



Economic and Housing Outlook

The Real Estate Institute of British Columbia

February 23, 2011



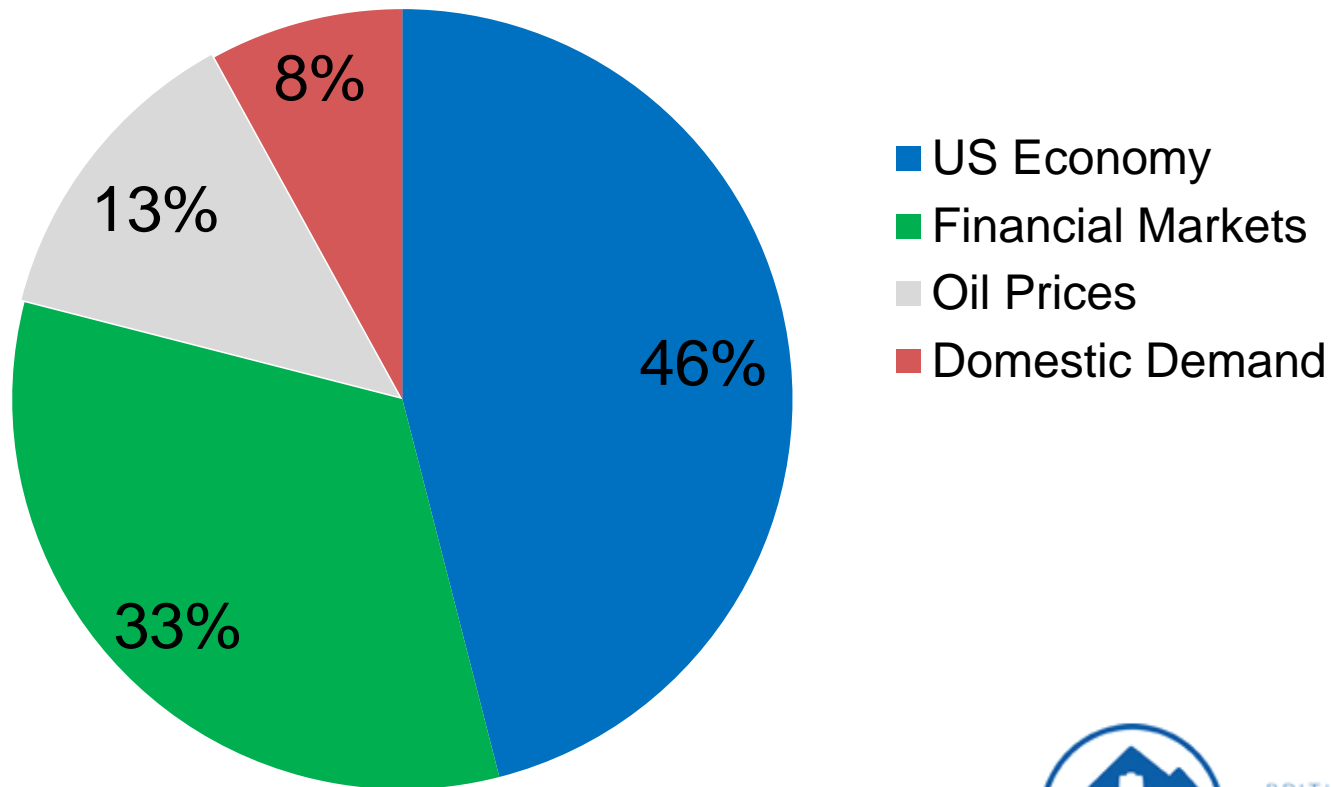
Cameron Muir
Chief Economist



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Key Influences on Canada

Variation in Economic Output



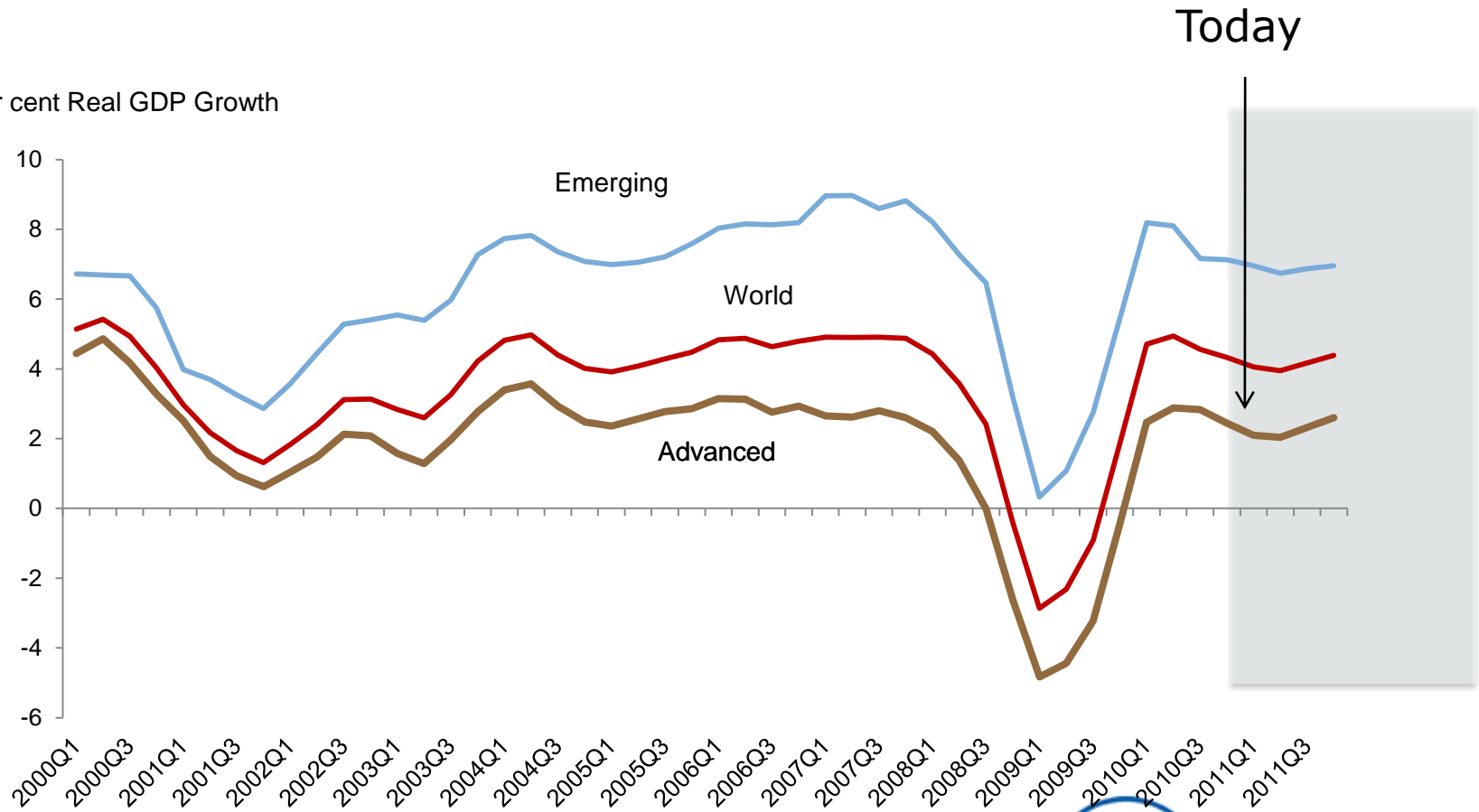
Source: IMF Working Paper



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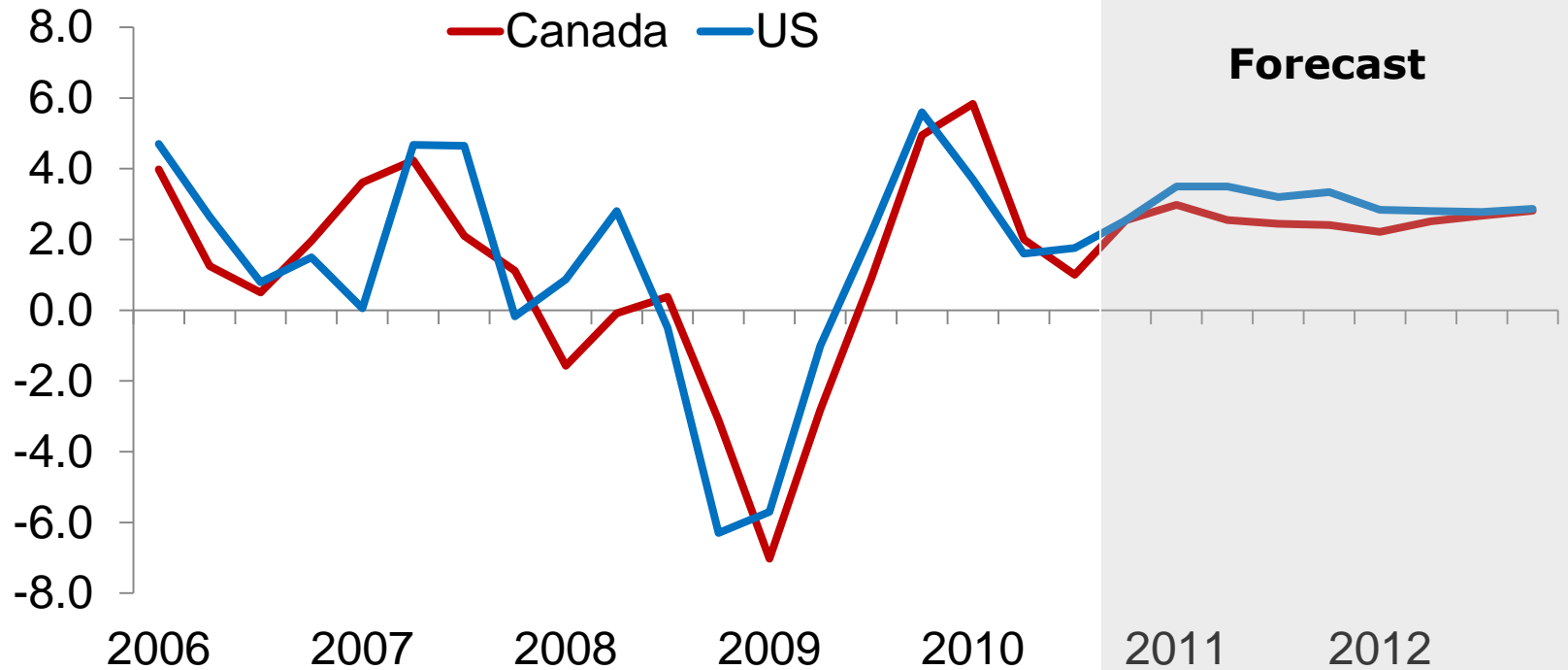
Global Economy

Per cent Real GDP Growth



Economic Growth

Per Cent



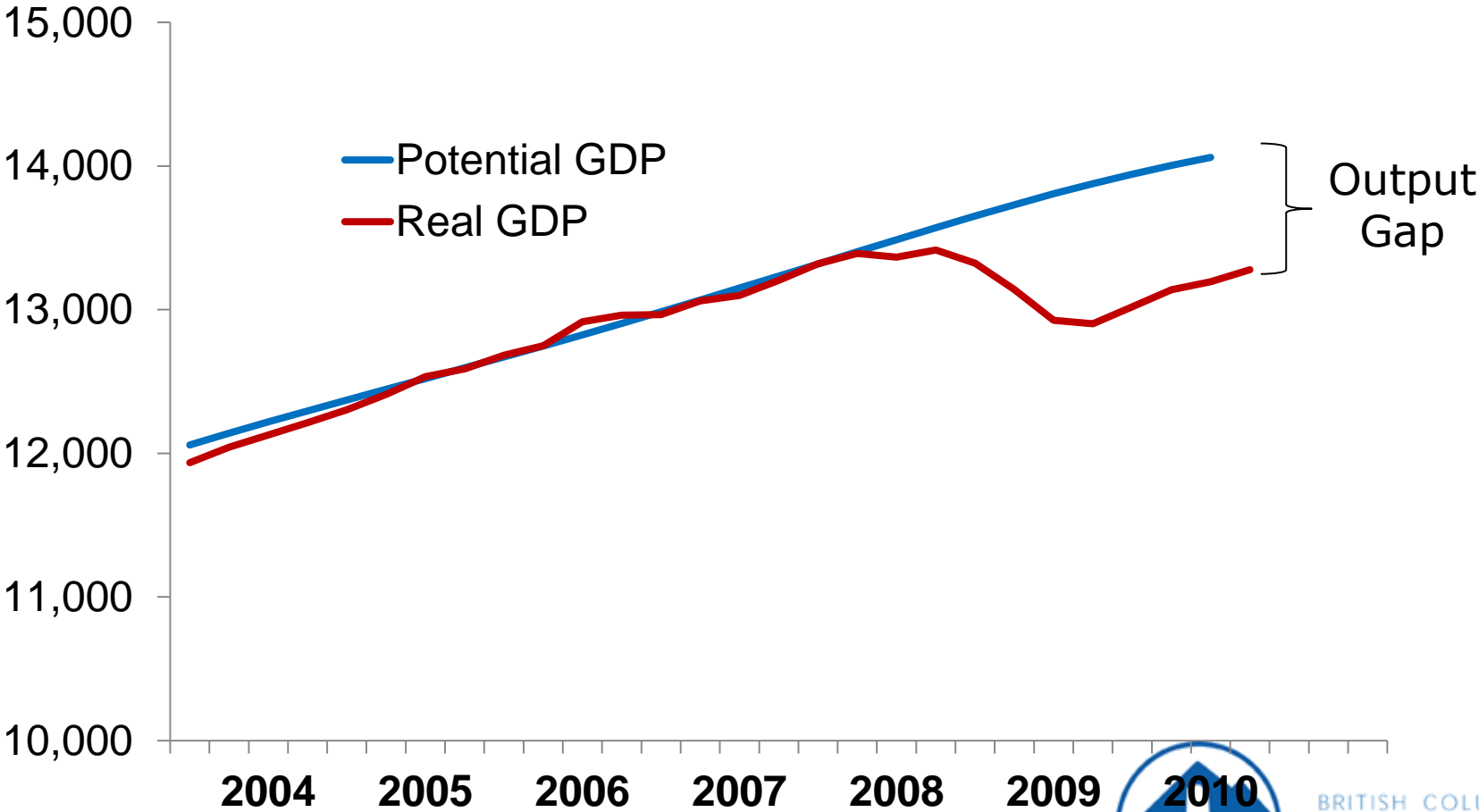
Real GDP (chained 2002 dollars) growth at annualized rates, quarterly.

Source: Stats Canada, BCREA forecast



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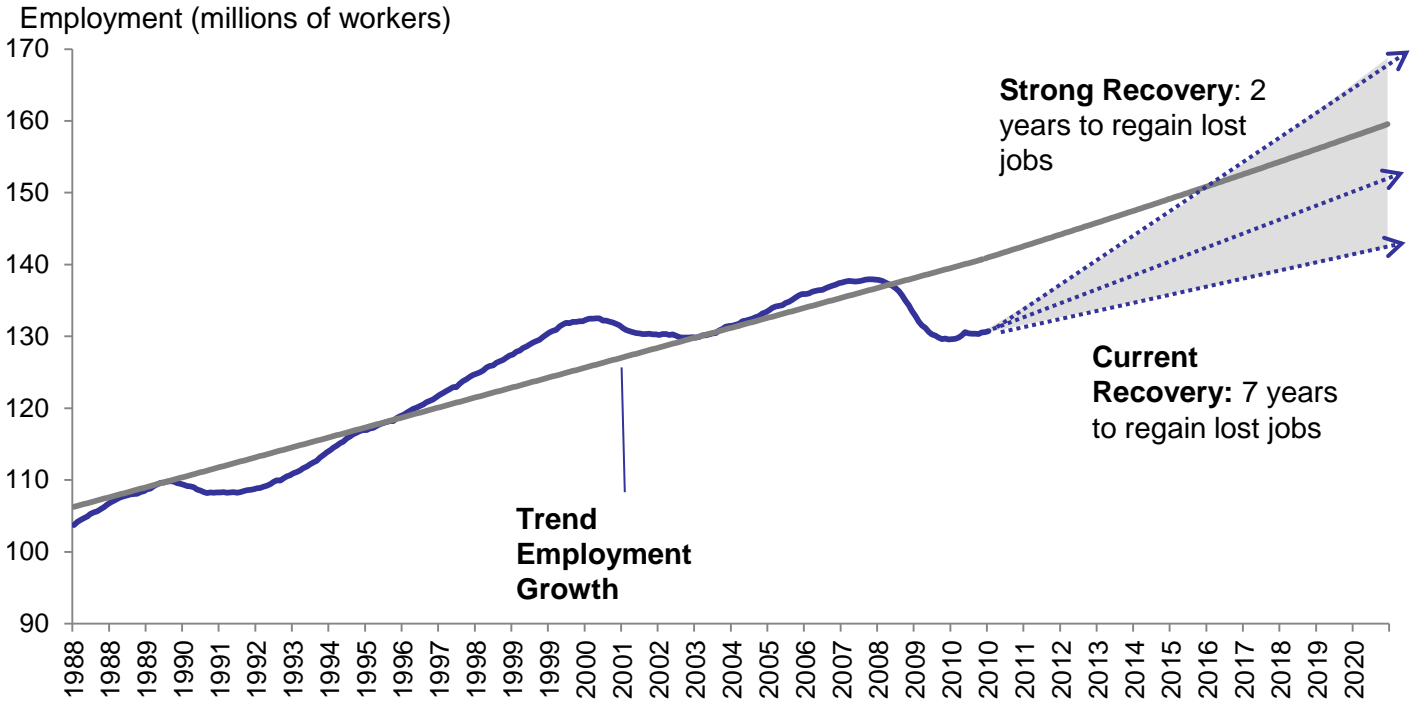
US Economy - Room to Grow



Source: St Louis Federal Reserve



US Employment Recovery a Long Way Off



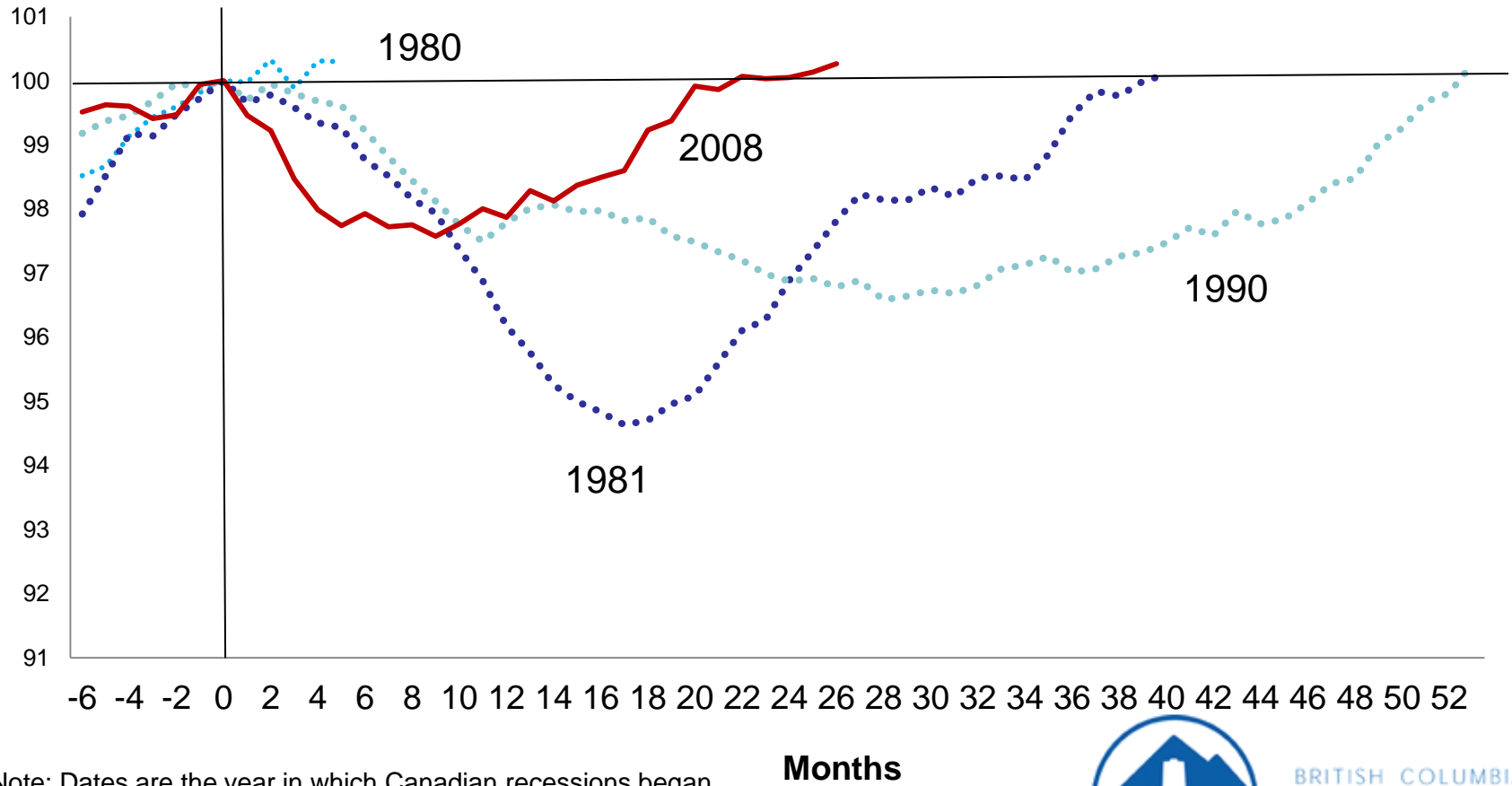
Source: US Federal Reserve, BCREA Calculations



