

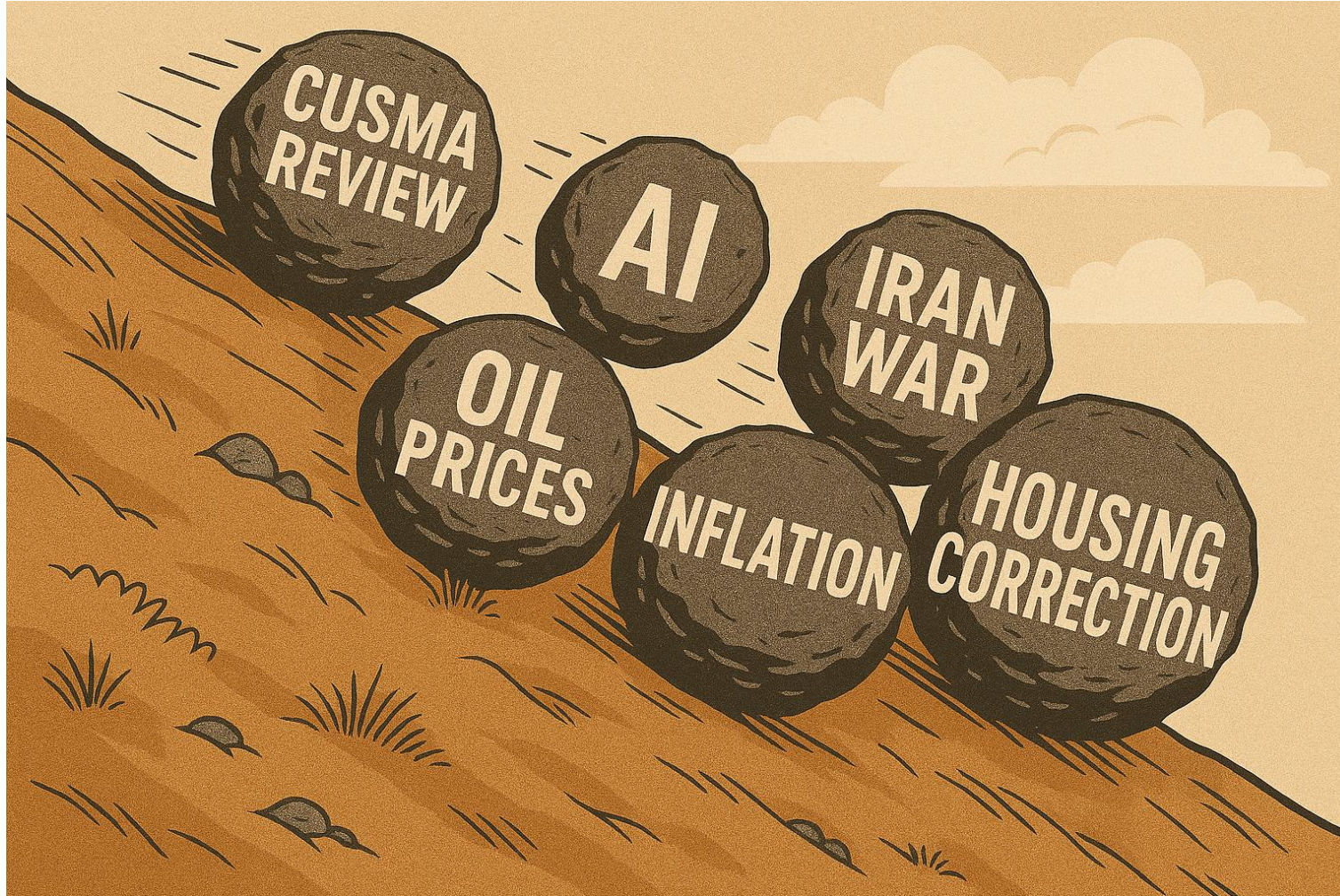
Oil, people, and housing: Navigating themes of an uncertain economy

May 27, 2026

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AVP & Chief Economist

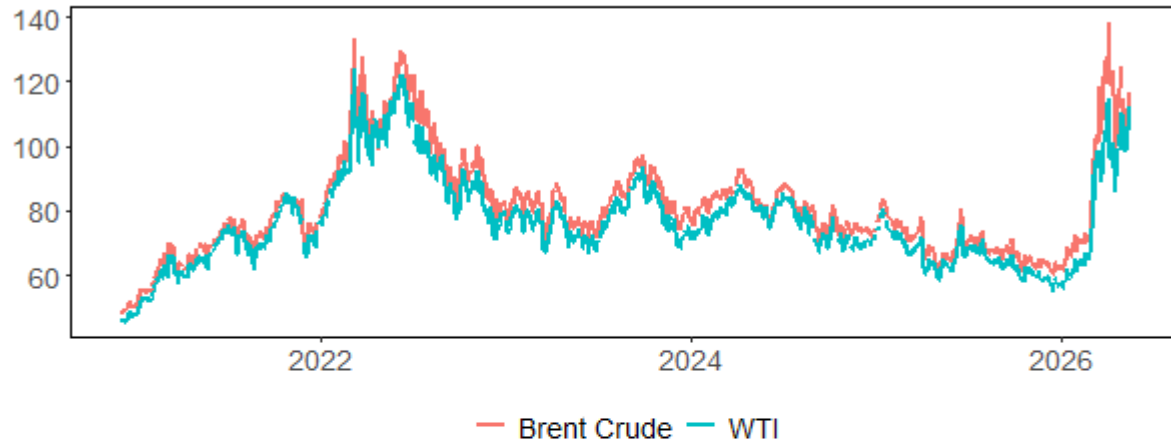
Big rocks to navigate in 2026



Iran war the latest in a string of economic shocks

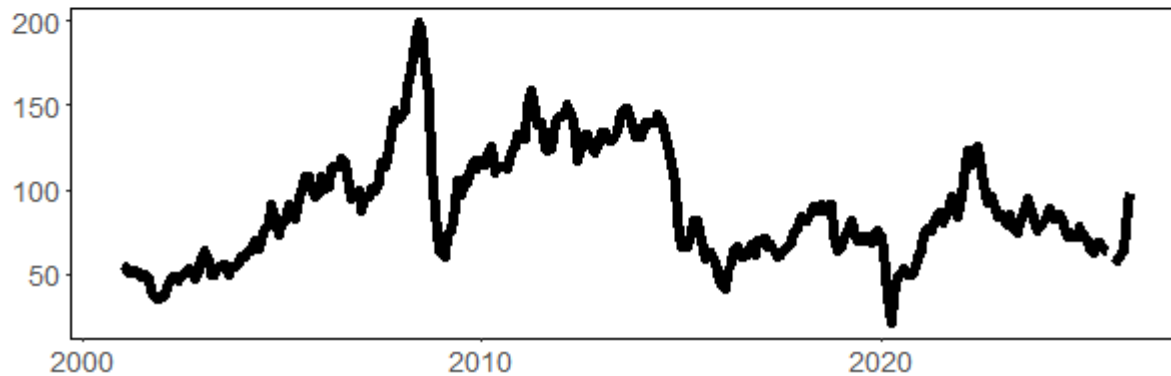
Crude price, Daily, USD

Latest 2021 to 2026-05-18

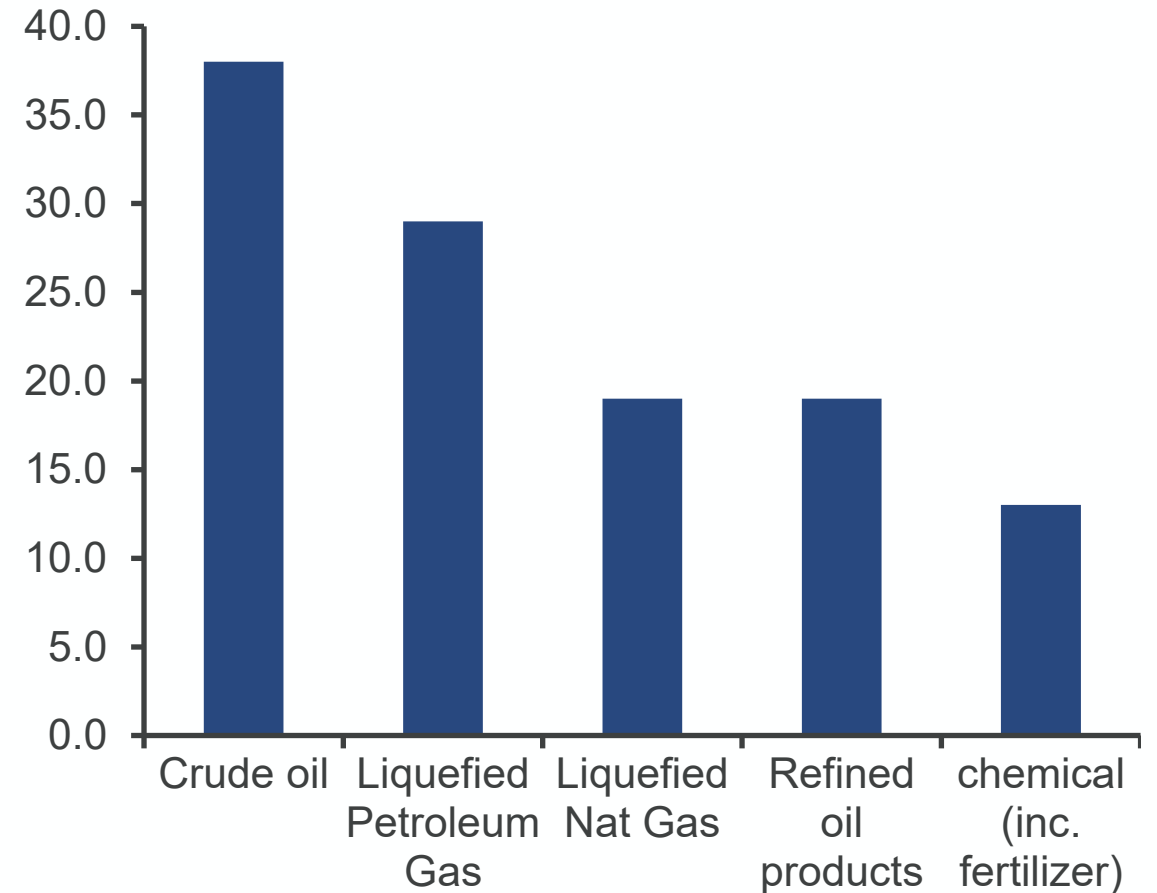


WTI inflation adjusted, CPI (Jan/26=100)

