

The Future Business Environment of the Sunshine Coast 2011-2021

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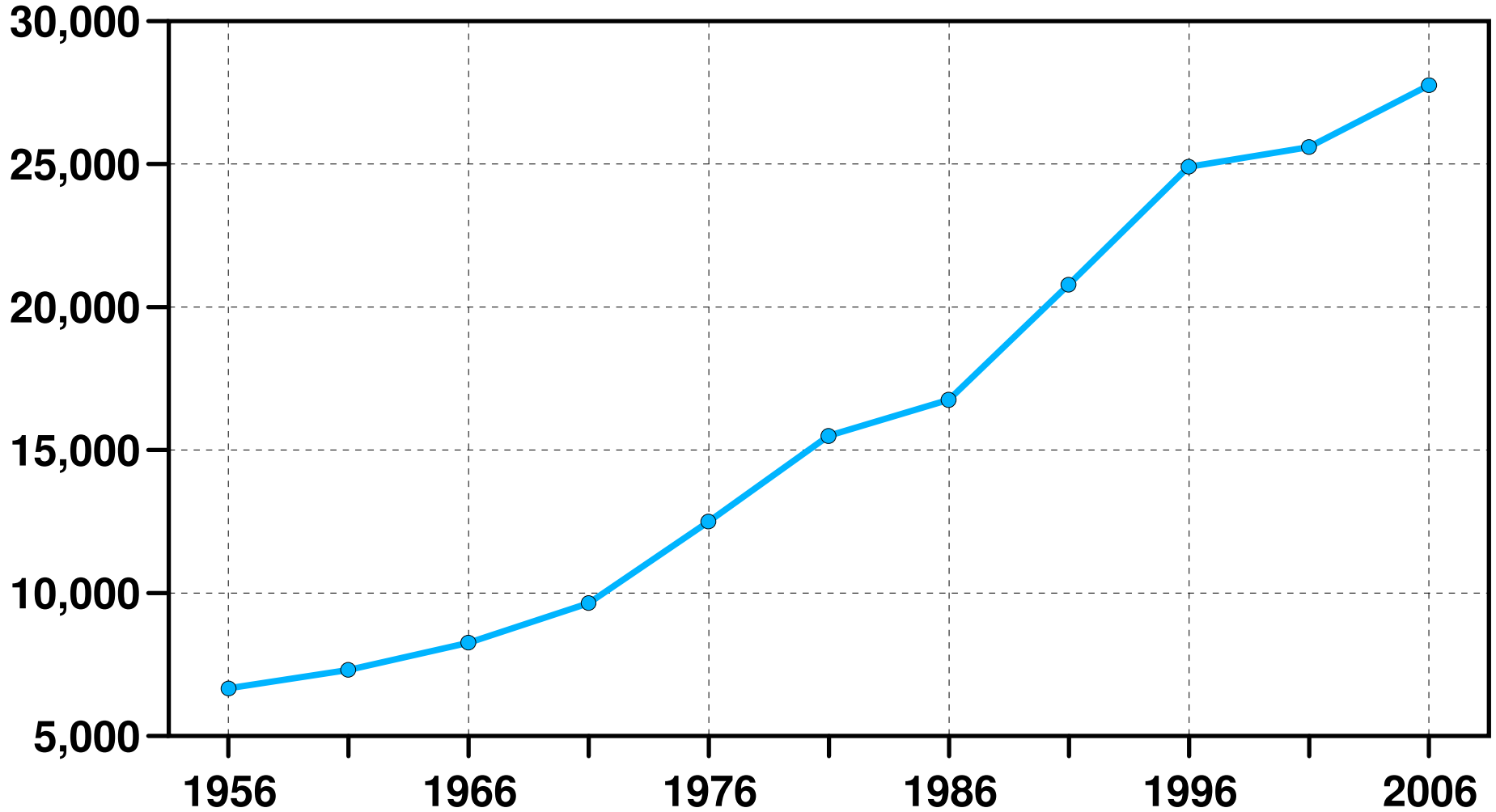
**Report prepared by:
Central 1 Credit Union - Economics Department
Spring 2011**

Outline:

- Population and labour market trends
- Local economic and industry base analysis and conditions
- Residential market trends and developments
- External ownership of residential properties
- Labour market and population forecasts
- Economic development considerations

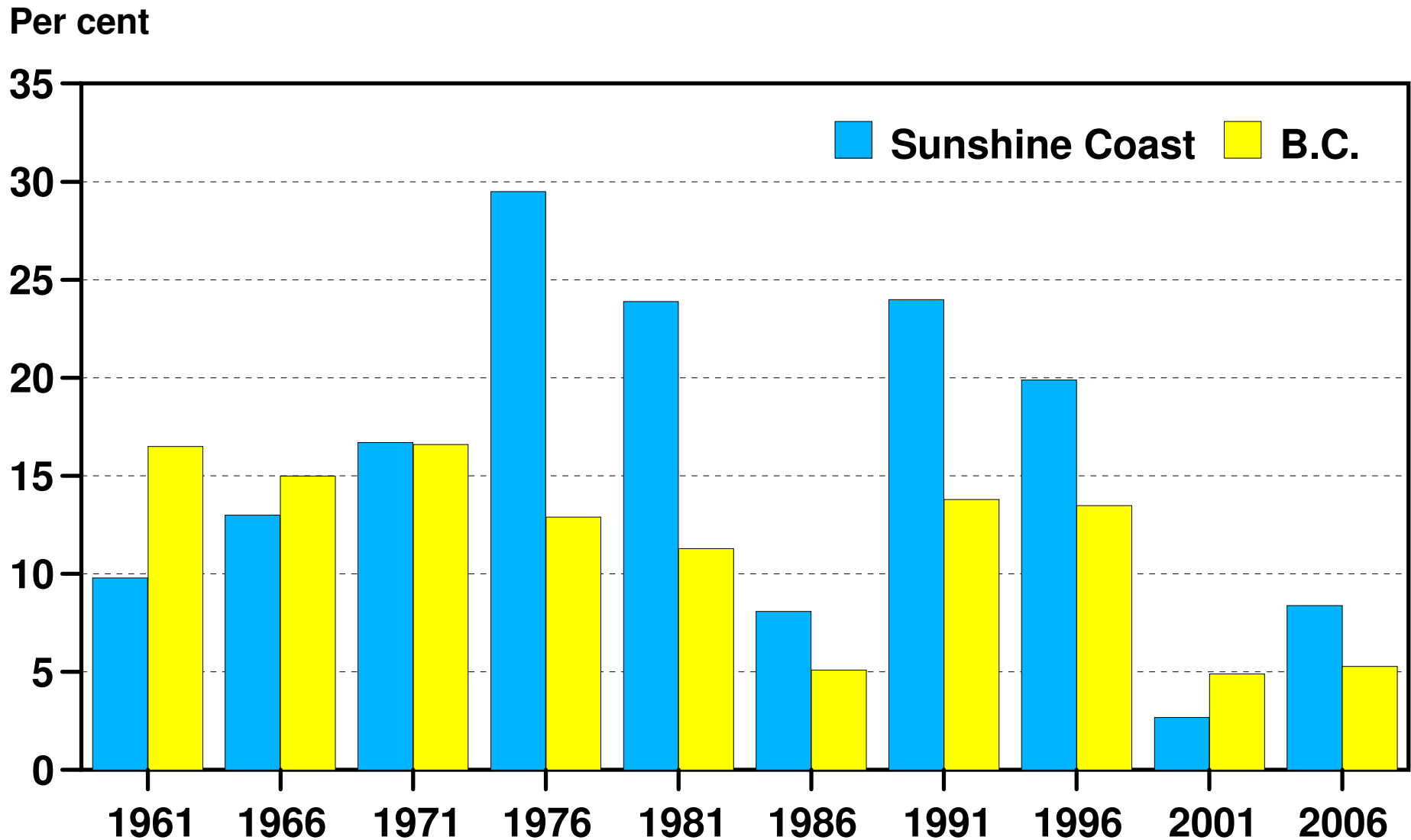
Population - Sunshine Coast, 1956 - 2006

Persons



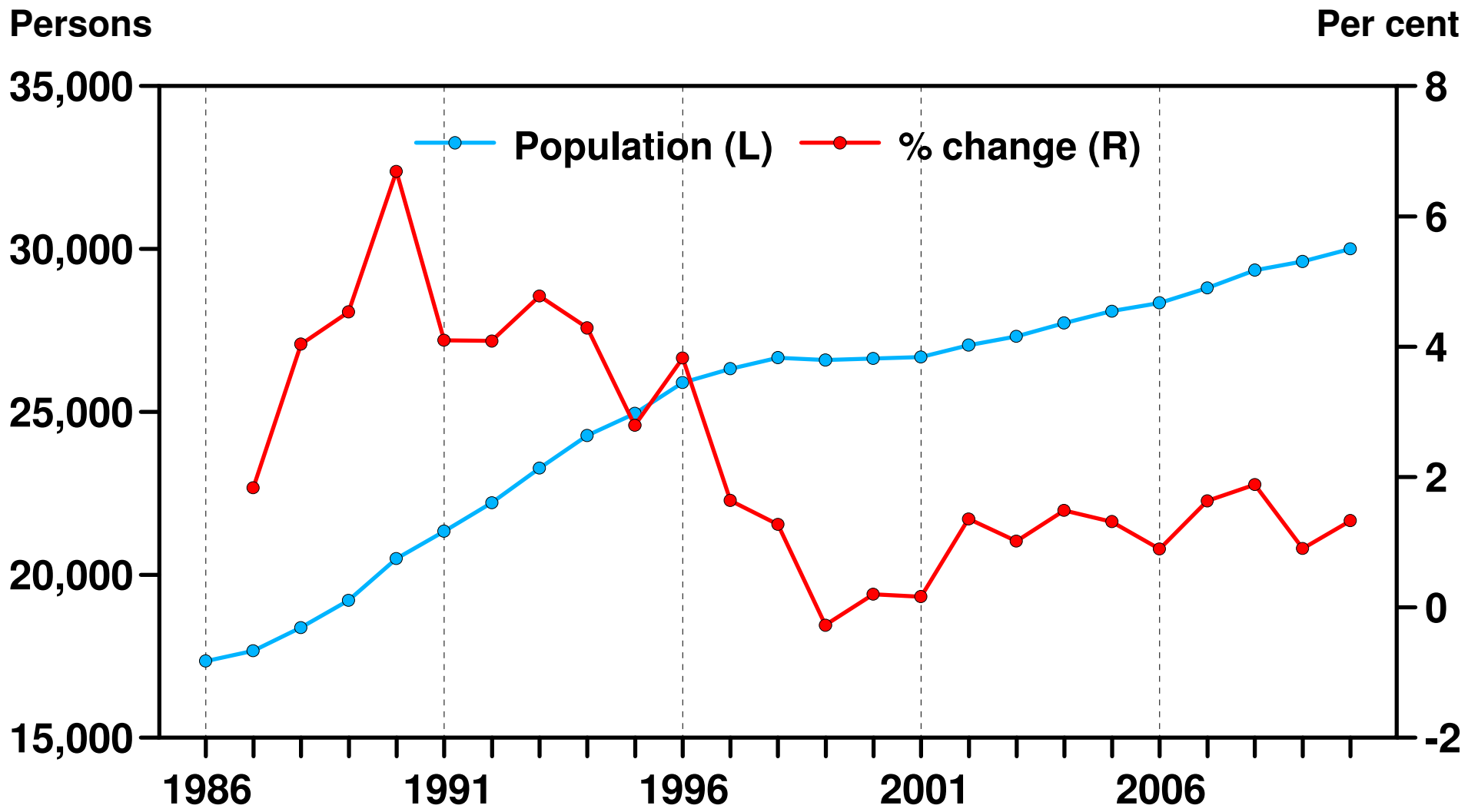
Source: Census of Canada.

Population Growth - Sunshine Coast and B.C., 1961 - 2006



Source: Census of Canada, Central 1 Credit Union. Note: 5-year growth rate.

Population and Population Growth - Sunshine Coast, 1976 - 2010

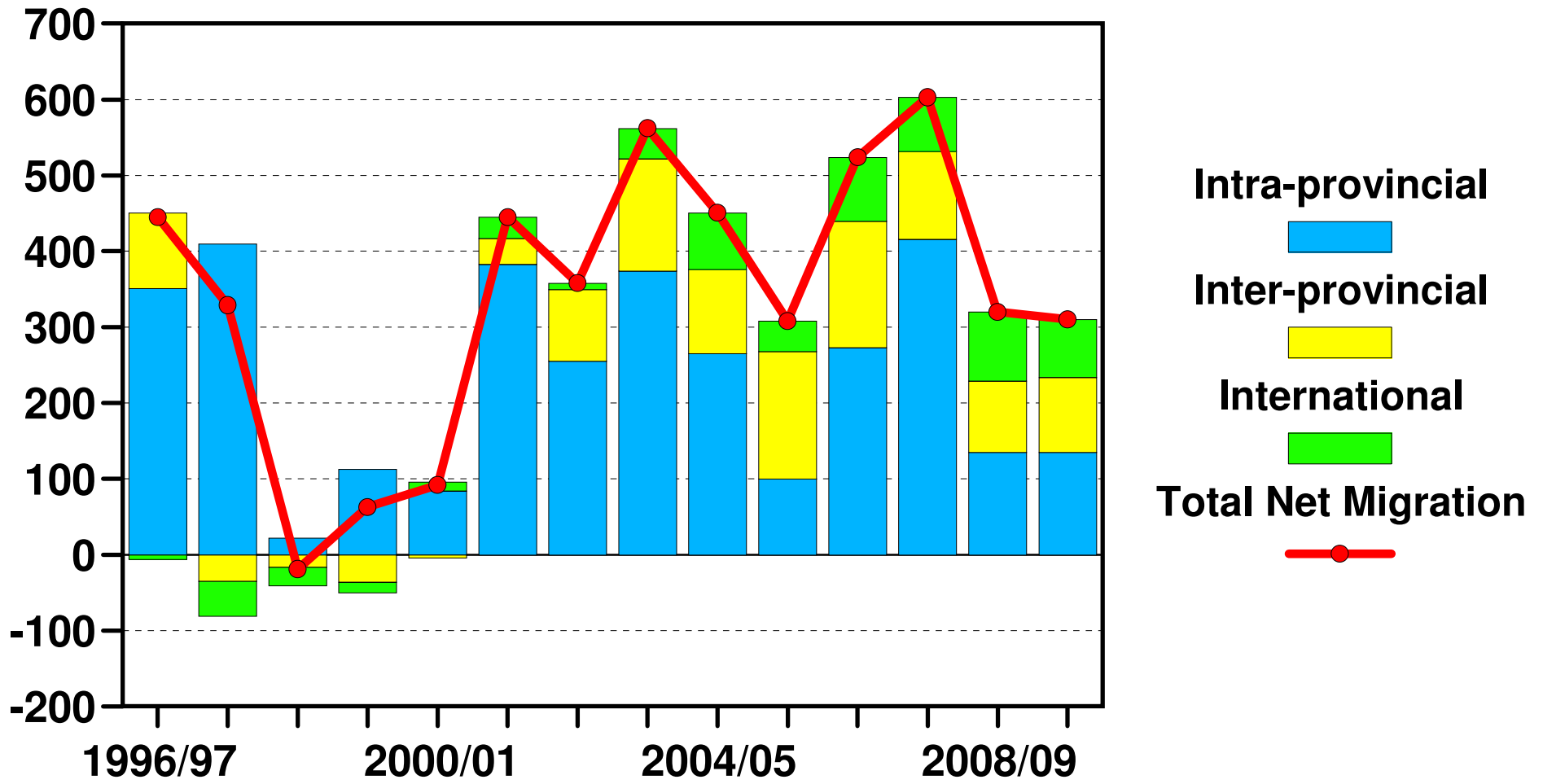


Source: Statistics Canada.

