

INDICATORS

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



Non-Residential Building Investment

How much did the private and public sectors invest in BC's non-residential building projects?



Residential Housing Starts

How many units began construction in BC?



Major Project Activity

How much capital is allocated towards major projects across BC?



Real GDP Per Person

What is the GDP per person in BC?



Government Net Debt-to-GDP Ratio

What is the share of the provincial government's net debt to GDP?



Interest Rates and Inflation

What are the inflation and interest rates in BC?



Building Permits

What is the value of non-residential and residential building permits issued in BC?

PROVINCIAL SUMMARY

British Columbia faces a challenging and uncertain investment climate following the decision by the United States to impose or threaten tariffs on most Canadian goods.

The upheaval of North-American trade norms is the greatest threat to the province's economic security, and this year's **BC Check-Up: Invest** report evaluates the strength of BC's economy as we enter this period of turbulence.

2024 marked a transitional period for BC's investment climate. The Bank of Canada (BoC) began its much-anticipated easing cycle in June by making its first of five interest rate cuts during the year. By year-end, the policy interest rate was 3.25%. **The BoC made two more 25 basis point cuts to begin 2025, citing stable inflation and the need for less restrictive monetary policy amid the ongoing trade dispute.** Competing priorities of inflation control and supporting a vulnerable economy will weigh on future BoC decisions.

As of March 2025, BC's inflation rate was 2.6%, above the Canadian rate of 2.3%. Shelter was a main driver of inflation, with rental costs and ownership costs up 3.0% and 3.5%, respectively, since March 2024. Price growth excluding shelter costs was 2.1%.

In response to the United States' imposition of tariffs, **the Canadian government imposed reciprocal duties** on some U.S. goods, and remains prepared to retaliate further if required. While this response aims to counteract unjustified trade action by our country's largest trading partner, it will **undoubtedly increase inflationary pressures domestically.**

In the housing market, construction began on fewer new units in 2024, as **housing starts declined from the record high recorded in 2023.** Last year there were 45,828 housing starts across BC; apartment and condo construction accounted for 78.0% of the total, up from 52.0% in 2015.

In the non-residential sector, building investment reached \$8.3 billion in 2024, up 4.3% compared to 2023. Growth was concentrated in the governmental and industrial segments, which grew by 14.7% and 12.8%, respectively. **Since 2019, institutional and governmental spending has increased by 56.7%, due to a surge in health care facility investment.**

Investment in major projects—those with a capital cost of \$15 million or more—fell by 3.0% on an annual basis to \$361.7 billion in Q3 2024. The Trans Mountain Pipeline Expansion, valued at over \$34.0 billion, was completed in Q2 2024, and **“mega projects” such as the LNG Canada Facility and the Site C Dam are expected to conclude in 2025.**

The value of building permits issued—which serves as a leading indicator for future building investment—has been on a downward trend since the BoC first raised rates in March 2023. **Residential building permits issued during 2024 totaled \$9.4 billion, down 9.1% compared to 2023. Non-residential permits fell 9.6% to \$5.3 billion.**

Prior to the imposition of tariffs, BC's economy was expected to have grown modestly in 2024 after outperforming the other provinces in 2023. Still, analysts expected population growth to outpace GDP growth during 2024. **Real GDP per capita was anticipated to contract by 2.0% before posting growth of 1.6% and 2.2% in 2025 and 2026, respectively.** Trade disruptions are a significant threat to this outlook for 2025 and onwards, and **the overall impact will depend on the magnitude and duration of the trade action.**

In their 2025/26 budget, the BC government committed to diversifying the provincial economy and supporting workers and businesses who may be impacted by trade-related disruptions. The newly released fiscal plan includes increases in both capital and operating expenditures compared to 2024/25. As a result, **BC's taxpayer-supported debt-to-GDP is projected to rise from 22.9% in 2024/25 to 34.4% by 2027/28**, representing an increase of \$68.8 billion in taxpayer-supported debt over three years.

To better understand the economic landscape, CPABC surveyed its members who work on the front lines of business in BC. Just 16% said BC's economy was performing well in December 2024 (prior to the implementation of tariffs), the lowest result since the early stages of the COVID-19 pandemic. Meanwhile, 34% rated BC's economic performance as “poor.” Nearly two-fifths (38%) expect a decrease in the level of capital investment in their region in 2024, while only 16% anticipate an increase. **Members identified increasing labour costs, government policies, and a shortage of skilled labour as the greatest impediments to capital investment.**

PROVINCIAL SUMMARY



NON-RESIDENTIAL BUILDING INVESTMENT

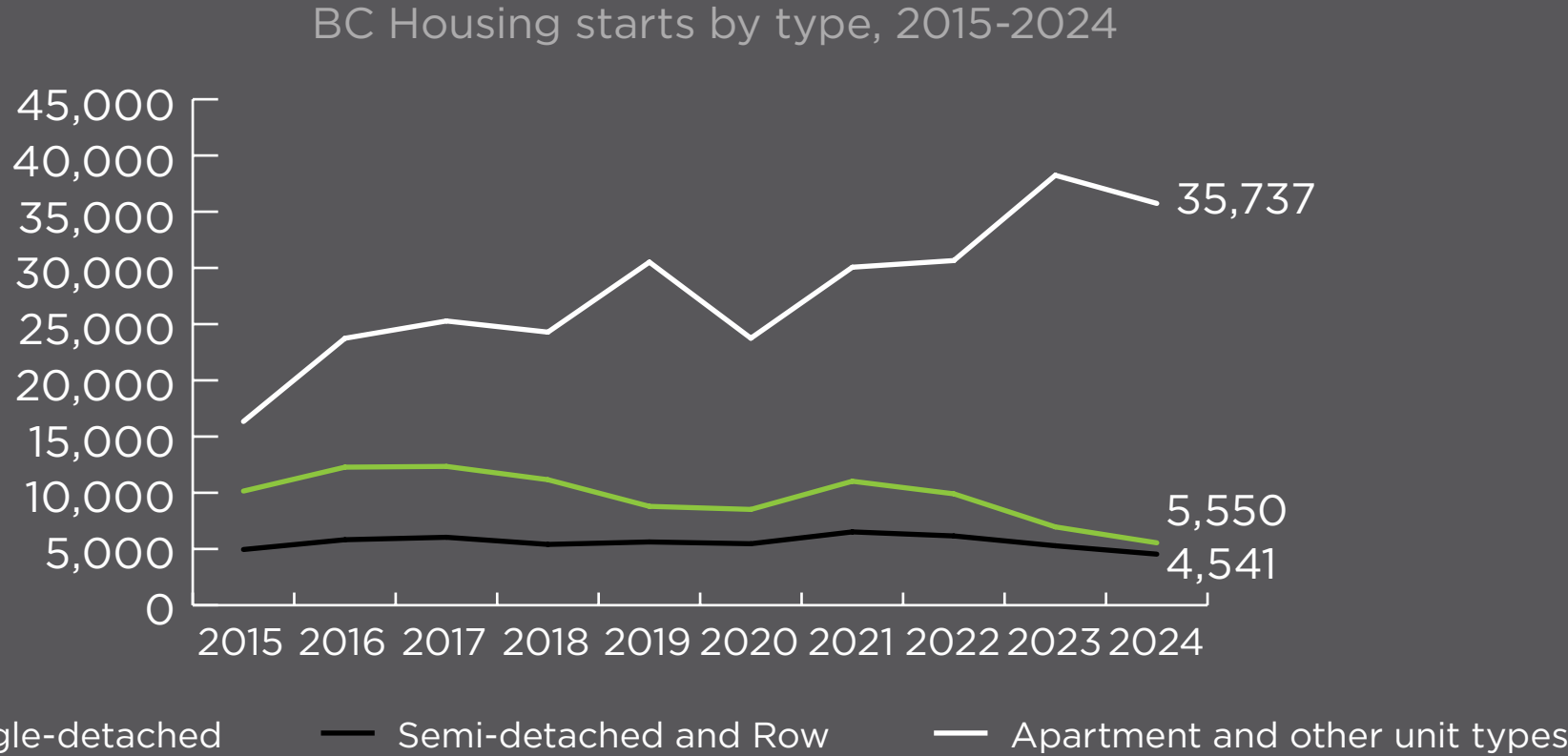
Public sector investment reached a new record high in 2024, due to a 55.3% increase in spending on health care facilities. Meanwhile, capital spending on both industrial and commercial projects remained below 2019 levels, despite some recovery.

