

B.C. Economic Outlook - 2012

23rd Annual Economic Outlook Forum
Vancouver Board of Trade

Tuesday, January 10, 2012

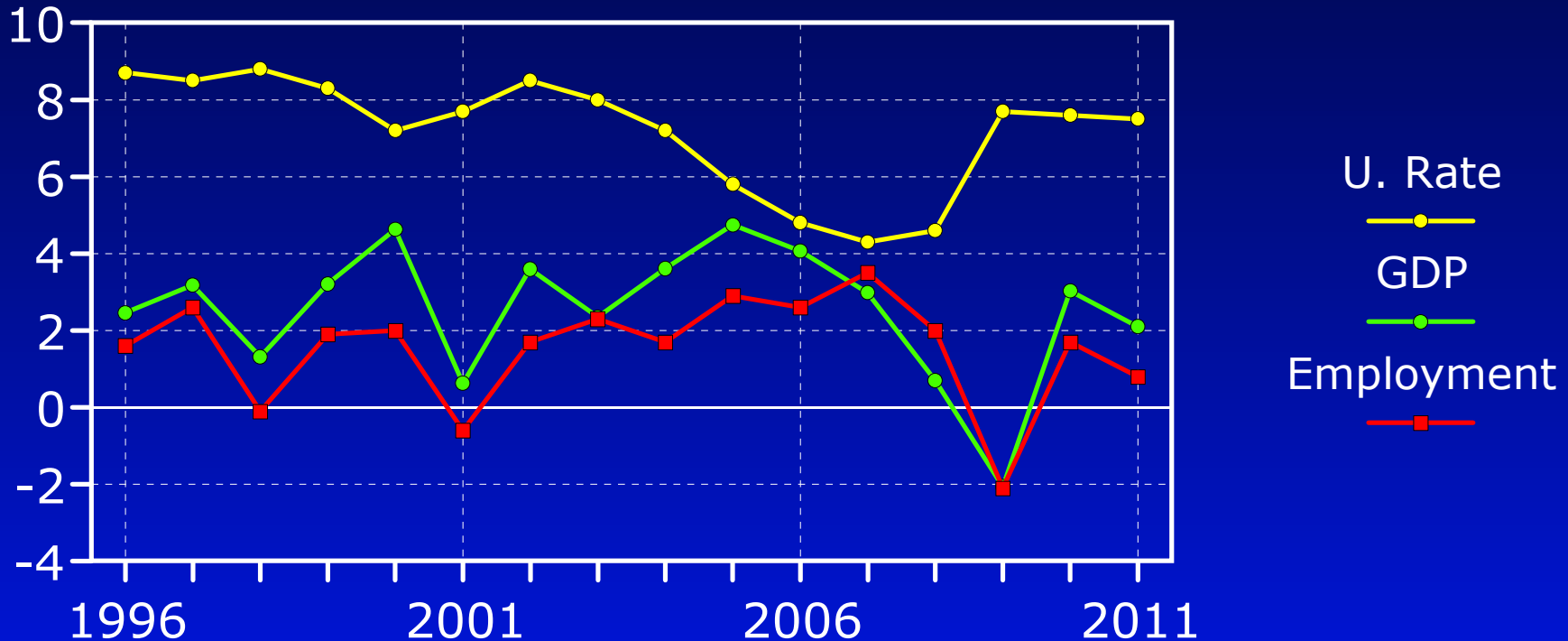
Helmut Pastrick
Chief Economist
Central 1 Credit Union



B.C.'s economic recovery slows in 2011

Key Economic Indicators, B.C.

Per cent



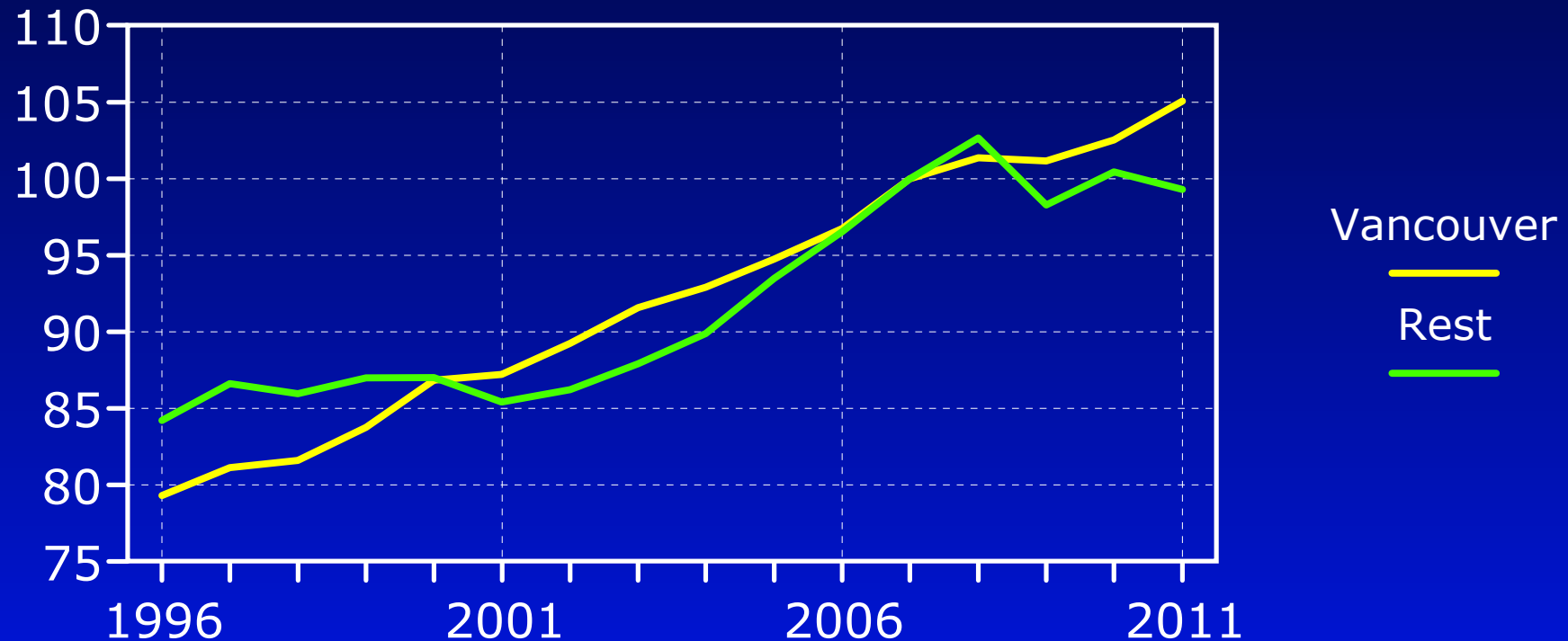
Source: Statistics Canada. Note: C1CU estimate for 2011 GDP



Job resurgence in Metro Vancouver, rest of B.C. lower since recession

Employment Trends, Metro Vancouver and Rest of B.C.