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Canadian Employment Rebound

Peak Employment = 100



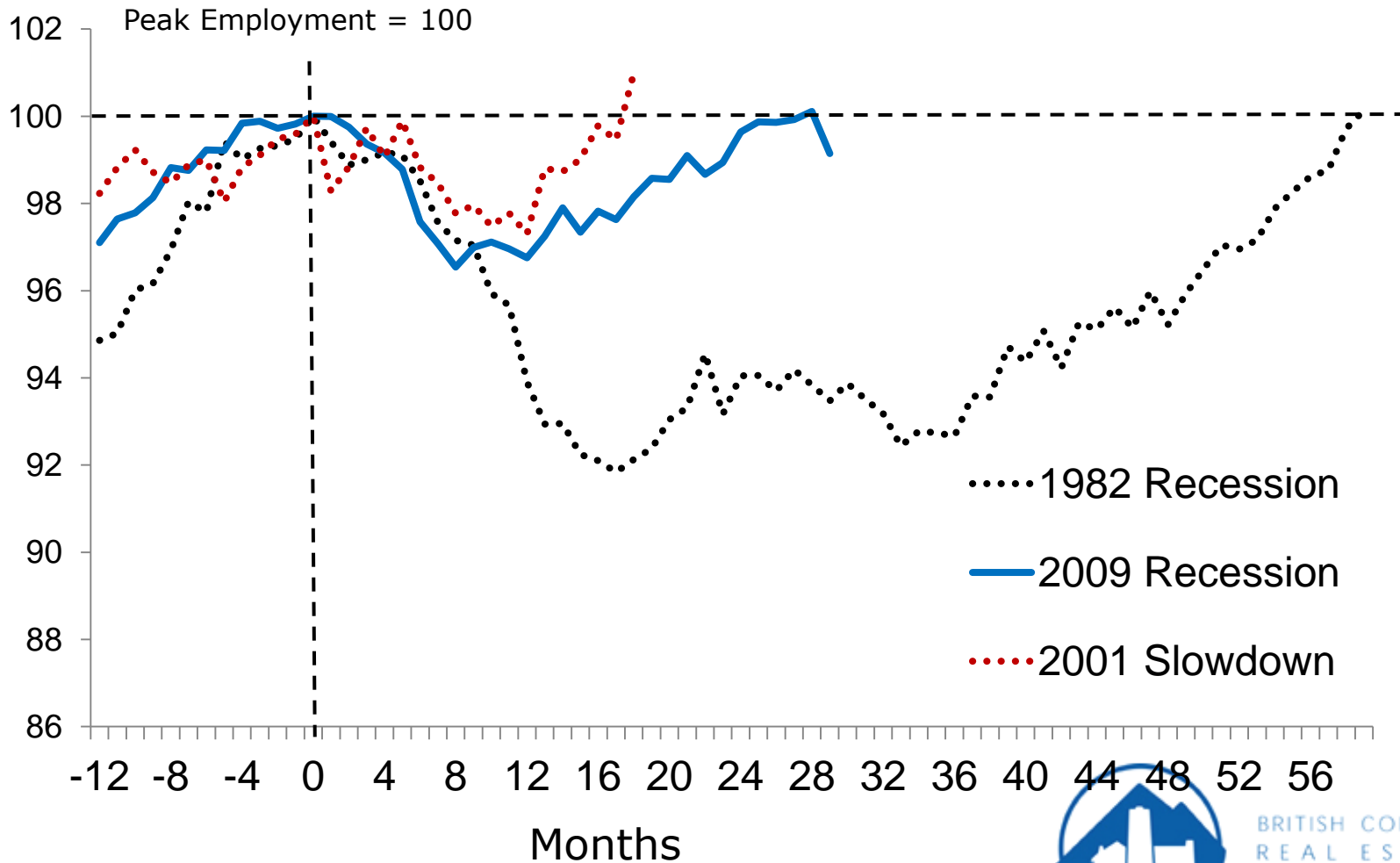
Note: Dates are the year in which Canadian recessions began

Months



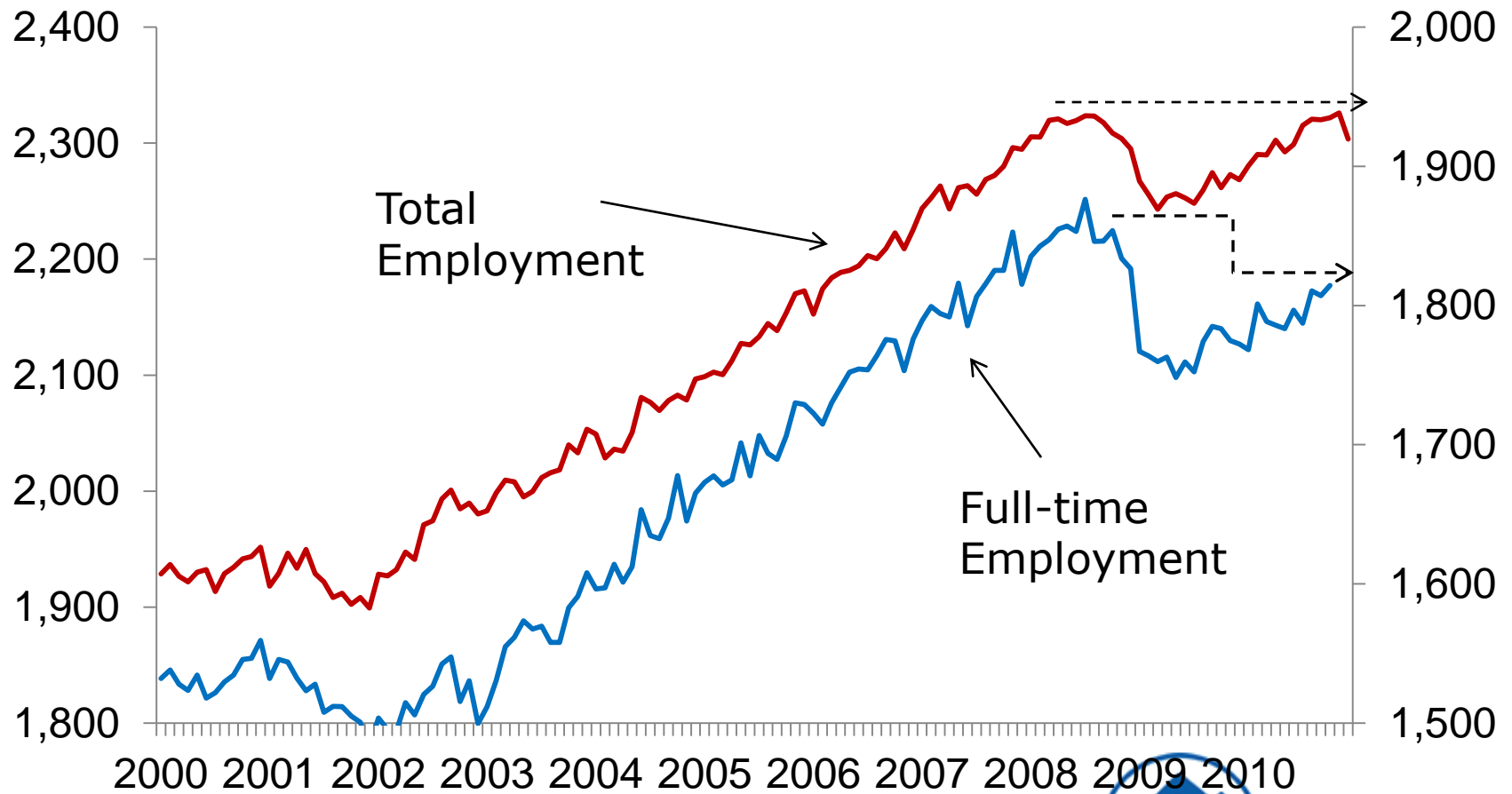
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BC Employment Recovery



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Full-time Employment Yet to Recover

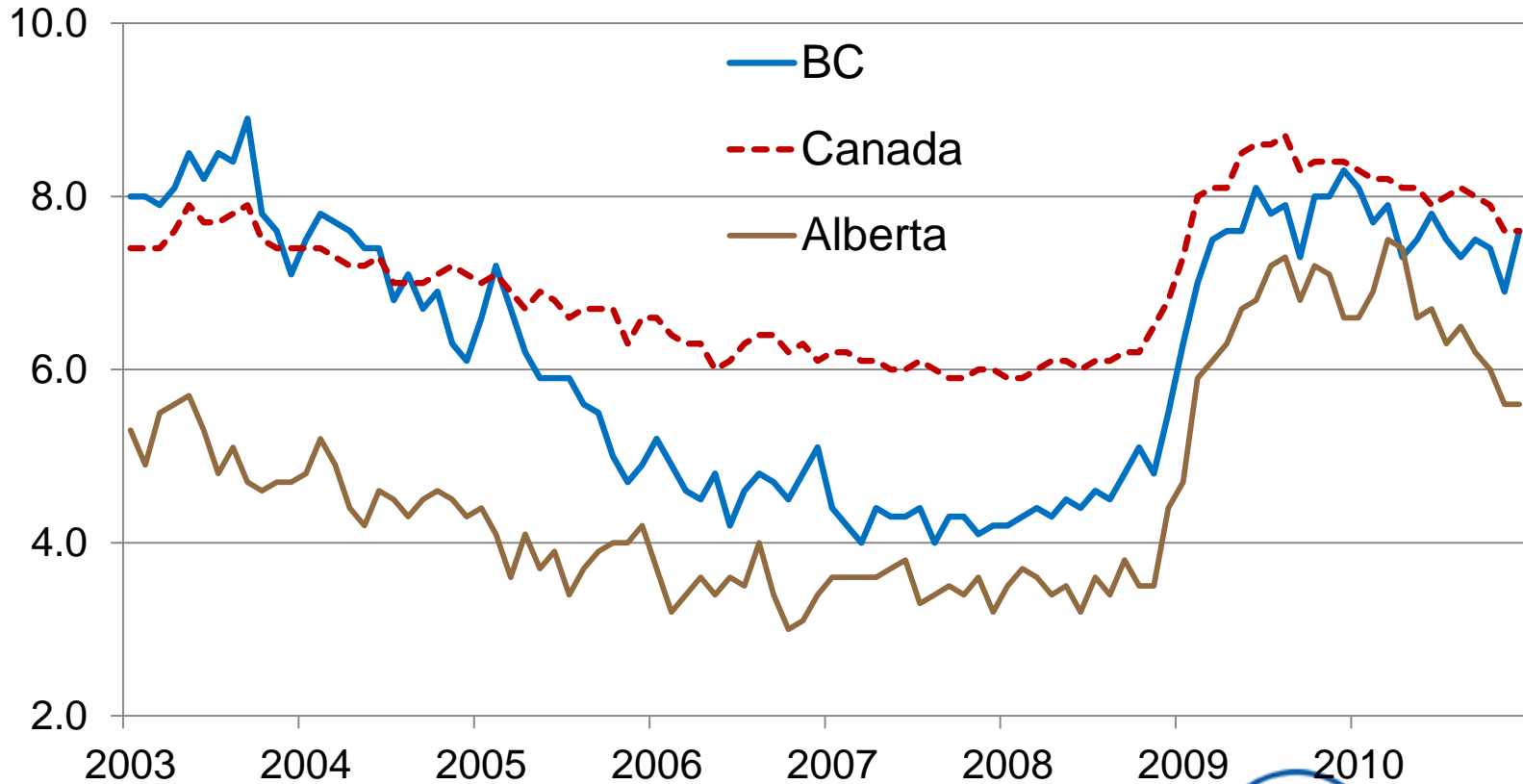


Source: Stats Can



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Unemployment Rates



Sources: Statistics Canada, BCREA

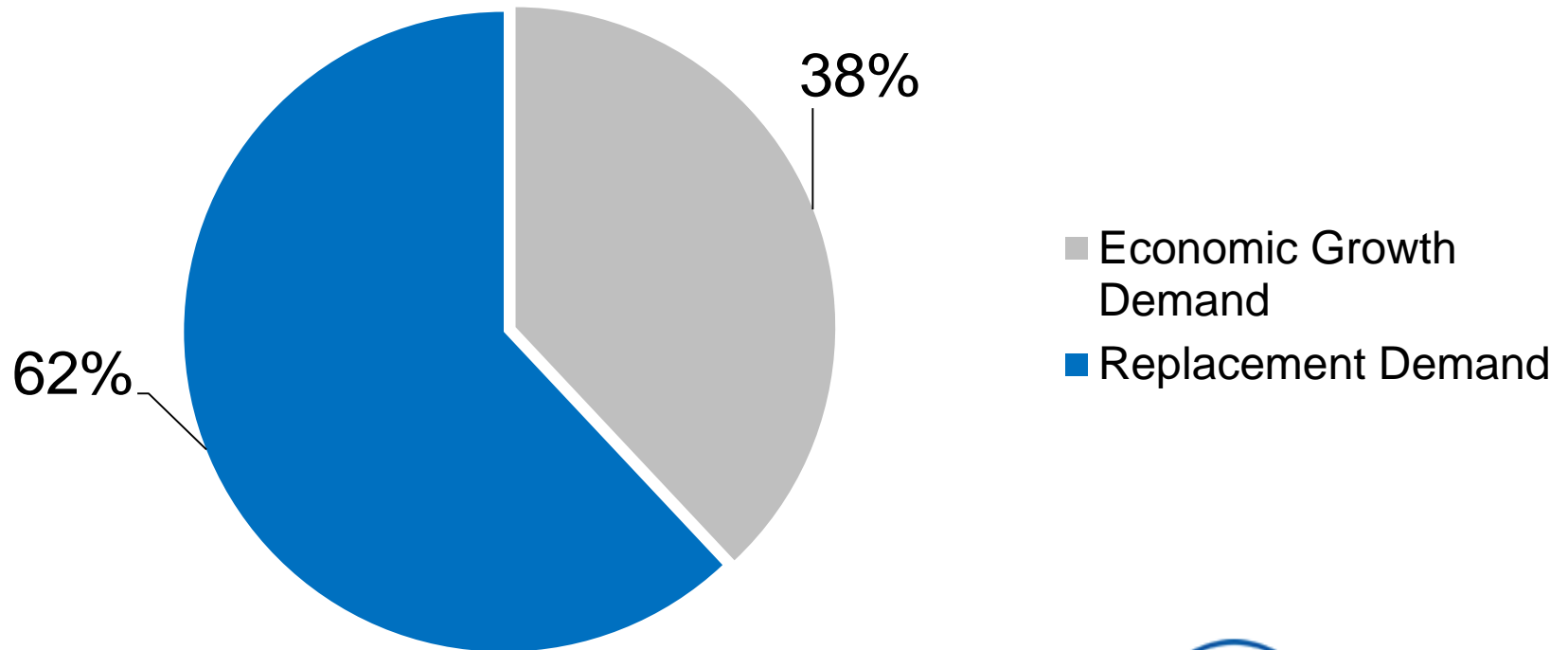


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BC Employment Forecast

2007 - 2017

Job Openings



Source: COPS BC Unique Scenario

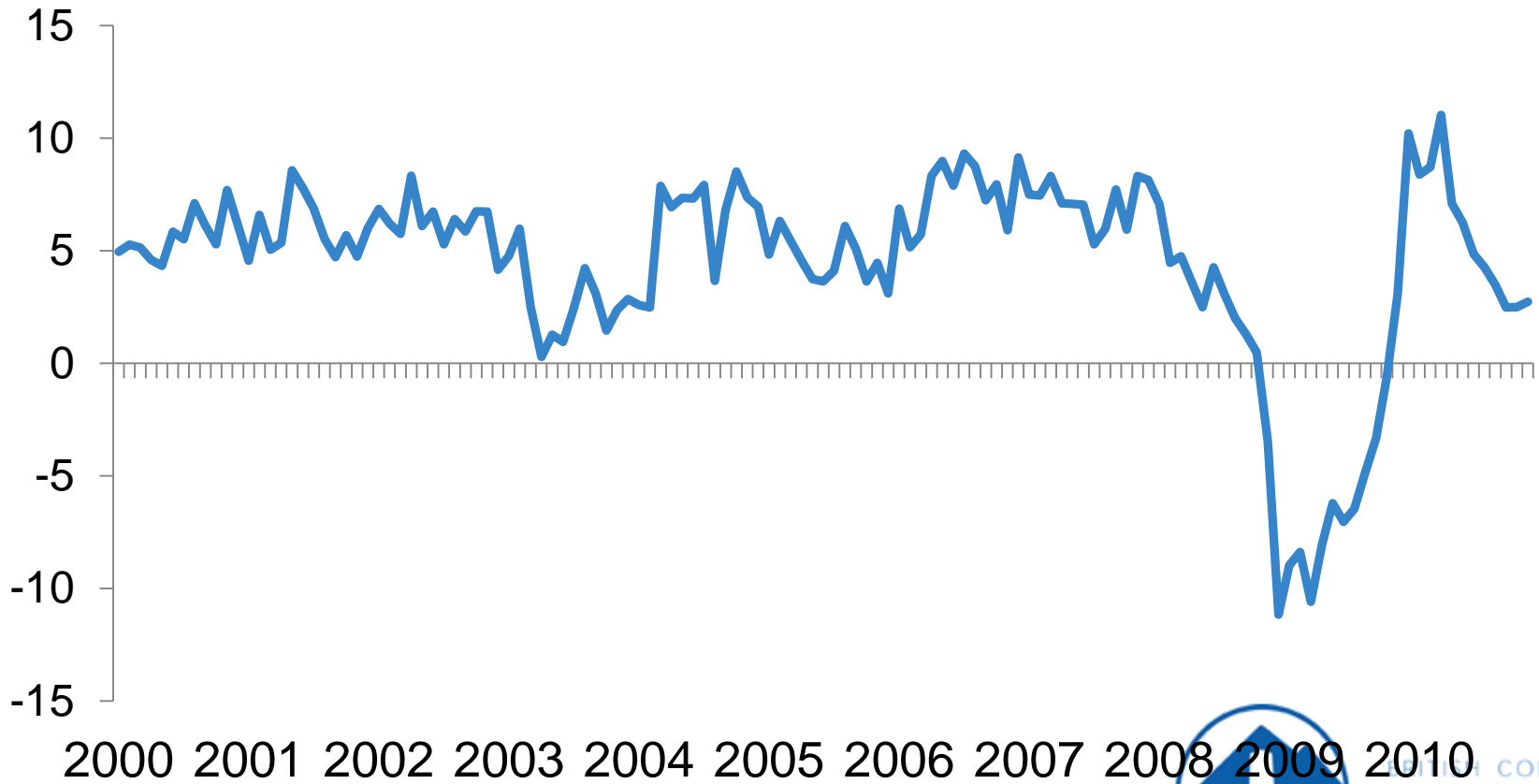


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BC Retail Trade Growth

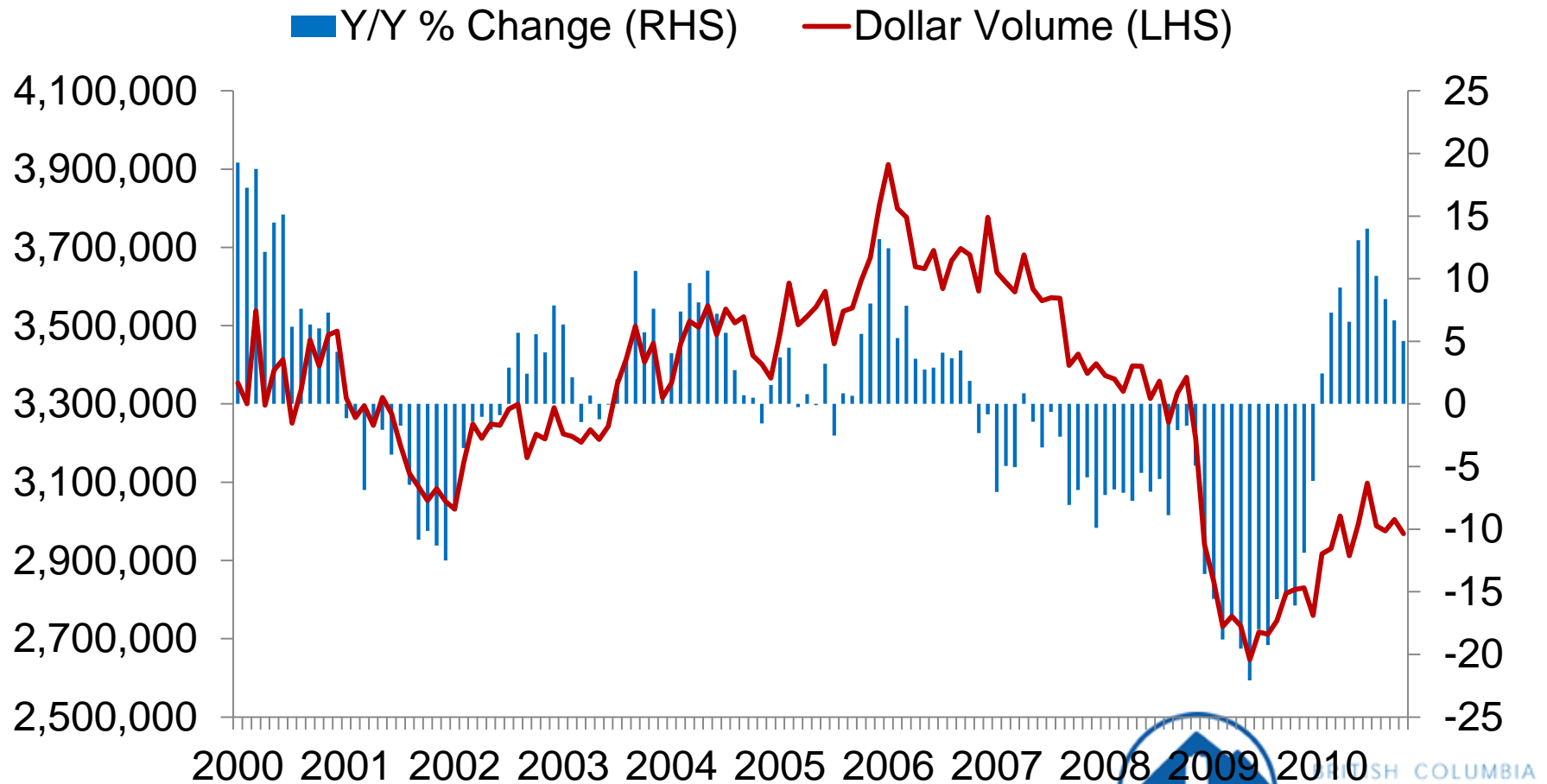
Y/Y Per Cent
Change

Seasonally Adjusted



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Manufactured Goods Shipments