Latest: 2000 to 2026-04-01

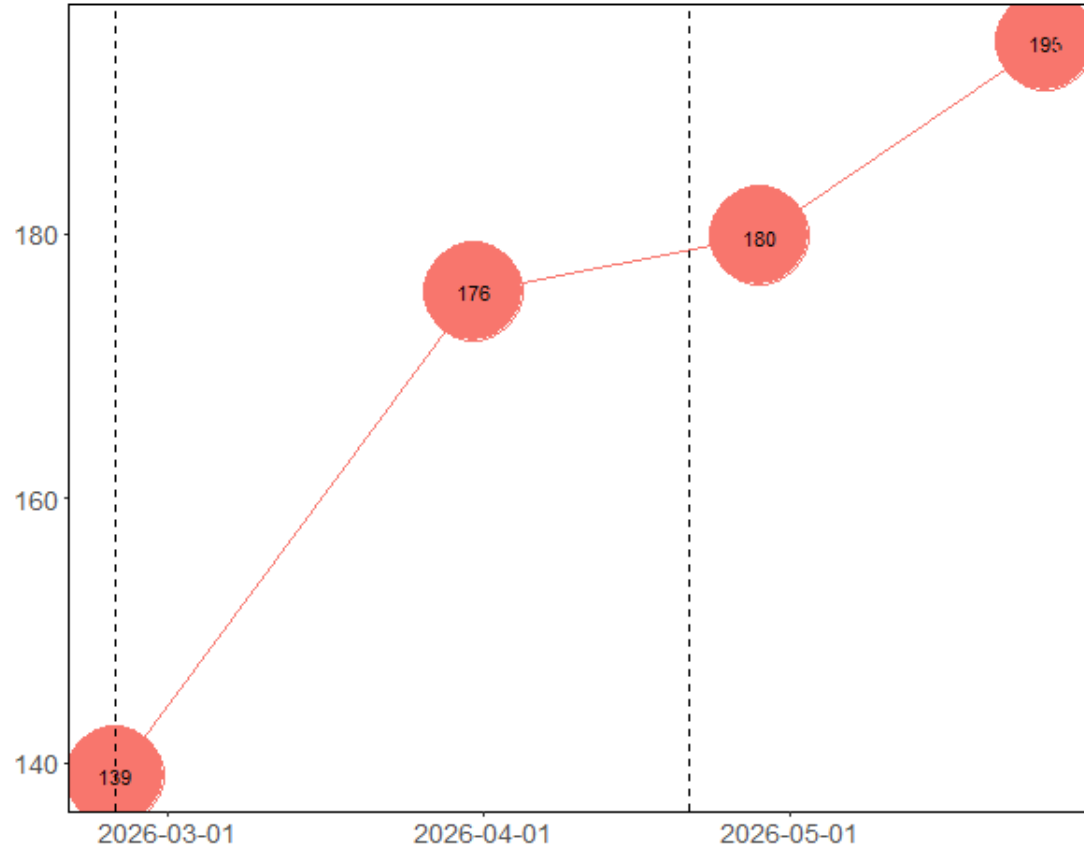


Strait of Hormuz, Share of global seaborne trade

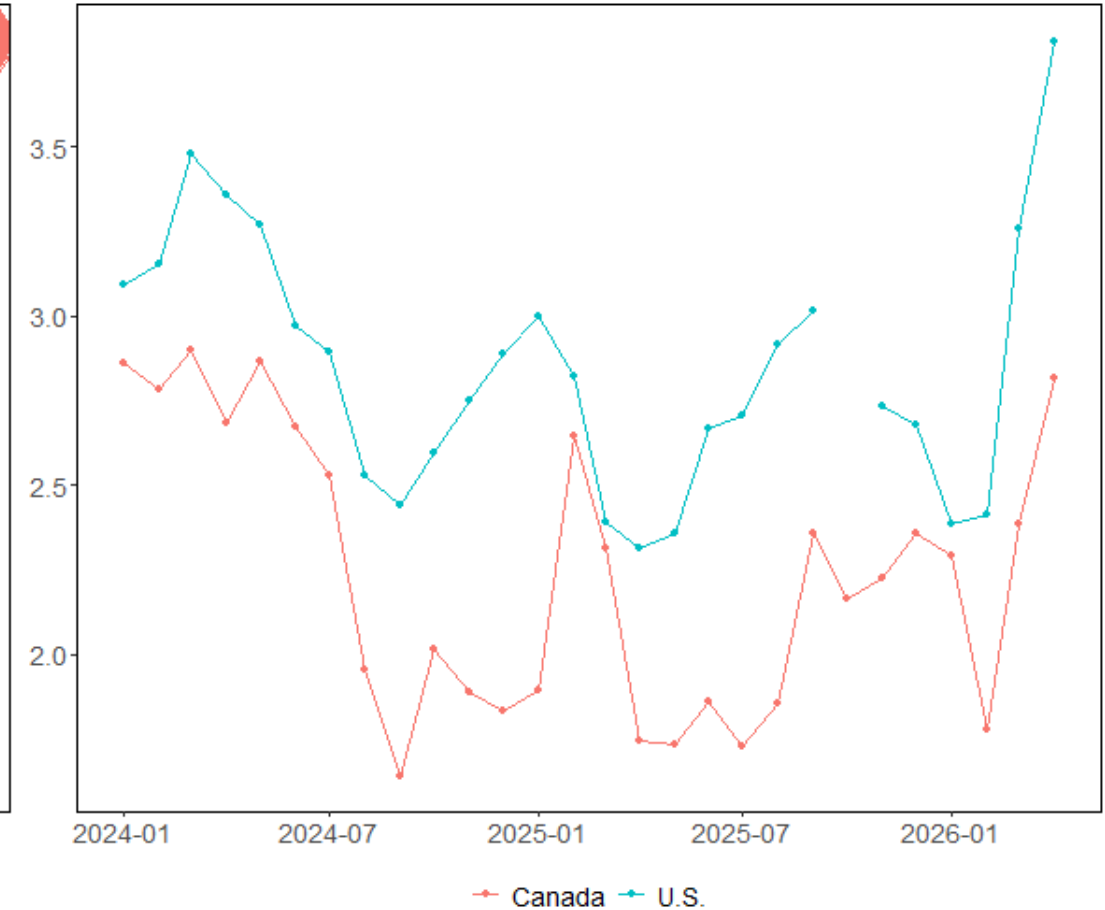


Retail gas spike hits inflation, triggers interest rate hike fears

Canada Weekly average price for gasoline, cents/L, 3week ma
Natural Resources Canada



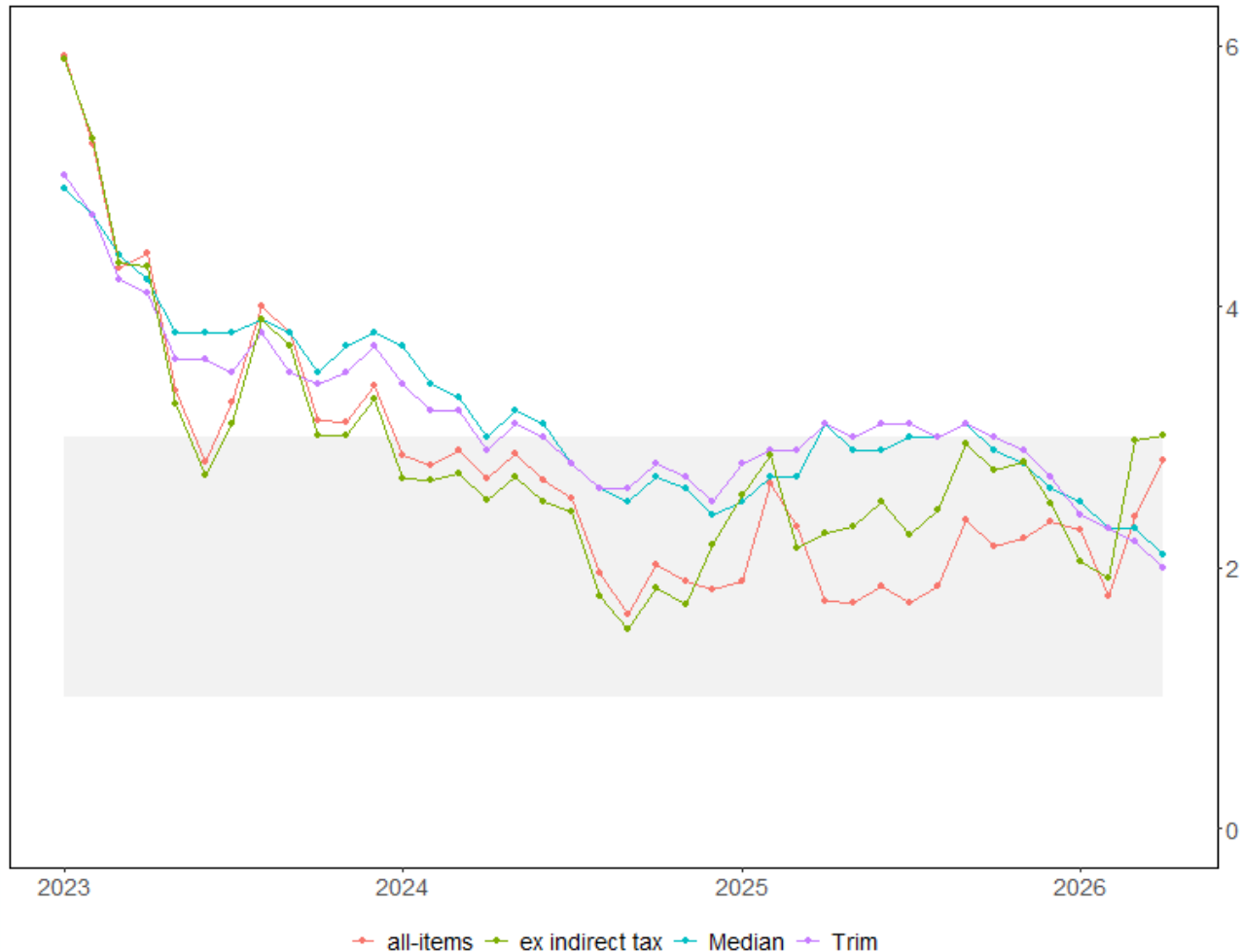
Y/y CPI inflation % change
Last data point: 2026-04-01



