

## B.C. Regional Economic Outlooks

### Highlights

- Varied economic performance in B.C.'s main regions during 2012 and 2013
- Regional growth to become more evenly dispersed and the Lower Mainland economy to contribute less to provincial growth
- Growth in northern B.C. to gain momentum
- Below-trend growth expected for Vancouver Island

### Summary

Since the recession of 2008-09, the lower Mainland economy has accounted for most, and at times all, of the growth in B.C., but that is about to change. Growth prospects in northern B.C. will improve and those regional economies will contribute more to provincial growth. The Lower Mainland economy will remain the dominant region and largely underpin B.C. growth. However, when economic growth outside the Lower Mainland gains momentum and rises above trend, the province grows at a faster pace. .

Growth prospects will not be robust in 2012 but will be on an improving track into 2013 and beyond. This report does not look beyond 2013 but directly contributing to the previously published higher five-year B.C. growth forecast is an economic recovery in regions outside the Lower Mainland. Global events and factors have a large influence on economic activity in those regions and those prospects look favourable for more output and investment.

The Lower Mainland region will benefit indirectly from the expected commodity-led recovery in northern B.C., while generating moderate trend growth from its large and growing population base. Housing activity is seen trading water in 2012 and gaining ground in 2013. Private investment spending picks

up in 2013, while public capital spending winds down.

The three northern economic regions in B.C. will see above-trend growth with the North Coast and Nechako region undergoing a turnaround from its long-term decline. Signs of the turnaround are already evident and with good prospects for new investment activity, an upward growth trend is foreseen. Counter to the other northern regions, the Northeast has been on a long-term uptrend thanks to its energy and coal resources.

Growth in the Thompson-Okanagan is predicted to improve but remain below trend in 2012 and 2013. Housing activity looks to remain near current levels in 2012 before staging a mild gain in 2013 when population growth increases on rising in-migration.

The Kootenay region will also undergo modest growth in 2012. Employment is seen rising less than 1% annually on a trend basis with the unemployment rate staying around 8%.

A modest rebound in Vancouver Island employment is predicted for 2012 but the two-year growth profile will remain weak and well below trend. The region's resource-based economy is not well-positioned to take advantage of rising exports to the U.S. and Asia. In addition, the high concentration in public administration employment at a time of fiscal austerity will restrain its growth. However, rising in-migration to the region by retirees is foreseen in 2013 giving some impetus to housing.

The economic region geographies are set by Statistics Canada. These analyses rely on various economic and business statistics, which are more limited in scope than at the provincial level, and on local news information reports. The technical analysis uses regional economic analysis techniques such as the location quotient to help identify export-oriented industries and industry concentrations along with shift-share analysis to help identify growing and declining industries in a region.

While economic regions are relatively homogeneous, considerable variation in the economic base can exist within a region. A notable example is Vancouver Island with Victoria as the highly urbanized provincial capital compared to the more resource-based economies elsewhere on the island. The analysis and forecast presented should be taken in this context, knowing that individual local circumstance may differ.

### **The B.C. and External Economic Backdrop**

The provincial economy will remain on a moderate but improving growth path in 2012 and 2013, aided by a strengthening U.S. economy. B.C.'s limited trade exposure to the European recession will be more than offset by higher trade volume to the U.S. and China. China's economy will slow to about an 8% pace and avoid a hard landing since policymakers have considerable room to respond to the slowdown currently underway and to other negative developments. However, a macro shock event such as a European banking or sovereign debt crisis or a geo-political event in the Middle East that causes an oil price spike is beyond the control of policymakers and is an ever-present risk.

Commodity prices will turn in a mixed performance under the global outlook and the demand-supply conditions in a particular market. Lumber prices are seen heading higher on firming U.S. housing starts, while natural gas prices will face pressure on plentiful supply despite higher U.S. demand. Copper and metallurgical coal prices are expected to remain favourable for further output expansion to take place.

Canada's growth prospects will also be moderate during the next two years and result in a low interest rate environment into 2013 before upward pressure causes gradual monetary tightening by the central bank. The USD/CAD exchange rate will remain near parity. B.C. will benefit from robust growth in Alberta and Saskatchewan through trade channels such as natural gas and transportation services along with renewed interest in real estate. However, the net migration outflow to those provinces continues.

Housing is not expected to surge or tank in the next two years, rather a mid-cycle, moderate activity phase looks to be the likely outcome. Low mortgage rates combined with moderate job, income, and population growth will keep housing fairly active. The 2013 outlook points to higher sales, new construction and higher prices.

### **Vancouver Island and Coast Economic Region**

David Hobden

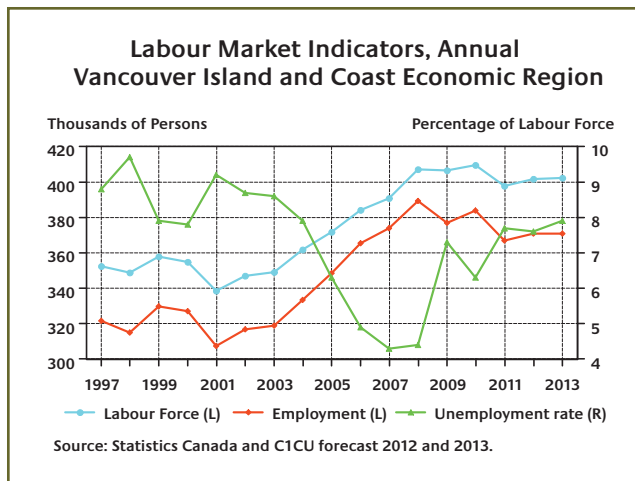
This region is forecast to see a fairly stable labour market through 2013, with modest job growth in primary resources and level manufacturing employment. Little growth in tourist activity is forecast. Fiscal drag is expected to dampen economic output and public sector non-residential building declines. Private sector non-residential building increases. Subdued net in-migration leads to overall population growth of 0.8% per year. The resale housing market is predicted to remain fairly stable.

Victoria is the seat of the provincial government, while tourism and retirement are also notable drivers of regional income. The region's industry concentrations are in public administration, accommodation-food and health-social services. The region's education, manufacturing and primary resource industries have shrunk over time relative to the rest of B.C. and Canada, while retail-wholesale trade has grown.

Metro Victoria and the southern island have a less cyclical, service-based, urban economy than the rest of the island, which is a more cyclical, resource-based, rural economy. The eastern mid-island is also more urbanized than the outlying areas. Urban areas generally have a stronger growth trend than elsewhere.

The provincial government's plan to balance its budget is a significant determinant of provincial government employment, wages and salaries. The budget deficit is projected at \$2.5 billion in fiscal 2011/12 and projected to balance by 2013/14 at the earliest. Provincial government employment is thus predicted to decline by perhaps 1% this year and next, while total wages and salaries inch down in real terms. This fiscal drag is expected to dampen economic output, mainly on southern Vancouver Island.

Tourism, whether for personal or business purposes, mainly impacts the transportation, accommodation-food and recreation industries. Hard hit by the last recession, tourist activity began to recover in 2011. The number of ferry passengers is on a long-term downward trend but is predicted to remain at 2011 levels through 2013. Passenger traffic at regional airports was unchanged in 2011 and is predicted to see below average growth. Room revenues are estimated to have grown 5% in 2011, ending a three-year



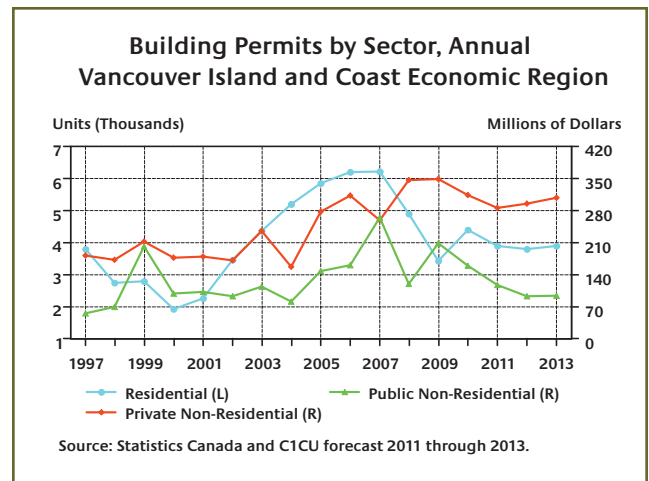
down trend, and are predicted to see below average growth.

The factors dampening tourism sector growth include high and rising household debt. This induces balance sheet repair, which, in the absence of strong employment and income growth, takes years of subdued discretionary spending. A USD/CAD exchange rate around par slows international visits, as does the unfolding slowdown in world economic growth. Employment in accommodation and food services on Vancouver Island, an indicator of tourist activity, is forecast to dip 2% in 2012, following a large surge in 2011, before rising 2% in 2013. However, employment in these industries has been trending down since 2005.

