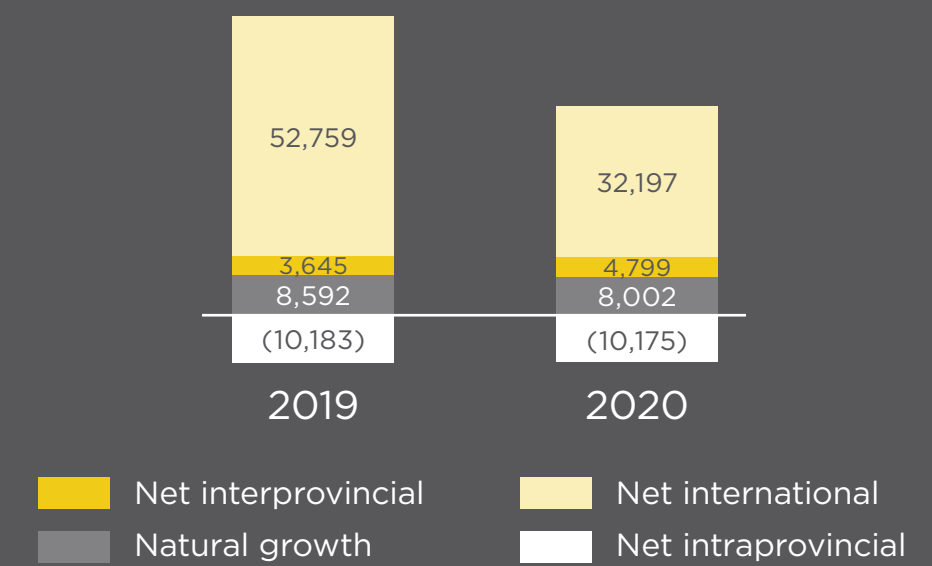
- Single family home: \$1,565,300 (↑24.9%)
- Apartment: \$694,200 (↑6.6%)



POPULATION CHANGE

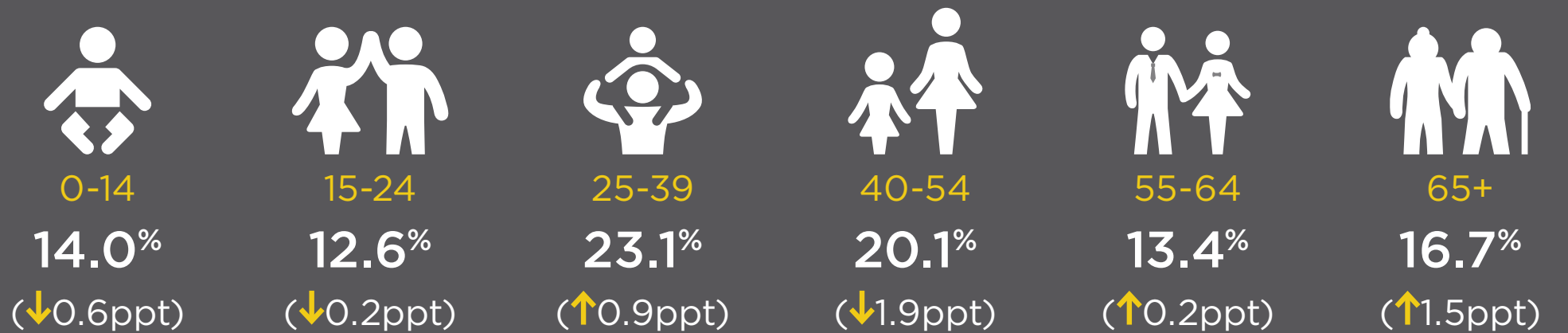
The slowdown in growth in 2020 was due to a significant decline in migration of non-permanent residents. While the region continued to attract international and interprovincial migrants, the region continued to lose residents to other parts of BC.

Population Growth by Type



DEMOGRAPHIC TRENDS

The average age for a Southwest BC resident was 41.3 in 2020, 1.3 years younger than the provincial average. The region is home to the second highest proportion (23.1%) of 25 to 39 year olds in the province.



*Changes compared to the same period of previous year.