Note: As of July 1. Latest: 2010

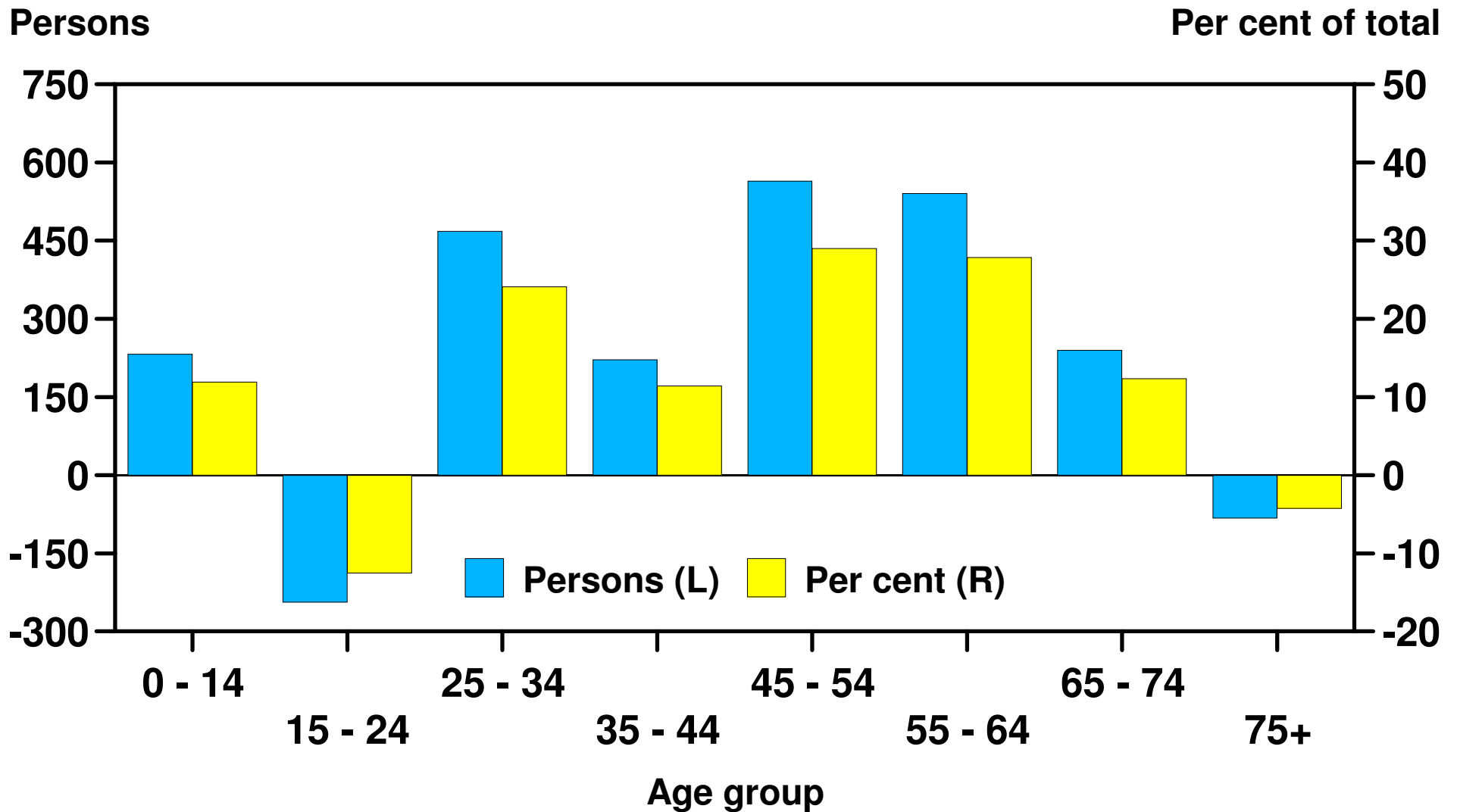
Migration Components, Sunshine Coast, Annually

Persons



Source: Statistics Canada. Note: As of July 1. Latest: 2009/10.

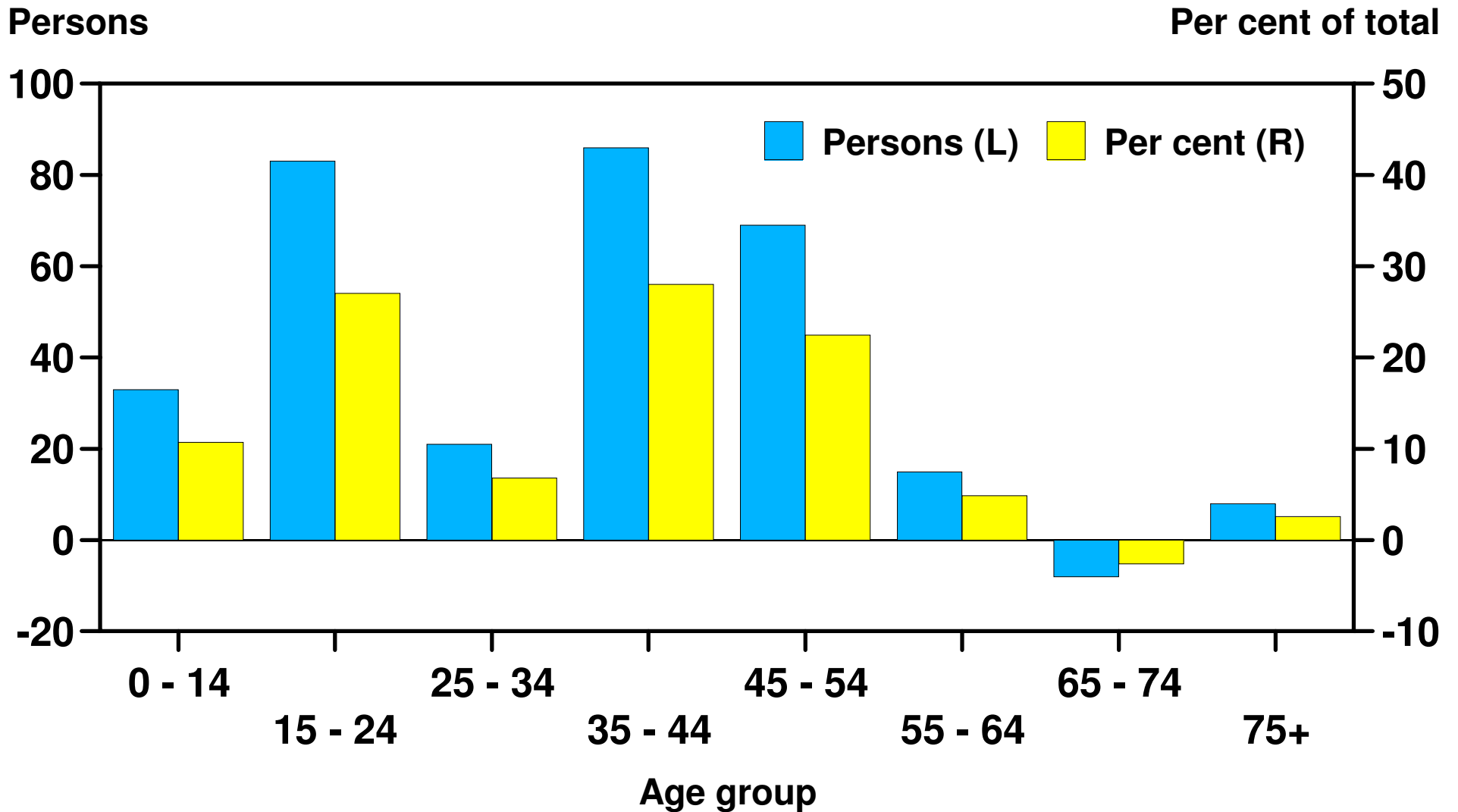
Age Distribution of Total Net Migration - Sunshine Coast



Source: Statistics Canada, Central 1 Credit Union. Note: Based on latest 5 years.

Sunshine Coast Credit Union

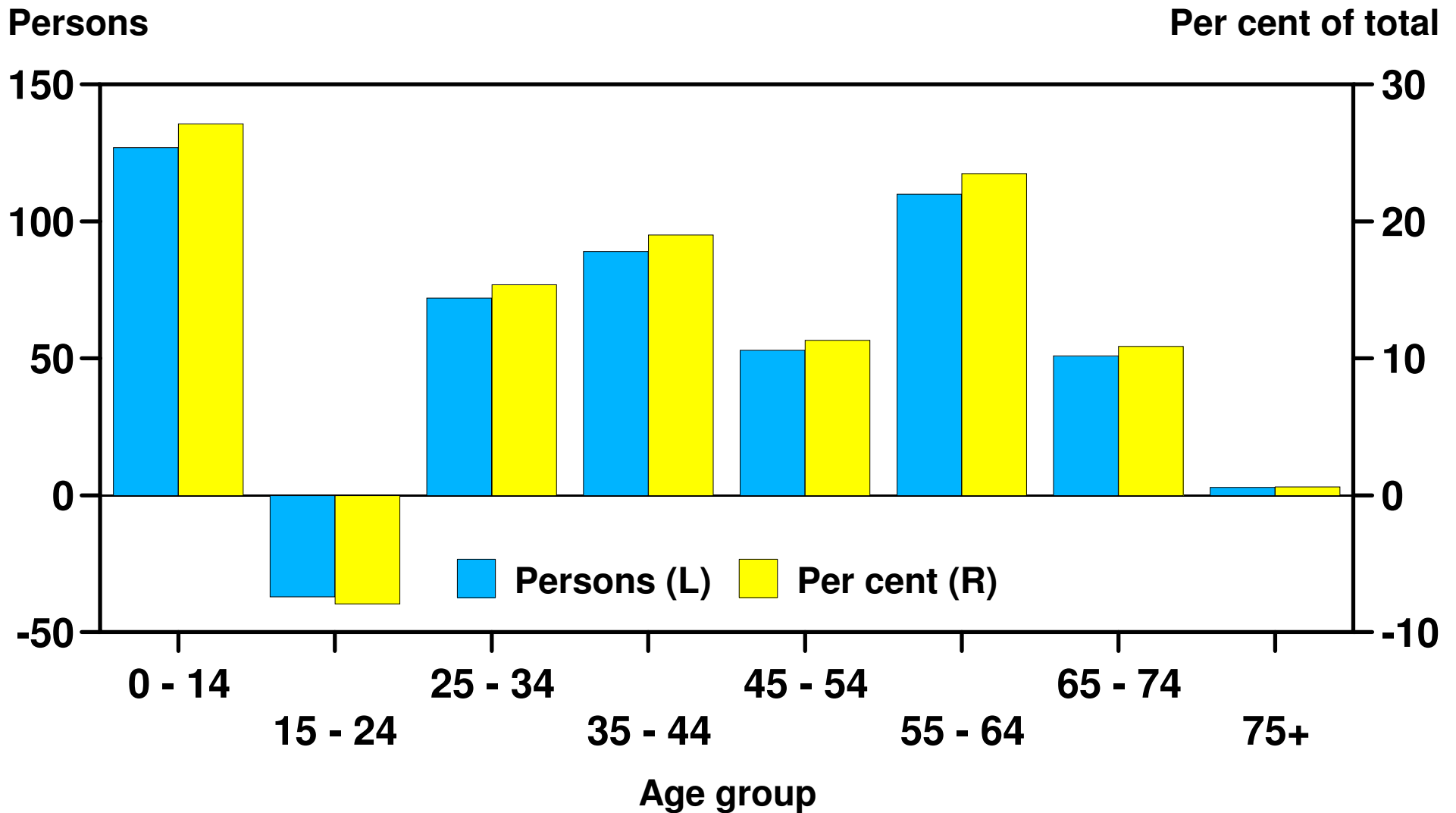
Age Distribution of Net International Migration - Sunshine Coast



Source: Statistics Canada, Central 1 Credit Union. Note: Based on latest 5 years.

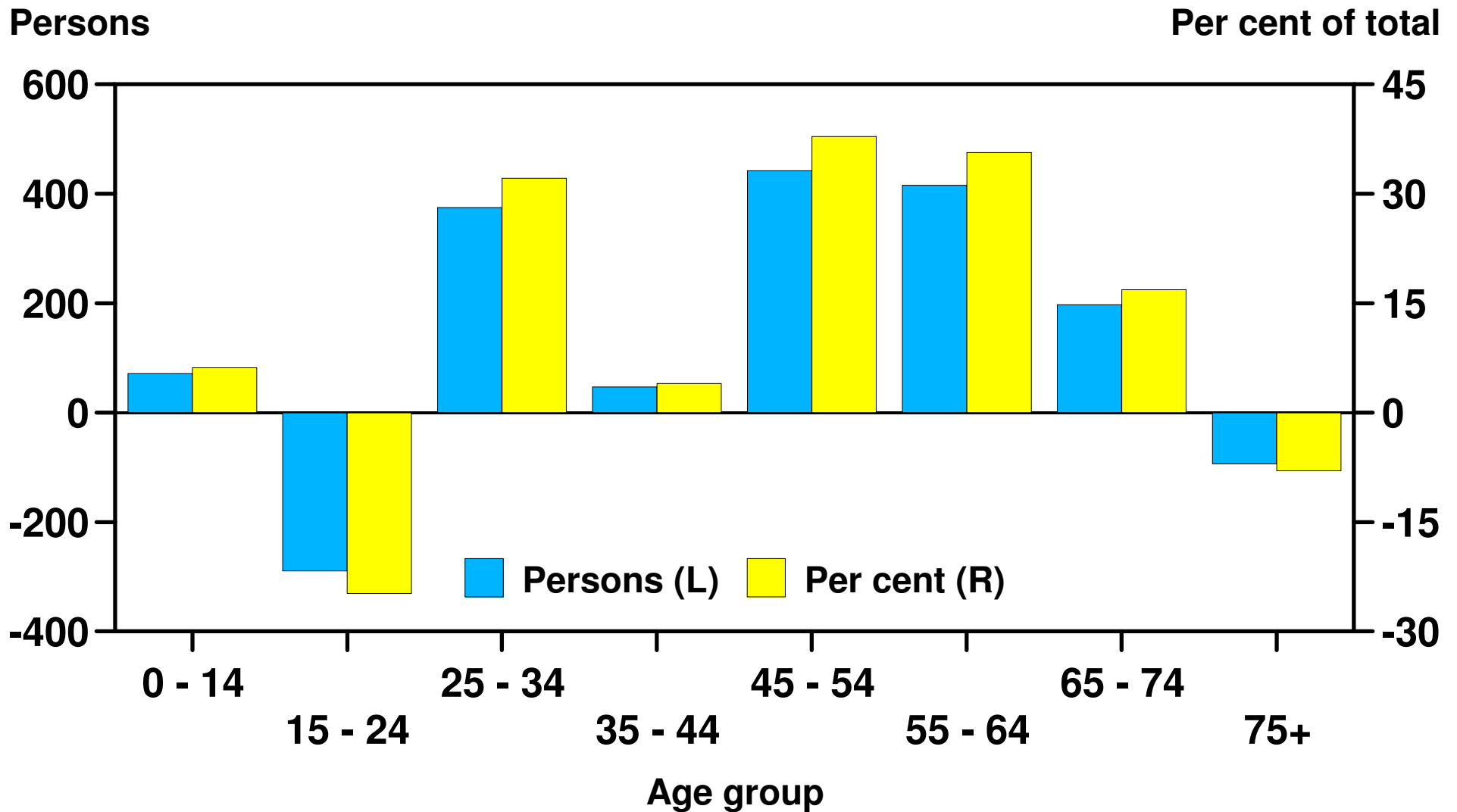
Sunshine Coast Credit Union

Age Distribution of Net Interprovincial Migration - Sunshine Coast



Source: Statistics Canada, Central 1 Credit Union. Note: Based on latest 5 years.

Age Distribution of Net Intraprovincial Migration - Sunshine Coast

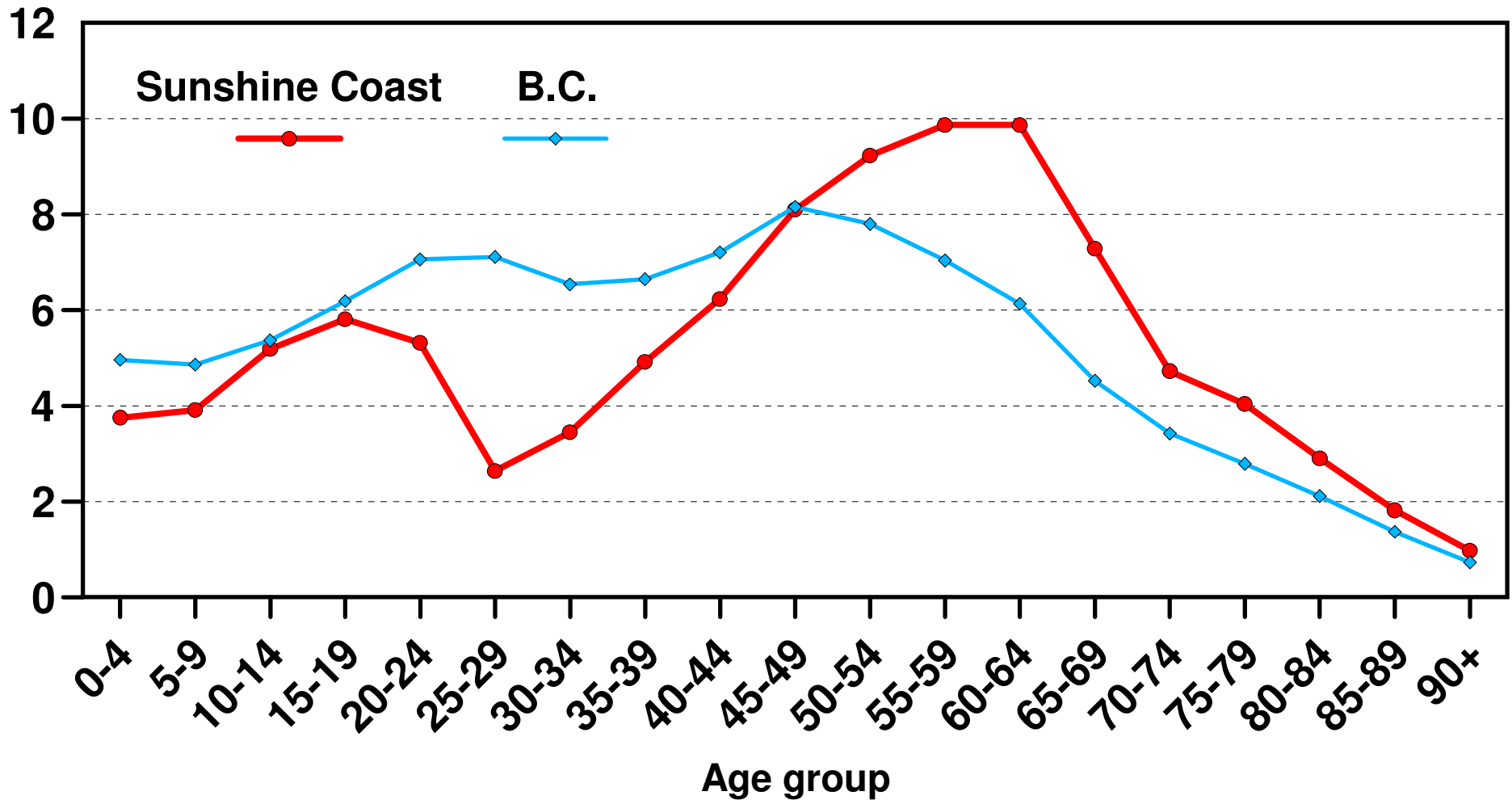


Source: Statistics Canada, Central 1 Credit Union. Note: Based on latest 5 years.