2007=100



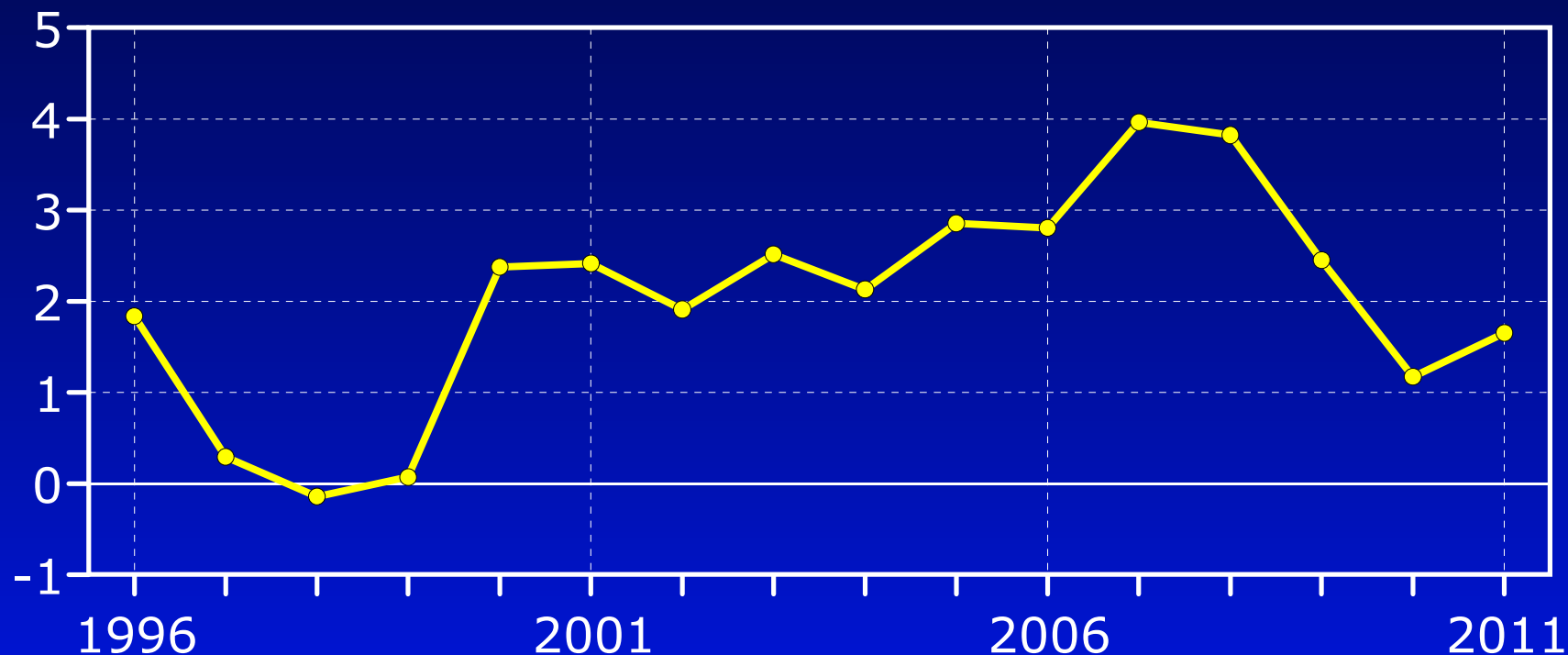
Source: Statistics Canada, C1CU.



Labour income advancing at modest pace

Change in Fixed-Weighted Average Hourly Earnings, B.C.

Per cent



Source: Statistics Canada.

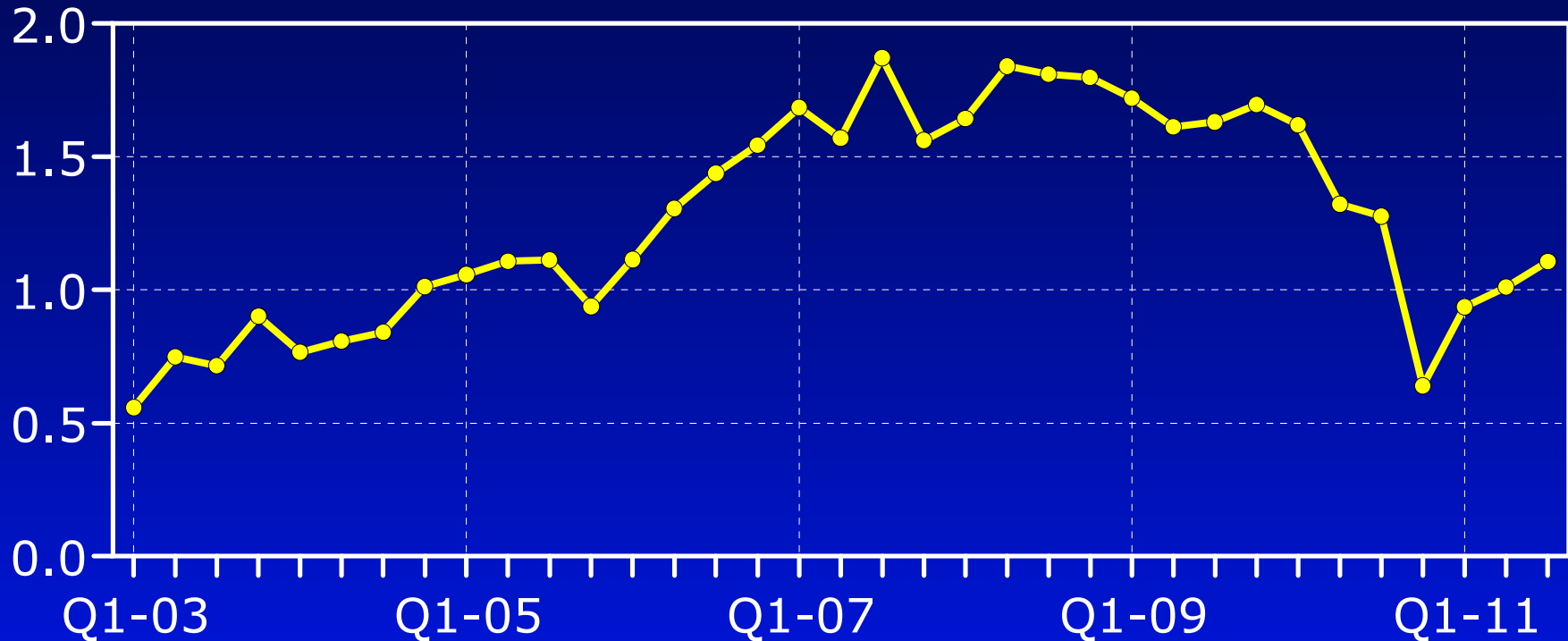
Latest: Average year-to-date Oct-11



Population growth downshifts

B.C. Population Growth Rate, Quarterly

Percent change at annual rate



Source: Statistics Canada, C1CU.