**"Attached completes" include units such as condos, apartments and townhomes.

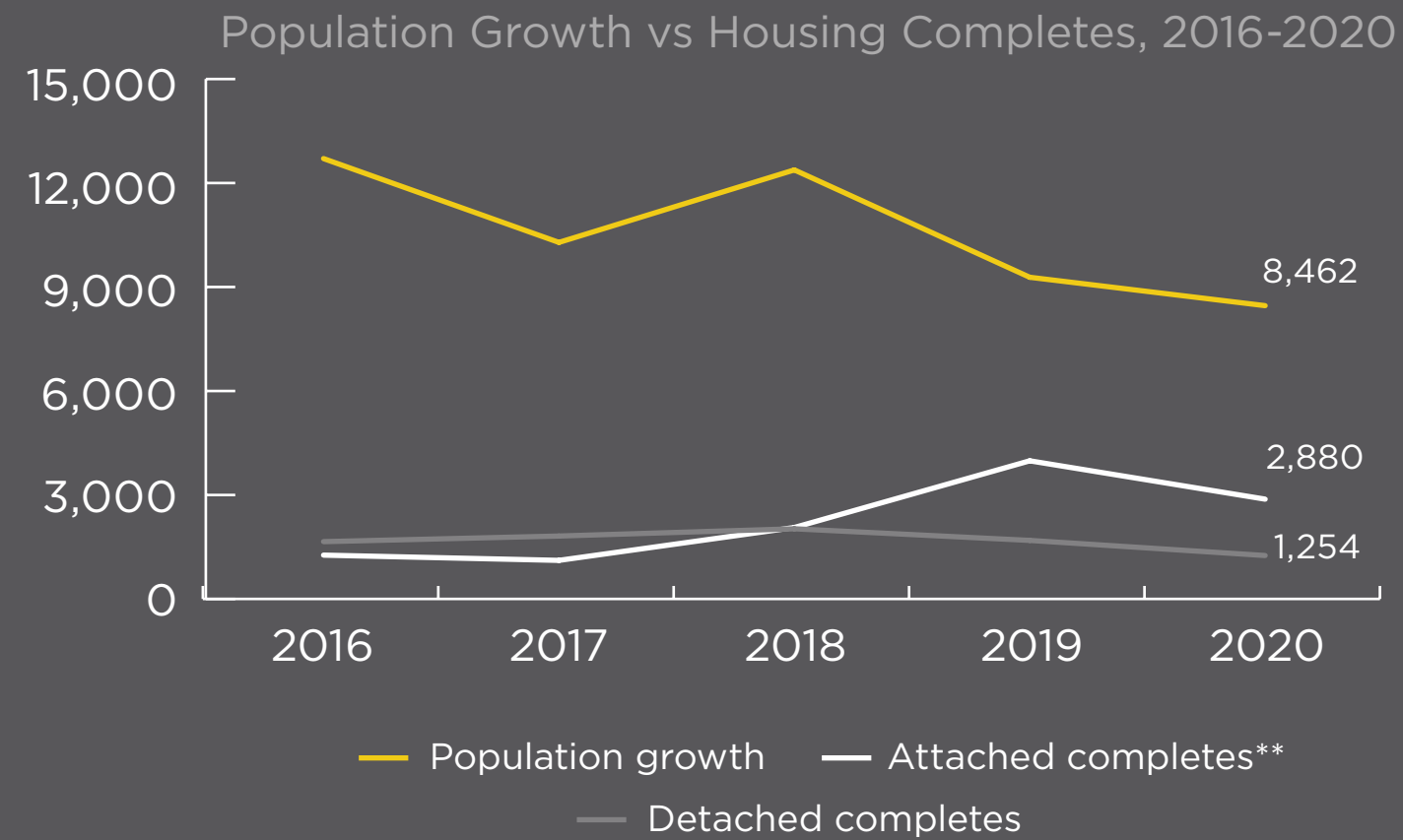


THOMPSON-OKANAGAN



HOUSING SUPPLY

Despite a recent slowdown, the Thompson-Okanagan's population grew faster than any other region over the past five years. Overall housing completes in 2020 are well above 2016 levels, but detached completes decreased by nearly a quarter.