	Value in 2024	One-year change (2023)	Two-year change (2022)	Five-Year change (2019)
Total private sector	\$5,535,143,077	-0.2%	1.1%	-12.6%
Industrial	\$875,583,816	12.8%	5.3%	-10.0%
Commercial	\$4,659,559,261	-2.4%	0.4%	-13.1%
Institutional and government	\$2,787,728,269	14.7%	39.8%	56.7%
Total non-residential	\$8,322,871,342	4.3%	11.5%	2.6%



RESIDENTIAL HOUSING STARTS

Construction began on 45,828 housing units in 2024, down from a record 50,490 in 2023. High-density housing, such as apartments, accounted for 78.0% of starts, a figure that has consistently increased from 52.0% over the last decade.



MAJOR PROJECT ACTIVITY*

Major project investment fell by 3.0% on a year-over-year basis and is expected to be light in 2025 as many of the largest projects in the province come to an end. The LNG Canada Facility in Kitimat, and BC Hydro’s Site C Dam are both expected to be complete by the end of 2025.

MAJOR PROJECT HIGHLIGHTS (Q3 2024)

- Total Major Projects:** 1,001, \$361.7 billion (↓ 3.0%)
- Projects Under Construction:** 417, \$158.2 billion
 - Largest: LNG Canada Facility, \$36.0 billion
- Projects Proposed:** 496, \$169.8 billion
- Completed since Q3 2023:** Trans Mountain Pipeline Expansion, \$34.0 billion

*Non-residential investment data is inflation adjusted. “Attached starts” include units such as condos, apartments, and townhomes. Major project activity refers to private and public projects with an estimated capital cost of \$15 million or higher.

PROVINCIAL SUMMARY



REAL GDP PER PERSON

Improved economic conditions and slower population growth are anticipated to boost real GDP per capita in the coming two years. However, the ongoing trade dispute with the United States threatens this positive outlook.

2023	\$60,355	(↓0.6%)
2024F	\$59,156	(↓2.0%)
2025F	\$60,101	(↑1.6%)
2026F	\$61,416	(↑2.2%)



BC NET DEBT-TO-GDP RATIO

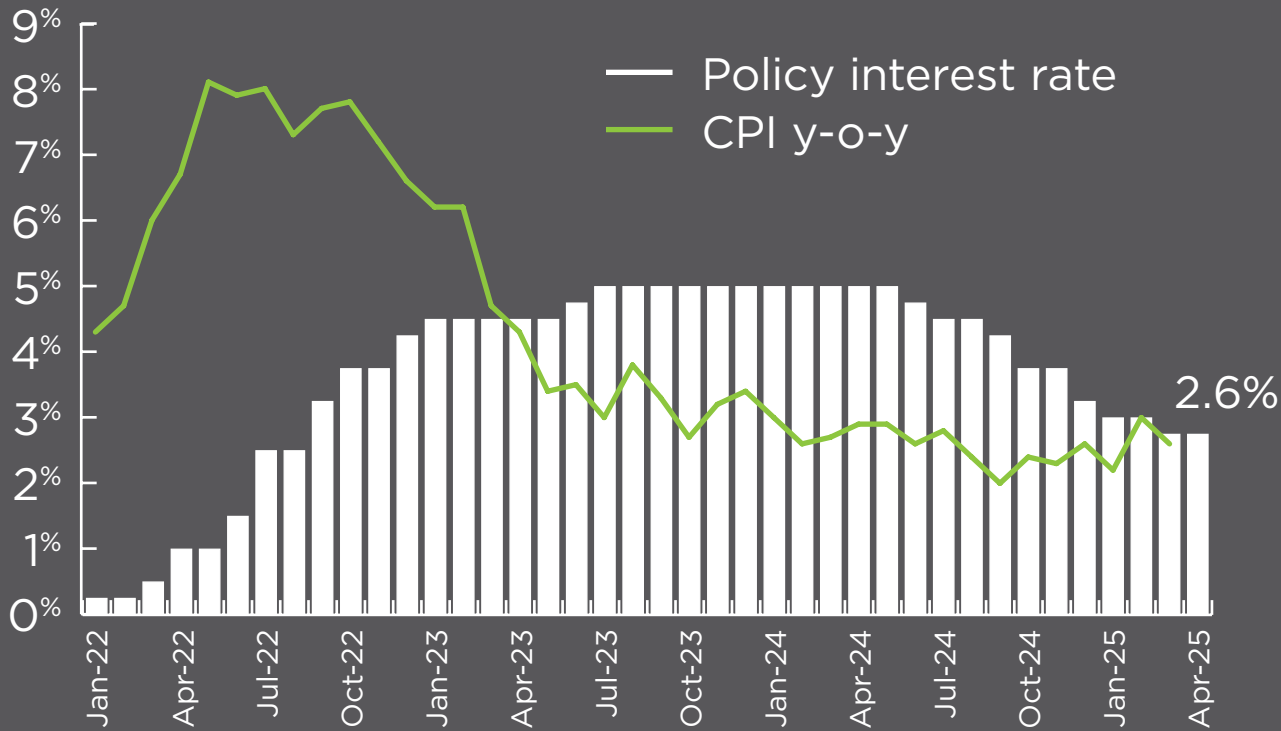
Increased government spending and robust capital investment will likely increase the provincial debt-to-GDP significantly over the next three fiscal years. In total, the BC government forecasts taxpayer-supported debt will increase by \$68.8 billion between 2024/25 and 2027/28.

2024-25	22.9%
2025-26F	26.7%
2026-27F	30.9%
2027-28F	34.4%



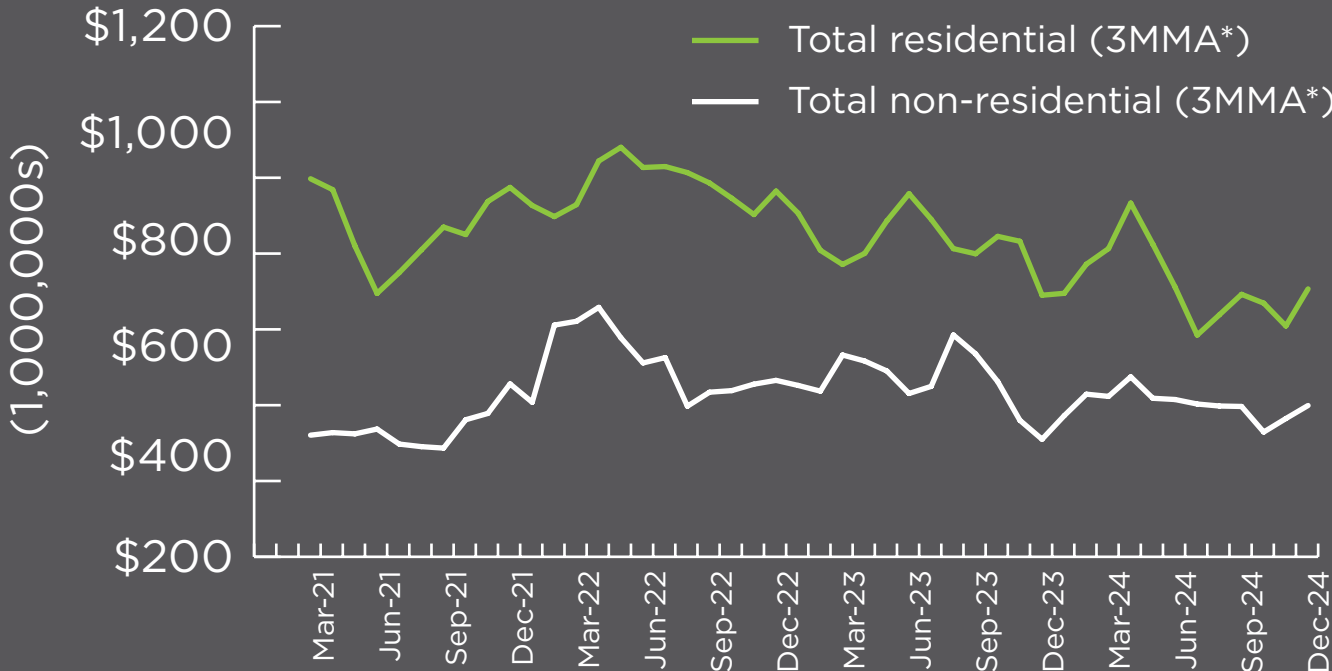
INFLATION AND INTEREST RATES

Consumer price growth has moderated, allowing the Bank of Canada to lower the policy interest rate from 5.00% in January 2024 to 2.75% as of April 2025. Shelter remains a key driver of inflation, up 3.7% year-over-year in March, compared to 2.1% for all other items.



VALUE OF BUILDING PERMITS*

The value of building permits issued trended lower in 2024, as higher interest rates dampened investment for most of the year. The total value of residential (-9.1%) and non-residential (-9.6%) permits fell compared to 2023.