Retirement income accounts for a greater proportion of personal income on Vancouver Island than in any other region of B.C. Indeed, almost all of the Island's population growth so far this century has been among persons aged 56 and over. This age group will continue to grow, rising 2.7% per year through 2013. Employment in health care and social services on the island is forecast to rise 2% this year and 3% in 2013. Total CPP and OAS income on the island is forecast to rise by 5% to 6% annually.

Aggregate retirement income growth is restrained by investment income. Bond and deposit yields are at historic lows and dividends are only now beginning to increase. Total investment income in B.C., excluding capital gains, peaked in 2008 and dropped 10% over the next two years. Investment income is forecast to grow just 1% this year and 2% in 2013, following a 4% rise last year.

Sawn lumber production in the Coastal Forest region is forecast to increase 5% per year through 2013 fol-



lowing a 13% rise last year. This in turn drives modest growth in employment in primary resource industries on the island of 1% in 2012 and 3% in 2013, following a 29% rebound last year. Employment in manufacturing on the island is forecast to remain level through 2013. Job growth related to recent federal ship building contracts is not expected to materially impact Victoria shipyards until after 2013.

The average level of employment in the Vancouver Island and Coast region in 2011 declined 5% from 2010, the largest year-over-year drop since 2001. Job declines were led by health-social services, retail-wholesale trade, educational services, finance-real estate services and construction. Lower employment in these industries was partly offset by job gains in accommodation-food services, information-recreation services and forestry-fishing-mining industries.

Given the outlook for employment, especially in manufacturing, accommodation-food services, and health care-social services, total employment growth in the region is forecast at 1% in 2012 and less than 1% in 2013. The labour force is forecast to grow roughly on par with employment growth. The region's unemployment rate thus averages 7.6% in 2012 and 7.5% in 2013, similar to the 7.7% rate in 2011.

The outlook is for subdued net in-migration to B.C. through 2013. Net in-migration to the Vancouver Island and Coast region is forecast at 5,344 persons in 2012 rising to 6,176 persons in 2013 on a larger retiree in-flow from Alberta and the B.C. lower mainland. There were an estimated 5,365 net in-migrants in 2011. Overall population growth is forecast to rise to 0.8% per year through 2013, up from an estimated 0.6% last year.

Vancouver Island and Coast Economic Region					
	2009	2010	2011	2012	2013
Labour Force, thousands	406.4	409.7	397.7	401.6	404.5
% change	-0.2	0.8	-2.9	1.0	0.7
Employment, thousands	377.0	383.8	367.1	370.9	374.0
% change	-3.2	1.8	-4.4	1.0	0.8
Unemployment Rate, %	7.3	6.3	7.7	7.6	7.5
Resale Housing Sales, units	13,152	12,439	11,650	12,000	12,500
% change	-5.2	-5.4	-6.3	3.0	4.2
Resale Housing Median Price, \$	335,000	347,000	341,000	339,500	346,300
% change	-1.5	3.6	-1.7	-0.4	2.0
Residential Building Permits, units	3,429	4,398	3,905	3,800	3,900
% change	-30.0	28.3	-11.2	-2.7	2.6
Private Non-Res Building Permits, \$ millions	349.4	314.6	286.2	295.3	308.7
% change	0.9	-9.9	-9.0	3.2	4.6
Public Non-Res Building Permits, \$ millions	209.1	159.4	117.3	92.6	93.9
% change	75.2	-23.7	-26.5	-21.1	1.4
Population, thousands	773.7	781.5	786.3	792.2	798.9
% change	1.2	1.0	0.6	0.8	0.8

Source: Statistics Canada, Landcor Data Corp., Central 1 Credit Union forecasts.

Given our outlook for population growth and the labour market, Vancouver Island's resale housing market is predicted to remain fairly stable through 2013. Unit sales are forecast to edge up 3% this year and 4% in 2013, following a 6% drop in 2011. The median sale price edges lower this year and rises 2% next year following a 2% dip last year. The new housing market is predicted to follow similar trends with residential building permits (dwelling units) forecast to fall 3% in 2012 before rising 3% in 2013, following an 11% decline in 2011.

The total estimated capital cost of major projects under construction in the region averaged \$8 billion in 2011, down 11% year-over-year. Central 1 predicts this value will decline in 2012 before slowly rising through 2013. Almost all of these projects are construction of buildings, especially residential buildings, most mixed with commercial components such as retail, office, hotel or resort. The remaining major projects under construction include airport, seaport, educational, health care and power generation structures.

The total estimated capital cost of proposed but not yet started projects in the region averaged \$17 billion in 2011, down 2% year-over-year, the third straight annual decline. Central 1 predicts this value will slowly rise from 2012 through 2013. Almost half of

these proposed projects are electric power generators or transmission lines, while most of the rest are residential buildings, most mixed with retail, office, hotel or resort components. The remaining proposed projects are mostly transportation and municipal service infrastructure.

With government budgets in deficit reduction mode, public sector non-residential building permits issued in the Vancouver Island and Coast region are forecast to decline 21% in 2012 before rising a slight 2% in 2013 following a 1% dip in 2011. Most transportation and municipal service projects are engineering construction are not usually covered in building permit values.

The estimated capital cost of proposed major private sector non-residential buildings in the Vancouver Island and Coast region has trended up over the past two years. This leads to forecast growth in private sector nonresidential building permits of 3% in 2012 and 5% in 2013, following a 9% decline in 2011. Most of this construction will be for retail, office or other commercial use, mostly in mixed-use residential projects.

## Lower Mainland-Southwest Economic Region

Bryan Yu

The Lower Mainland-Southwest region (Lower Mainland) of B.C. includes the regional districts of Greater Vancouver, Fraser Valley, the Sunshine Coast and Squamish-Lillooet and is home to more than 2.75 million people. The region is well diversified but largely concentrated in the service-sector industries, with a greater specialization in professional-scientific services, finance-insurance-real estate, transportation- warehousing, business services, and information-culture-recreation.

While the Lower Mainland region is highly integrated, service-oriented employment is more concentrated in the Vancouver Census Metropolitan Area (CMA). Meanwhile, the Fraser Valley, which is anchored by the Abbotsford CMA is has a greater concentration of goods-related activity such as agriculture and manufacturing, the latter reflecting more abundant and less expensive land prices.

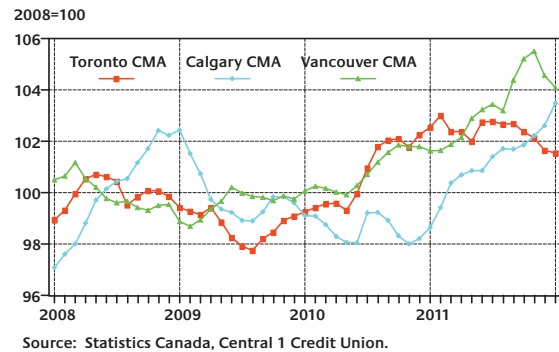
Economic activity in the Lower Mainland region is expected to hold steady through 2013 on moderate employment gains and modest growth in housing activity.

Employment growth trends in the Lower Mainland have been stronger than other regions in the province, and favourable relative to other major markets in Canada. The shallow losses in employment observed during the recession were fully recouped by mid-2010. Led by the Vancouver CMA, regional employment was nearly 4% higher than observed in 2008. This is was a stronger relative same-period gain than observed in Toronto, Calgary, and Montreal.

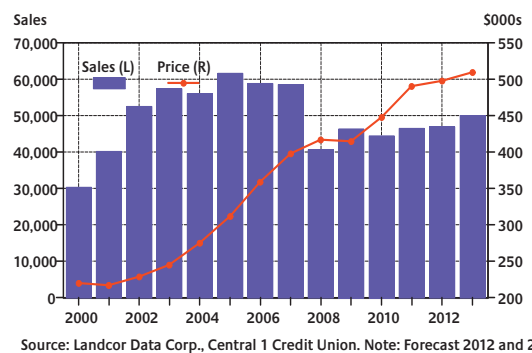
Population gains, favourable demographics, fiscal stimulus, and the diversified economy largely drove domestic demand, as employment in the professional-services, healthcare-social services, public-administration, and education climbed. In contrast, the slump in manufacturing employment persisted, a result of weaker external demand and the elevated Canadian dollar.

The 2.2% gain in employment in 2011 will decelerate to an average of 1.8% in 2012 before rising to 2.1% in 2013. This will match closely with gains in the labour force reflecting modest population gains and an increase in the proportion of discouraged workers

Relative Employment Performance, Selected Metropolitan Areas



LMSW - Resale Housing Activity, Annual



rejoining the labour market. As a result, the Lower Mainland unemployment rate is forecast to average 7.3% in 2012 and edge down to 7.2% in 2013.