Sunshine Coast Credit Union

Population Age Distribution - Sunshine Coast and B.C., 2010

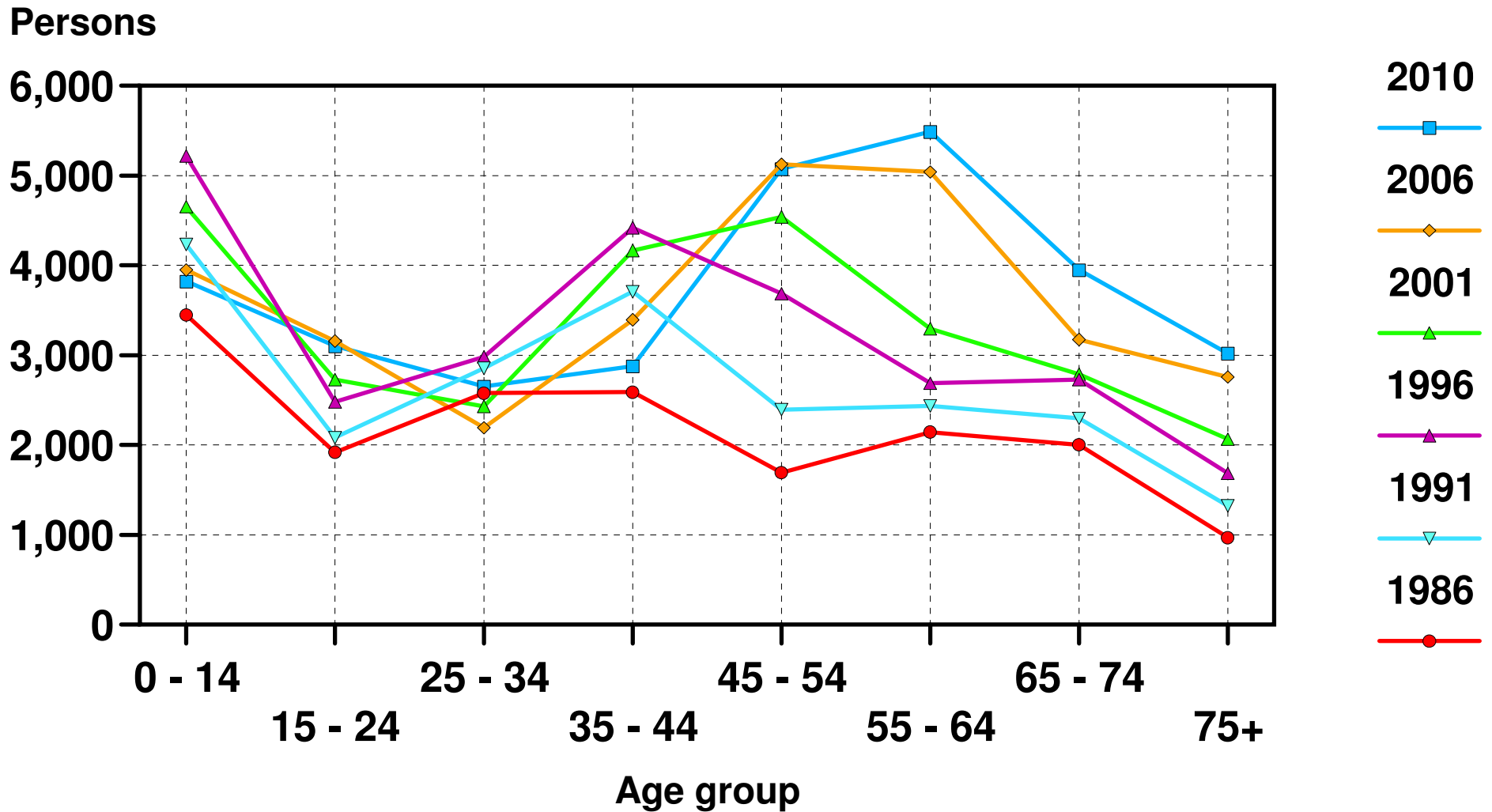
Per cent of total



Source: B.C. Stats.

Sunshine Coast Credit Union

Evolution of Sunshine Coast Population by Age Distribution



Source: B.C. Stats.

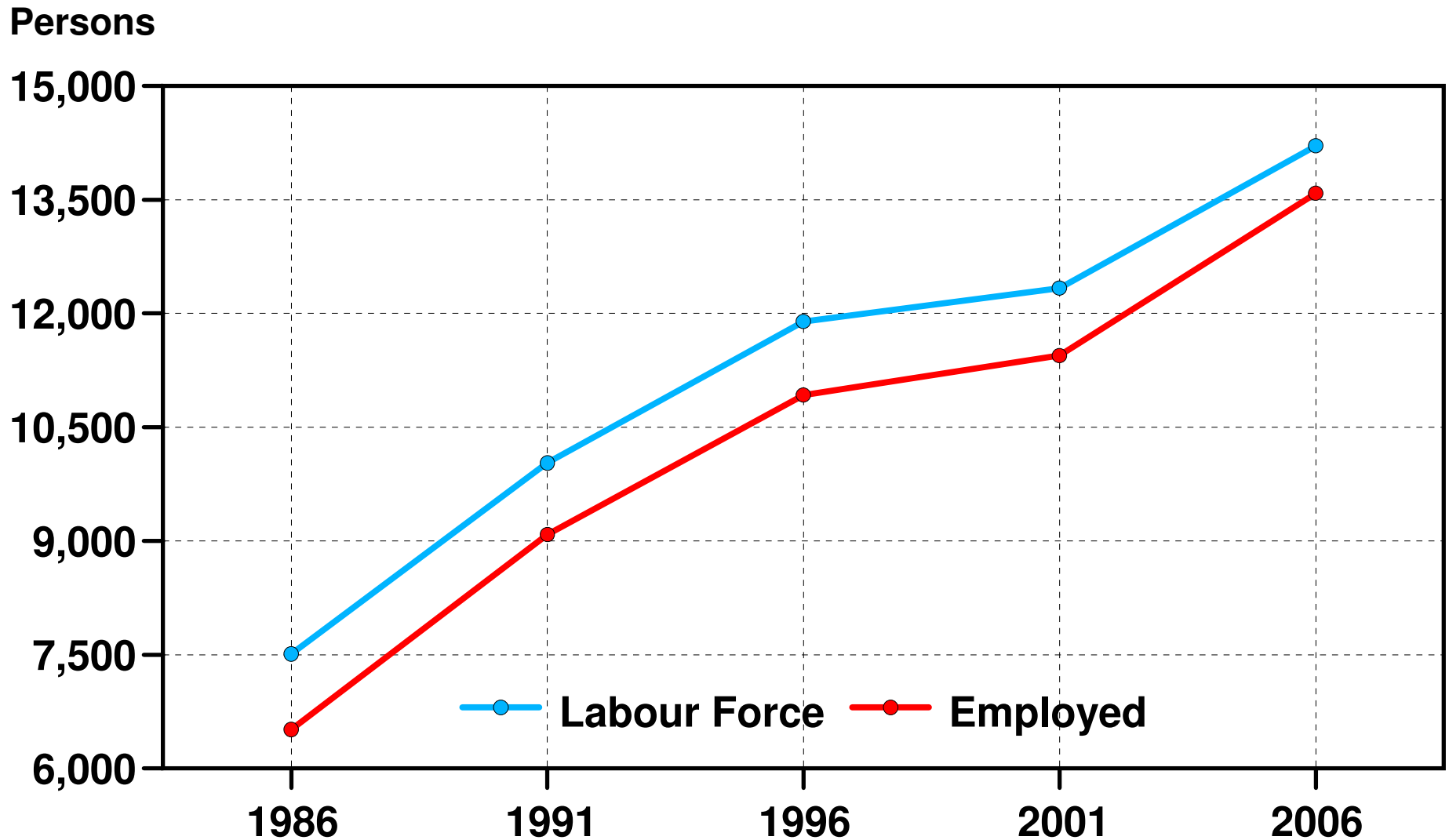
Population and demographic summary:

- High population growth in 70s and last half of 80s and first half of 90s; lower in last decade
- Population growth driven mainly by migration; largest migration segment from lower mainland
- More than 2/3rds of net migration is in age group 45 years or older mainly from lower mainland
- Net migration outflow in the 15-24 and 75+ age groups
- Net international migration is more concentrated in the under age 45 groups;

Population and demographic summary:

- Sunshine Coast population has higher proportion in 45+ age groups and lower proportion in under 44 age groups than B.C.
- Population aged 55+ increased more than 140% since 1986 compared to less than 45% in the under 55 age groups
- Aging of the post-war baby boom and the older age make-up of migration to the Sunshine Coast are main factors

Labour Force and Employment - Sunshine Coast, 1986 - 2006

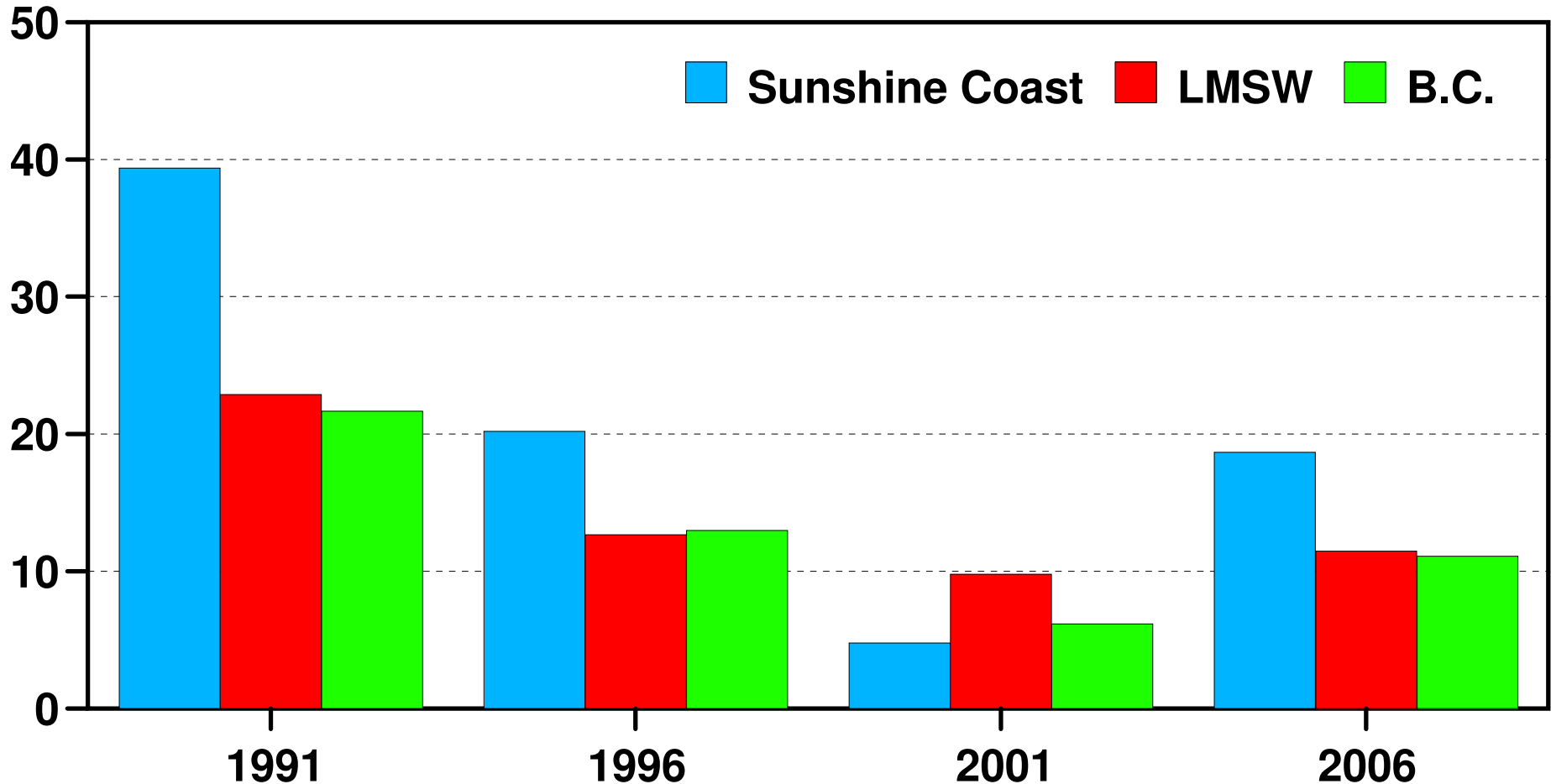


Source: Census of Canada.

Note: Based on place of residence.

Employment Growth - Sunshine Coast, Lower Mainland-Southwest and B.C., 1986 - 2006

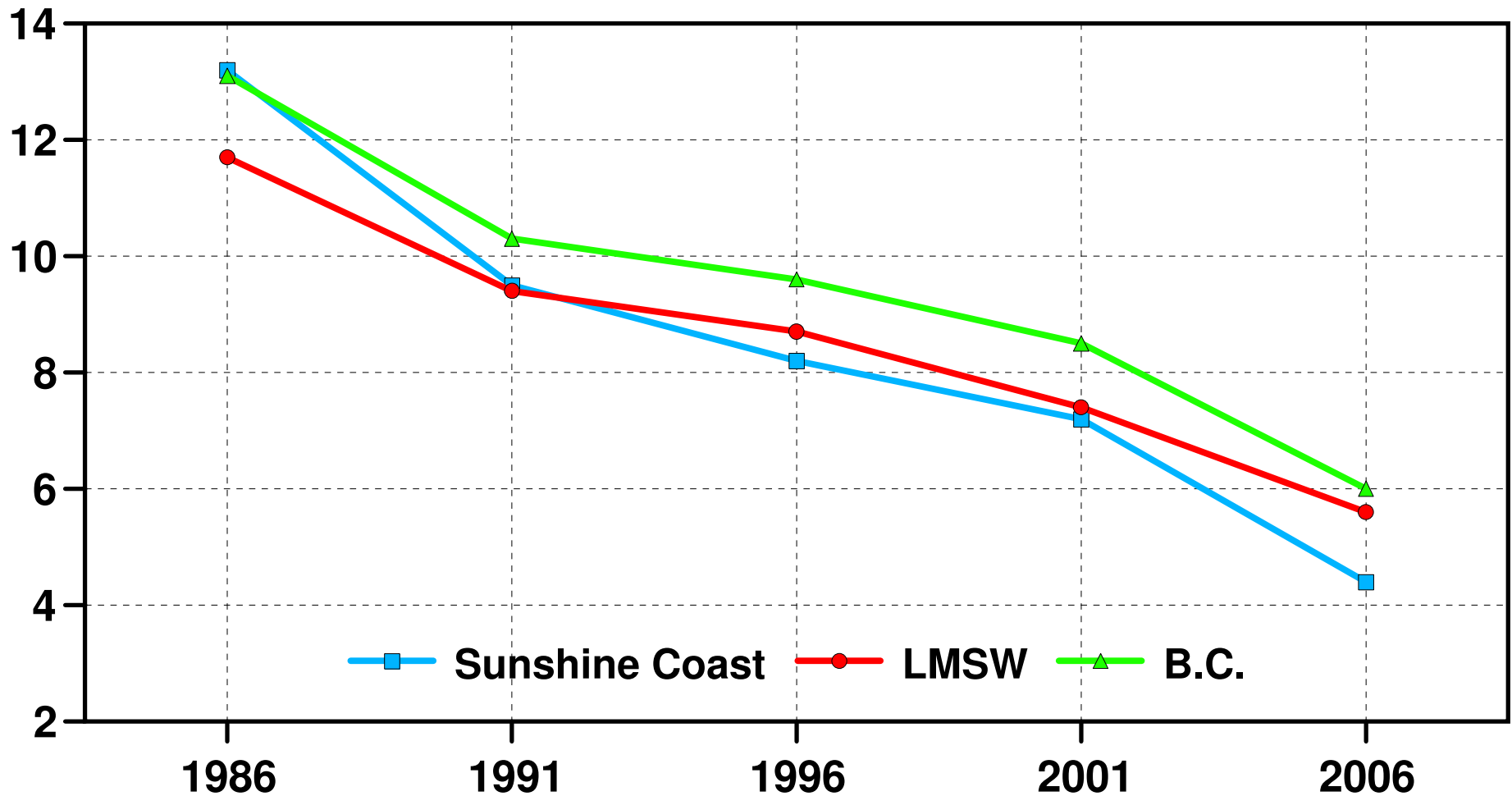
Per cent



Source: Census of Canada, Central 1 Credit Union. Note: 5-year growth rate.
Note: Based on place of residence.