"F" refers to a forecast.
 *Building permit data is inflation and seasonally adjusted. 3MMA refers to the 3-month moving average



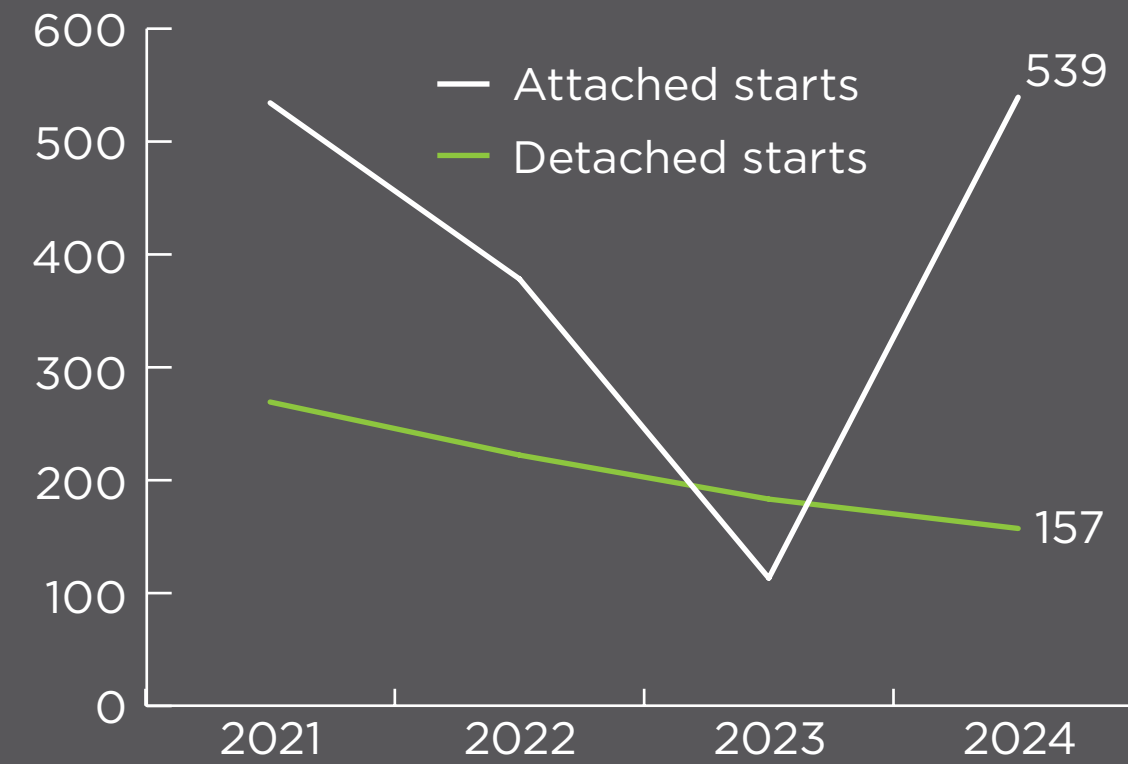
CARIBOO



RESIDENTIAL HOUSING STARTS

New residential building activity in the Cariboo recovered in 2024, following a significant decline in 2023. Multi-unit projects in Prince George accounted for nearly two-thirds (63.2%) of housing starts in the region.

Residential housing starts by type, 2021-2024



MAJOR PROJECT ACTIVITY

The value of the Cariboo's major project inventory fell by 80.7% after the \$34.0 billion Trans Mountain Pipeline Expansion project was completed in Q2 of 2024.

Total major project activity, Q3 2023-2024



MAJOR PROJECT HIGHLIGHTS

As of Q3 2024, the majority of projects in the Cariboo region were in the proposal stage. The Cariboo Memorial Hospital and two major road repair projects accounted for 88.8% of under construction project value.

Under Construction: 7 projects, \$1.0 billion

- **Largest:** Cariboo Memorial Hospital, \$366 million
- **Started in Q3 2024:** Carson Elementary School, \$61 million

Proposed: 22 projects, \$5.7 billion

- **New:** Quesnel Long-term Care Home

Completed since Q3 2023: Trans Mountain Pipeline Expansion, \$34.0 Billion (Q2 2024)



*Changes compared to the same period of previous year. Housing start data only available for census areas of population 10,000 or higher in BC, which includes Prince George, Quesnel and Williams Lake. "Attached starts" include units such as condos, apartments, and townhomes. Major project activity refers to private and public projects with an estimated capital cost of \$15 million or higher.



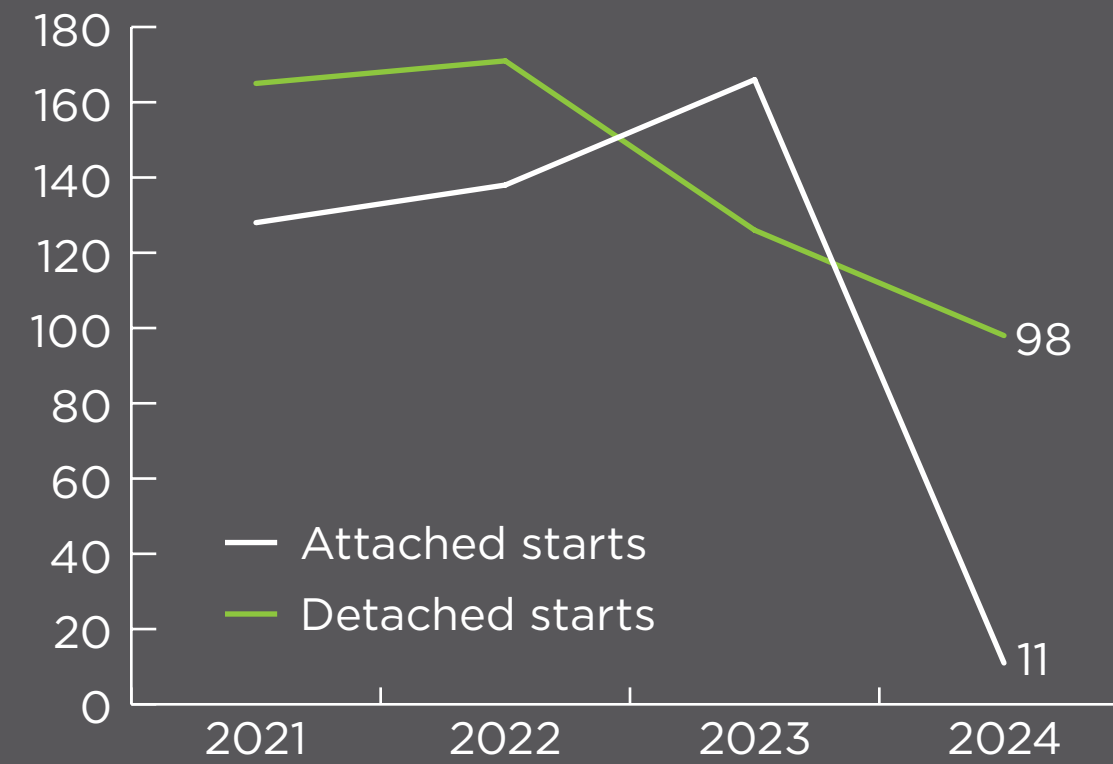
KOOTENAY



RESIDENTIAL HOUSING STARTS

Construction began on 109 new housing units in the Kootenays in 2024, down from 292 recorded in 2023. The decrease in activity was particularly pronounced in Nelson where only 28 housing starts were recorded during the year.

Residential housing starts by type, 2021-2024



MAJOR PROJECT HIGHLIGHTS

Tourism and natural resource projects made up the bulk of major project value in the Kootenay region in 2024.

Under Construction: 16 projects, \$2.4 billion

- **Largest:** Wildstone Golf and Residential Development, \$750 million

Proposed: 12 projects, \$1.2 billion

- **New:** Kootenay Boundary Regional Hospital MRI Suite, \$36 million

Completed since Q3 2023: 5 projects, \$199 million



MAJOR PROJECT ACTIVITY

The value of major projects in the Kootenays fell slightly on a year-over-year basis as of Q3 2024.

Total major project activity, Q3 2023-2024



*Changes compared to the same period of previous year. Housing start data only available for census areas of population 10,000 or higher in BC, which includes Cranbrook, Nelson and Trail (added in 2024). "Attached starts" include units such as condos, apartments, and townhomes. Major project activity refers to private and public projects with an estimated capital cost of \$15 million or higher.



