



Economic Impact of COVID-19

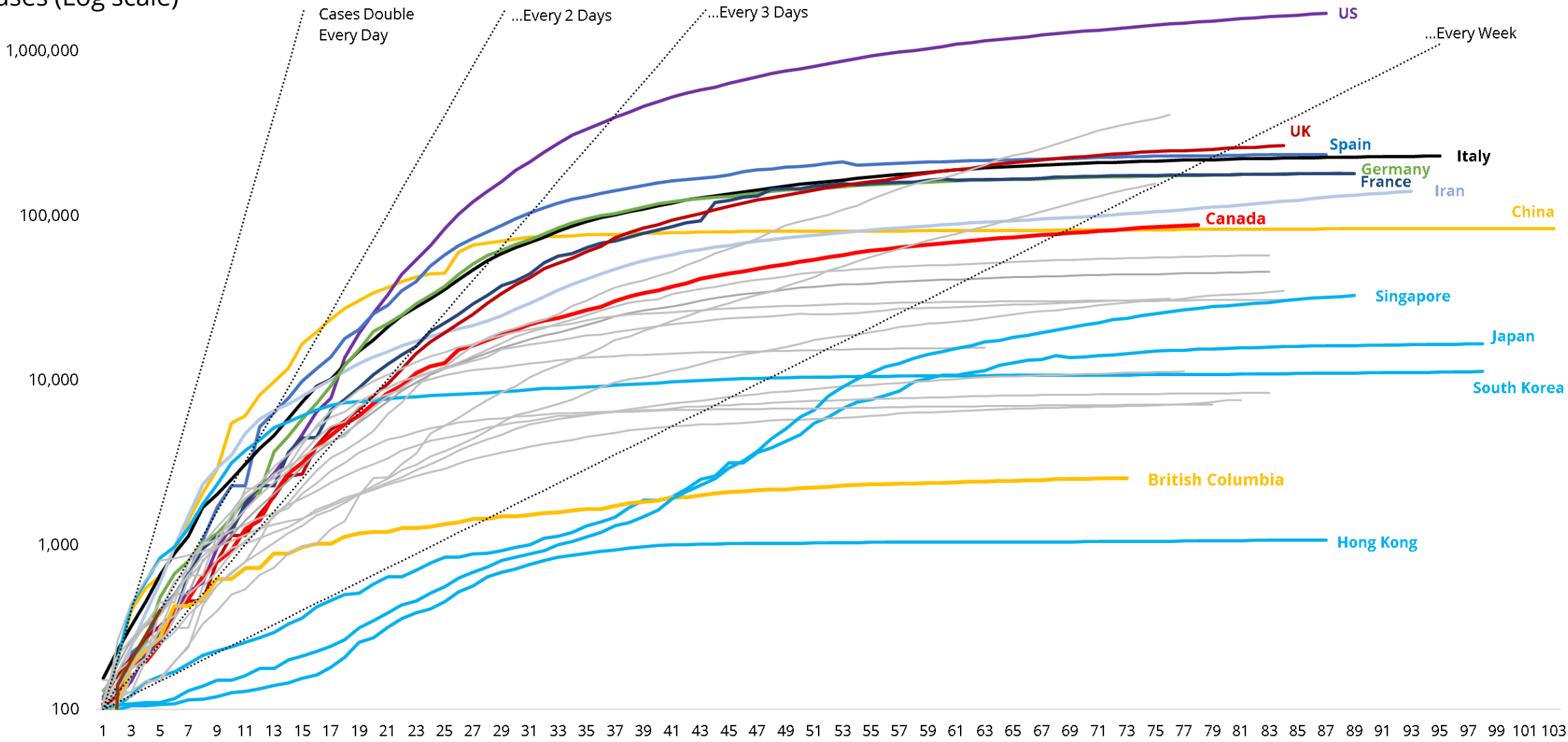
June 9, 2020

Country by Country COVID-19 Cases

Cumulative number of confirmed cases by number of days since 100th case



Cases (Log scale)

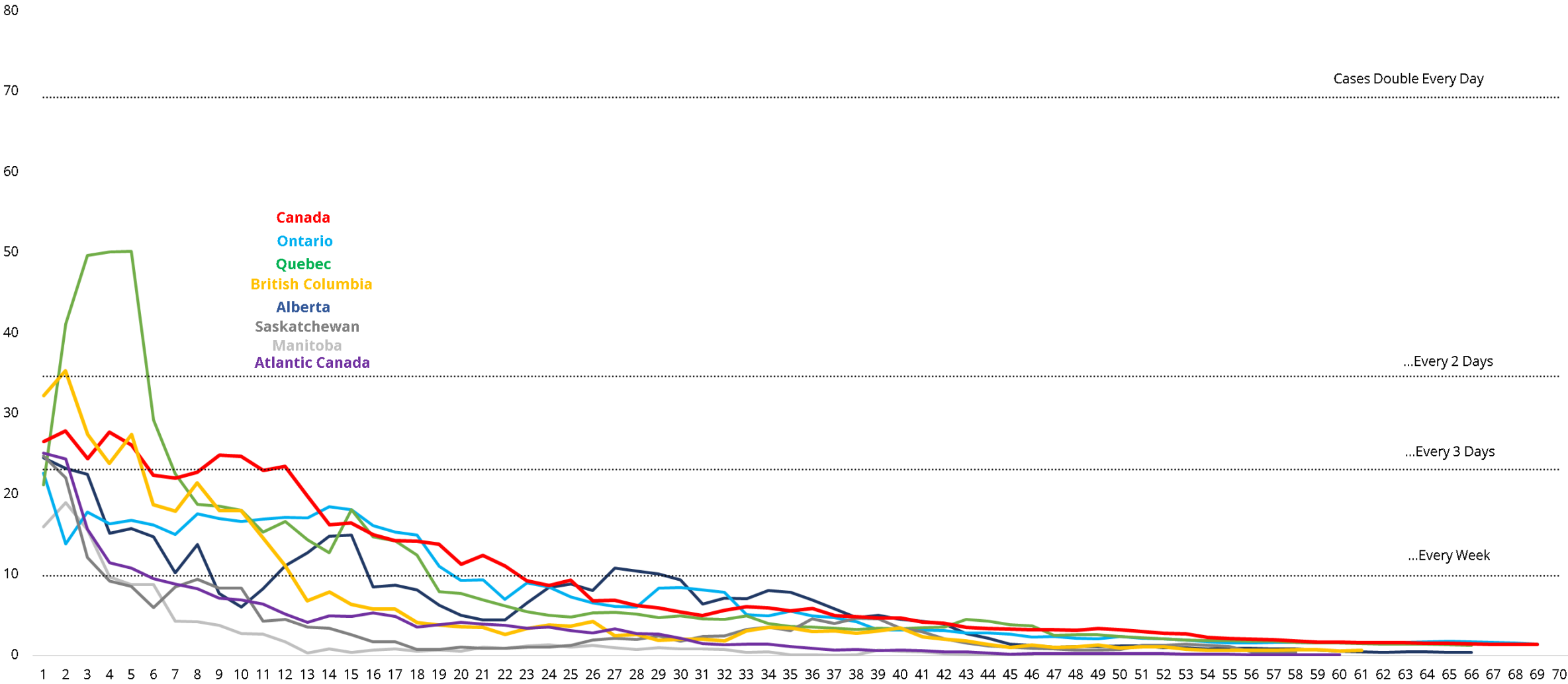


Canadian Provinces COVID-19 Cases (Growth Rate)

Growth of confirmed cases by number of days since 100th case



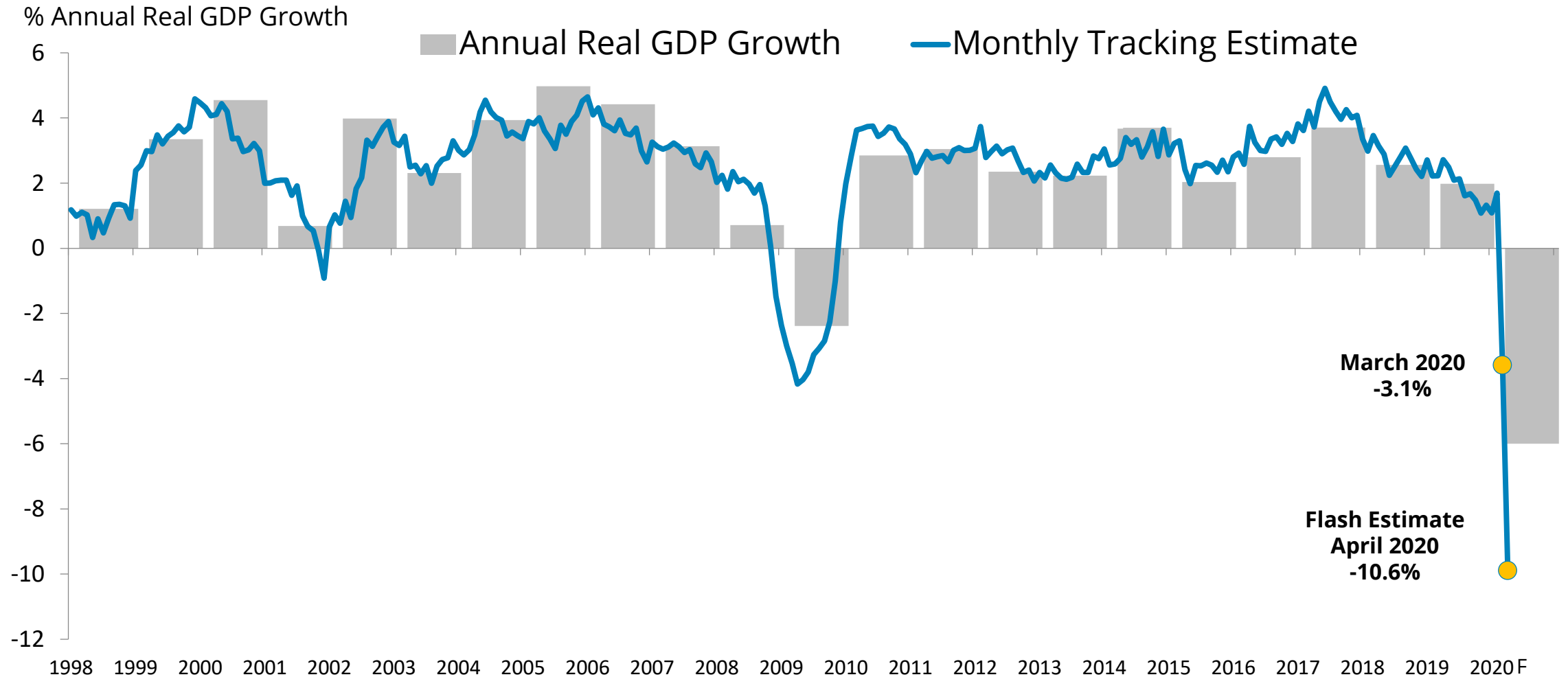
% Daily Growth



BCREA NOWCAST



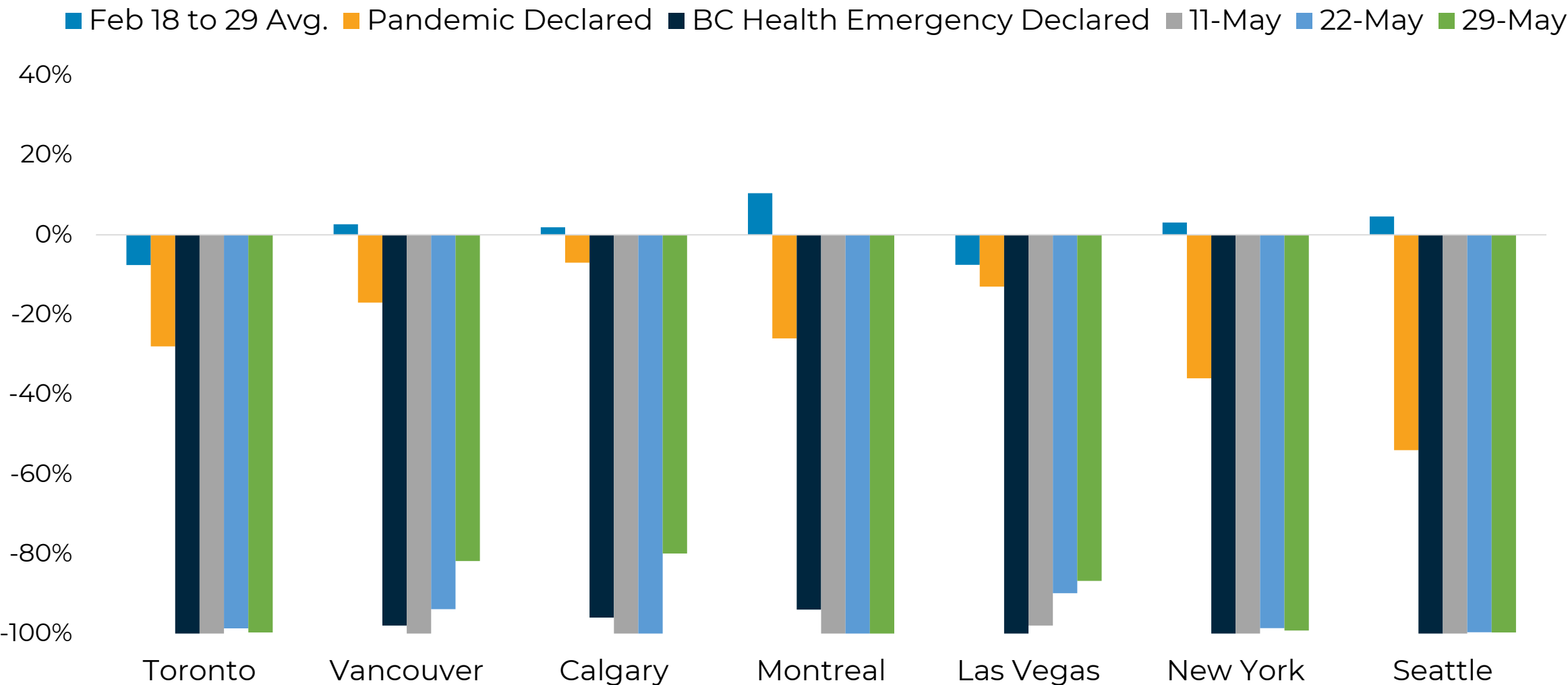
Estimate of Year-over-Year Real GDP Growth