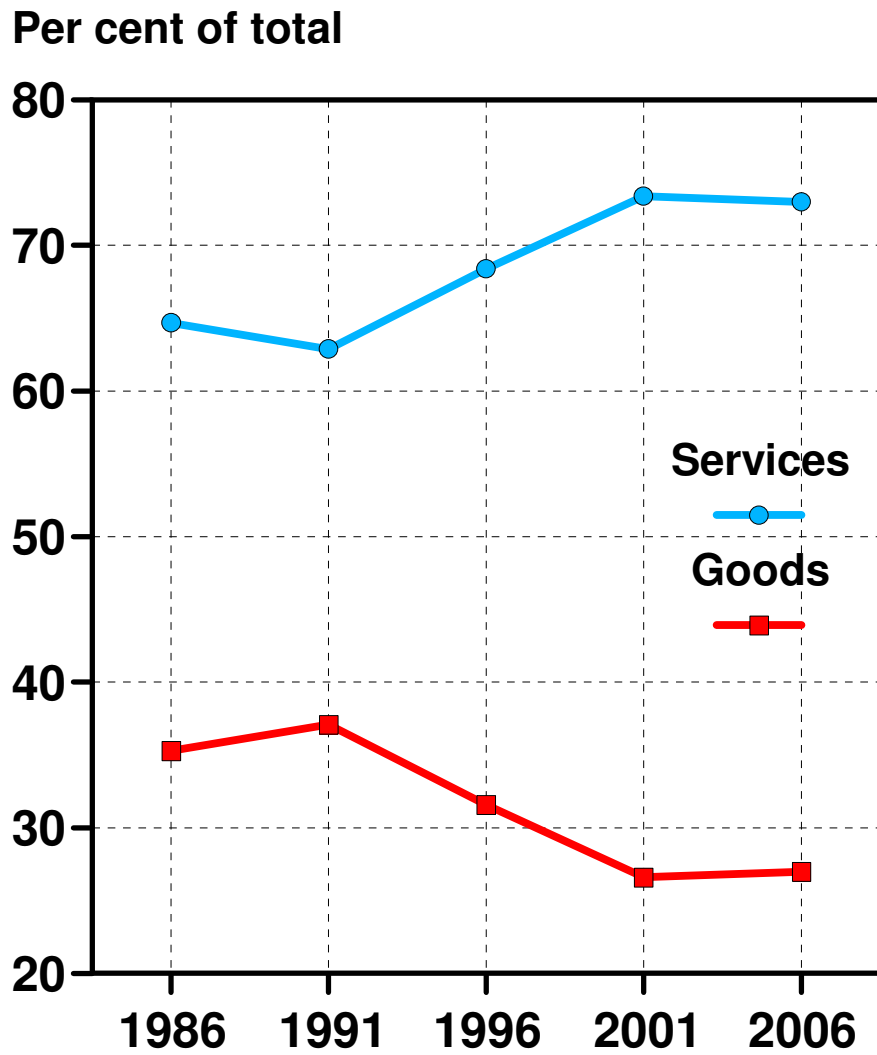
Unemployment Rates - Sunshine Coast, Lower Mainland-Southwest and B.C., 1986 - 2006

Per cent of labour force

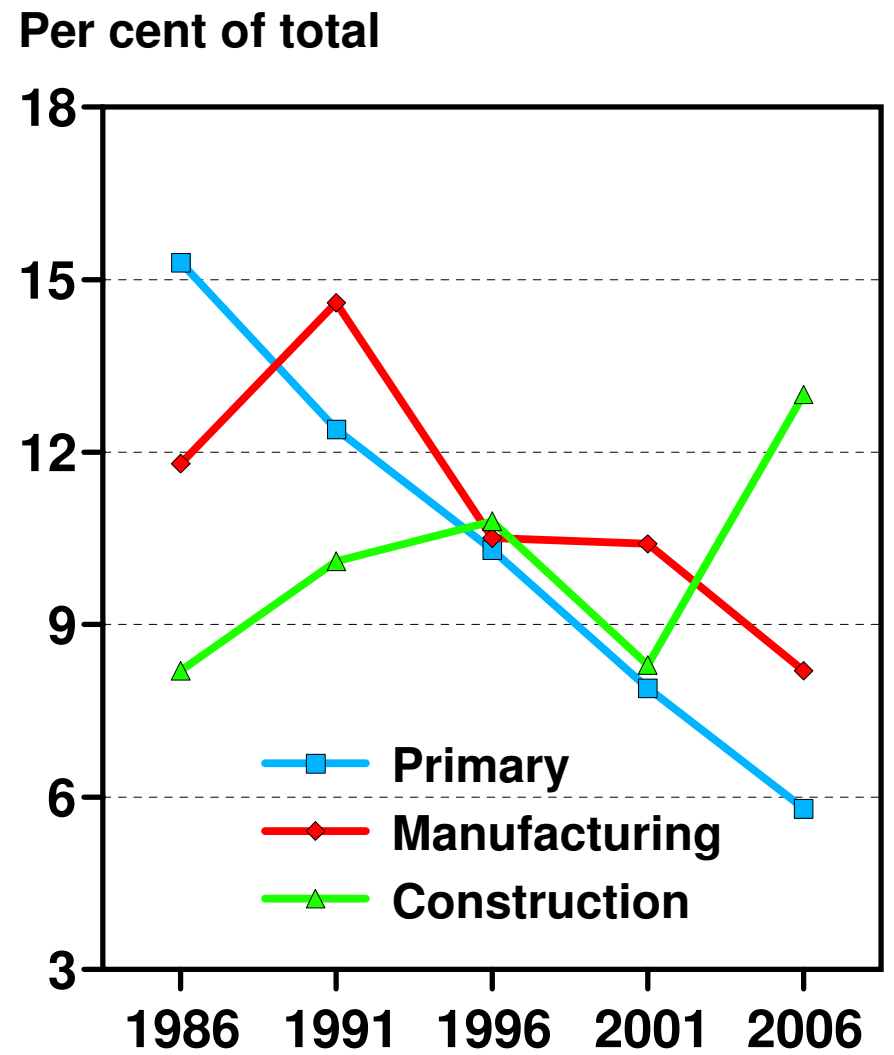


Source: Census of Canada. Note: Based on place of residence.

Industry Composition of Labour Force - Sunshine Coast, 1986 - 2006

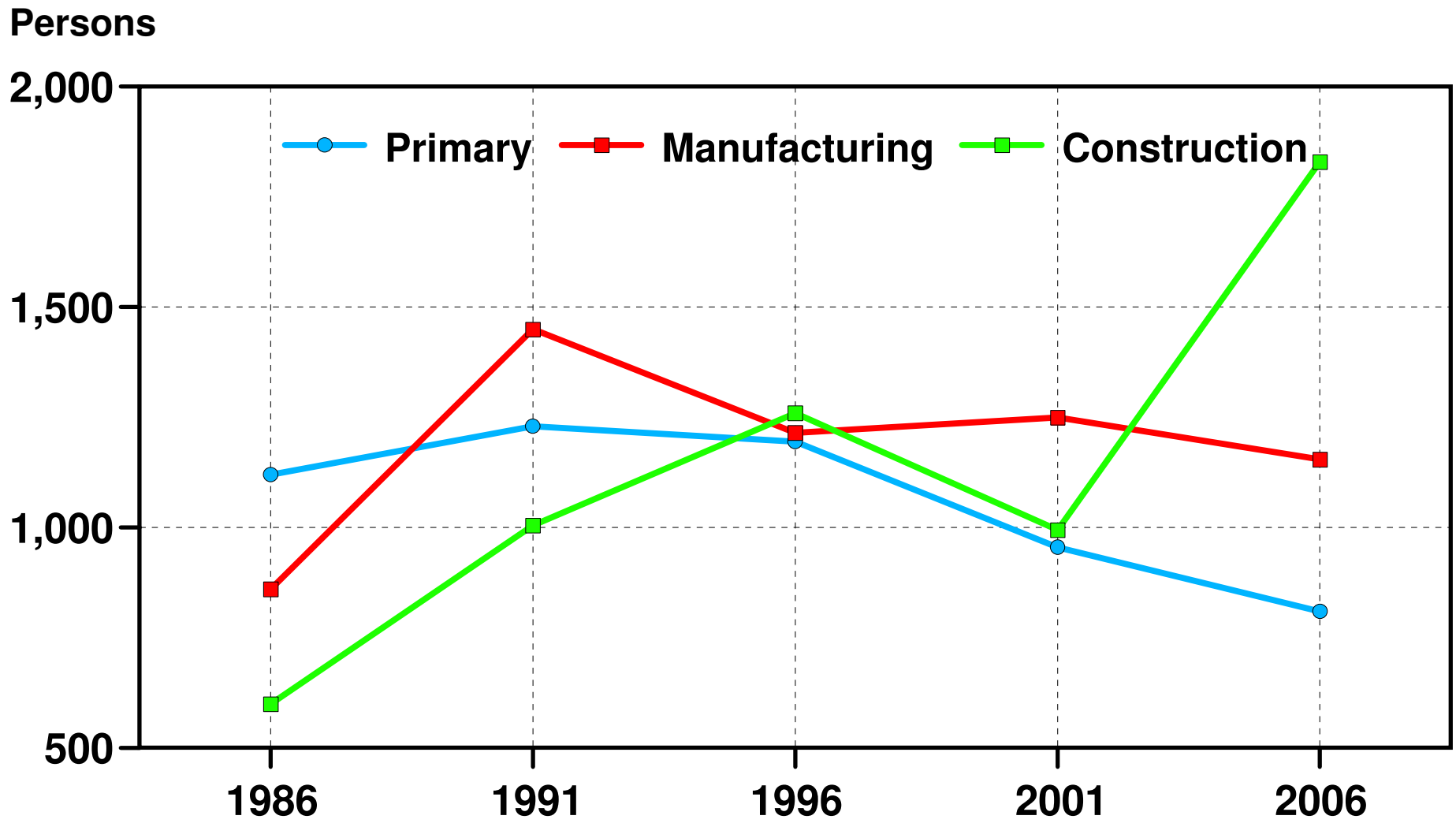


Source: Census of Canada.



Note: Based on place of residence.

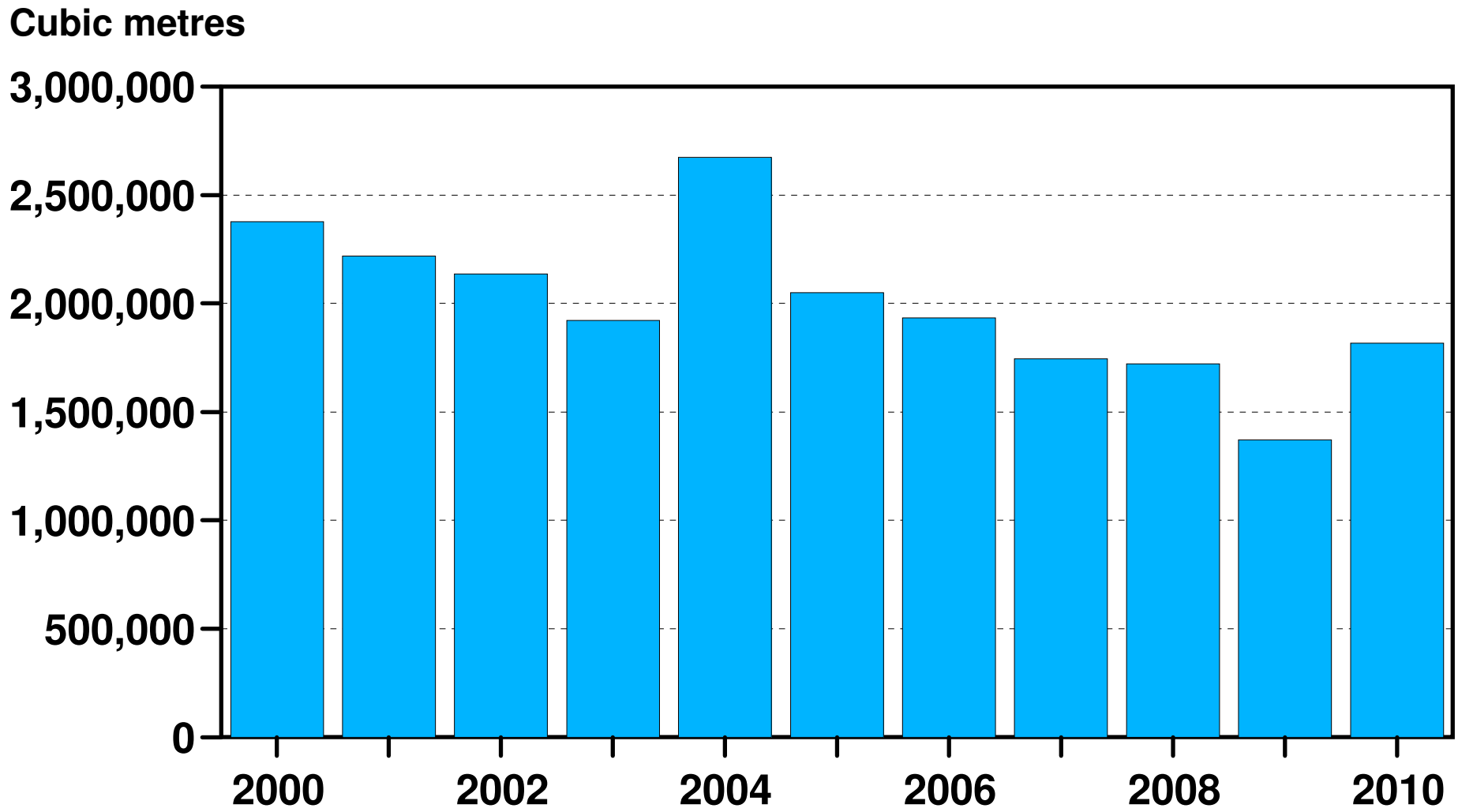
Employment in Selected Industries - Sunshine Coast, 1986 - 2006



Source: Census of Canada.

Note: Based on place of residence.

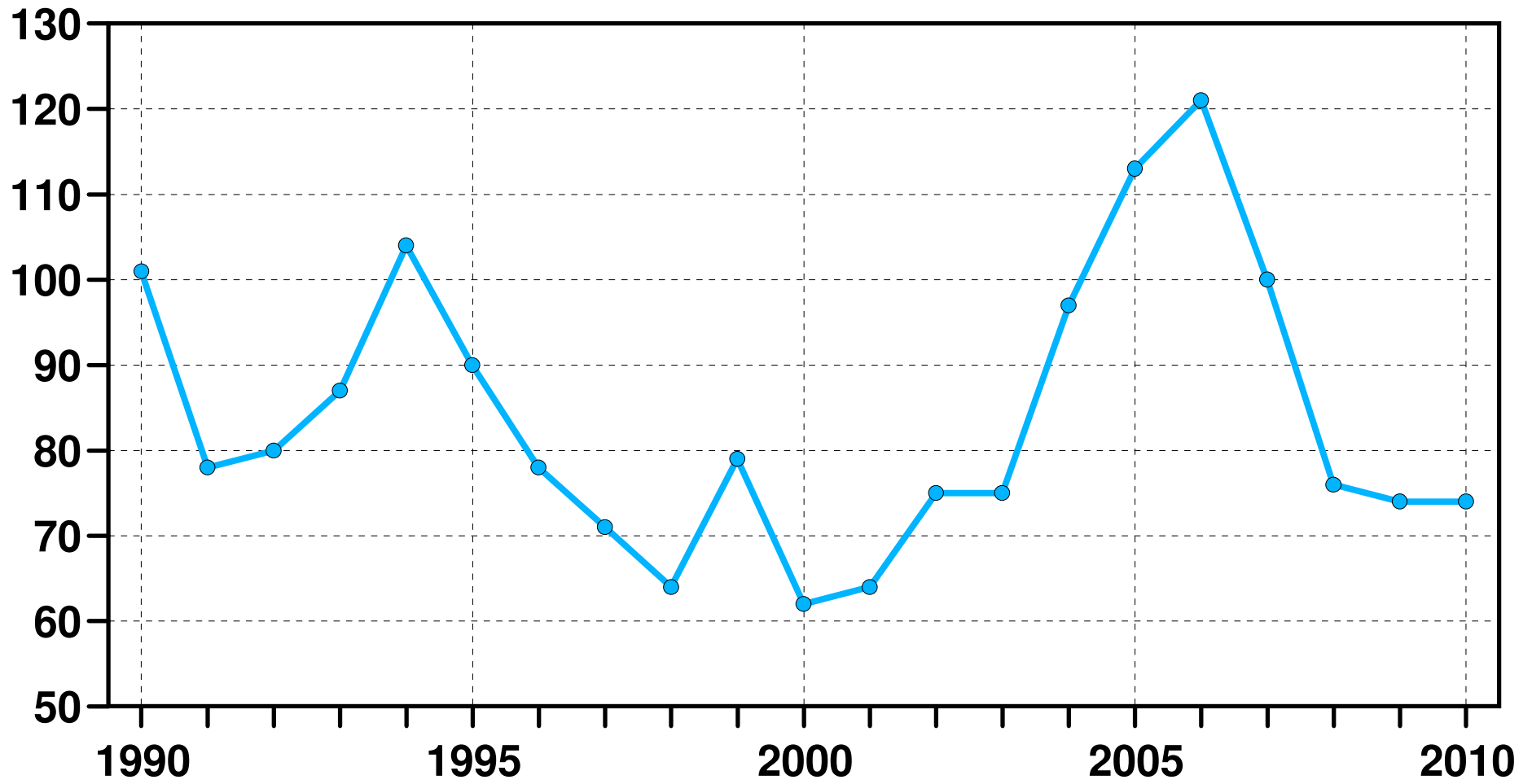
Annual Timber Harvest - Sunshine Coast Forest District



Source: Ministry of Forest, Lands, and Natural Resource Operations.