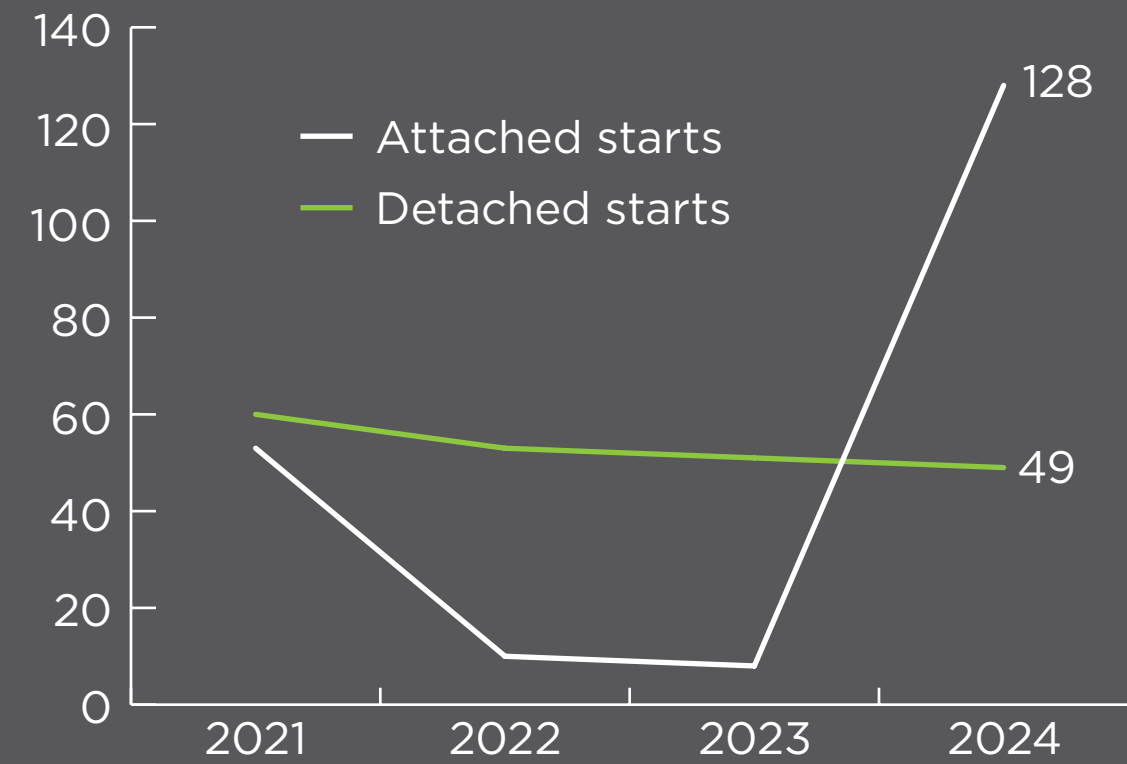
NORTHEAST BC



RESIDENTIAL HOUSING STARTS

There were a combined 177 housing starts in Northeast BC's two largest population centres in 2024, with most of the activity occurring in Fort St. John. Multi-unit housing accounted for 72.3% of new construction during the year.

Residential housing starts by type, 2021-2024



MAJOR PROJECT HIGHLIGHTS

BC Hydro's Site C Dam, which accounts for 45.4% of major project value in Northeast BC, started supplying power from the first of its six generators in late 2024. The project is expected to be completed and fully operational by the end of 2025.

Under Construction: 8 projects, \$19.4 billion

- **Largest:** Site C Dam, \$16.0 billion
- **Started Construction:** Fisher Creek Bridge Replacement

Proposed: 18 projects, \$10.9 billion

Completed since Q3 2023: Coastal GasLink Pipeline, \$6.2 billion (Q4 2023)



MAJOR PROJECT ACTIVITY

Major project activity in Northeast BC declined by 15.3% between Q3 2023 and Q3 2024, due to the completion of the \$6.2 billion Coastal GasLink project that supplies liquified natural gas to the LNG Canada Facility in Kitimat.

Total major project activity, Q3 2023-2024



*Changes compared to the same period of previous year. Housing start data only available for census areas of population 10,000 or higher in BC, which includes Fort St. John and Dawson Creek. "Attached starts" include units such as condos, apartments, and townhomes. Major project activity refers to private and public projects with an estimated capital cost of \$15 million or higher.



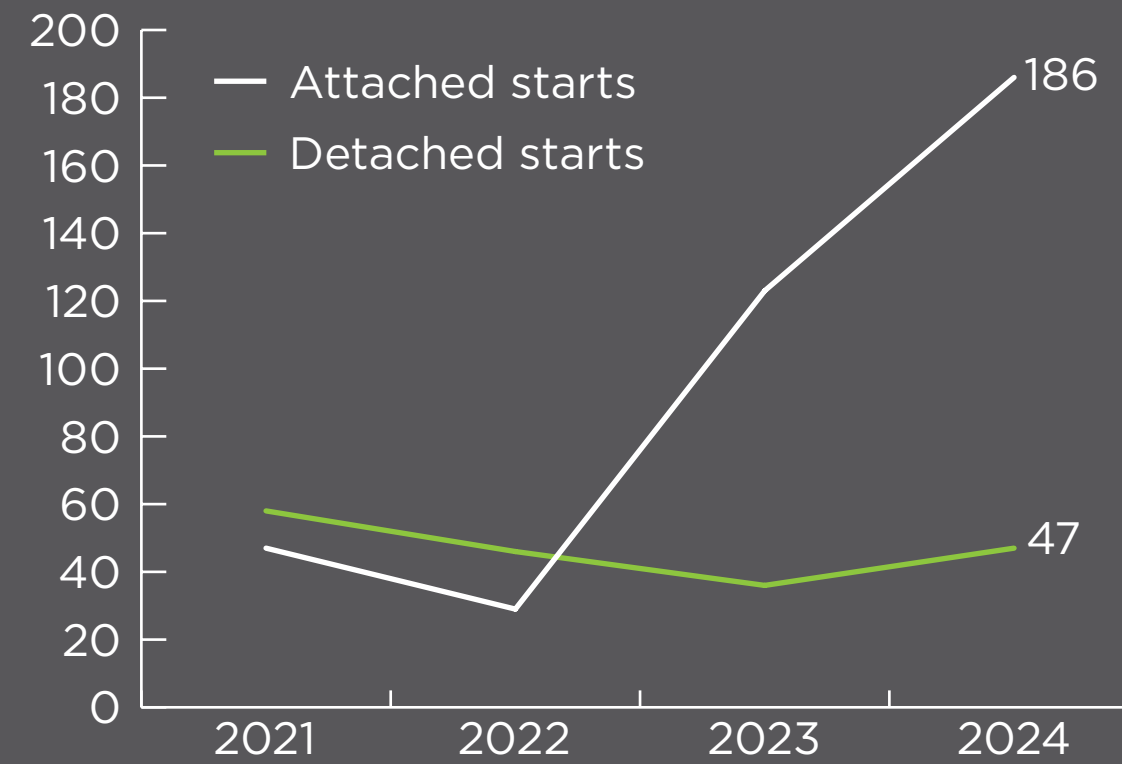
NORTHWEST BC



RESIDENTIAL HOUSING STARTS

New housing construction in Northwest BC continued on an upward trajectory in 2024. Starts increased in both Prince Rupert (+61.7%) and Terrace (+24.6%).

Residential housing starts by type, 2021-2024



MAJOR PROJECT ACTIVITY

Construction is expected to wrap on the LNG Canada facility in 2025, which is the largest on-going project in the province. As of December 2024, about 95% of construction had been completed.

Total major project activity, Q3 2023-2024



MAJOR PROJECT HIGHLIGHTS

The BC government announced that they would fast-track the permitting of 18 natural resource projects to reduce the province's reliance on the United States as a trading partner. Many of the named projects were located in Northwest B.C.

Under Construction: 18 projects, \$45.4 billion

- **Largest:** LNG Canada Facility, \$36.0 billion
- **Started:** KSM Gold/Copper Mine, \$5.3 billion

Proposed: 42 projects, \$67.2 billion

Fast-tracked projects:

- Red Chris Mine Expansion, \$2.6 Billion
- NaiKun Wind Power Project, \$2.4 Billion
- Cedar LNG, \$1.4 Billion
- Eskay Creek Mine Revitalization, \$488 million



*Northwest BC includes North Coast & Nechako.
 *Changes compared to the same period of previous year. Housing start data only available for census areas of population 10,000 or higher in BC, which includes Prince Rupert and Terrace. "Attached starts" include units such as condos, apartments, and townhomes.
 Major project activity refers to private and public projects with an estimated capital cost of \$15 million or higher.