Core inflation remains low, for now

Y/y CPI inflation % change

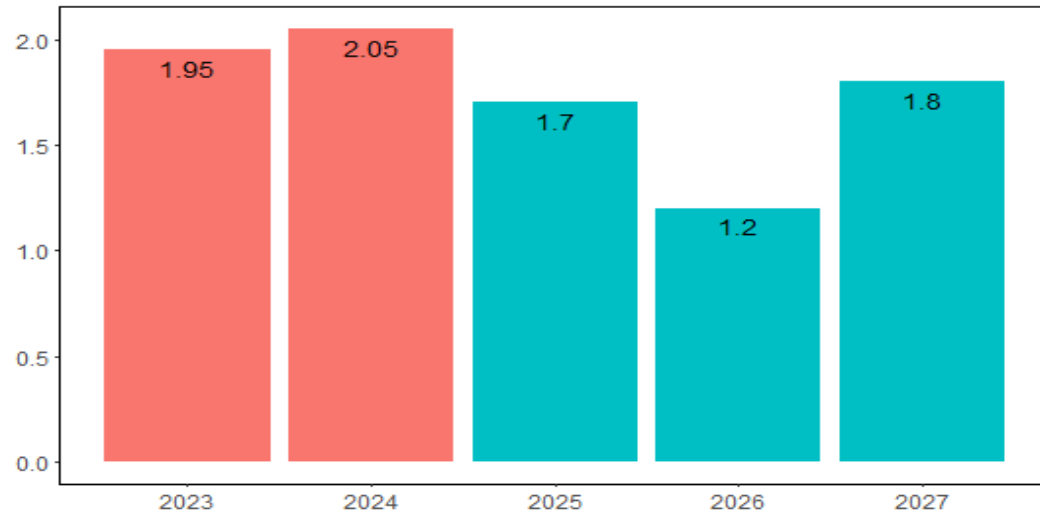
Last data point: 2026-04-01



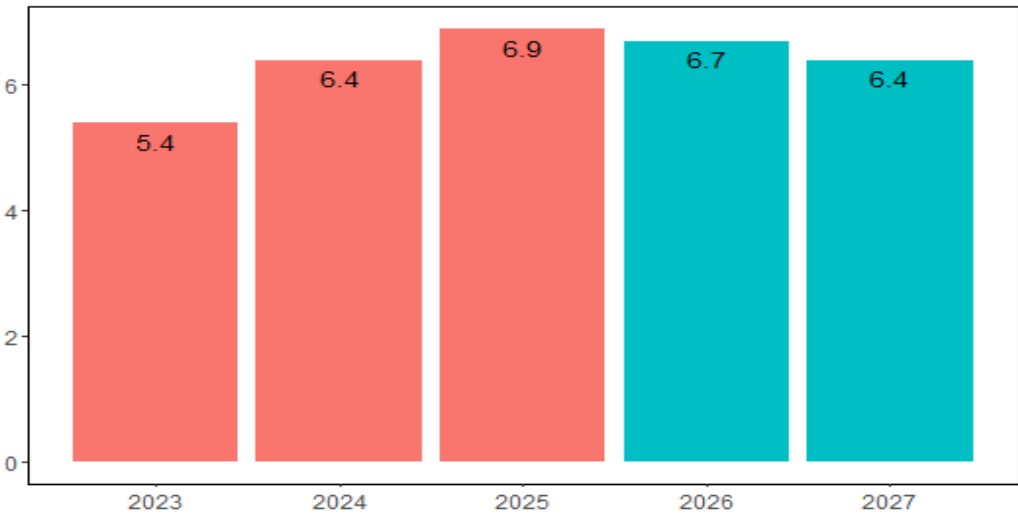
- Inflation excluding gasoline at 2%, Bank of Canada core trends to 2%
- Services inflation continues to decline on weak housing and economic drivers
- Bank of Canada to hold for now
- Upside risk to materials cost, inflation expectations, and interest rates if war persists.

Canada economic forecast

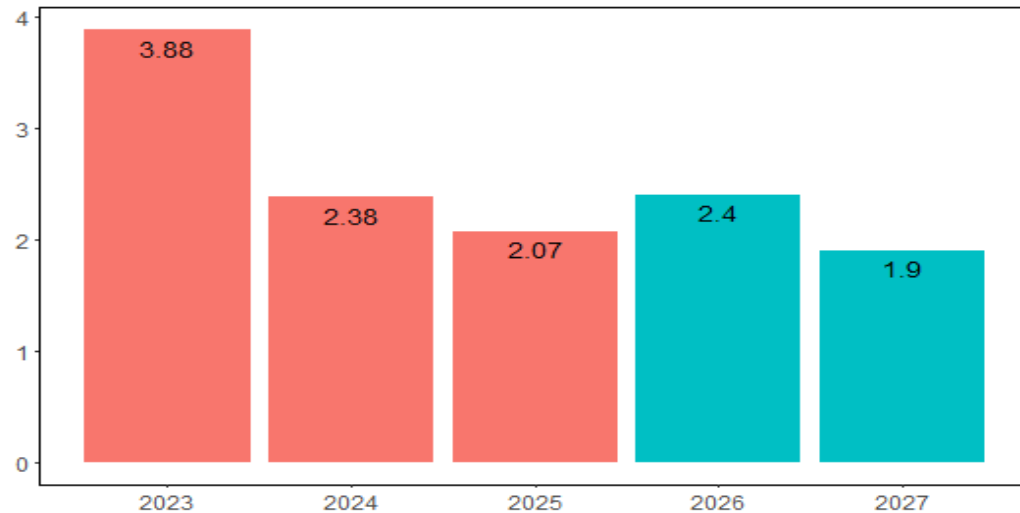
GDP Forecast



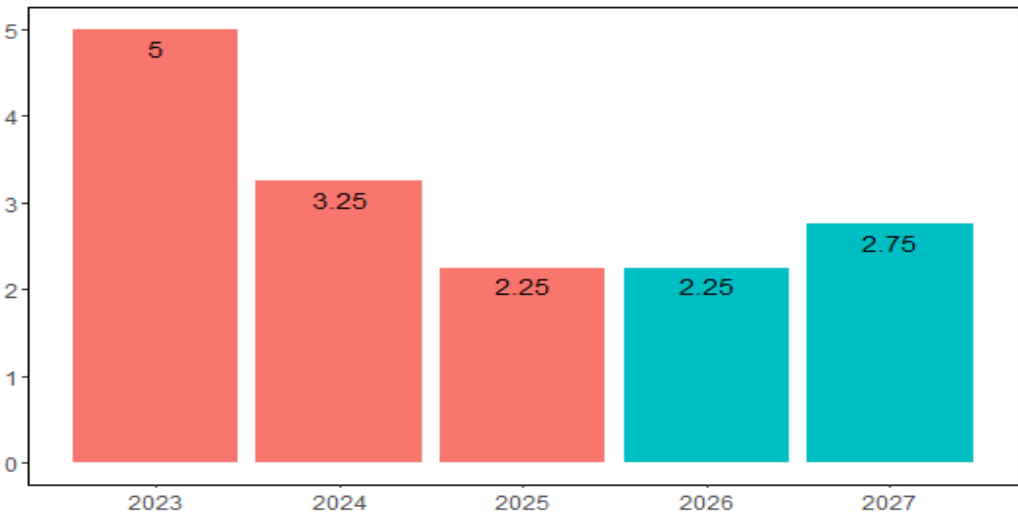
Unemployment Rate Forecast



Inflation Forecast



Bank of Canada Forecast



Inflation: Rising headline CPI inflation (3%) but core inflation muted and decelerating on weak economy. Bank of Canada to remain on hold through the year.

Oil shock neutral in short term: Canada is a net exporter with additional exposure to Asia, downside to Canadian households through higher prices. Long duration of war is negative.

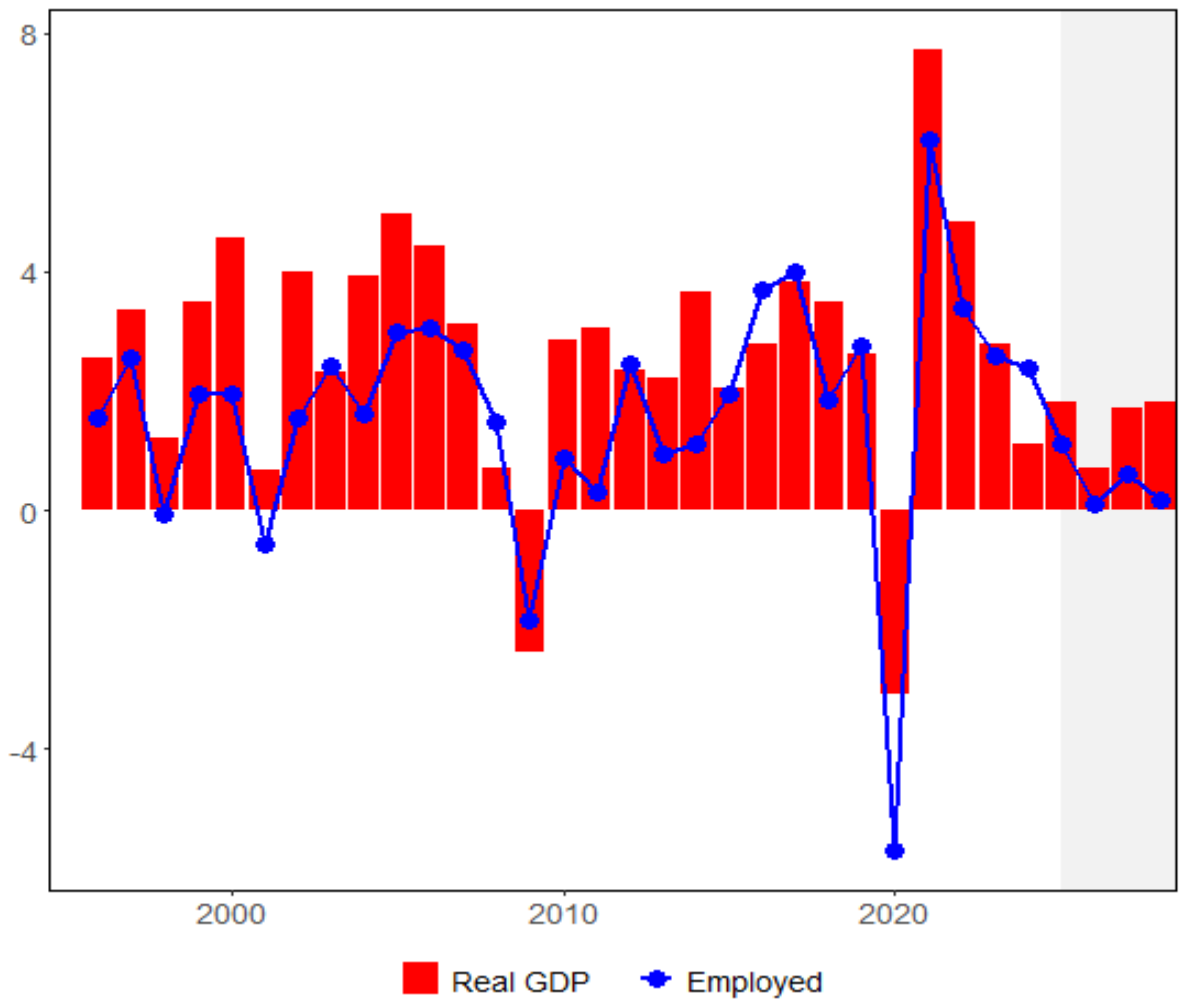
CUSMA Joint Review: Likely a status quo trade environment, but investment uncertainty continues. Structurally a negative shock from weaker U.S. trade relationship.

Population: Federal migration caps remain a drag on growth as temporary residents exit country.