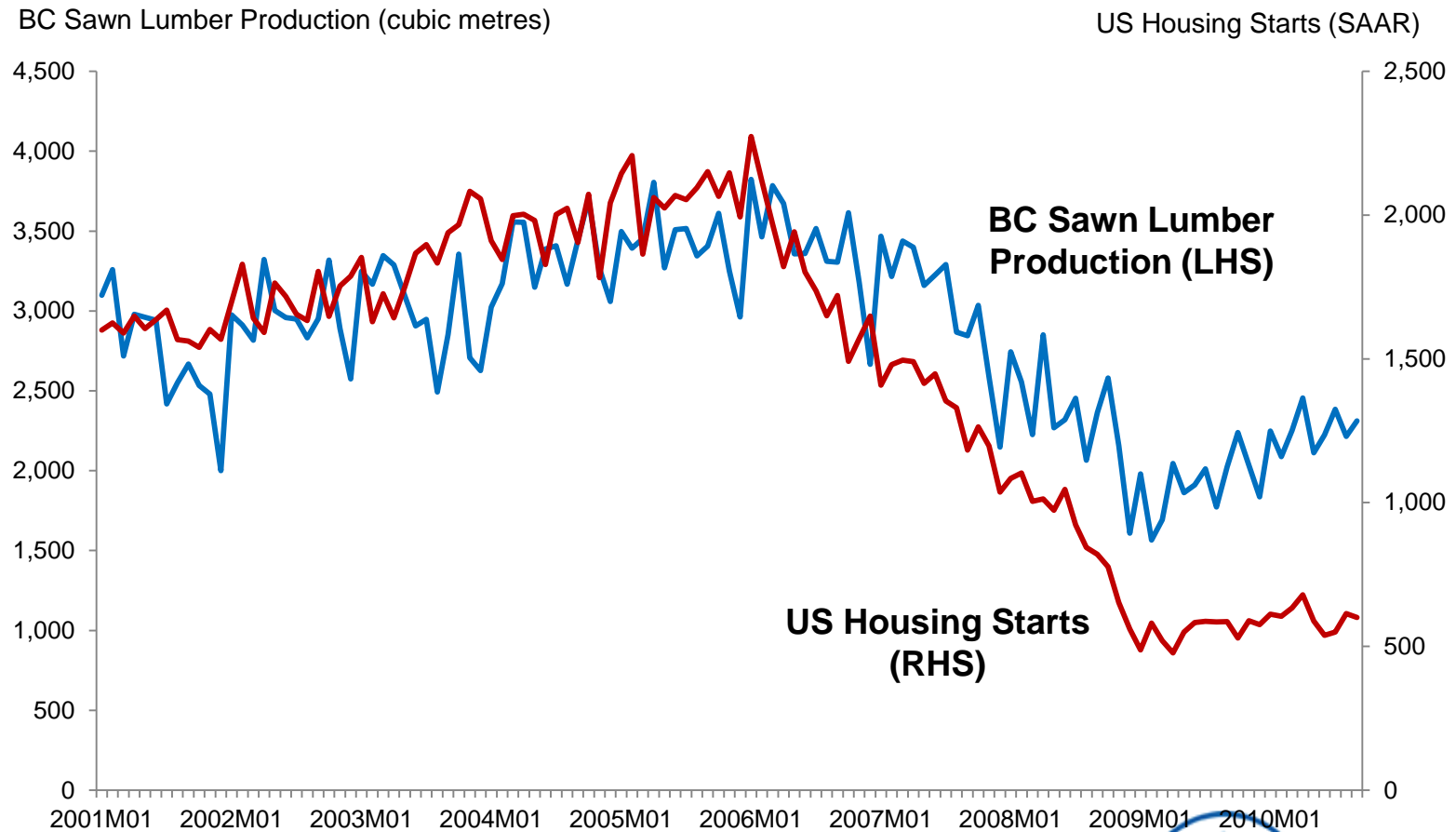


Source: Stats Can



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US Housing Starts vs. Sawn Lumber Production

