



B.C.'s population growth still meagre

British Columbia's population reached 4,146,580 people as of June 30, 2003, according to Statistics Canada's latest estimate. That equates to population growth of 31,600 people (0.8%) over the prior 12 months. B.C.'s population growth rate has been at most 1% per year since early 1998, when net migration from Hong Kong slowed dramatically. Before that, the population had grown by 2% to 3% annually for many years.

In the second quarter, population growth continued to be driven primarily by net international migration. Almost 8,300 people were added to B.C.'s population from this source. The net flow of international migrants remains at about the same level as a year earlier.

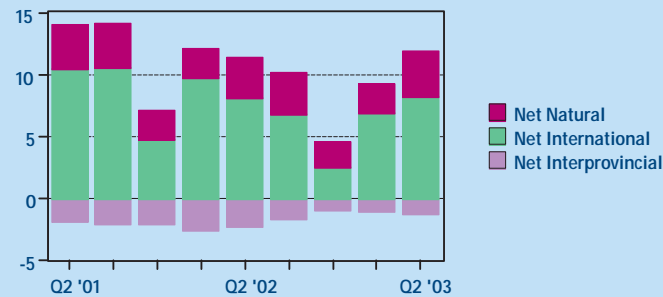
Natural growth (births minus deaths) also contributed 3,670 people to B.C.'s population in the second quarter. Natural growth also remains at about the same level as one year ago.

B.C. continued to see a net outflow of interprovincial migration in the second quarter. This source of population fell by 1,140 people, with Alberta accounting for almost the entire net outflow; there were minor net flows of residents between B.C. and the other Canadian provinces and territories. Net interprovincial emigration from B.C. is down sharply from one year ago, mainly because the net outflow to Ontario has stopped.

Net international migration drives population growth

Components of Population Change: B.C., Quarterly

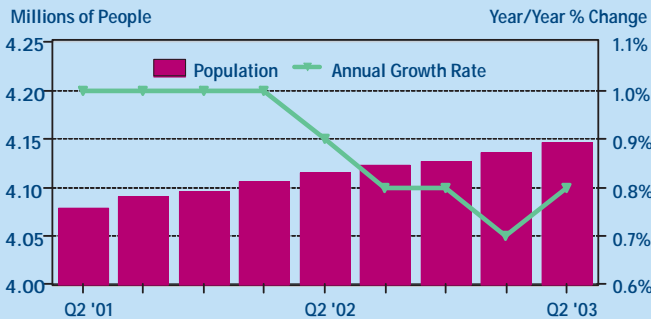
Thousands of People



Source: Statistics Canada.

Population growth rate remains meager

Population, British Columbia, Quarterly



Source: Statistics Canada.

National population growth is estimated at 0.8% or 269,000 people for the year ending June 30, 2003. Alberta and Ontario had above-average growth rates of 1.3% and 1.2%, respectively. Population growth continued to accelerate in the Yukon and Nunavut territories, where Canada's nascent but growing diamond industry is creating jobs.

Meagre population growth for B.C. as a whole is not mirrored in each region or age group. For example, growth in major metropolitan and resort areas exceeds growth in the rest of the province. Many single-industry, resource-based areas are currently seeing their population decline. Further, the population of those aged 45 and older is growing at about 3% annually in B.C., in contrast to declines in the number of people less than 45 years old.

Credit Union Central of British Columbia forecasts that overall population growth in B.C. will remain close to 1% annually through 2004.

Housing sales keep rising

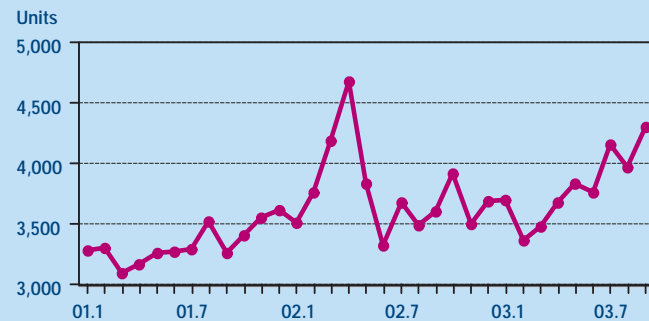
September MLS® housing sales in the Greater Vancouver Real Estate Board area climbed to 3,525 units, seasonally adjusted, from 3,351 units in August and maintained the uptrend that began three years ago. Low mortgage rates continue to be the primary catalyst for sales. Confidence is also playing a role, since making a major purchase like housing requires a reasonable assurance of an income stream to finance the acquisition.

The housing market remains tight — that is, a sellers' market. Prices are rising at a greater pace with increases of over 10% annually evident in the past few months. The average sales price for all housing sold in September was \$346,482, up 11% from a year ago and the year-to-date average sales price is up 8%. Sales-to-listings ratios continue to signal tight pricing conditions, but there could be a bit of relief coming.

Listings are beginning to rise on a sustained basis, and if this continues as expected, it will ease some pricing pressure. Seasonally adjusted units listed are up in the past six months. The weak or slow supply (listings) response has been a bit of a puzzle during this upswing in the cycle, and below that of some previous cycles. New construction has responded to the market, which is evident in the new listings data in the MLS stats, but resale or existing housing listings have been slow to respond. That looks to be changing now, with resale listings up 12% year-over-year in September.

Units listed heading up

REBGV MLS Housing Listed, Seasonally Adjusted

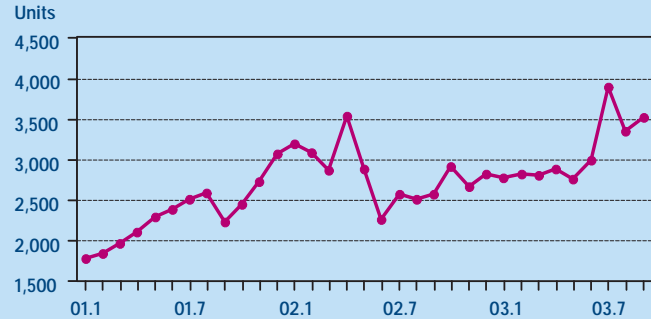


Source: Real Estate Board of Greater Vancouver, CUCBC. Latest: Sept.
Note: Detached, attached, and apartment sales only. MLS - Multiple Listing Service.

Sales for the year will top 38,000 units and easily beat 1992's record of 37,073 units (detached, attached, and apartment units only). Year-to-date sales are up 9% in September and that will climb to around 13% by the end of the year. Longer-term mortgage rates are expected to remain near current levels, while shorter-term rates will come down when the Bank of Canada cuts rates in October and probably again in December. This will keep sales on their current upward climb.

Housing sales continue to climb

REBGV MLS Housing Sales, Seasonally Adjusted



Source: Real Estate Board of Greater Vancouver, CUCBC. Latest: Sept.
 Note: Detached, attached, and apartment sales only. MLS - Multiple Listing Service.