Employment gains in 2011 were led by a 16% increase in construction employment as more residential and mixed-use projects and other non-residential projects got underway. Accommodation and food services recorded a surprising 10% gain from 2010. While there remains a significant number of proposed multi-family projects and non-residential projects in the pipeline that are slated for 2012 start, including mixed-use projects such as the Telus Communications Centre, and the redevelopment of Brentwood Town Centre land, as well as the Evergreen Line, construction employment growth is expected to be more modest near 5%. Total residential building permits will edge down slightly, but offset by a rise in private sector building. A slowdown in public-sector building intentions will act as a drag.

Meanwhile, employment in accommodation and food services is forecast to pull-back this year, reflecting underlying trends of weak tourism environment and



Lower Mainland-Southwest Economic Region					
	2009	2010	2011	2012	2013
Labour Force, thousands	1,475.9	1,503.0	1,531.1	1,558.0	1,589.0
% change	2.2	1.8	1.9	1.8	2.0
Employment, thousands	1,369.2	1,388.4	1,419.1	1,445.0	1,475.0
% change	-1.0	1.4	2.2	1.8	2.1
Unemployment Rate, %	7.2	7.6	7.3	7.3	7.2
Resale Housing Sales, units	46,453	44,552	46,500	47,000	50,000
% change	14.3	-4.1	4.4	1.1	6.4
Resale Housing Median Price, \$	415,000	448,000	491,000	498,000	510,000
% change	-0.5	8.0	9.6	1.4	2.4
Residential Building Permits, units	11,605	19,498	18,686	18,300	19,000
% change	-34.1	68.0	-4.2	-2.1	3.8
Private Non-Res Building Permits, \$ millions	1,242.4	1,279.0	1,553.0	1,500.0	1,600.0
% change	-40.4	2.9	21.4	-3.4	6.7
Public Non-Res Building Permits, \$ millions	453.9	598.7	502.2	450.0	415.0
% change	10.4	31.9	-16.1	-10.4	-7.8
Population, thousands	2,686.9	2,746.9	2,795.0	2,845.0	2,895.0
% change	2.4	2.2	1.7	1.8	1.8

Source: Statistics Canada, Landcor Data Corp., Central 1 Credit Union forecasts.

tempered growth in consumer spending as well as consolidation of part-time staff into full-time activity. Slower growth is also forecast in public administration as government efforts to rein in spending lead to little net hiring.

While employment gains will slow, the growing importance of the region as a transportation hub for trade with Asia and a distribution centre for B.C. will likely boost transportation and warehousing jobs. In addition, capital expenditures related to northern B.C. commodities projects should also yield employment growth in professional and technical service industries in the Lower Mainland.

The predominant driver of population growth in the Lower Mainland-Southwest has been international migration, with net gains from other provinces providing an added boost in recent years. Through the forecast horizon, ongoing challenges in the global economy and a relatively higher unemployment rate will temper in-migration from international markets. Meanwhile, tighter labour markets in Alberta and Saskatchewan will moderate net interprovincial inflows, contributing to population growth of 1.8% in 2012 and 2013.

Moderate growth trends through the forecast horizon will keep the Lower Mainland housing market soft. Resale housing transactions are forecast to

edge up 2% to 46,800 units in 2012 before pushing above 50,000 transactions in 2013. Flat sales activity will generate little growth in the regional median price before rising in 2013 by 3%. Residential construction activity will be little changed from 2011 despite new tax measures including the first-time homebuyer income tax credit of up to \$10,000 and an increase of the new housing HST rebate threshold to \$825,000 from \$525,000. While these measures will boost new home purchases, elevated new home inventory will temper construction of new homes. The number of residential permits in 2012 is forecast to dip 2% before advancing 4% in 2013.

## Thompson-Okanagan Economic Region

David Hobden

This region is forecast to see slightly below average job growth over the next two years, with notable gains in forest product manufacturing, mining and tourism. Employment in agriculture and food manufacturing is predicted to remain level. Average population growth is forecast and the resale housing market is predicted to remain fairly stable. Public sector non-residential building remains little changed, while private sector nonresidential building rises.

Kelowna is B.C.'s newest Census Metropolitan Area (CMA) and mineral, lumber and food production together with seasonal and retirement housing are notable drivers of regional income. The region's industry concentrations are in agriculture, primary resources, construction and health-social services. The region's agricultural and construction industries have grown over time relative to the rest of B.C. and Canada, while retail-wholesale trade, educational and accommodation-food services have shrunk.

The Kelowna CMA has a less cyclical, service-based, urban economy than the rest of the region, which is a more cyclical, resource-based, rural economy. Urban areas generally have a stronger growth trend than elsewhere.

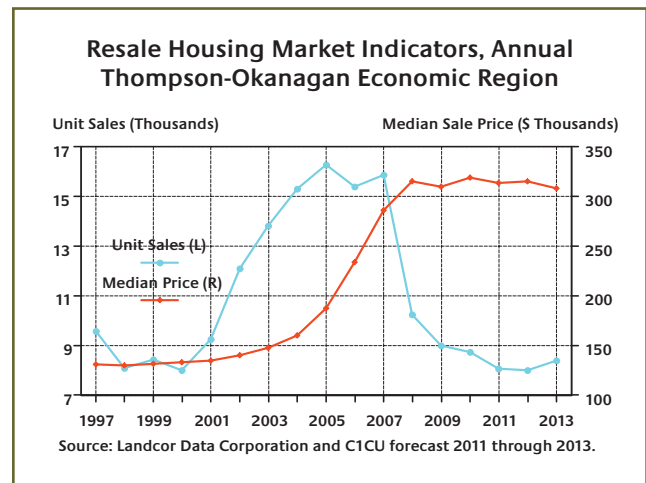
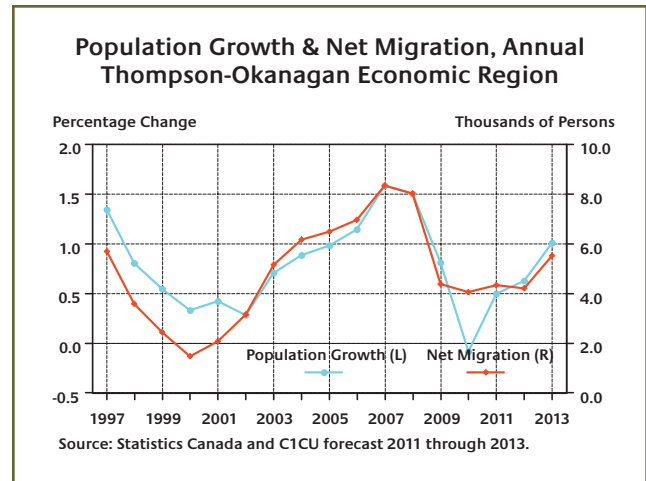
Based on our provincial forecast, little change is forecast for employment in agriculture and food manufacturing in the region through 2013, following two years of decline from a peak in 2009. Grape and apple harvests as well as wine production have declined over the past few years. Farm cash receipts in B.C. have been level since 2008, which, net of price inflation, is a decline.

Sawn lumber production in B.C.'s southern interior is forecast to rise 8% per year through 2013, following a 16% increase in 2011. That is driven largely by rising exports of softwood lumber to the U.S. due to rising housing starts there. Softwood lumber exports to China are also rising rapidly. International exports of pulp and paper products made in B.C. are forecast to rise 6% in 2012 and 4% in 2013 following growth of 7% in 2011. Pulp exports to China are the sole source of forecast growth.

Given our outlook for lumber production and pulp exports, employment in manufacturing in the region is forecast to grow by 4% per year through 2013 following 3% growth in 2011.

Employment in mining in the Thompson-Okanagan region has grown every year since 2005 and has grown by over 10% annually for the last three years. Highland Valley, Copper Mountain, and Max Molybdenum are all currently expanding operations. New Afton will begin ore production later this year and Afton-Ajax is currently in the exploration phase.

Soaring prices for copper, gold, silver and the elevated price of molybdenum since 2005 reflect rapidly rising global demand that has driven the expansion of local mining activity. Metal prices cooled last year as global growth slowed, however, futures markets



and consensus forecasts indicate prices are expected to remain elevated through 2013. Employment in mining in the Thompson-Okanagan region is forecast to rise 6% in 2012 and 4% in 2013.

Tourism in the Thompson-Okanagan region was hit by the last recession, although activity quickly began to recover. Passenger traffic at regional airports was down a slight 1% in 2011 and is predicted to see below-average growth of 3% annually through 2013. Regional room revenues are estimated to have grown 9% in 2011 following an 8% gain in 2010, and are predicted to increase 7% annually through 2013. Employment in accommodation and food services in the Thompson-Okanagan, an indicator of tourist activity, is forecast to rise 1% in 2012 and 5% in 2013 following a 19% rebound in 2011.