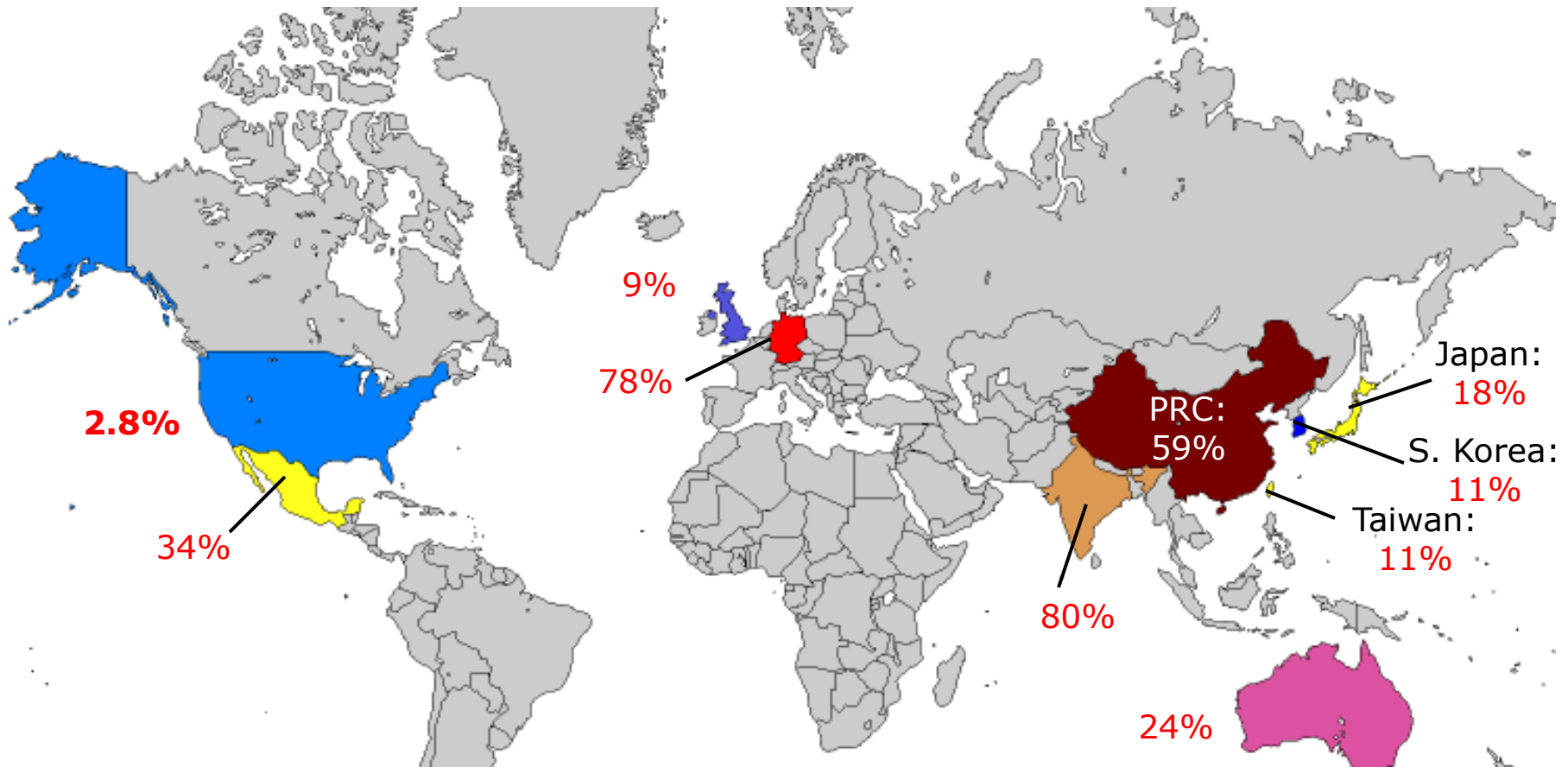


Source: US Federal Reserve; Statistics Canada



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Export Growth

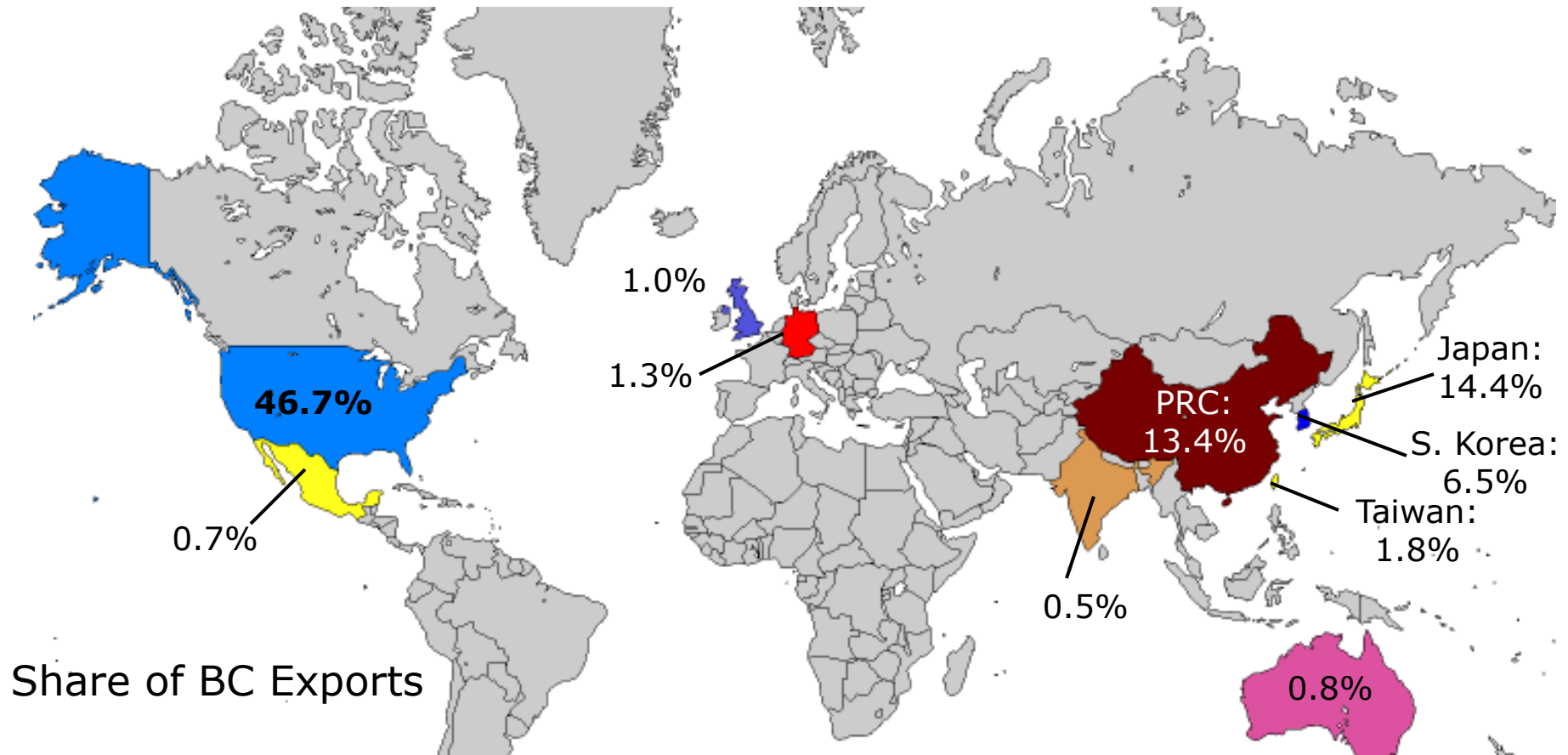


Sources: english.freemap.ca, BC Stats, BC Real Estate Association



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BC's Key Markets



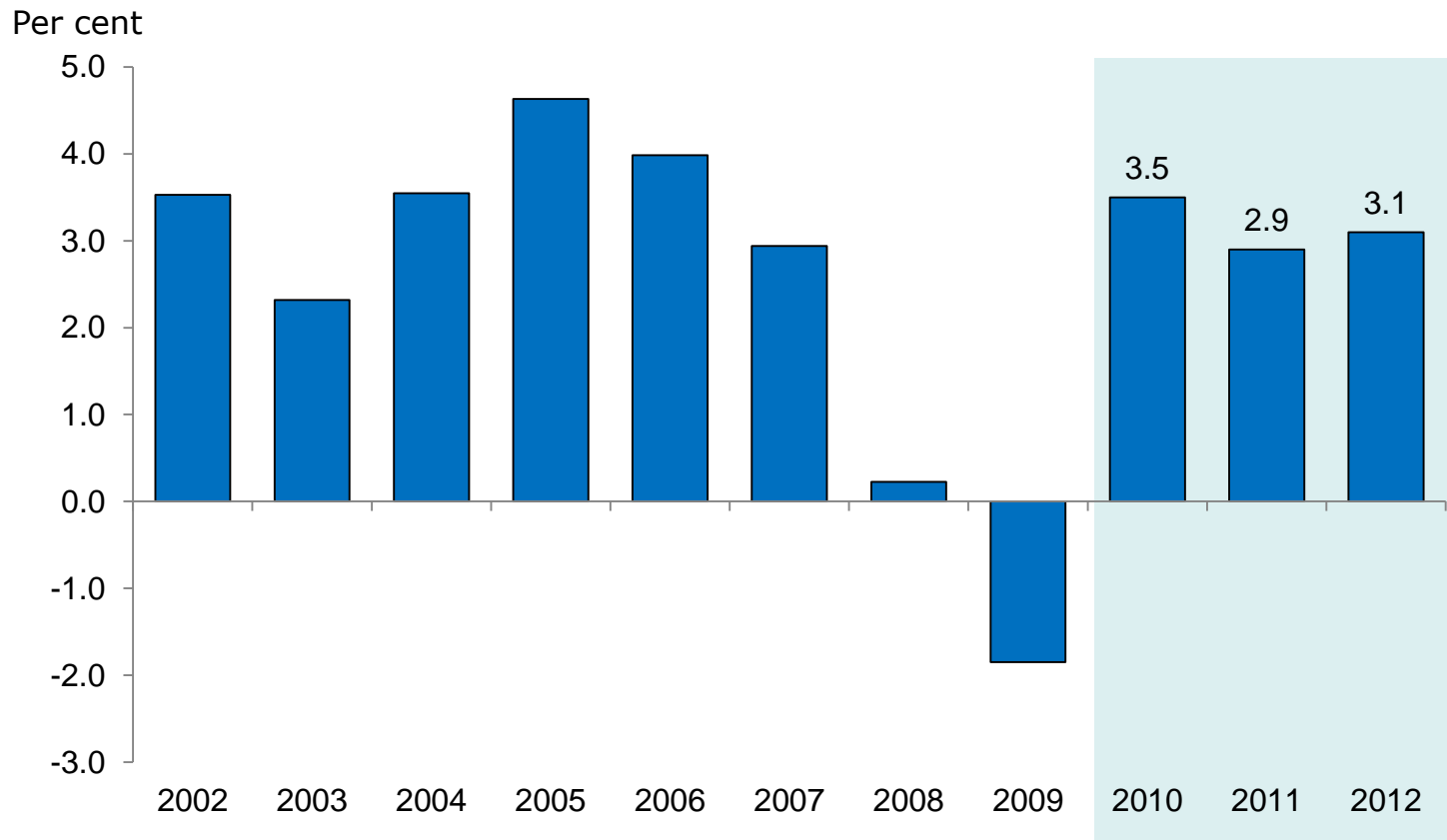
Share of BC Exports

Sources: english.freemap.ca, BC Stats, BC Real Estate Association



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BC Real GDP Growth

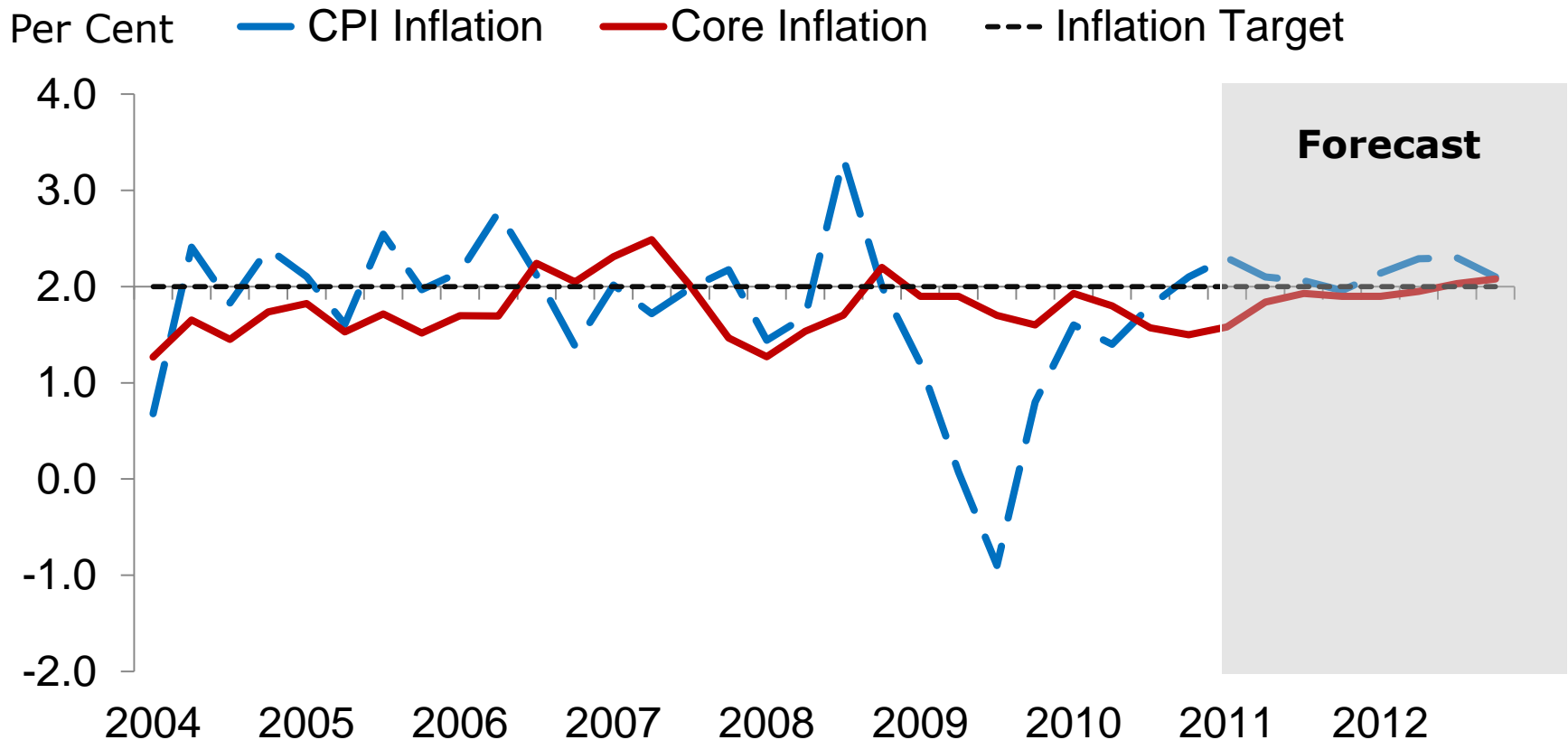


Source: Stats Can, BCREA



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Consumer Price Inflation



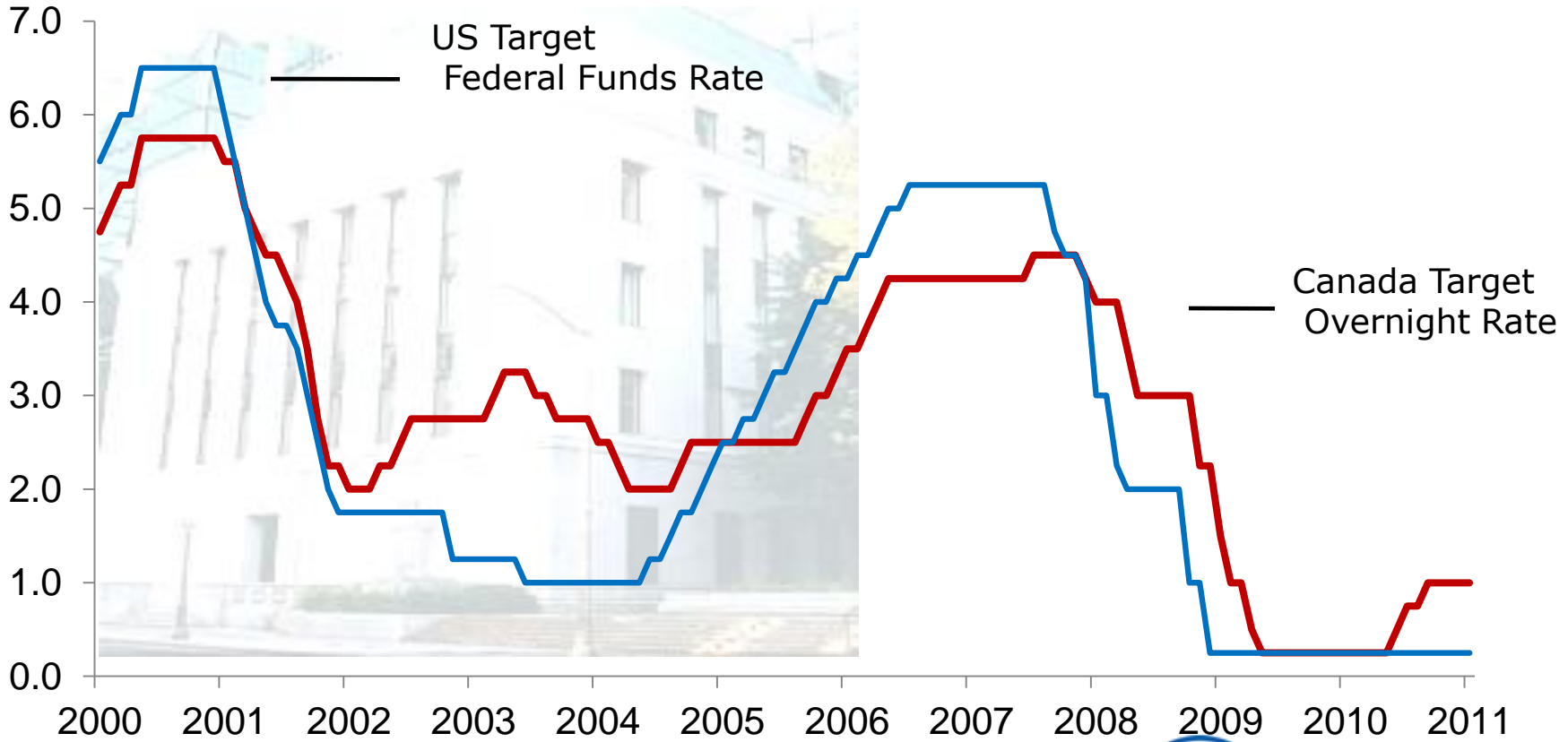
Source: Bank of Canada, Stats Canada, BCREA Economics



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Target Interest Rates

Per Cent



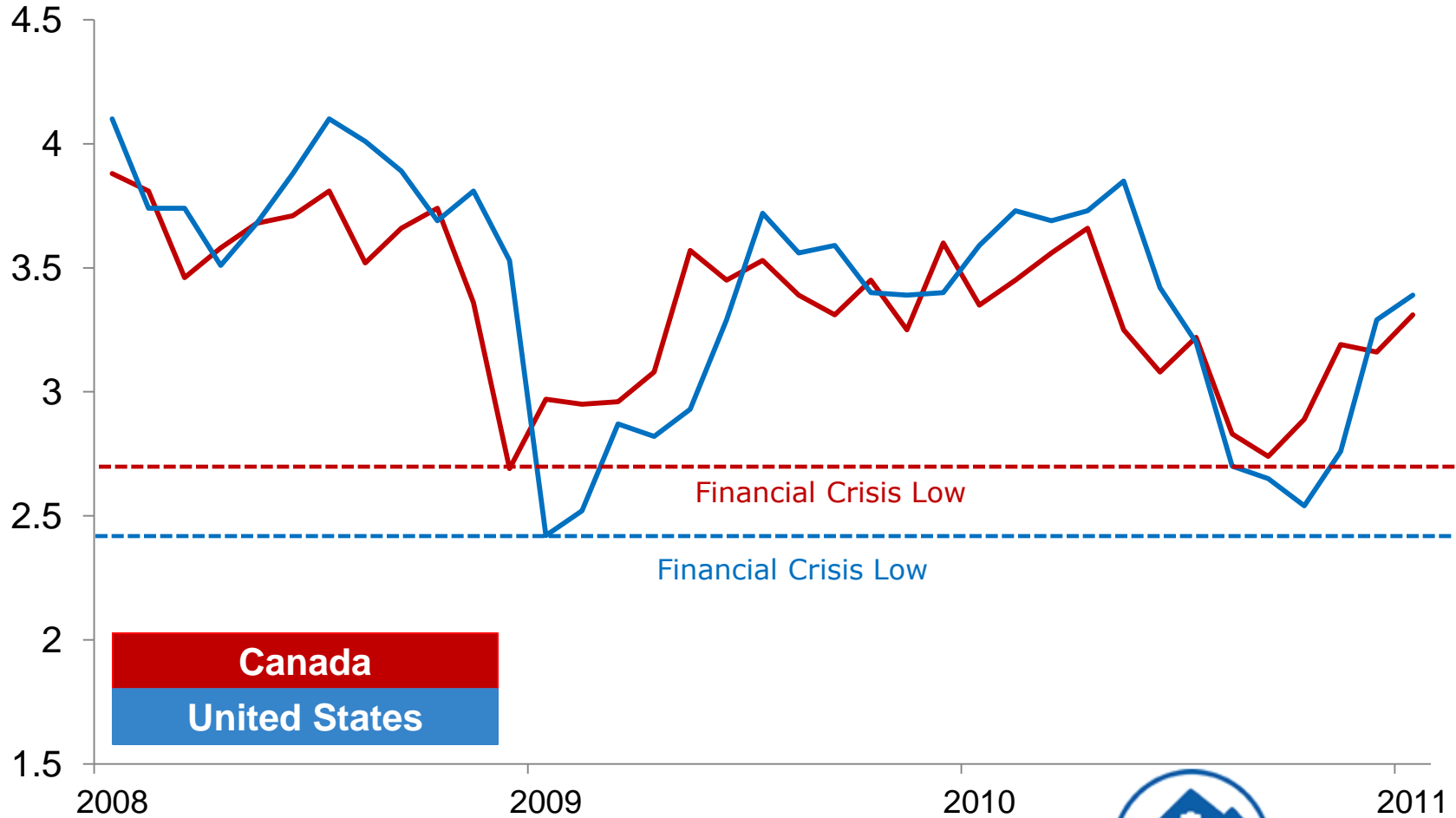
Sources: Bank of Canada, BCREA



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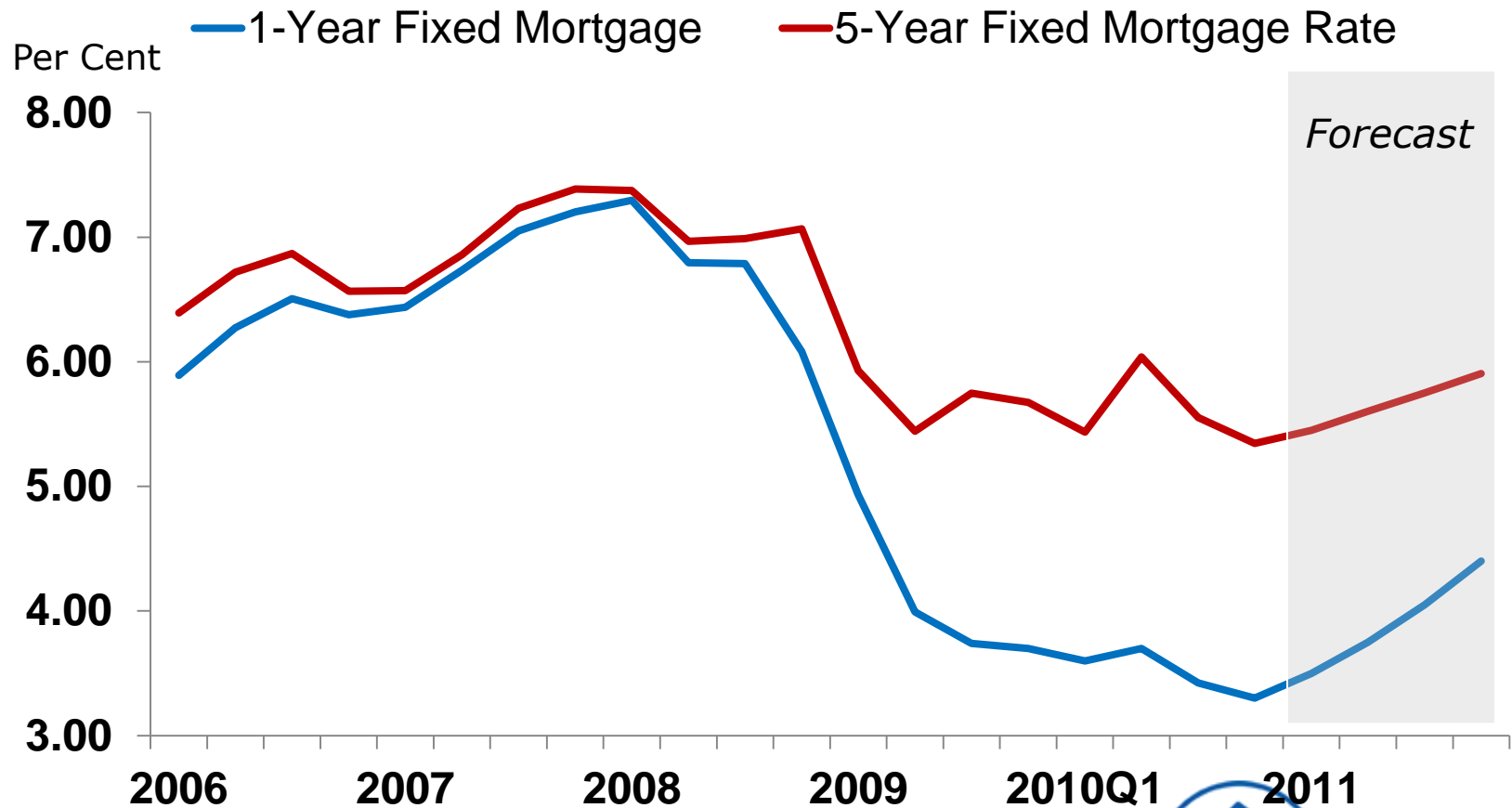
10-year Government Bond Yields