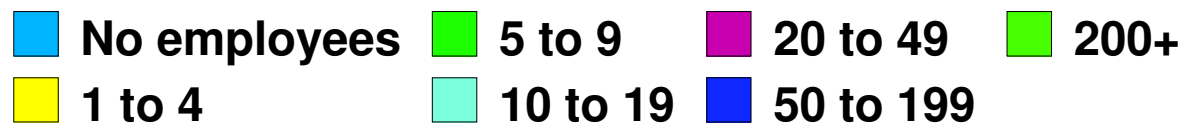
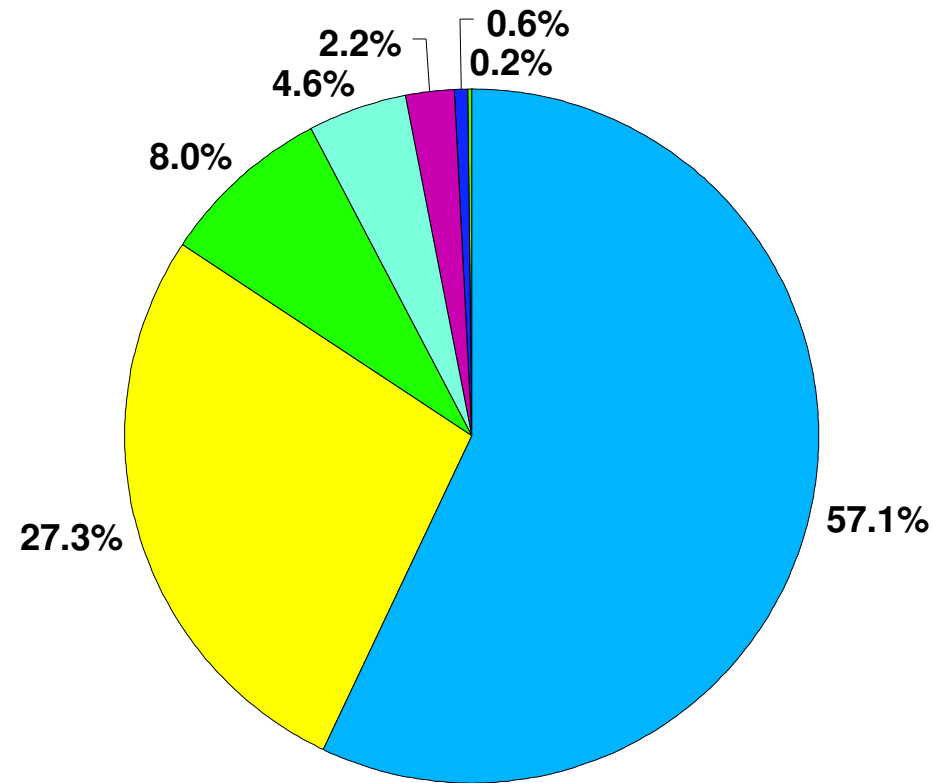
Business Incorporations - Sunshine Coast, 1990 - 2010

Number of incorporations



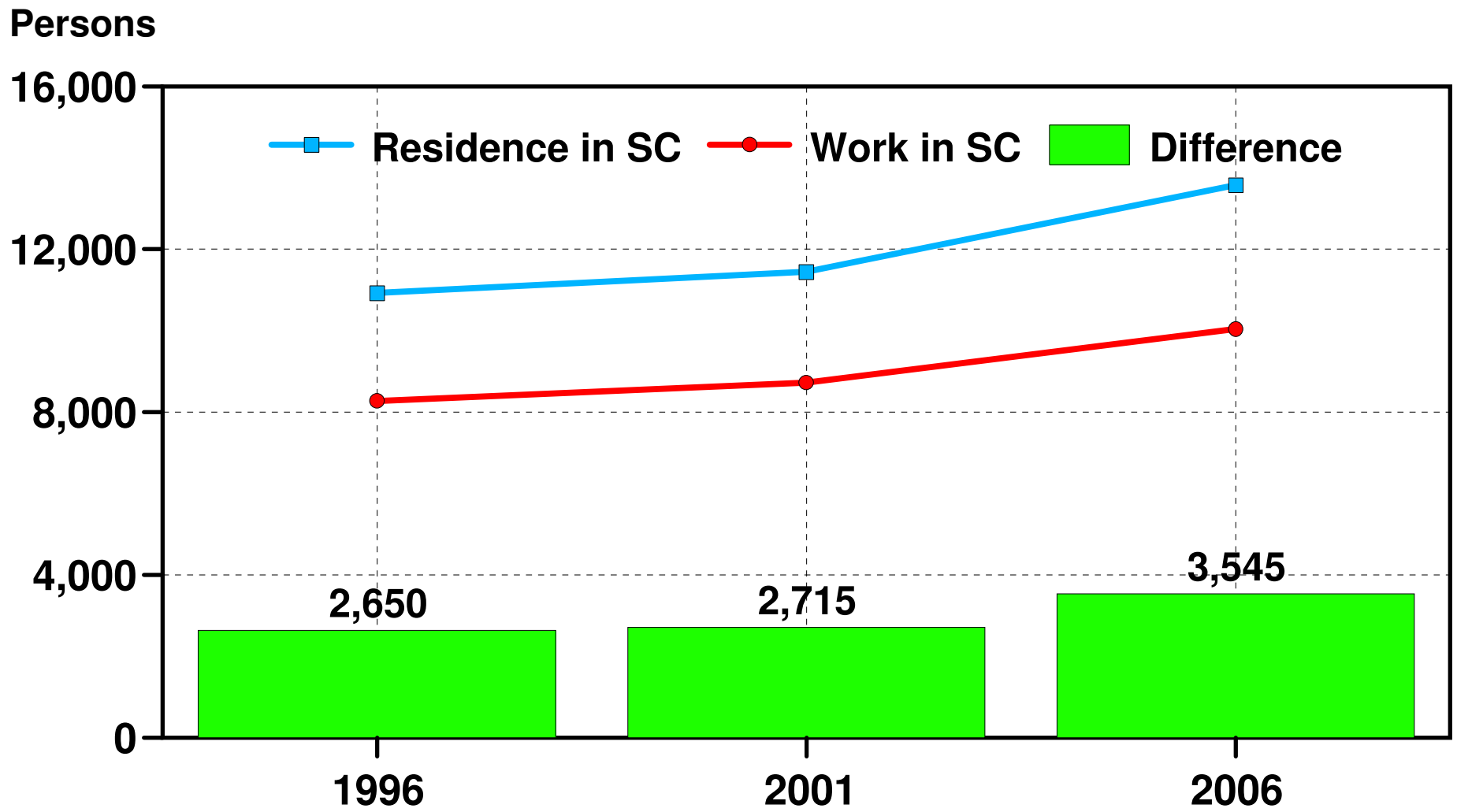
Source: B.C. Ministry of Finance.

Business Locations by Employment Size - Sunshine Coast, 2010



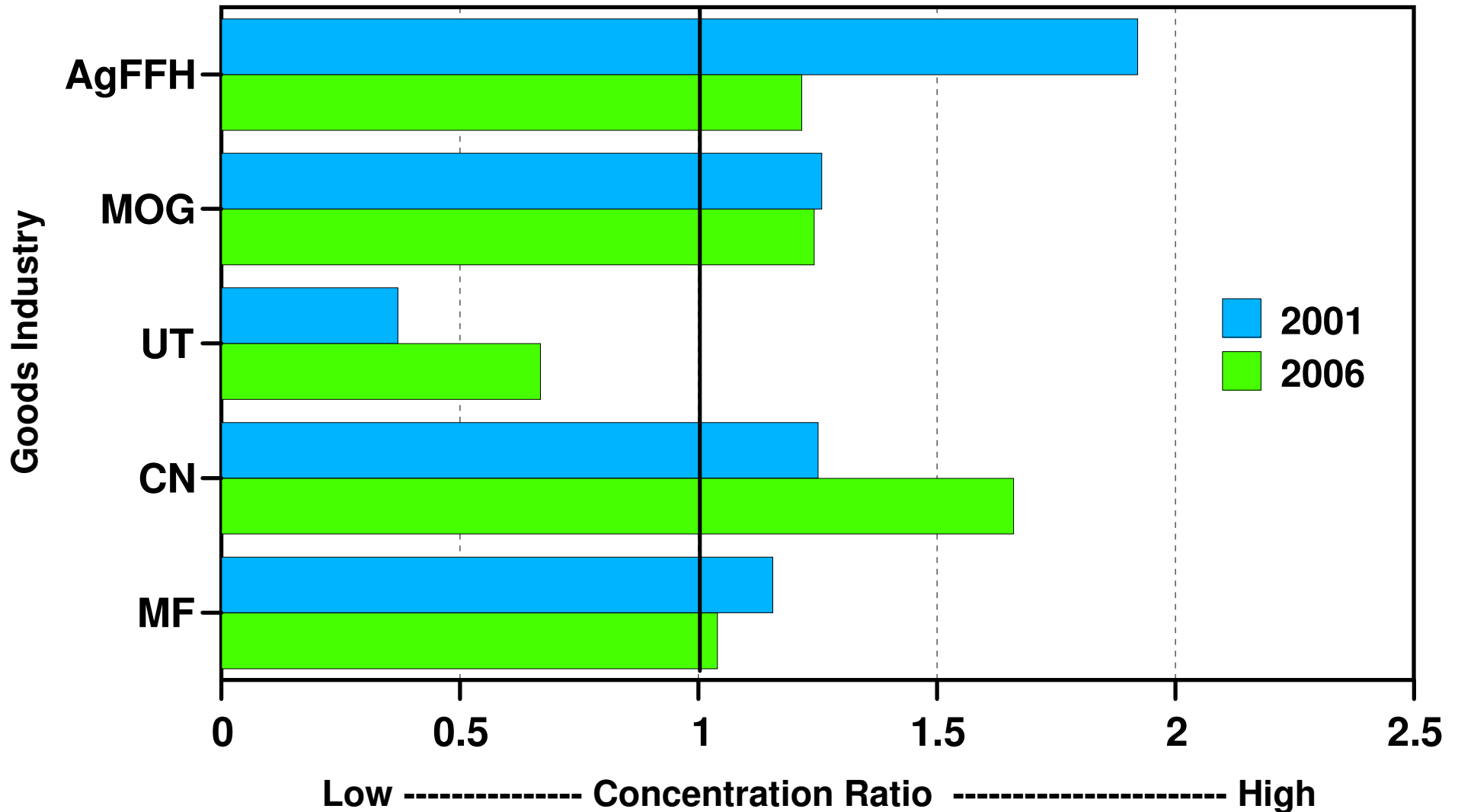
Source: B.C. Stats.

Employed by Place of Residence and Place of Work - Sunshine Coast, 1996 - 2006



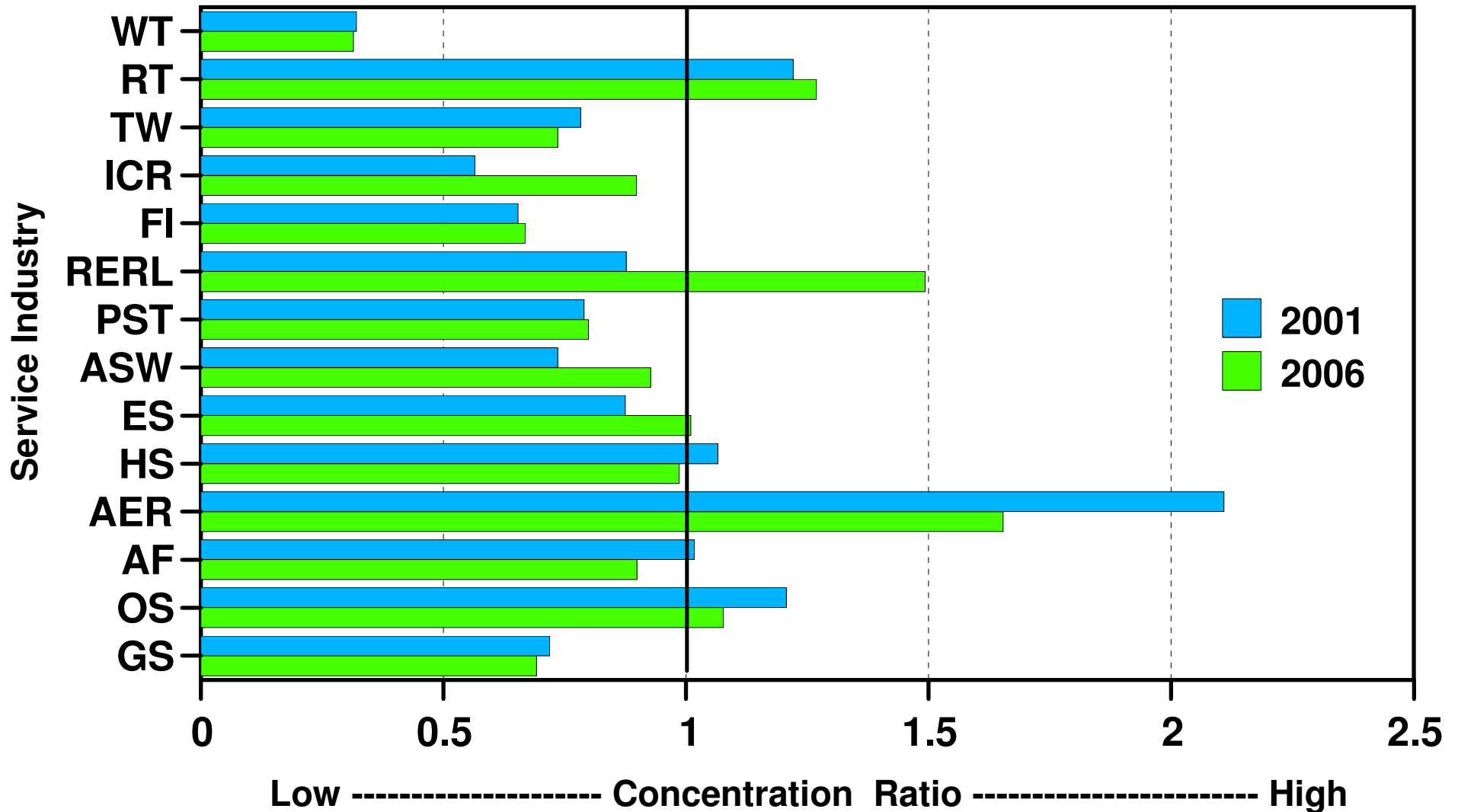
Source: Statistics Canada custom tabulations.

Industry Concentration 2001 and 2006 - Sunshine Coast



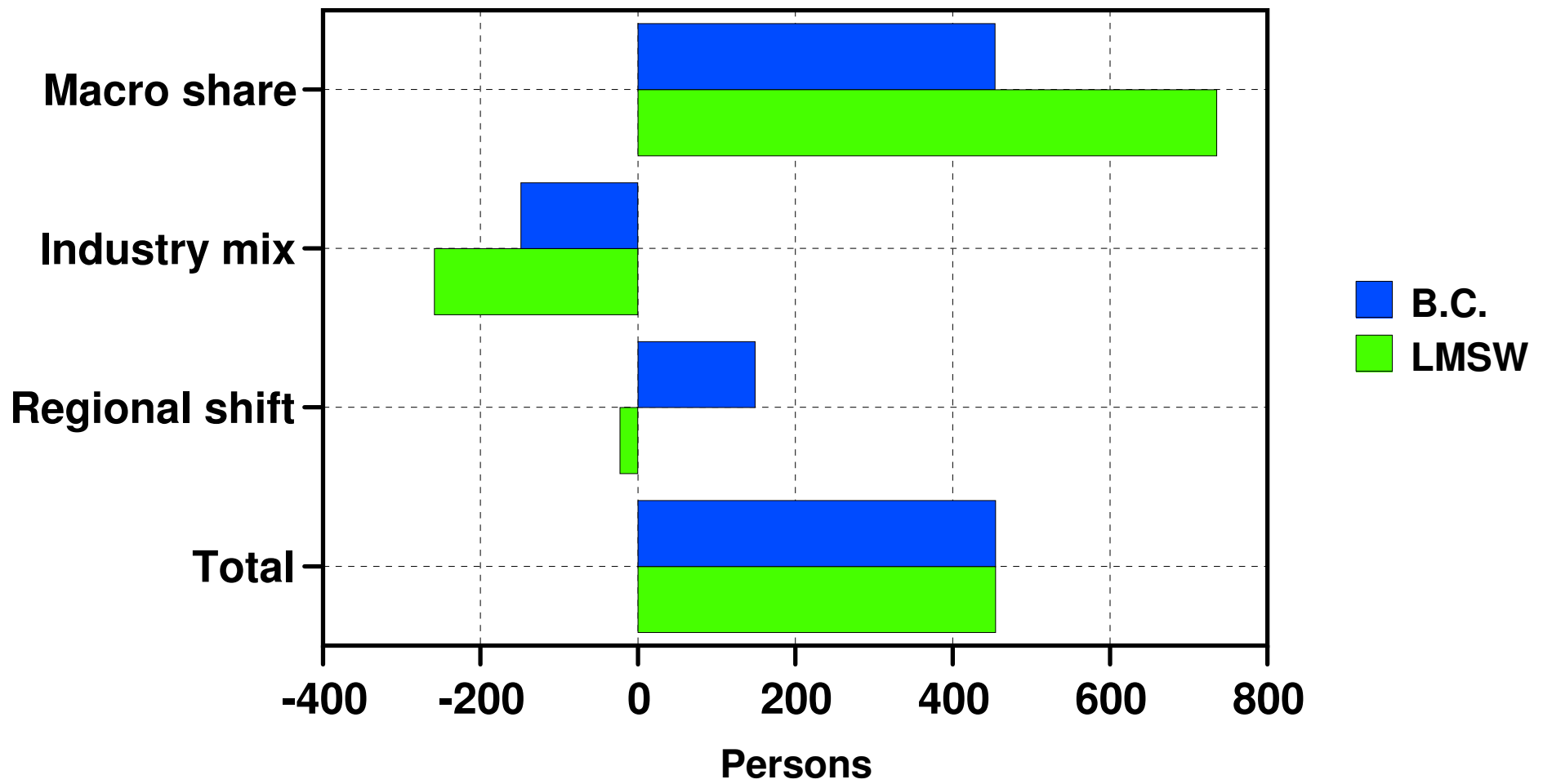
Source: Central 1 Credit Union. Note: Based on place of work employment.

