

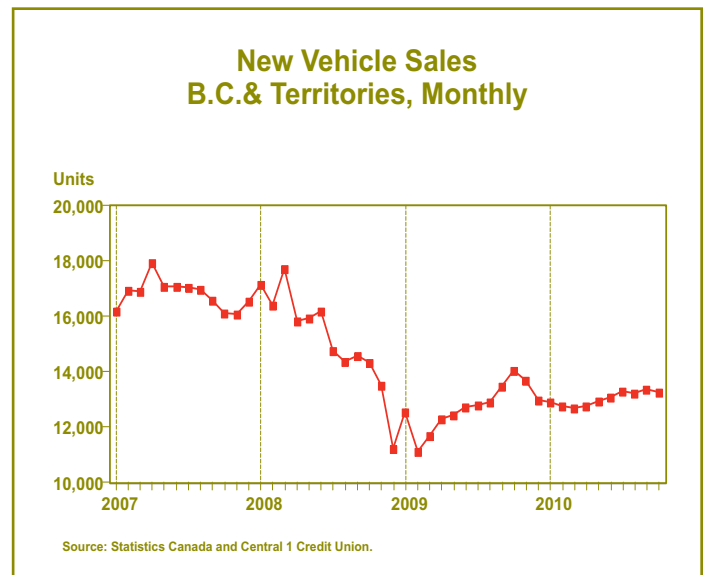
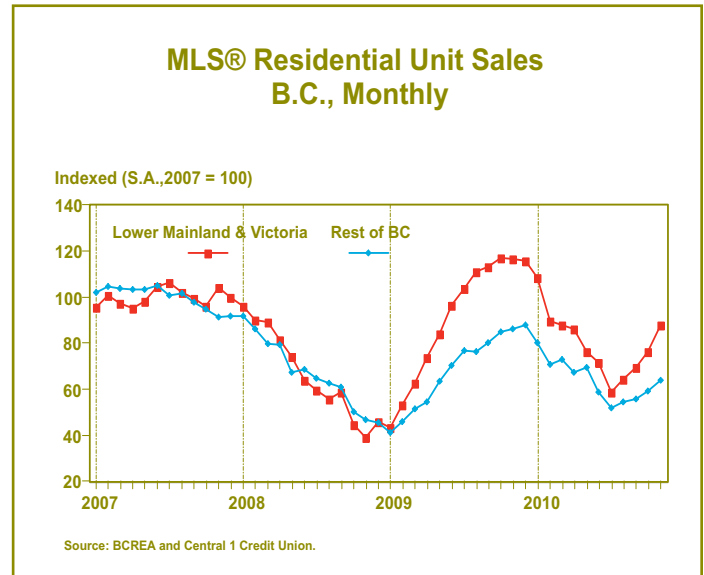
Monthly Sales Highest Since April

Stronger sales momentum in the Lower Mainland and Vancouver Island housing markets drove provincial sales significantly higher in November. Based on data released this week from the BC Real Estate Association, MLS® home sales rose 11% from October on a seasonally-adjusted basis, marking a fourth consecutive monthly increase. Declining mortgage rates over the past few months have been the major driver for the increase.

Annualized housing sales surpassed 80,000 units for the first time since April and upward sales trends have been established in most regions, despite some month-to-month volatility. While sales have climbed higher in recent months, absolute sales levels remain low in most regions of the province relative to the past decade of activity. At the same time, resale inventories have remained high relative to current sales, particularly in the Okanagan and Kootenay regions, in spite of a downward trend in new and active listings since the spring.

Vancouver Island (excluding Victoria) and Chilliwack also remained moderately over-supplied. Relatively weak market conditions reflect less than stellar employment trends outside the Lower Mainland in 2010 and a continued lack of investment and recreational housing demand. The current demand and supply imbalance suggests that further downward pressure on prices could be exerted in some markets; however, rising sales should provide a moderating influence.

In contrast, the Lower Mainland and Victoria markets are hovering at or near balanced conditions. Sales in the Lower Mainland have risen 50% since bottoming in July, and increased market activity has been reflected in a seasonally adjusted-increase of 2.7% in the MLSLink® Housing Price Index since August, which controls for attributes such as structure type, size and location variables.



New Vehicle Sales Edge Back in October

New vehicle sales in British Columbia and the Territories fell back 0.8% from September to a seasonally-adjusted 13,256 units in October. Based on Statistics Canada data, October's drop was led by 4% decline in truck sales, which was partially offset by an increase in passenger car sales during the month.



After gradually moving higher over the spring and summer period, sales levels have flattened in recent months.

New vehicle sales activity is generally a secondary indicator for B.C.'s economy given the lack of automotive-related production in the province. It does however, provide an indication of consumer confidence to make large-scale durable goods purchases and/or replace aging assets. Current seasonally-adjusted annualized sales levels are low, hovering just under 160,000 vehicles, which contrasts with an average monthly trend of 193,500 annualized vehicles sold from 2005 to late 2008. The low level of sales and slower pace of growth suggests that consumers remain hesitant to take on additional debt at the current time. Sales are expected to rise over next year reflecting moderate growth in the economy and employment gains.

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