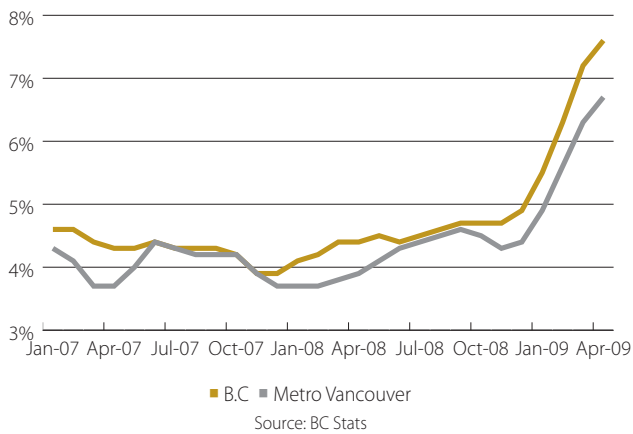


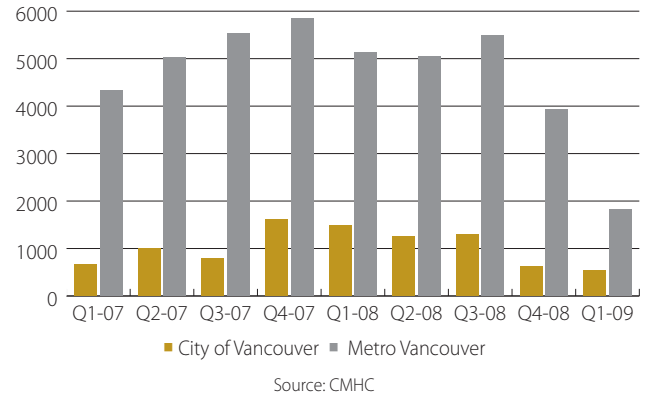
## OVERALL

- Vancouver's economy hasn't experienced the severe drop-offs that have beset other jurisdictions, but Vancouver now has more sectors performing poorly than performing well
- Unemployment is still increasing from previous record lows, with many sectors now affected by layoffs, and EI claims and consumer bankruptcies up sharply
- Housing prices have stopped falling, and some residential construction activity is returning
- Mining is a bright spot, but forestry, transportation, film and the arts are down significantly
- High-tech businesses are steady, and there are both positives and negatives in new media
- Tourism is down, and expecting one of the leanest years in recent history, alongside continued declines in the retail sector

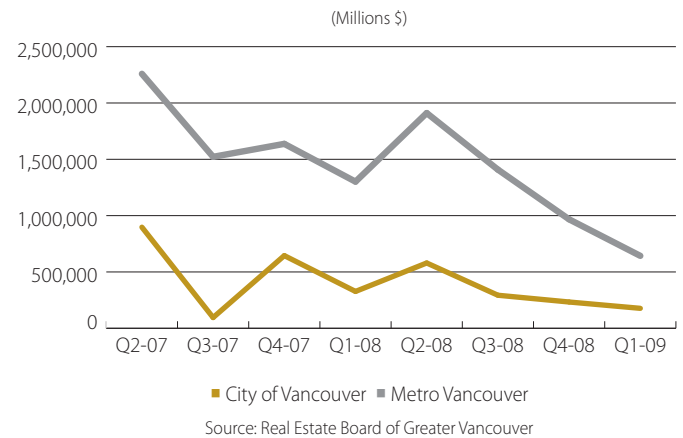
### Unemployment Rate



### Housing Starts



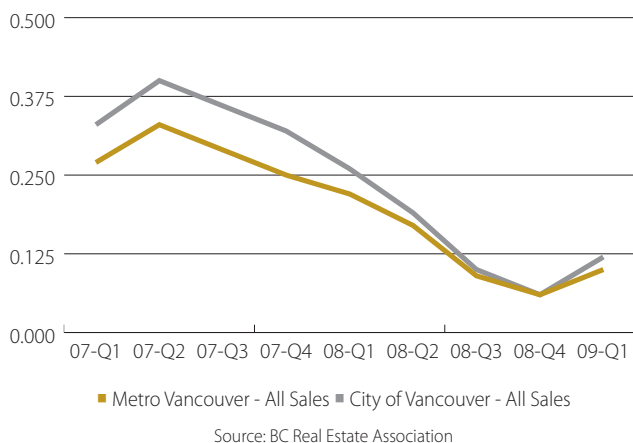
### Building Permit Values



## HOUSING AND CONSTRUCTION

- Sales are picking up, prices have stopped falling, and builders are taking advantage of low commodity prices and surplus capacity to bid on contracts at lower price points
- Regional construction employment remains down nearly 10% from historic highs of Summer 2008
- Effects of some stimulus projects starting to be felt

### Sales-to-Active Listings Ratio



## FREIGHT/CARGO

- Consumer spending is still down, keeping both export and import volumes well below previous levels
- Employment is down across many facets of the transportation industry: railways, trucking, etc.