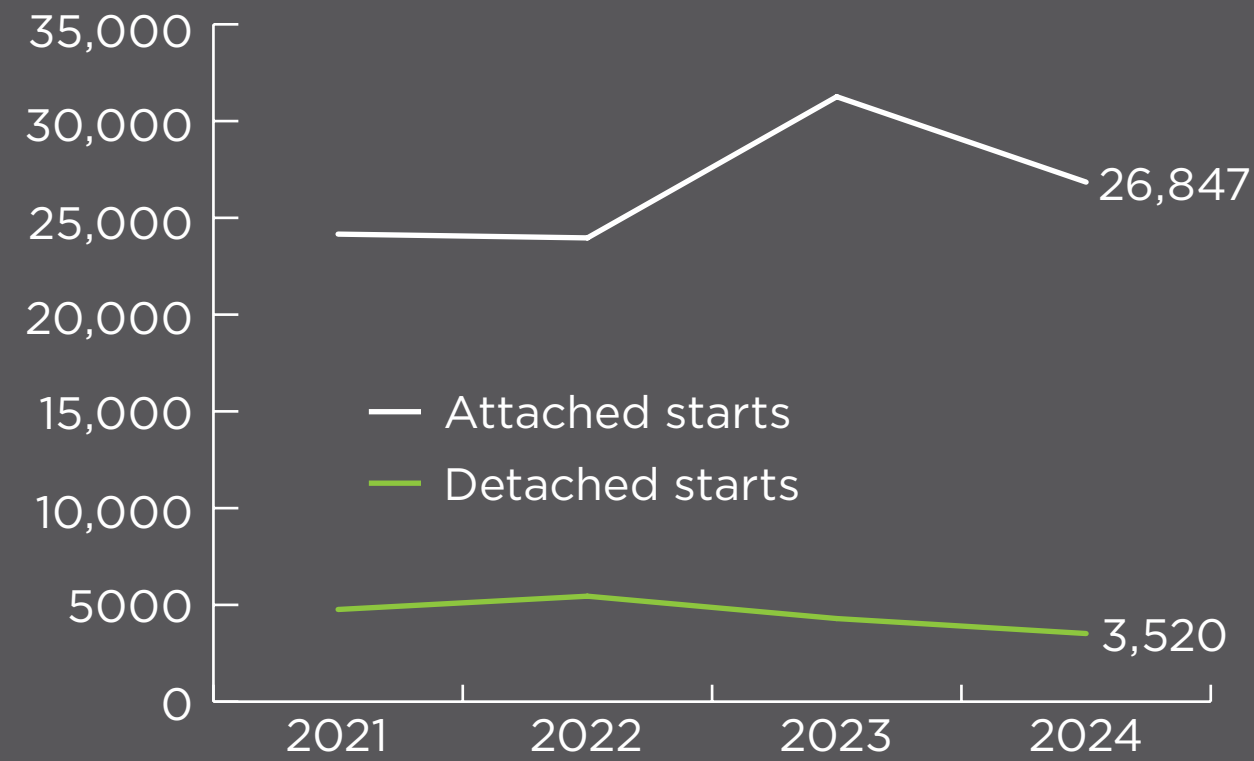
SOUTHWEST BC



RESIDENTIAL HOUSING STARTS

There were 30,367 housing starts in Southwest BC in 2024, down 14.6% from the record high recorded in 2023. Greater Vancouver experienced a similar decline in both detached and multi-unit developments.

Residential housing starts by type, 2021-2024



MAJOR PROJECT ACTIVITY

Southwest BC had the strongest growth in major project activity of any region in the province, increasing by \$23.4 billion to reach \$136.8 billion as of Q3 2024.

Total major project activity, Q3 2023-2024



MAJOR PROJECT HIGHLIGHTS

The value of major projects in Southwest BC more than doubled over the past decade, primarily driven by large residential, mixed use, and infrastructure projects. Over \$64 billion worth of projects were under construction.

Under Construction: 252 projects, \$64.4 billion

- **Largest:** Lougheed Town Centre Redevelopment, \$7.0 billion
- **Started in Q3 2024:** 23 projects, \$4.3 billion

Proposed: 312, \$71.5 billion

Completed in Q3 2024: 7 projects, \$475 million



*Changes compared to the same period of previous year. "Attached starts" include units such as condos, apartments, and townhomes. Major project activity refers to private and public projects with an estimated capital cost of \$20 million (\$15 million outside of Southwest BC) or higher.



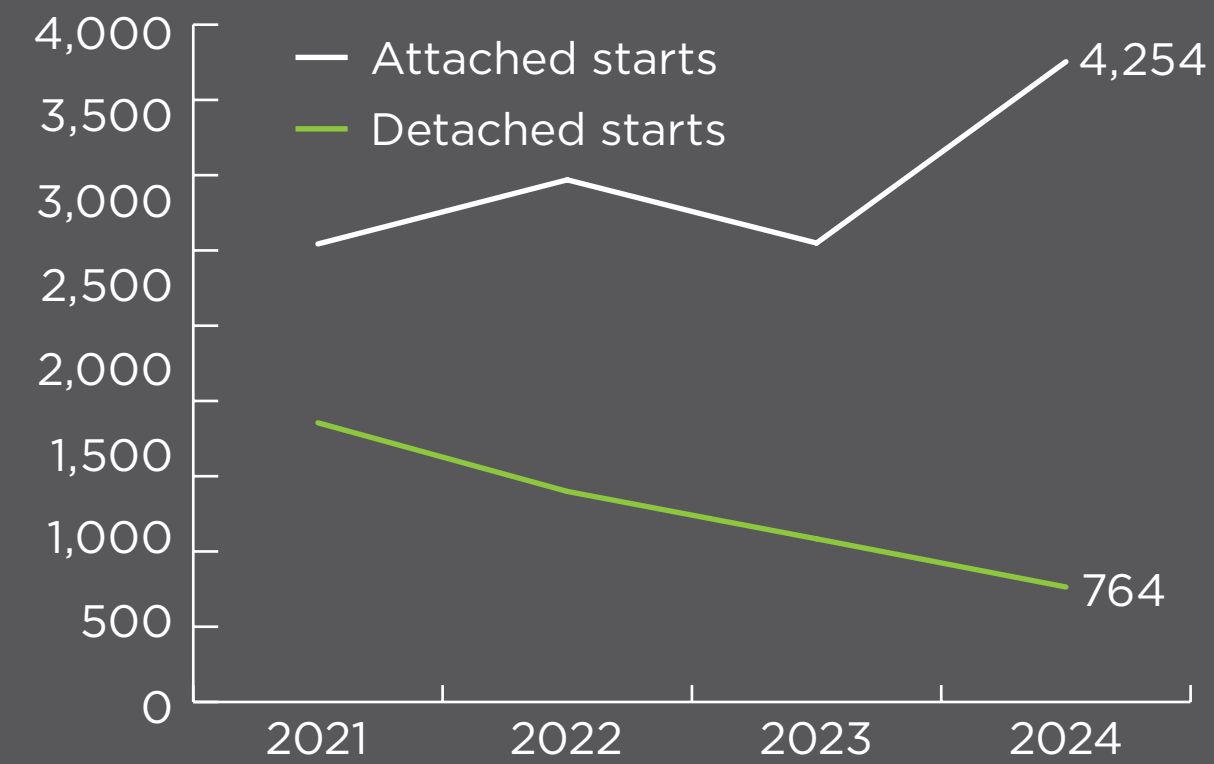
THOMPSON-OKANAGAN



RESIDENTIAL HOUSING STARTS

The number of housing starts in the Thompson-Okanagan increased by 21.4%, due to a surge in multi-unit building construction in Kelowna (+39.5%). Kamloops also experienced an increase in activity compared to 2023.