HOUSING PRICES

Kelowna Rental Rates 2020*:

- One bedroom: \$1,095 (↑9.2%)
- Three+ bedroom: \$1,564 (↑15.2%)

Okanagan Valley Housing Sales Price April 2021*:

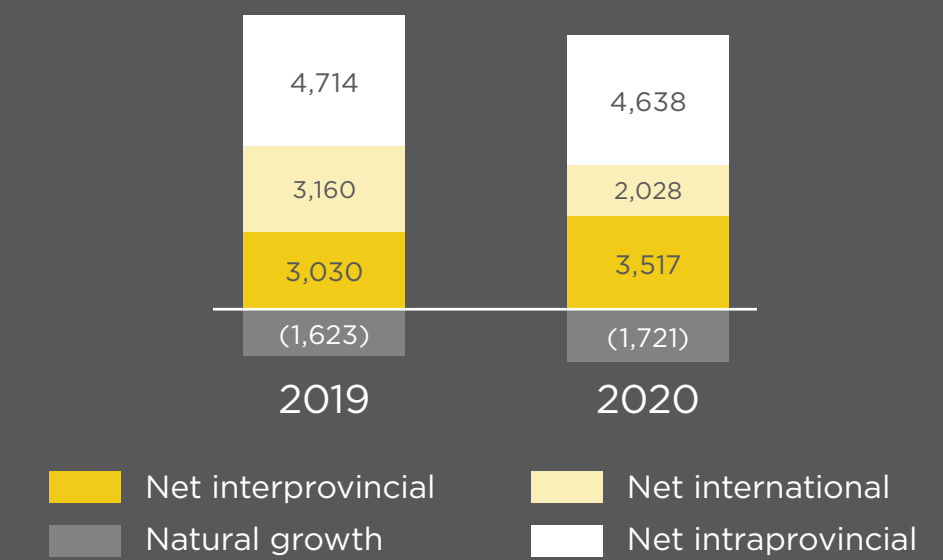
- Single family home: \$756,200 (↑29.4%)
- Apartment: \$407,000 (↑12.6%)



POPULATION CHANGE

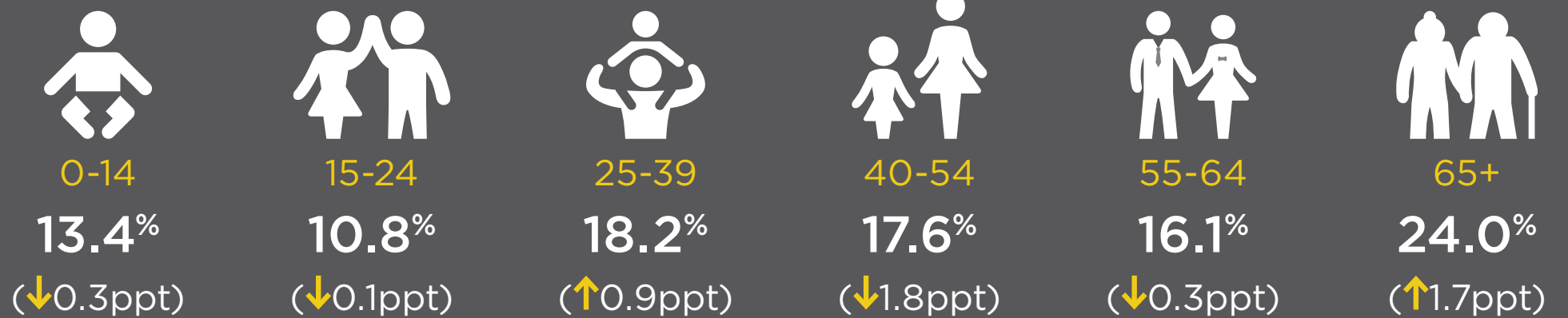
Population growth has come from a mix of migrants from other parts of the province, other provinces, and internationally. The COVID-19 pandemic pushed non-permanent migration down in 2020, while the region's mortality rate continued to exceed its birth rate resulting in negative natural growth.