Per cent



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Mortgage Rates

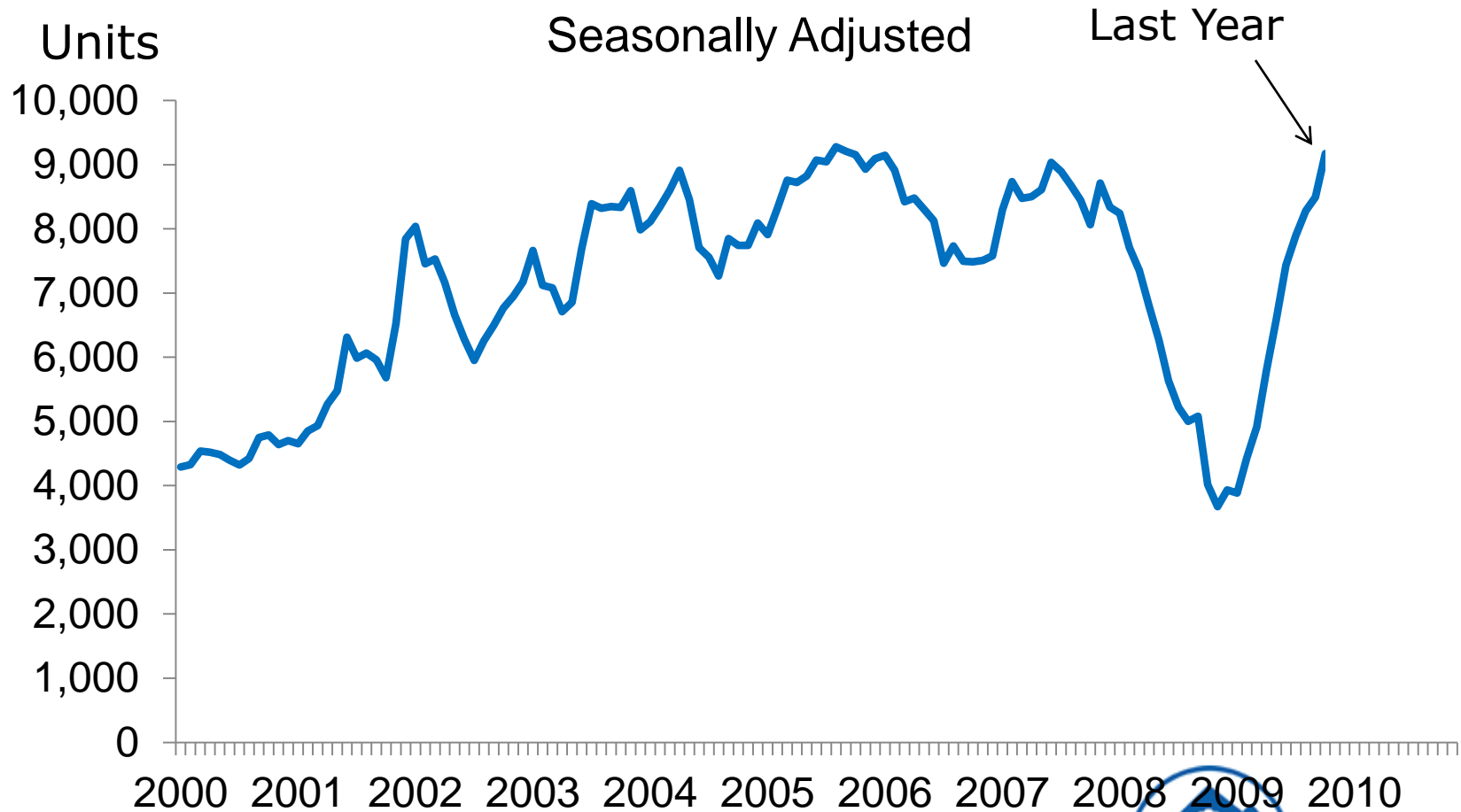


Source: Bank of Canada, Stats Canada, BCREA Economics



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BC MLS Residential Sales

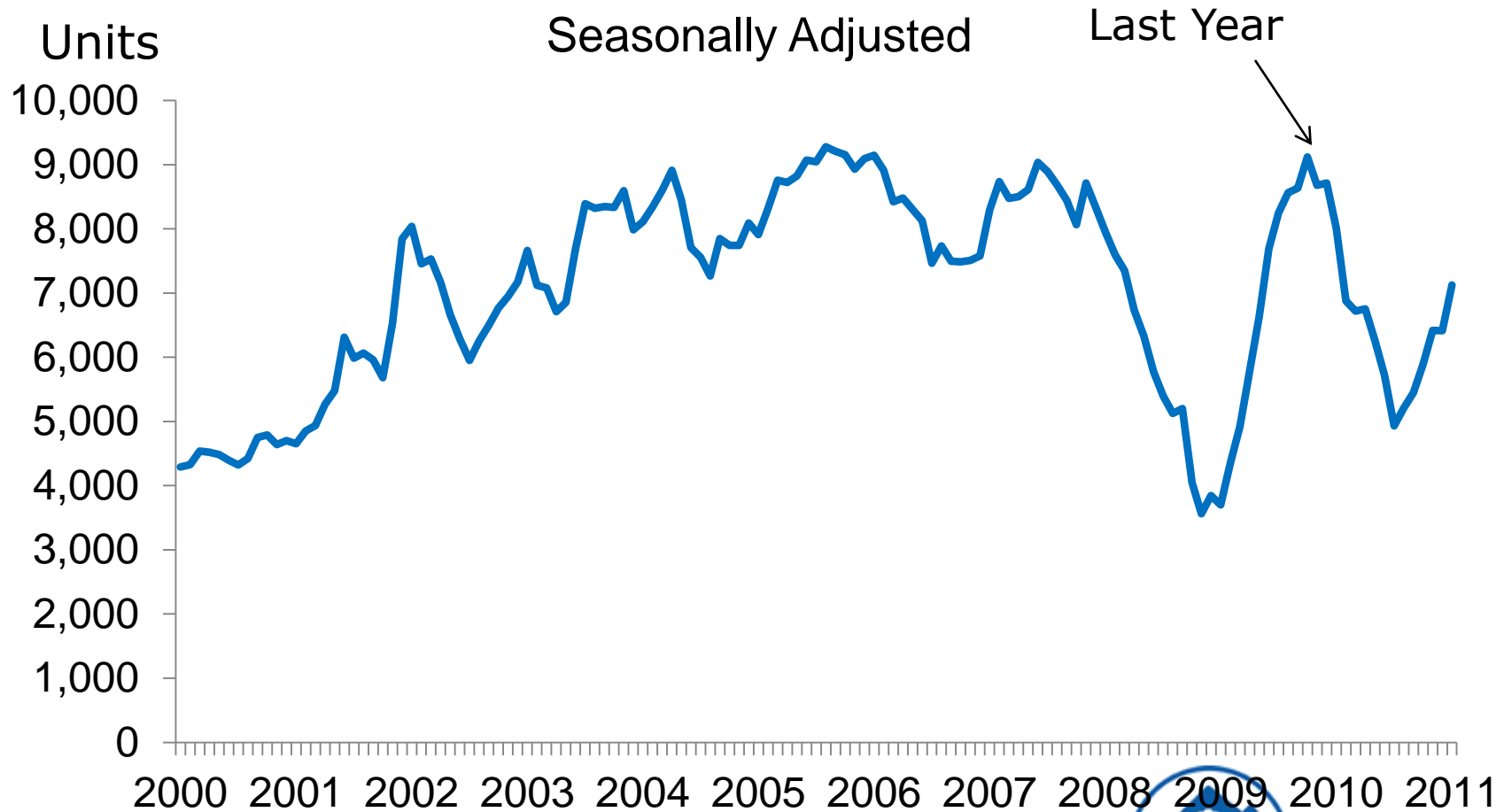


Source: BCREA



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BC MLS Residential Sales

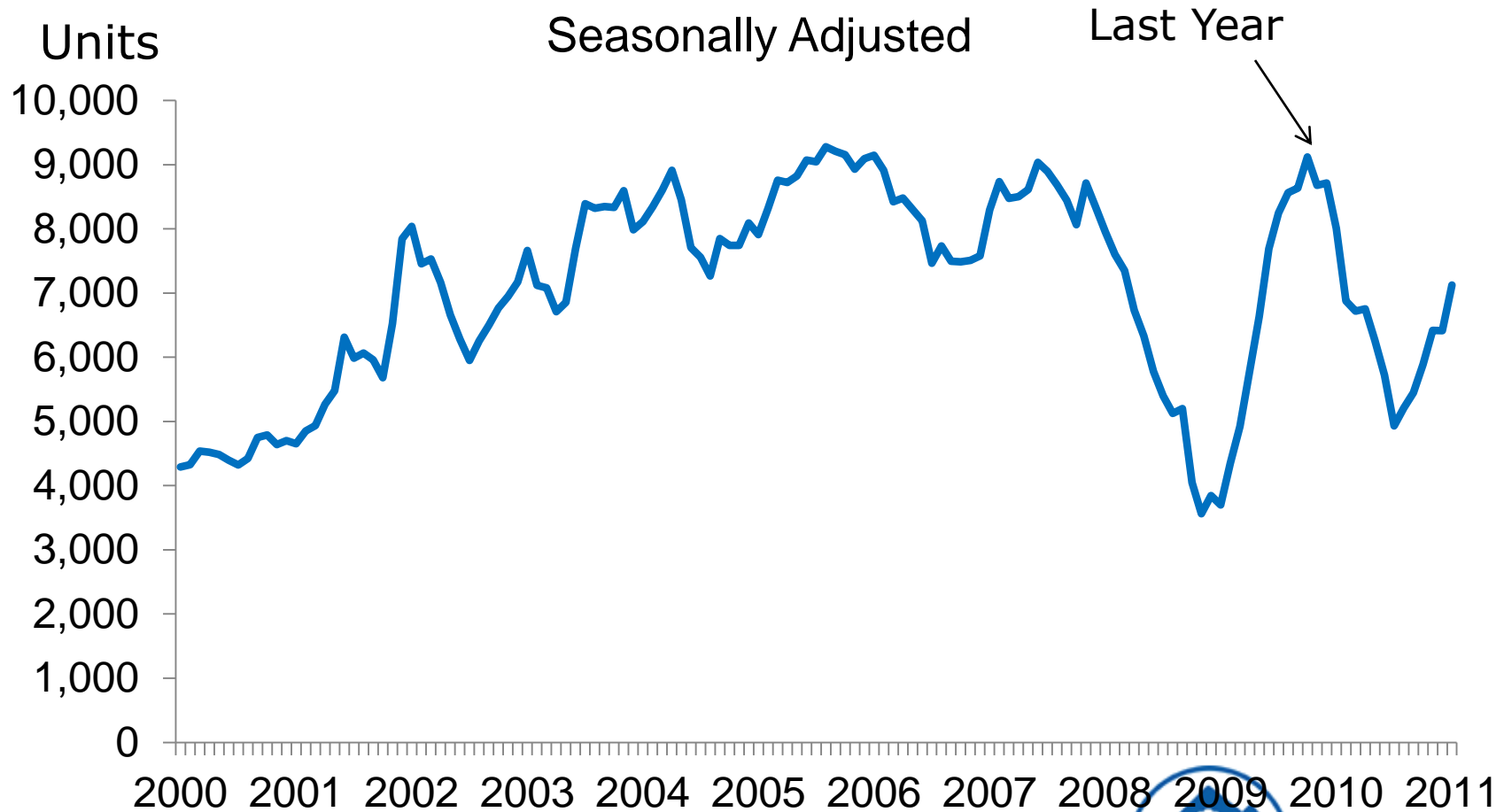


Source: BCREA



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BC MLS Residential Sales



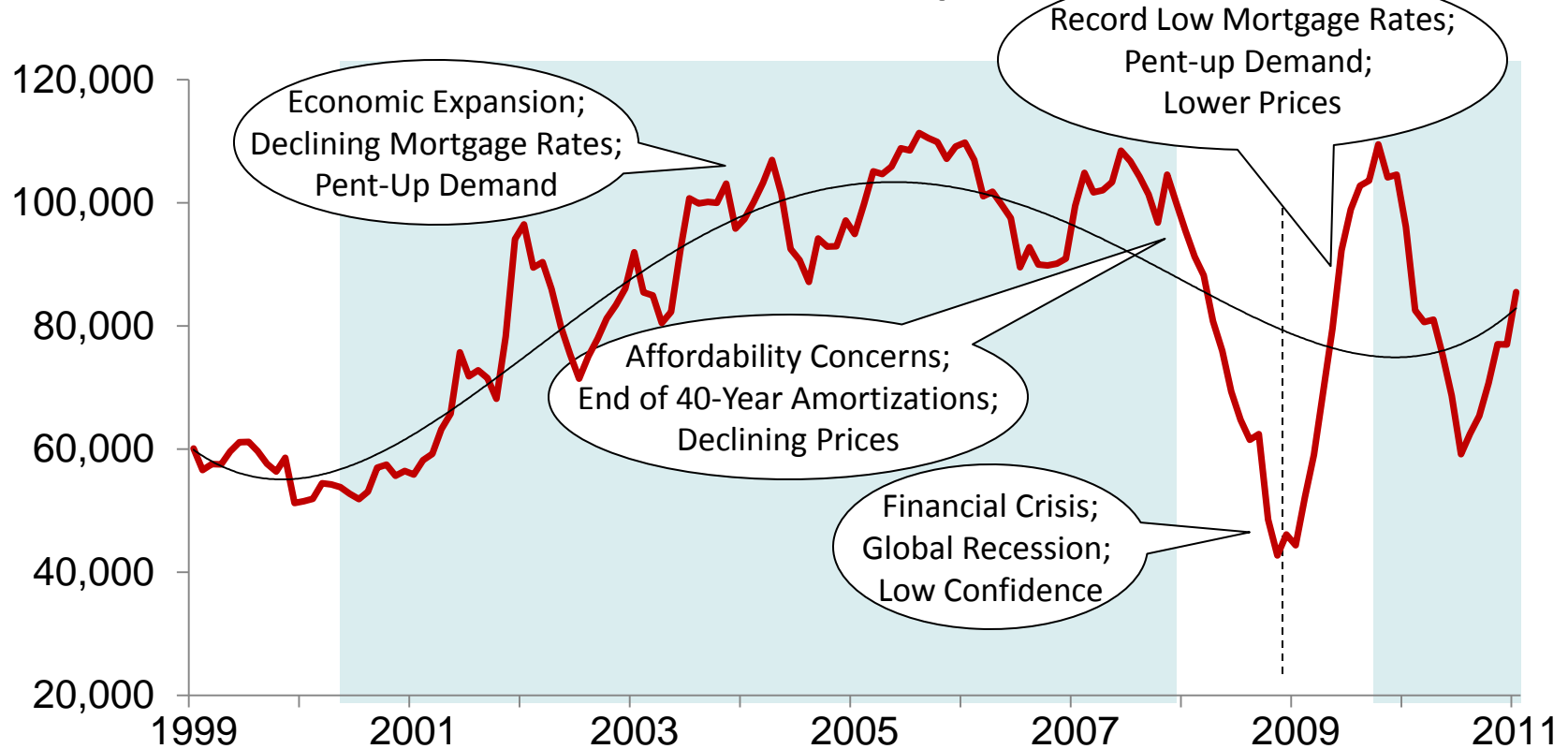
Source: BCREA



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Provincial MLS[®] Residential Sales

Residential MLS[®] Unit Sales (SAAR)

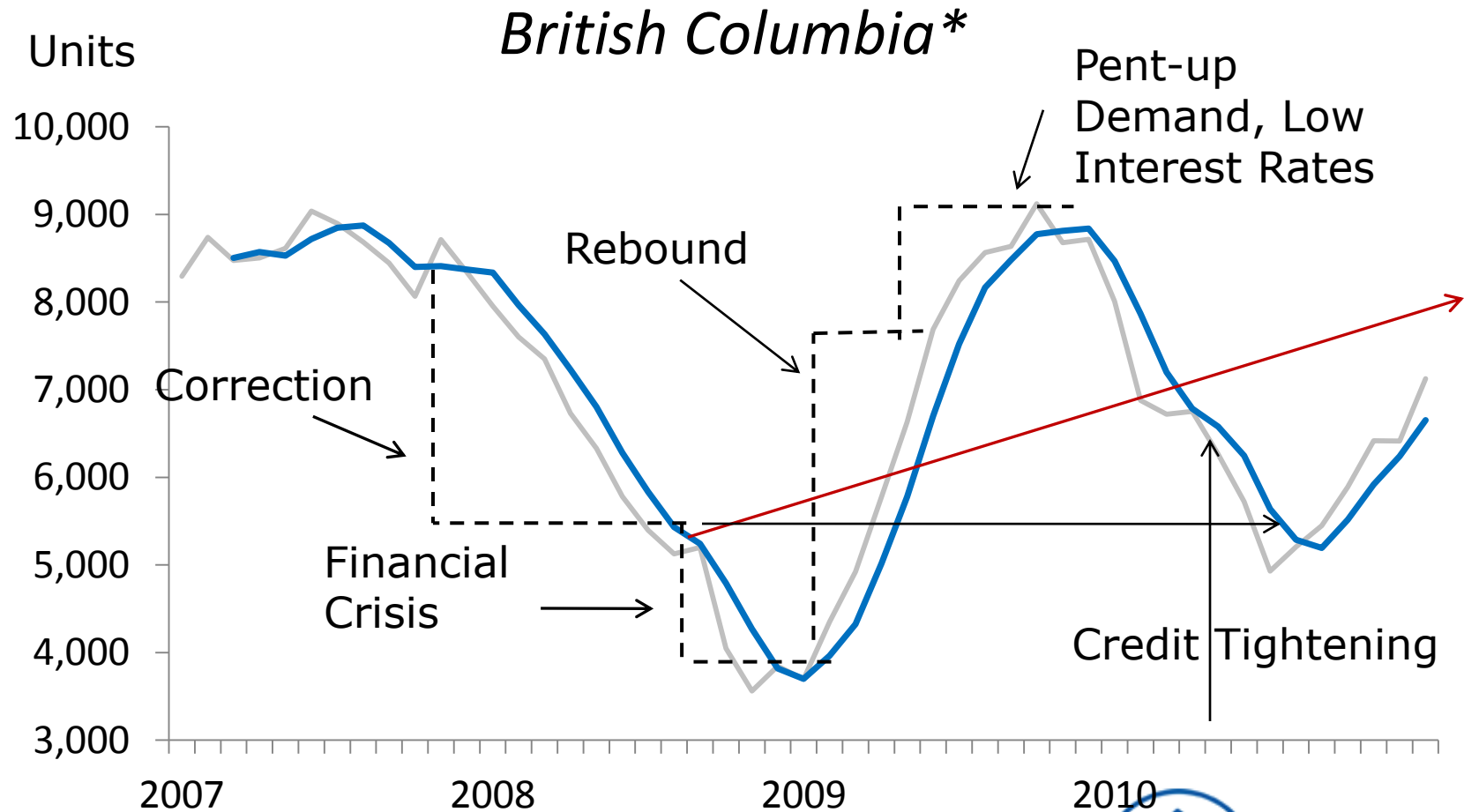


Sources: Local Real Estate Boards, CREA, BCREA
Seasonally Adjusted at Annual Rates



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MLS[®] Residential Sales

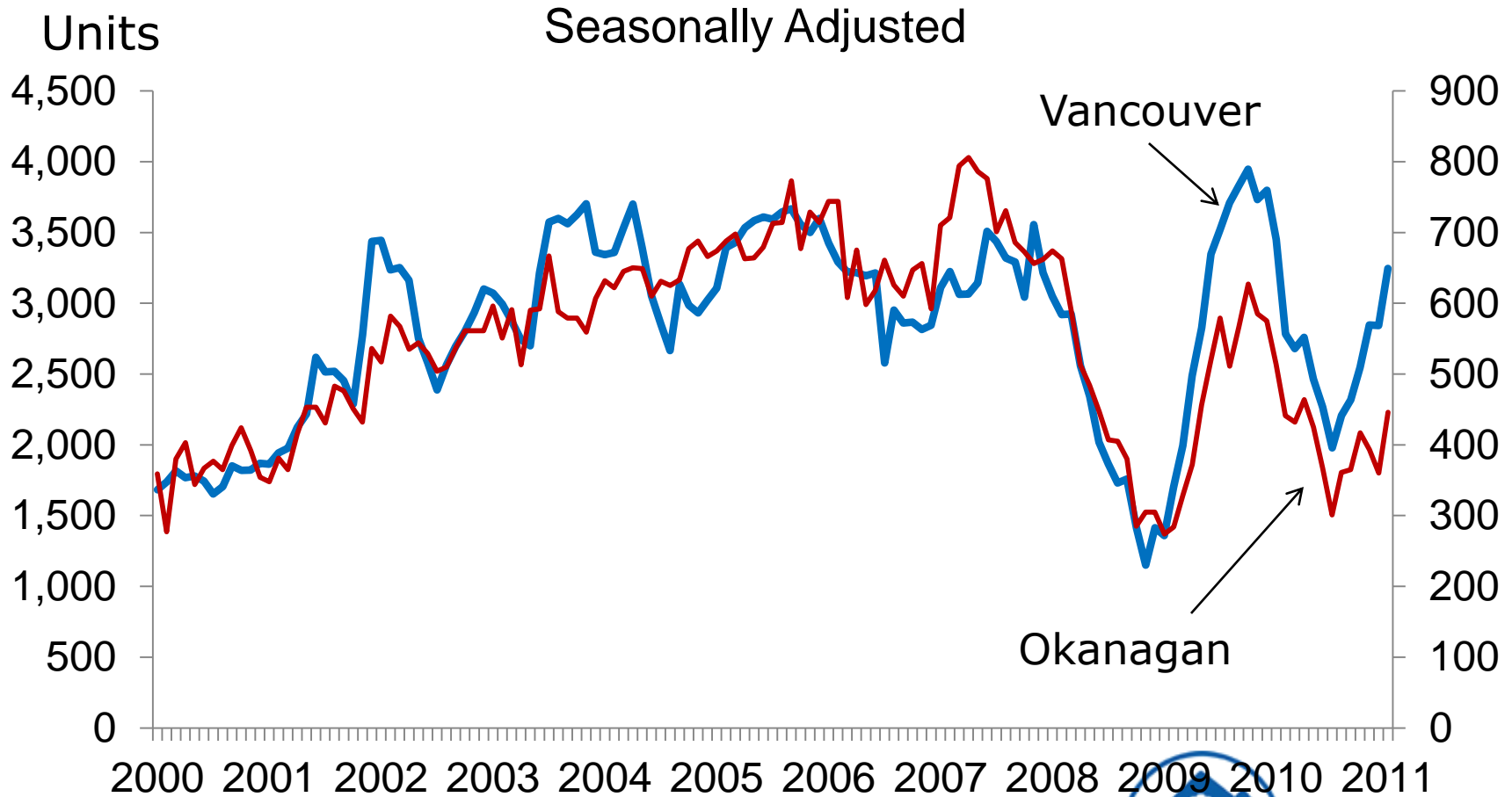


*3 Month Moving Average,
Seasonally Adjusted



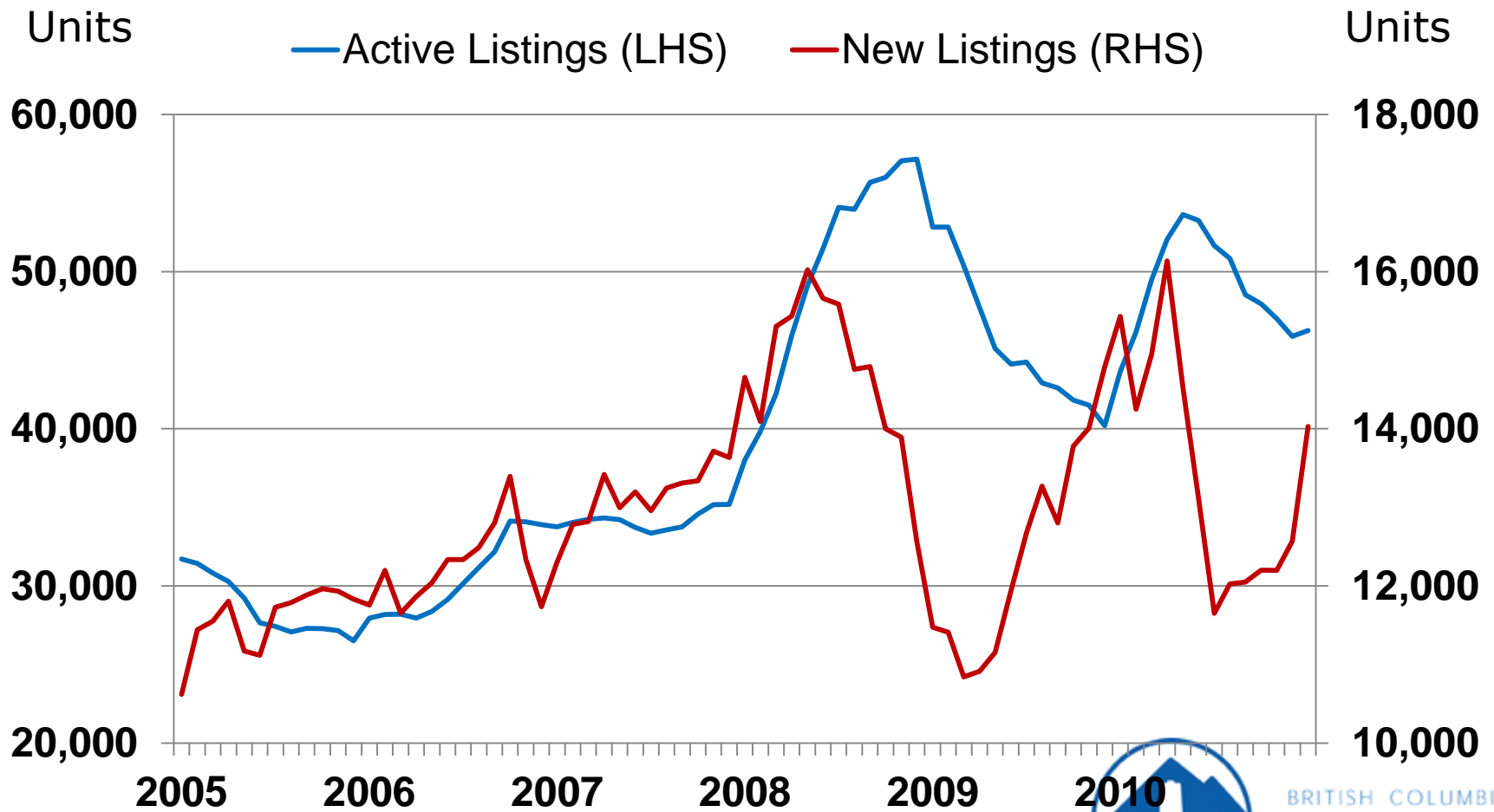
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MLS Residential Sales



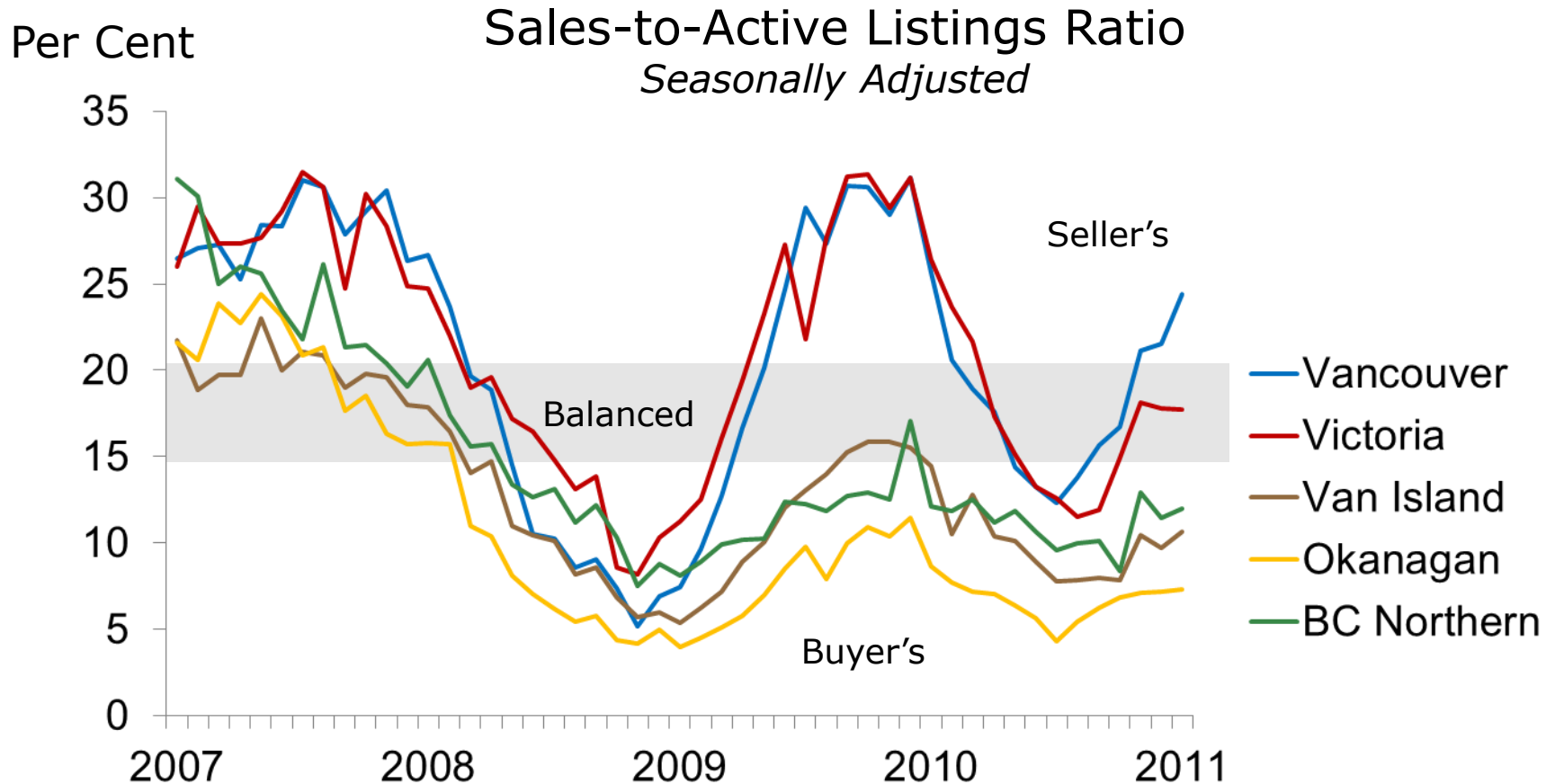
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MLS[®] Residential Listings