Empty Restaurants



Year-Over-Year Change in Seated Diners at Restaurants

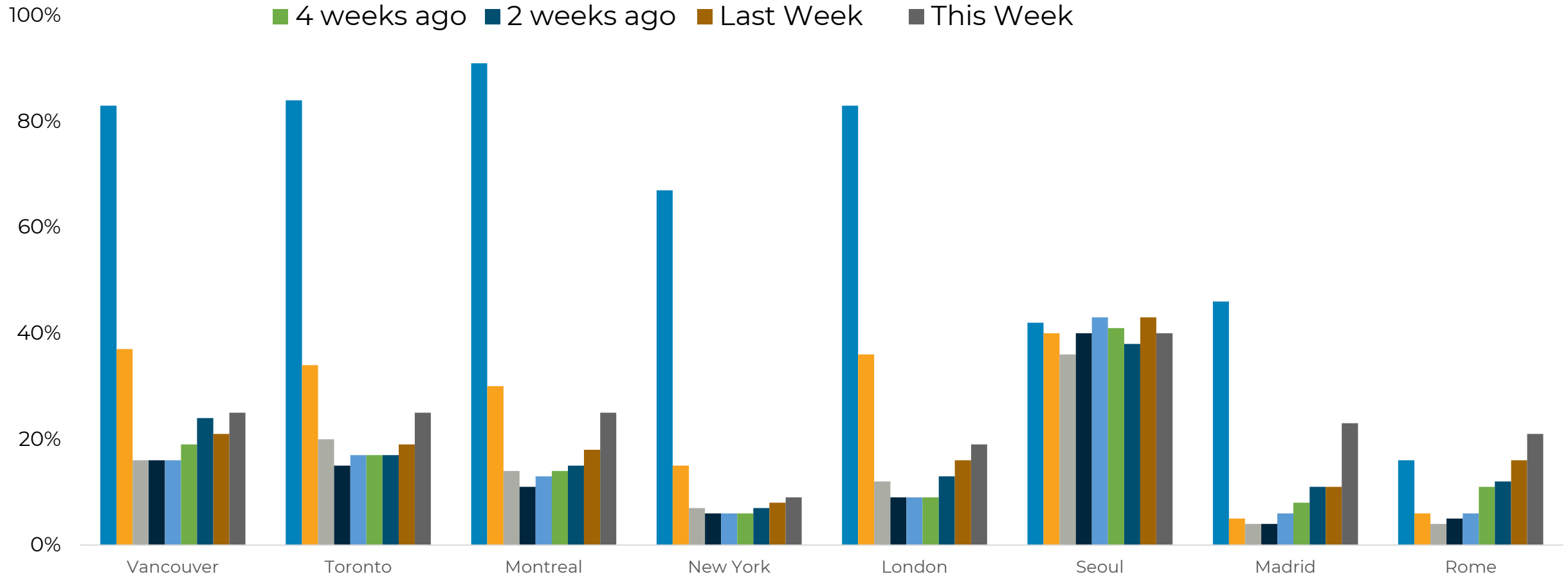


Source: OpenTable

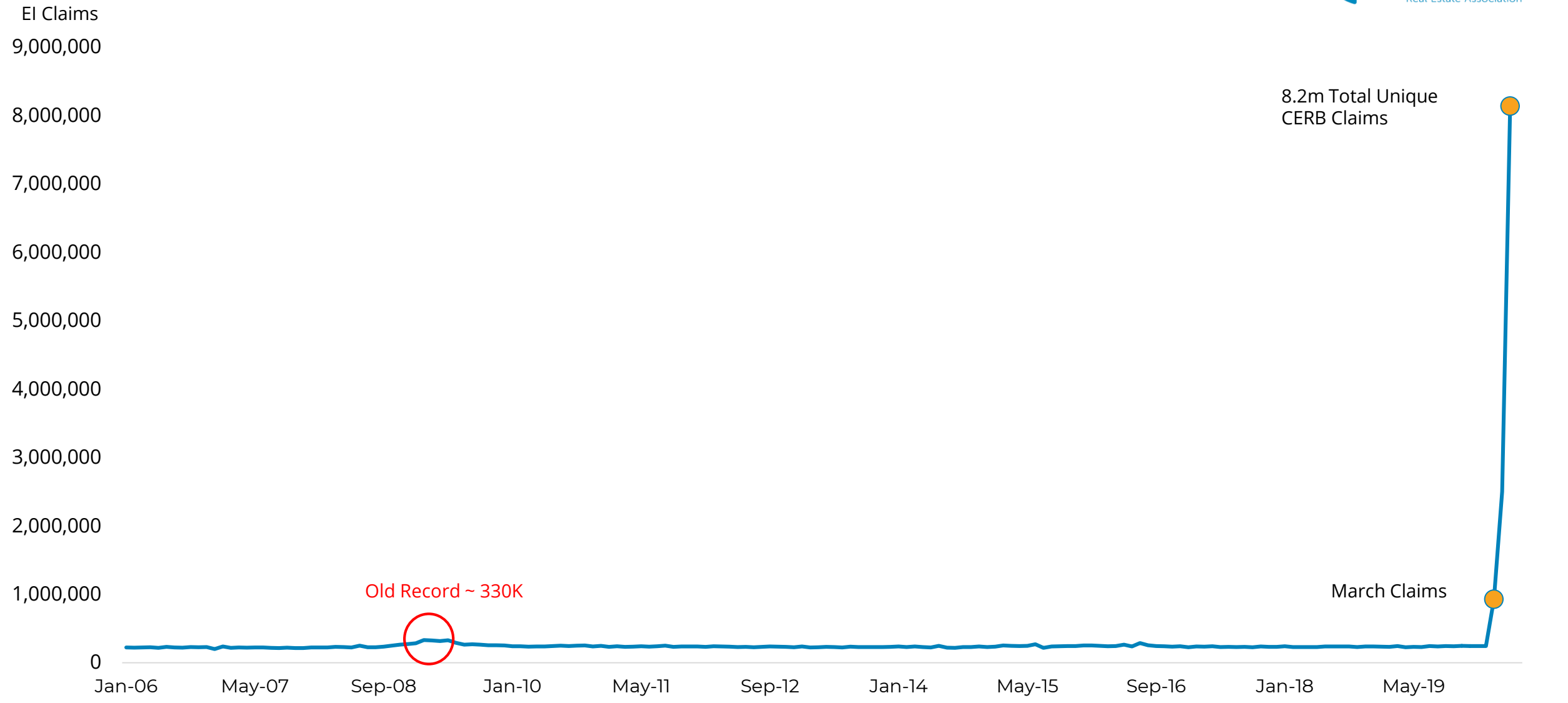
Sheltering at Home

% of City on the Move Compared to Usual

■ 11 weeks ago ■ 10 weeks ago ■ 9 weeks ago ■ 8 weeks ago ■ 6 weeks ago
■ 4 weeks ago ■ 2 weeks ago ■ Last Week ■ This Week

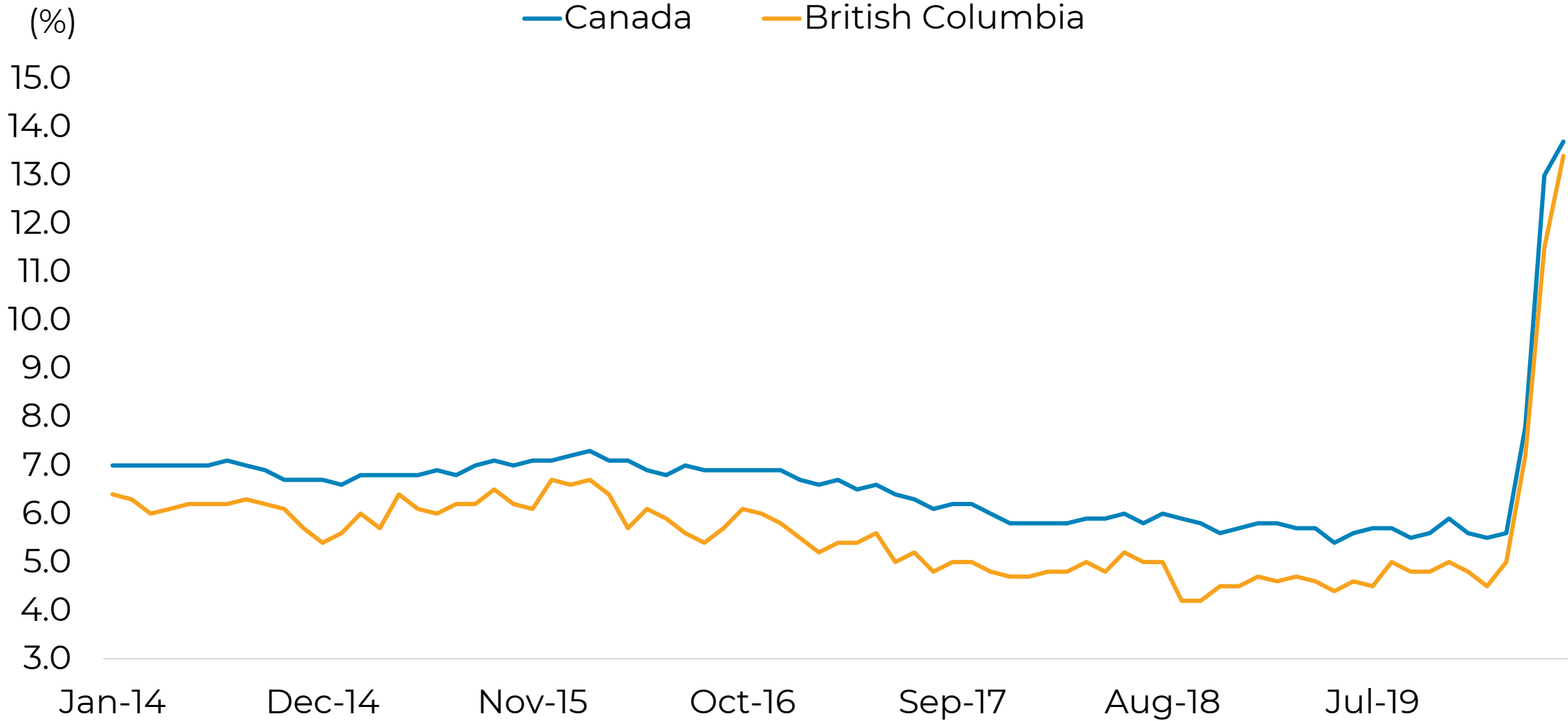


Record Setting Canadian EI Claims

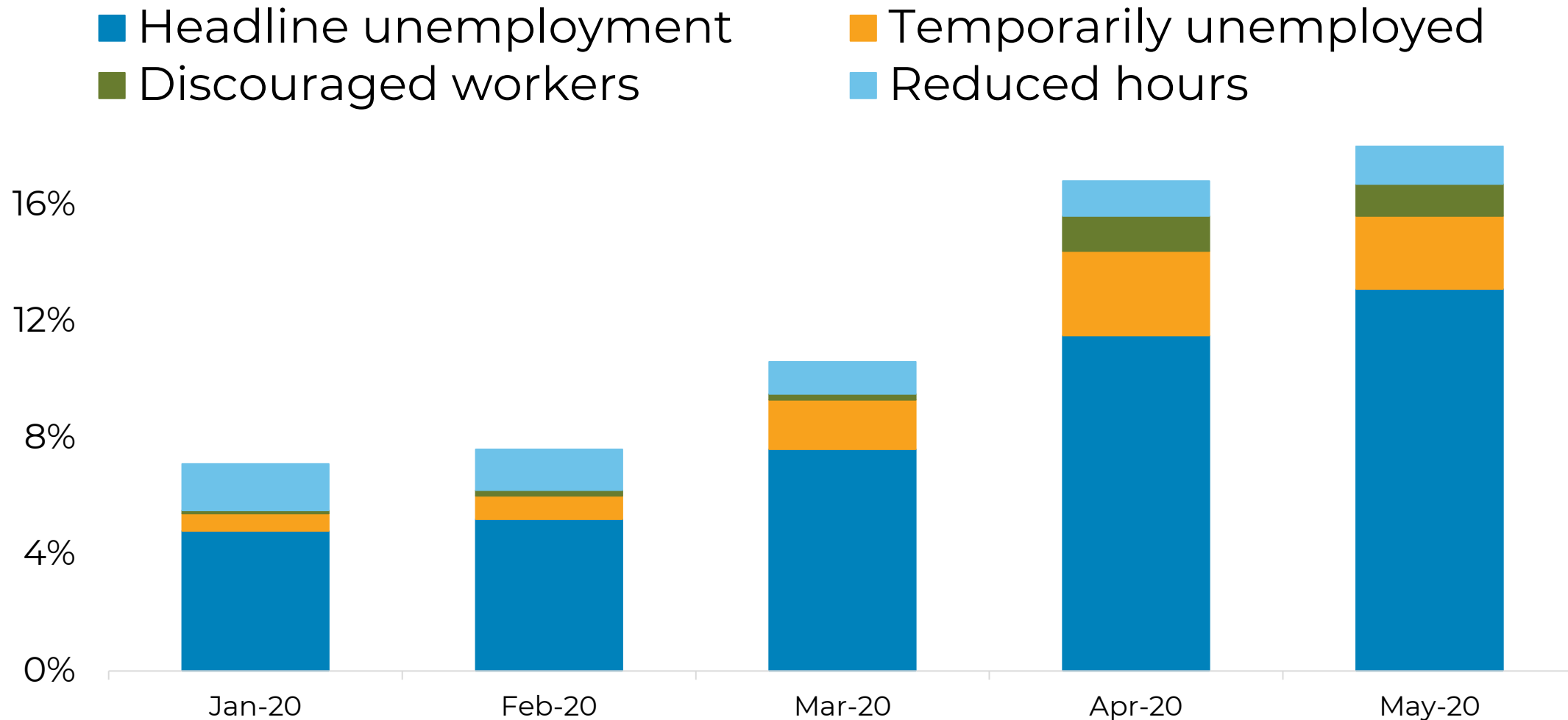


Source: Statistics Canada; Bloomberg

Unemployment Spiking



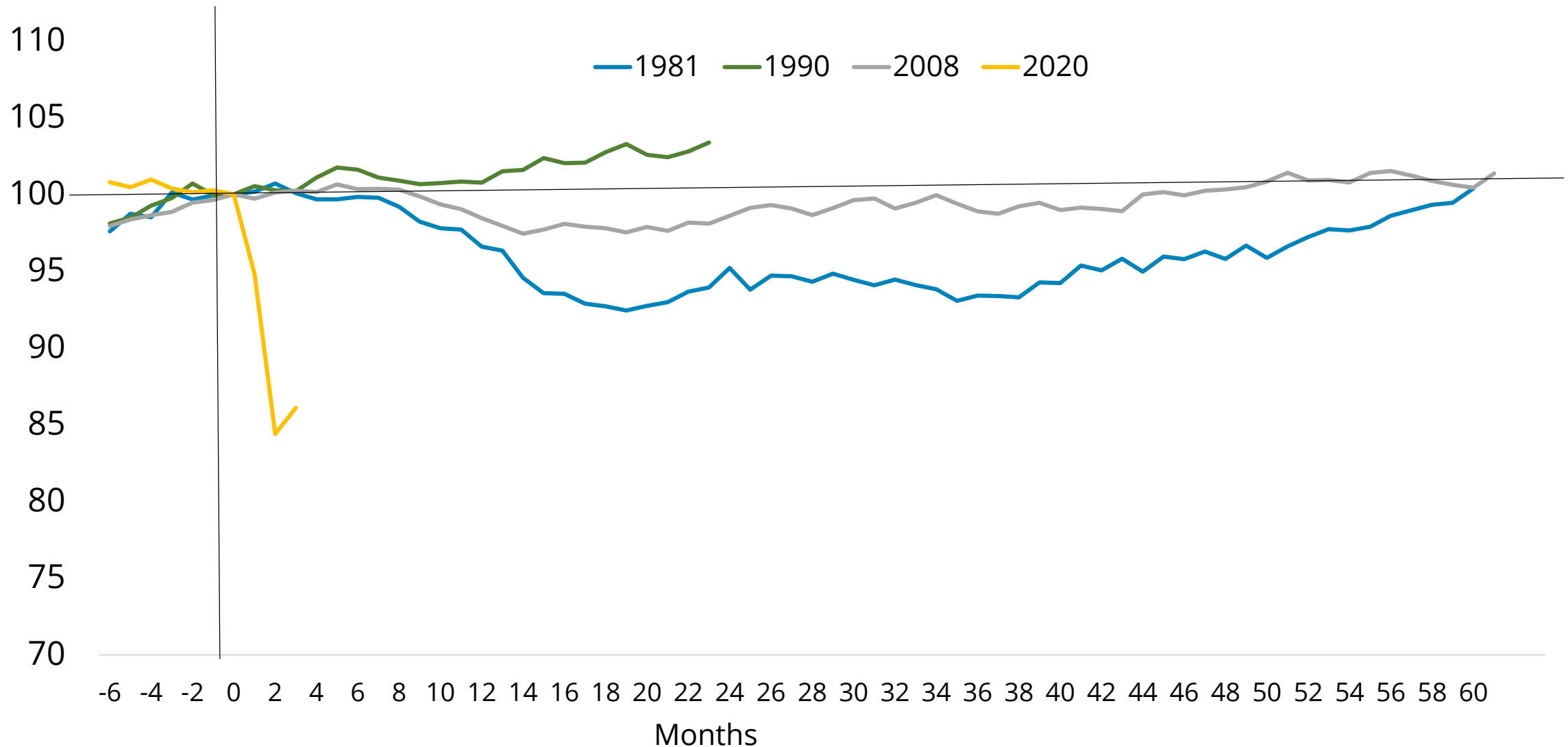
BC Unemployment by Type of Unemployed Worker