Retirement income accounts for a substantial and growing proportion of personal income in the Thompson-Okanagan. Almost all of the region's population growth so far this century has been among persons aged 56 and over. This age group will continue to grow, rising 1.8% per year through 2013,

Thompson-Okanagan Economic Region					
	2009	2010	2011	2012	2013
Labour Force, thousands	271.8	281.4	276.4	279.8	283.9
% change	0.1	3.5	-1.8	1.2	1.5
Employment, thousands	248.0	257.2	254.7	258.2	262.6
% change	-3.4	3.7	-1.0	1.4	1.7
Unemployment Rate, %	8.8	8.6	7.9	7.7	7.5
Resale Housing Sales, units	8,992	8,738	8,075	8,000	8,375
% change	-12.2	-2.8	-7.6	-0.1	4.7
Resale Housing Median Price, \$	310,000	319,000	313,800	309,000	315,000
% change	-1.6	2.9	-1.6	-1.5	1.9
Residential Building Permits, units	2,143	3,349	1,835	1,850	1,875
% change	-56.4	56.3	-45.2	0.4	1.8
Private Non-Res Building Permits, \$ millions	245.5	246.5	232.1	244.5	263.3
% change	-16.4	0.4	-5.8	5.3	7.7
Public Non-Res Building Permits, \$ millions	398.7	118.7	125.5	119.2	127.3
% change	177.0	-70.2	5.7	-5.0	6.8
Population, thousands	524.6	524.2	526.8	530.1	535.5
% change	0.8	-0.1	0.5	0.6	1.0

Source: Statistics Canada, Landcor Data Corp., Central 1 Credit Union forecasts.

down from 3.3% per year pre-recession. Retirement plans have been pushed back by the last recession, which lowered bond yields and equity values, raised future tax liabilities, and decreased expected lifetime income. Total CPP and OAS income in the region is forecast to rise by 5% to 6% annually.

The average level of employment in the Thompson-Okanagan region in 2011 declined 1% from 2010, following a rebound of almost 4% growth in 2010. Last year's slight job decline was led by finance-real estate services, forestry, information-recreation services and construction. Lower employment in these industries was largely offset by job gains in health care-social services, accommodation-food services and miscellaneous services.

Given the outlook for employment in various local industrial sectors and the province overall, total employment growth in the region is forecast at 1.4% in 2012 and 1.7% in 2013. The labour force is forecast to grow 1.2% this year and 1.5% next year, slightly below employment growth. The region's unemployment rate thus averages 7.7% in 2012 and 7.5% in 2013, down from 7.9% rate in 2011.

The outlook is for subdued net in-migration to B.C. through 2013 with 4,205 persons in 2012 and 5,520 persons in 2013, following an estimated 4,336 net in-migrants in 2011. Overall population is forecast

to rise to 0.6% in 2012 and 1.0% in 2013, up from an estimated 0.5% last year.

Given our outlook for population growth and the labour market, the Thompson-Okanagan's resale housing market is predicted to remain fairly stable through 2013. Following an 8% drop in 2011, unit sales this year are forecast at roughly the same level as last year, before rising 5% in 2013.. The median sale price is forecast to inch lower this year before rising 2% next year. The new housing market is predicted to follow similar trends. Residential building permits (dwelling units) in the region are forecast to remain near last year's level through 2013, following a 45% decline in 2011.

The total estimated capital cost of major projects under construction in the region averaged \$17.3 billion in 2011, little changed year-over-year. Central 1 predicts this value will slowly decline through 2013. Almost all of these projects are construction of buildings, especially residential buildings, most mixed with commercial components such as retail, office, hotel or resort. The remaining major projects under construction are mostly transportation and power infrastructure, mine expansions and various institutional structures such as hospitals, schools and municipal infrastructure.



The total estimated capital cost of proposed, but not yet started, projects in the region averaged \$8.6 billion in 2011, down 32% year-over-year, the second straight annual decline. Central 1 predicts this value will slowly continue to fall in 2012 before leveling off in 2013. Over half of these proposed projects are residential buildings, most mixed with retail, office, hotel or resort components. Most of the rest are electric power generators or transmission lines, mines and various government buildings and structures.

With governments in deficit reduction mode, public sector non-residential building permits issued in the Thompson-Okanagan region are forecast to decline 5% in 2012 before rising a 7% in 2013 following a 6% increase in 2011. Private sector nonresidential building permits are forecast to rise 5% in 2012 and 8% in 2013, following a 6% decline in 2011. Most of this construction will be for retail, office or other commercial use, mostly in mixed-use residential projects.

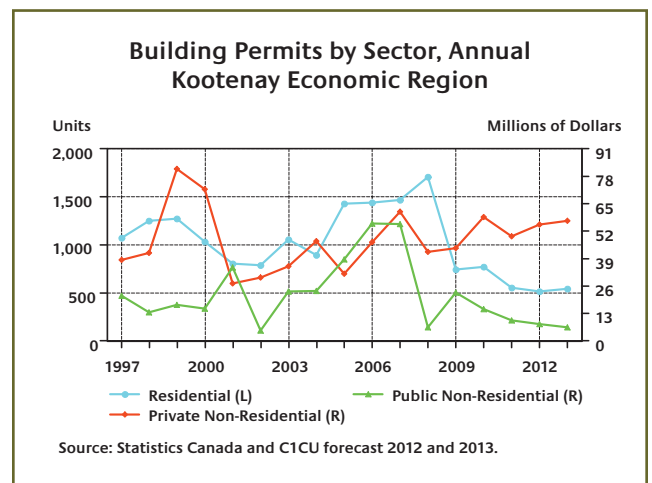
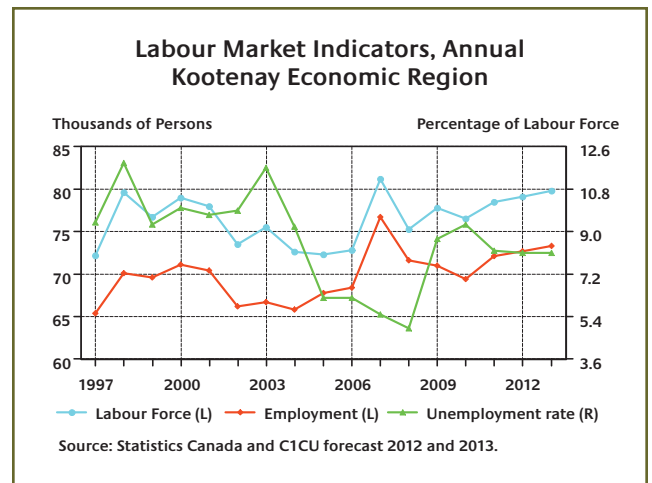
### Kootenay Economic Region

David Hobden

This region is forecast to see above average employment growth through 2013, with notable gains in manufacturing, primary resources and tourism. Subdued net in-migration leads to little population growth, while the resale housing market remains fairly stable. Public sector non-residential building declines, while private sector nonresidential building rises.

Trail is home to one of the largest integrated lead-zinc smelter-refineries in the world, while coal mining, lumber production and recreational-retirement housing are notable drivers of regional income. The region's industry concentrations are in primary resources, construction and accommodation-food services. The region's educational, professional-technical, health-social and accommodation-food service industries have shrunk over time relative to the rest of B.C. and Canada.

Employment in coal mines in the Kootenay region grew by an average of 4% annually from 2004 through 2010 and is estimated to have increased 5% in 2011, following an 8% increase in 2010. Although west coast metallurgical coal price is down from its 2008 peak, it remains very high by historical norms, reflecting rapidly rising Asian demand. Consensus forecasts suggest prices will remain near the current



level through 2013. Proposed major projects in the region include two new and one expanded coal mine. Central 1 predicts coal shipments from the region will remain elevated and direct employment in coal mines is forecast to rise 3% in 2012 and 2% in 2013, following a 5% increase in 2010.

Employment in logging in B.C. grew 15% over the last two years following a 59% plunge in the five years preceding that. Given our outlook for rising production and exports of manufactured forest products, growth in logging employment is forecast at 5% to 6% per year through 2013. Given that the provincial government is in deficit reduction mode, little job growth is expected in other forestry industries. The Kootenay region is expected to see similar trends.

Given our outlook for coal mining, logging and forestry, employment in primary resource industries in the Kootenay region is forecast to inch up 2% in 2012 and 1% in 2013 following a 3% decline in 2010.

Teck's smelting and refining operations in Trail employed approximately 1,500 people in 2010 and

Central 1 estimated that increased by 1% in 2011. Production, sales, revenue and profits were all up materially in 2011 and Teck is currently proposing to expand smelting capacity for electronic waste recycling. Employment growth is forecast to continue at less than 1% per year through 2013.