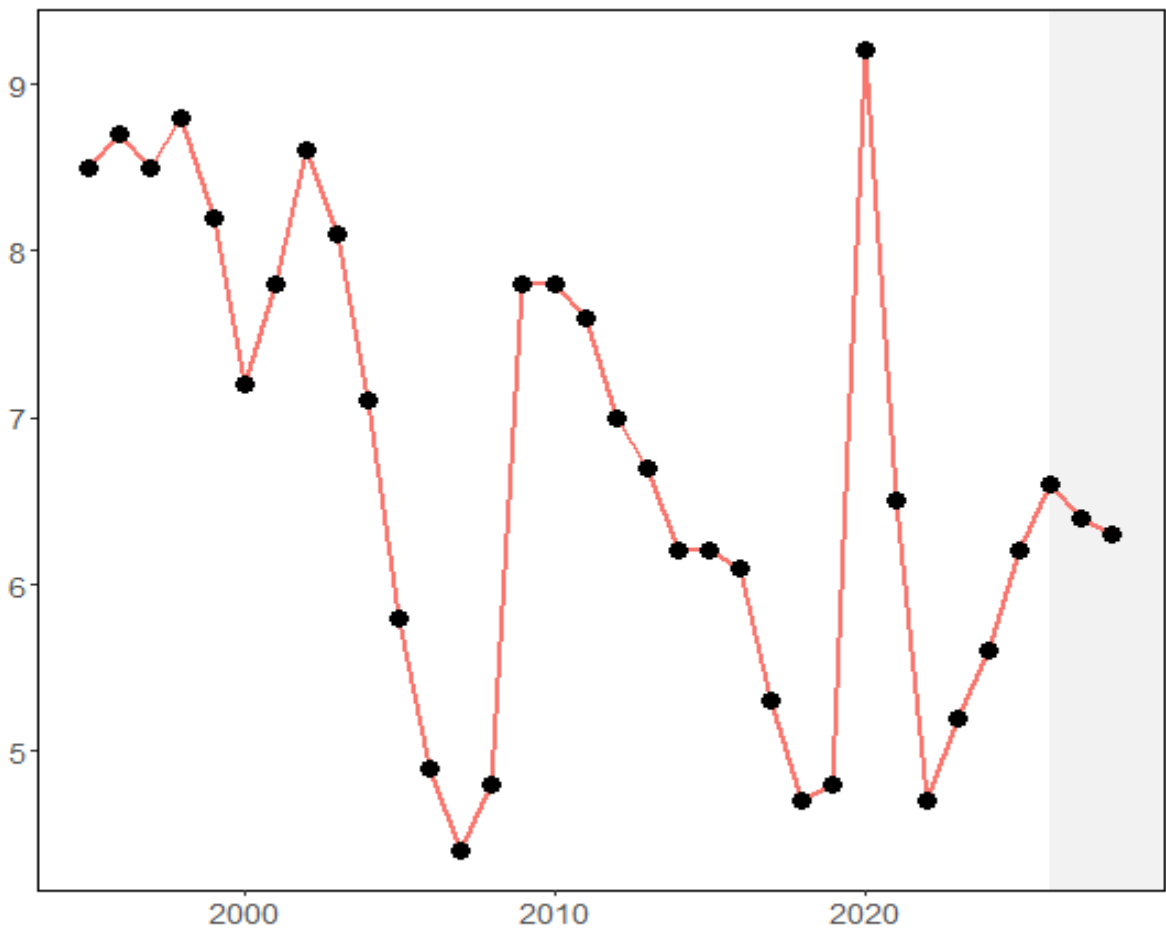
Federal focus on economic sovereignty, trade diversification, defence and investment a long-term structural shift.

B.C. economy slows in 2026 before gaining traction

BC GDP and Employment Forecast



BC Unemployment rate forecast



Source: Statistics Canada, Central 1

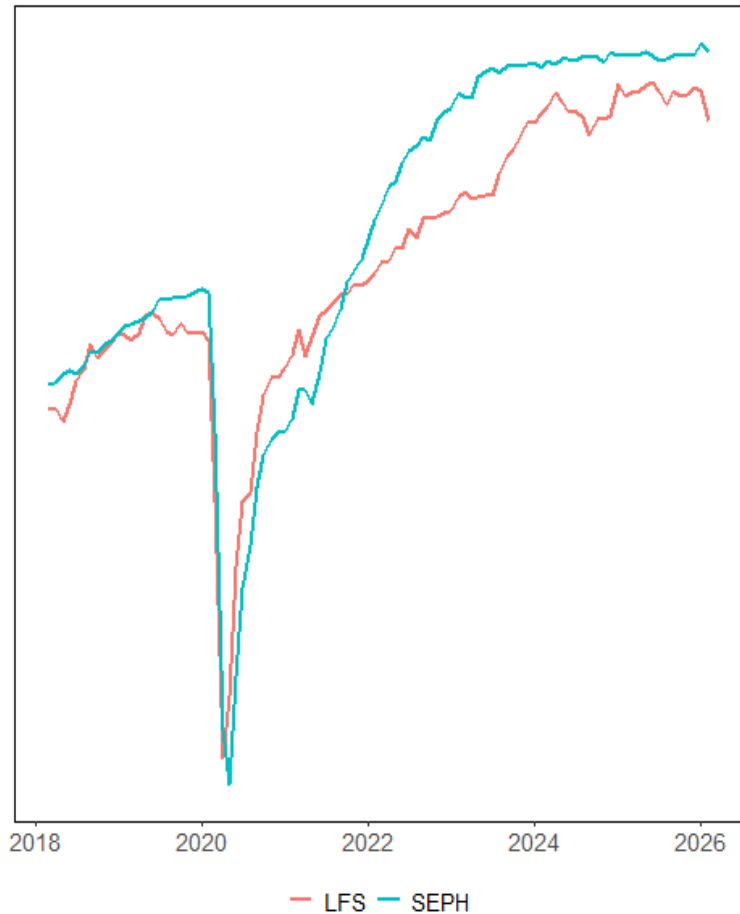
Near term underperformance on people, housing and deficits

Key forecasts - British Columbia						
Indicator	2023	2024	2025	2026	2027	2028
Expenditure GDP	2.8	1.1	1.8	0.7	1.7	1.8
Employment	2.6	2.4	1.1	0.1	0.6	1.0
Unemployment rate	5.2	5.6	6.2	6.6	6.4	6.3
Population Growth	2.9	2.8	0.5	-0.8	0.3	0.8
Unit sales, 000s	73	74.4	70.2	68.8	75.7	83.2
Average price, 000s	971	981.3	952.9	943.5	981.2	1,040.1
Unit sales, %ch	-9.3	2	-5.7	-2.0	10.0	10.0
Average price, %ch	-2.6	1.1	-2.9	-1.0	4.0	6.0
Housing Starts (000s)	50.5	45.8	44.2	37.5	36.4	38.3
CPI - All items, % ch	4	2.6	2.1	2.3	2.0	2.0

B.C. labour and economic trends soft to start 2026

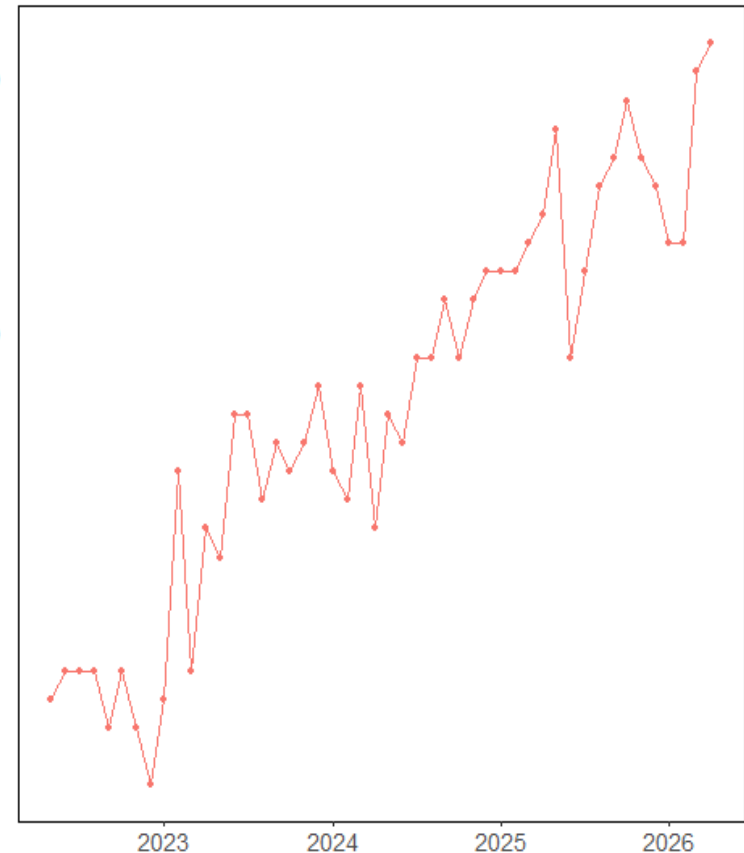
B.C. employment by survey, Jan/19 = 100

Last data point: 2018-02-01 to 2026-02-01



British Columbia unemployment rate (%)

Last data point: 2022-04-01 to 2026-04-01

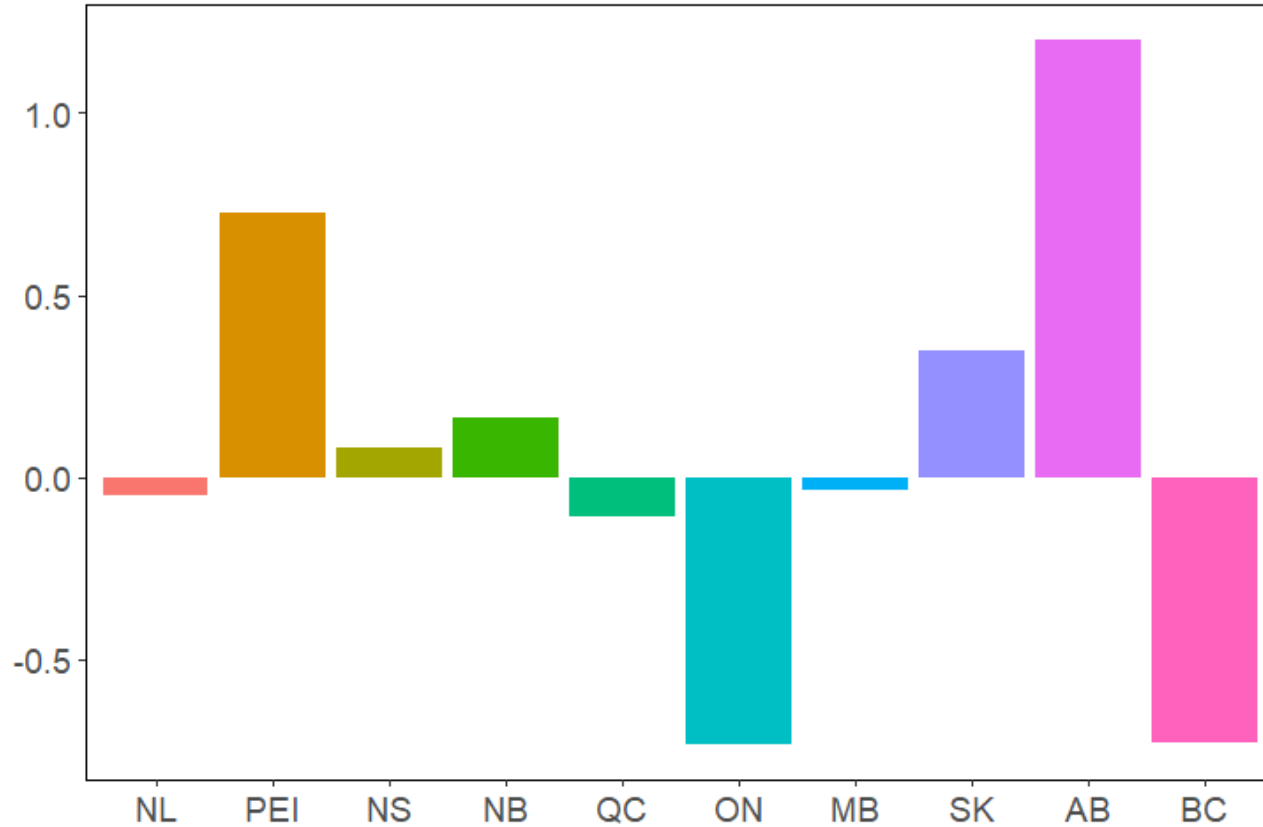


- B.C. labour market flashing early recession signals
 - Total employment: **-1.2% y/y**
 - Private-sector : **-1.5% y/y**
- Severe declines in forestry, manufacturing, wholesale trade and transportation/warehousing
- Previous years growth drivers, including private infrastructure, government spending, education to retreat