Industry Concentration 2001 and 2006 - Sunshine Coast



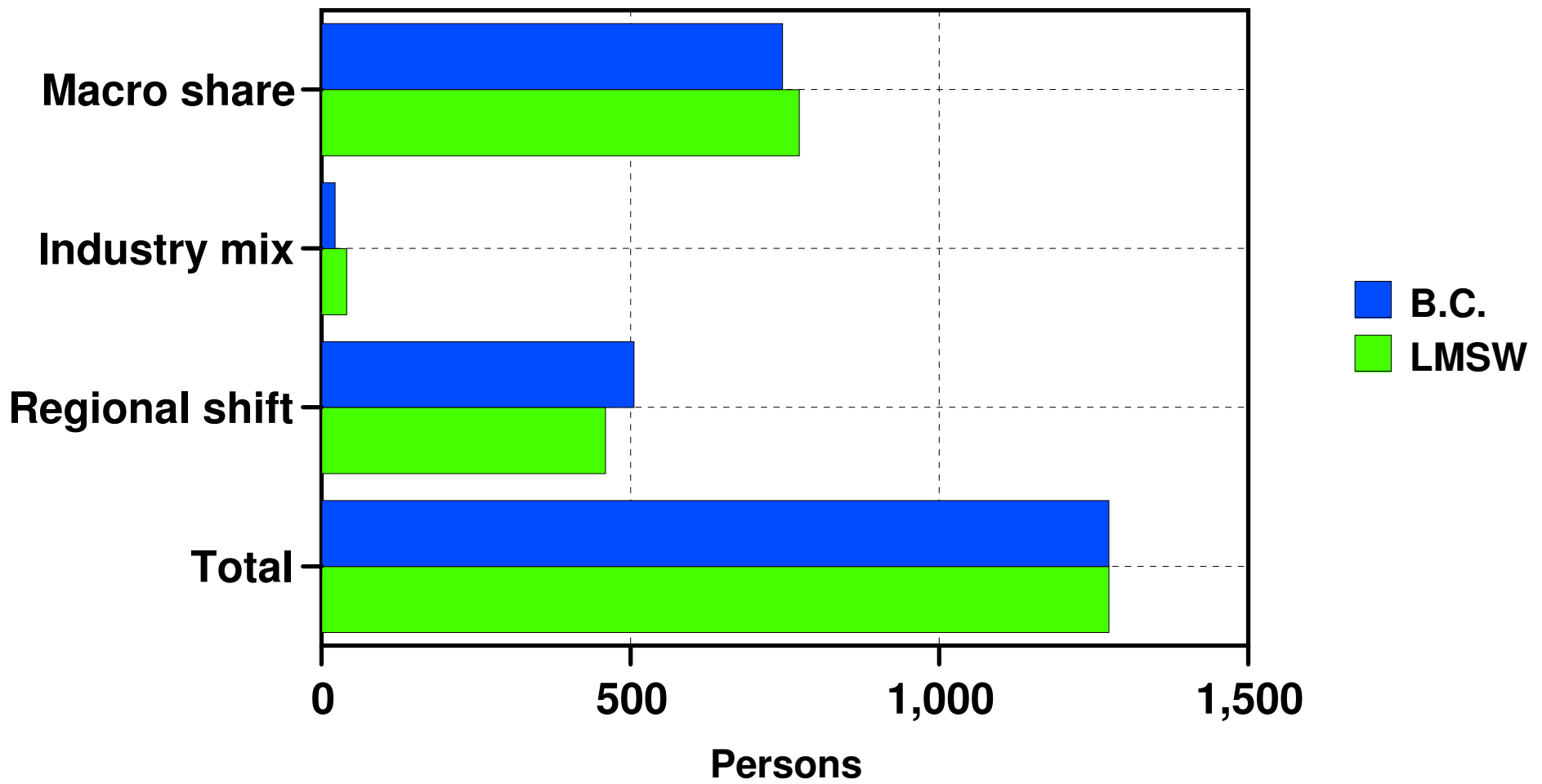
Source: Central 1 Credit Union. Note: Based on place of work employment.

Factors of Employment Growth - Sunshine Coast, 1996 - 2001



Source: Central 1 Credit Union.

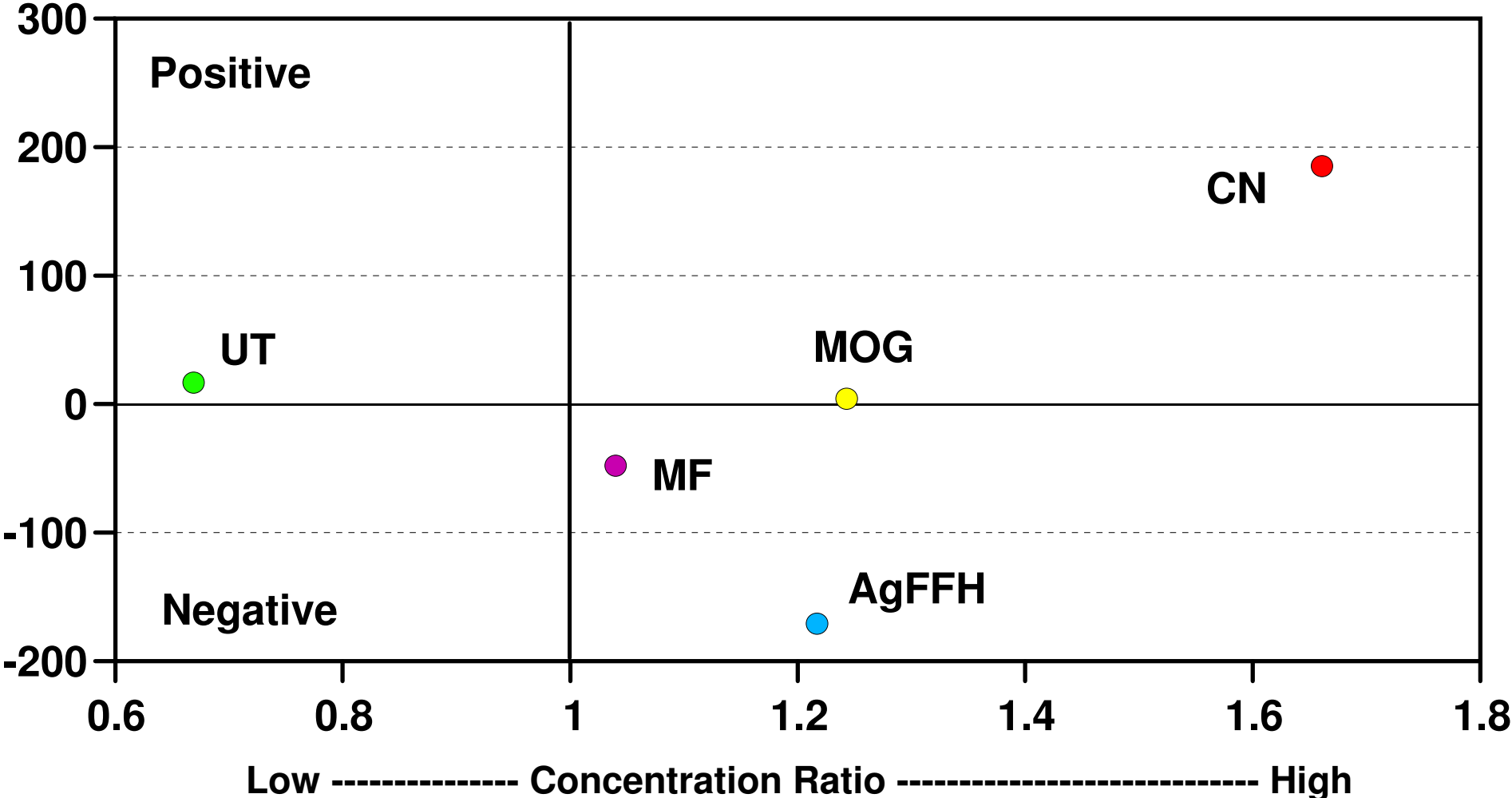
Factors of Employment Growth - Sunshine Coast, 2001 - 2006



Source: Central 1 Credit Union.

Industry Concentration and Local Growth 2001 and 2006 - Sunshine Coast

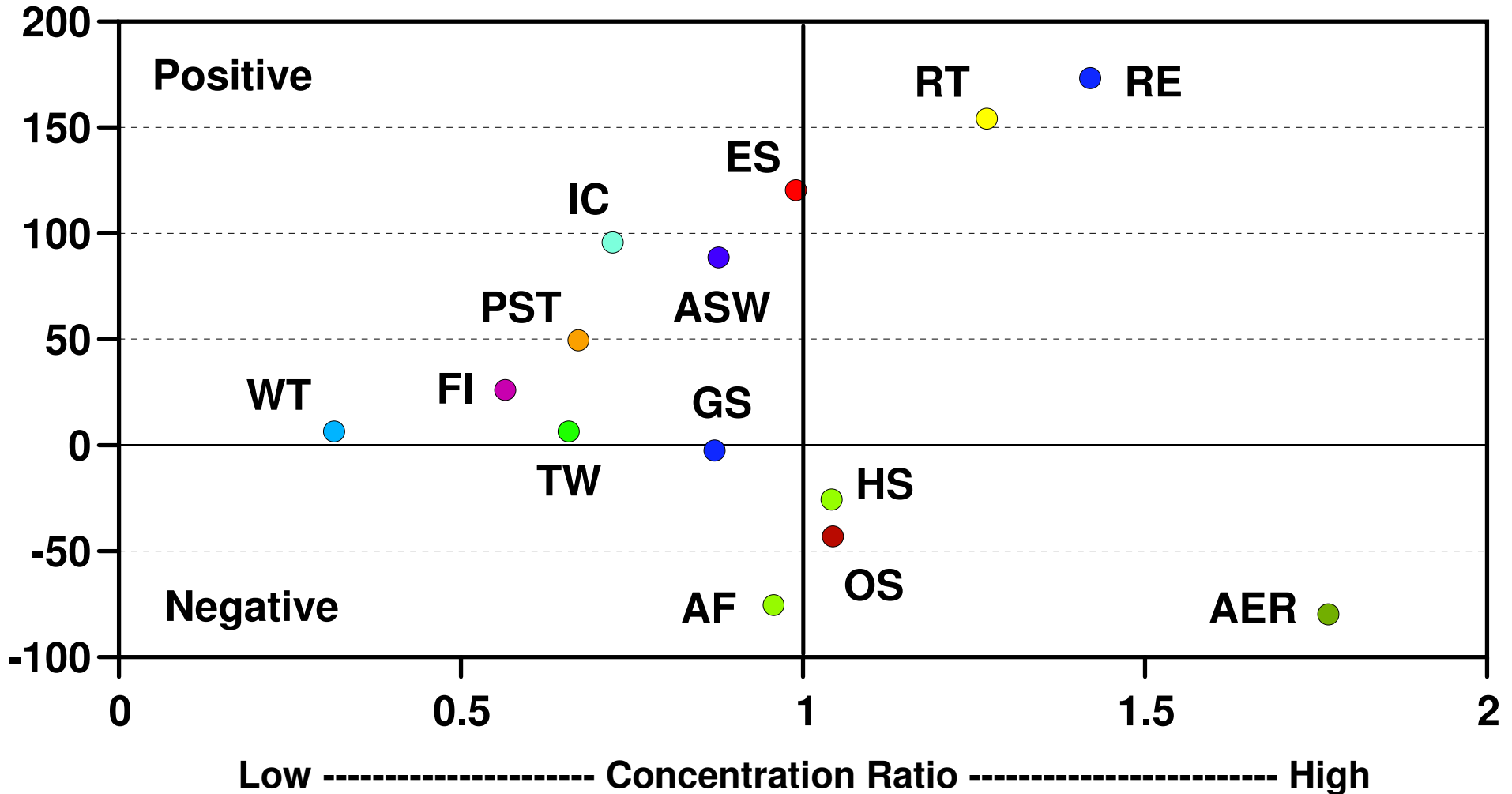
Local growth conditions (regional shift # of jobs) GOODS Industries



Source: Central 1 Credit Union. Note: Based on place of work employment.

Industry Concentration and Local Growth 2001 and 2006 - Sunshine Coast

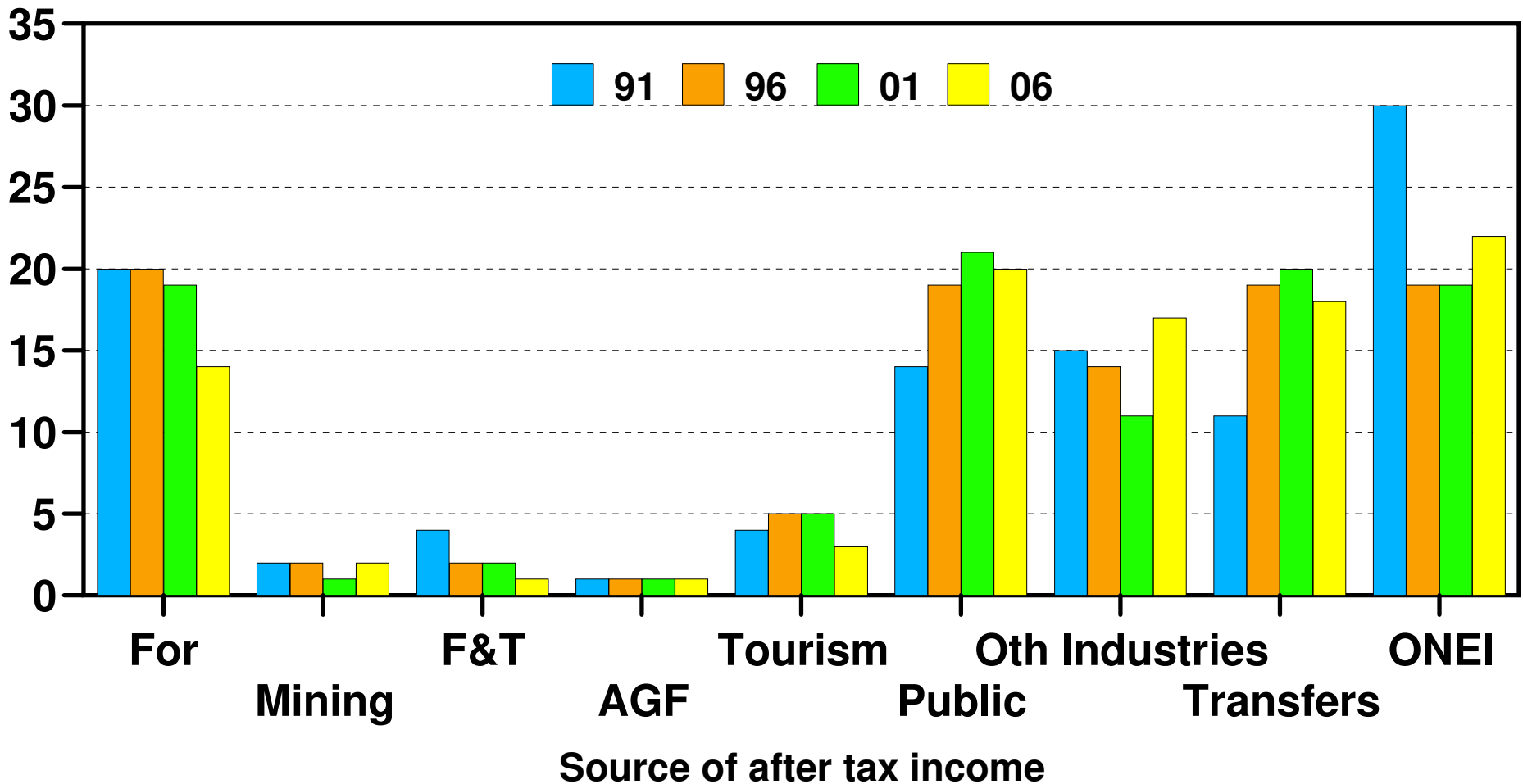
Local growth conditions (regional shift # of jobs) SERVICE Industries



Source: Central 1 Credit Union. Note: Based on place of work employment.