Latest Q3-11



Interprovincial migration turns negative

B.C. Net Migration by Type, Quarterly

Persons - thousands



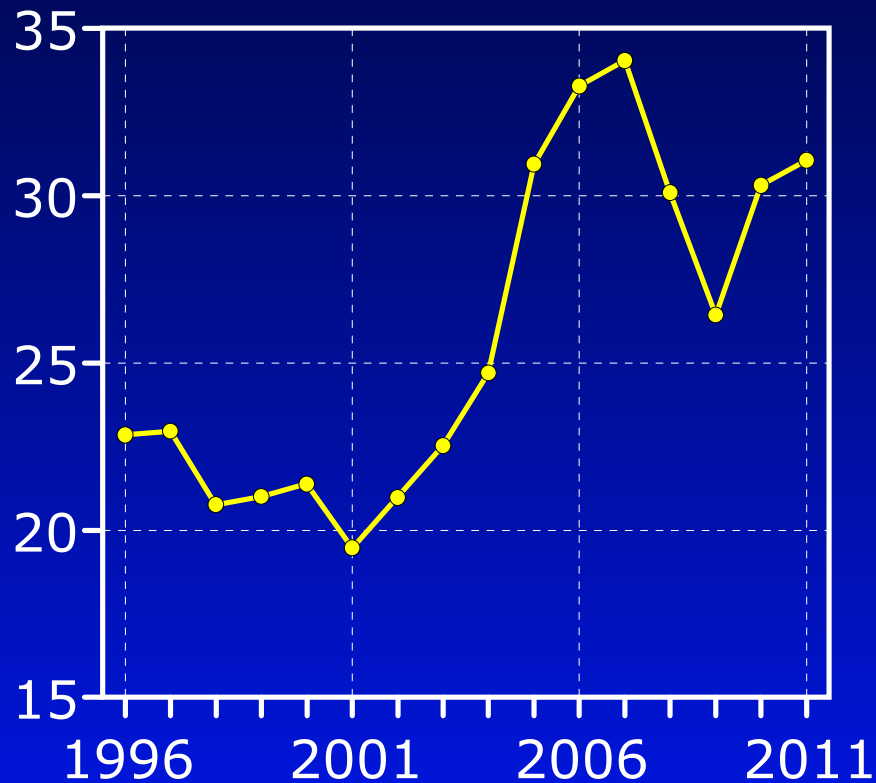
Source: Statistics Canada, C1CU. Note: Seasonally adjusted. Latest: Q3-11



New business formations up slightly in 2011

B.C. Business Incorporations

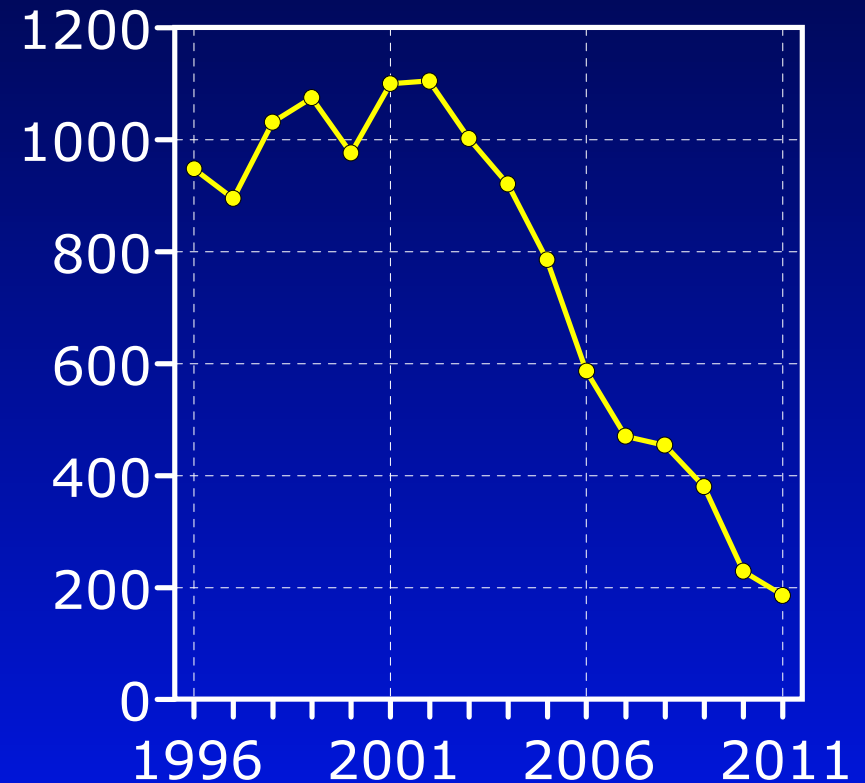
Number - thousands



Source: BC Finance. 2011-12 mo. to Oct.