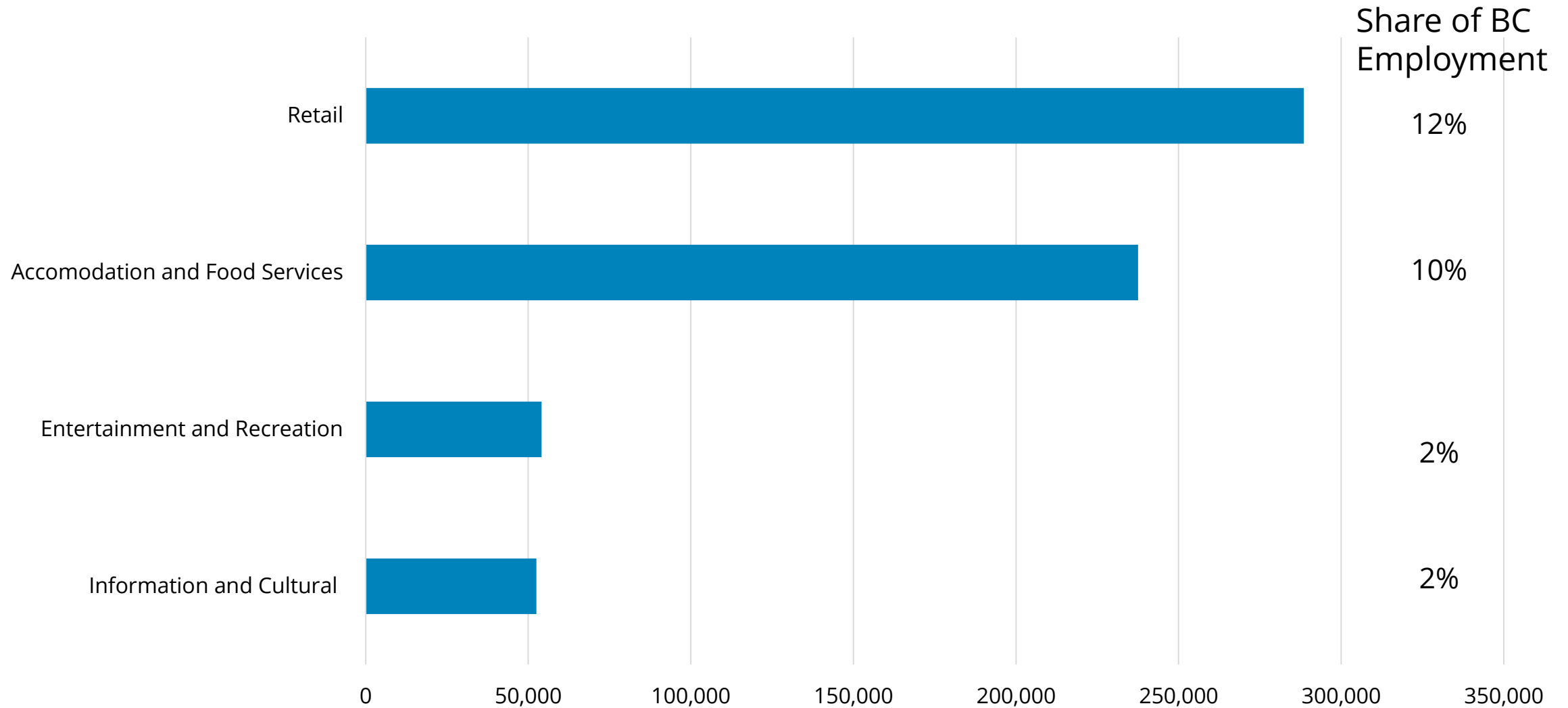
Recessions and BC Employment



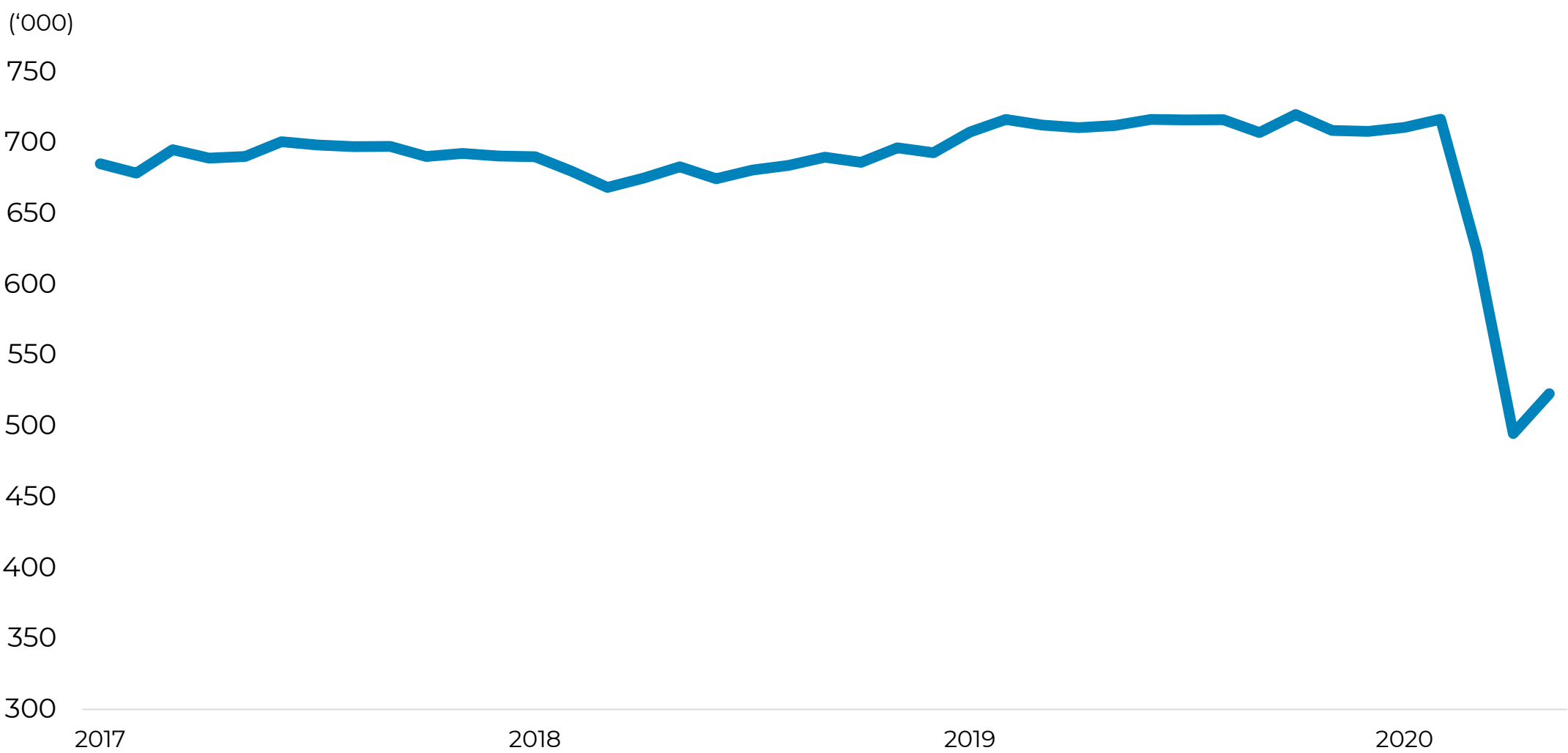
Index: 100 = Start of Recession



Most Immediately Vulnerable BC Industries

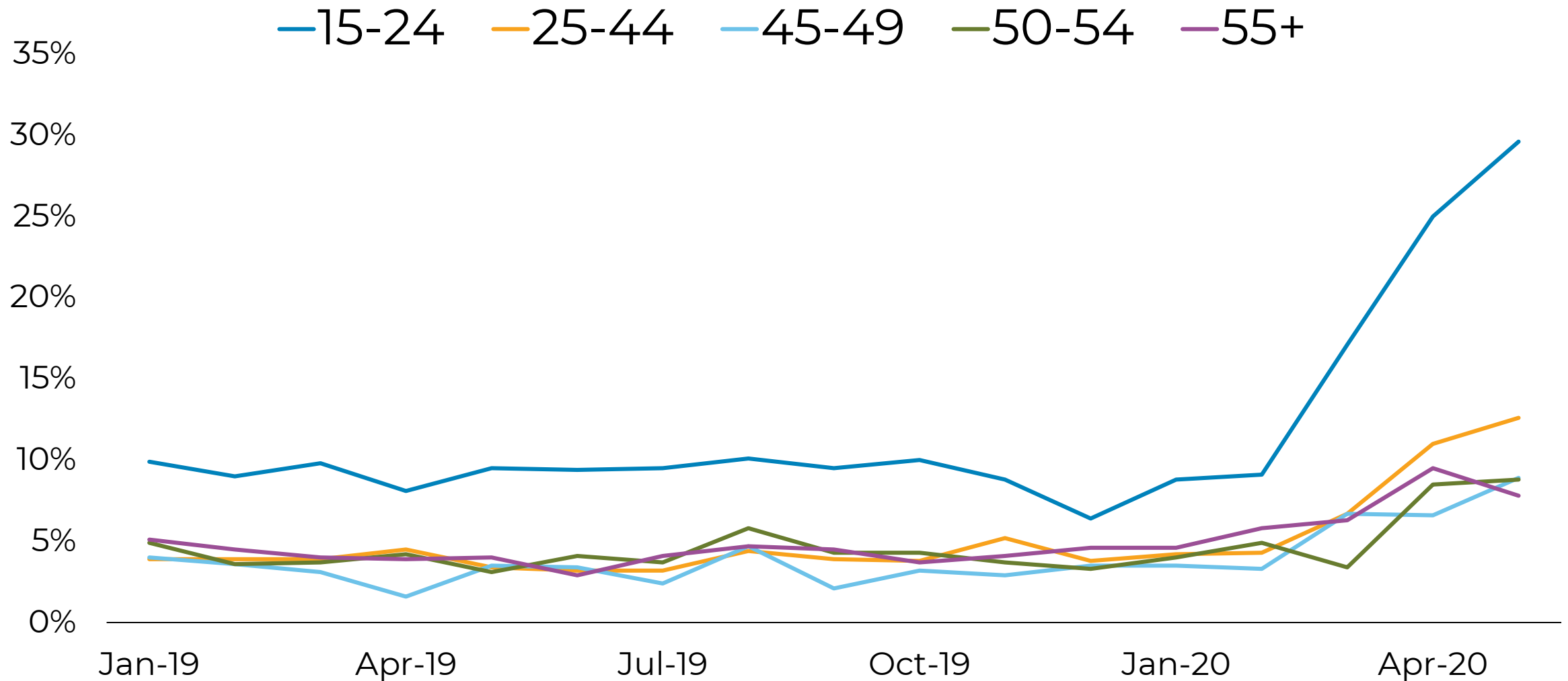


Employment in COVID-19 Vulnerable Sectors (British Columbia)



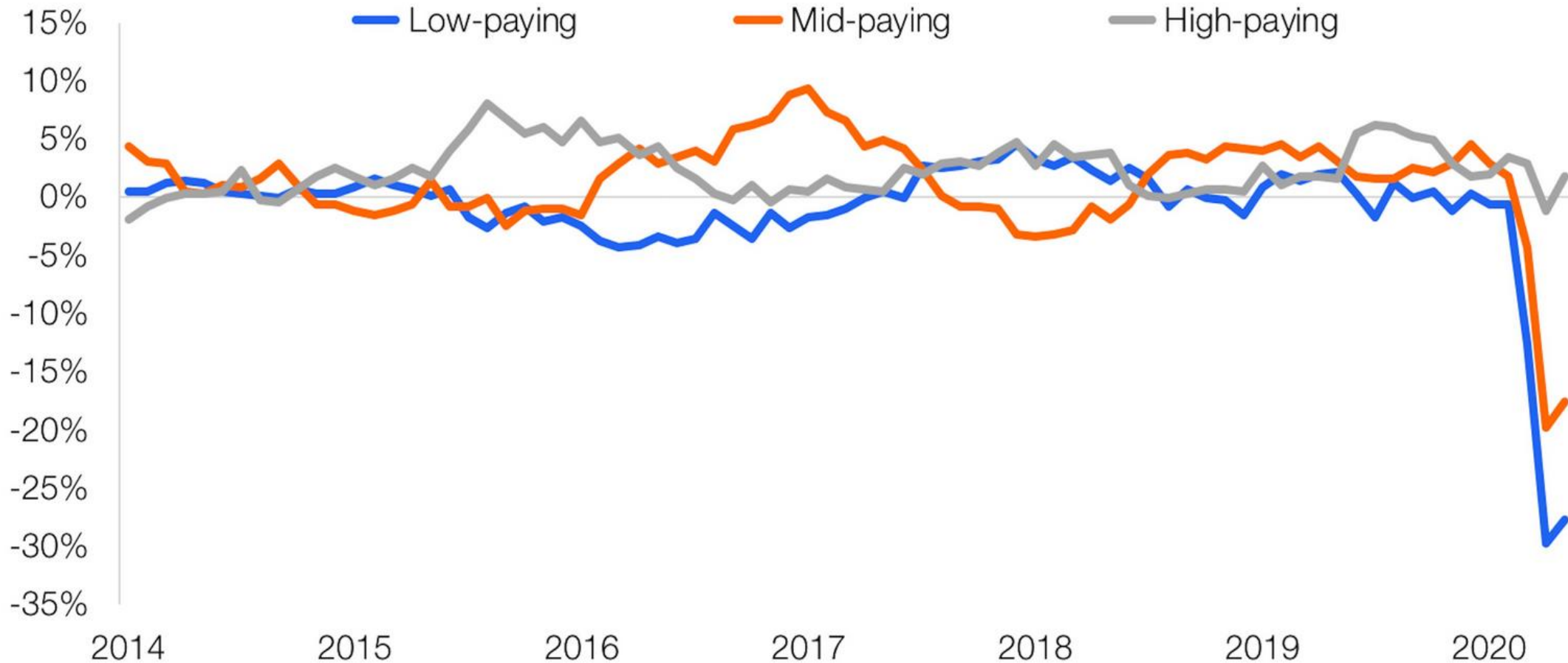
Source: Statistics Canada

Job Losses Falling Hard on Young Workers...



And Low-to-Mid Paying Occupations

Year-over-year employee growth by 2018 occupational wage tier (%)

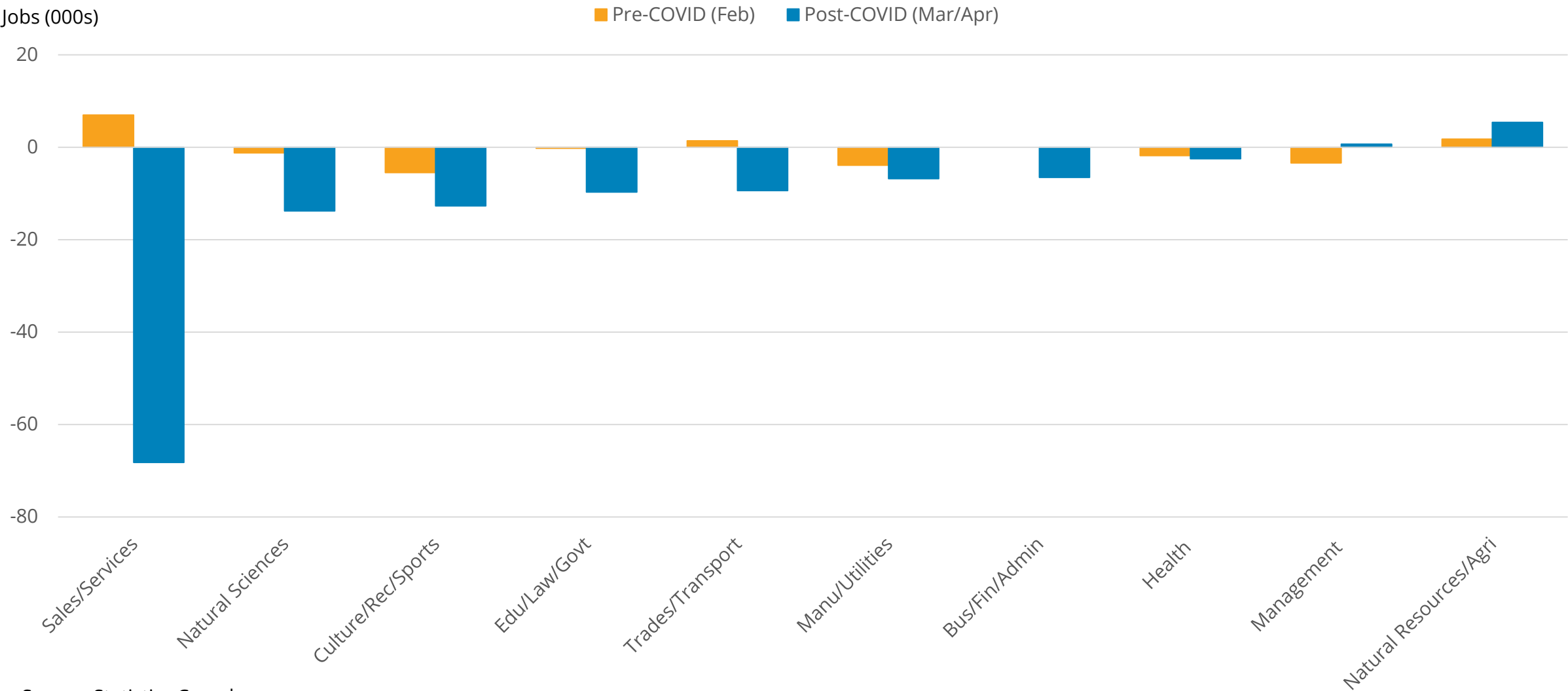


Source: Statistics Canada, excluding self-employed
Last data point: May 2020

Vancouver Employment



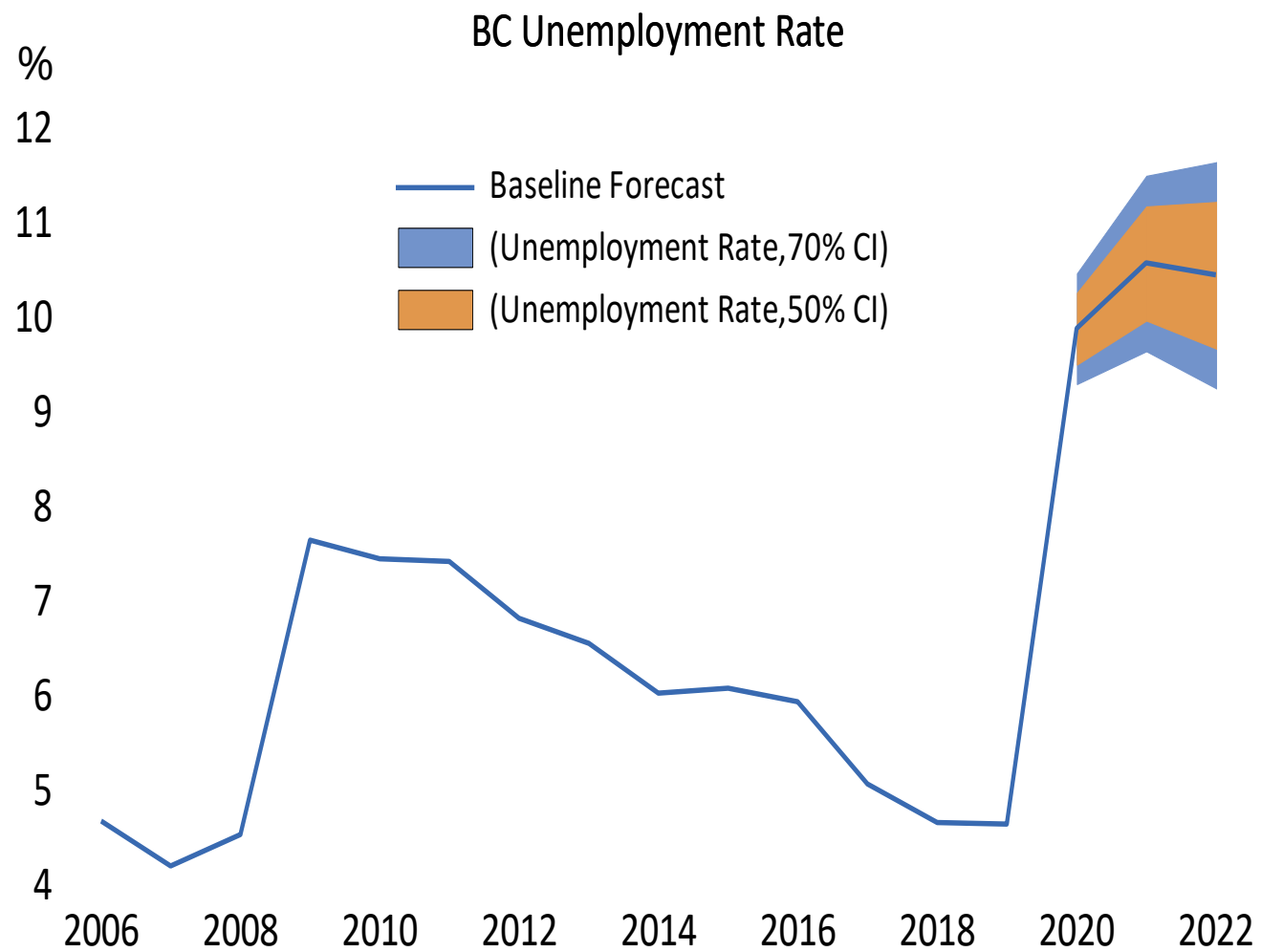
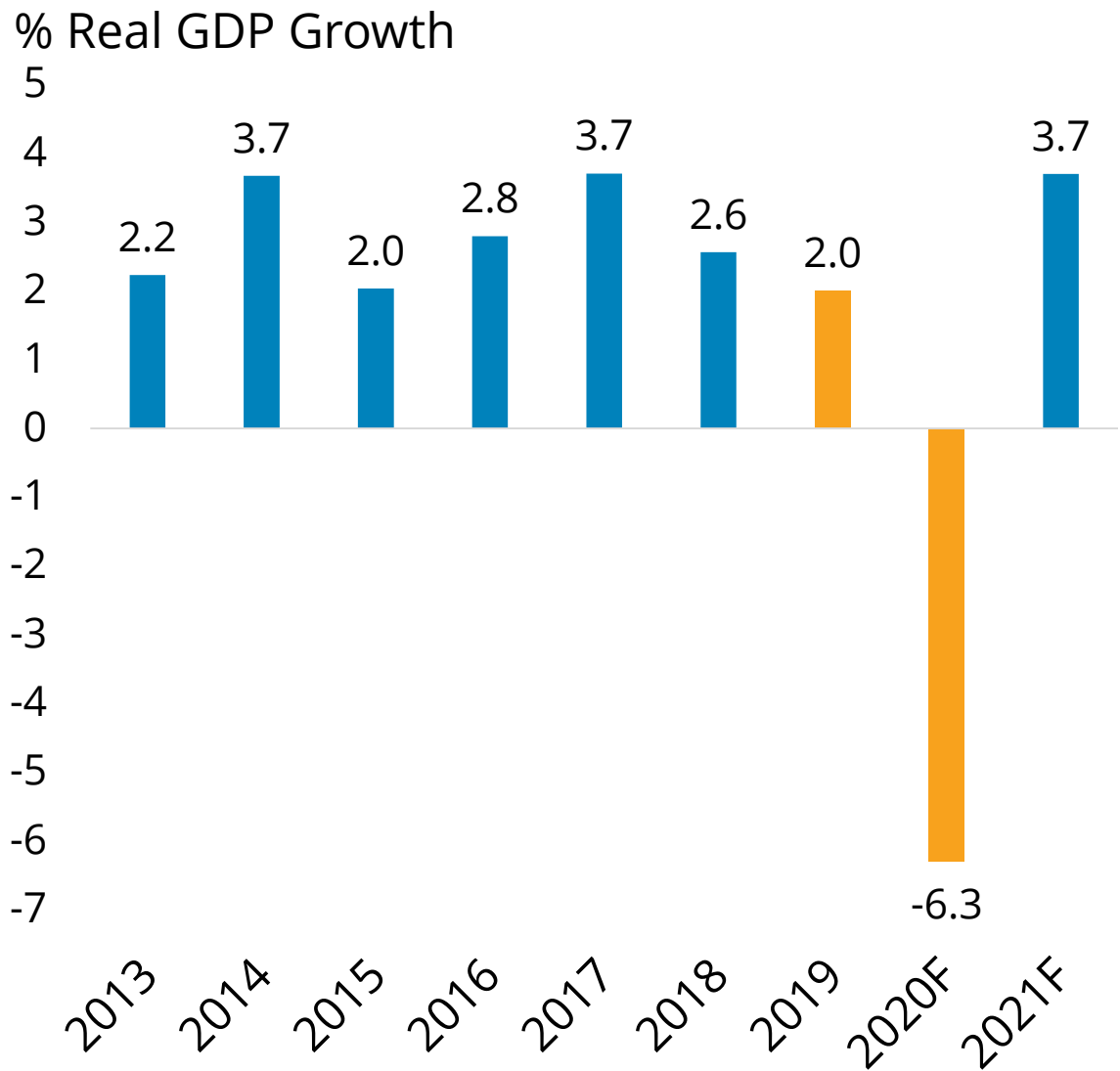
Vancouver: Change in Number of People Employed