Population Growth by Type



DEMOGRAPHIC TRENDS

The average age of a resident in the region is 45.3, the second highest in BC. Those 65+ made up nearly a quarter of the population in 2020.



*Changes compared to the same period of previous year.

**"Attached completes" include units such as condos, apartments and townhomes.

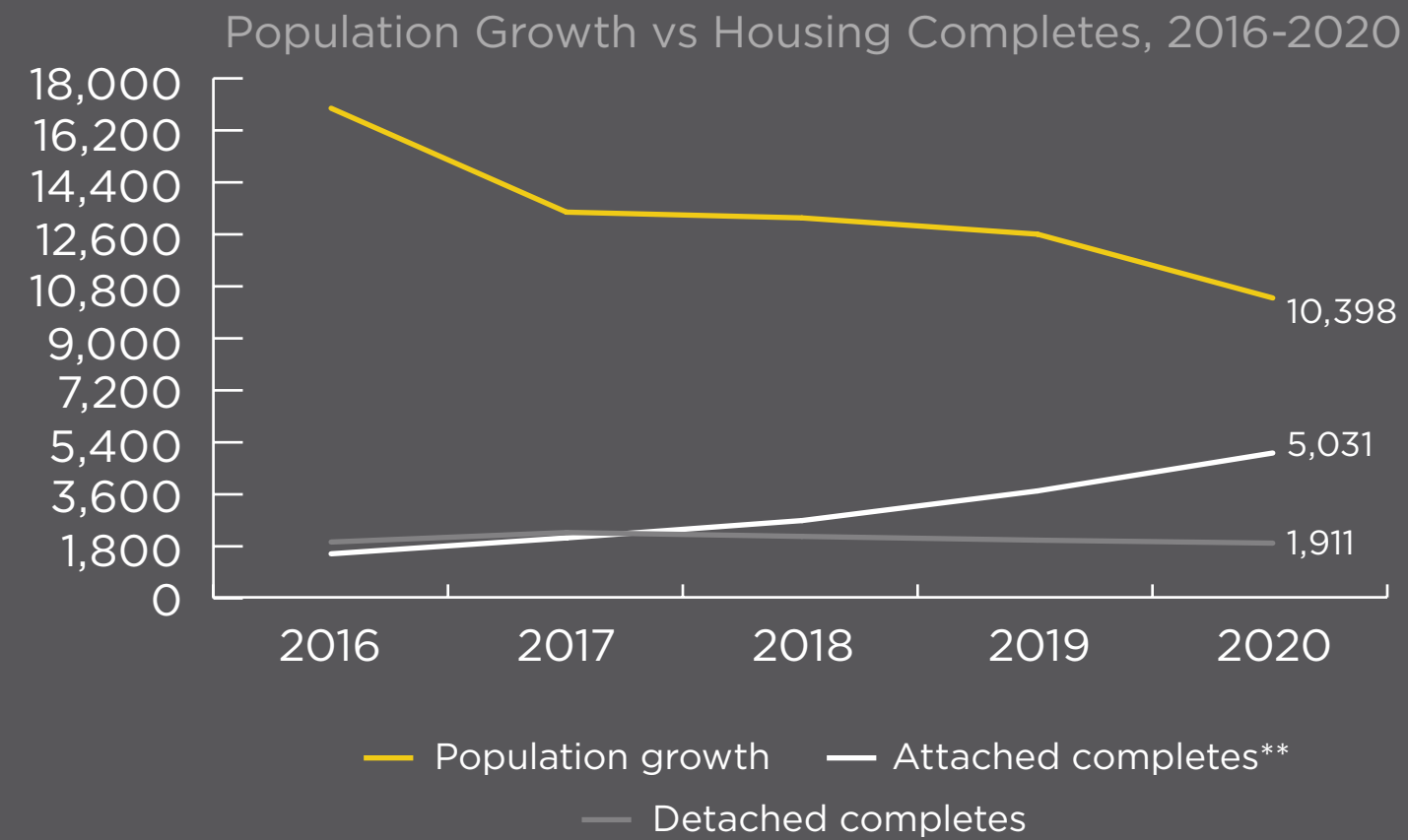


VANCOUVER ISLAND



HOUSING SUPPLY

While population growth has fallen from the peak in 2016, the region's population growth rate remained slightly above the provincial average over the past five years. The number of attached housing units completed has grown rapidly.



