

This week's economic indicators are positive and broad-based. Employment climbed in January on the strength of private sector hiring, while building permits issued in December climbed on strength in housing markets.

**Employment** in B.C. increased in January, according to the latest seasonally adjusted estimates from Statistics Canada. An estimated 2,280,500 persons worked during the week of January 10 through 16, up 12,000 from one month earlier. B.C.'s unemployment rate was estimated at 8.1% of the labour force in January, down from 8.3% in December.

January's job growth was shared among women aged 25 years and over and younger workers of both sexes aged 15 to 24 years. All of the net job growth in January was among employees working in the private sector, while jobs in the public sector and self-employment declined.

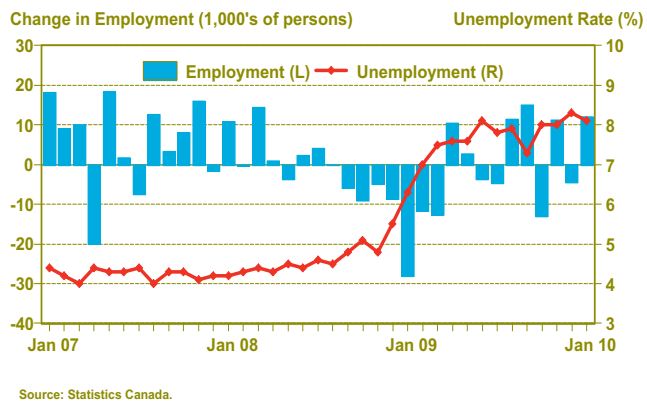
Industry-wise, job growth was concentrated in retail or wholesale trade and goods-producing industries, including mining and construction. However, this was partly offset by a drop in persons working in professional or technical service industries.

Regionally, job growth has lately been concentrated in the Thompson-Okanagan and Vancouver Island regions. In contrast, recent job declines have been concentrated in the North Coast and Cariboo regions.

Central 1 Credit Union forecasts the average level of employment in B.C. will rise 0.9% in 2010, year-over-year, following a 2.4% decline last year. This outlook for below-average job growth reflects weakness in the economic recovery in the United States. More favourable economic conditions after 2010 will lead to higher job growth and a declining unemployment rate.

The value of **building permits** issued by local governments in B.C. continued to rise in December 2009 from their recession low-point, set in January last year,

**Labour Market, British Columbia  
Monthly, Seasonally Adjusted**



according to the latest seasonally adjusted measurement from Statistics Canada. Recent growth has been driven by strength in housing markets in metro Vancouver and real estate markets in Kelowna.

Permits issued in December in B.C. totalled \$884 million, up almost 13% from November. Three-quarters of these permits were for residential buildings, which climbed almost 23% from November. One-quarter were non-residential building permits, which declined more than 9% from November.

In metro Vancouver, building permits issued in December totalled \$591 million, up almost 22% from November. Metro Vancouver accounted for two-thirds of permits issued in B.C. in December. The Kelowna Census Metropolitan Area (CMA) saw \$45 million in building permits issued in December, up almost 33% from November. Meanwhile, building permits issued in the Victoria CMA edged down 3% in December and Abbotsford CMA saw a 2% decline, month-over-month.

A strong rebound in housing sales is driving up investment in residential construction. Record low mortgage rates and



continued net in-migration are bringing more first-time buyers into the market. Housing is one of the first sectors to turn upward coming out of a recession. This time is no different, except that the cyclical rebound is shaping up to be the strongest and sharpest on record.

Central 1 Credit Union forecasts housing starts will expand during the 2010 to 2014 period on the strength of pent-up demand, existing homeowner turnover, additional investor demand and new households from population and income growth. Housing starts will jump more than 50% in 2010 from last year's low level and climb to more than 30,000 units in 2012.

The current trend in non-residential building investment remains slightly downward. Generally, vacancy rates in private-sector non-residential buildings are rising and effective rents are ebbing. Building construction is lagging the provincial economy through the recession. The outlook is for non-residential construction investment to decline 3% in 2010, following an estimated 20% drop last year.

Construction will be the leading or strongest-growing industry in the next five years, according to Central 1's latest forecast. Growth will be led by the housing rebound and later by more non-residential construction related to major utility, transportation, and mining projects, along with new demand for commercial real estate. Construction GDP will jump by about 50% between 2009 and 2014, with employment up about 30%.

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