B.C. Business Bankruptcies

Number



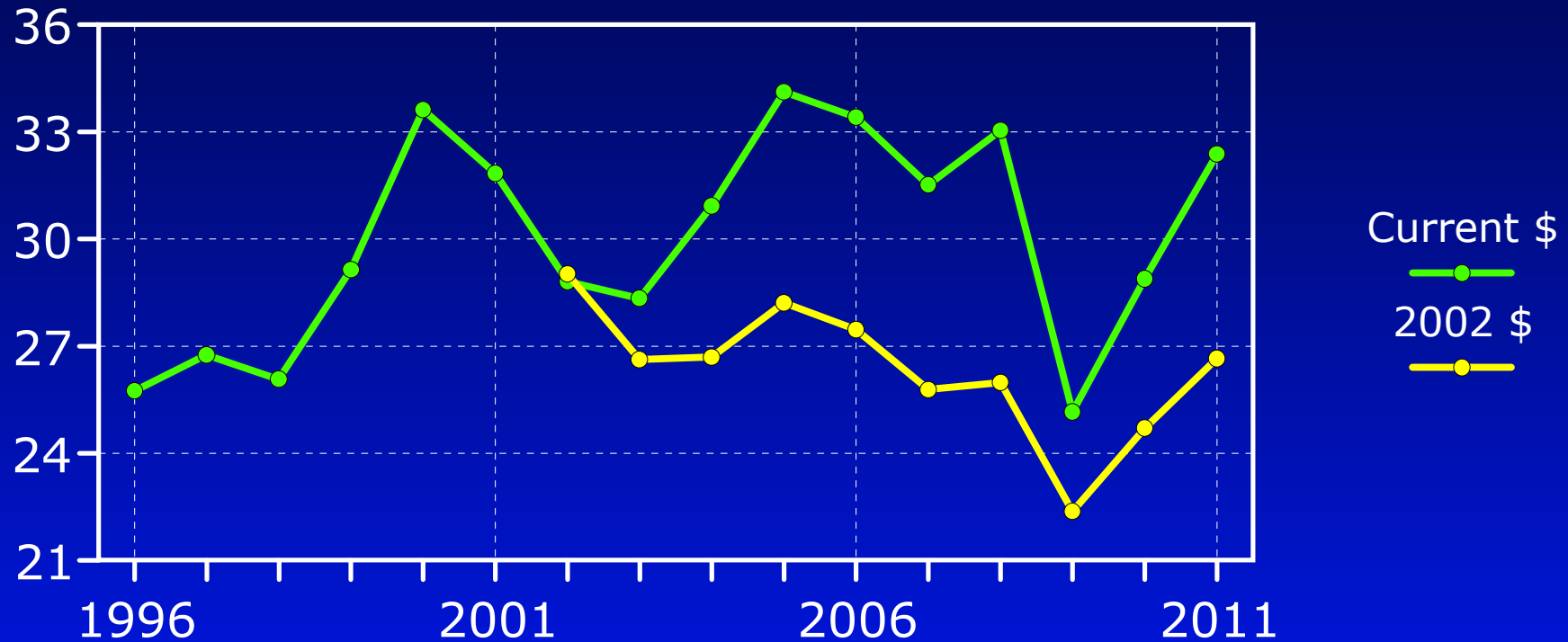
Source: OSB Canada. 2011-12 mo. to Au



Exports rebound from recession low

B.C. International Merchandise Exports

Dollars - billions



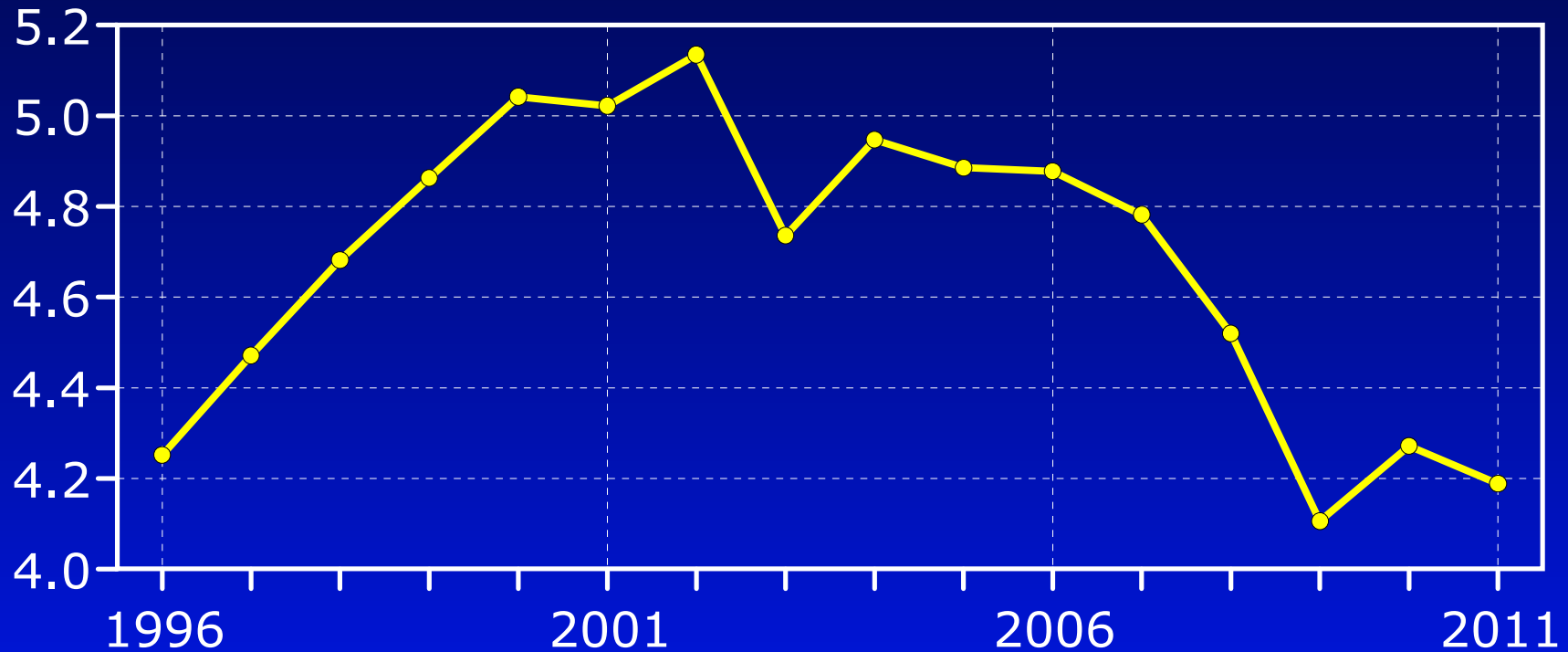
Source: Statistics Canada, C1CU. Note: 12 months ending Oct-11.



Tourist traffic at low levels

B.C. International Tourist Entries

Persons - millions



Source: Statistics Canada.

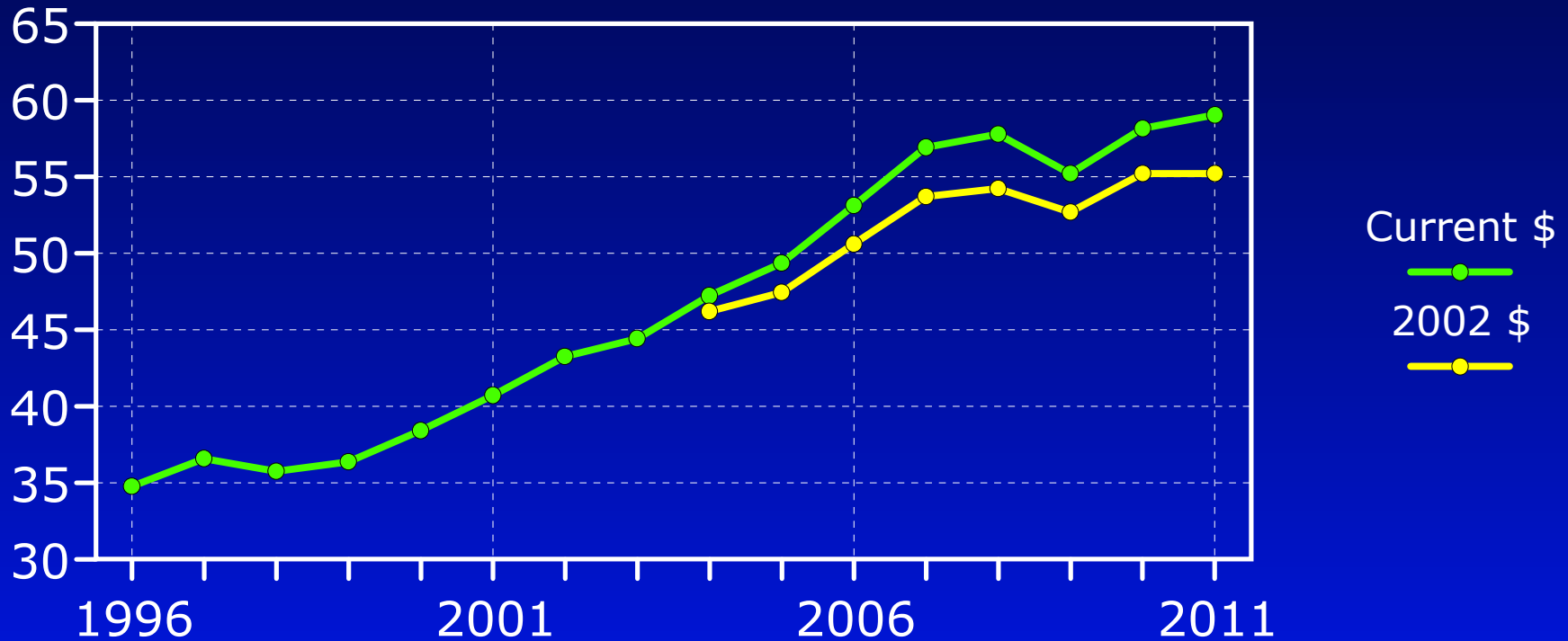
Note: 12 months ending Oct-11.