HOUSING PRICES

Rental Rates 2020*:

- Greater Victoria**
- One bedroom: \$1,127 (↑4.8%)
 - Three+ bedroom: \$1,740 (↓3.2%)
- Nanaimo**
- One bedroom: \$946 (↑6.9%)
 - Three+ bedroom: \$1,306 (↑2.8%)

Housing Sales Price April 2021*:

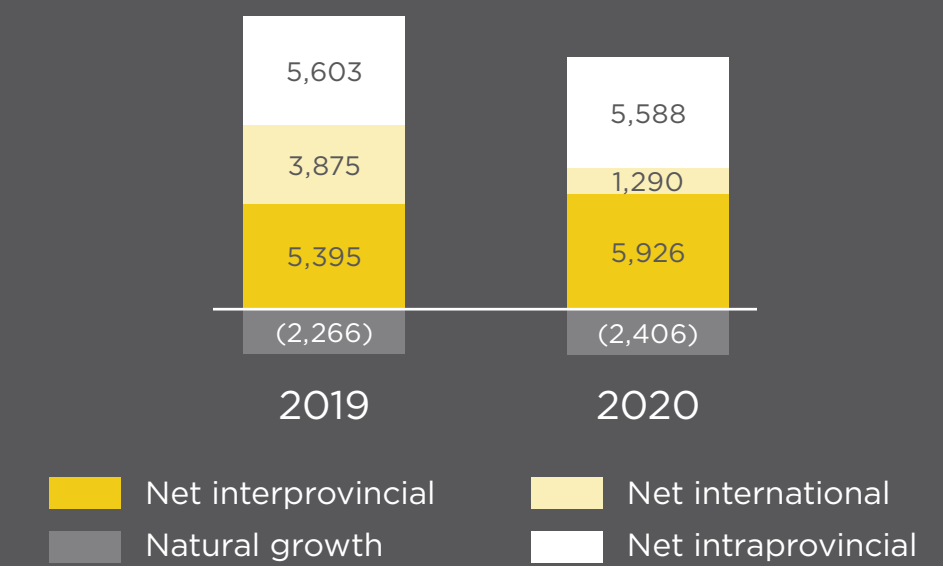
- Vancouver Island**
- Single family home: \$661,100 (↑22.2%)
 - Apartment: \$343,800 (↑13.6%)
- Greater Victoria**
- Single family home: \$894,700 (↑15.8%)
 - Apartment: \$533,100 (↑3.7%)



POPULATION CHANGE

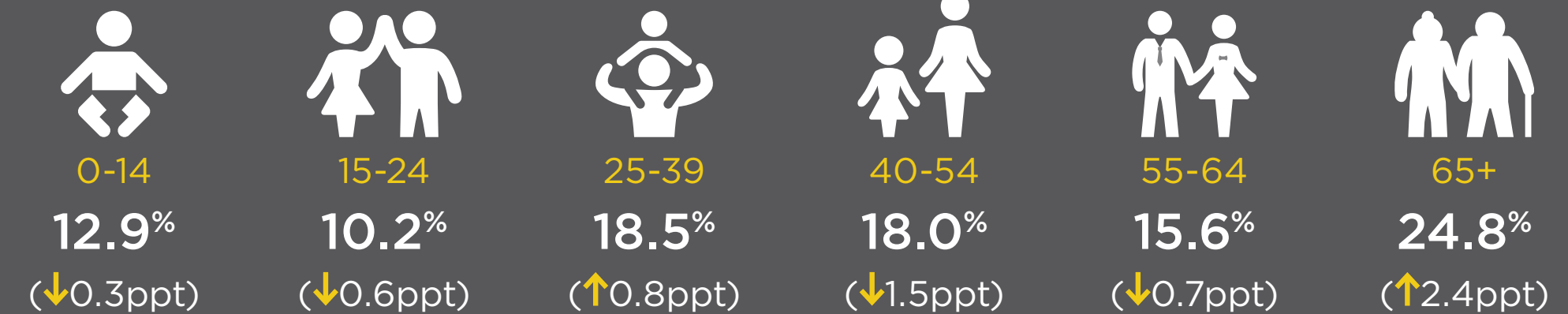
The region's negative natural growth rate (births minus mortalities) has more than doubled since 2016. However, this was offset by the region's strength in attracting migrants, particularly those from other BC regions and provinces.

