

This week's economic indicators are neutral, with little change in either total employment or building permits issued.

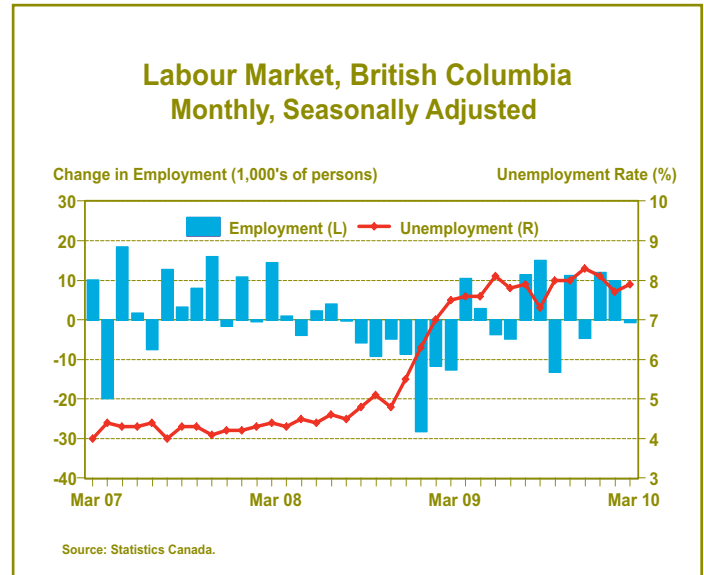
**Employment** in B.C. was largely unchanged in March from February, according to the latest seasonally adjusted estimates from Statistics Canada. An estimated 2.29 million persons worked during the week of March 14 through 20, virtually the same number as a month earlier. Total hours worked increased by 0.46% in March from February, seasonally adjusted, more than the long-term median gain of 0.29% per month. B.C.'s unemployment rate was 7.9% in March, seasonally adjusted, little changed from February.

Industry-wise, the number of persons employed in March increased in professional/technical services, educational services, information/recreation services, forestry/mining and utilities. These gains were offset by declines in finance/insurance/real estate services and transportation/warehousing services. The number of private-sector employees edged down in March while self-employment increased.

Regionally, employment has increased recently in all regions except for the North Coast-Nechako area, where it continues to decline. The strongest growth has been in the Northeast, Greater Victoria and Cariboo regions.

Central 1 Credit Union forecasts the average level of employment in B.C. will rise 0.9% in 2010, 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. saw little change in February from January, according to the latest seasonally adjusted measurement from Statistics Canada. Residential building permits edged down, while non-residential



building permits held steady. Recent growth has been driven by housing construction.

Permits issued in February in B.C. totalled \$658 million, down 3.2% from January. Three-quarters of these permits were for residential buildings, which fell 5.6%. Meanwhile, non-residential building permits rose 4.7%.

In metro Vancouver, building permits issued in February totalled \$330 million, down 9.7% from January. Metro Vancouver accounted for half of all permits issued in B.C. in February. The Kelowna Census Metropolitan Area (CMA) saw \$54 million in building permits issued in February, up 75% from January. Permits issued in the Victoria CMA dropped 15.9% and the Abbotsford CMA saw a 16.7% decline.

Housing sales via the Multiple Listing Service (MLS®) dropped unusually quickly in January and February, and early indications are that sales did not rebound sharply in March. The plunge likely reflects a normalizing trend following unsustainably high volumes in the last quarter of 2009. Back then, recession-battered asset prices and mortgage rates,



pent-up supply and demand, and an improving economy provided extraordinary stimulus to housing sales. Now, most market fundamentals are turning against growth.

Housing prices have more than regained pre-recession highs, listings are near all-time record-highs, government policies are reducing demand from low-equity buyers, and mortgage rates are rising. The economy is still improving, but the recovery from recession will be dampened by rising government debt and taxes, the end of counter-cyclical government stimulus measures, and the recovery of household balance sheets. Seasonally adjusted housing sales, prices and new construction will probably level off over the next few months.

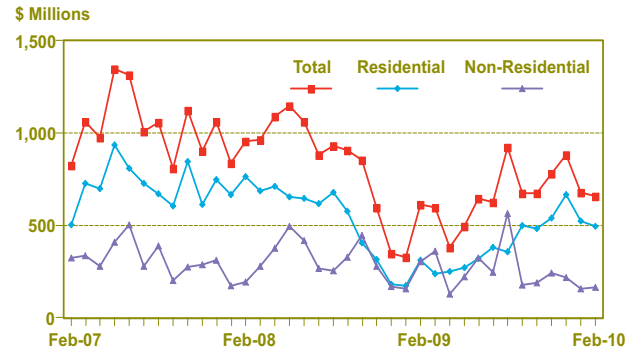
Central 1 Credit Union forecasts housing starts will expand during the 2010 to 2014 period on the strength of pent-up demand, existing homeowner turnover, additional investor demand and new households created from population and income growth. Housing starts will jump more than 50% in 2010 from last 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. Non-residential building construction is lagging the provincial economy through the recovery. 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%.

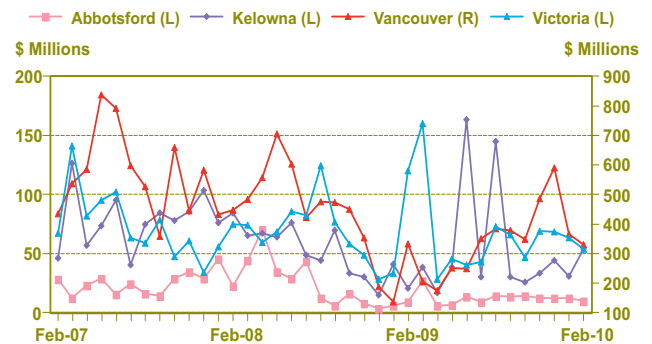
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### Building Permits by Structure Type British Columbia, Monthly, Seasonally Adjusted



Source: Statistics Canada.

### Building Permits by Metropolitan Area British Columbia, Monthly, Seasonally Adjusted



Source: Statistics Canada.