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Housing Market Conditions



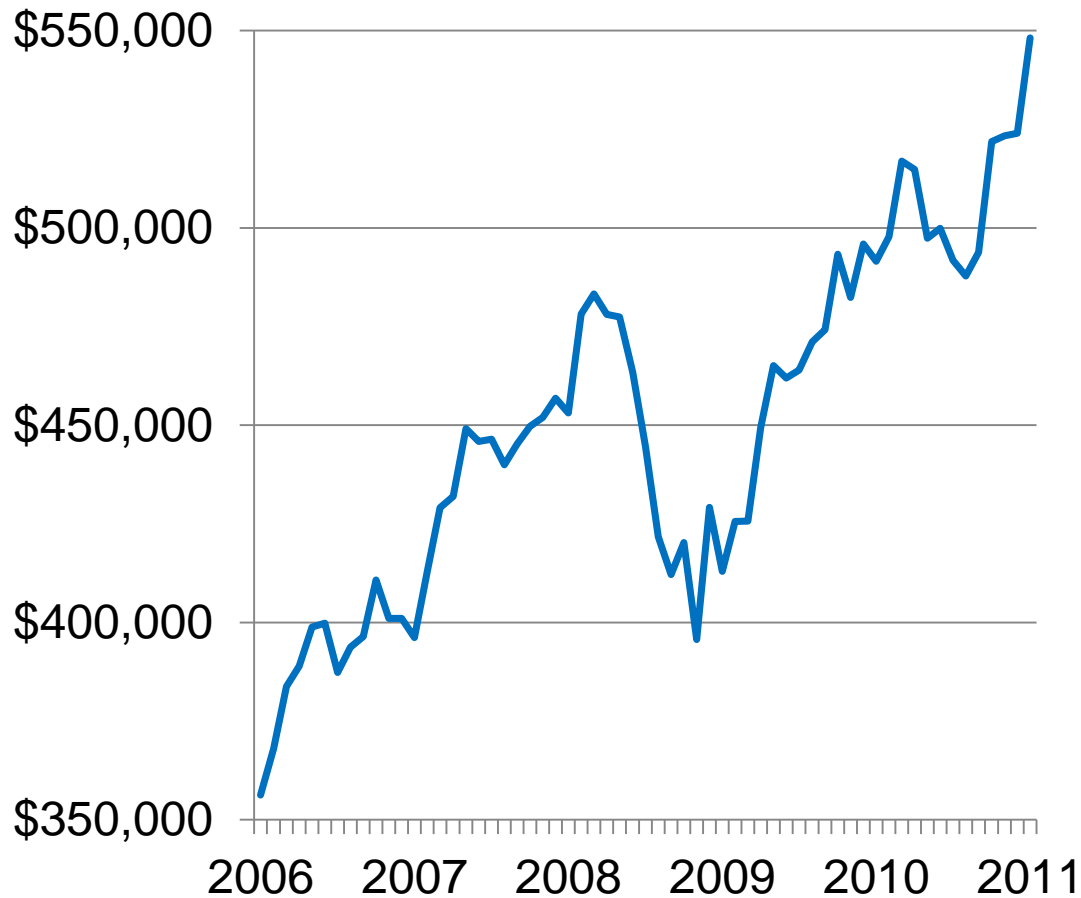
Source: BCREA



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Average MLS[®] Residential Price

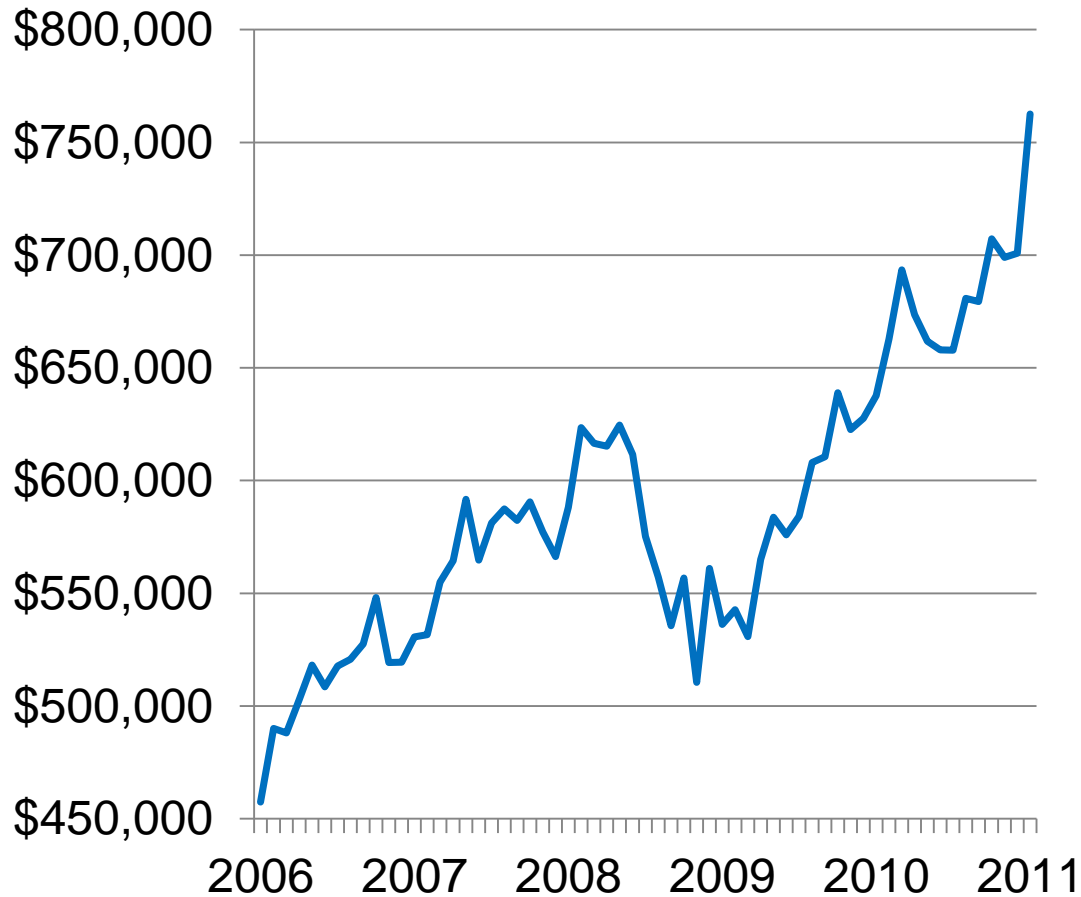
British Columbia



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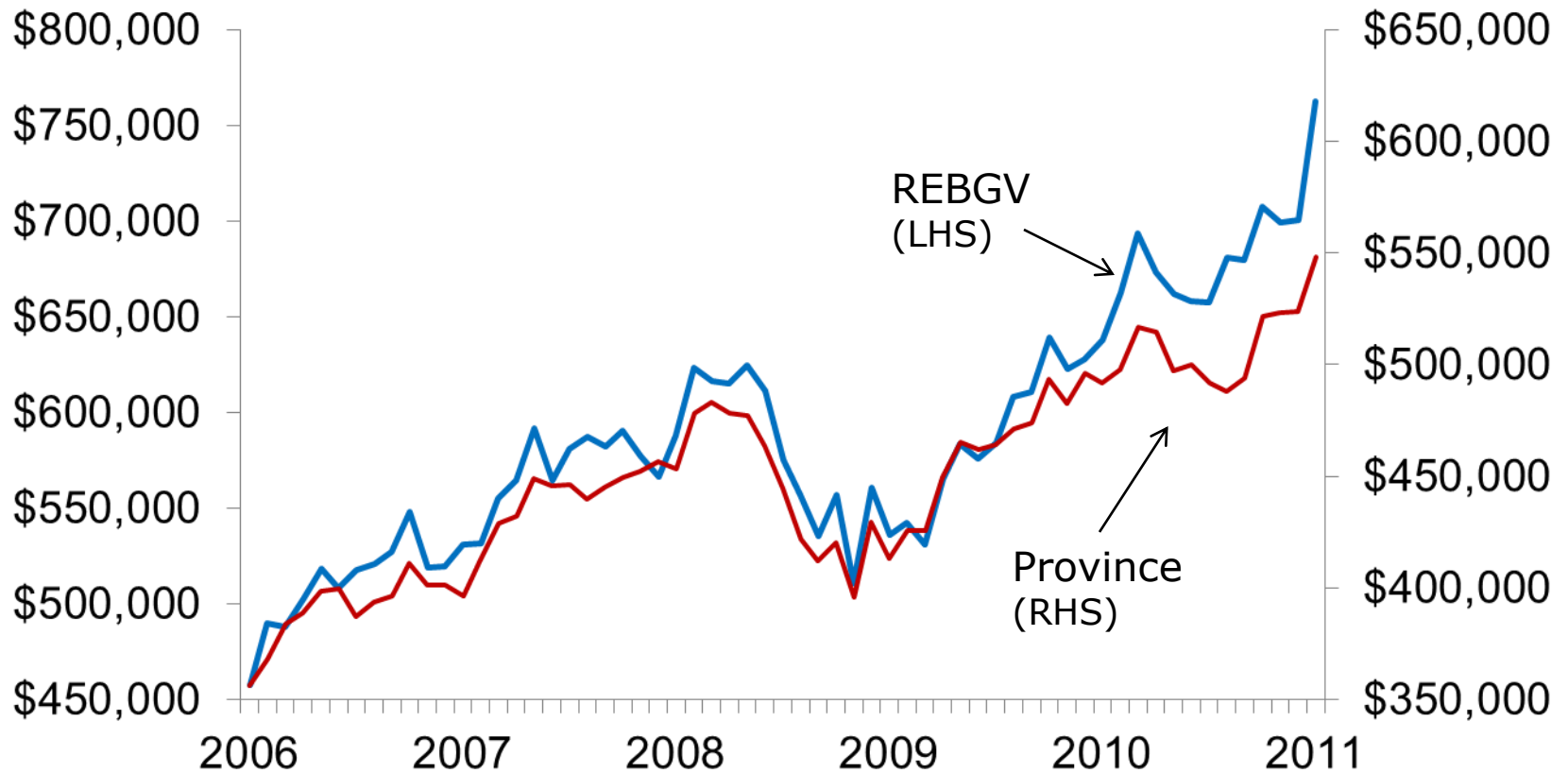
Average MLS[®] Residential Price

REBGV



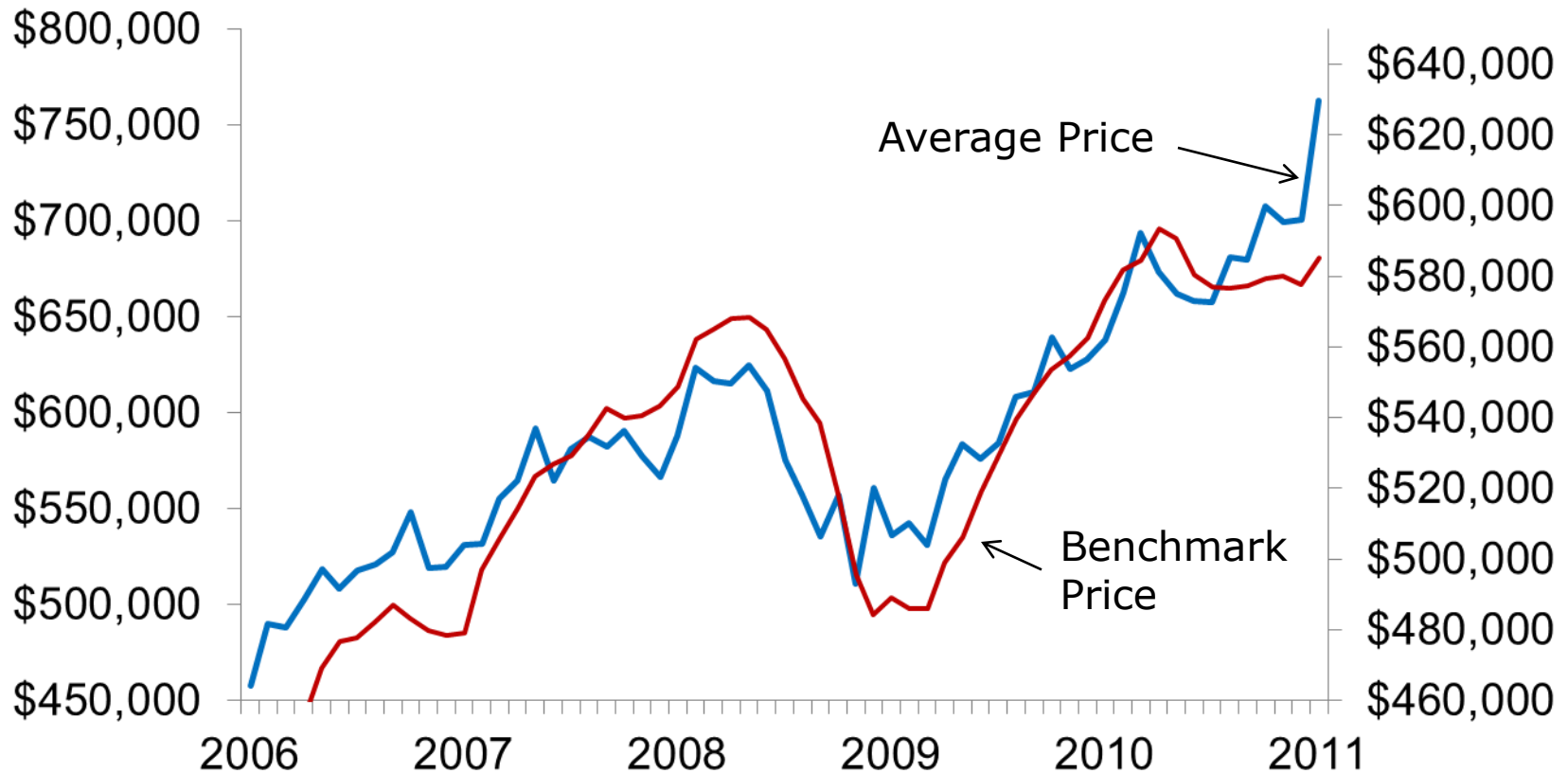
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Average MLS® Residential Price



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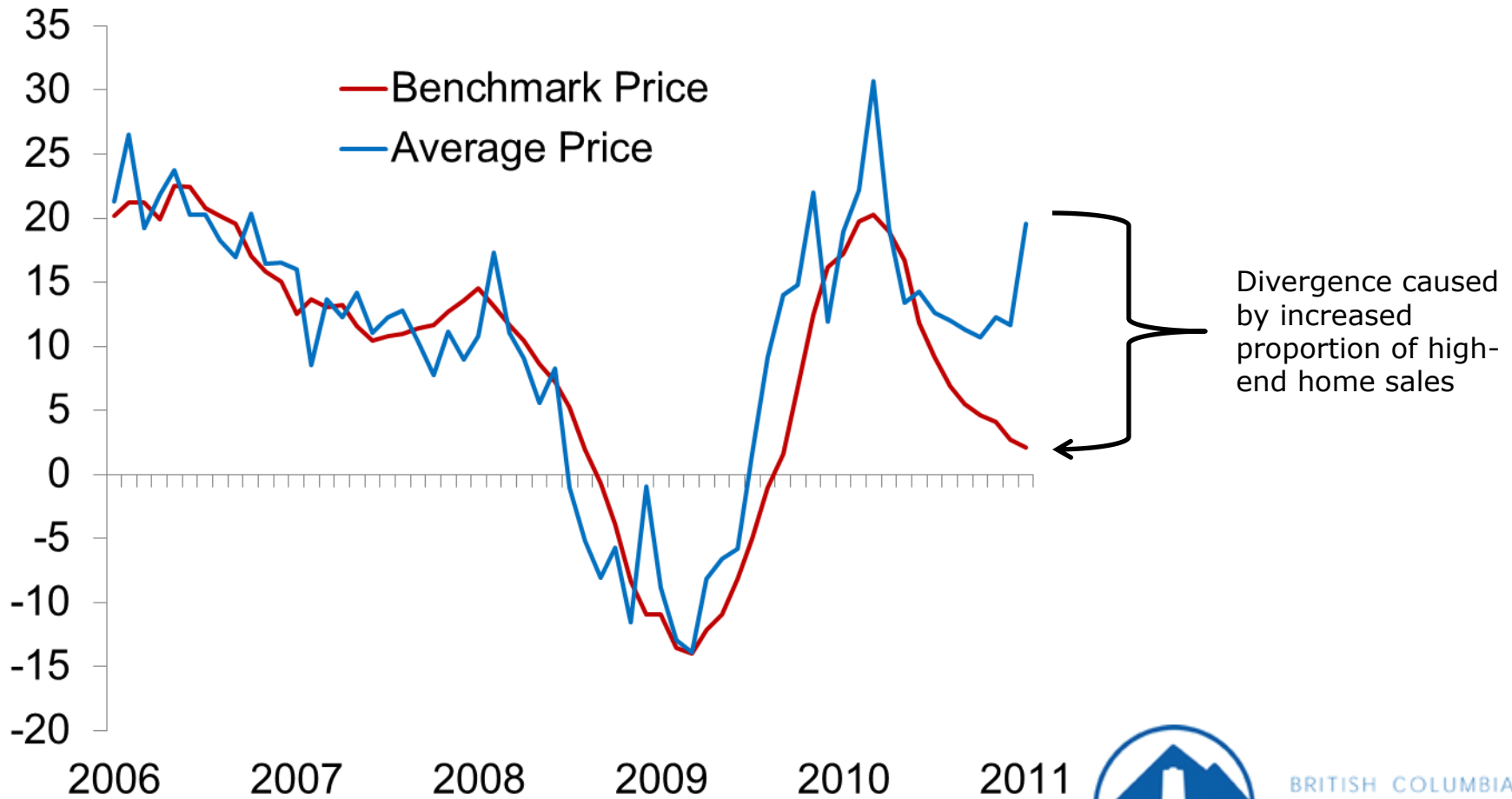
Real Estate Board of Greater Vancouver



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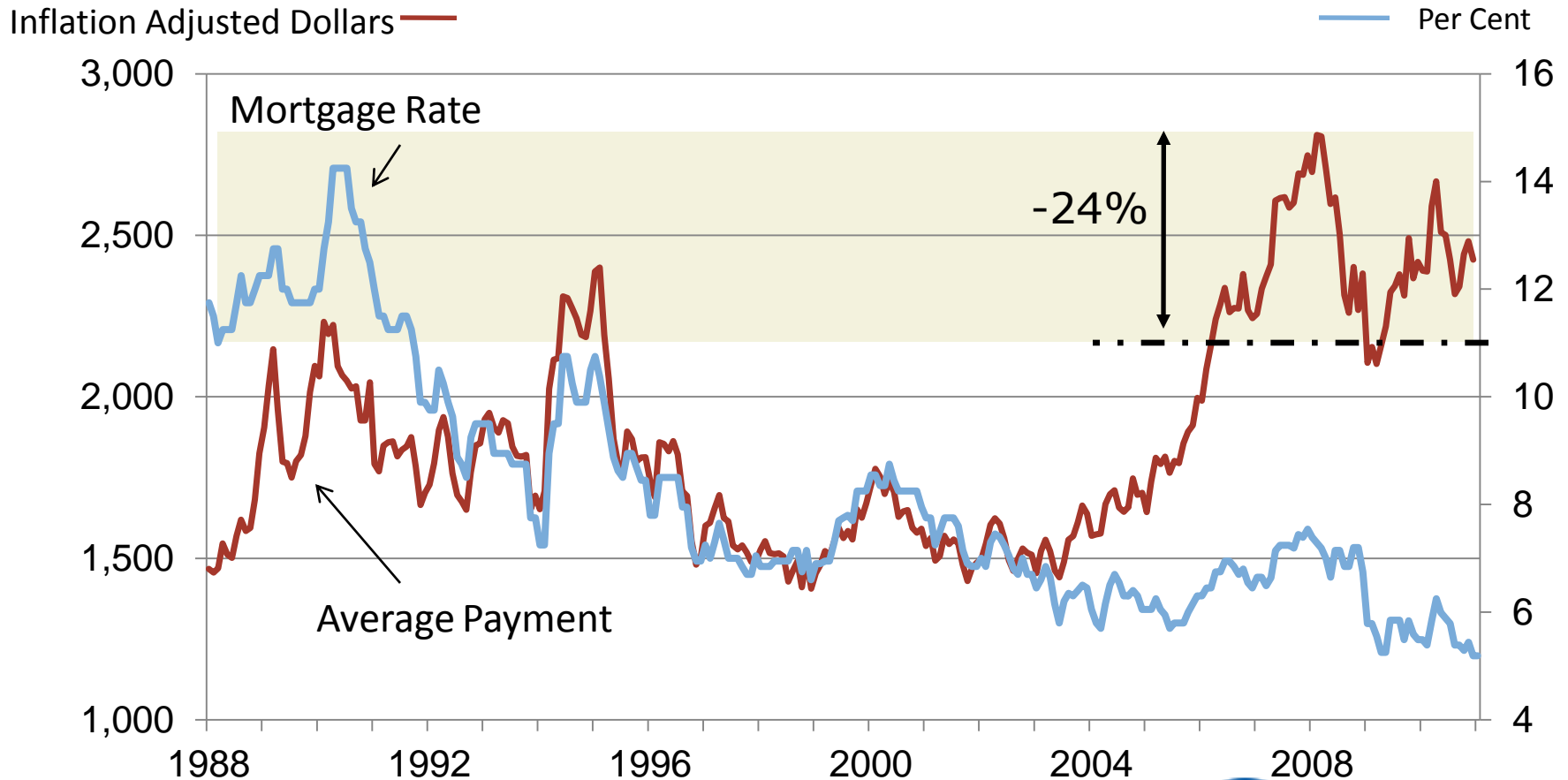
Real Estate Board of Greater Vancouver