Source: Statistics Canada

BC Economic Forecast

Worst recession since 1982

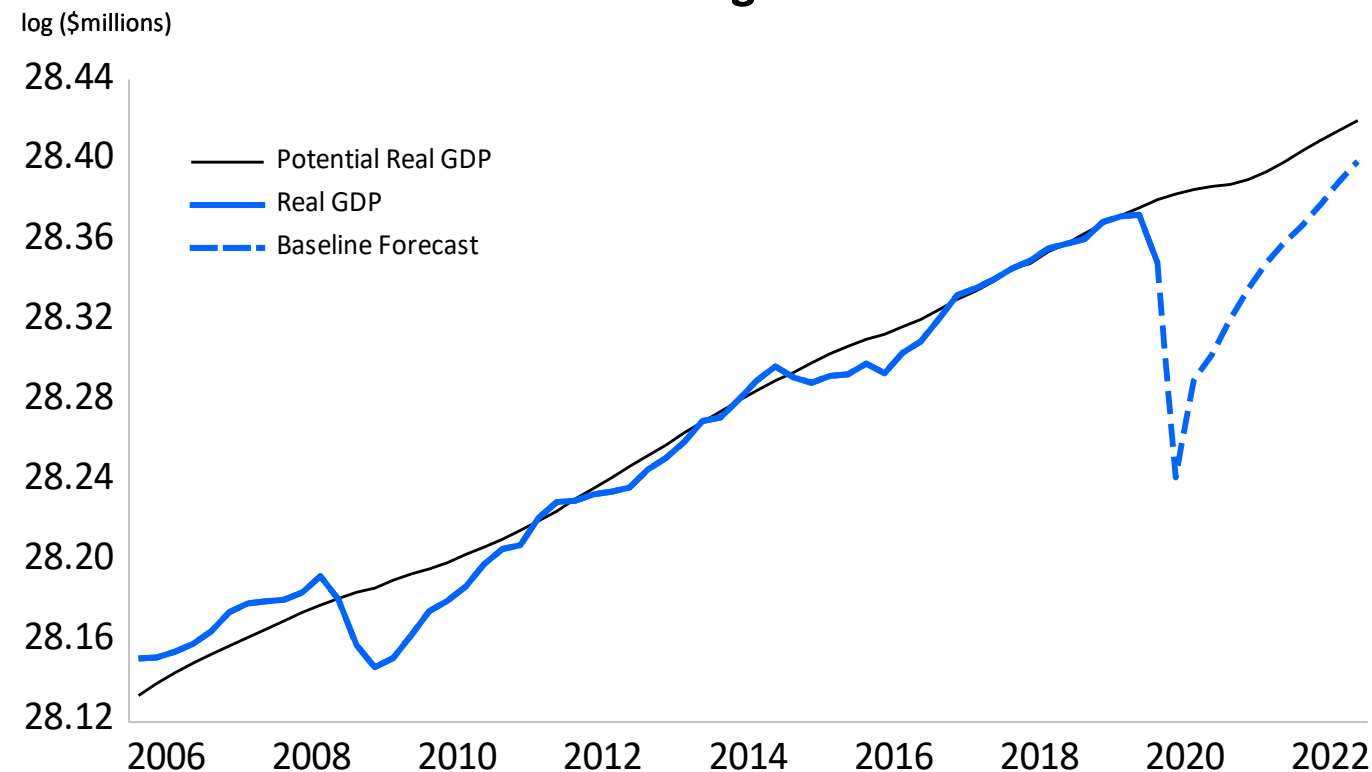


Canadian Real GDP Forecast

Unprecedented Swing in Real GDP

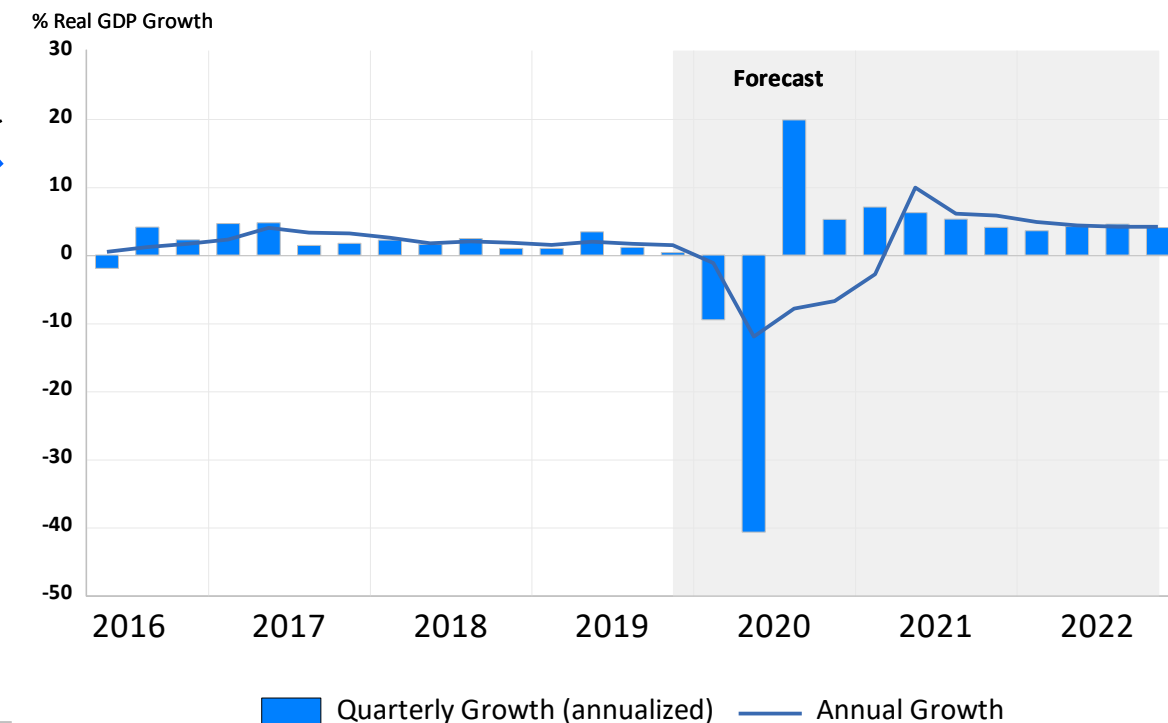


GDP vs Long-Run Trend



Source: Bank of Canada, BC Real Estate Association

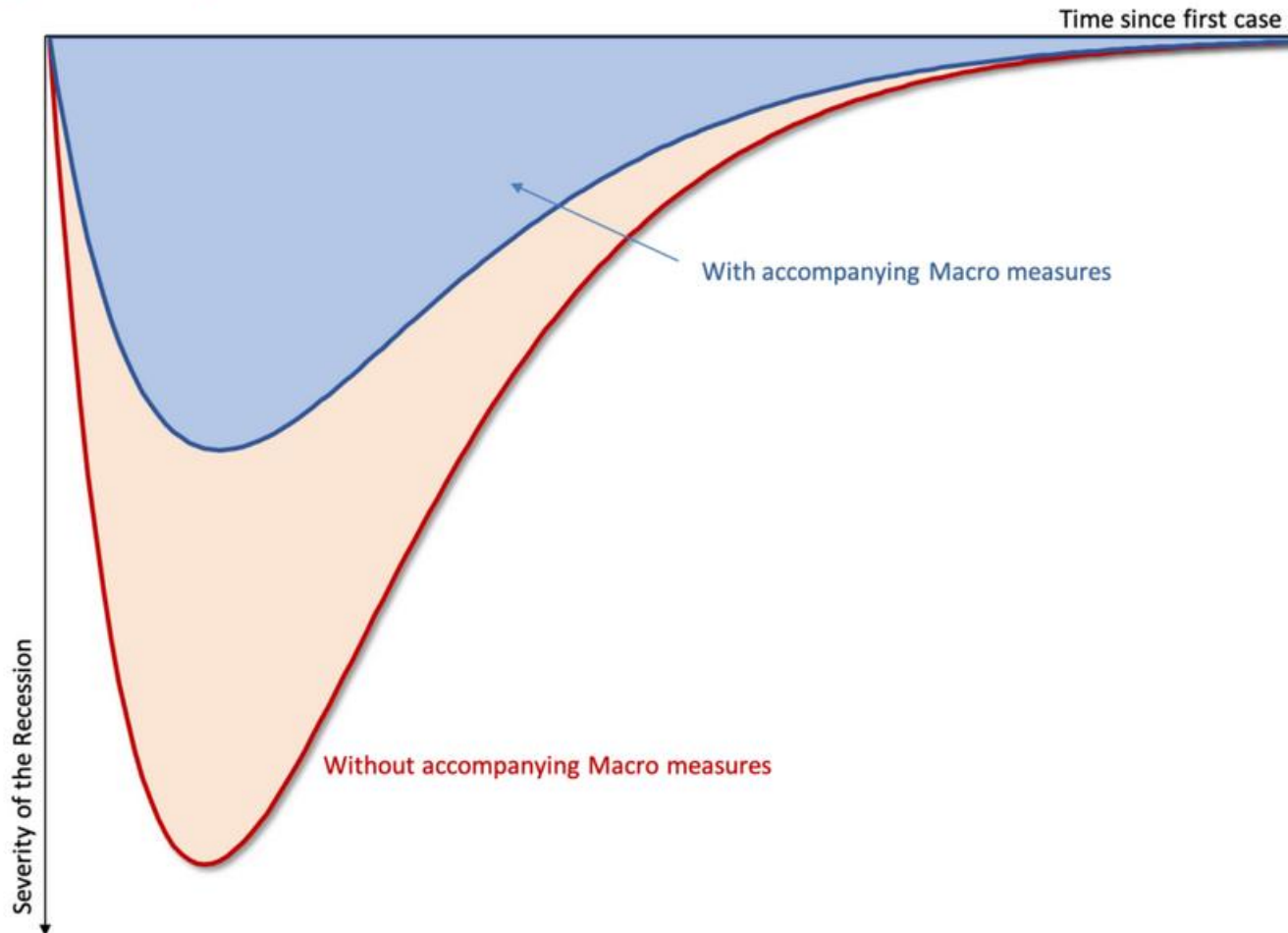
Canadian Real GDP Growth Forecast



Source: Statistics Canada; BCREA Economics

Measure to “Flatten the Recession Curve”

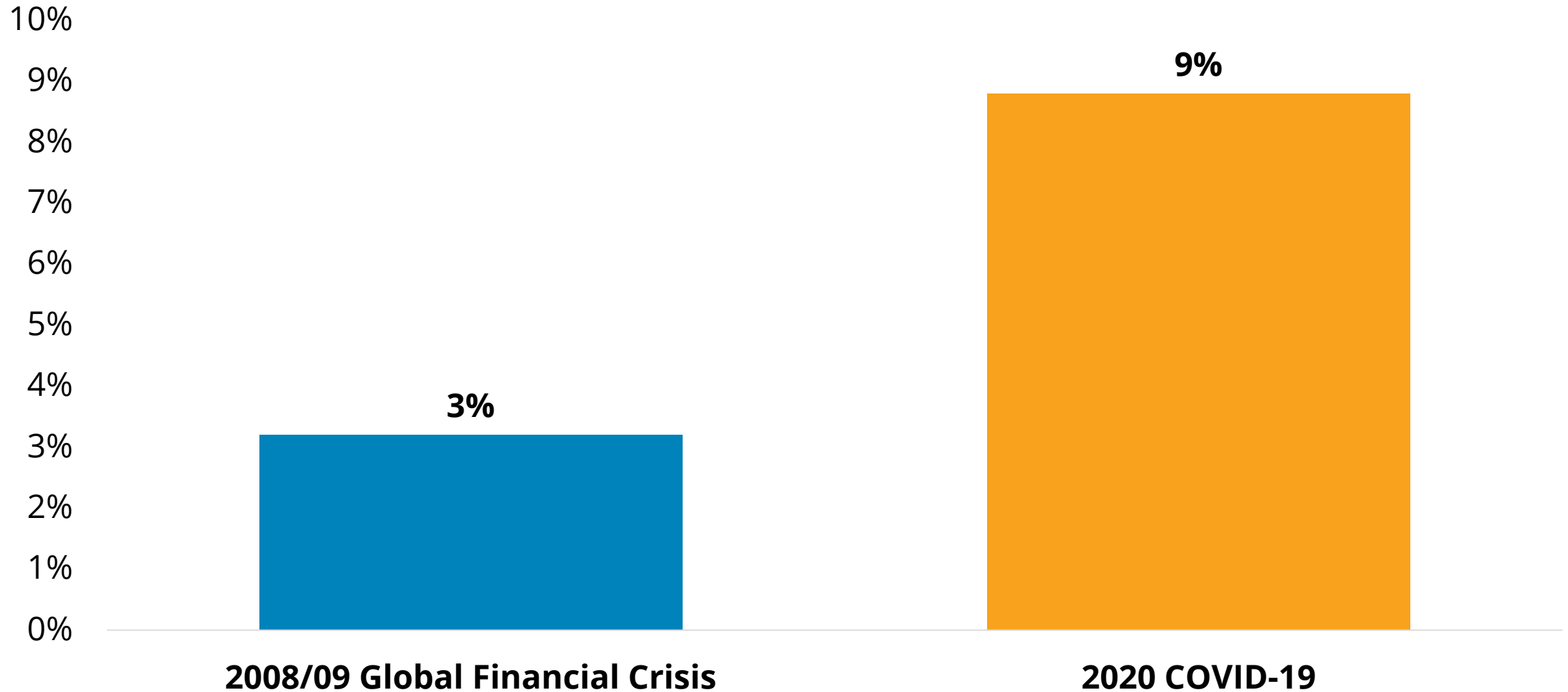
Figure 2: Flattening the Recession Curve