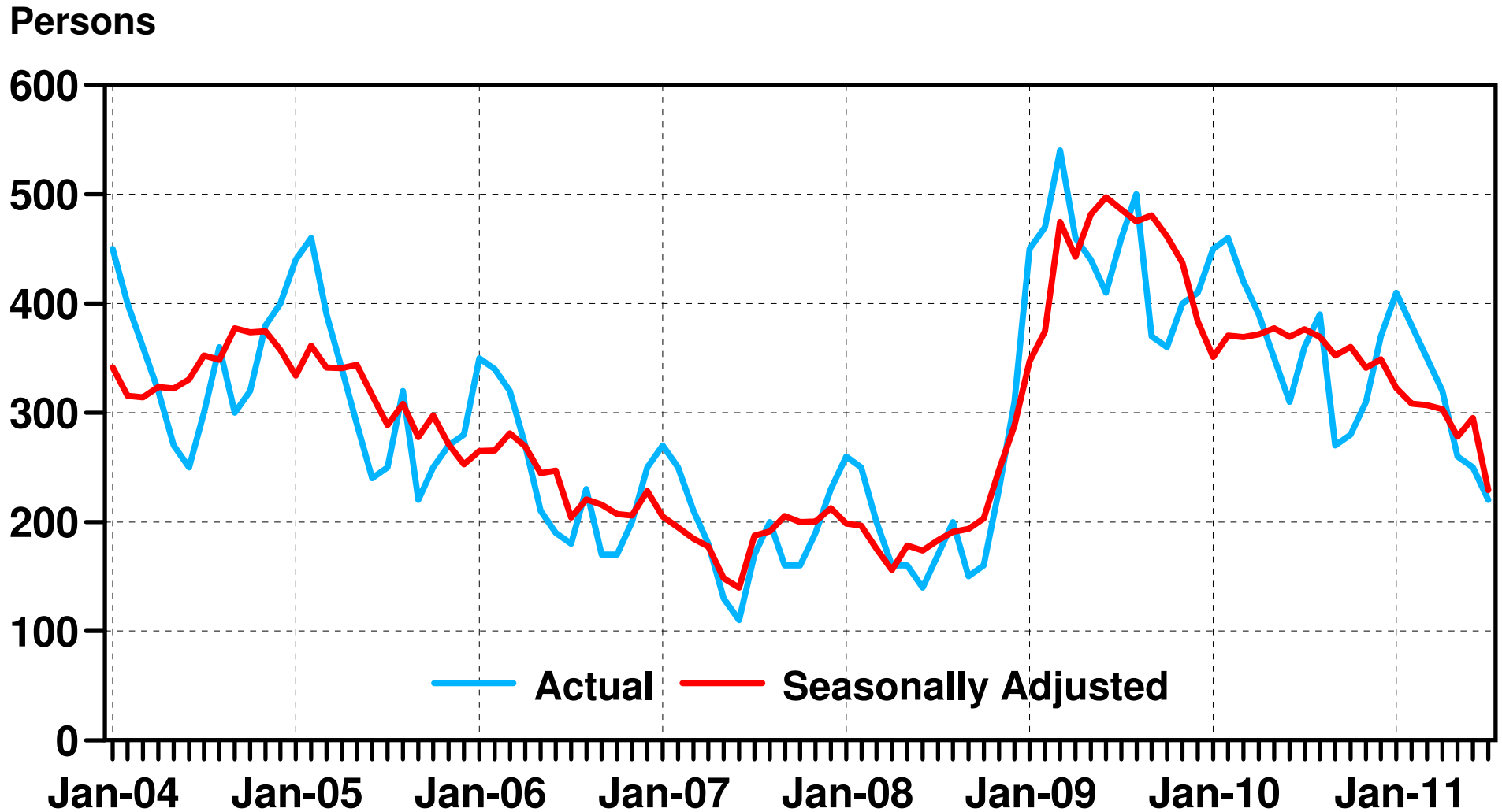
Economic dependency changes from 1991 to 2006 - Sunshine Coast

Per cent of income



Source: BC STATS, BC Local Area Economic Dependencies - 2006.

E.I. Beneficiaries - Sunshine Coast, Jan. 2004 - Jul. 2011

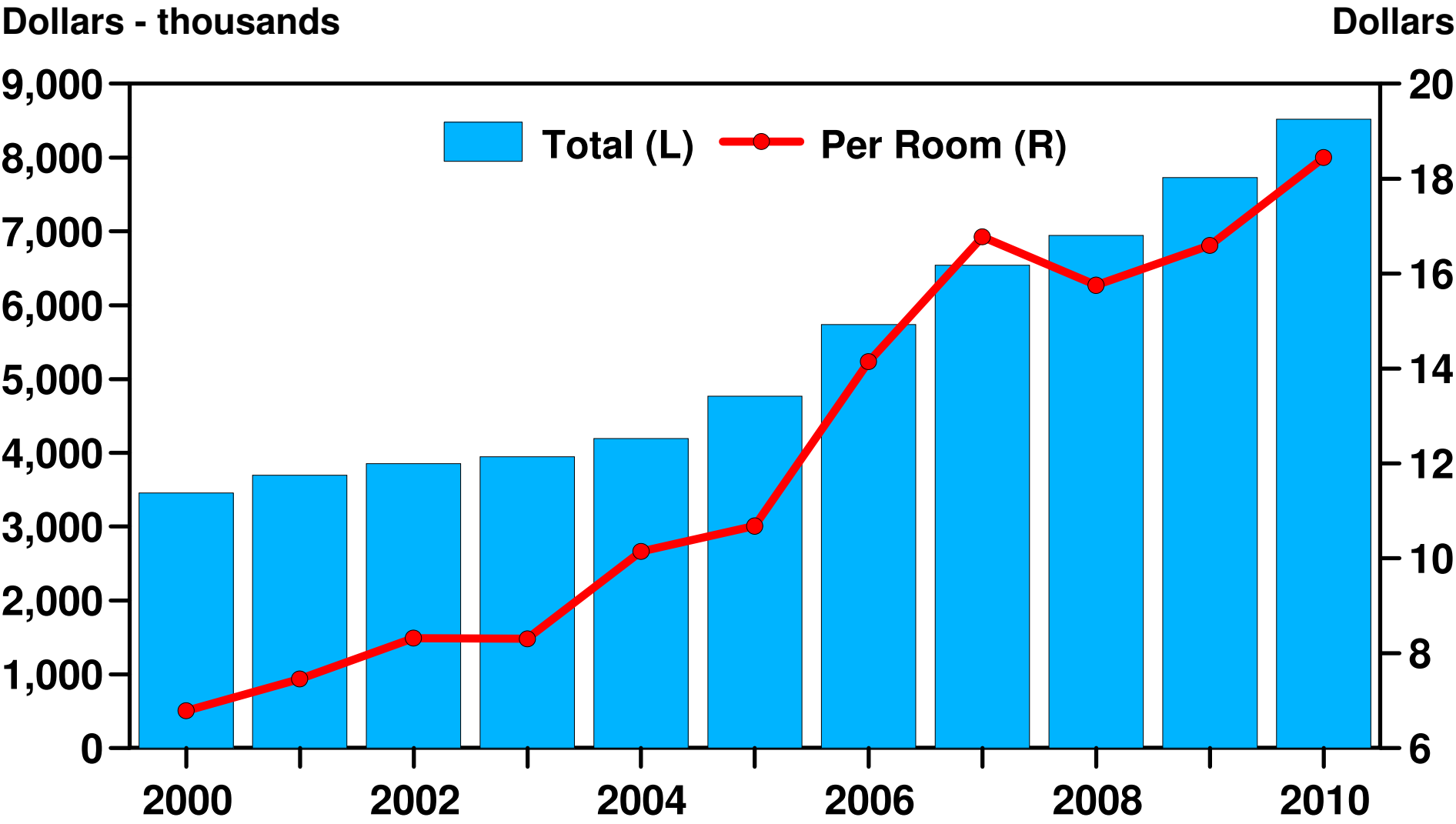


Source: Statistics Canada, Central 1 Credit Union.

Latest: Jul-11

Sunshine Coast Credit Union

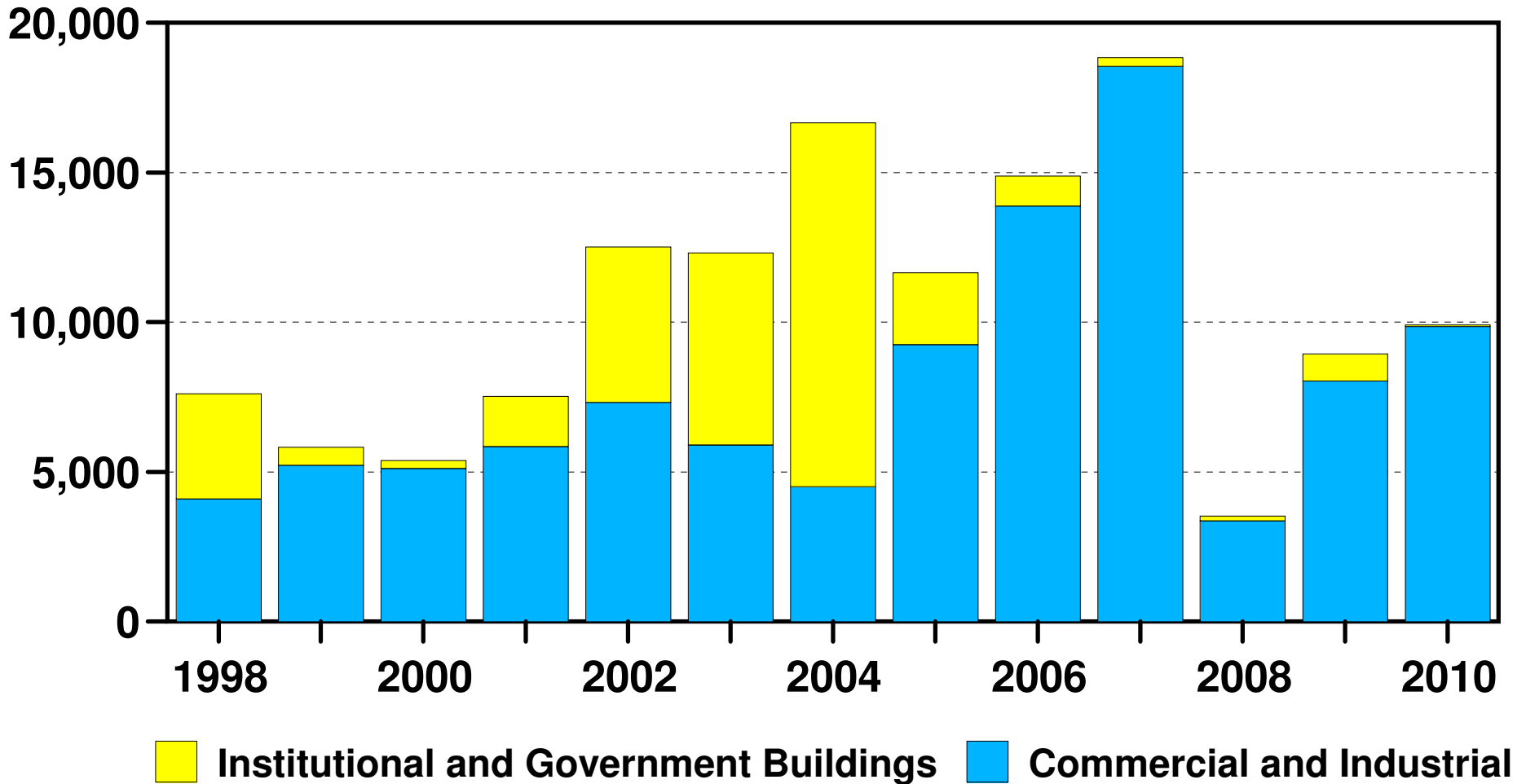
Room Revenues - Sunshine Coast, 2000 - 2010



Source: B.C. Stats.

Non-Residential Permits by Type - Sunshine Coast, 1998 - 2010

Dollars - thousands



Source: B.C. Stats.

Economic summary:

- Economy less dependent on natural resources, more service industry-oriented economic base
- Businesses are smaller sized, reflecting a smaller market
- Long-term decline in primary industry jobs; mainly forestry, fishing; Port Mellon mill largest employer
- A significant number of workers commute or have no fixed workplace address
- Some concentration in primary resources, mining, construction
- Services industry concentration limited to retail trade and arts, entertainment, and recreation

Economic summary:

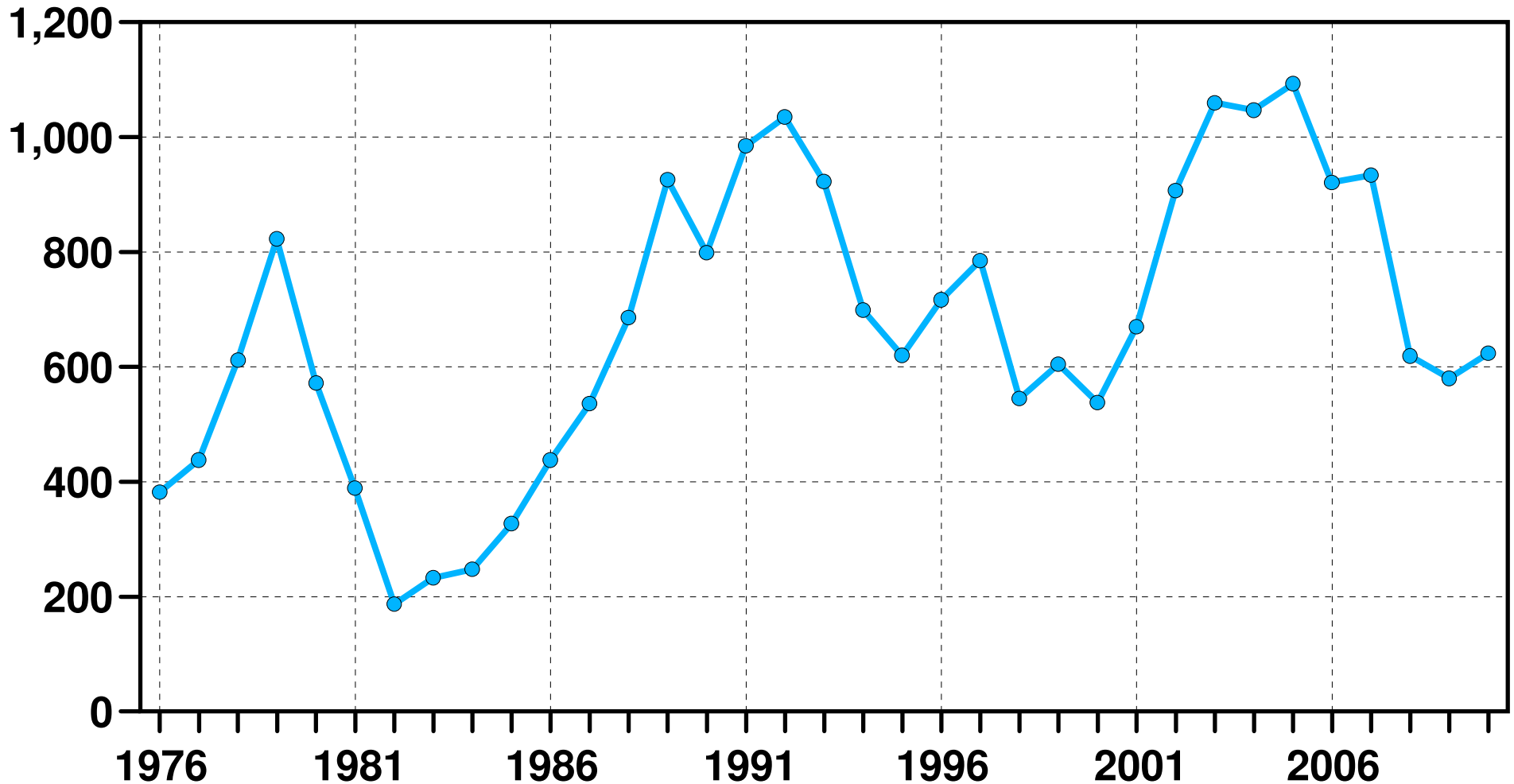
- Economy largely dependent on external factors for growth with some lift from local growth conditions
- Construction and real estate at cyclical high in 2006; accounts for much of measured regional shift or local growth advantage
- Large local growth advantage in retail trade
- Local growth conditions positive for IC (information and cultural), ASW (administrative/support/waste management), and PST (professional/technical/scientific) industries
- Accommodation-food services a growth laggard - measurement issues or underlying shortcomings?