Residential housing starts by type, 2021-2024



MAJOR PROJECT HIGHLIGHTS

Major Project activity in the Thompson-Okanagan was concentrated in the tourism and residential projects. The Wilden development, the region's largest project by value will provide a mix of single family and multi-unit housing

Under Construction: 56 projects, \$10.7 billion

- **Largest:** Wilden Development, \$2.1 billion
- **Started since Q3 2024:** 9 projects, \$717 million

Proposed: 39 projects, \$4.7 billion

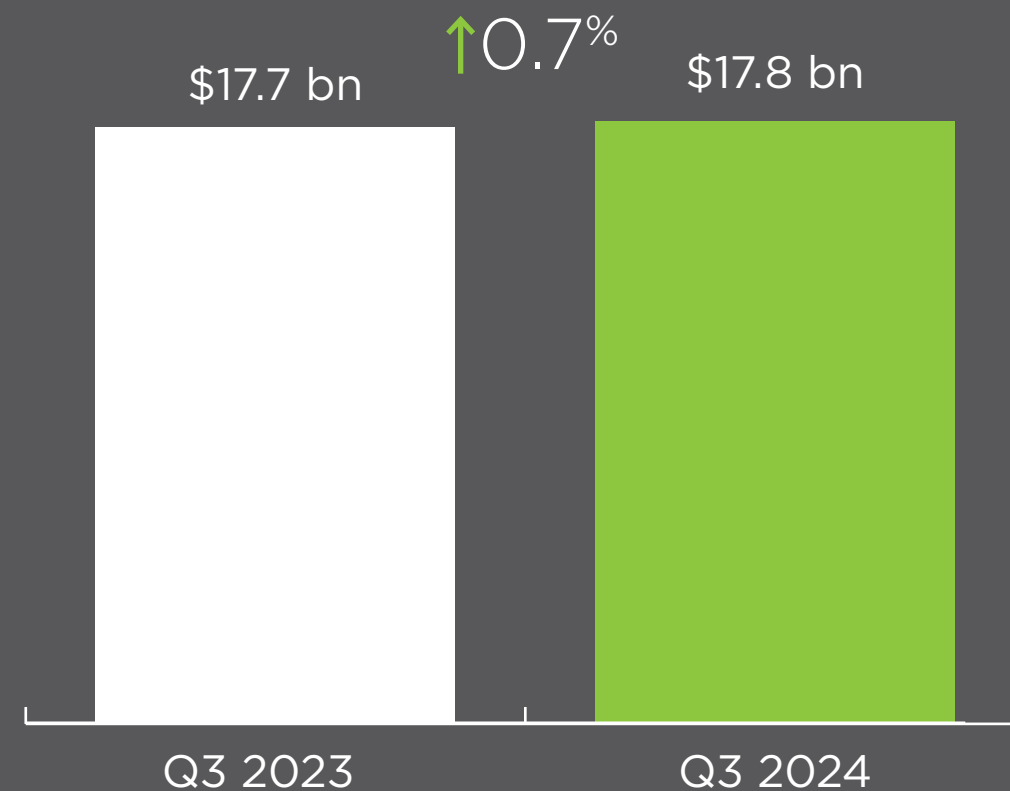
Completed: Parkcrest Elementary, \$37 million



MAJOR PROJECT ACTIVITY

The value of major projects in the Thompson-Okanagan was flat during the year, with \$17.8 billion in activity during Q3 2024. Almost two-thirds (60.0%) of the region's projects were under construction, the highest proportion of any BC region.

Total major project activity, Q3 2023-2024



*Changes compared to the same period of previous year. Housing start data only available for census areas of population 10,000 or higher in BC. "Attached starts" include units such as condos, apartments, and townhomes. Major project activity refers to private and public projects with an estimated capital cost of \$15 million or higher.



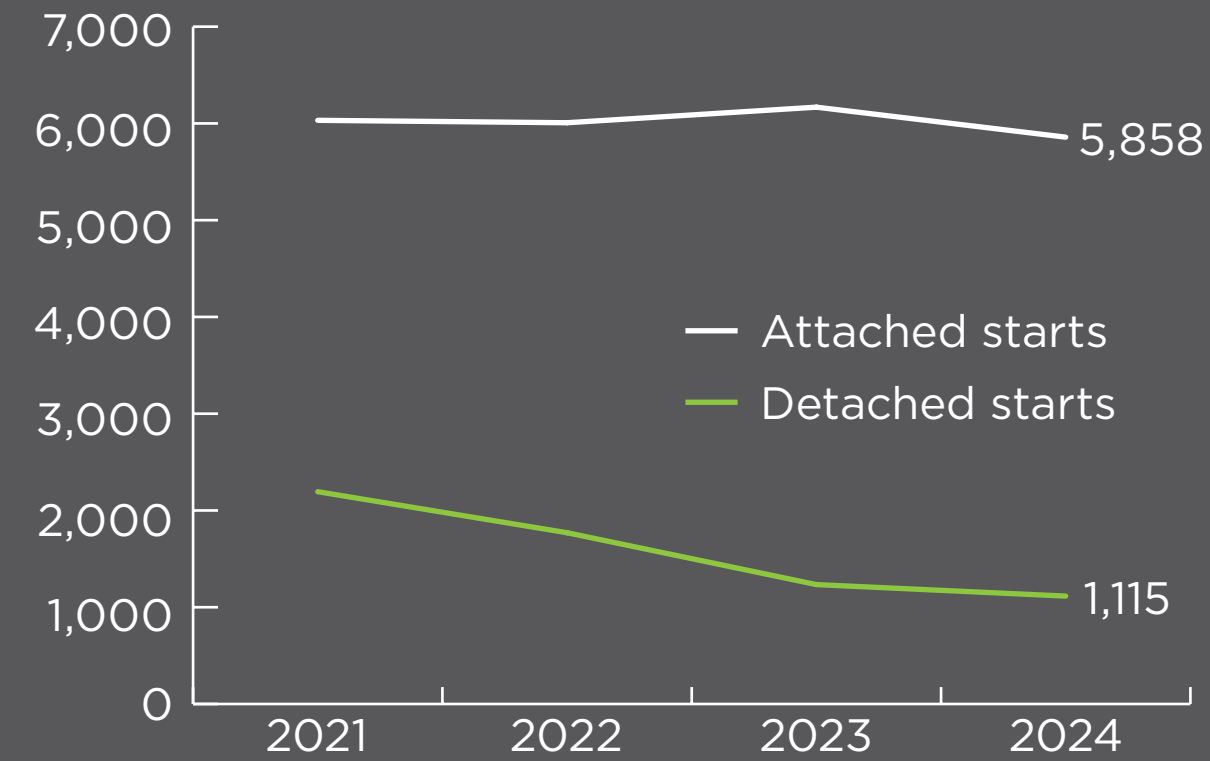
VANCOUVER ISLAND/COAST



RESIDENTIAL HOUSING STARTS

Housing starts on Vancouver Island fell for the third straight year. New construction in Greater Victoria slowed compared to 2023, while Nanaimo, Parksville, and Duncan all experienced an increase in activity.

Residential housing starts by type, 2021-2024



MAJOR PROJECT HIGHLIGHTS

Greater Victoria:

- **Total:** 90 projects, \$14.3 billion
- **Under Construction:** 42 projects, \$10.8 billion
- **Proposed:** 38 projects, \$2.3 billion

Rest of the Island & Coast:

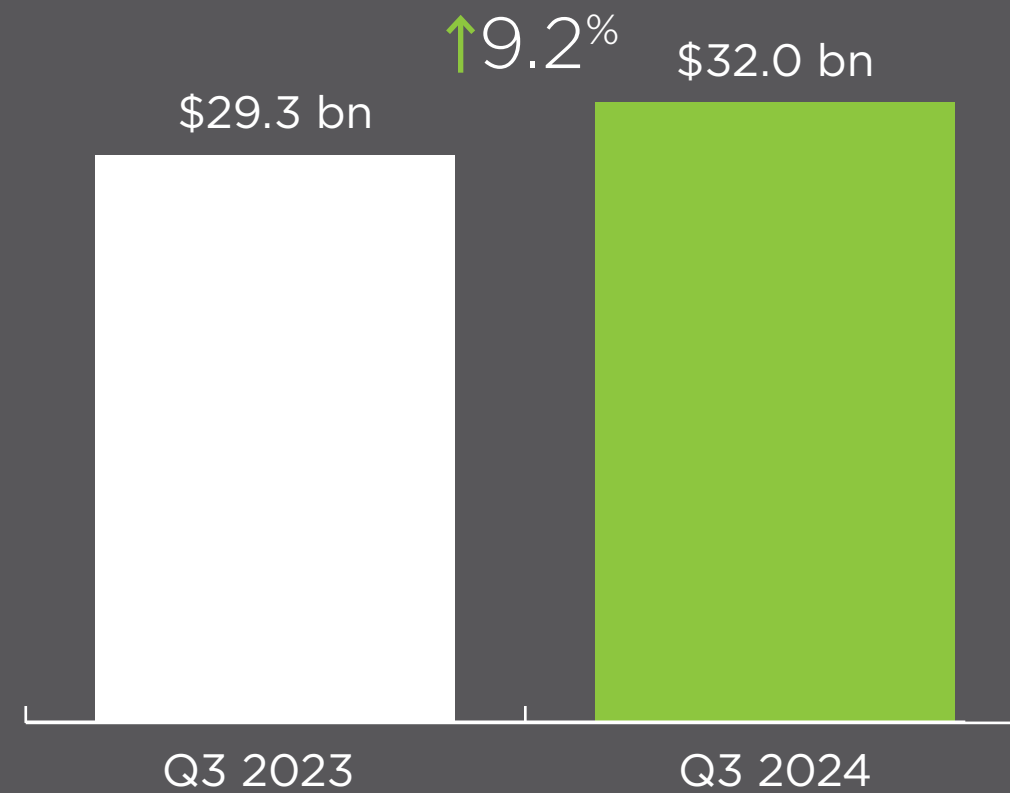
- **Total:** 55 projects, \$17.7 billion
- **Under Construction:** 18 projects, \$4.0 billion
 - Largest: Cowichan District Hospital Replacement, \$1.5 billion
 - Started: Ladore Spillway Seismic Upgrade, \$373 million
- **Proposed:** 30 projects, \$9.2 billion



MAJOR PROJECT ACTIVITY

Capital allocated to major projects across Vancouver Island/Coast was \$32.0 billion in Q3 2024, \$2.7 billion more than in Q3 2023. The increase in activity was split between Greater Victoria and the rest of the region.