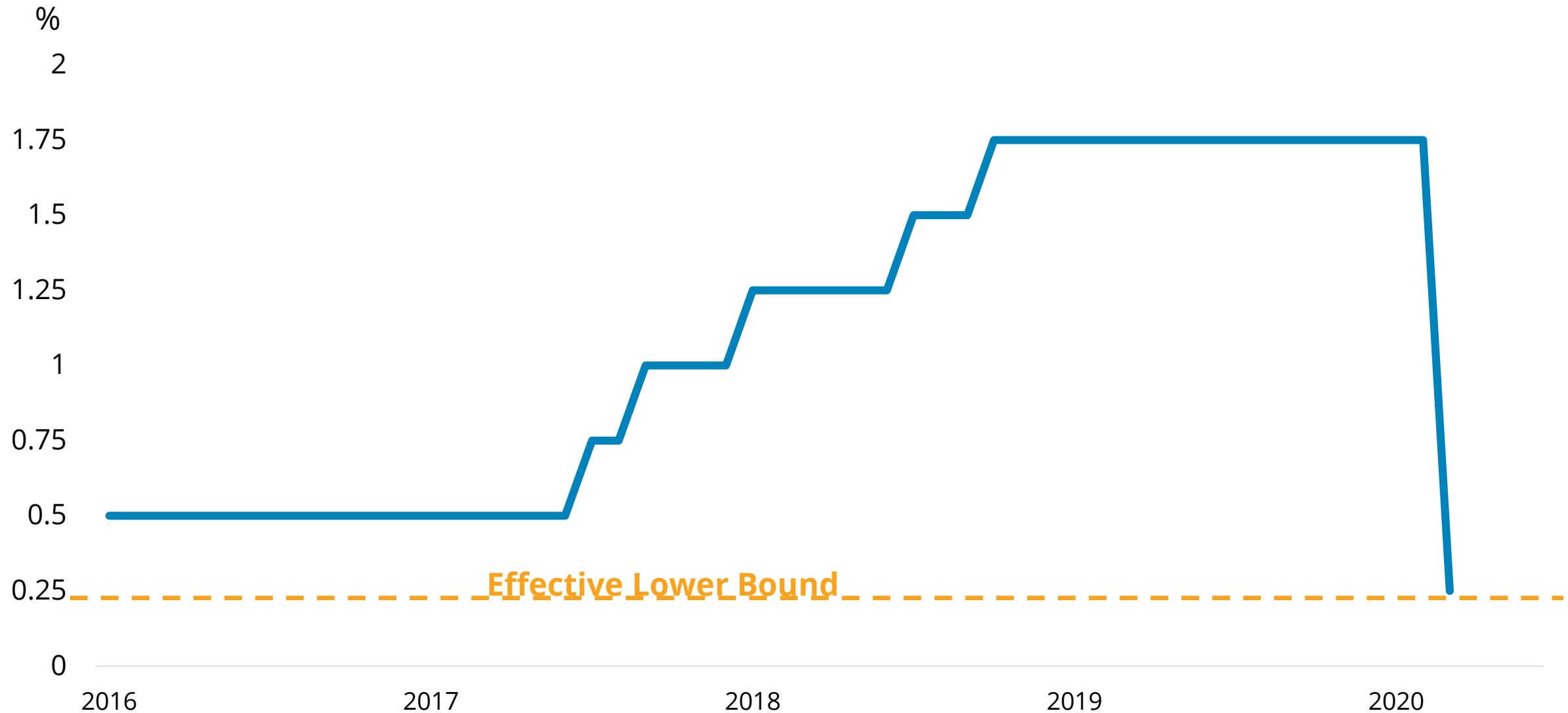
- ☐ Ensure workers can remain employed and collect paycheques even if quarantined
- ☐ Ensure firms can survive through easier borrowing terms and financial assistance
- ☐ Support financial system as non-performing loans mount to stave off financial crisis

Federal Stimulus

Canadian Fiscal Stimulus (% of GDP)



Bank of Canada Overnight Rate

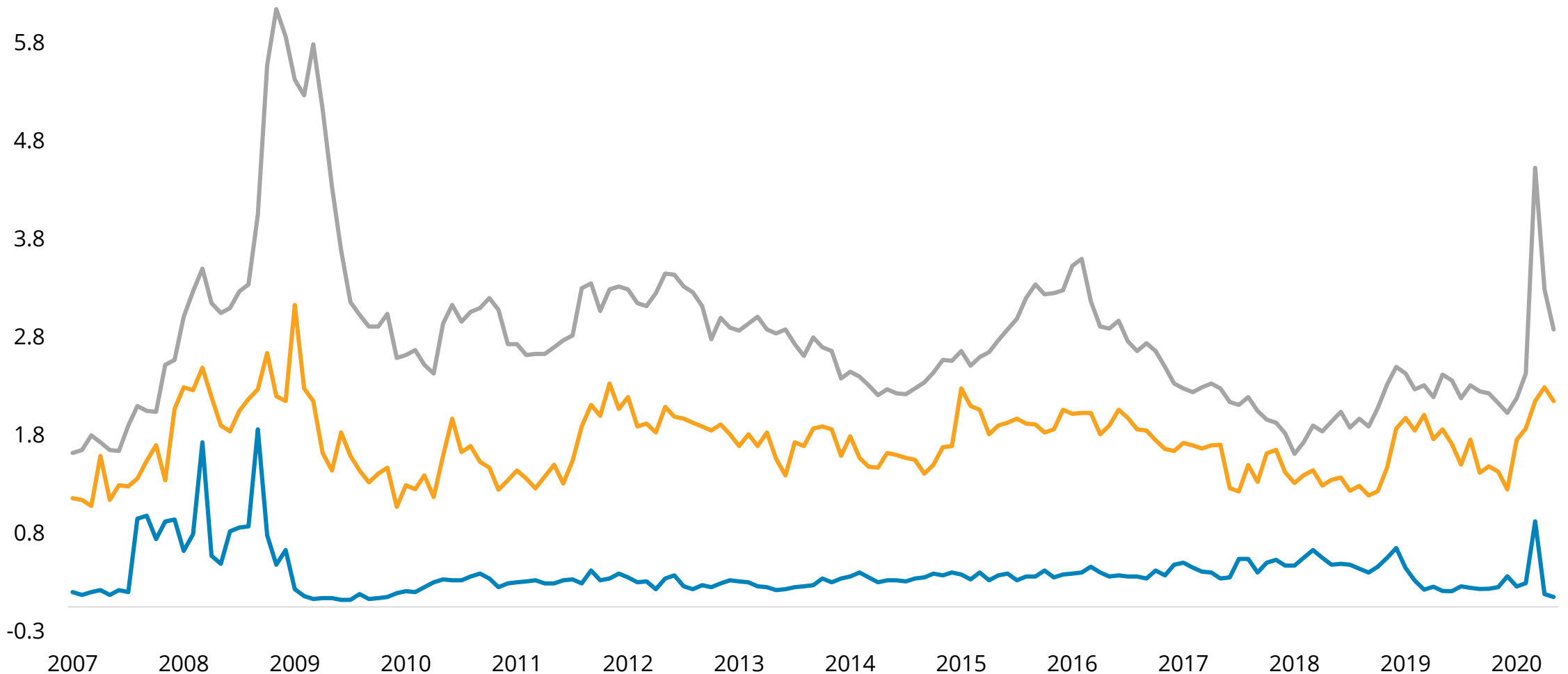


Credit Markets



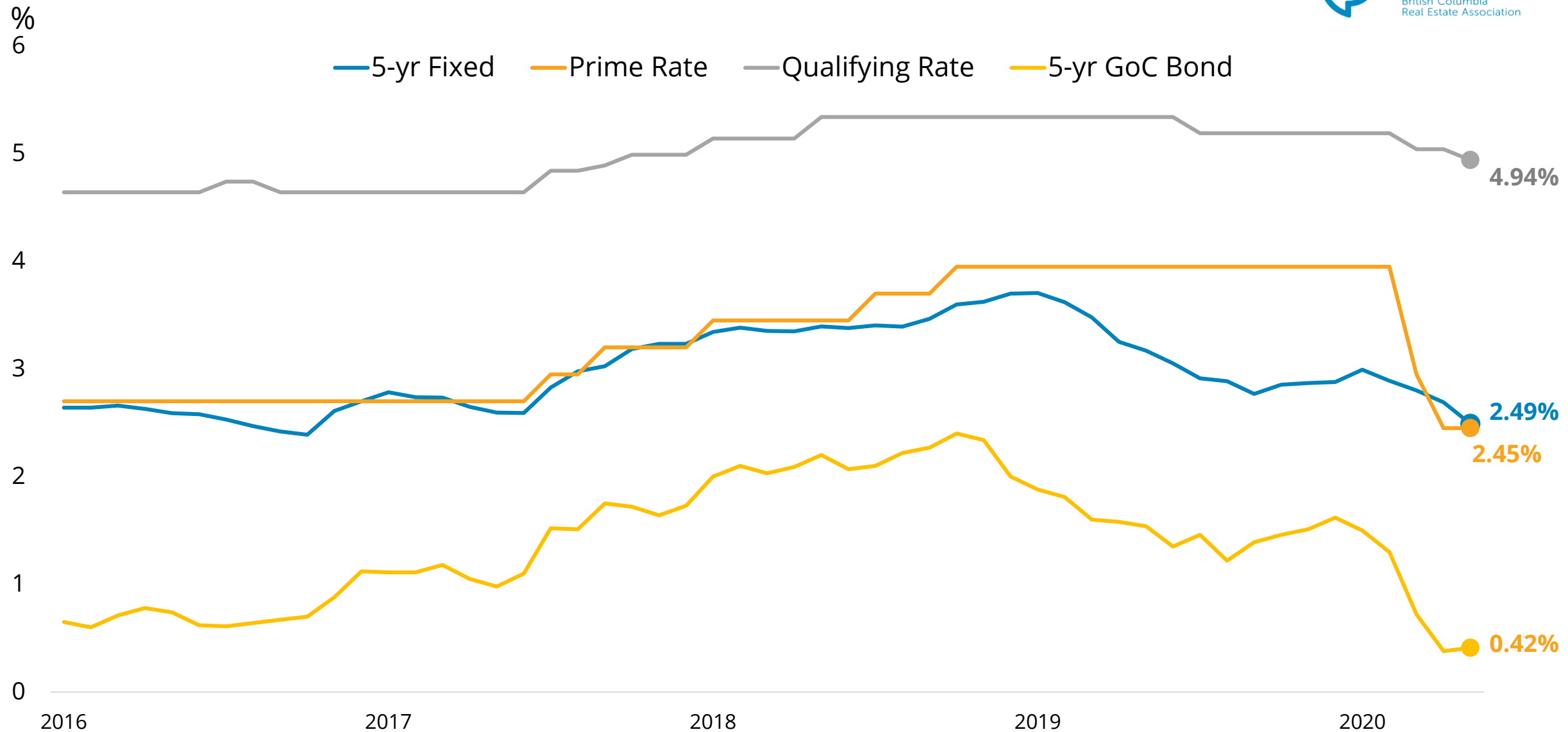
Spread (ppts)

6.8 — Short-Term Financing — Canadian Mortgage Spread — US High Yield Corporate Bond Spread



Source: Haver; US Federal Reserve

Mortgage Rates

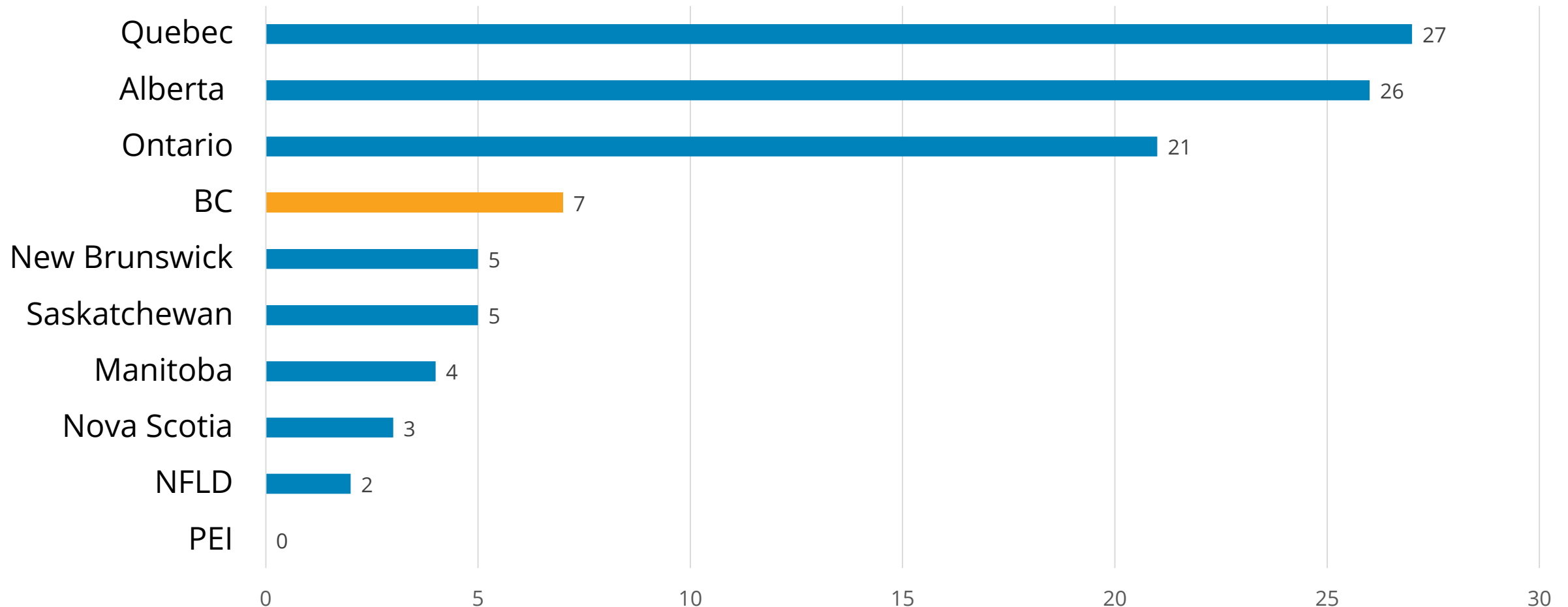


Canadian Mortgage Deferrals

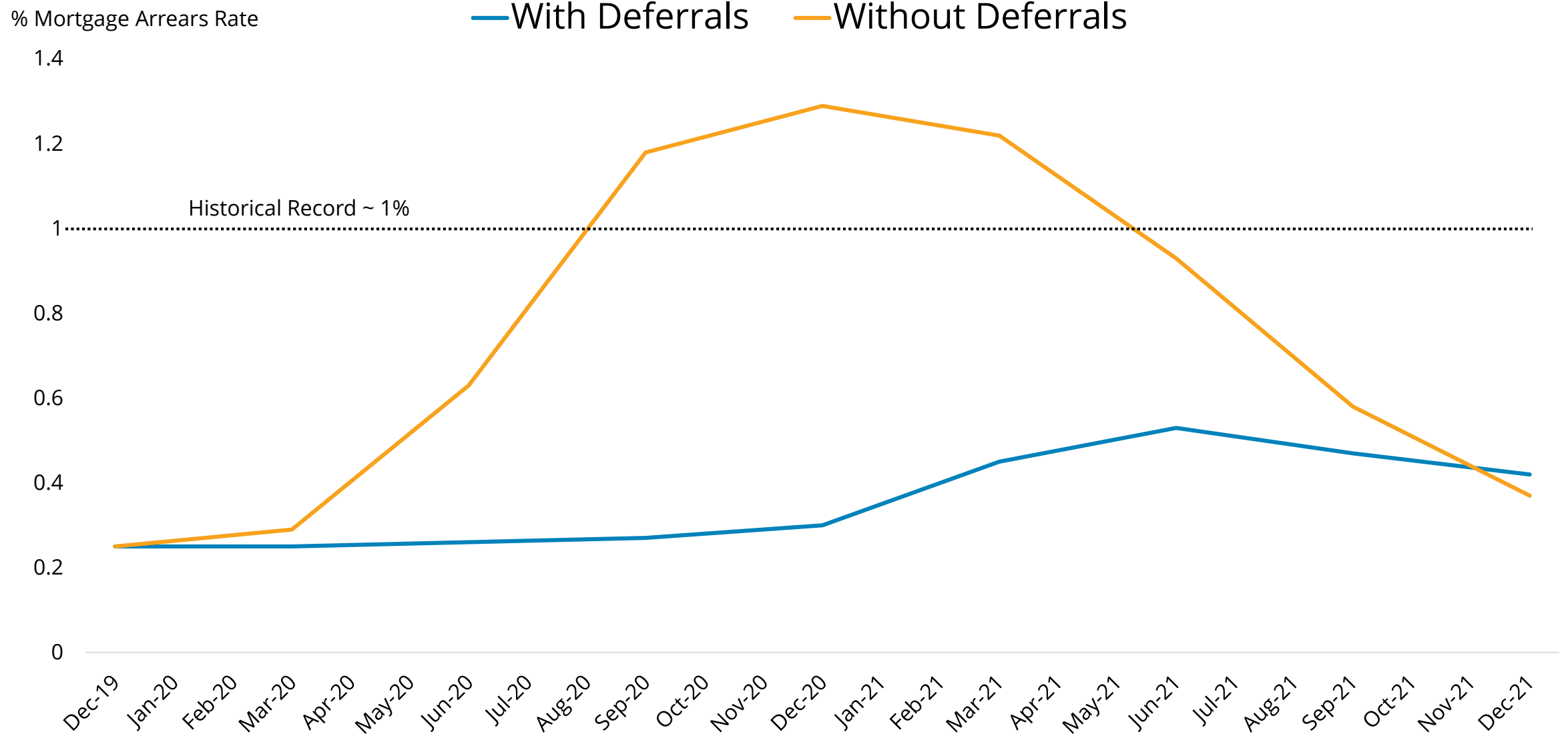
~12% of CDN Mortgages



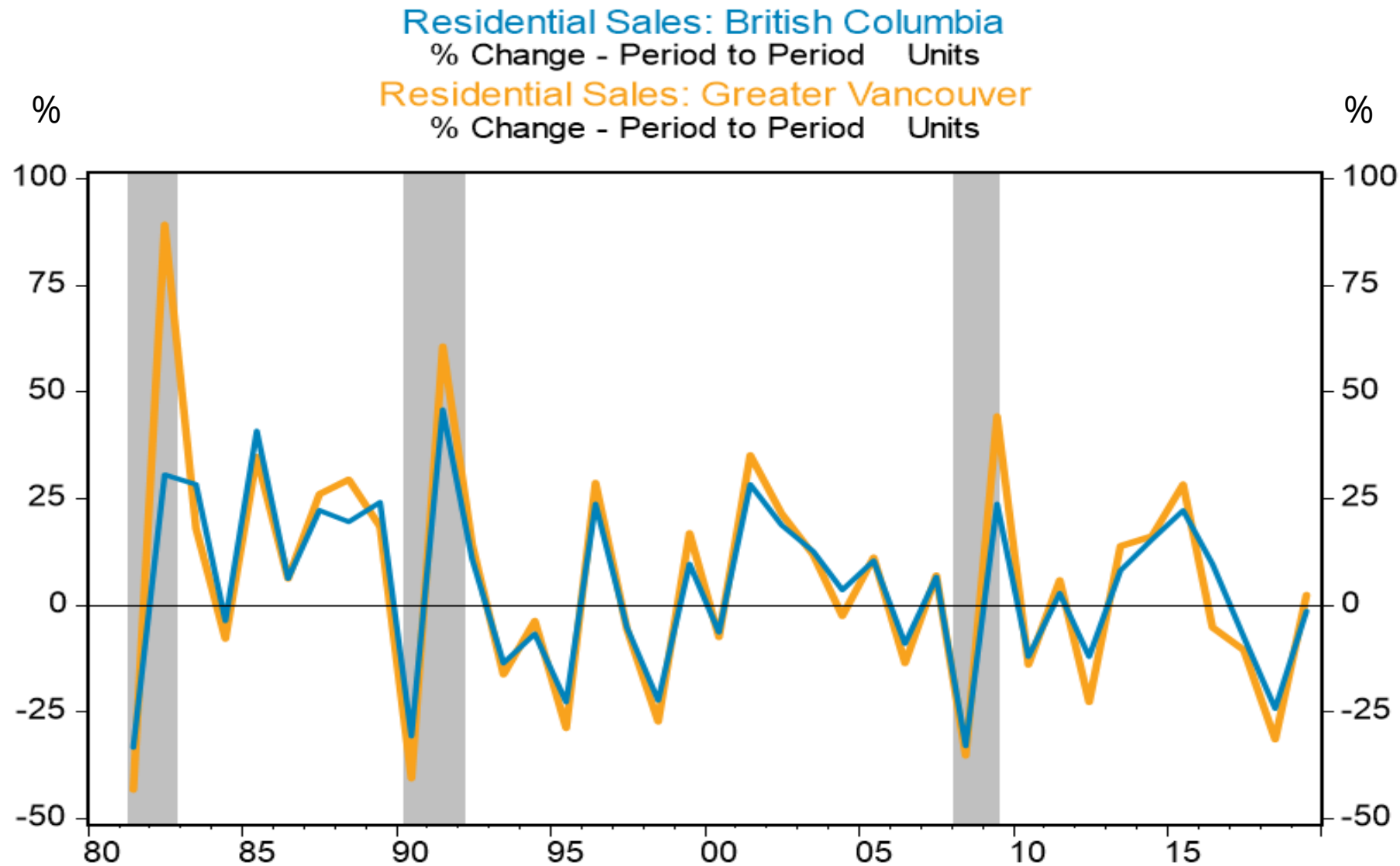
% Share of Total Mortgage Deferrals by Province