Population Growth by Type



DEMOGRAPHIC TRENDS

The region's average age of 45.7 is the highest in the province, 3.1 years older than the overall average.



*Changes compared to the same period of previous year.

**"Attached completes" include units such as condos, apartments and townhomes.

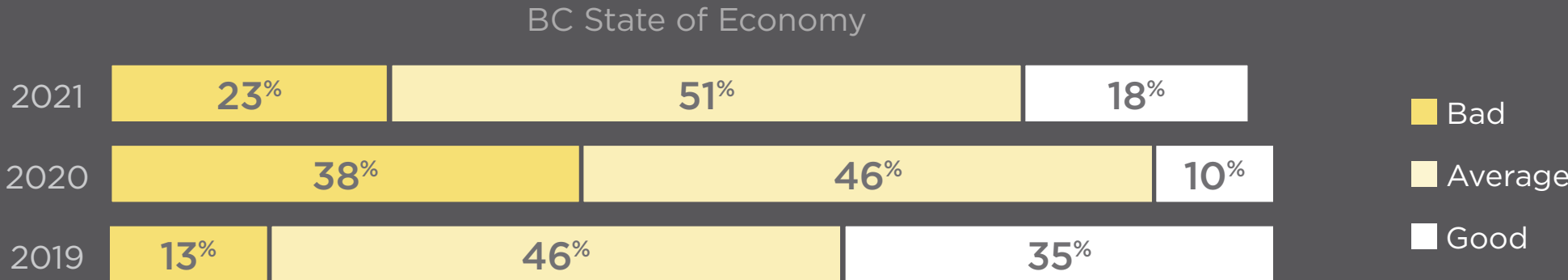
SURVEY RESULTS

Outlook on the Economy

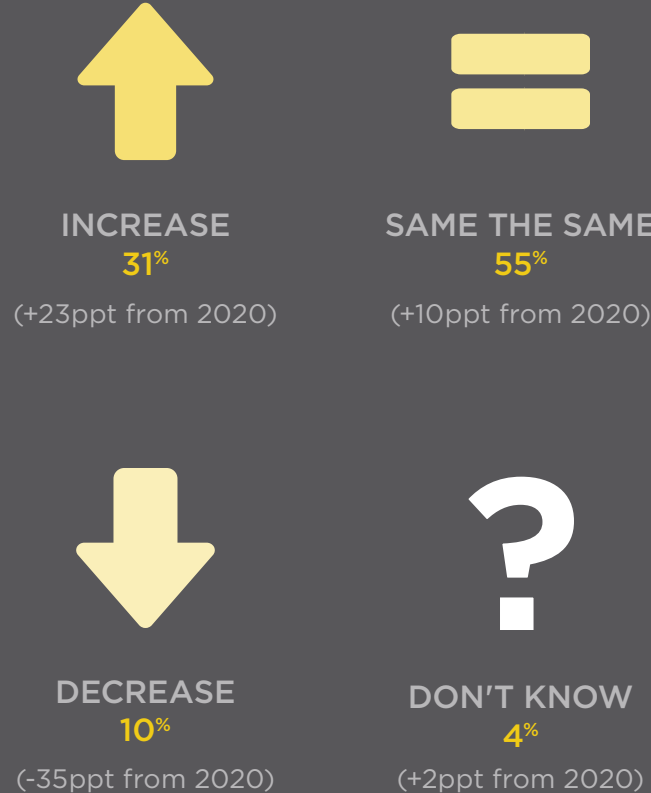
Based on results from the *BC Check-Up: Live* survey*, BC CPAs indicate that...