Y/Y % Change



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Carrying Cost: British Columbia

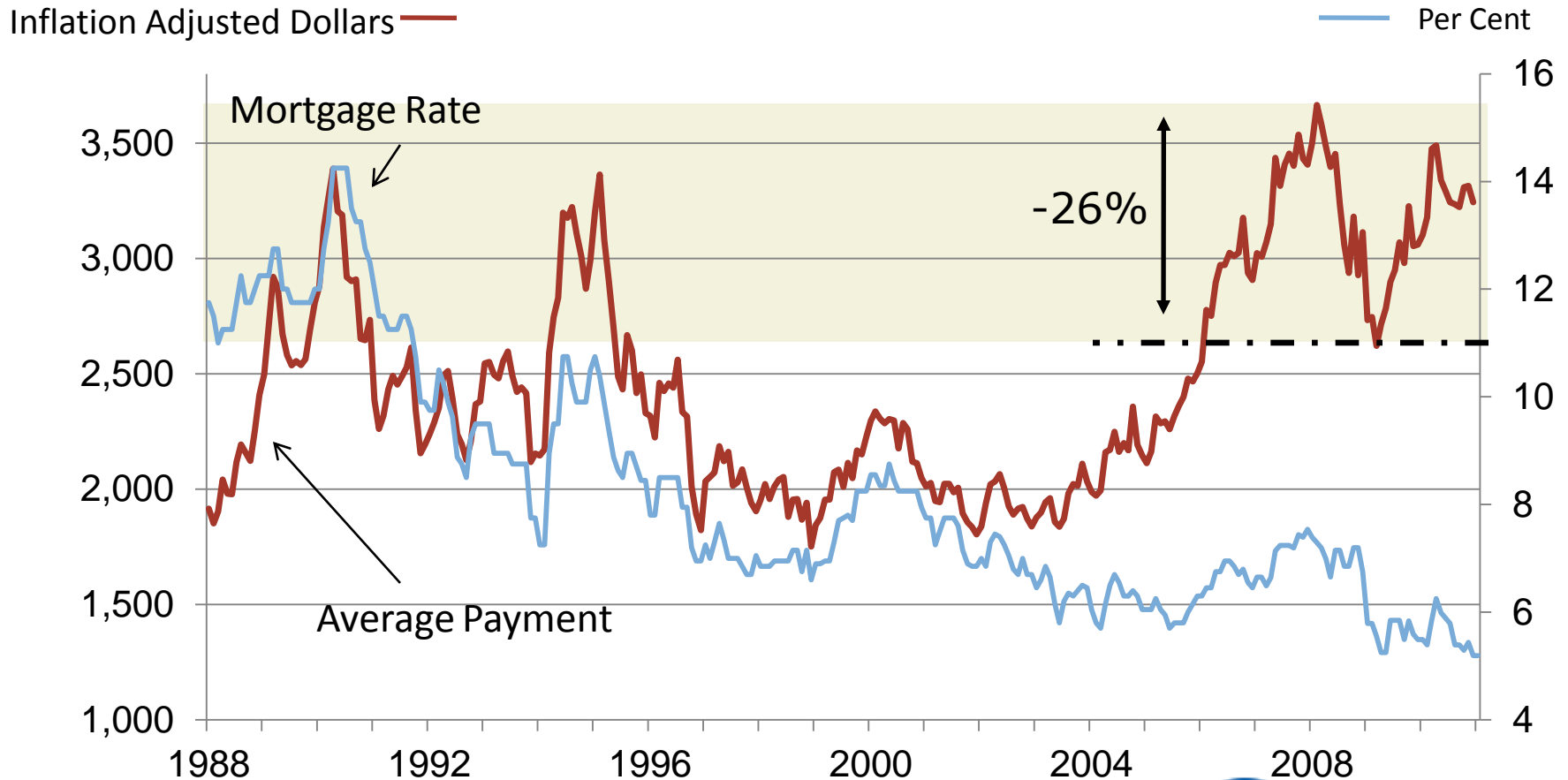


Sources: Statistics Canada, CREA, BCREA



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Carrying Cost: Vancouver



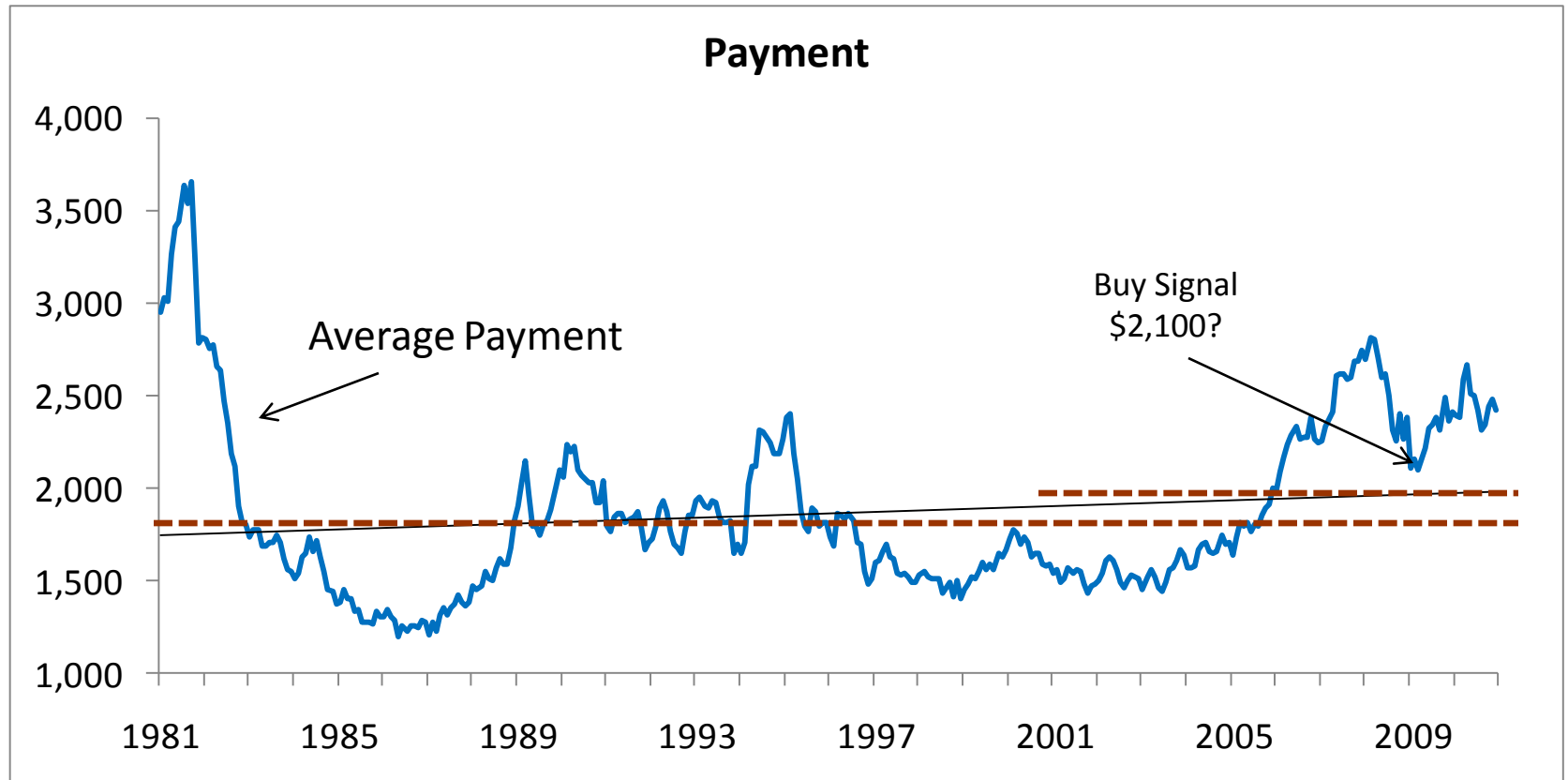
Sources: Statistics Canada, CREA, BCREA



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Carrying Cost: British Columbia

Inflation Adjusted Dollars —



Sources: Statistics Canada, CREA, BCREA



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Cost Benefit

Towne Square Jewelers

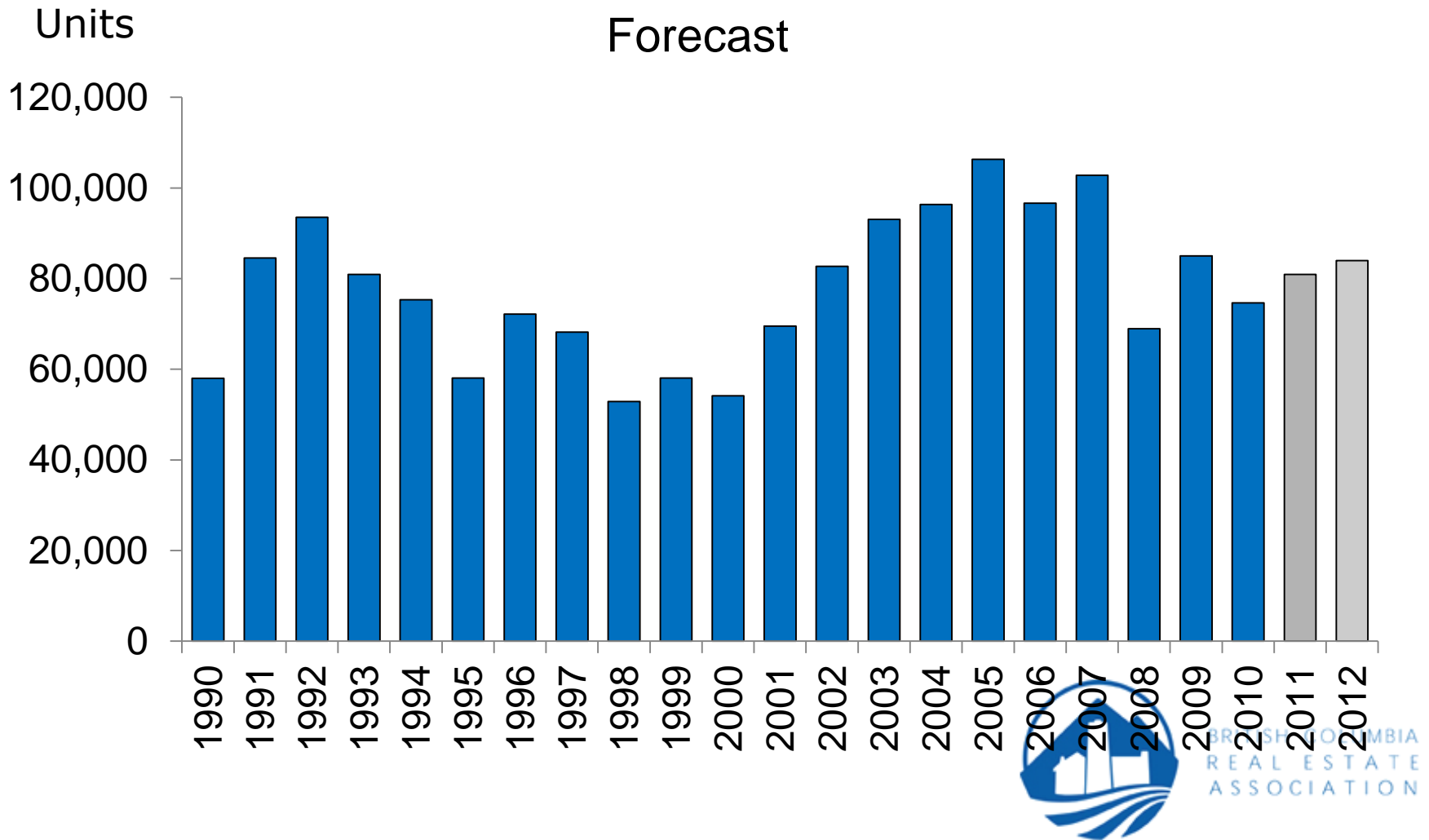
634 West Lincoln in Charleston

JTV Copyright 2007

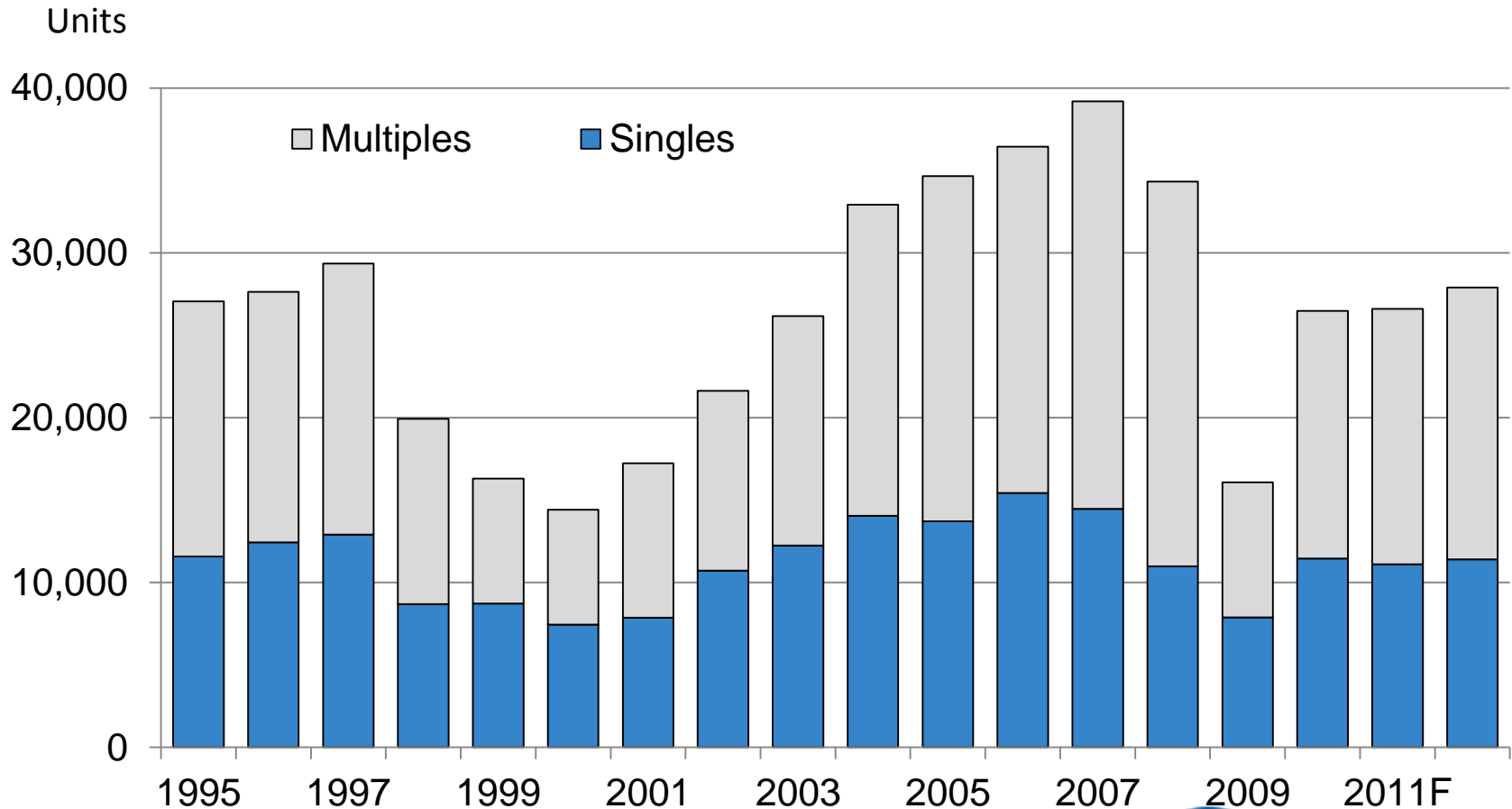


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BC MLS Residential Sales



BC Housing Starts

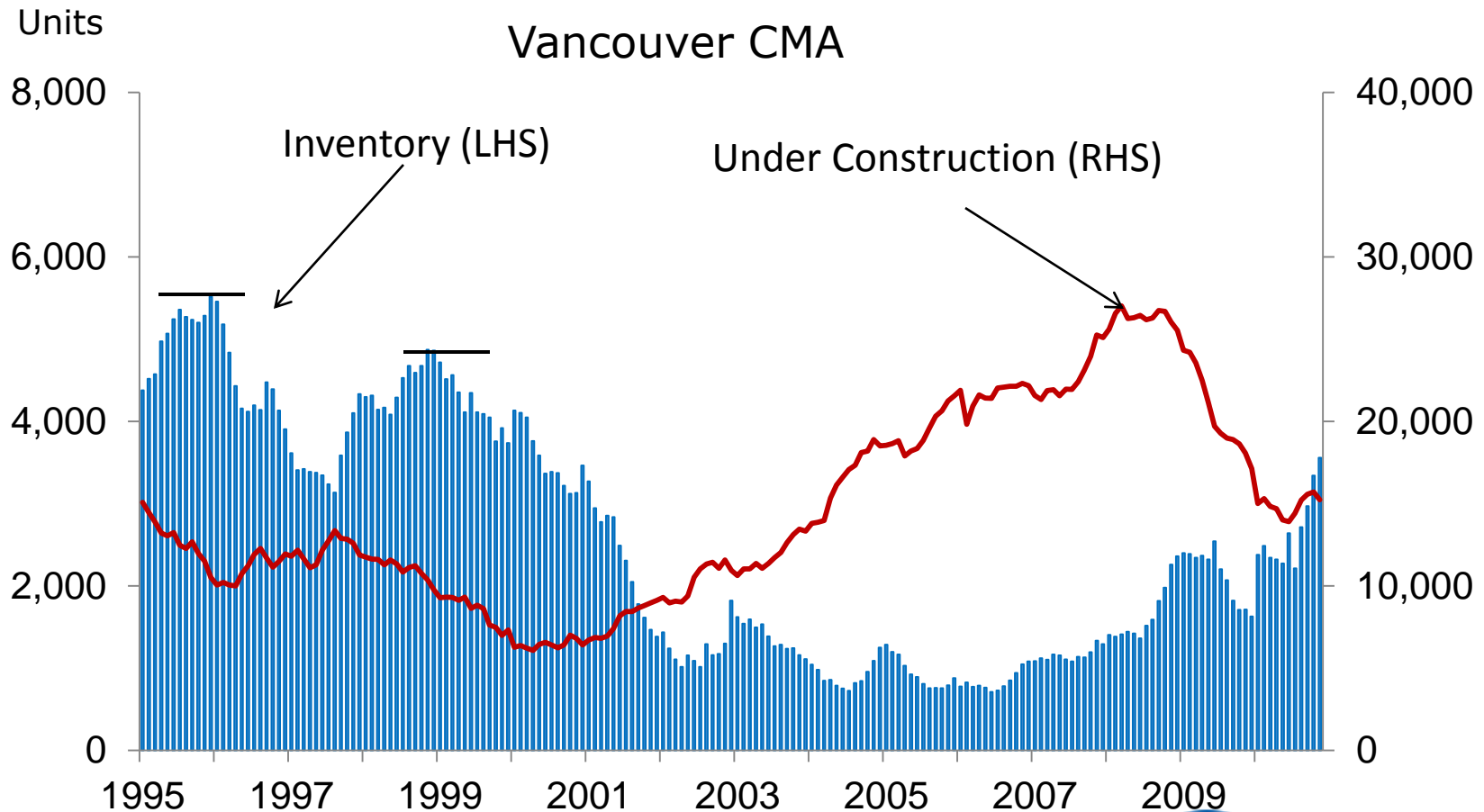


Sources: Statistics Canada, BCREA



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Inventory Tops Below Previous Cycles