Deferrals Preventing Defaults



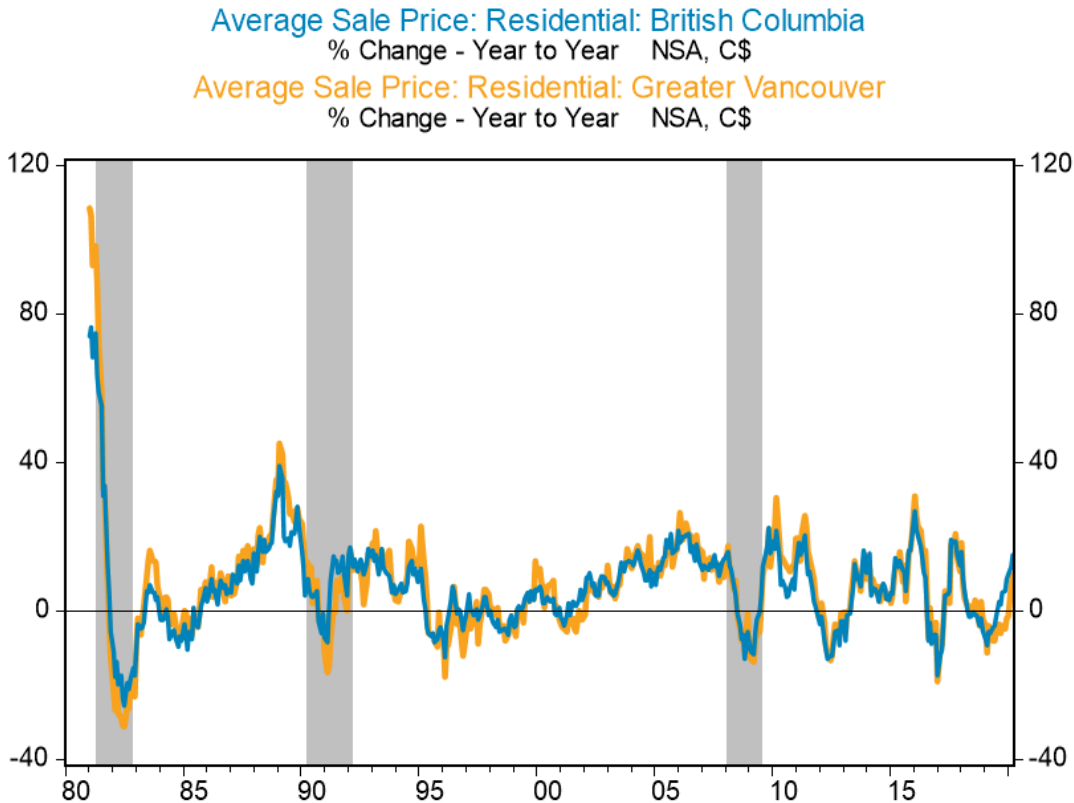
Home Sales in Prior Recessions



Home Prices in Past Recessions

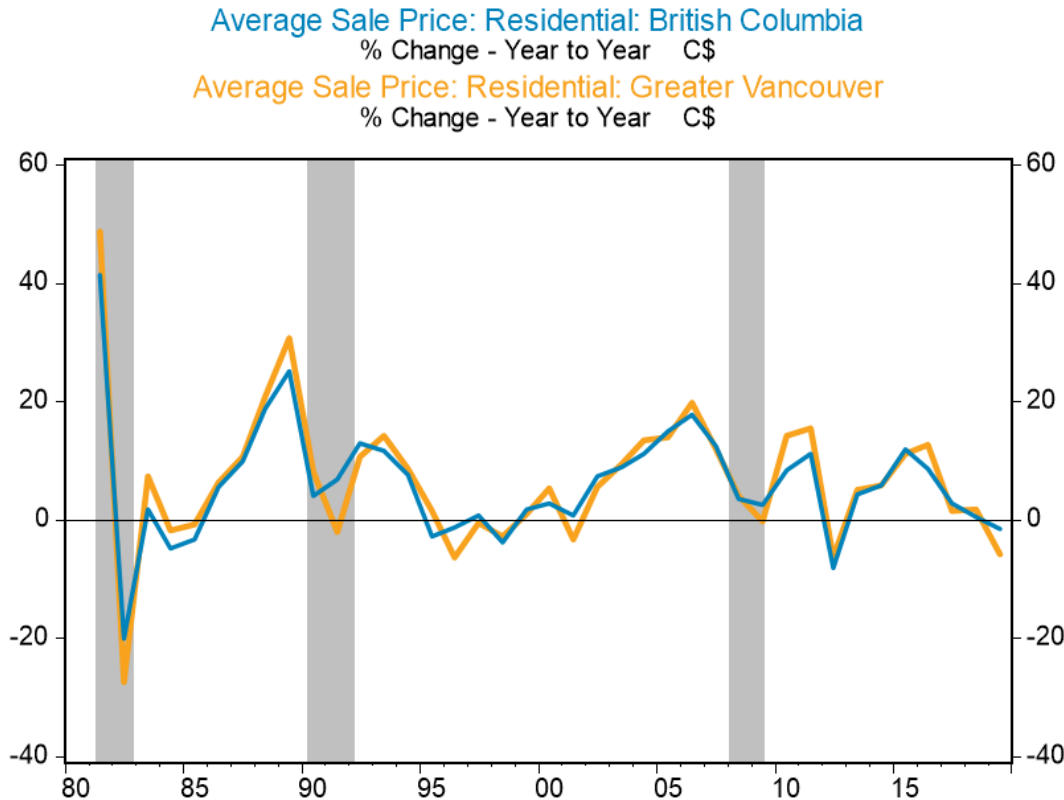
Monthly Declines that Usually Reverse and Result in Prices Higher by the end of the Year

Monthly



Source: The Canadian Real Estate Association/Haver Analytics

Annual



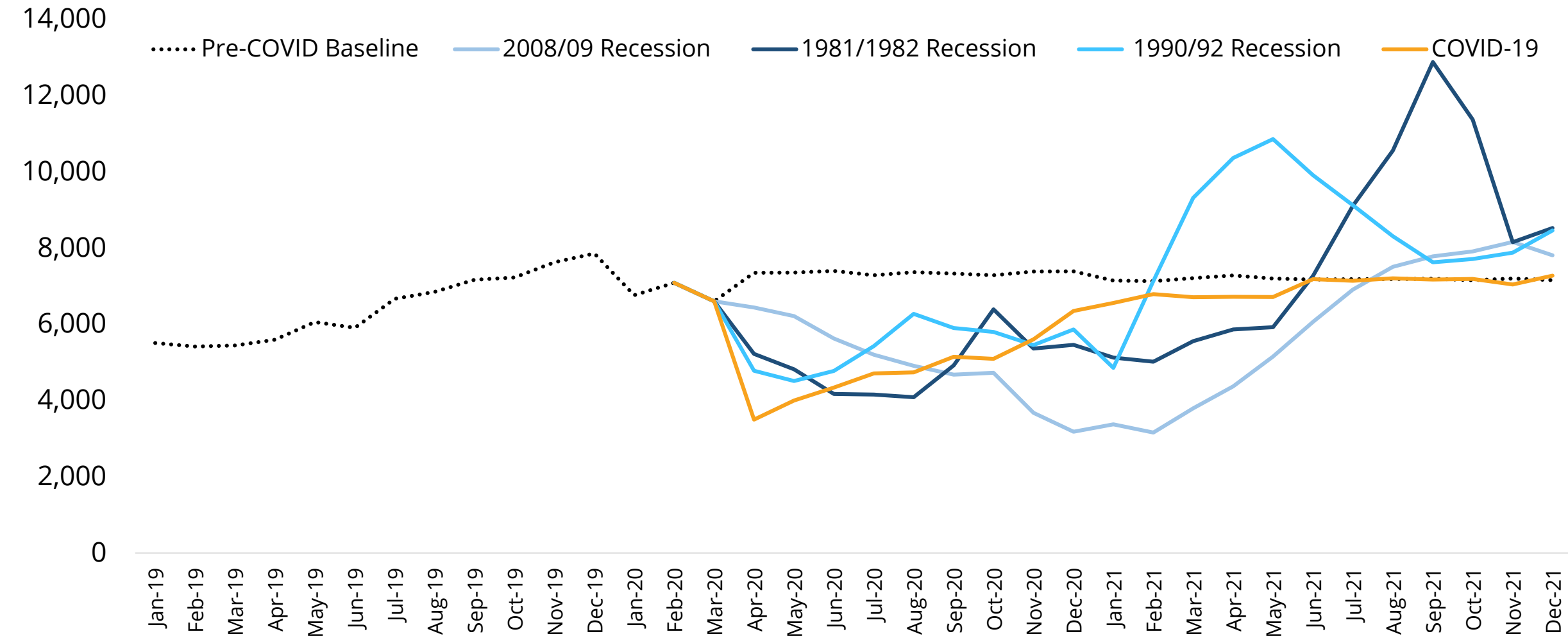
Source: The Canadian Real Estate Association/Haver Analytics

Source: CREA; Haver. (Grey bars are Canadian Recessions)

MLS® Unit Sales (Seasonally Adjusted)



Monthly Unit Sales

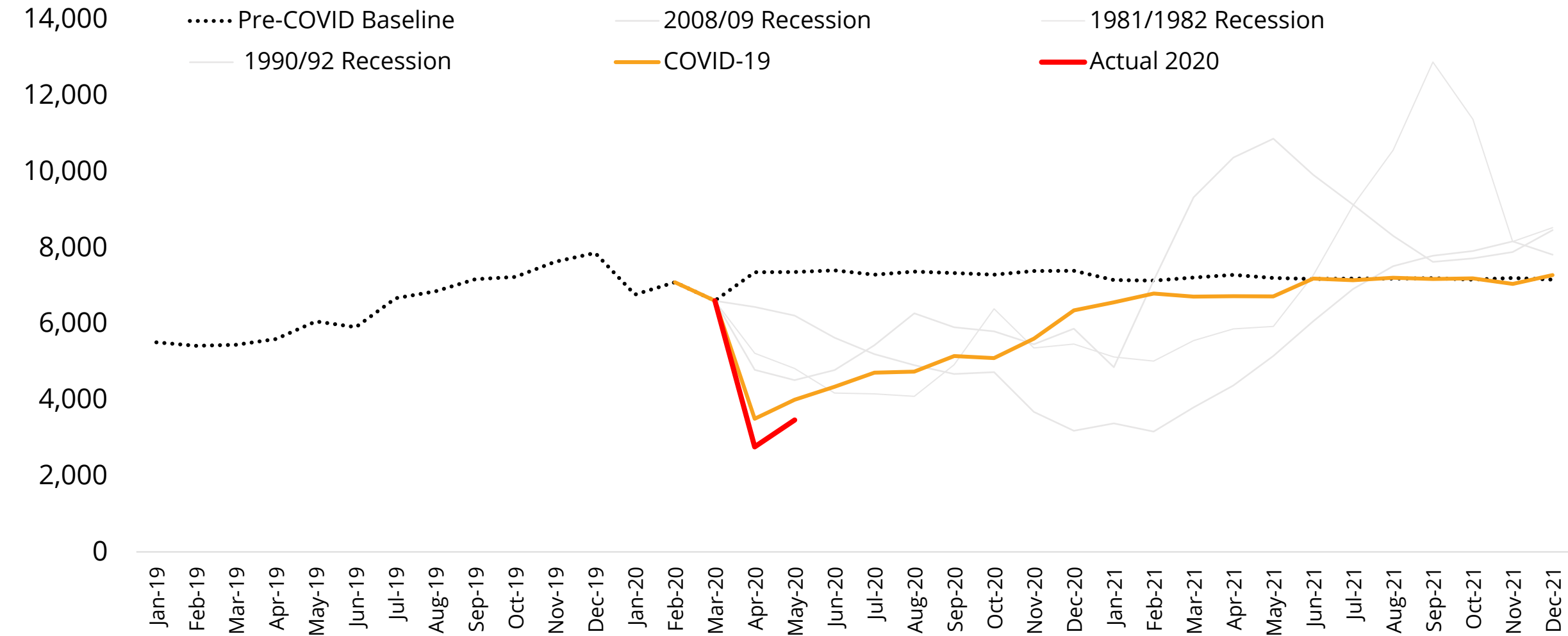


Source: BCREA Economics

MLS® Unit Sales (Seasonally Adjusted)



Monthly Unit Sales

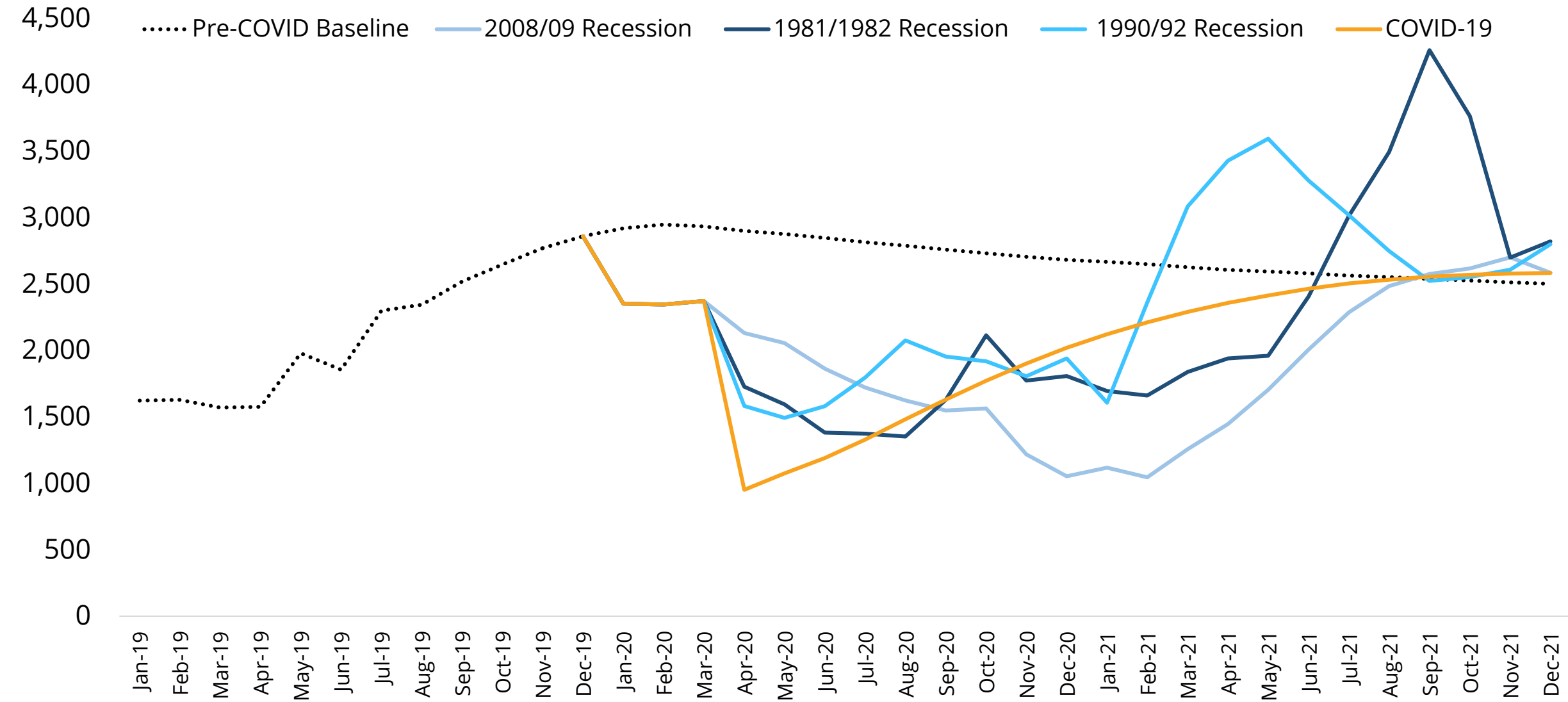


MLS® Unit Sales (Seasonally Adjusted)