B.C. highly exposed to federal migration caps

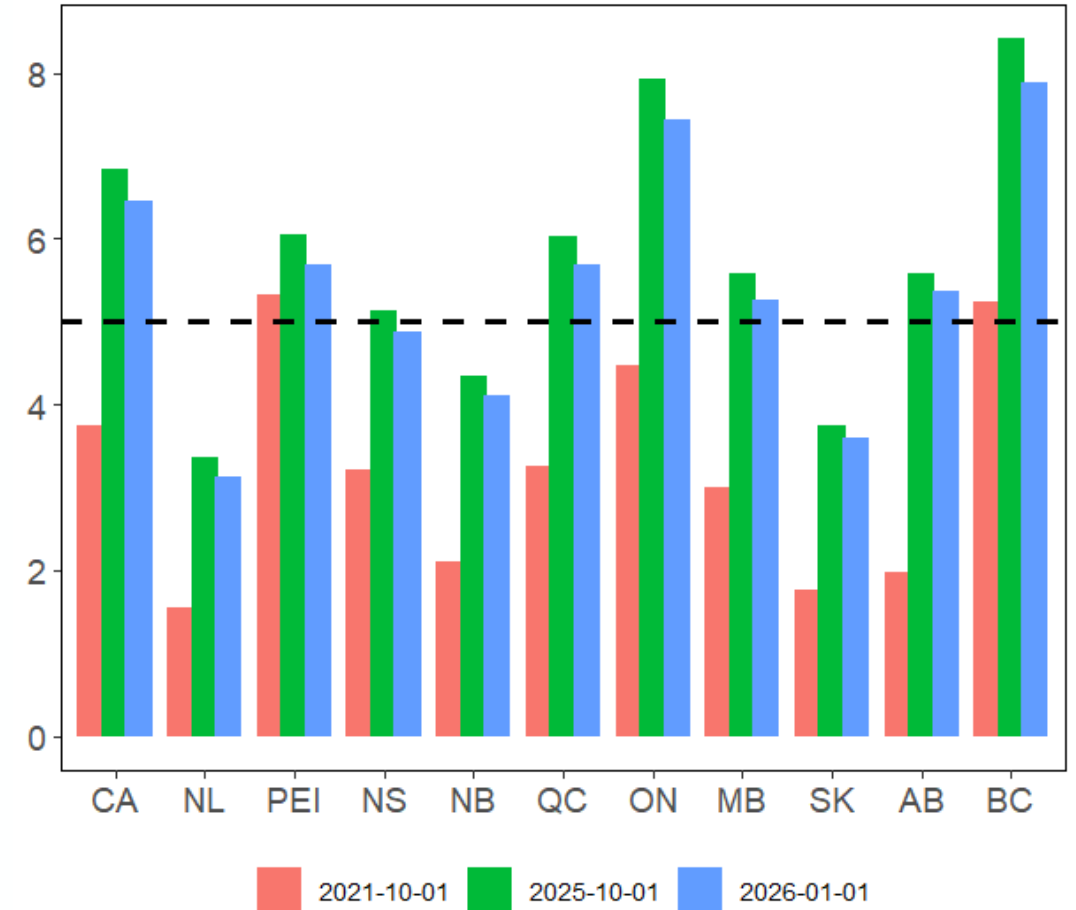
Y/y population growth by province, Jan 1

Last data point: 2026-01

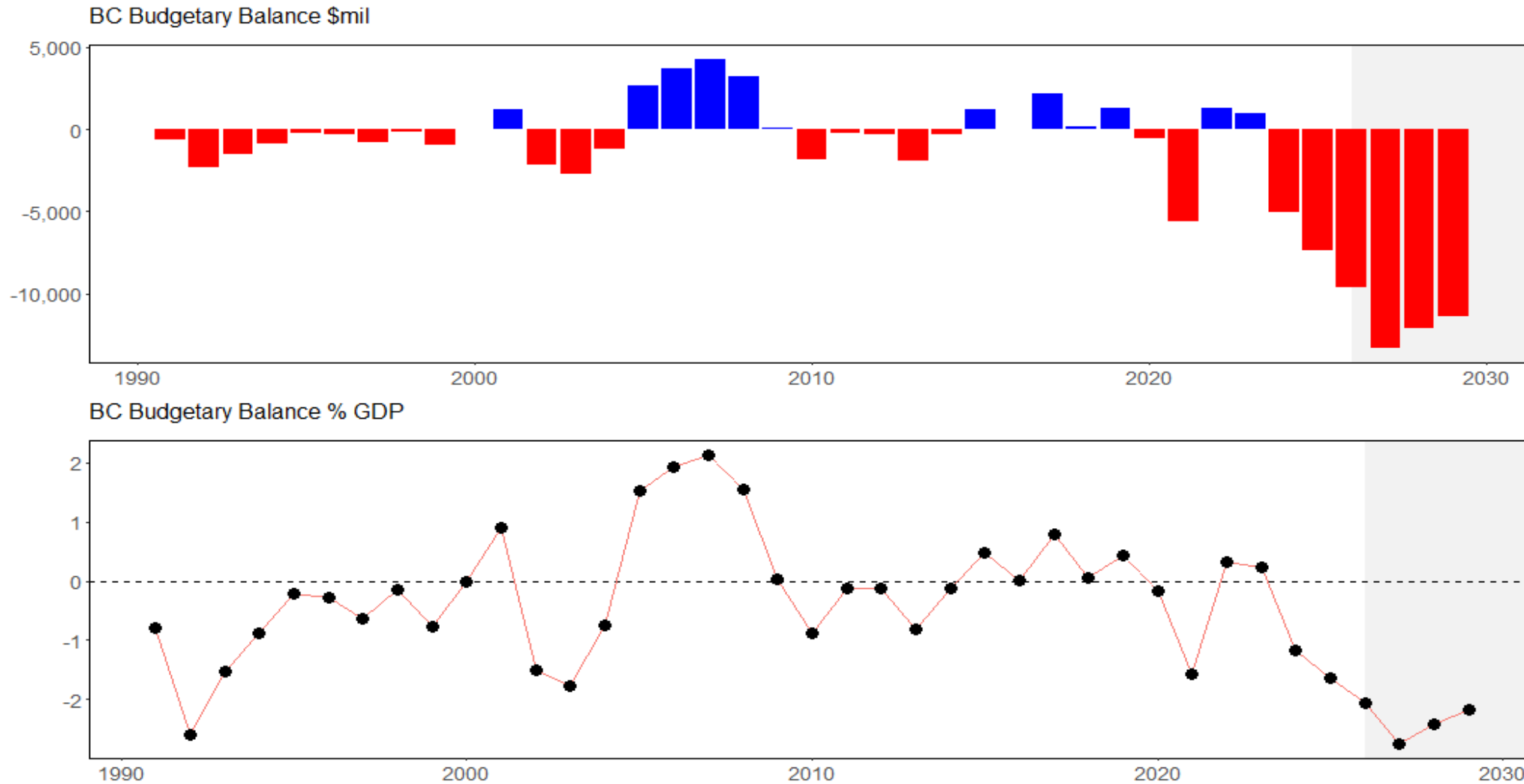


NPR share of population

Last data point: 2026-01

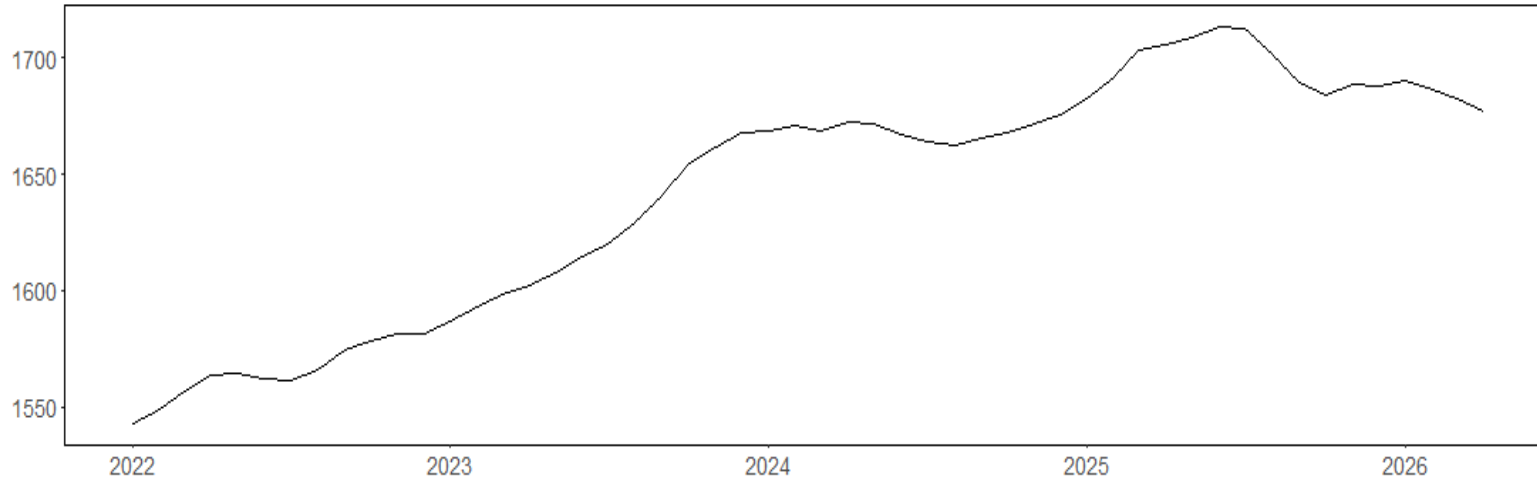


Red ink: B.C. deficits to extend through horizon



Metro Vancouver labour market lags in 2026

Vancouver CMA Employment (000s)



Vancouver CMA y/y

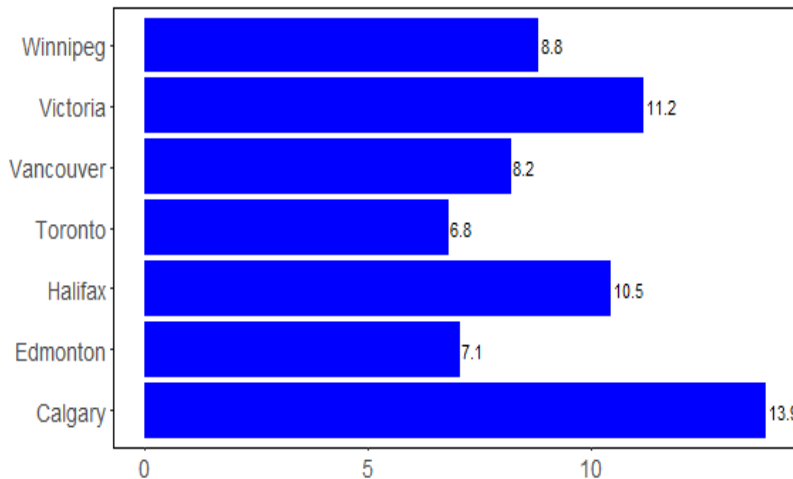
- Total employment **-1.7% y/y**
- Private-sector employment **-2.3% y/y**
- Public-sector employment **+7.1% y/y**

- Severe declines in wholesale/retail trade, transportation/warehousing, finance/insurance/real estate, education