Lacklustre retail sales growth in 2011

B.C. Retail Sales

Dollars - billions



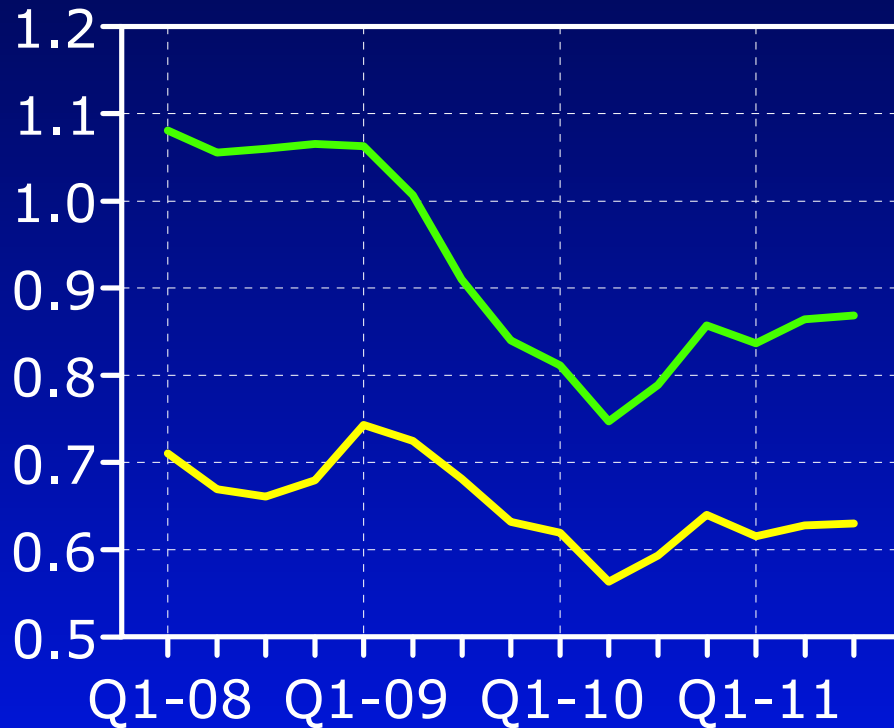
Source: Statistics Canada, C1CU. Note: 12 months ending Oct-11.



B.C. Non-residential Building Construction Investment Spending

Commerical and Industrial

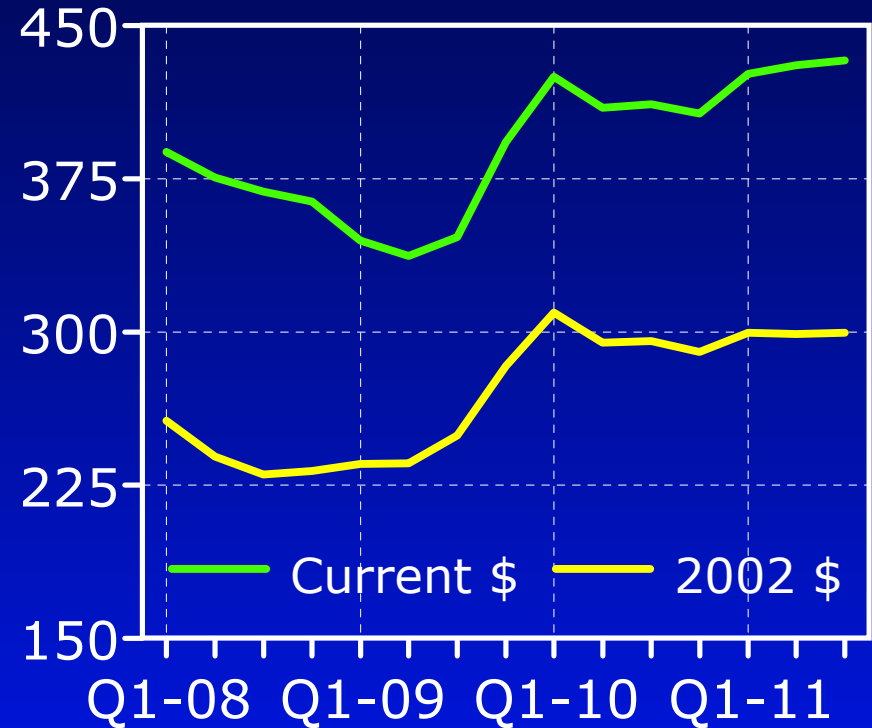
Dollars - billions



Source: Statistics Canada.