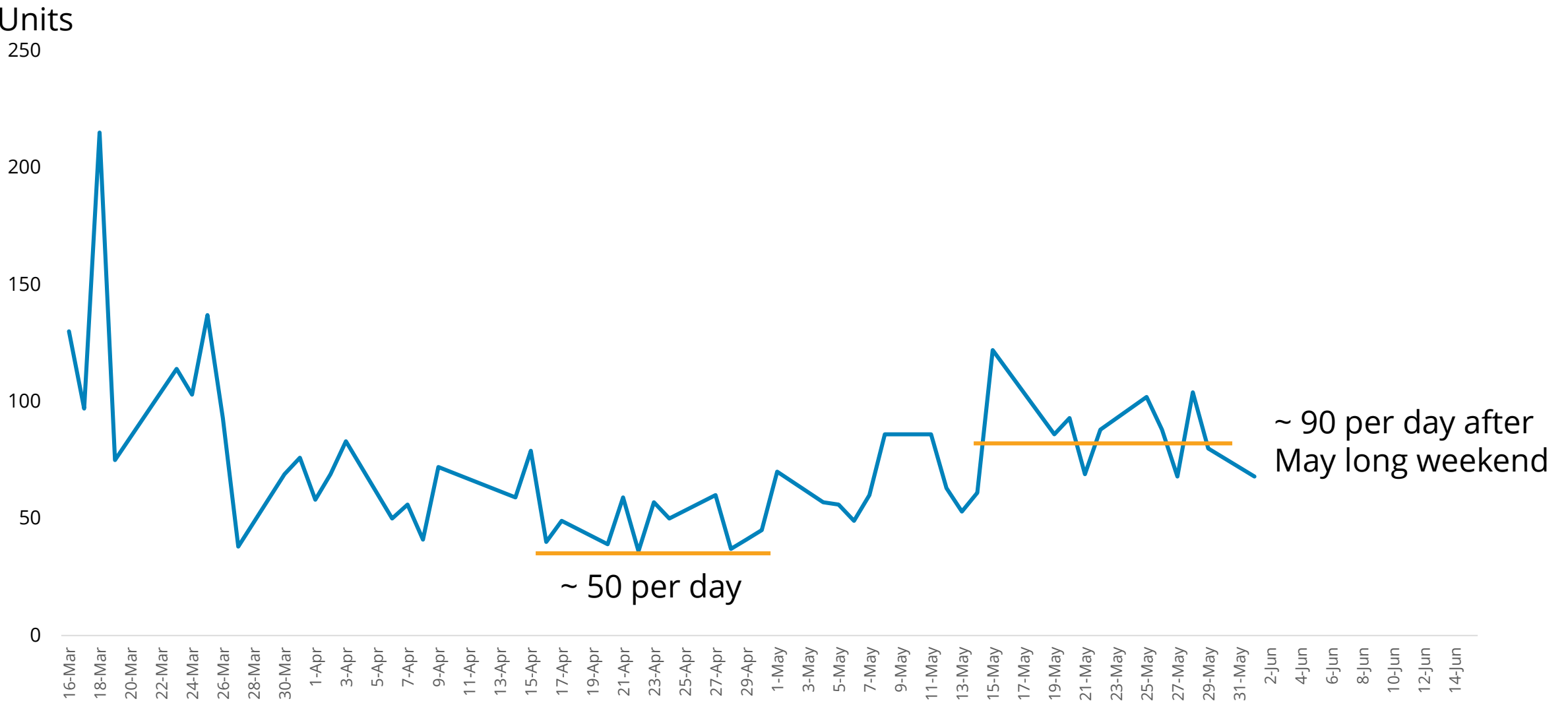
REBCV



Monthly Unit Sales



REBGV Daily Sales

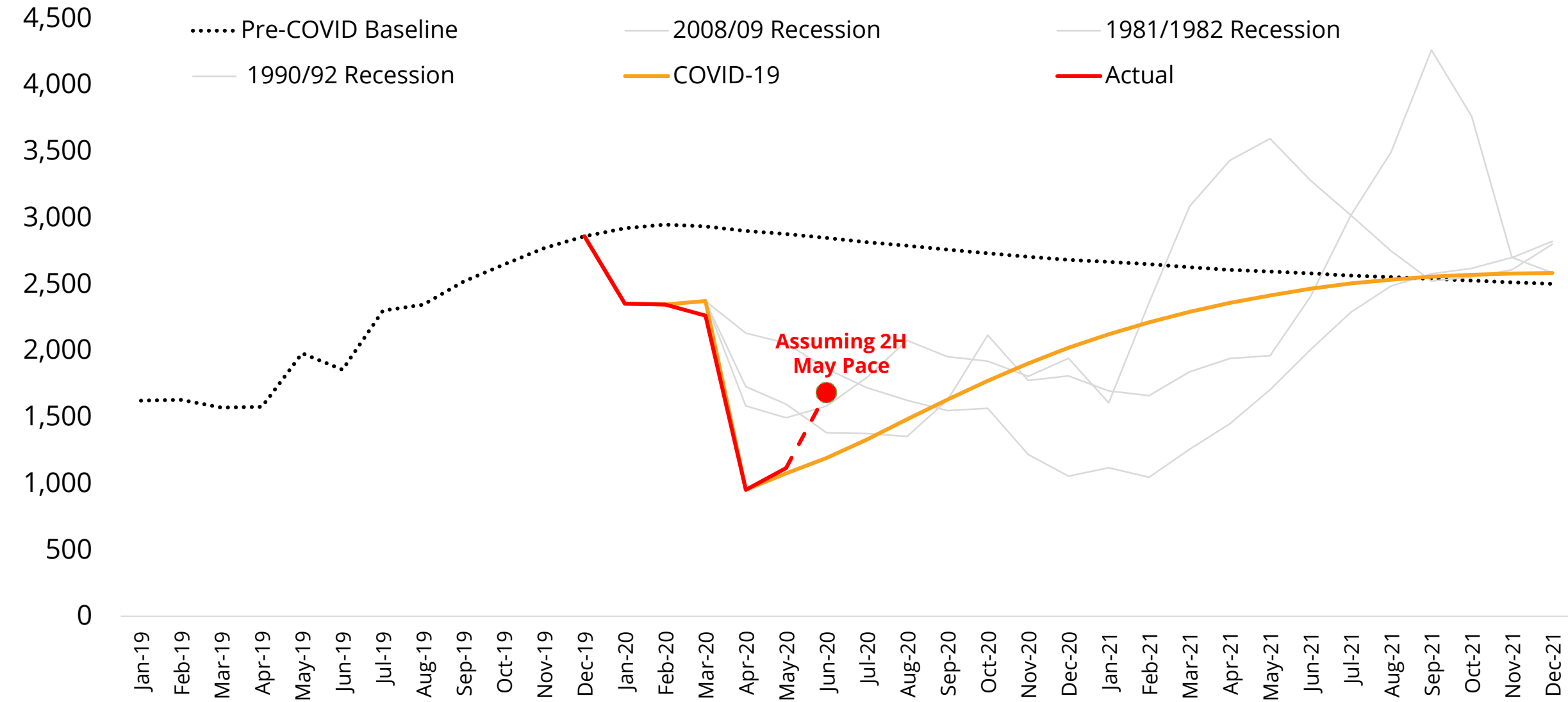


MLS® Unit Sales (Seasonally Adjusted)

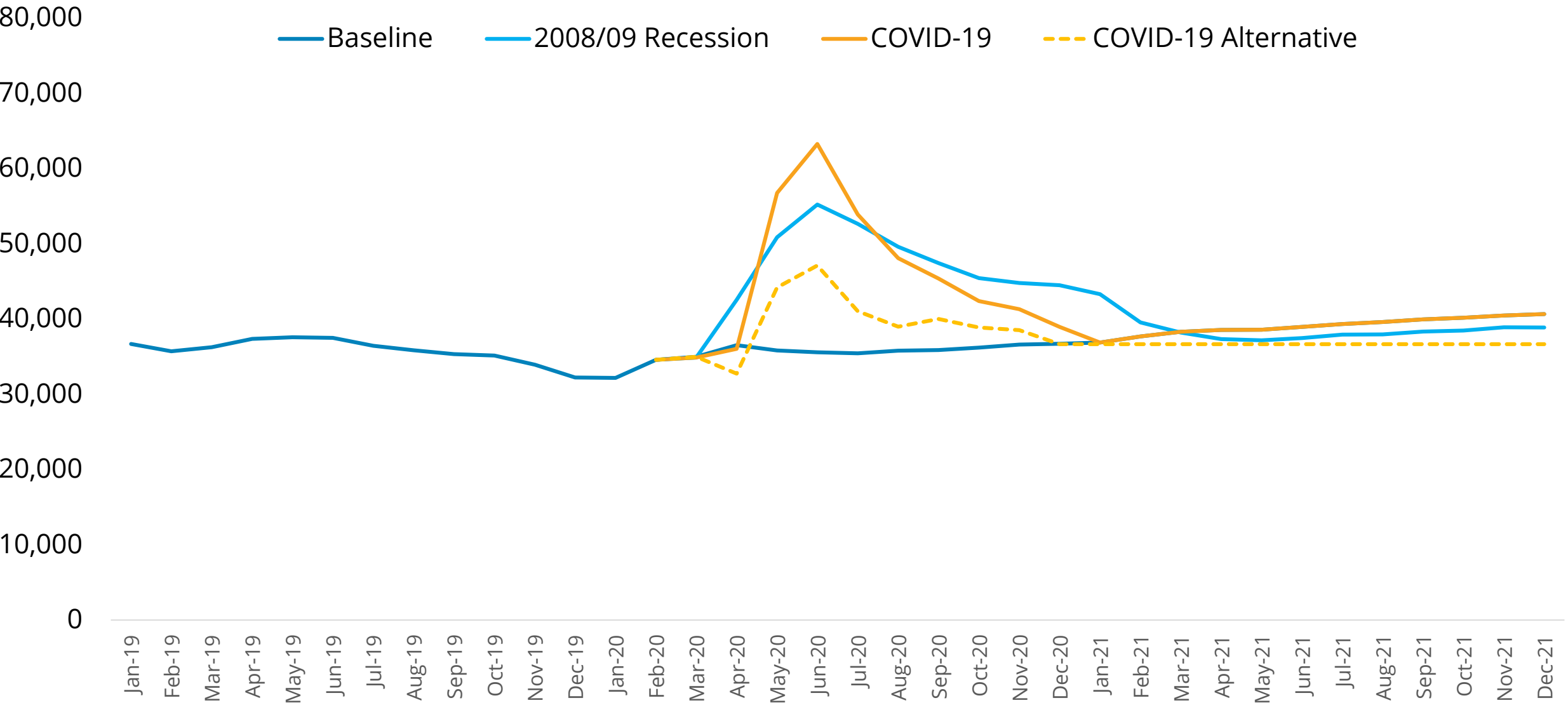
REBCV



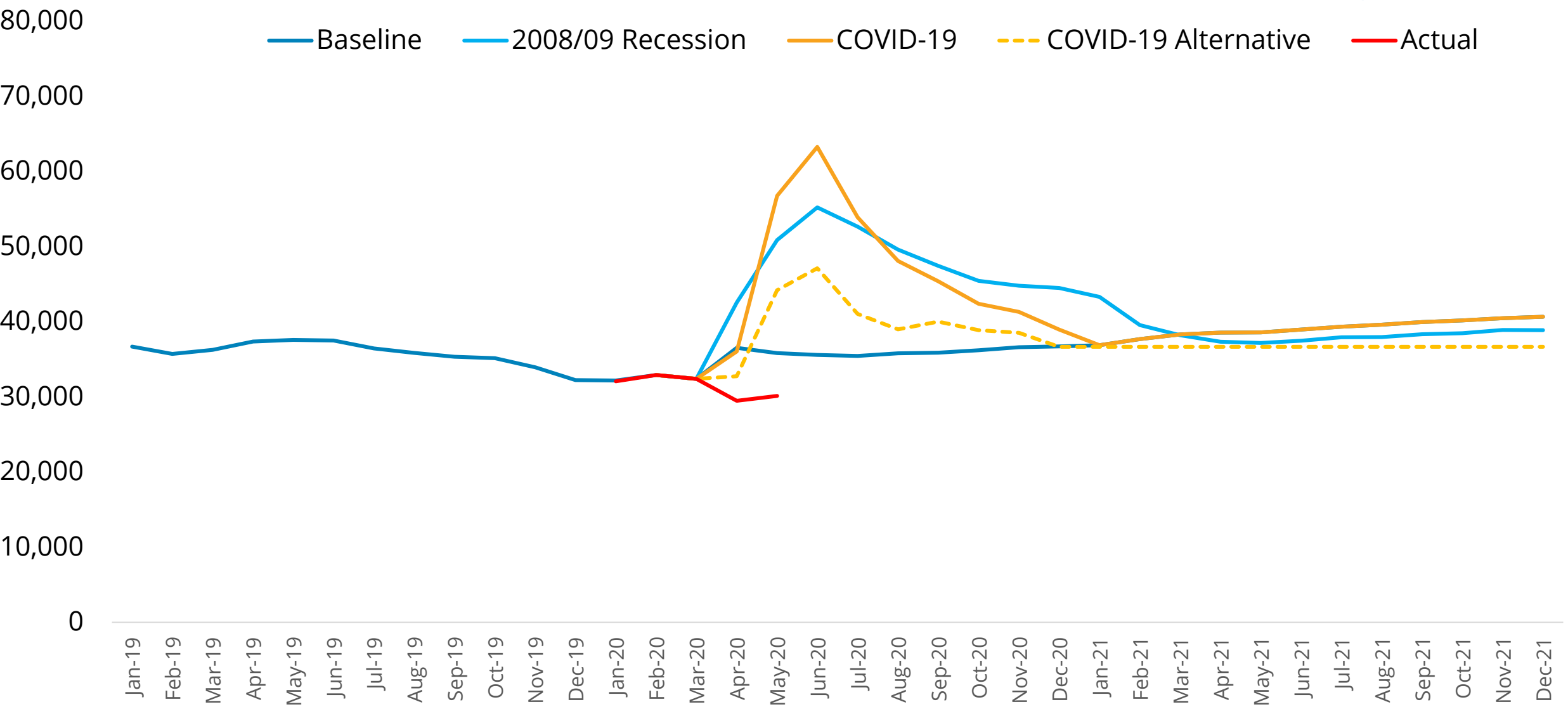
Monthly Unit Sales



COVID-19 and Listings Activity (BC)



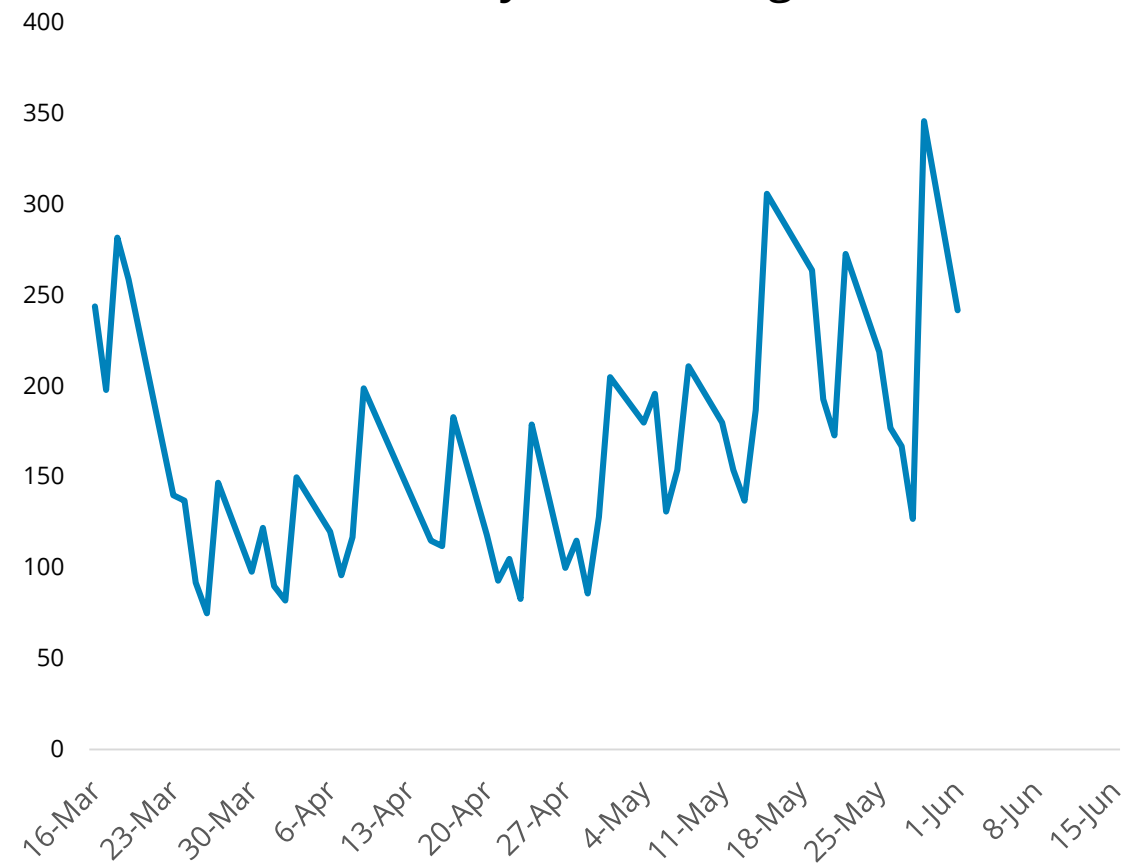
COVID-19 and Listings Activity (BC)