Sawn lumber production in B.C.'s southern interior is forecast to rise 8% per year through 2013 following a 16% increase in 2011. That is driven largely by rising exports of softwood lumber to the U.S. due to rising housing starts there. Softwood lumber exports to China are also rising rapidly. Sawmills in the Kootenay region are expected to see similar production gains. Some growth in regional pulp production and employment is expected through 2013 as exports to China increase.

Given our outlook for lumber and pulp production and Teck's refinery operations, employment in manufacturing in the Kootenay region is forecast to grow by 9% in 2012 and 6% in 2013, following a 15% decline in 2011.

Retirement income accounts for a substantial and growing proportion of personal income in the Kootenay region. All of the region's population growth so far this century has been among persons aged 56 and over. This age group will continue to grow, rising 2.5% per year through 2013, down from 3.2% per year pre-recession. Employment in health care and social

services is forecast to trend up at 1% per year through 2013. Total CPP and OAS income is forecast to rise by 5% to 6% annually.

The only problem with aggregate retirement income is investment income. Bond yields and deposit interest rates are at historic lows and real per-capita wealth has been dampened by lower equity values since the last recession. Total investment income in B.C., excluding capital gains, peaked in 2008 and dropped 10% over the next two years. Investment income is forecast to grow just 1% this year and decline 4% in 2013, following a 4% rise last year.

The average level of employment in the Kootenay region in 2011 increased 3.9% from 2010, following a decline of 10% from 2008 through 2010. Last year's growth was led by miscellaneous services, accommodation-food services, construction, health care and transportation services. Job gains in these industries more than offset declines in retail trade and manufacturing.

Given the outlook for regional employment in primary resources and accommodation-food services and overall provincial employment, total employment growth in the region is forecast at 0.8% per year through 2013. The labour force is also forecast to grow at 0.8% annually through 2013. The region's unemployment rate thus averages 8.1% through 2013, down slightly from 8.2% in 2011.

Kootenay Economic Region					
	2009	2010	2011	2012	2013
Labour Force, thousands	77.8	76.5	78.5	79.1	79.8
% change	3.3	-1.7	2.6	0.8	0.8
Employment, thousands	71.0	69.4	72.1	72.7	73.3
% change	-0.8	-2.3	3.9	0.8	0.8
Unemployment Rate, %	8.7	9.3	8.2	8.1	8.1
Resale Housing Sales, units	2,305	2,314	2,175	2,125	2,150
% change	-25.1	0.4	-6.0	-2.3	1.2
Resale Housing Median Price, \$	229,000	230,000	229,100	232,500	235,500
% change	-0.4	0.4	-0.4	1.5	1.3
Residential Building Permits, units	744	774	554	525	550
% change	-56.4	4.0	-28.4	-5.2	4.8
Private Non-Res Building Permits, \$ millions	44.0	58.6	49.6	55.2	56.8
% change	4.3	33.3	-15.5	11.4	3.0
Public Non-Res Building Permits, \$ millions	23.0	15.1	9.8	8.0	6.5
% change	255.0	-34.4	-35.0	-18.3	-18.9
Population, thousands	149.3	149.7	149.0	149.0	149.2
% change	0.5	0.3	-0.5	0.0	0.1

Source: Statistics Canada, Landcor Data Corp., Central 1 Credit Union forecasts.

The outlook is for subdued net in-migration to B.C. through 2013 and a slightly wider spread between the unemployment rate in the Kootenay region versus the rest of the province. Based on this outlook, net out-migration from the region is forecast at 324 persons in 2012 and 194 persons in 2013, following an estimated 249 net out-migrants in 2011. Overall population growth is forecast at near zero through 2013, up from an estimated 0.5% decline last year.

Given our outlook for population growth and the labour market, the Kootenay region's resale housing market is predicted to remain fairly stable through 2013. Unit sales are forecast to decline 2% this year before leveling off in 2013, following a 6% drop in 2011. The median sale price is forecast to inch up 2% this year and 1% next year, following a very slight decline last year. The new housing market is predicted to follow similar trends. Residential building permits (dwelling units) in the region are forecast to decline 7% this year before rising 5% in 2013 following a 28% drop in 2011.

The total estimated capital cost of major projects under construction in the region averaged \$3.5 billion in 2011, up 70% year-over-year. Three-quarters of these projects are residential buildings, most mixed with commercial components such as retail, hotel or resort. The remaining major projects under construction are power infrastructure. Central 1 predicts the capital cost of major construction projects will decline through 2013 as residential and recreational projects are increasingly slowed to reduce inventory.

The total estimated capital cost of proposed but not yet started projects in the region averaged \$2.0 billion in 2011, down 37% year-over-year. Most of these proposed projects are power generators and mines as well as a smelter expansion and sawmill. The rest are housing and resort projects. Central 1 predicts the housing and resort projects will slowly continue to fall in 2012 before leveling off in 2013, while the mining, smelting and power projects proceed.

With government budgets in deficit reduction mode, public sector non-residential building permits issued in the Kootenay region are forecast to decline 18% in 2012 and 19% in 2013 following a 35% drop in 2011. Private sector nonresidential building permits are forecast to rise 11% in 2012 and 3% in 2013, following a 16% decline in 2011. Most of this construction will be for industrial projects.

## Cariboo Economic Region

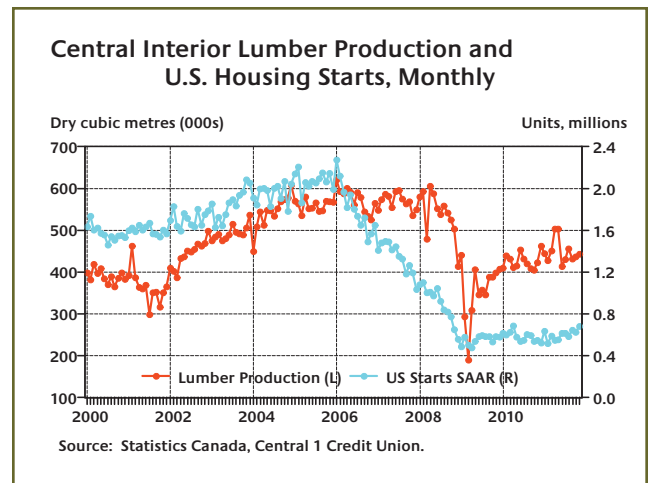
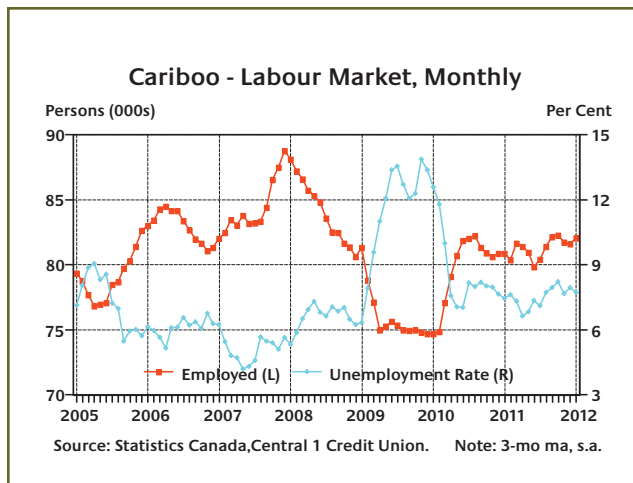
Bryan Yu

The Cariboo Development Region includes the regional districts of the Cariboo and Fraser-Fort George. The region has a combined population of about 160,000, spanning localities of Prince George, Mackenzie, One Hundred Mile House, Quesnel, Valemount, McBride, and other surrounding areas. Typical of many northern regions, the Cariboo is natural-resource oriented which feeds into its industry concentrations of manufacturing, activity related to natural resource extraction and transportation, and warehousing.

The economic environment in the Cariboo is highly cyclical and dependent on the health of external economic conditions. While there were upswings and downdrafts over the past decade, underlying employment growth has lagged the provincial performance. After peaking in 1996, employment fell 10% through 2002 before rebounding to near peak levels in 2007. During the depths of the recession, estimated employment fell 9% in 2009, while provincial employment fell by a more modest 2%. Although regional employment has since staged a rebound, total employment in 2011 was only marginally higher than that observed early in the decade, which contrasted with a provincial employment gain of just under 18% over the same period.

Despite a diversification towards mining and services, forestry continues to be a key driver of economic activity in the region. Much like other forestry-dependent regions in the province, the Cariboo experienced a substantial number of mill closures over the past decade due to industry consolidation. The U.S. housing bust led to further contractions in the industry through permanent mill closures, production curtailments, and employment contractions. Although the U.S. housing market remains a drag on the local economic environment, increased diversification to emerging market economies, particularly China, has provided a needed boost to the industry.

