



B.C. jobs unchanged in January

The number of people working in British Columbia was essentially unchanged in January, according to Statistics Canada's latest household survey of the labour market. An estimated 2.1 million people were employed, up by an insignificant 2,200 (+0.1%) from December. The provincial unemployment rate remained relatively low, edging up to 6.5% as the labour force grew by more than employment.

The Labour Force Survey (LFS) indicates full-time jobs increased in January, while part-time jobs decreased. Job growth was significant in construction and retail/wholesale trade. Employment declined significantly in finance, insurance, real estate or leasing services, health or social services, and accommodation or food services. January's LFS suggests payroll employment in the public-sector declined while self-employment increased.

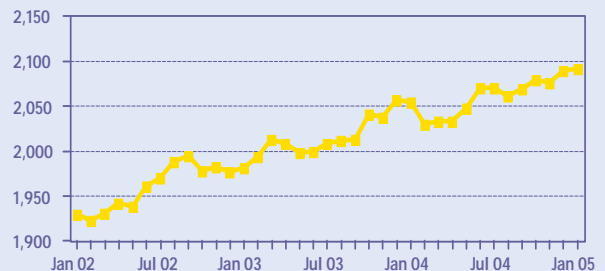
Employment of younger labour market participants, aged 15 to 24, declined in January. Employment of males over 24 increased. More women over 24 years of age participated in the labour force, while the number of unemployed women over 24 years increased.

Regionally, the January LFS suggests that jobs increased in metropolitan Vancouver and Victoria only, while generally edging down elsewhere in B.C. Employment remained level in the

Employment plateaus in January

B.C. Employment (Seasonally Adjusted)

Employed Persons (1,000's)

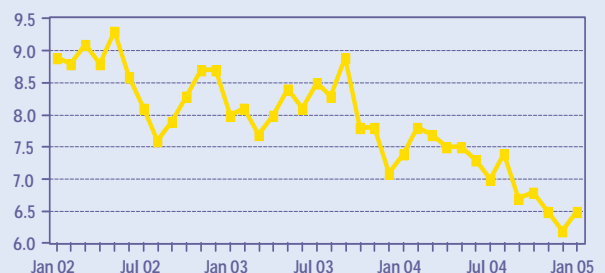


Source: Statistics Canada.

Unemployment rate remains low

B.C. Unemployment Rate (Seas. Adj.)

Percent of Labour Force



Source: Statistics Canada.

Northeast region. Unemployment rates were below the provincial average of 6.5% in Vancouver and Victoria, as well as the Mainland-Southwest, Thompson-Okanagan and Northeast regions. Elsewhere, unemployment rates were above average, with the highest rate in the North Coast-Nechako region, at 9.7% of the labour force.

Nationally, total employment and the unemployment rate remained more or less level for the third straight month. Part-time employment among younger labour market participants declined, along with the number of market participants. Public-sector employment fell sharply. Jobs in retail or wholesale trade rose significantly, while significant declines were seen in health or social services, information, culture or recreational services, public administration and business support services.

B.C. Posts Third Strong Year of Job Growth

Based on the just-revised Labour Force Survey (LFS) data, an average of 2.06 million persons were employed in B.C. in 2004, an increase of about 45,600 (+2.3%) from 2003. That follows gains of 54,000 (+2.8%) in 2003 and 38,100 (+2%) in 2002, marking three consecutive years of fairly strong employment growth in this province. Credit Union Central of B.C. forecasts further job growth of about 51,500 (+2.5%) this year.

The just-revised LFS data shows that B.C.'s unemployment rate averaged 7.2% of the labour force in 2004, down from 8.1% in 2003 and 8.6% in 2003. Central forecasts the unemployment rate will remain close to 7.2% in 2005, as labour force growth keeps pace with employment growth.

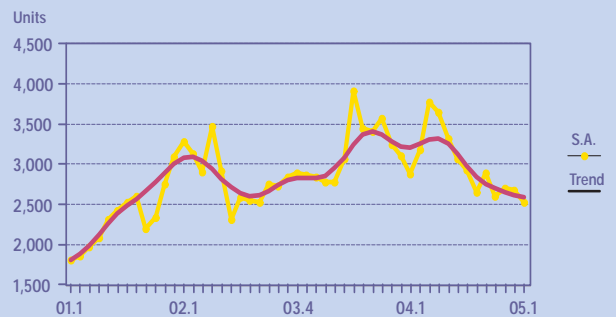
Chill in January housing sales

Housing sales showed the effects of a colder-than-normal January. Sales declined to a seasonally adjusted 2,524 units from 2,681 in December and 2,702 in November in the Real Estate Board of Greater Vancouver (REBGV) area. The first half of January saw particularly cold weather, which likely had a pronounced negative market impact, but as the weather returned to normal in the second half, sales very likely picked up appreciably. Had weather been normal throughout the month, seasonally adjusted sales would probably have topped 2,700 units.

Bad weather not only disrupted January sales, it also interrupted the firming in sales that occurred in November and December, following a seven-month decline. This interruption is temporary and sales volume is expected to rebound in February and to continue rising moderately. The five-year posted mortgage rate looks to drop by about 25 basis points to 5.80% following the just-released weak employment reports in Canada and the U.S. Lower mortgage rates are a key reason behind the firming sales and the expected cut will bolster this trend.

November and December sales firm after declining since March, January off due to colder weather

MLS Housing Sales, Real Estate Board of Greater Vancouver



Source: REBGV, CUCBC.

Latest: Jan. 2005.

Year-over-year sales were down 13% in January. This measure will continue showing a negative result until at least mid-year, given the high 2004 base. Unlike the seasonally adjusted measure, it does not adequately capture the most recent market developments.

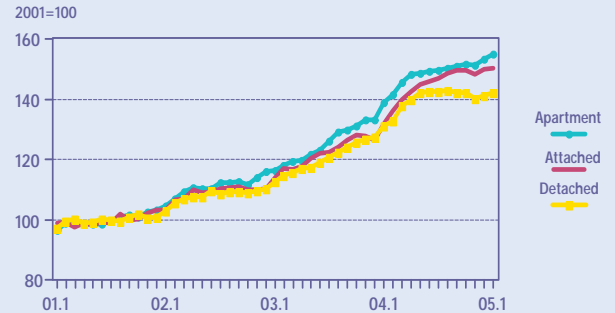
The downshift to balanced market conditions from a sellers' market continues to be reflected in prices. Price increases are much lower, and in recent months a couple of instances of a price decline have appeared. The Detached MLS® Housing Price Index (HPI) for the REBGV hit 143.0 in August, dipped to 140.5 in November and inched ahead to 142.4 in January. The rate of increase in the Detached HPI is below 5%, compared to over 20% in late 2003.

Attached and apartment prices are holding up better than detached unit prices and this is corroborated by their higher sales-to-active-listings ratios. Possibly, lower prices for those dwelling types are resulting in a better sales performance than for detached units. January's HPI benchmark price for detached units was \$482,233, compared to \$309,798 for attached and \$238,523 for apartments.

Balanced market conditions are expected to prevail throughout 2005 and into 2006. Modest sales volume and price increases are likely and the large increases seen in the past three years are behind this market for awhile.

Prices leveling out

Housing Price Trends by Dwelling Type, REBGV, Monthly



Source: REBGV. Note: Housing Price Index data.