### Port Metro Vancouver

TEU	Cargo in Tonnes	% Change y/y
Q1 - 2008	582,097	6.34%
Q2 - 2008	641,293	2.49%
Q3 - 2009	678,316	0.38%
Q4 - 2009	590,401	-8.70%
<b>Total - 2008</b>	<b>2,492,107</b>	<b>-0.14%</b>
Q1 - 2009	494,342	-15.08%

### Vancouver Airport (Cargo)

Quarter	Cargo in Tonnes	% Change y/y
Q1 - 2008	51,348	2.57%
Q2 - 2008	53,729	-0.3%
Q3 - 2008	56,556	-11.6%
Q4 - 2008	49,680	-14.8%
<b>Total - 2008</b>	<b>203,993</b>	<b>-10.3%</b>
Q1 - 2009	44,028	-14.26%

Source for both tables: YVR International Airport

## TOURISM

- Tourism down significantly – US, Canada, Europe down nearly 10% from 2008 others (especially South America) down 20%
- Value travel and Asian visitors remain only robust (though smaller) market segments
- Cruise ship cancellations will have major impact in 2010
- Addition of 2<sup>nd</sup> train from Seattle is major pressing issue: would allow for more complex package and tour designs for US visitors

Total Passengers at Vancouver Airport

YVR Passengers		% Change y/y
Q1-2008	4,309,543	9.9%
Q2-2008	4,587,652	6.0%
Q3-2008	5,132,040	-1.4%
Q4 - 2008	3,823,224	-5.3%
<b>Total 2008</b>	<b>17,852,459</b>	<b>2.0%</b>
Q1 - 2009	3,846,794	-10.7%

Source: YVR International Airport

Quarterly Overnight Visitors

Overnight Visitors		% Change y/y
Q1 - 2008	1,629,173	1.73%
Q2 - 2008	2,190,122	-1.52%
Q3 - 2008	3,077,954	-4.71%
Q4 - 2008	1,731,854	-6.74%
<b>Total 2008</b>	<b>8,629,103</b>	<b>-3.18%</b>
Q1 - 2009	1,467,412	-9.93%

Source: Tourism BC

## RESOURCES

- The forest industry is running at 25% capacity, with idled facilities and unemployed and underemployed workers across the province
- Production of coal (50% of BC's mining) and copper has rebounded, but limited access to credit has resulted in closures and scaling back in exploration

## HIGH TECH

- Tech companies are still doing well: sales are occurring, industry events are well-attended, and veteran management teams are pursuing cautious strategies
- Some new companies locating in Vancouver, with lower office rents and available talent
- Gaming sector is still experiencing layoffs, with a lack of incentives making BC uncompetitive; some world-leading new media companies continue to win major contracts

## FILM

- Fewer TV shows and pilots are being filmed: established series are continuing, lower-budget films have dropped off sharply, though positive signs regarding new series coming to Vancouver
- Pixar's arrival a major bright spot: due to strong incentives and availability of transferable talent due to gaming layoffs
- No domestic production work due to credit availability issue

## ARTS & CULTURE

- Attendance at events is down
- Lack of sponsorship and foundation money is leading to potential curtailments

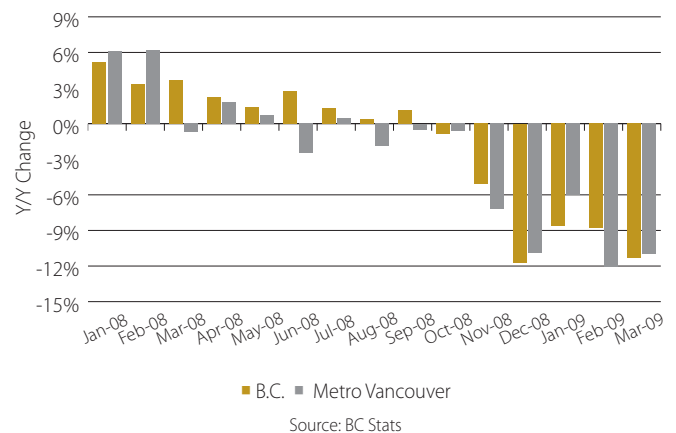
## OTHER KEY SECTORS

- Architects report continued lack of activity, though some interest in major projects in lower cost locations in the region
- The international education sector has been especially impacted by the H1N1 outbreak; sector is laying off some staff at a time where they are usually hiring for the summer

## NEIGHBORHOODS

- Business down in general in neighborhoods across the city
- Destination stores and stores with lower price points still doing relatively well
- Basic amenities such as groceries doing as well or better than before as more people are eating meals at home; restaurants and patios have suffered decline relative to last year
- Lack of conferences and corporate travel is hurting downtown businesses

Retail Sales



## COMINGS & GOINGS

### New Companies/Expansions in Vancouver Q1-2009

(approximate # of employees)

- Sportsworld: 2010 Olympic and hospitality and event company (**60**)
- IQ Metrix: Provider of retail management software, moved head office from Saskatchewan (**10-20**)
- Pixar: digital animation superstar announces intention to open 75-person studio
- Nussli Special Events: Supplier of temporary event infrastructure
- Noomi: Online life coaching firm
- Pacsinergy International: Chinese provider of LED lighting systems
- Dozens and dozens of sole proprietorships, independent contractors, consultants

### Major Contractions in Vancouver Q1-2009

(approximate # of employees)

- AIIIT Administration moved office from Howe Street to Hong Kong