A surge in demand from China for B.C. wood products such as lumber and pulp and increased processing of mountain pine beetle killed timber, contributed to the re-opening of idled mills in hard-hit areas such as Mackenzie. Moving forward, forestry product demand will continue to improve over the medium-term, as demand from emerging markets continues,



and a U.S. housing market recovery takes root. However, long-term improvements to forestry will be tempered by the lasting impacts of the mountain pine beetle epidemic, which will decrease fibre availability for some mills, potentially lowering long-term output.

While forestry remains in flux, mining exploration has increased. Major projects currently under construction include the \$1.3 billion Mt. Milligan copper and gold mine near Mackenzie, the Gibraltar mine expansion near Williams Lake, and the Western Coal expansion in Prince George. Major proposed mining projects include the Spanish Mountain mine and Prosperity mine, both near Williams Lake.

A modest improvement in forestry and continued shift to mining provides a positive backdrop for the medium-term regional economic outlook. Strengthening base industries such as mining and forestry will provide stability for downstream businesses and provide demand for services in the local urban areas. However, economic gains this year will be modest before activity gathers steam in 2013. Employment trends are forecast to remain positive in both 2012 and 2013, and expand by 1 to 1.5% per year. Labour force gains will fail to keep pace on tempered population growth, driving the average unemployment rate to 7% in 2011 and less than 6.5% in 2013.

Cariboo Economic Region					
	2009	2010	2011	2012	2013
Labour Force, thousands	85.9	87.4	87.9	88.2	88.8
% change	-4.0	1.7	0.6	0.3	0.7
Employment, thousands	75.5	80.3	81.2	82.0	83.2
% change	-9.6	6.4	1.1	1.0	1.5
Unemployment Rate, %	12.1	8.1	7.6	7.0	6.3
Resale Housing Sales, units	2,149	2,214	2,120	2,350	2,650
% change	-23.4	3.0	-4.2	10.8	12.8
Resale Housing Median Price, \$	180,000	183,500	192,300	193,000	197,000
% change	5.3	1.9	4.8	0.4	2.1
Residential Building Permits, units	357	455	335	340	400
% change	-31.6	27.5	-26.4	1.5	17.6
Private Non-Res Building Permits, \$ millions	35.0	32.7	46.0	38.0	42.0
% change	-15.1	-6.7	40.8	-17.4	10.5
Public Non-Res Building Permits, \$ millions	23.8	70.4	27.7	30.0	35.0
% change	-66.0	195.8	-60.7	8.4	16.7
Population, thousands	158.5	159.7	160.0	160.5	161.8
% change	-1.0	0.7	0.2	0.3	0.8

Source: Statistics Canada, Landcor Data Corp., Central 1 Credit Union forecasts.

Steady improvements in economic conditions in the broader Cariboo region will further benefit growth in Prince George area. Prince George is the central service hub for the Cariboo region and part of the Nechako. As a result, improvements in general economic conditions and population gains will promote increased commerce and business formation in the Prince George region, and necessitate gains in regional services and infrastructure to serve the broader region.

Following a decade of net outflows in the population, positive economic factors look to temper the net outflow of individuals to other parts of Canada and B.C. The Cariboo's regional population is forecast to rise 0.3% in 2012 and 0.8% in 2013. Modest gains in employment and population will provide a boost to housing market conditions, pushing resale transactions up nearly 10% in 2012 and 13% in 2013. Despite these gains, transaction levels will just approach pre-recession levels from 2008 and remain well below peaks observed in the mid-2000s. Housing market conditions will generate little growth in the median price level in 2012 and modest gains of about 2% in 2013.

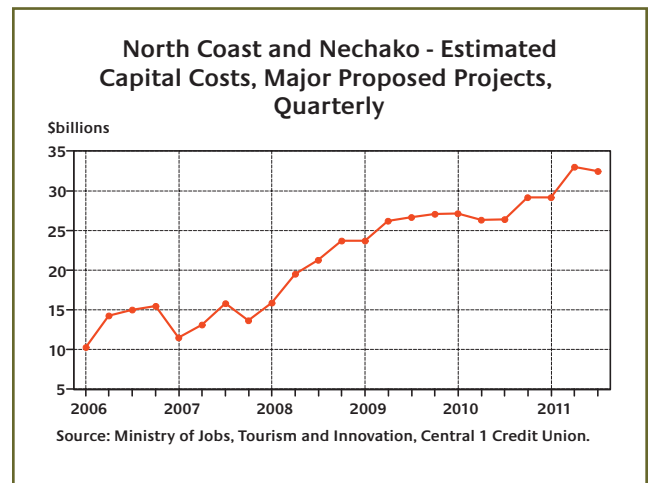
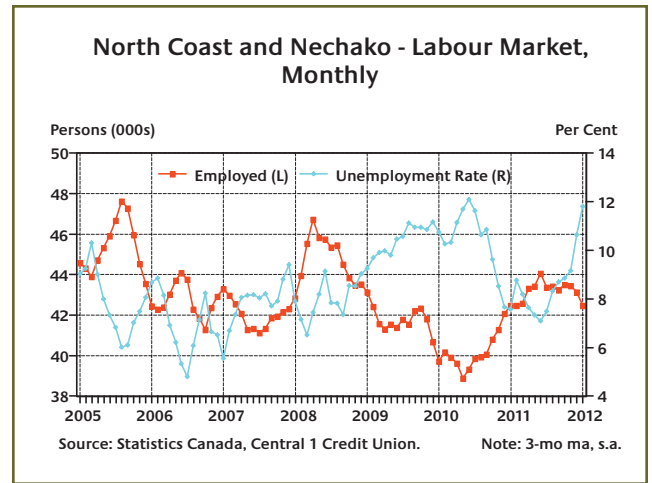
### North Coast and Nechako Economic Region

Bryan Yu

The North Coast and Nechako Development Regions (NCNE) represent a large geographic area that includes the Skeena-Queen Charlotte, Kitimat-Stikine, Bulkley-Nechako, and Stikine regional districts. The region includes municipalities such as Prince Rupert, Kitimat and Terrace in the northwest and extends eastward to Houston, Fort St. James, Fraser Lake, and Vanderhoof. The NCNE has a combined population of just over 99,500 persons.

Similar to other northern regions, the NCNE depends substantially on its natural resource base, yielding a high industry concentration in resource extraction (i.e. mining, and forestry) and manufacturing sectors. In addition, transportation and warehousing services play a more significant role in the region, a trend which will intensify as cargo shipments rise in the northwest.

Following more than a decade-long downtrend in employment levels and population, economic prospects for the medium- to long-term future of the



region have improved dramatically in recent years. While the region was negatively impacted by the U.S. housing bust and subsequent recession due to curtailments in forestry product production, lower commodity prices, and exports, investor interest in the region has remained strong.

The value of proposed major projects in the NCNE has ramped up despite more tepid global economic conditions. In the third quarter, the value of proposed major projects exceeded \$32 billion, which was 30% higher than level observed at the beginning of 2009 and a trebling from early 2006. While not all projects may proceed, and indeed, some do not have estimated start and completion dates, the gains are clear indications of the trend for large-scale projects and associated employment gains moving forward. These projects range from transportation infrastructure and mining projects, and the power generation infrastructure needed to facilitate growth in these industries. Examples of the latter include the Northwest Transmission Line and Forest Kerr Hydroelectric project, both which have commenced.



North Coast and Nechako Economic Region					
	2009	2010	2011	2012	2013
Labour Force, thousands	46.4	45.0	47.4	48.3	49.3
% change	-4.5	-3.0	5.3	1.9	2.1
Employment, thousands	41.5	40.4	43.3	44.0	45.4
% change	-7.4	-2.7	7.2	1.6	3.2
Unemployment Rate, %	10.6	10.2	8.6	8.1	7.9
Resale Housing Sales - North Coast, units	534	519	715	840	900
% change	-40.9	-2.8	37.8	17.5	7.1
Resale Housing Median Price - North Coast, \$	135,000	145,000	145,500	155,000	160,000
% change	1.1	7.4	0.3	6.5	3.2
Resale Housing Sales - Nechako, units	375	378	470	520	580
% change	-32.9	0.8	24.3	10.6	11.5
Resale Housing Median Price - Nechako, \$	138,000	145,000	166,000	170,000	176,000
% change	12.2	5.1	14.5	2.4	3.5
Residential Building Permits, units	87	134	103	120	140
% change	-51.1	54.0	-23.1	16.5	16.7
Private Non-Res Building Permits, \$millions	9.1	29.4	68.0	38.0	50.0
% change	-58.8	221.7	131.1	-44.1	31.6
Public Non-Res Building Permits, \$millions	18.1	13.2	6.3	10.0	12.0
% change	281.0	-26.7	-52.3	58.4	20.0
Population, thousands	99.1	99.5	99.5	99.6	100.0
% change	-0.4	0.4	0.0	0.1	0.4

Source: Statistics Canada, Landcor Data Corp., Central 1 Credit Union forecasts.