Total major project activity, Q3 2023-2024



*Changes compared to the same period of previous year. Housing start data only available for census areas of population 10,000 or higher in BC. "Attached starts" include units such as condos, apartments, and townhomes. Major project activity refers to private and public projects with an estimated capital cost of \$15 million or higher.

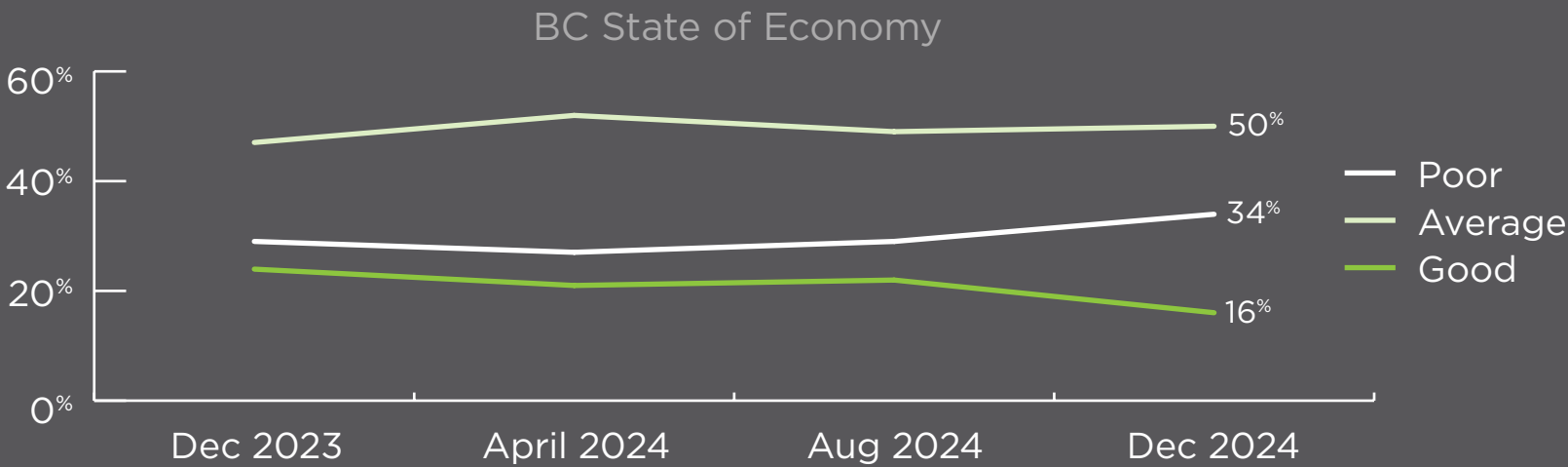
SURVEY RESULTS

On BC's Economic Outlook for 2025

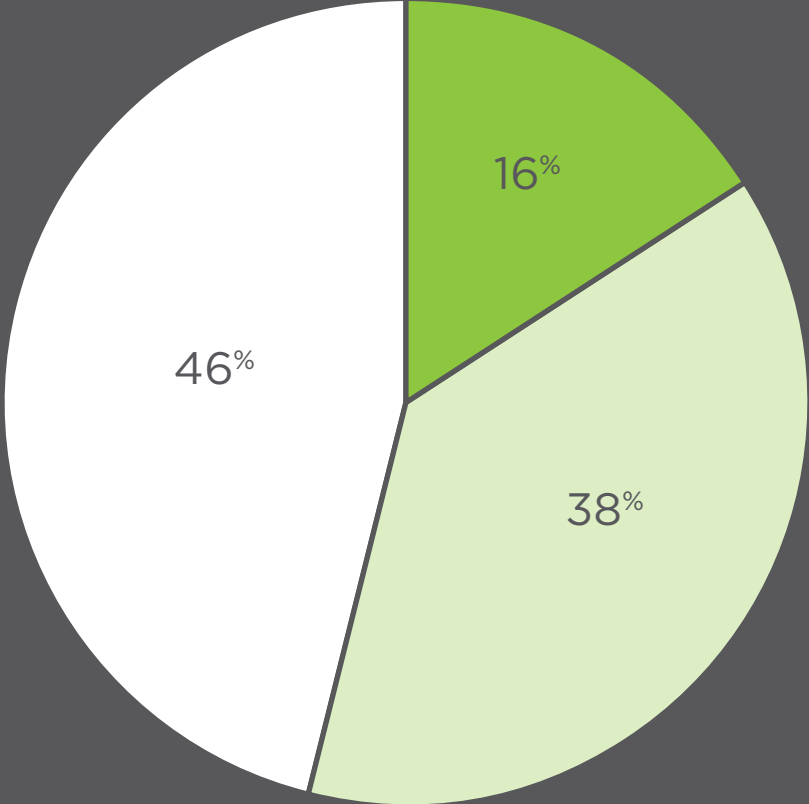
Based on results from the *BC Check-Up: Invest* survey conducted in December 2024, BC CPAs indicate that...



Only 16% rated BC's economic performance as good in December 2024, down 8 percentage points from December 2023. Meanwhile, the proportion of respondents who indicated that the economy was performing poorly (34%) increased by 5 percentage points.



Nearly two fifths (38%) expect a decrease in the level of capital investment in their region in 2024, more than double the proportion who expect an increase (16%).



- Increase
- Decrease
- Stay the same



The **housing prices remain the top challenge for BC businesses**, while labour force related concerns have moderated slightly since last year.

- 1 Housing prices (84%)
- 2 Labour compensation (76%)
- 3 Ability to attract and retain skilled labour (73%)

*Based on survey results from December 2024, n=548; August 2024, n =537; April 2024, n = 611; December 2023, n=606. Survey results may not sum to 100% due to rounding.

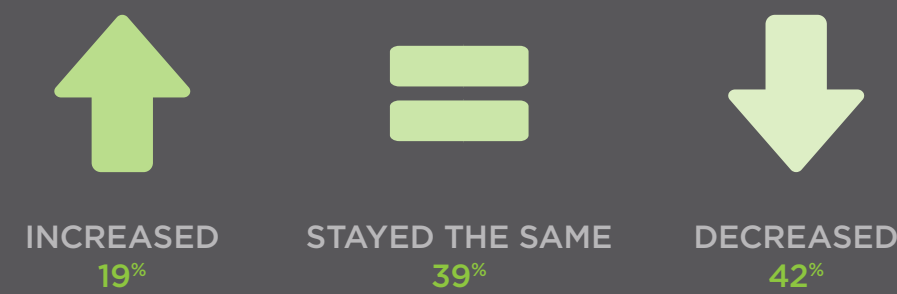
SURVEY RESULTS

On BC's Business Outlook for 2025

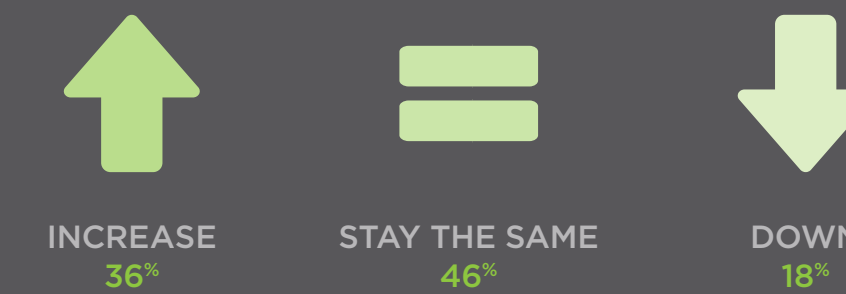
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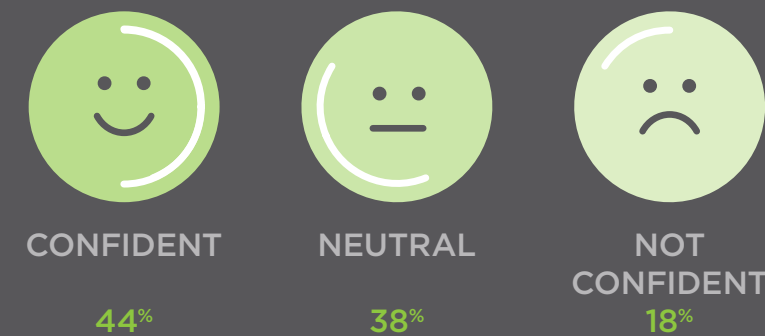
More than a third (41%) say their organization's prospects have worsened over the past year, compared to 19% who indicated prospects improved.