Institutional-Government

Dollars - millions



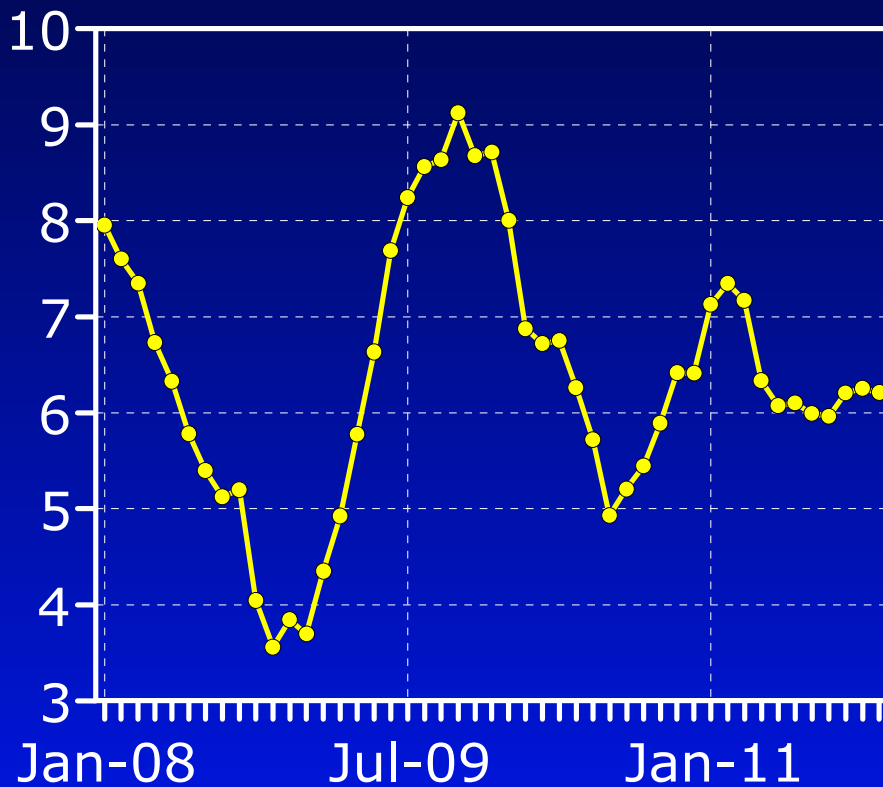
Note: Seasonally adjusted. Latest: Q3



Housing sales holding at moderate levels

MLS Residential Sales, Monthly

Units - thousands, seasonally adjusted

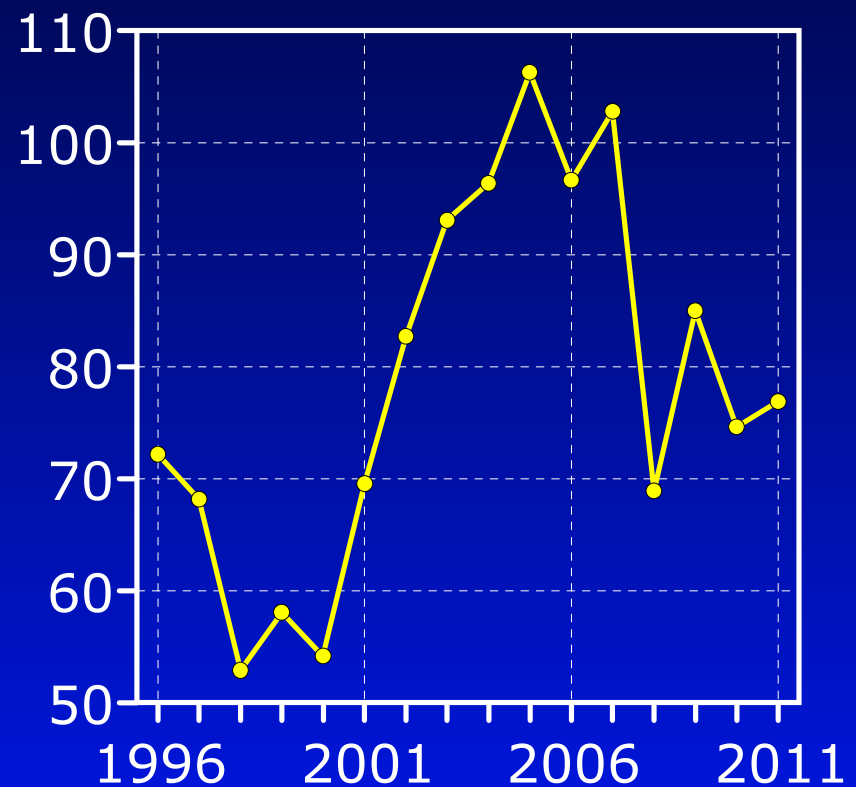


Source: CREA.

Latest: Nov-11

Annually, B.C.