The future of the region is tied to global market conditions and the desire for B.C. to deepen trade linkages with faster growing Asian markets. This relationship with Asian markets has been integral in developing the Prince Rupert deepwater port, which represents the closest port to these markets on the west coast. Since 2008, container traffic has more than doubled, reflecting major gains in coal, logs and other agricultural products.

Expectations that emerging market growth, particularly of China, will sustain the voracious appetite for commodities moving forward, and keep prices elevated over the long-term has led contributed to strong gains in exploration spending and a substantial number of metal mines in the permitting and environmental assessment stage. Some of the major proposed mines that have estimated completion dates within the next five-year period include Schaft Creek and Red Chris in Iskut, and Kitsault near Alice Arm. Other major mines in various development stages include the \$1 billion Chu Molybdenum Mine near Vanderhoof and Morrison near Granisle.

While mining is expected to ramp-up, substantial activity has been generated in the energy transport

sector. Major deposits of shale gas in the Northeast, low domestic natural gas prices relative to international markets, and a desire to deepen trade linkages with Asian markets has fuelled proposals for liquefied natural gas terminals in Kitimat (and more recently in Prince Rupert), and pipelines to facilitate both the movement of natural gas to these terminals and Alberta crude to the coast.

Although the medium-to-long term outlook is strong for the region, given delays common with major projects related to energy and mining, the full economic benefits are expected to manifest beyond the current forecast horizon in the 2015-2025 period. Nonetheless, employment levels are expected to increase this year by 1.6% to 44,000 persons as activity picks up and close to 3% in 2012. Given high labour force participation rates, employment growth is forecast to pare the elevated unemployment rate over the next five-year period. As more projects enter construction phase, the NCNE will likely face substantial labour and skills shortages, promoting wage growth, drawing both permanent and temporary workers into the region.

Economic conditions will warrant substantial gains in the regional housing market. Annual resale transaction growth in the Nechako and North Coast is forecast to range from 5-10%, with mid- to strong price gains. This activity will in turn drive activity new home activity. Residential building permits are forecast to rise 16% per annum through the forecast horizon.

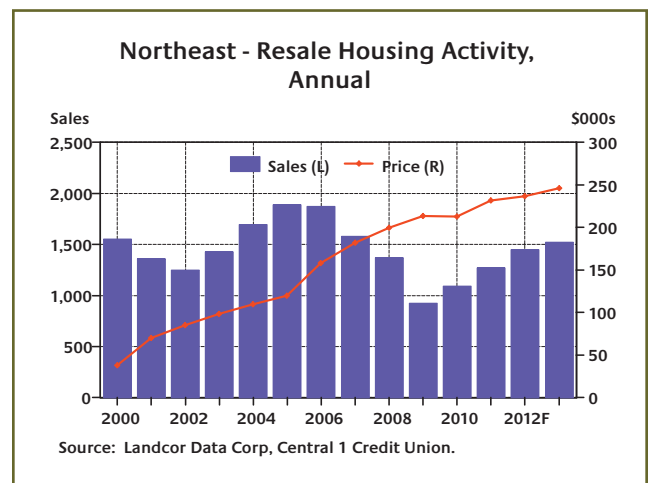
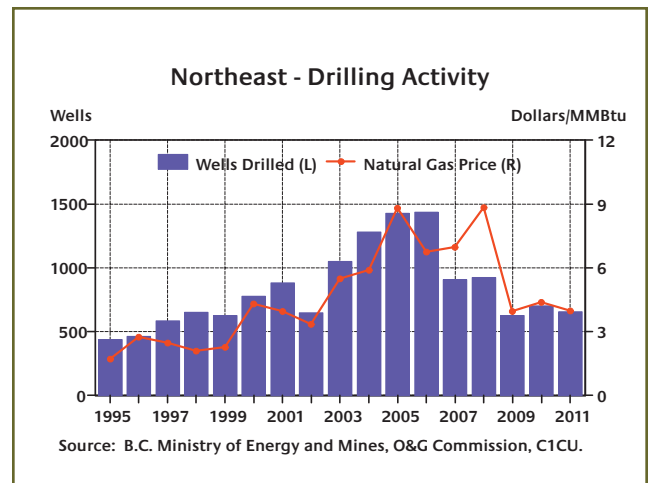
### Northeast Economic Region

Bryan Yu

Northeast B.C. covers the Peace River and the Northern Rockies regional districts, and includes Dawson Creek, Tumbler Ridge, Fort St. John, Fort Nelson, and surrounding areas. The regional population is relatively small with a base of about 70,000 persons. Like other northern markets, Northeast B.C. is tied closely to its resource base, with industry concentrated in the energy, mining and agricultural sectors, manufacturing and transport and warehousing.

Robust economic conditions in the Northeast have generated substantial employment gains over the past five years. Net gains from 2006 through 2011 were above 9%, which exceeded the provincial gain of about 6%. While underpinned by the resource extraction sector from 2007-2010, the associated direct and indirect impacts pushed service sectors employment higher, particularly in trade, health and professional services. Official employment estimates figures do not include the high number of migrant workers in the region that reside elsewhere. Anecdotally, the region currently employs a significant number of temporary workers who reside permanently in areas like nearby Grande Prairie, parts of B.C., and elsewhere in Canada.

While a more current snapshot on size of the non-local workforce is unavailable until Census 2011 information is released, about 6% of workers employed at a usual place of work in the Northeast Development Region in 2006 resided outside the region. More than half of these individuals resided in other parts of B.C., drawn primarily from the Fraser-Fort George, Greater Vancouver, Thompson-Nicola and Kitimat-Stikine regional districts, while 30% were from Alberta. Industries with the highest proportion of non-resident workers were mining and resource extraction, construction, and management of companies. This trend is expected to have persisted in following years, although a decline in the number of



wells drilled in the last two years may have tempered the figure.

The regional labour market remains exceptionally tight, with local businesses reportedly unable to find enough skilled and unskilled workers, which is substantiated by a rock-bottom unemployment rate in 2011 of 4.9%.

Natural gas activity largely drives the Northeast economy. The province contributes about 20% of total Canadian gas production, which is second to Alberta. Roughly 75% of the B.C.'s distributable gas is exported to markets outside B.C. More than half of these exports are piped to Alberta with the remainder to the U.S. Sector activity peaked from 2005-2008 with a record high number of wells drilled in the province and land tender bonuses. The latter reflected greater interest in B.C. energy resources and a positive indicator of future activity. The vast majority of this activity was in the Montney Play region in the Fort St. John/Dawson Creek area, and Horn River Basin near Fort Nelson.

Northeast Economic Region					
	2009	2010	2011	2012	2013
Labour Force, thousands	38.4	39.7	39.1	39.7	40.3
% change	-3.0	3.4	-1.5	1.5	1.6
Employment, thousands	35.8	37.0	37.2	37.9	38.5
% change	-5.0	3.4	0.5	1.8	1.5
Unemployment Rate, %	7.0	6.8	4.9	4.6	4.7
Resale Housing Sales, units	924	1,094	1,300	1,450	1,520
% change	-32.7	18.4	18.8	11.5	4.8
Resale Housing Median Price, \$	213,250	213,000	233,000	237,000	246,000
% change	6.9	-0.1	9.4	1.7	3.8
Residential Building Permits, units	242	376	348	375	350
% change	-12.6	55.4	-7.4	7.8	-6.7
Private Non-Res Building Permits, \$ millions	76.9	67.8	93.3	85.0	80.0
% change	-9.9	-11.9	37.6	-8.9	-5.9
Public Non-Res Building Permits, \$ millions	9.9	13.7	17.9	10.0	10.0
% change	56.5	38.3	30.7	-44.3	0.0
Population, thousands	68.2	69.5	70.3	71.3	72.5
% change	0.8	1.9	1.2	1.4	1.7

Source: Statistics Canada, Landcor Data Corp., Central 1 Credit Union forecasts.

Drilling and tender bonus volumes shifted lower in recent years as sharp declines in natural gas prices curtailed activity. Nonetheless, interest remains significant given advances in horizontal drilling of non-conventional shale gas that have lowered costs of production and the prospects of exports to markets outside of North America. In particular the proposed Kitimat liquefied natural gas (LNG) plant is expected to provide an outlet to Asian markets for B.C.'s natural gas at a substantially higher price than available in North America. Recent U.S. export data suggests an LNG premium of more than \$10, compared to traditional pipeline exports. Additionally, drilling in the Montney Play has heated up with increased activity relating to conventional natural gas deposits.

Alongside developments in the natural gas industry, the Northeast economy looks to remain solid moving forward with a strong oil sector and further investment in the wind energy and coal sectors.