- Bright spot in public administration

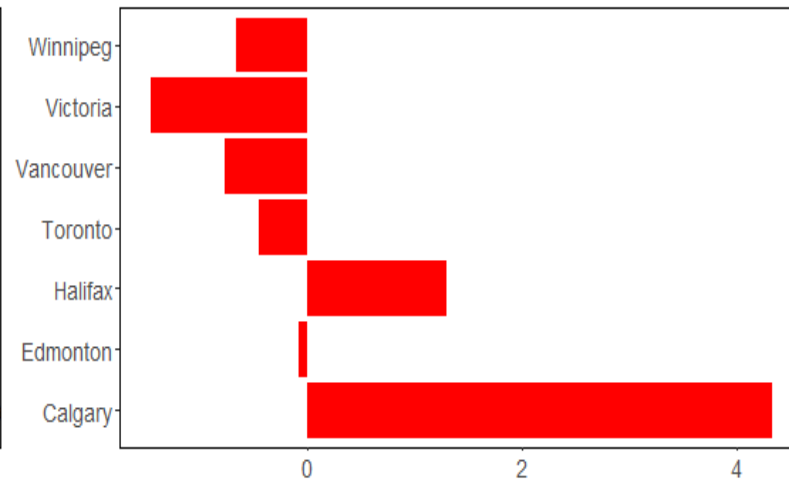
- Tourism a positive driver

Metro 3y Employment Change, %, 2022-25



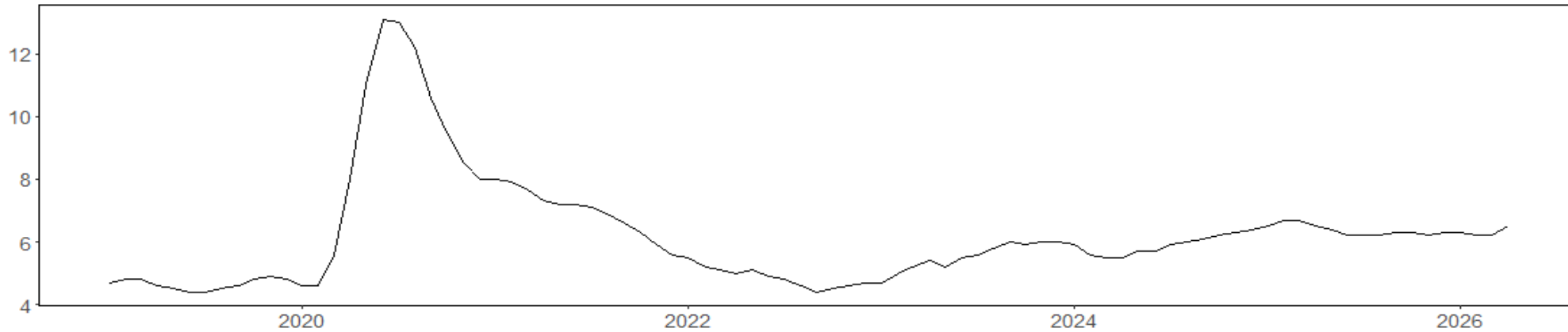
Metro y/y Employment Change, %

Latest: 2026-04-01

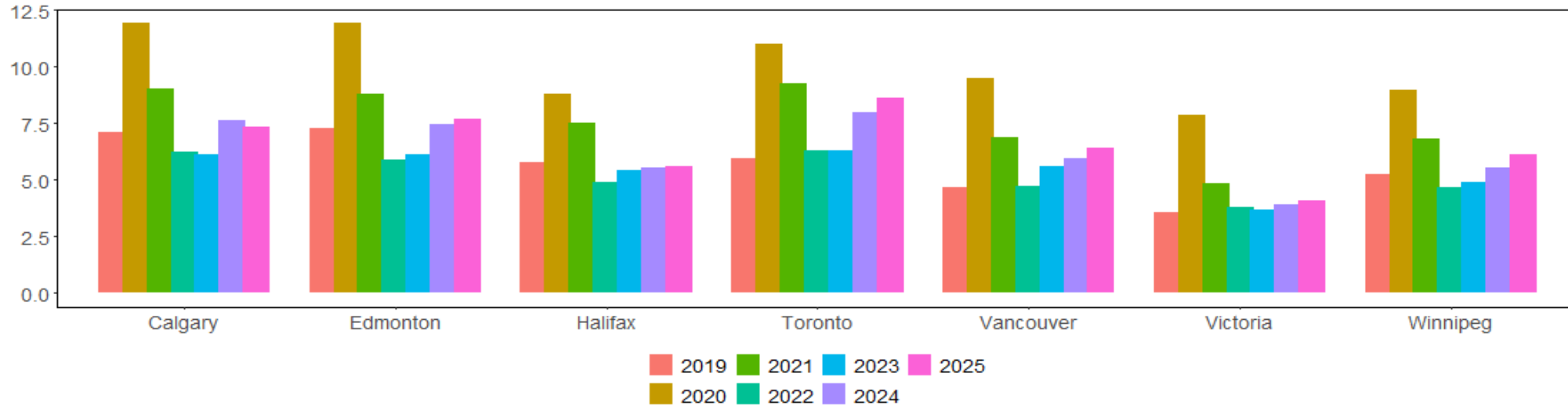


Unemployment on the rise but remains lower than peer metro areas

Vancouver CMA Unemployment rate %

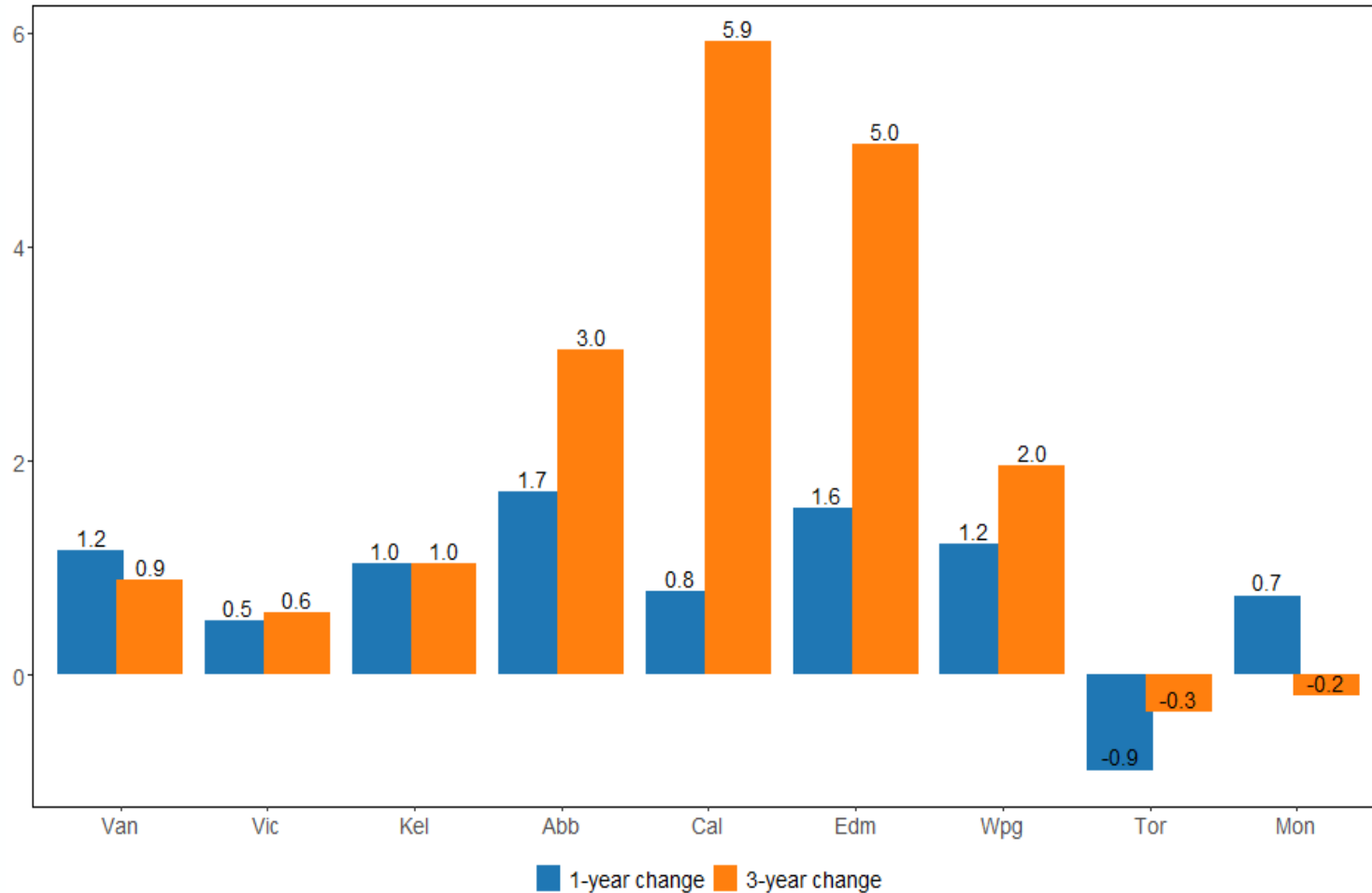


Metro 3y Unemployment rate, 2019-25



Metro Vancouver business creation has slowed, remains in solid position for future growth

Active businesses % growth
Last data point: 2026-01-01



Metro Vancouver is well-positioned due to skilled and knowledgeable workforce, technology-driven growth to attract tech companies, and defence tech

Infrastructure projects to support metro-level growth in professional/technical and knowledge services.

Diversification of global trade will support B.C. and Metro Vancouver agriculture, and industrial sector activity

Canadian economic transition will favour B.C., and knowledge sectors across Metro Vancouver



Red Chris Mine (Newmont/Imperial) expansion - \$2.6 billion, extend mine by 13 years

LNG Canada Line 2 to be fast-tracked in permitting – still needs FID, timing may be late 2020s