Units - thousands

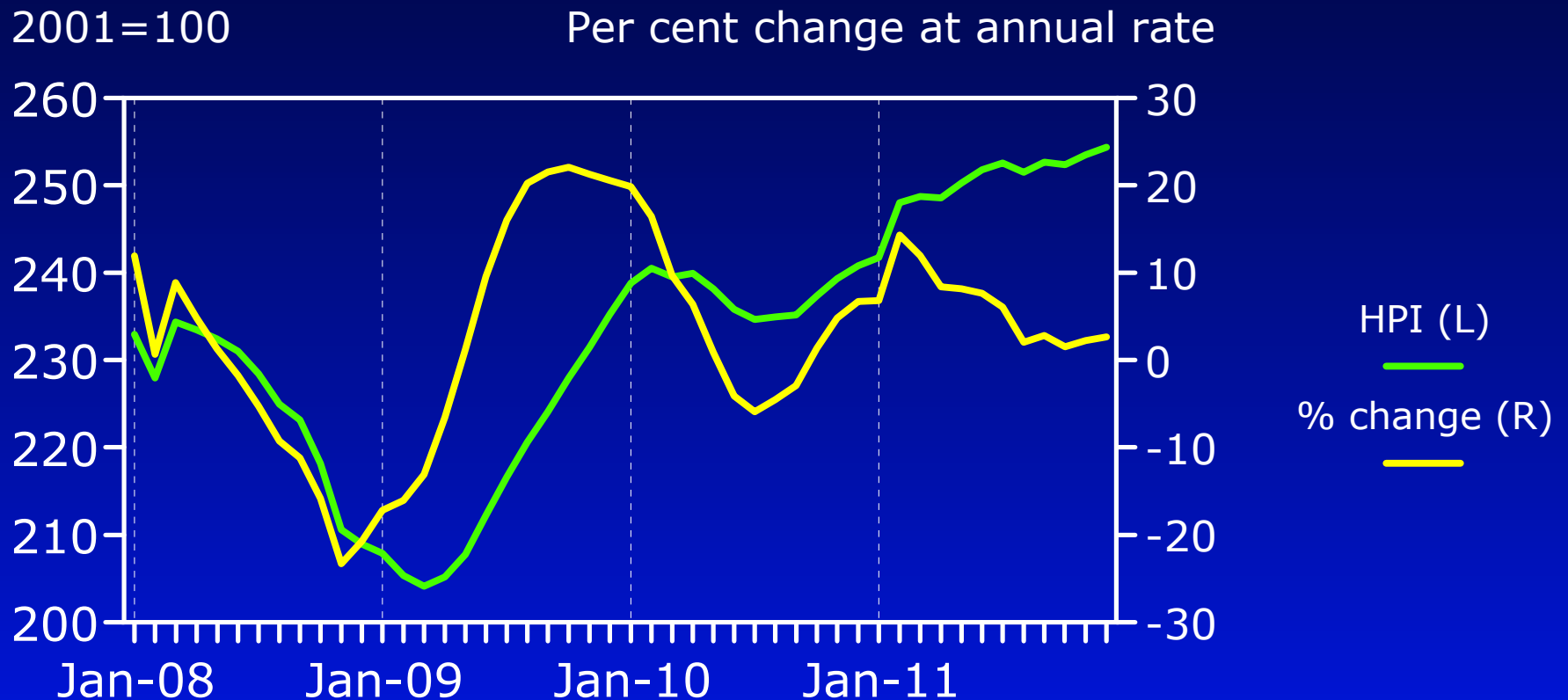


Note: 2011-12 mos. ending Nov-11



Housing prices rising at slower pace in 2011

Lower Mainland MLS Housing Price Index



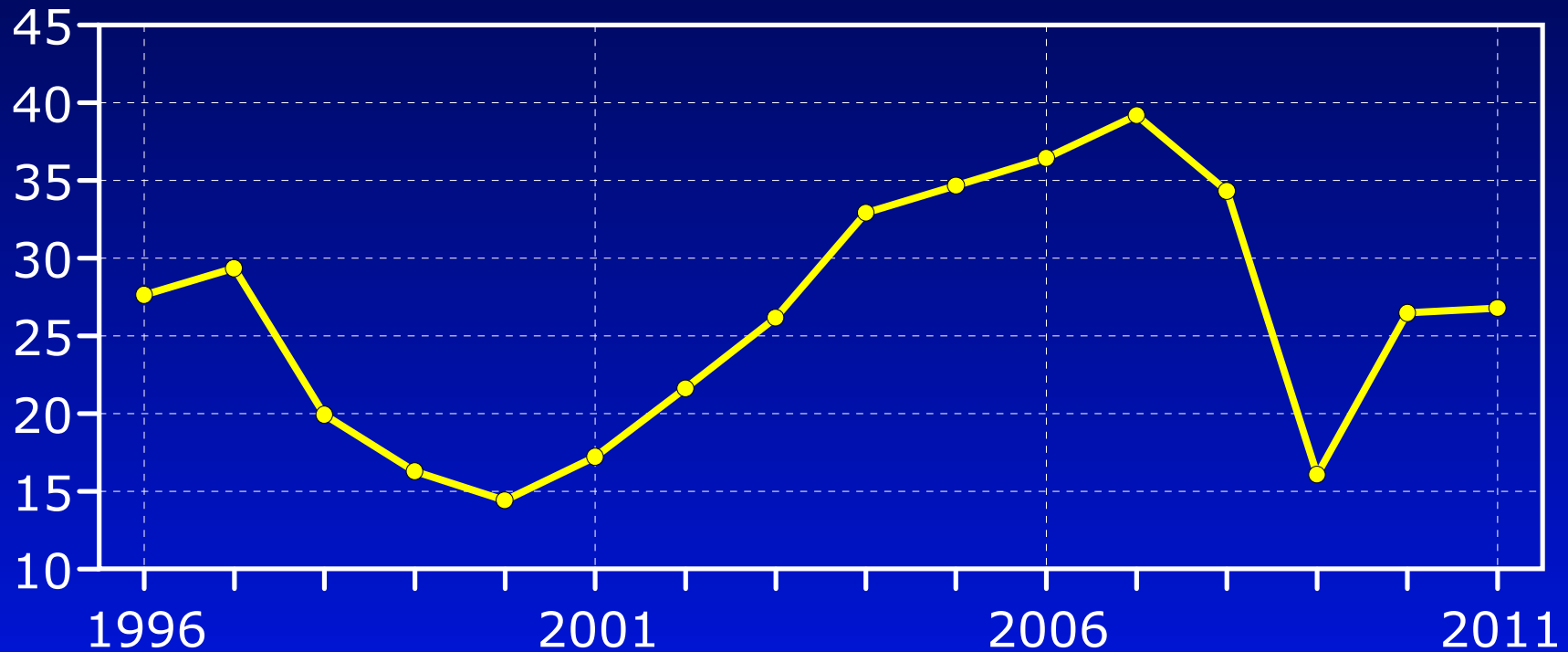
Source: REBGV, C1CU. Note: Seasonally adjusted. Latest: Dec-11



Moderate housing starts activity

B.C. Housing Starts

Units - thousands



Source: CMHC.

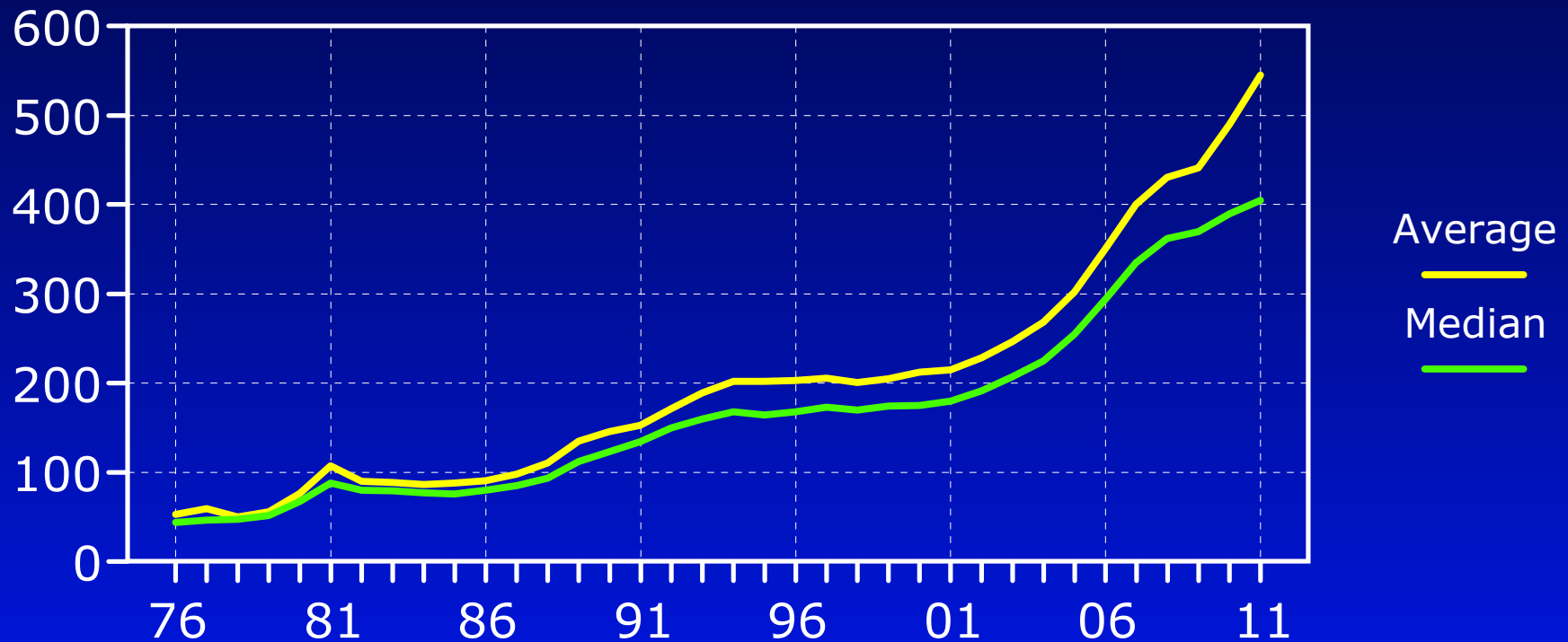
Note: 2011-12 months ending Nov-11.



Prices at record high, growing divergence between average and median prices

Residential Average and Median Sale Prices, B.C.