In the third quarter, the value of proposed major projects exceeded \$16 billion, a figure which has trended higher since late 2007. While not all projects may proceed, and indeed, some do not have estimated start and completion dates, the gains are clear indications of the trend for large-scale projects and associated employment gains moving forward. Ma-

ajor proposed projects which have recently started or have a near-term start date include the \$800-million Cabin Gas Plant in Fort Nelson used to process gas from the Horn River Basin, the Hudson Hope Gething Coal project – a \$300-million mine with a projected 50-year mine life, and a \$500-million mixed-used project near Fort St. John.

Economic conditions will support improved economic conditions in both 2012 and 2013. Employment levels are forecast to rise by just less than 2% this year with a gain of 1.5% in 2012. Stronger employment prospects are expected to generate comparable gains in population and the labour force, maintaining regional unemployment rates below 5%.

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### Terms

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Employment, (000s)					
Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	377.0	383.8	367.1	370.9	374.0
Lower Mainland-Southwest	1,369.2	1,388.4	1,419.1	1,445.0	1,475.0
Thompson-Okanagan	248.0	257.2	254.7	258.2	262.6
Kootenay	71.0	69.4	72.1	72.7	73.3
Cariboo	75.5	80.3	81.2	82.0	83.2
North Coast/Nechako	41.5	40.4	43.3	44.0	45.4
Northeast	35.8	37.0	37.2	37.9	38.5
British Columbia	2,218.0	2,256.5	2,274.7	2,310.7	2,351.9

Source: Statistics Canada, Central 1 Credit Union forecasts.

Employment Growth (%)					
Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	-3.2	1.8	-4.4	1.0	0.8
Lower Mainland-Southwest	-1.0	1.4	2.2	1.8	2.1
Thompson-Okanagan	-3.4	3.7	-1.0	1.4	1.7
Kootenay	-0.8	-2.3	3.9	0.8	0.8
Cariboo	-9.6	6.4	1.1	1.0	1.5
North Coast and Nechako	-7.4	-2.7	7.2	1.6	3.2
Northeast	-5.0	3.4	0.5	1.8	1.5
British Columbia	-2.1	1.7	0.8	1.6	1.8

Source: Statistics Canada, Central 1 Credit Union forecasts.

Unemployment Rate (%)					
Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	7.3	6.3	7.7	7.6	7.5
Lower Mainland-Southwest	7.2	7.6	7.3	7.3	7.2
Thompson-Okanagan	8.8	8.6	7.9	7.7	7.5
Kootenay	8.7	9.3	8.2	8.1	8.1
Cariboo	12.1	8.1	7.6	7.0	6.3
North Coast and Nechako	10.6	10.2	8.6	8.1	7.9
Northeast	7.0	6.8	4.9	4.6	4.7
British Columbia	7.7	7.6	7.5	7.4	7.2

Source: Statistics Canada, Central 1 Credit Union forecasts.



Labour Force, (000s)					
Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	406.4	409.7	397.7	401.6	404.5
Lower Mainland-Southwest	1,475.9	1,503.0	1,531.1	1,558.0	1,589.0
Thompson-Okanagan	271.8	281.4	276.4	279.8	283.9
Kootenay	77.8	76.5	78.5	79.1	79.8
Cariboo	85.9	87.4	87.9	88.2	88.8
North Coast and Nechako	46.4	45.0	47.4	48.3	49.3
Northeast	38.4	39.7	39.1	39.7	40.3
British Columbia	2,402.6	2,442.7	2,458.1	2,494.7	2,535.6

Source: Statistics Canada, Central 1 Credit Union forecasts.

Population, (000s)					
Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	773.7	781.5	786.3	792.2	798.9
Lower Mainland-Southwest	2,686.9	2,746.9	2,795.0	2,845.0	2,895.0
Thompson-Okanagan	524.6	524.2	526.8	530.1	535.5
Kootenay	149.3	149.7	149.0	149.0	149.2
Cariboo	158.5	159.7	160.0	160.5	161.8
North Coast and Nechako	99.1	99.5	99.5	99.6	100.0
Northeast	68.2	69.5	70.3	71.3	72.5
British Columbia	4,460.3	4,531.0	4,586.9	4,647.7	4,712.8

Source: Statistics Canada, Central 1 Credit Union forecasts. Note: as of July 1

Population Growth (%)					
Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	1.2	1.0	0.6	0.8	0.8
Lower Mainland-Southwest	2.4	2.2	1.7	1.8	1.8
Thompson-Okanagan	0.8	-0.1	0.5	0.6	1.0
Kootenay	0.5	0.3	-0.5	-0.0	0.1
Cariboo	-1.0	0.7	0.2	0.3	0.8
North Coast and Nechako	-0.4	0.4	-0.0	0.1	0.4
Northeast	0.8	1.9	1.2	1.4	1.7
British Columbia	1.7	1.6	1.2	1.3	1.4

Source: Statistics Canada, Central 1 Credit Union forecasts. Note: as of July 1

## Resale Housing Sales, Units

Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	13,123	12,392	11,650	12,000	12,500
Lower Mainland-Southwest	46,453	44,552	46,500	47,000	50,000
Thompson-Okanagan	8,973	8,703	8,075	8,000	8,375
Kootenay	2,290	2,306	2,175	2,125	2,150
Cariboo	2,149	2,214	2,120	2,350	2,650
North Coast	534	519	715	840	900
Nechako	375	378	470	520	580
Northeast	924	1,094	1,300	1,450	1,520
British Columbia	74,821	72,158	73,005	74,285	78,675

Source: Landcor Data Corp, Central 1 Credit Union forecasts.

## Resale Housing Median Sale Prices (\$)

Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	335,000	347,000	341,000	339,500	346,300
Lower Mainland-Southwest	415,000	448,000	491,000	498,000	510,000
Thompson-Okanagan	310,000	319,000	313,800	309,000	315,000
Kootenay	229,000	230,000	229,100	232,500	235,500
Cariboo	180,000	183,500	192,300	193,000	197,000
North Coast	135,000	145,000	145,500	155,000	160,000
Nechako	138,000	145,000	166,000	170,000	176,000
Northeast	213,250	213,000	233,000	237,000	246,000
British Columbia	362,500	385,000	420,900	423,500	433,600

Source: Landcor Data Corp, Central 1 Credit Union forecasts.

## Resale Housing Median Price Growth (%)

Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	-1.5	3.6	-1.7	-0.4	2.0
Lower Mainland-Southwest	-0.5	8.0	9.6	1.4	2.4
Thompson-Okanagan	-1.6	2.9	-1.6	-1.5	1.9
Kootenay	-0.4	0.4	-0.4	1.5	1.3
Cariboo	5.3	1.9	4.8	0.4	2.1
North Coast	1.1	7.4	0.3	6.5	3.2
Nechako	12.2	5.1	14.5	2.4	3.5
Northeast	6.9	-0.1	9.4	1.7	3.8
British Columbia	1.4	6.2	9.3	0.6	2.4

Source: Landcor Data Corp, Central 1 Credit Union forecasts.

### Residential Building Permits, (Units)

Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	3,429	4,398	3,905	3,800	3,900
Lower Mainland-Southwest	11,605	19,498	18,686	18,300	19,000
Thompson-Okanagan	2,143	3,349	1,835	1,850	1,875
Kootenay	744	774	554	525	550
Cariboo	357	455	335	340	400
North Coast and Nechako	87	134	103	120	140
Northeast	242	376	348	375	350
British Columbia	18,607	28,984	25,766	25,310	26,215

Source: Statistics Canada, Central 1 Credit Union forecasts.

### Private Non-residential Building Permits, (\$ millions)

Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	349.4	314.6	286.2	295.3	308.7
Lower Mainland-Southwest	1,242.4	1,279.0	1,553.0	1,500.0	1,600.0
Thompson-Okanagan	245.5	246.5	232.1	244.5	263.3
Kootenay	44.0	58.6	49.6	55.2	56.8
Cariboo	35.0	32.7	46.0	38.0	42.0
North Coast and Nechako	9.1	29.4	68.0	38.0	50.0
Northeast	76.9	67.8	93.3	85.0	80.0
British Columbia	2,002.3	2,028.6	2,328.1	2,256.0	2,400.8

Source: Statistics Canada, Central 1 Credit Union forecasts.

### Public Non-residential Building Permits, (\$ millions)

Economic Region	2009	2010	2011	2012	2013
Vancouver Island and Coast	209.1	159.4	117.3	92.6	93.9
Lower Mainland-Southwest	453.9	598.7	502.2	450.0	415.0
Thompson-Okanagan	398.7	118.7	125.5	119.2	127.3
Kootenay	23.0	15.1	9.8	8.0	6.5
Cariboo	23.8	70.4	27.7	30.0	35.0
North Coast and Nechako	18.1	13.2	6.3	10.0	12.0
Northeast	9.9	13.7	17.9	10.0	10.0
British Columbia	1,136.5	989.3	806.7	719.8	699.7

Source: Statistics Canada, Central 1 Credit Union forecasts.