Vancouver Daily Listings

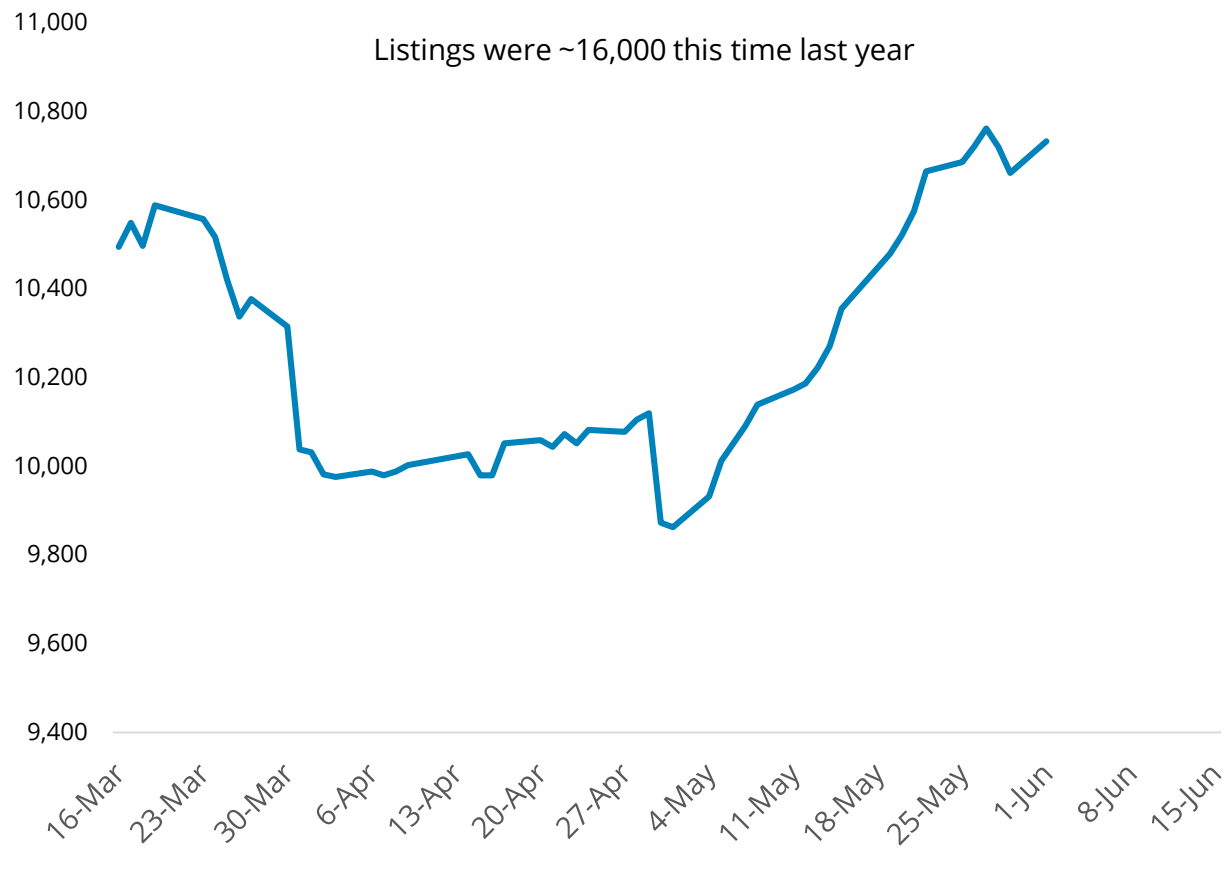


Daily New Listings



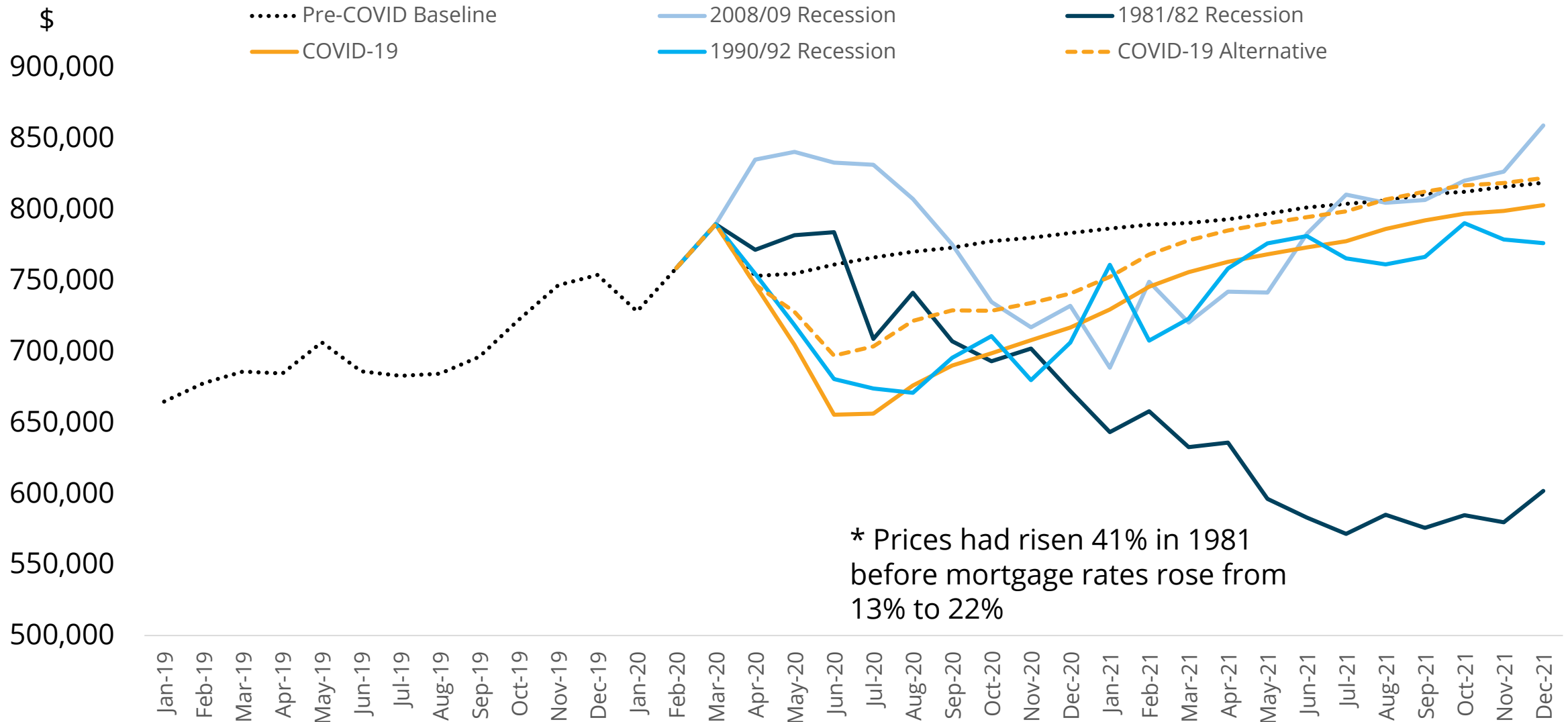
Total Active Listings

Listings were ~16,000 this time last year

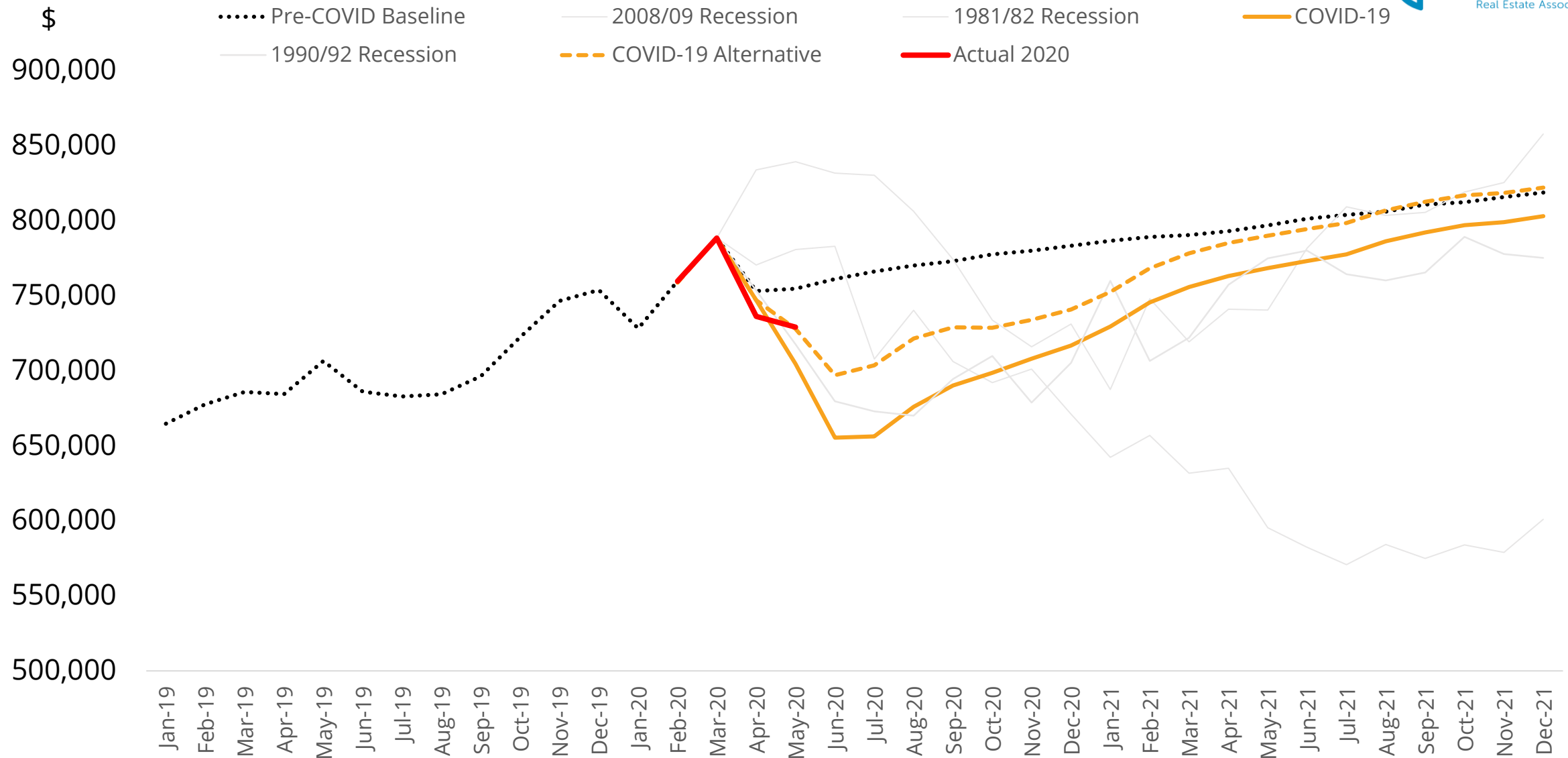


Source: REBGV

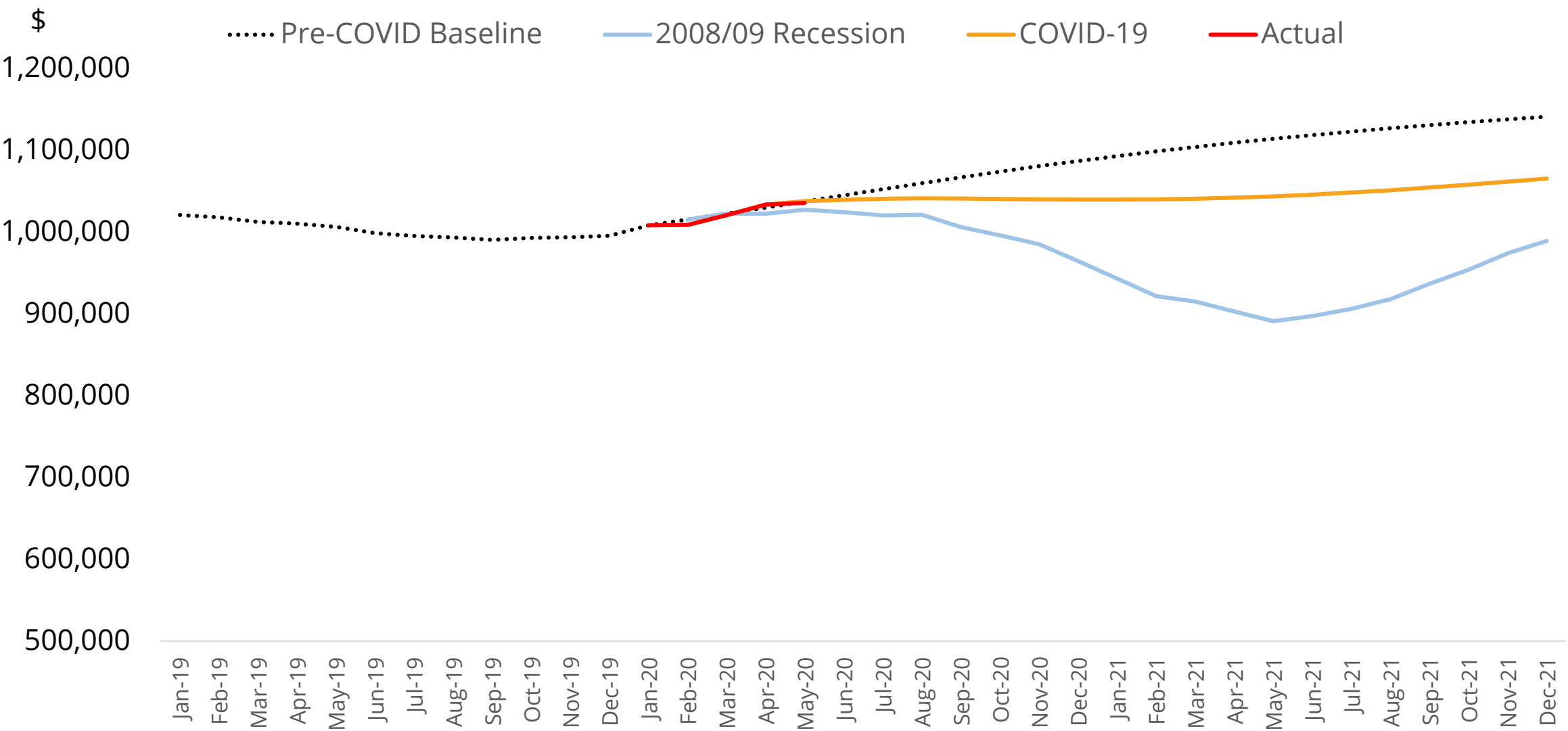
MLS® Average Price (BC)



MLS® Average Price (BC)



REBGV HPI Benchmark Price

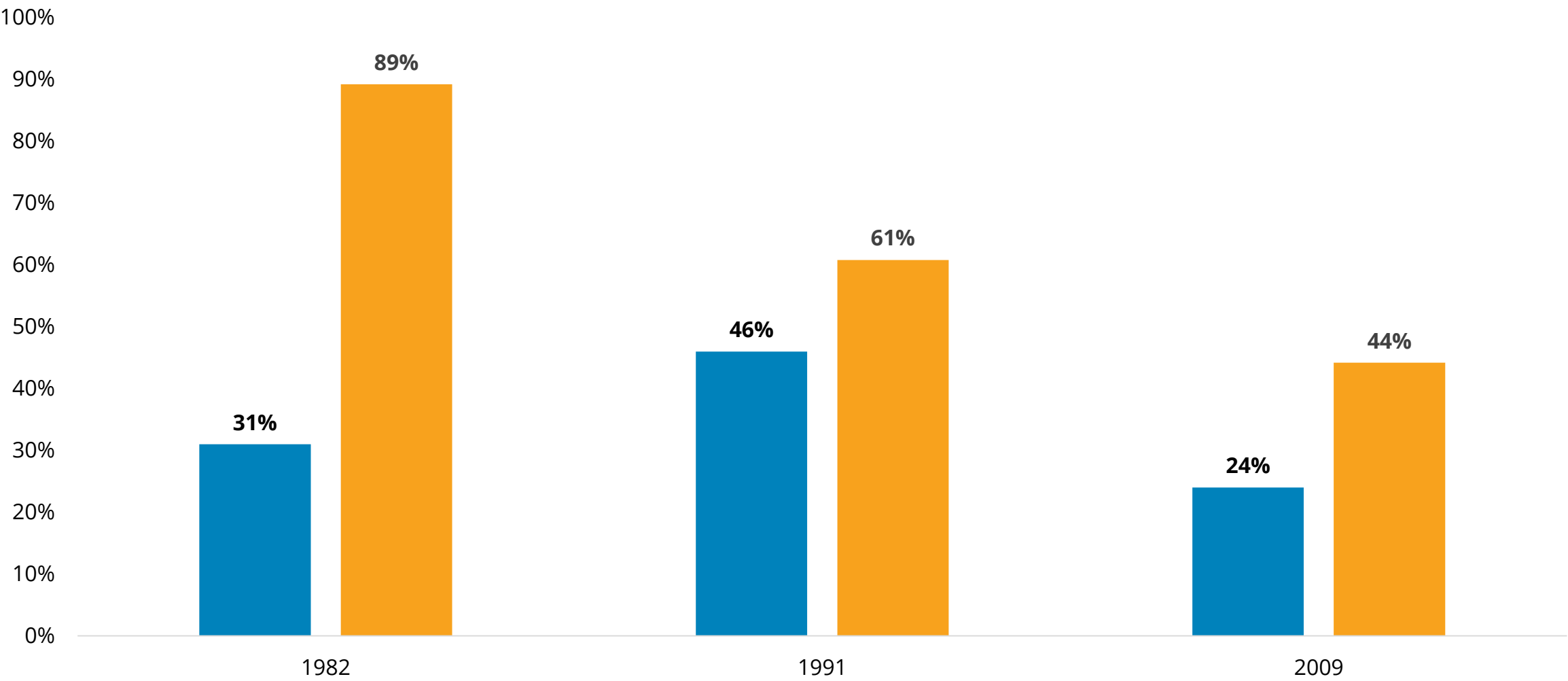


Source: BCREA Economics

Increase in Home Sales Year Following Start of Recession



■ BC ■ REBGV



Questions?