



Highlights

- Part-time employment levels went down in B.C. in February
- Services-producing sector remained steady while goods-producing industries had no change in employment level
- Import rise while exports decline
- Lower mainland housing home sales flattened in February
- Building intentions rise in B.C. in January; both the non-residential and residential sectors posted strong gains

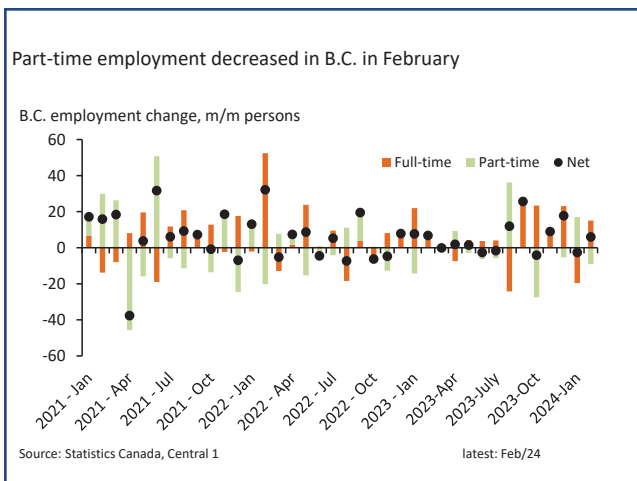
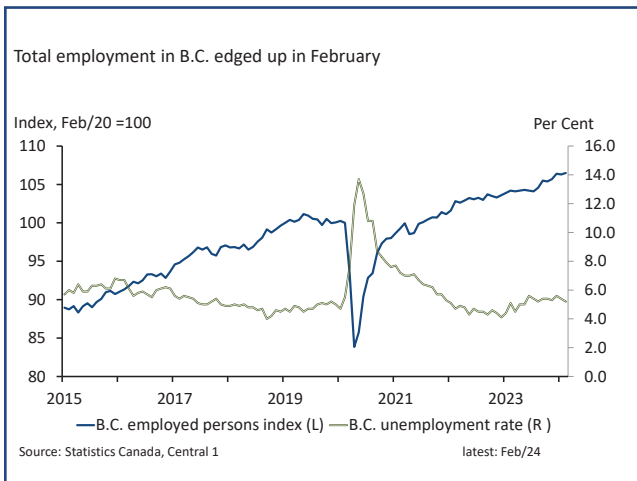
B.C. employment edged up in February

Ivy Ruan, Economic Analyst

Following an increase in hiring in January, employment in British Columbia (B.C.) saw a mild expansion of 5,900 people (0.2 per cent) in February on a seasonally-adjusted basis. On a year-over-year basis, provincial employment increased 2.6 per cent. The labour participation rate dropped to 65.0 per cent from 65.3 per cent last month, while the provincial unemployment rate edged down 0.2 per cent to 5.2 per cent following the 0.1 per cent monthly decrease in January. B.C.'s labour force contracted by 0.1 per cent during the same period despite a 0.3 per cent increase in population.

Consistent with the national pattern, part-time employment in the province declined by 1.6 per cent (9,100 people), which was offset by an expansion in full-time employment, which increased 0.7 per cent (15,100 people). The Vancouver Census Metropolitan area recorded a 0.2 per cent increase in employment from the prior month, while the unemployment rate went down to 5.0 per cent compared with the 5.5 per cent level seen in January as the labour force contracted. Population growth in Vancouver CMA continued and reported 0.3 per cent growth in February.

By sector, the goods producing industries had virtually no change in employment following the large decline in



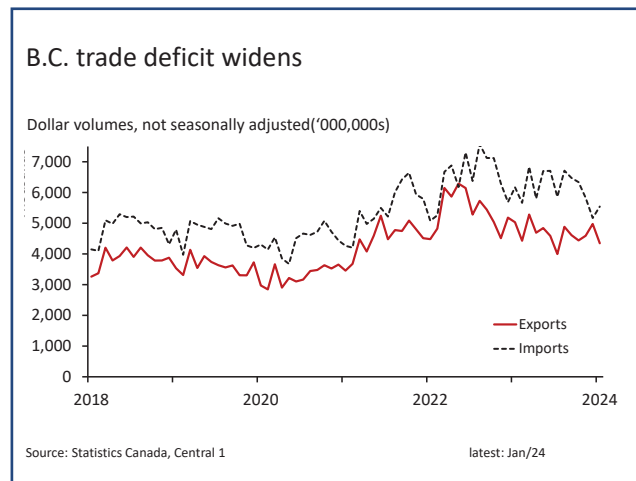
January. The decrease in employment in agriculture, down 20.4 per cent or 4,500 people, and manufacturing down 0.5 per cent or 800 people), was offset by the growth in the rest of goods producing sectors. Total employment in the services industries edged up by 0.3 per cent, with notable decrease in wholesale and retail trade, down 1.3 per cent or 5,600 persons, offset by hiring growth seen in sectors such as information, culture and recreation, which rose 5.2 per cent and business, building and other support services, up 3.7 per cent.