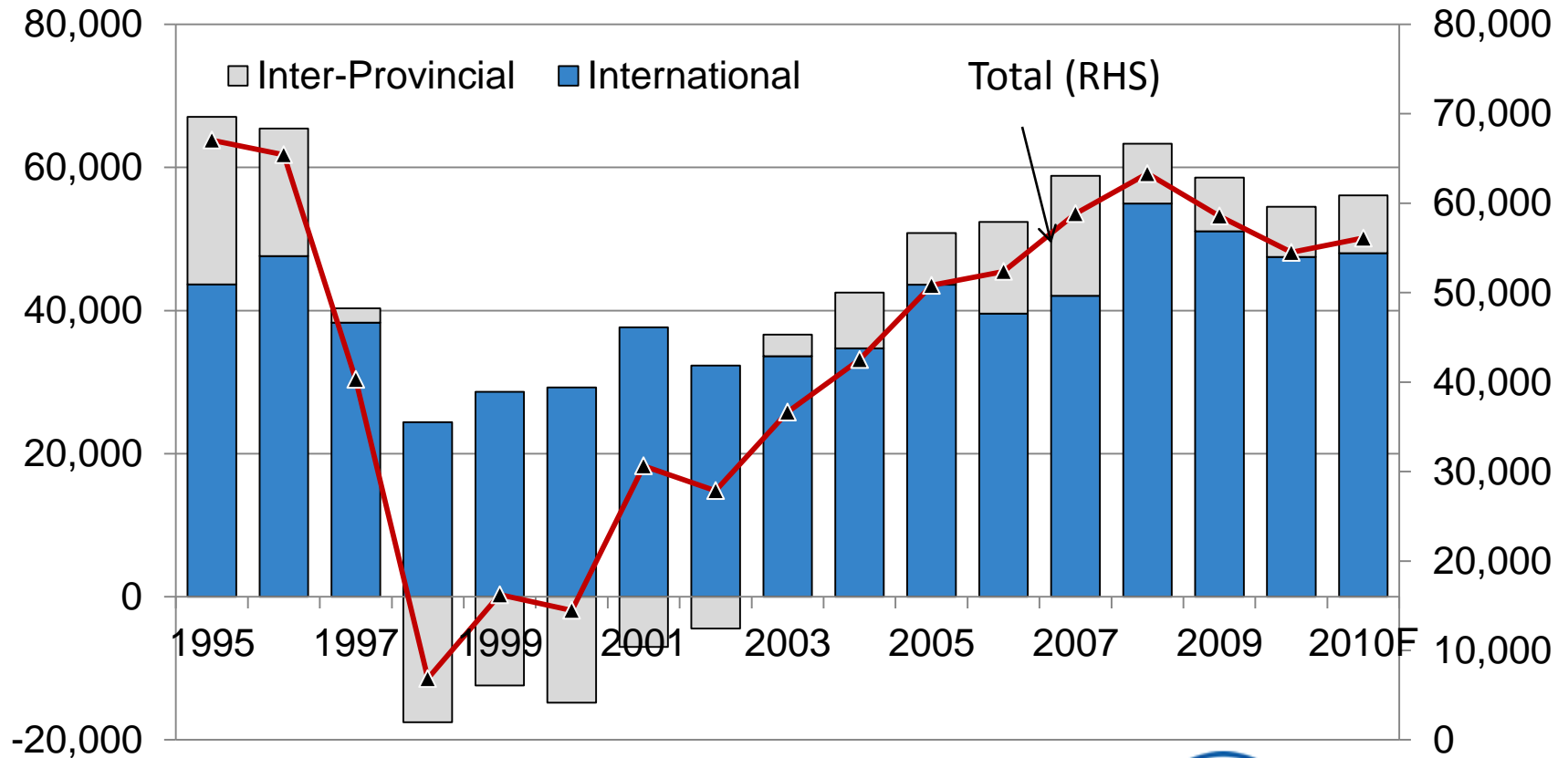
Sources: CMHC, BCREA



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BC Net Migration

Individuals



Sources: Statistics Canada, BCREA

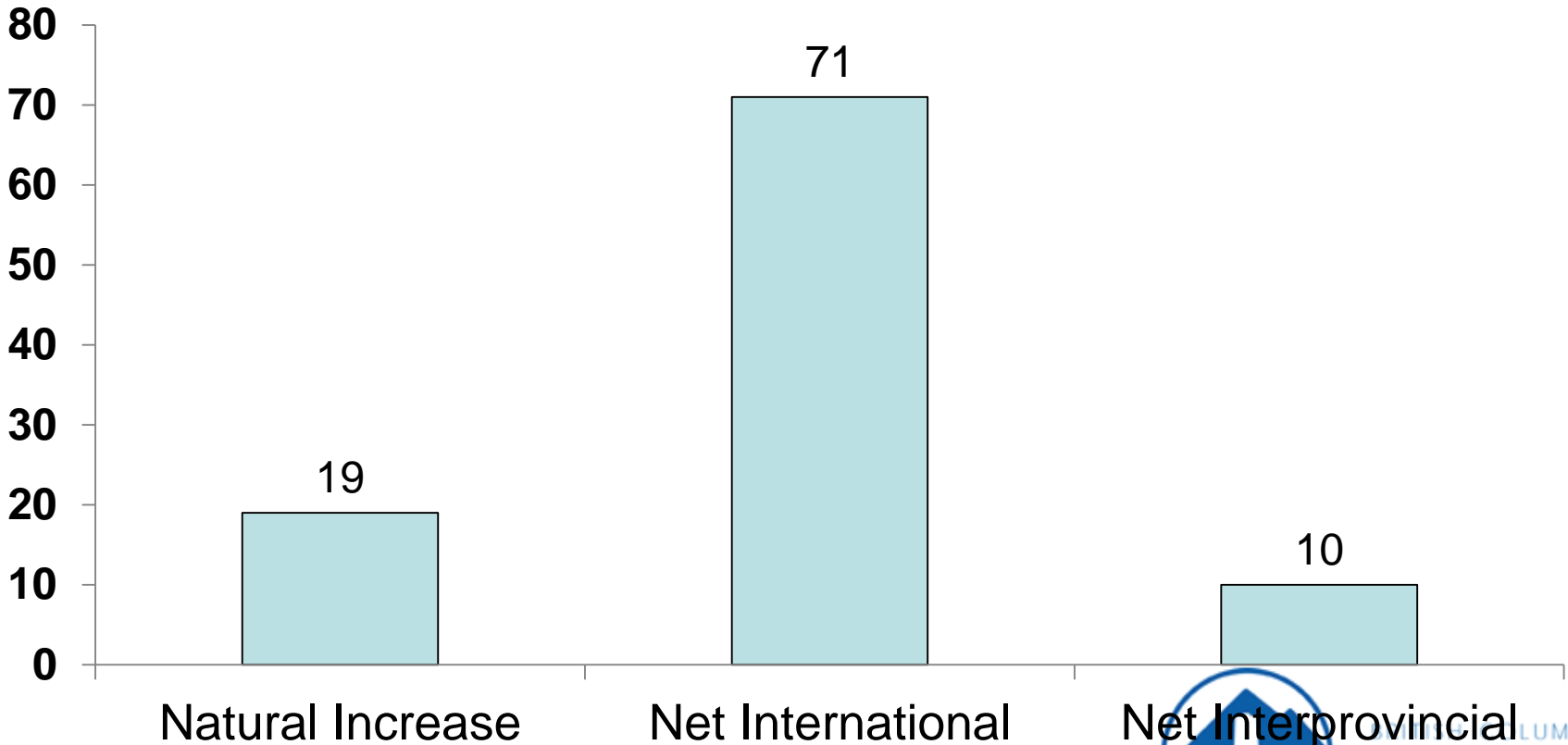


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Components of Population Growth

Per Cent of
Total

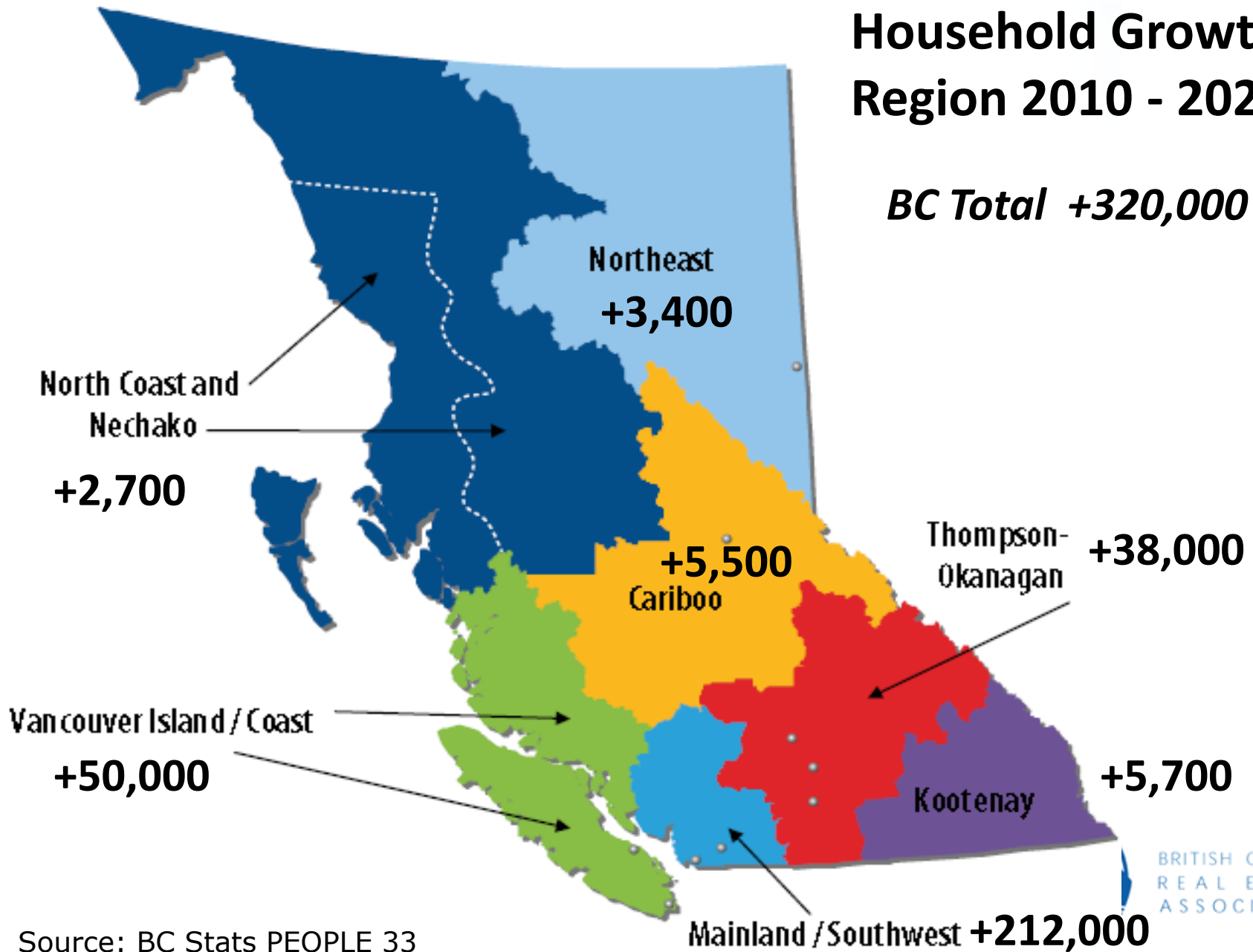
2009



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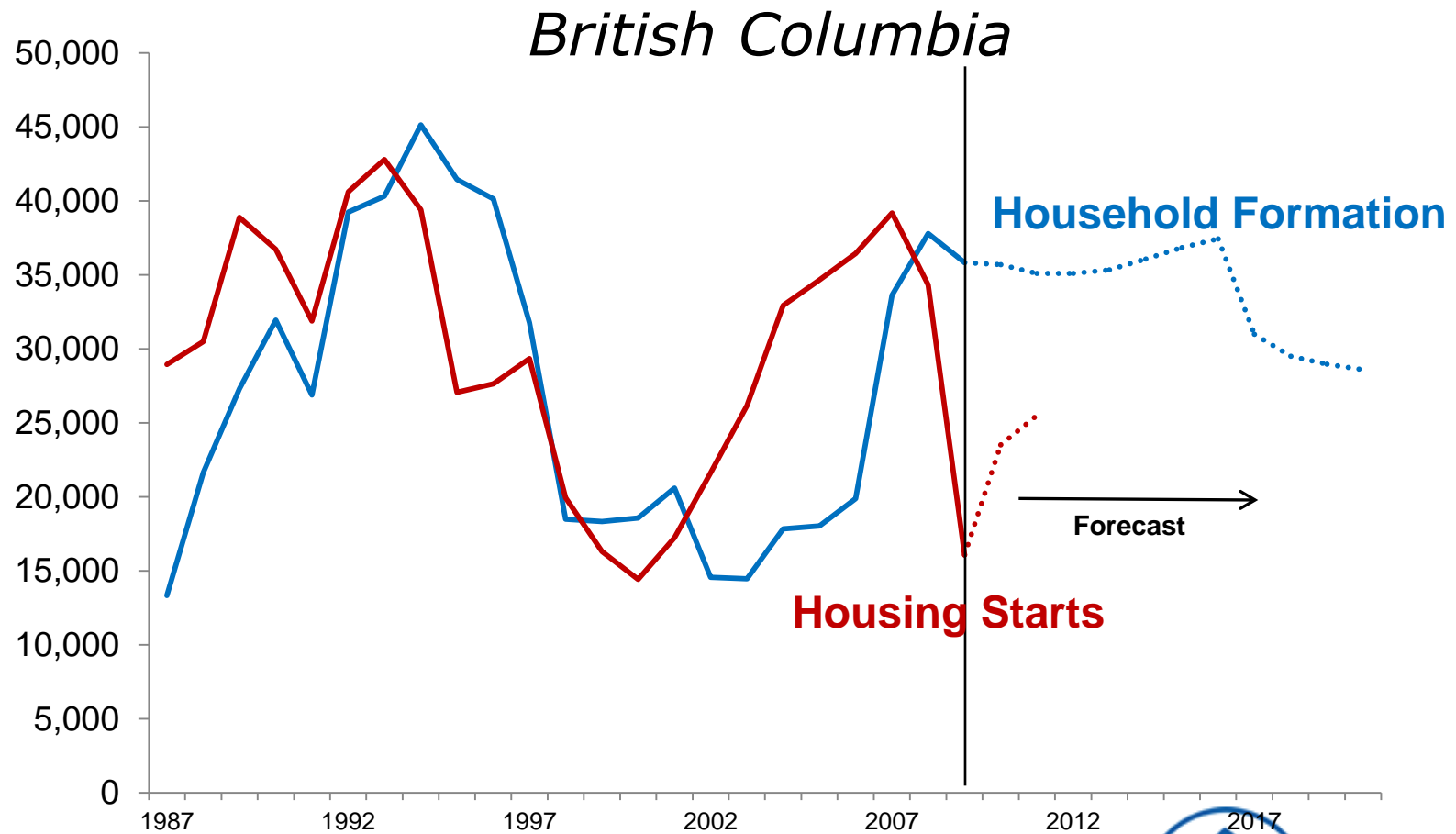
Household Growth by Region 2010 - 2020

BC Total +320,000



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Housing Starts & Household Growth

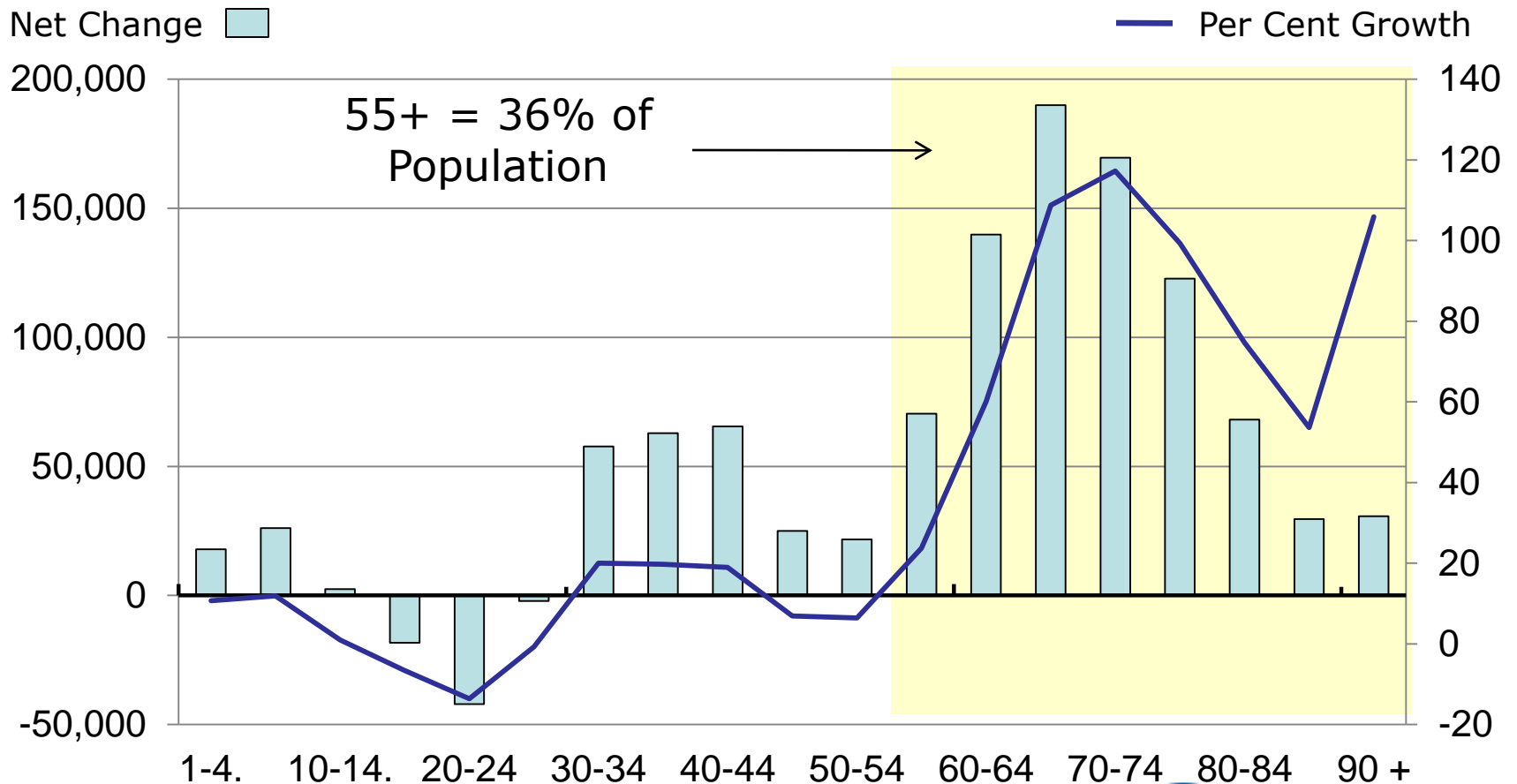


Source: BC Stats, Statistics Canada



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BC Population Growth - 2028



Sources: BC Stats P.E.O.P.L.E Model



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Board Area	Unit Sales			Average MLS® Price (\$)		
	2010	2011F	2012F	2010	2011F	2012F
Victoria	6,169 (20%)	6,600 7.0%	6,850 3.8%	504,561 6.0%	508,000 0.7%	511,000 0.6%
Vancouver Island	6,549 (10%)	6,800 3.8%	7,100 4.4%	327,179 3.5%	329,000 0.6%	332,000 0.9%
Powell River Sunshine Coast	270 2.7%	280 3.7%	290 3.6%	238,067 0.4%	238,000 0.0%	242,000 1.7%
Greater Vancouver	31,144 (14%)	34,600 11%	35,600 2.9%	675,853 14%	692,000 2.4%	686,000 (0.9%)
Fraser Valley	13,977 (11%)	15,100 8.0%	15,800 4.6%	451,221 6.0%	455,000 0.8%	458,000 0.7%
Chilliwack and District	2,046 (10%)	2,180 6.5%	2,315 6.2%	304,081 2.5%	301,100 (1.0%)	303,000 0.7%
Kamloops and District	2,121 (9.1%)	2,250 6.1%	2,315 6.2%	303,831 1.2%	305,000 0.4%	308,500 1.1%
Okanagan Mainline	4,838 (15%)	5,265 8.8%	5,520 4.8%	394,481 3.9%	396,000 0.4%	402,000 1.5%
South Okanagan*	1,855 (1.6%)	1,940 4.6%	2,020 4.1%	288,000 0.1%	274,000 (4.9%)	277,500 1.3%
Kootenay	1,995 (5.9%)	2,150 7.8%	2,240 4.2%	273,723 (0.1%)	275,000 0.5%	278,000 1.1%
BC Northern	3,676 1.6%	3,825 4.1%	3,975 3.9%	210,911 (0.4%)	212,000 0.5%	215,000 1.4%
BC Total	74,640 (12%)	80,900 8.4%	83,950 3.8%	505,178 8.5%	517,000 2.3%	515,000 (0.4%)



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