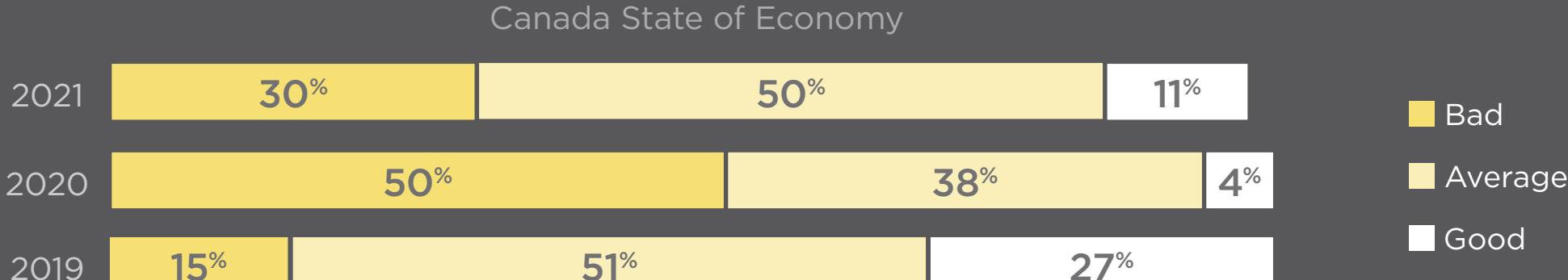
After a challenging year in 2020, BC's economic outlook for 2021 is recovering, with **over two-thirds of BC CPAs expecting the economy to be stable or improve.**



Over four-in-five CPAs (86%) are confident about their organization's **economic prospects** in 2021, a 33 percentage point improvement from 2020.



While Canada's economic outlook has also improved for 2021, CPAs expect **Canada's recovery to lag behind BC's.**



*Survey results may not sum to 100% due to exclusion of Don't Know/No Opinion responses and/or rounding. 2021 results from a survey in March and April 2021, n= 757. 2020 results from a survey conducted in July 2020, n = 563. 2019 results from a survey conducted February and March 2020, n = 767.

SURVEY RESULTS

Outlook on Affordability and Government

Based on results from the *BC Check-Up: Live* survey*, BC CPAs indicate that...



Economic concerns have shifted once again for 2021, with **housing prices** returning to the top spot.

Top three concerns for business success:

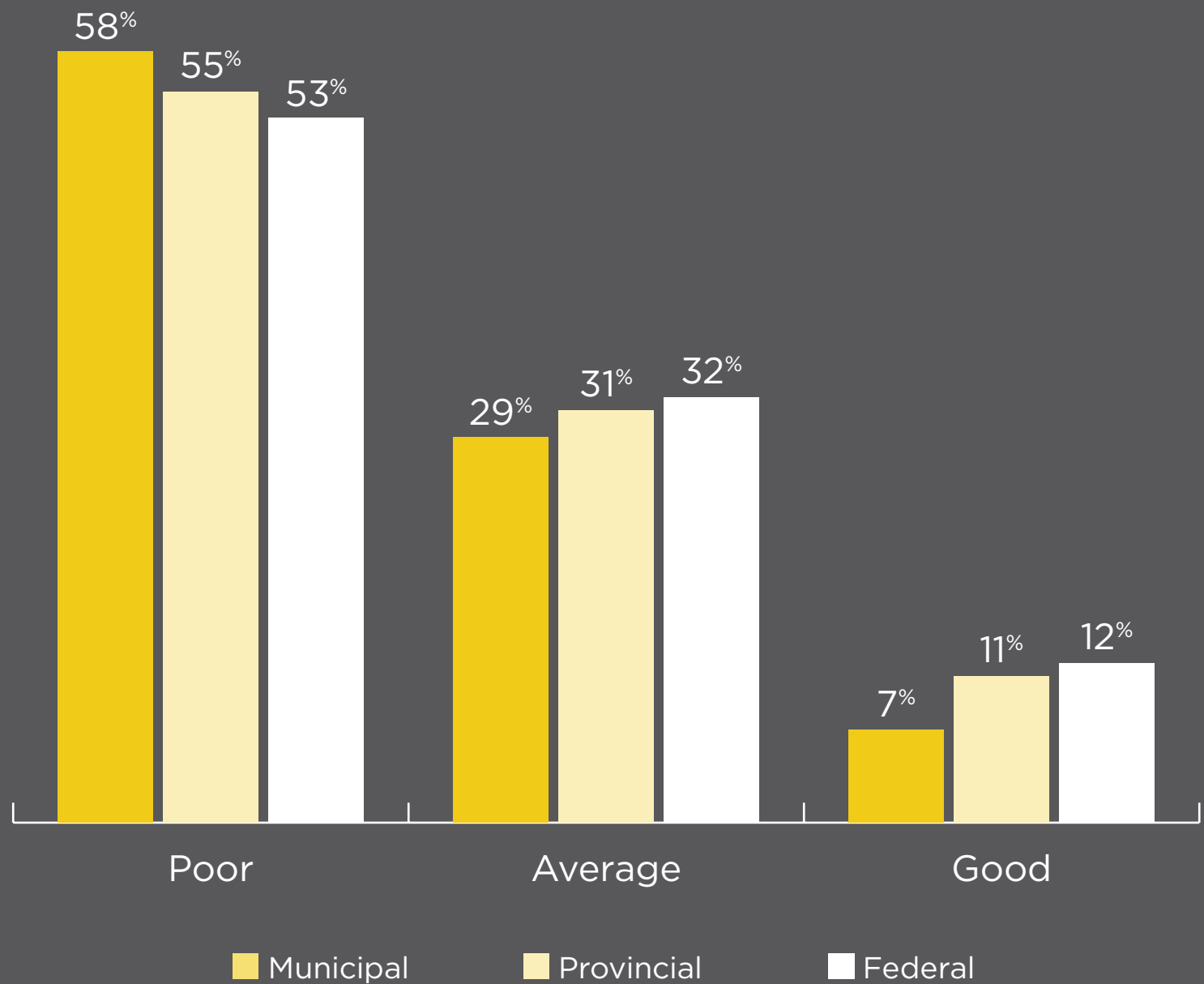
	2019	2020	2021
1	Housing prices	Consumer debt	Housing prices
2	Ability to attract and retain skilled labour	Consumer confidence	Consumer debt
3	Labour compensation	Labour compensation	Ability to attract and retain skilled labour



The vast majority of BC CPAs expect **housing affordability to worsen** in their region in 2021.



When asked how government has performed in improving affordability for residents, **CPAs believe all levels of government need to do more**.**



*2021 results from a survey in March and April 2021, n=757. 2020 results from a survey conducted in July 2020, n=563. 2019 results from a survey conducted February 2020, n=767. Survey results may not sum to 100% due to exclusion of Don't know/No opinion responses and/or rounding.

**Rating given for the performance of each of the levels of government when it comes to making life more affordable for residents in BC.

BC CHECK-UP 2021 **LIVE**

As leaders in analyzing and validating information, CPAs are often called upon to provide independent, fair, and objective information to assist in decision making. It is our hope that *BC Check-Up* will make a positive public policy contribution to the province by stimulating discussion about how to make BC a better place in which to **WORK**, **INVEST**, and **LIVE**.

BC Check-Up is available online at bccheckup.com.

MEDIA CONTACT

Vivian Tse

Manager, Communications

604-488-2647 | vtse@bccpa.ca

The report is prepared by the Chartered Professional Accountants of British Columbia. Opinions expressed in the report do not necessarily reflect those of individual chartered professional accountants. Data is derived from Statistics Canada, Canadian Real Estate Association, BC Stats, BC Assessment, and the Canada Mortgage and Housing Association. For more details contact aaerts@bccpa.ca.

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SURVEY DEMOGRAPHICS **Who are they?** 757 CPABC members **Where are they from?** Mainland/Southwest BC 67% Vancouver Island/Coast 17% Thompson-Okanagan 8% Rest of BC/outside BC 7%

CPABC commissioned Leger Marketing to conduct a web-based survey of CPABC members about their impressions of the economy and their region. A total of 757 surveys were completed in March and April, 2021, representing an overall response rate of 16%.