While national labour performance remained robust in February, B.C. has showing mixed signs of labour market conditions, largely due to the contraction in labour force despite population growth.

Energy products lead changes in imports and exports

Alan Chow, Business Economist

In January 2024, B.C.'s merchandise exports came in at about \$4.3 billion. This represented a 12.6 per cent decrease over the previous month and a 13.5 per cent decrease compared to the same month in the previous year. On the other hand, B.C. saw a higher value of imports come in in January 2024, ending four straight months of declining volume. They had a total value of around \$5.5 billion for January 2024, which is an increase of 7.3 per cent over the previous month but was down 10.1 per cent compared to the same month last year.



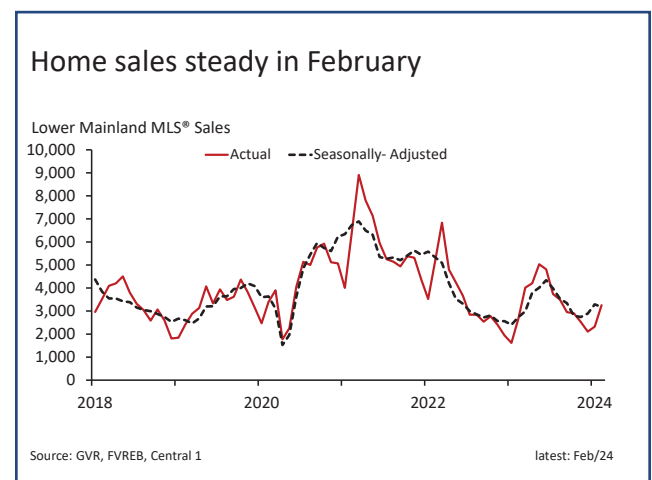
Within exports, nine out of the 12 categories saw a monthly year-over-year decline in value. The largest decline was seen in energy products, which was down 23.4 per cent. This was followed by forestry products, which were down 7.9 per cent and basic and industrial chemical, plastic and rubber products, which was down 30.7 per cent. The three categories that saw a monthly year-over-year increase were metal ores and non-metallic minerals, up 9.2 per cent, aircraft and other transportation equipment and parts, up 41.0 per cent, and special transaction trades, up 29.8 per cent. On a month over month basis, two out of the 12 categories saw a monthly increase while one was flat. The other nine categories saw a substantial decline in the value of exports. The two categories that saw increases were aircraft and other transportation equipment and parts, up 42.9 per cent, and special transaction trade, up 69.5 per cent. Leading the decline was a lower value of energy products, down 14.2 per cent, followed by forestry products and building and packaging materials, down 8.3 per cent, and electronic and electrical equipment and parts, down 24.3 per cent.

On the imports side, five out of the 12 categories saw a monthly year-over-year increase. Leading the way was motor vehicle and parts, up 42.4 per cent, followed by aircraft and other transportation equipment parts, up 26.3 per cent, and farm, fishing and intermediate food products, up 6.5 per cent. The largest monthly year-over-year decliners were industrial machinery, equipment and parts down 46.1 per cent, followed by electronic and electrical equipment and parts, down 11.7 per cent, and consumer goods, down 4.6 per cent. On a month over month basis, eight out of the 12 categories saw exports levels rise. The increase was led by higher energy products, up 88.6 per cent, followed by industrial machinery, equipment and parts, up 10.6 per cent, and metal and non-metallic mineral products up 16.4 per cent.

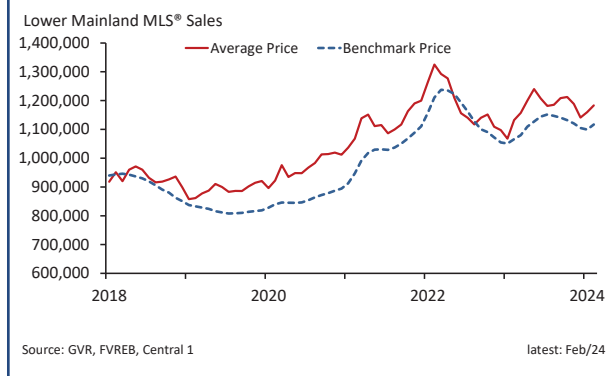
Lower Mainland housing momentum steadies after recent bump

Bryan Yu, Chief Economist

Strengthening momentum in the Lower Mainland housing market, which had been strengthening recently, took a bit of pause in February after as some of the enthusiasm around interest rates waned. While home sales in the region (Abbotsford-Mission and Greater Vancouver) were well above year-ago levels again with a 22 per cent gain, reaching a 39 per cent month-over-month increase to reach 3,252 units, it wasn't quite the great "leap" forward. An additional sales date in February due to the leap year lifted sales, but when adjusted for seasonal factors and trading days, sales were at best even and possibly down a notch from January. Patterns were consistent in both the Fraser Valley and Greater Vancouver regional board areas. Our calculations suggest the sales trend is still below mid-2023 and the period preceding the pandemic by 20-25 per cent.