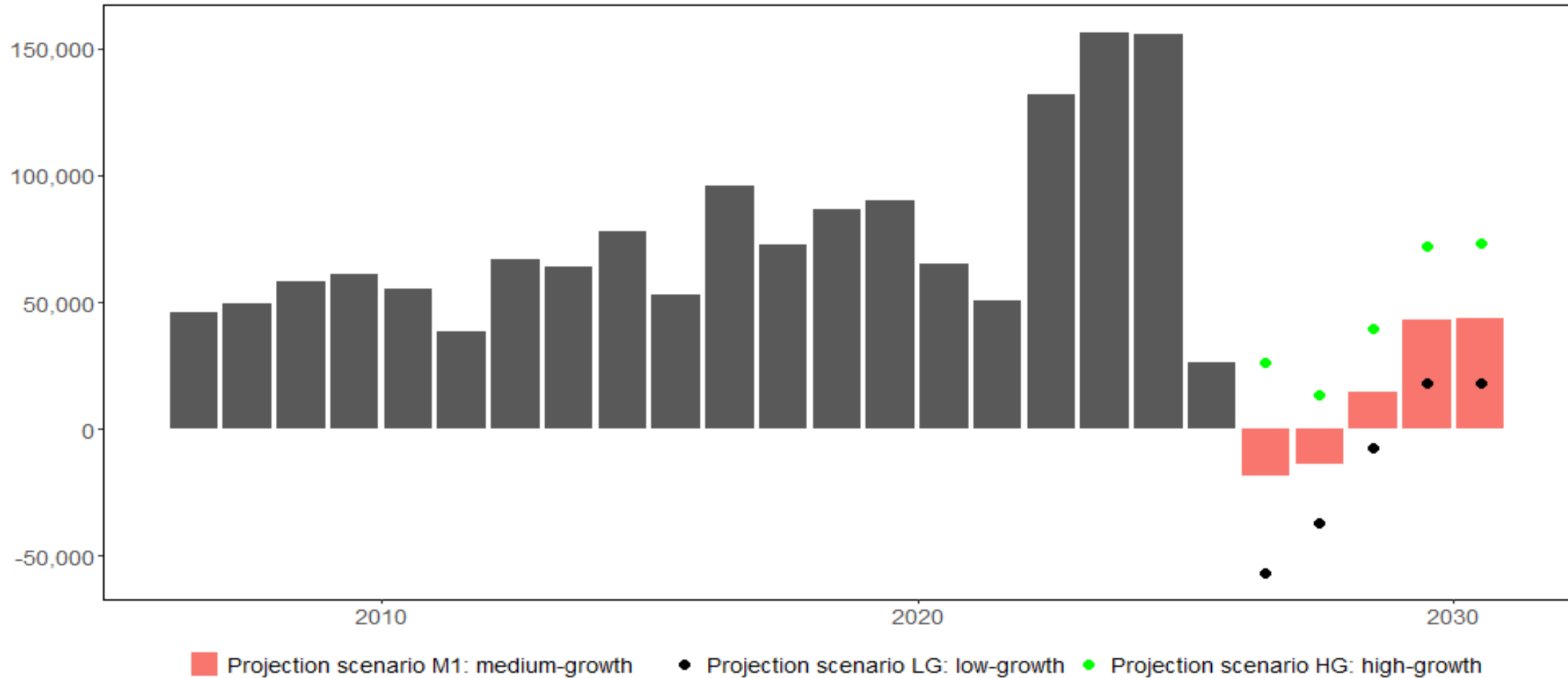
Cedar LNG (\$4B) – LNG processing, FID in 2024, pre-construction underway

Woodfibre LNG in construction

Current MPI UC: \$160B, Proposed: \$180B

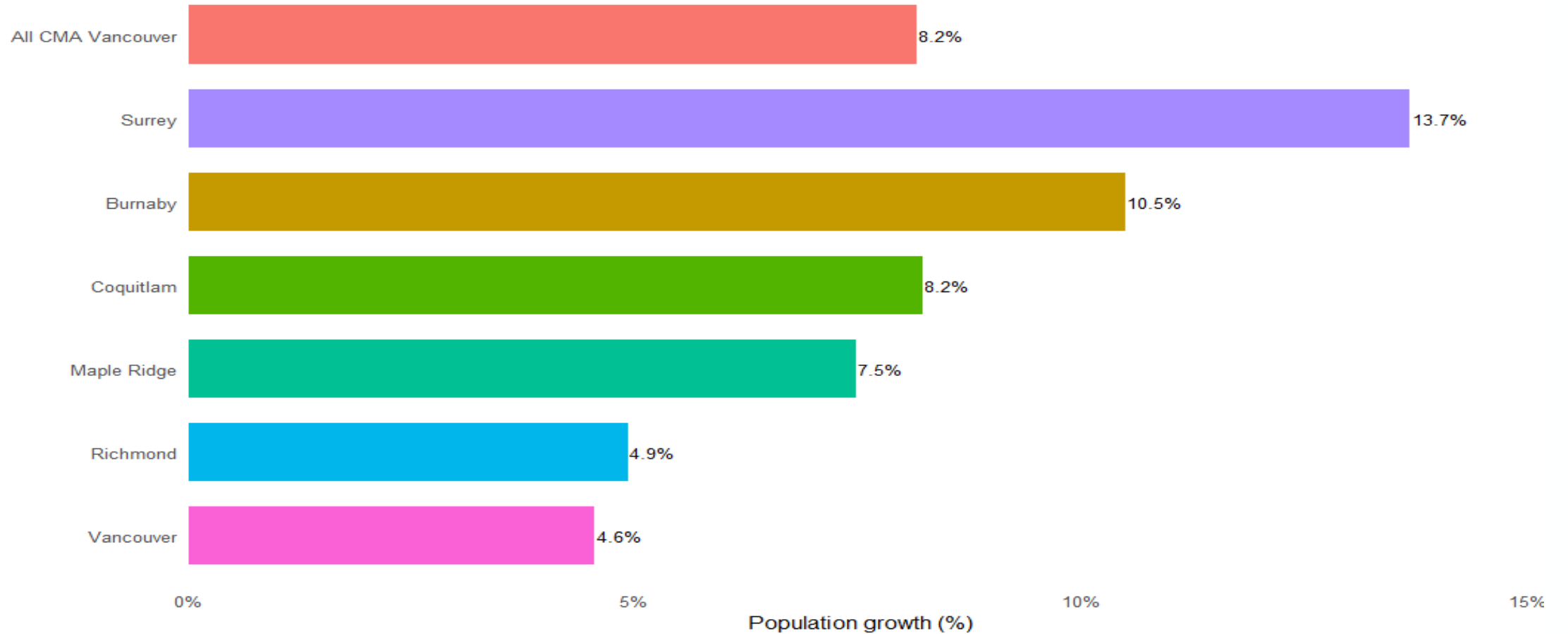
B.C. population growth climbs later in decade as immigration recovers

British Columbia Population Projection, change - Statistics Canada



Maple Ridge population growth keeps pace with broader Metro region

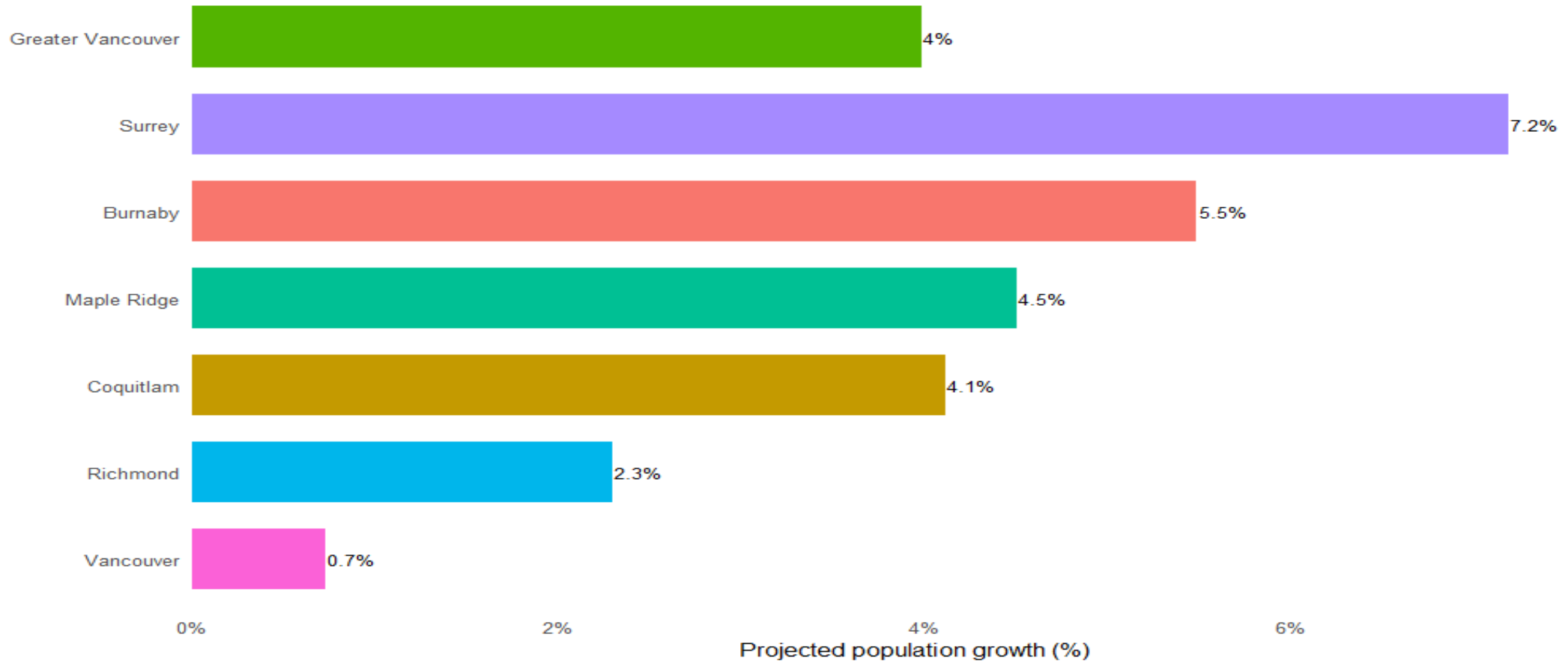
Population Growth by Area (2022–2025)
3-year cumulative change, percent



Source: Statistics Canada

And is expected to run relatively faster later in the decade

Projected Population Growth by Area (2027–2030)
3-year cumulative change, M1-style projection (reference scenario)

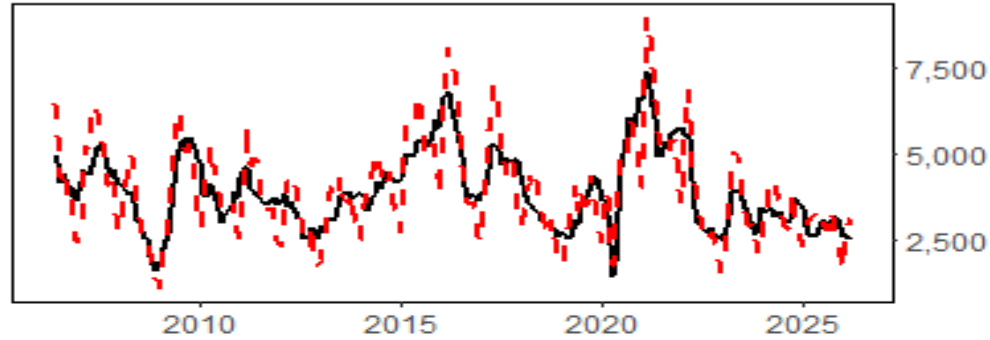


Source: Statistics Canada

No surprise: Lower Mainland housing in downcycle

Lower Mainland MLS sales

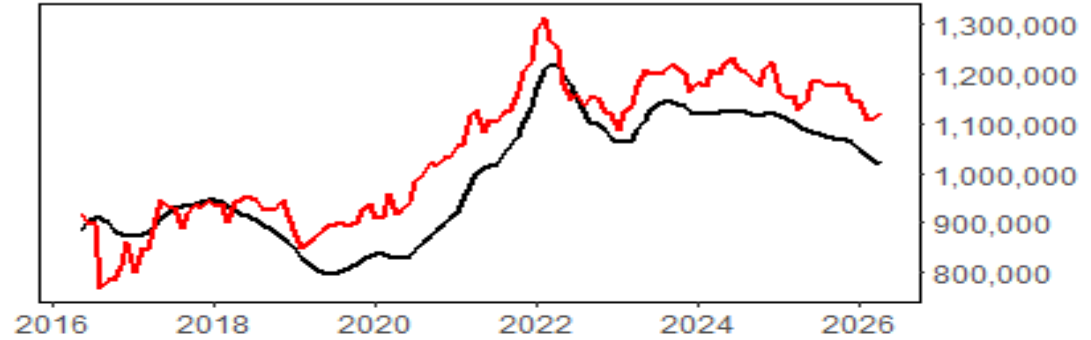
Last data point: 2026-04-01 to 2028-04-01