Dollars - thousands

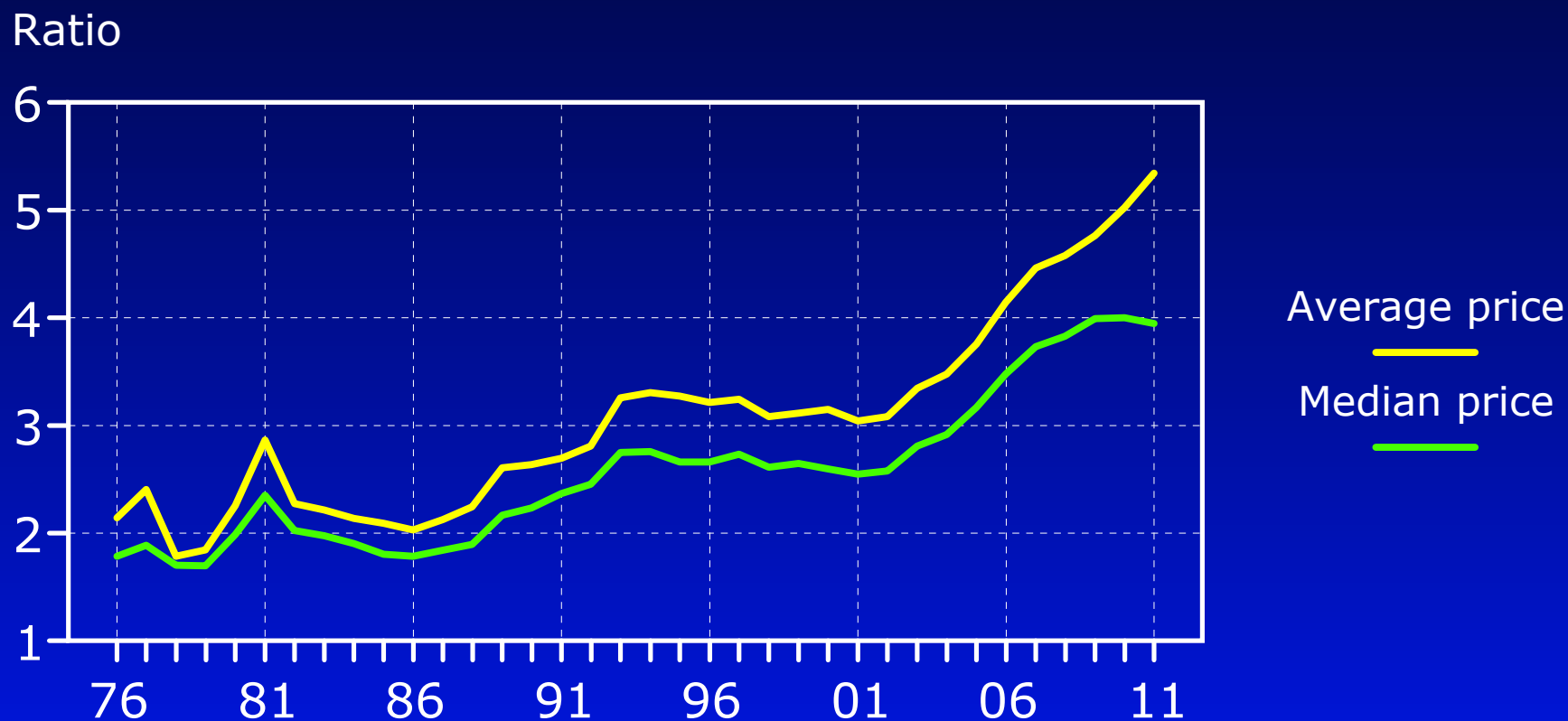


Source: Landcor Data Corp. Latest: 2011-year-to-date Nov-11



Price-to-income ratios at record highs; set to collapse and revert to mean?

Residential Price-to-income Ratios, B.C.



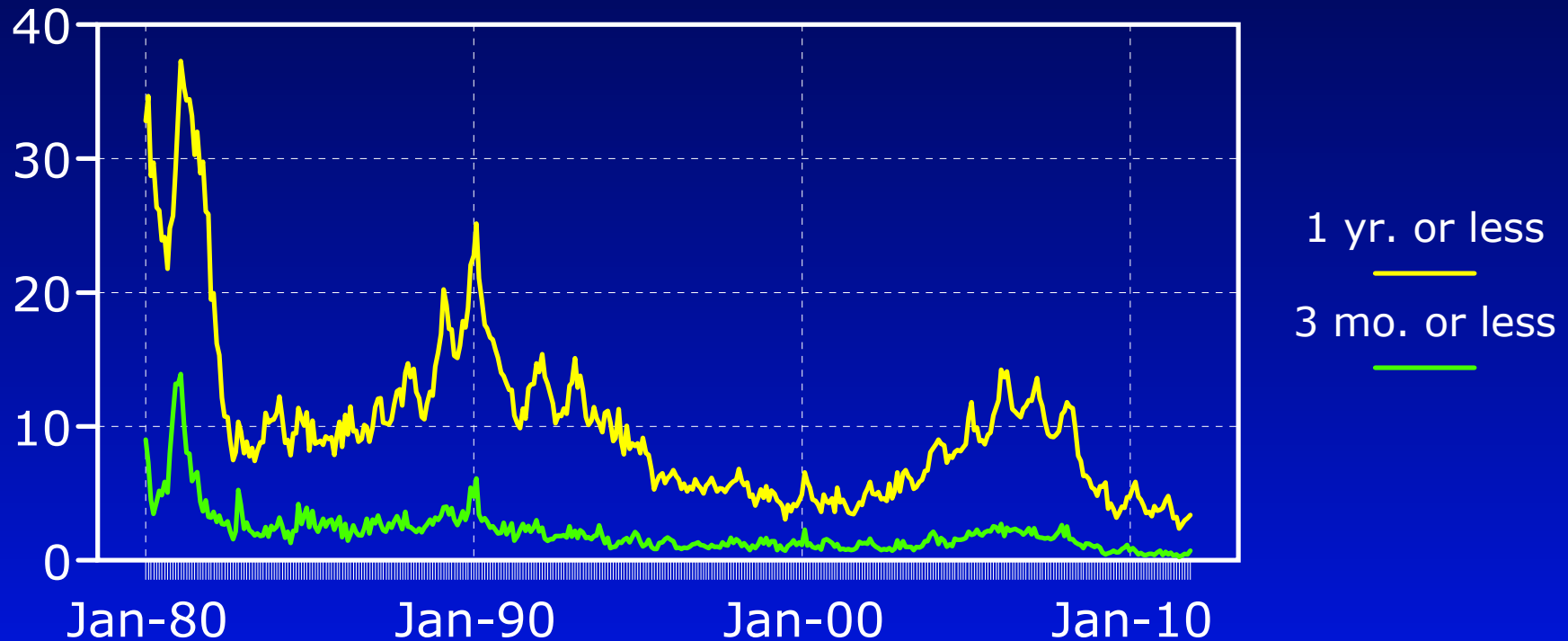
Source: C1CU. Note: Based on average total income of non-elderly families.



Low flipping activity in current market

Holding Period of Sales, B.C.

Per cent of sales



Source: Landcor Data Corp.

Latest: Nov-11



Moderate growth and improvement in 2012

B.C. Forecasts

Indicator	2010	2011	2012
Real GDP, % chg.	3.0	2.1	2.5
Nominal GDP, % chg.	5.9	5.2	5.5
Employment, % chg.	1.7	0.8	1.4
Unemployment rate, %	7.6	7.5	7.2
Personal income, % chg.	4.0	5.0	5.5
Corporate profits, % chg.	21.5	9.5	11.0
Retail sales, % chg.	5.3	1.9	3.0
CPI, % chg.	1.3	2.4	1.5

Source: Statistics Canada, C1CU estimate, 2012 forecast.



Housing holds up, private non-residential construction expands faster

B.C. Forecasts

Indicator	2010	2011	2012
Population, % chg.	1.2	1.0	1.0
Housing sales, % chg.	-10.7	-3.0	3.0
Housing starts, % chg.	64.7	1.0	-1.0
Housing median price, % chg.	5.4	4.0	3.0
Non-residential building % chg	-4.7	4.0	9.0
Private, % chg.	-16.1	5.0	12.0
Public, % chg.	18.6	1.0	-4.0

Source: Statistics Canada, Landcor Data Corp. C1CU estimate, 2012 forecast.

