WINTER 2026

ICBA

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B.C. Construction Monitor

The B.C. CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the curve information and statistics on the B.C. construction industry and issues relevant to it.

icba.ca /economics   info@icba.ca

Construction share of total all industry GDP

9.1%

Value of all projects in the B.C. major projects inventory

$385B

Value of major B.C. projects under construction

$176B

B.C. monthly urban housing starts

3,274 -21% y/y

B.C. monthly MLS home sales

-13.3% y/y

Total value of building permits issued

$2.26B +17.6% y/y (seasonally adjusted)

Employment in the construction industry

262,200 +2.5% y/y

Average weekly wages, construction

$1,583

Number of construction companies with employees in B.C.

27,917

Active B.C. businesses with paid employees

156,717

For details on data sources, visit **icba.ca/economics**

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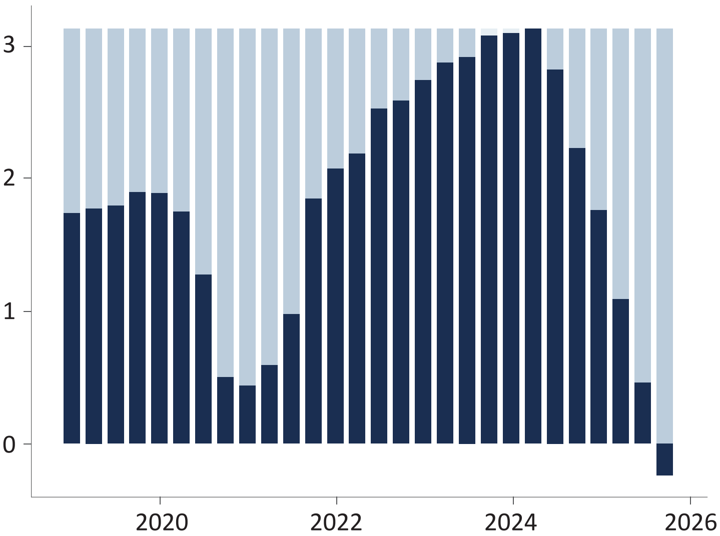
Choppy Waters: British Columbia's 2026 Economic Outlook

After a lacklustre 2024-2025, B.C. is looking at another year of below-trend economic growth. Like the rest of the country, the province is being buffeted by the Trump Administration's tariff barrage, a dramatic slowdown in population growth, a generally sluggish job market, and the negative effects of Canada's declining global competitive position over the last decade or so.

Closer to home, B.C. is grappling with an ongoing crisis in the forest products industry, a shrinking manufacturing base, an extended downturn in the real estate and housing sector, and the challenges posed by a host of provincial government policies that have dampened business confidence, increased operating costs, and caused many companies to scale back capital spending and hiring. Another factor shaping the near-term economic outlook is the unprecedented deterioration of the province's fiscal capacity and reputation amid a string of record B.C. government budget deficits that are projected to persist until at least the end of the decade.

1 B.C. Population Growth, year over year, percent change. Source: Statistics Canada



It is true – as Eby government ministers never tire of saying – that British Columbia is somewhat less exposed than other provinces to U. S. tariffs thanks to a more geographically diversified export mix. But even so, the U.S. buys over half of B.C.'s merchandise exports and a similar share of service exports. Two important B.C. industries – lumber and aluminum – have been hit hard by President Trump's "sectoral" tariffs. Many other industries are contending with uncertainty due to the absence of clarity on the future of the broader Canada-U.S. trade relationship. Apart from the damage done by U.S. tariffs, B.C.'s economy is battling headwinds linked to collapsing population growth, the outmigration of a rising number of working-age residents, a near-catatonic real estate market, and provincial and municipal government taxation, permitting, energy, labour, and procurement policies that are hampering investment, business growth and private sector job creation.

On a more positive note, B.C. consumers – like their counterparts elsewhere in Canada – have continued to spend at a surprisingly brisk pace, despite high household debts and the sudden stop to population growth. Inflation-adjusted retail sales over the first nine months of 2025 rose by more than 5% - a solid performance. ICBA Economics expects consumer spending to cool in 2026 given a weak labour market, accelerating out-migration, lingering affordability concerns, and uncertainty on the Canada-U.S. trade front. That said, households' willingness and ability to spend will be key to whether B.C. posts meaningful economic growth in the next two years.

Looking further ahead, British Columbia should get a much-needed economic lift from the unusually large number of projects reported in the province's Major Project Inventory (MPI), which includes projects under construction as well as many that are planned or proposed. Collectively, the MPI exceeds $350 billion in potential capital spending. Outside of residential homebuilding, tens of billions of dollars of energy, mining and infrastructure projects are listed in the MPI, some of which ICBA believes will advance in the next 2-3 years. Encouragingly, the Carney government's own initial list of priority national projects includes LNG facilities in B.C. as well as new mines.

The picture is less rosy when it comes to real estate and homebuilding. Over the last 12-18 months, developers have been downing tools and furiously shelving multi-family projects in the Lower Mainland and some other parts of the province. While the unfolding homebuilding slump had only a modest impact on housing starts in 2025, we anticipate a sizable decline in residential investment in the next two years. This will act as an unwelcome drag on aggregate economic growth and private sector job creation.

2 ICBA Economics British Columbia Forecast (annual % change unless noted otherwise)

Indicator	2024	2025	2026	2027
Real GDP	1.1%	1.0%	1.1%	1.6%
Employment	2.3%	1.2%	0.5%	0.7%
Unemployment rate (annual avg)	5.6%	6.5%	6.6%	6.3%
Retail sales	0.6%	5.5%	2.6%	2.6%
Housing starts (000 units)	45.8	42.2	34.5	34.0
Inflation (total CPI)	2.6%	2.1%	2.1%	2.0%

Overall, the outlook can be described as underwhelming. This year, we forecast real GDP growth that roughly matches 2025's tepid pace, followed by a modest improvement in 2027 as more natural resource and infrastructure projects move forward and some degree of stability returns to B.C.'s real estate and housing markets. Importantly, the economic forecast assumes no change in Canada-U.S. trade relations, including the continuation of the Trump Administration's mix of "sectoral" tariffs coupled with zero tariffs on most Canadian exports that are deemed to be compliant with the Canada-U.S.-Mexico trade agreement.

Three Takeaways for Your Construction Company

- B.C.'s economy is forecast to grow only 1.1%, with weaker job growth and higher unemployment, which usually means tighter bidding, more price pressure, and slower private-sector decisions.
- Housing starts are forecast to fall hard, from 42,200 to 34,500, so companies working on multi-family and Lower Mainland development should plan for fewer starts, more delays, and sharper competition.
- A $350B+ Major Project Inventory plus priority LNG/mine projects suggests opportunities in energy, mining, and infrastructure over the next 3 years, even if 2026 is "choppy" amid tariffs and uncertainty.