— Seasonally adjusted - - Actual

Lower Mainland MLS Price, Average vs Benchmark (\$)

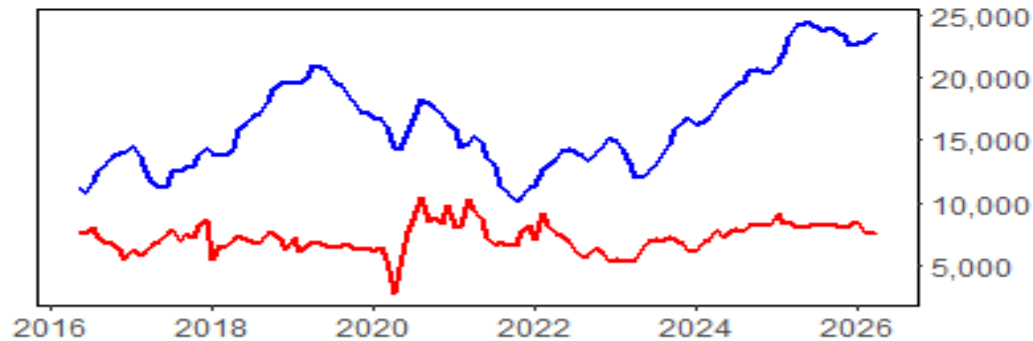
Last data point: 2016-04-01 to 2026-04-01



— Benchmark Price - - Average Price

Lower Mainland MLS Inventory (Units)

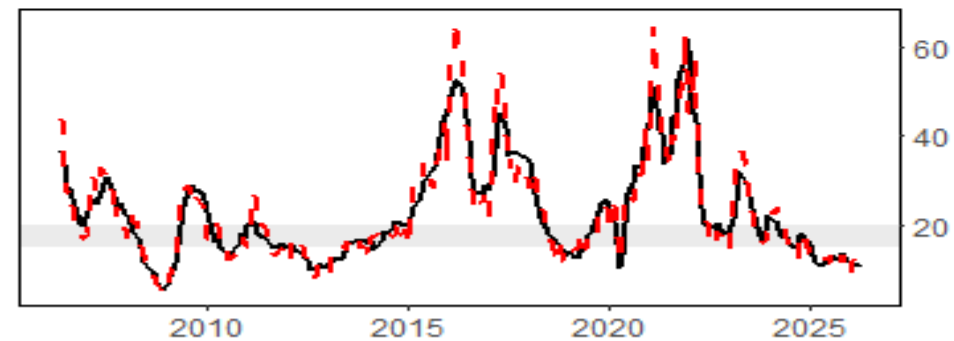
Last data point: 2016-04-01 to 2026-04-01



— Active Listings - - New Listings

Lower Mainland MLS sales-to-active listings ratio

Last data point: 2006-04-01 to 2026-04-01



— Seasonally adjusted - - Actual

Housing cycle softness to give way to undersupply

~ 5,000 units complete and unabsorbed in the Metro Vancouver region

Maple Ridge (~175 units)

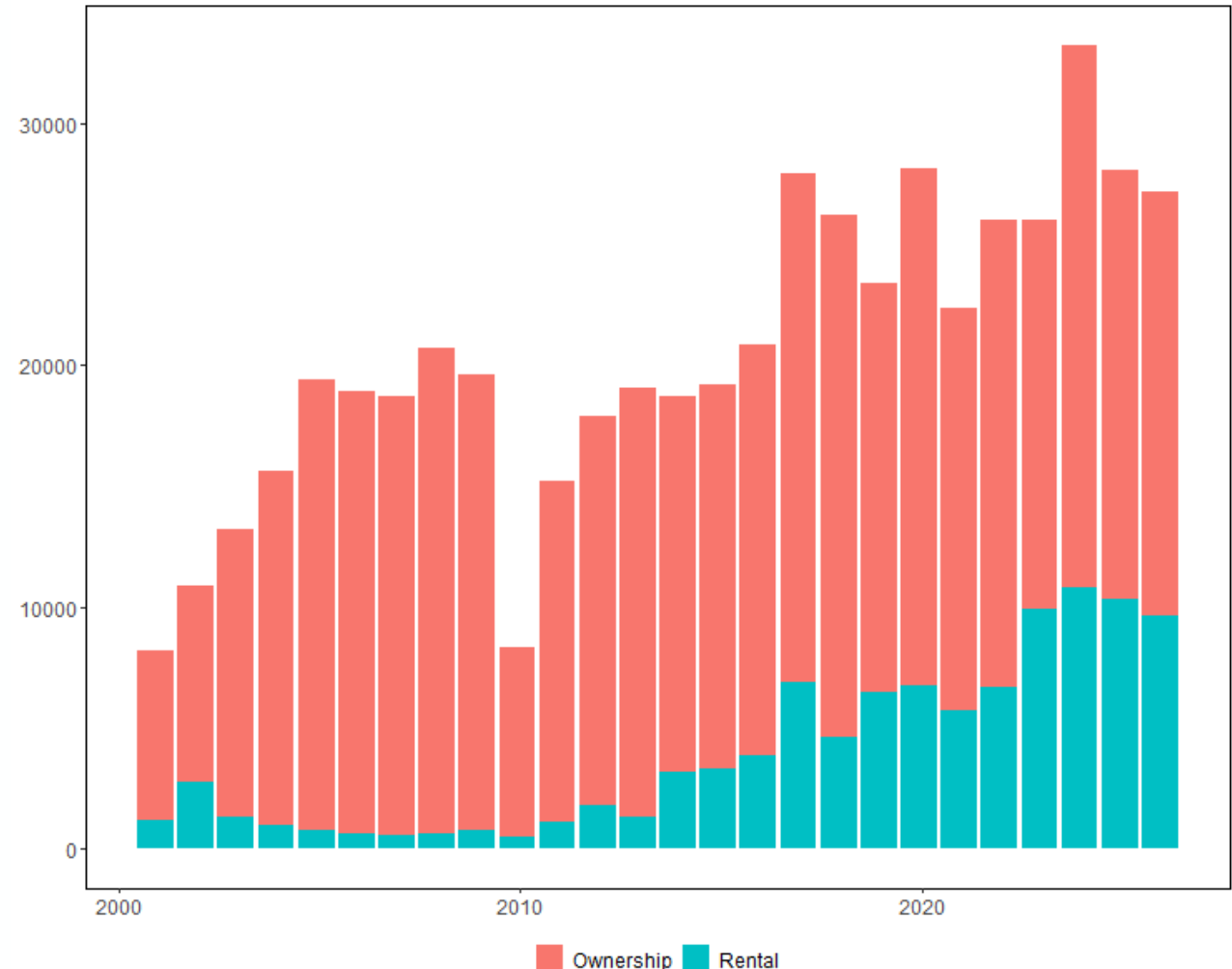
Metro Vancouver rental vacancy rates on the rise due to population dynamics and significant rental construction in recent years

Condo construction to slow on low pre-sales, points to future undersupply of condos

Demand will pick up with population growth and pent up demand

Metro Vancouver Housing Starts by intended market

Last data point: 2025

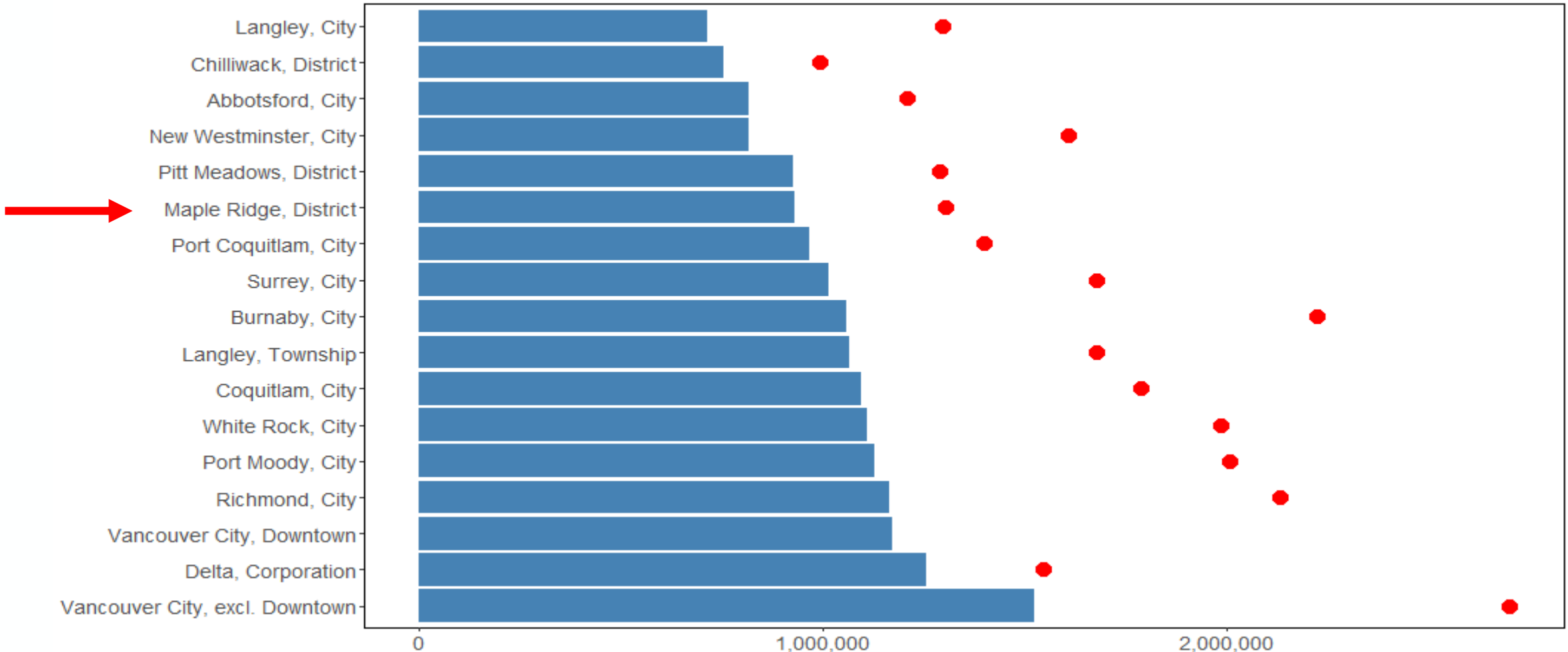


Maple Ridge housing starts more resilient



Maple Ridge well positioned due to favourable affordability

Residential Average Price (bars) vs Detached (points)



Source: Landcor, Central 1

Rental market tighter than other areas

CMHC vacancy rate by select market



Takeaways

- Economic uncertainty persists with war and oil price shock testing the environment. Inflation and interest rate risk is higher, but current forecast is no change in policy interest rate.
- Broad economy, business investment slows in 2026, on trade, war, and population dynamics. B.C. economy navigates deeper population declines and more challenging housing market environment.
- Slowdown is temporary with positive drivers from recovery in population growth and major projects later in decade.
- Housing market to see stronger volume on pent-up demand cycle and building construction cycle slows due to weak presales. Developers should prepare for next leg up.
- Maple Ridge has proven resilient with steady housing starts and low vacancy rates. Affordability and land availability support future activity.

Thanks!