Despite the high interest environment, over a third (36%) forecast their organization's capital expenditures will increase in 2024.



Confidence about the future also trended lower. Despite 44% holding an optimistic view, net confidence was 17 percentage points lower than it was two years ago. Nearly one in five respondents were not confident in their organization's prospects for 2025.



Labour related issues and government policies were main determinants of organizational investment in December 2024, although concerns about labour shortages have fallen significantly over the last two years.

- 1 Labour costs (61%)
- 2 Government policy (46%)
- 3 Shortage of Qualified Labour (45%)

*Survey results may not sum to 100% due to rounding.

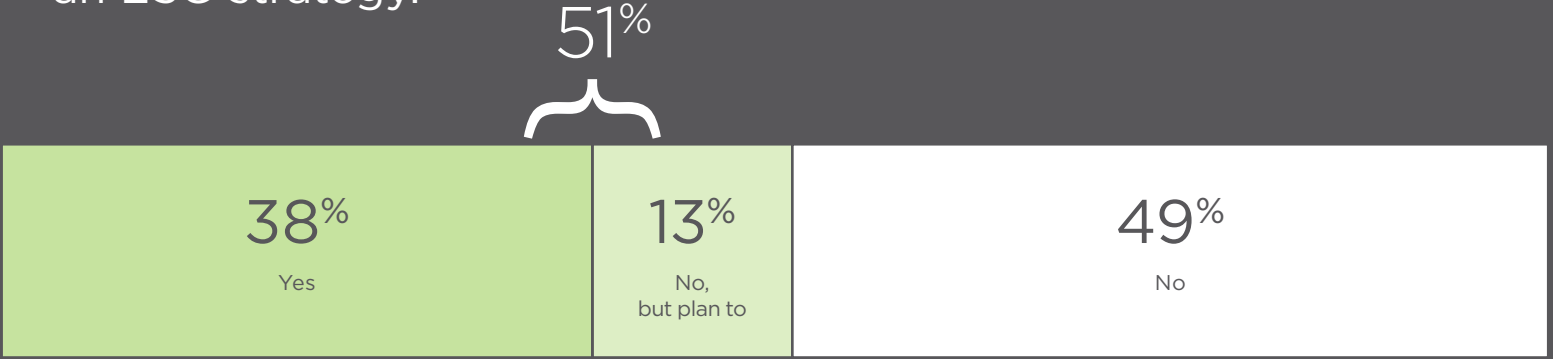
SURVEY RESULTS

On BC's ESG and Government Performance

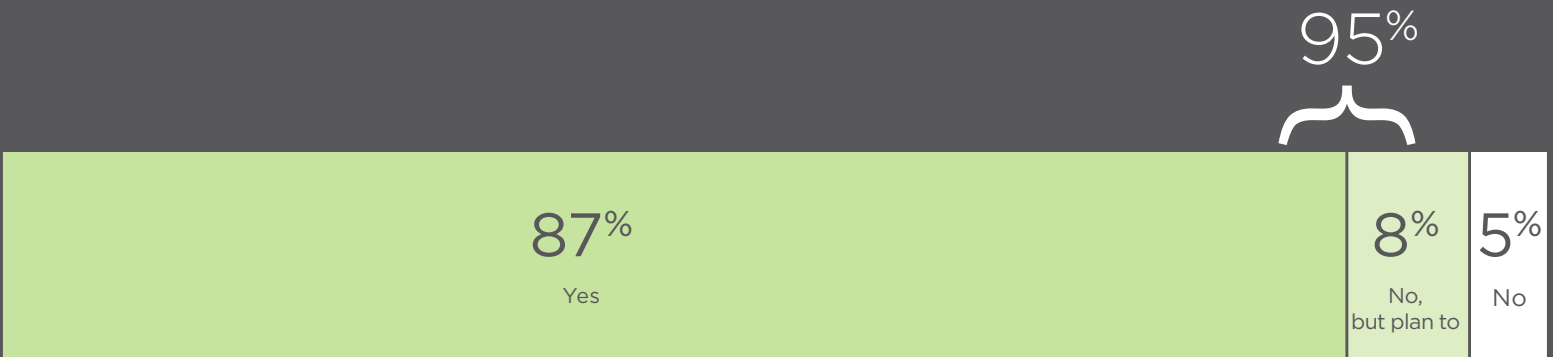
Based on results from the *BC Check-Up: Invest* survey, BC CPAs indicate that...



Nearly two-fifths (38%) of respondent's indicated their organization had an **ESG strategy** in place, while half did not have or plan to have an ESG strategy.

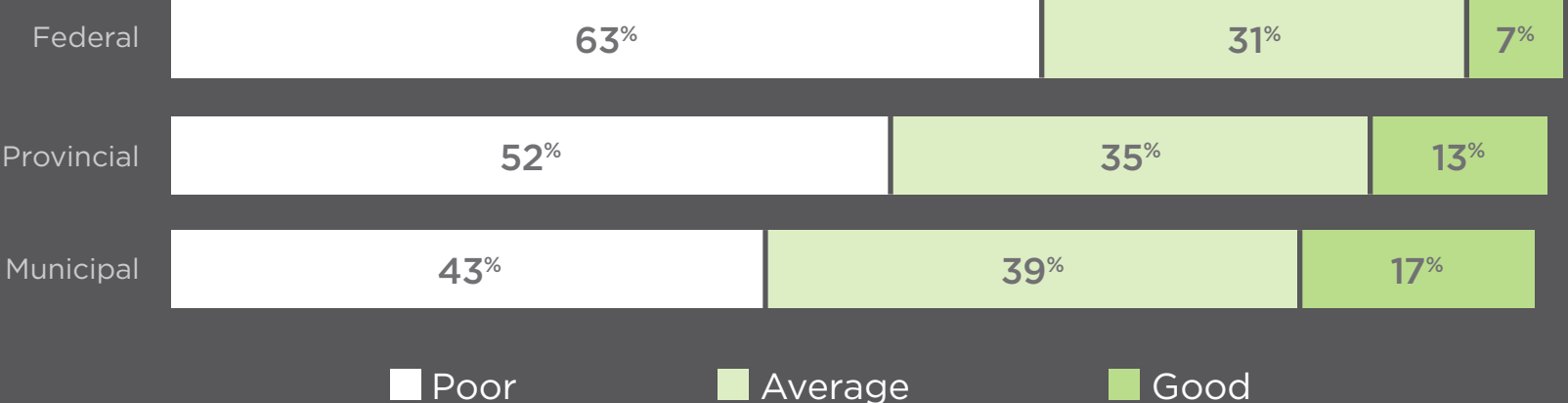


The vast majority (87%) with an ESG strategy **have measures in place to track and improve ESG practices.**



When it came to creating a good environment for business success in BC, satisfaction will all levels of government fell compared to one year ago.

Government Performance: Business Climate



Collaboration between all levels of government to **increase regional economic development is the highest priority** to improve BC's economic outlook.

Top three government priorities to improve economic outlook

- 1 Improve regional economic development
- 2 Invest in infrastructure projects
- 3 Establish long-term tax reform to improve tax competitiveness

*Survey results may not sum to 100% due to rounding.

BC CHECK-UP 2025 INVEST

As leaders in developing, 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.

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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, CMHC, BC Government, and CPABC calculations.

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SURVEY DEMOGRAPHICS **Who are they?** 548 CPABC members **Where are they from?** Mainland/Southwest BC 67%

Vancouver Island/Coast 16% Thompson-Okanagan 8% Rest of BC 7% Outside of BC 1%

CPABC commissioned Leger to conduct a web-based survey of CPA members regarding their impressions on the current and future of the economy and their current workplace environment. A total of 548 surveys were completed between November 19, 2024 and December 10, 2024, which presents an overall response rate of 8%.