

NEWS RELEASE

B.C. economy remains vulnerable due to heavy reliance on housing industry

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For Immediate Release

VANCOUVER—Any downturn in British Columbia’s housing sector will have serious consequences for the provincial economy, finds a new essay released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“To a large degree, the B.C. economy has relied on housing construction and industries related to the housing sector, so a housing slump would send shockwaves across the provincial economy,” said Steven Globerman, professor emeritus at Western Washington University, senior fellow at the Fraser Institute and author of *An Evaluation of the Recent Performance of British Columbia’s Economy*.

Indeed, residential housing construction and related industries—including real estate brokerage, mortgage services, architectural services, furniture and appliance producers—have helped drive B.C.’s above-average rate of economic growth relative to other provinces.

And yet, from 2010 to 2019, average hourly wages (for fulltime and part-time employees) in B.C. actually increased at a slower rate (on average) than in other provinces. Moreover, investment in machinery, equipment and intellectual property—elements of the economy that drive productivity, job creation and wage growth—has lagged behind the rest of Canada.

As a result, B.C.’s non-housing-related industries face a competitive disadvantage compared to other parts of the country.

“Because B.C.’s economy is vulnerable to a reversal in the housing sector, policymakers in the province should work to establish an environment where all industries can attract investment and create opportunities for British Columbians,” Globerman said.

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