Home values fluctuate, but hold steady



Nevertheless, market conditions remain on surprisingly firm footing. Both sales-to-new listings and sales-to-active listings ratio are at levels consistent with a balanced market. The sales-to-active listings ratio sits at about 20 per cent which on the cusp of a sellers' market. With lower sales, sellers have held units off the market cognizant of robust demand on the sidelines and high rents, even as higher mortgage renewal rates put pressure on many homeowners. As a result, the average home value has remained surprisingly well supported and elevated. Unadjusted, the average home price rose 2.0 per cent to \$1.18 million, albeit fell 2.1 per cent seasonally-adjusted. That said, prices levels are down from \$1.23 million in the fall and 1.3 million at its peak in early 2022, but still up 20 per cent from pre-pandemic levels. Benchmark prices have shown similar patterns.

Housing market trends will, like much of the economy, depend on the path of interest rates. Rising sales momentum in recent months was triggered by buyers anticipating policy rate cuts by the Bank of Canada in early 2024 and lower fixed rates. This is likely to be delayed until mid-year, which could temper some momentum in the coming months. That said, there is a lot of pent-up demand on the sidelines due to high international immigration and delayed purchasing activity because of financing constraints. We expect these factors to drive higher sales once interest rates see a more pronounced decline, although home values remain tempered by low affordability.

B.C. construction industry sees a boost in permit issuances in January

Eloho Ennah, Economic Analyst

Following consecutive declines in the last quarter of 2023, the new year ushered in a rebound in permit issuances in B.C. Building permits were up by 32.7 per cent in January to reach a seasonally-adjusted \$2 billion. Year-over-year, total permit values were up by 2.0 per cent. This month's gain was a result of higher permits issued in both the residential and non-residential sectors, with construction intentions growing by 25.3 per cent and 49.3 per cent, respectively. Building permit data is a good measure of the state of the construction sector. While monthly data can vary widely, the ongoing trend in permit issuances points to lower construction intentions as high construction costs subdue sector activity.

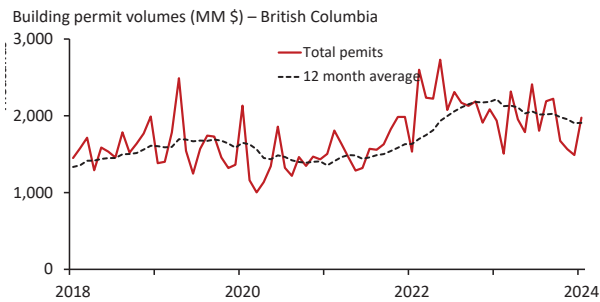
Lower Mainland MLS®

	Actual		m/m % ch		s.a. m/m % ch		y/y % ch		
	2023M02	2024M01	2024M02	2024M01	2024M02	2024M01	2024M02	2024M01	2024M02
Unit Sales	2,672	2,325	3,252	10.3	39.9	13.7	-3.5	43.6	21.7
Average Price	1,132,419	1,159,605	1,183,274	1.6	2	1.9	-2.1	8.6	4.5
New Listings	5,238	5,956	7,194	199.4	20.8	9.1	5.1	18.8	37.3
Active Listings	11,832	12,524	14,086	-0.2	12.5	-2.3	-0.1	11.8	19.1
Sales-to-Active Listings	22.6	18.6	23.1	n/a	n/a	n/a	n/a	n/a	n/a

Benchmark Price

	Actual		m/m % ch		s.a. m/m % ch		y/y % ch		
	2023M02	2024M01	2024M02	2024M01	2024M02	2024M01	2024M02	2024M01	2024M02
Total	1,065,900		1,116,856	-0.5	1.6	-1.6	-0.9	4.6	4.7
Singles	1,632,400	1,740,464	1,767,093	-0.8	1.5	-1.6	-0.8	8.3	8.2
Townhome	916,200	948,646	966,006	-0.3	1.8	-1.3	-1	5.5	5.3
Apartment	676,300	699,098	714,479	0.1	2.2	-1.8	0.4	4.7	5.6

Building intentions back up in B.C.



Residential permit volume was lifted in January by higher multi-family dwelling permit issuances. This was the second monthly gain in a row and brought the total permits in the sector to \$1.3 billion. Within the sector, multi-family building permits edged up 36.7 per cent. Overall gains were tapered by dwindling single-family dwelling permits which fell by 7.9 per cent.

In addition, non-residential permit values jumped in January to \$684 million, as all sub-categories posted increases during the month. Industrial permits' value almost doubled while commercial permits also rose by 57.5 per cent. Government permit issuances increased by 35.2 per cent. This portion has been on the rise for the past three months.

Among B.C.'s census metropolitan areas, Vancouver experienced a 74.4 per cent increase in monthly permit values, however this was 0.7 per cent less than value a year ago. In Chilliwack, permitspermit issuances more than doubled in January on both a month-over-month and yearly basis, while permits increased in Kamloops by 24.4 per cent during the month, but fell 34.6 per cent year-on-year. The story was different in areas like Nanaimo and Abbotsford-Mission where permits declined 68.1 per cent and 58.1 per cent respectively in January. Permit issuances also fell in Kelowna by 7.5 per cent during the month.

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