Economic summary:

- Relatively high dependence on non-employment income (pensions, dividends/interest, annuities, etc.) and transfer payments (CPP, OAS, GIS, EI, etc.)
- Higher growth phases associated with higher in-migration, expansion in real estate activity, and more construction to meet higher residential and non-residential space demands
- Local economy currently in low-growth phase

Residential Sales - Sunshine Coast, 1976 - 2010

Number of sales

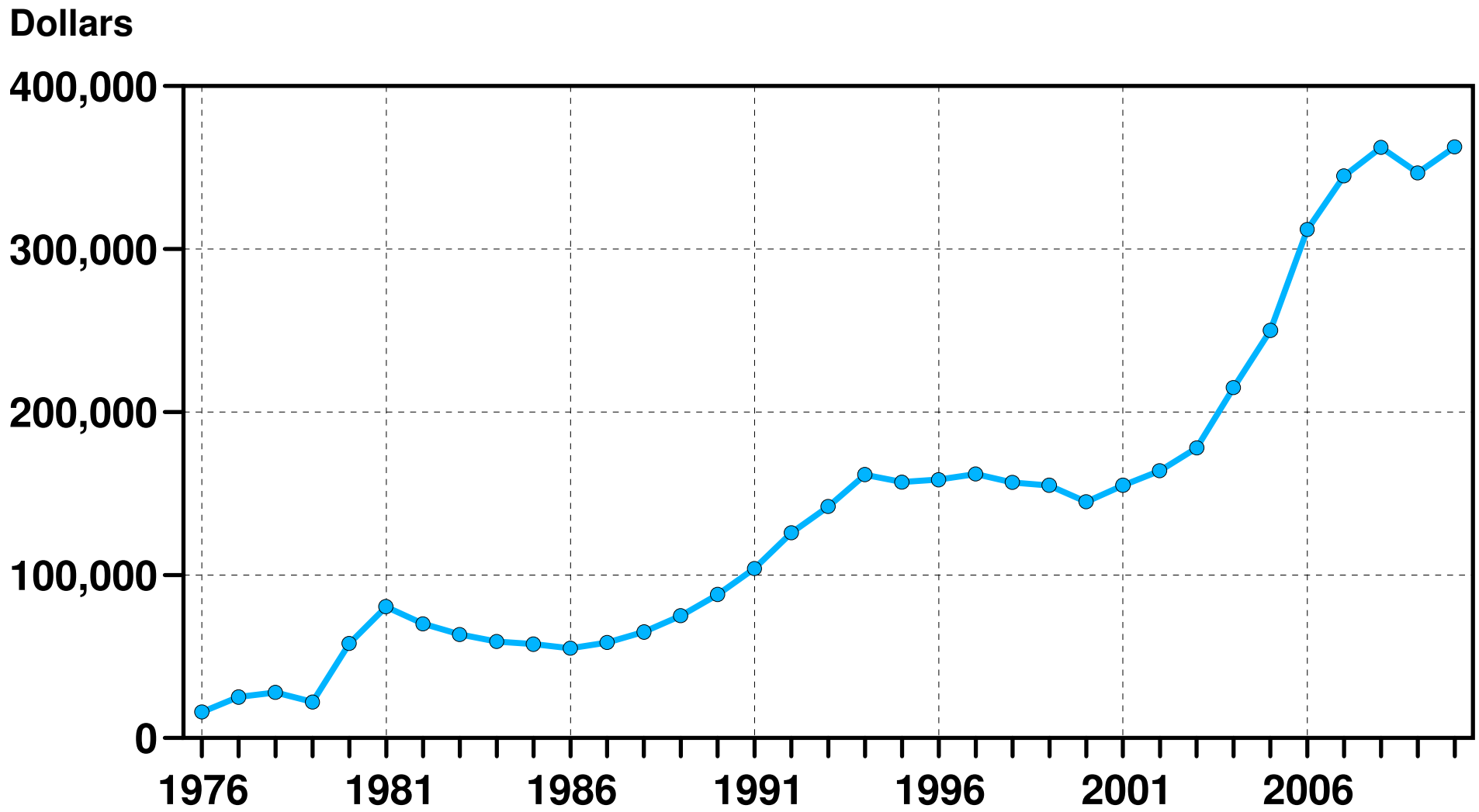


Source: Landcor Data Corp.

Note: Arm's length transactions only.

Latest: 2010

Residential Median Sales Price - Sunshine Coast, 1976 - 2010

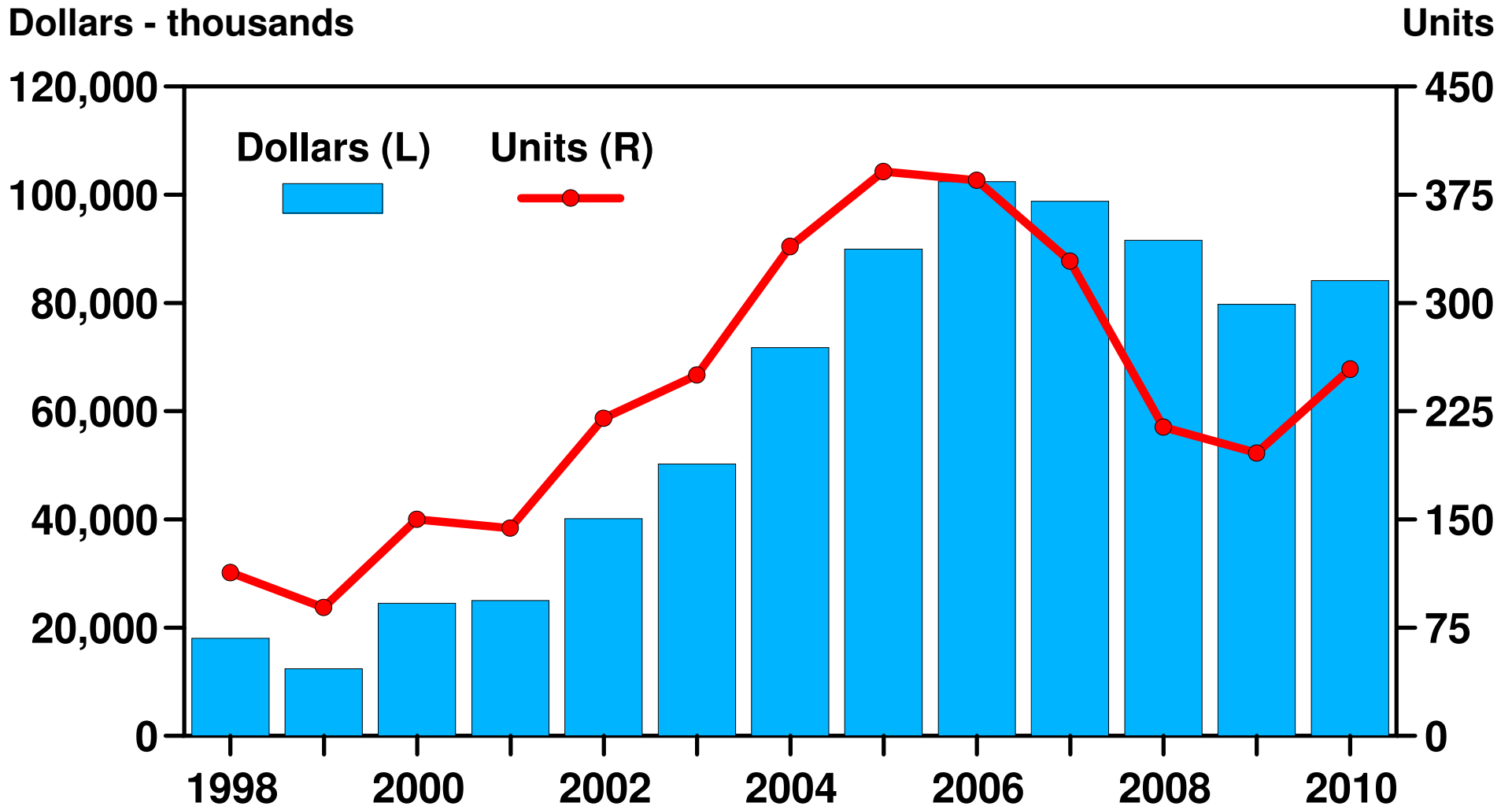


Source: Landcor Data Corp.

Note: Arm's length transactions only.

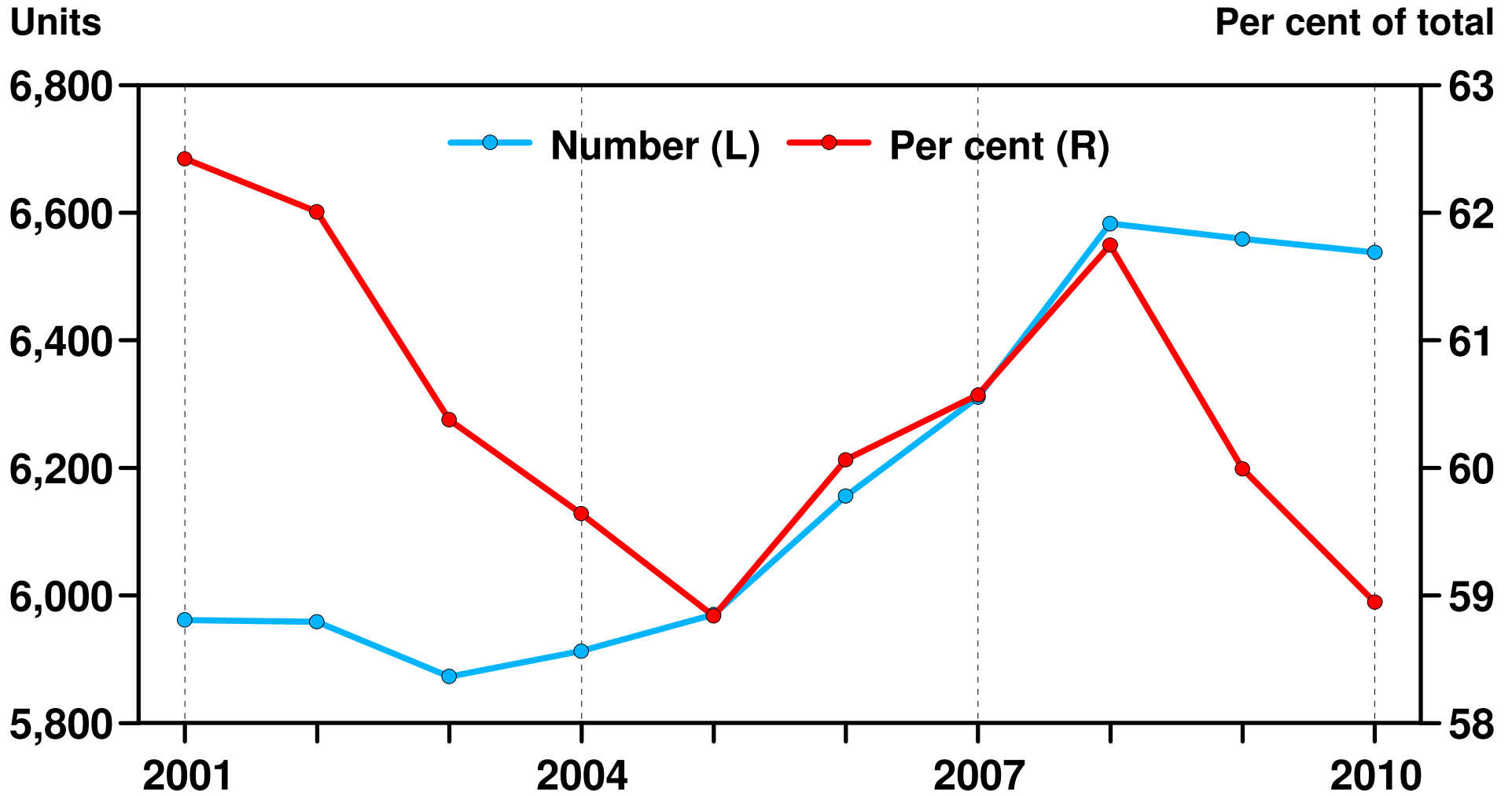
Latest: 2010

Residential Building Permits - Sunshine Coast, 1998 - 2010



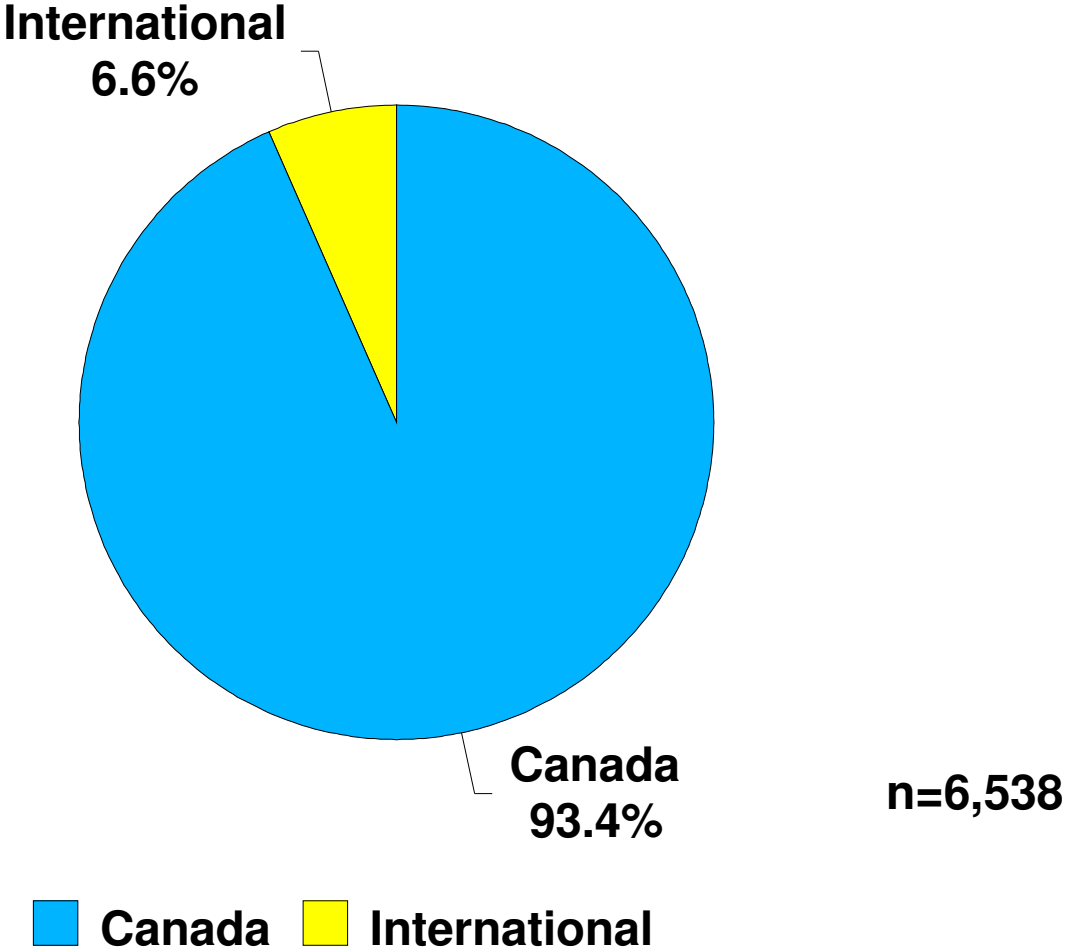
Source: B.C. Stats.

External Ownership of Residential - Sunshine Coast, 2001 - 2010



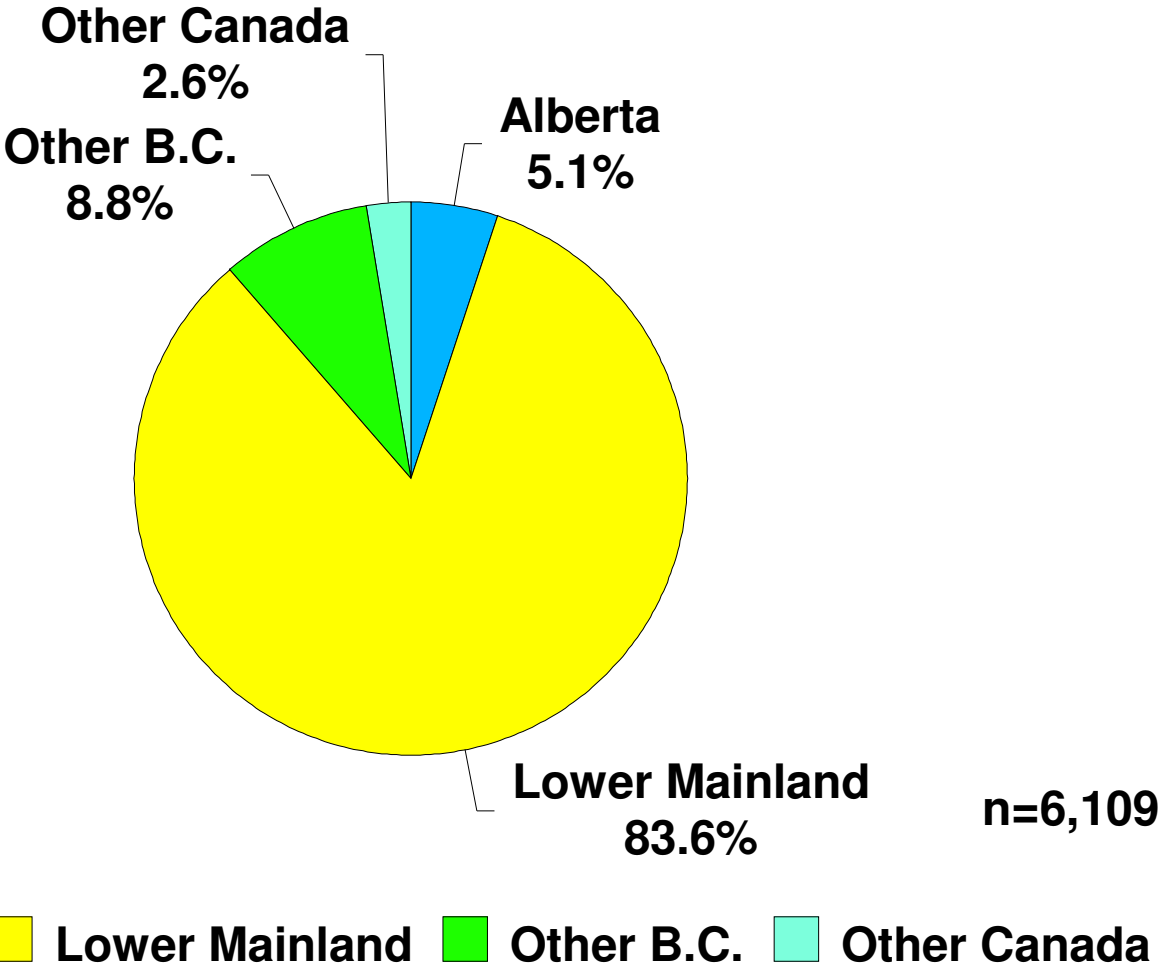
Source: Landcor Data Corp., Central 1 Credit Union.

External Ownership of Residential by Origin - Sunshine Coast, 2010



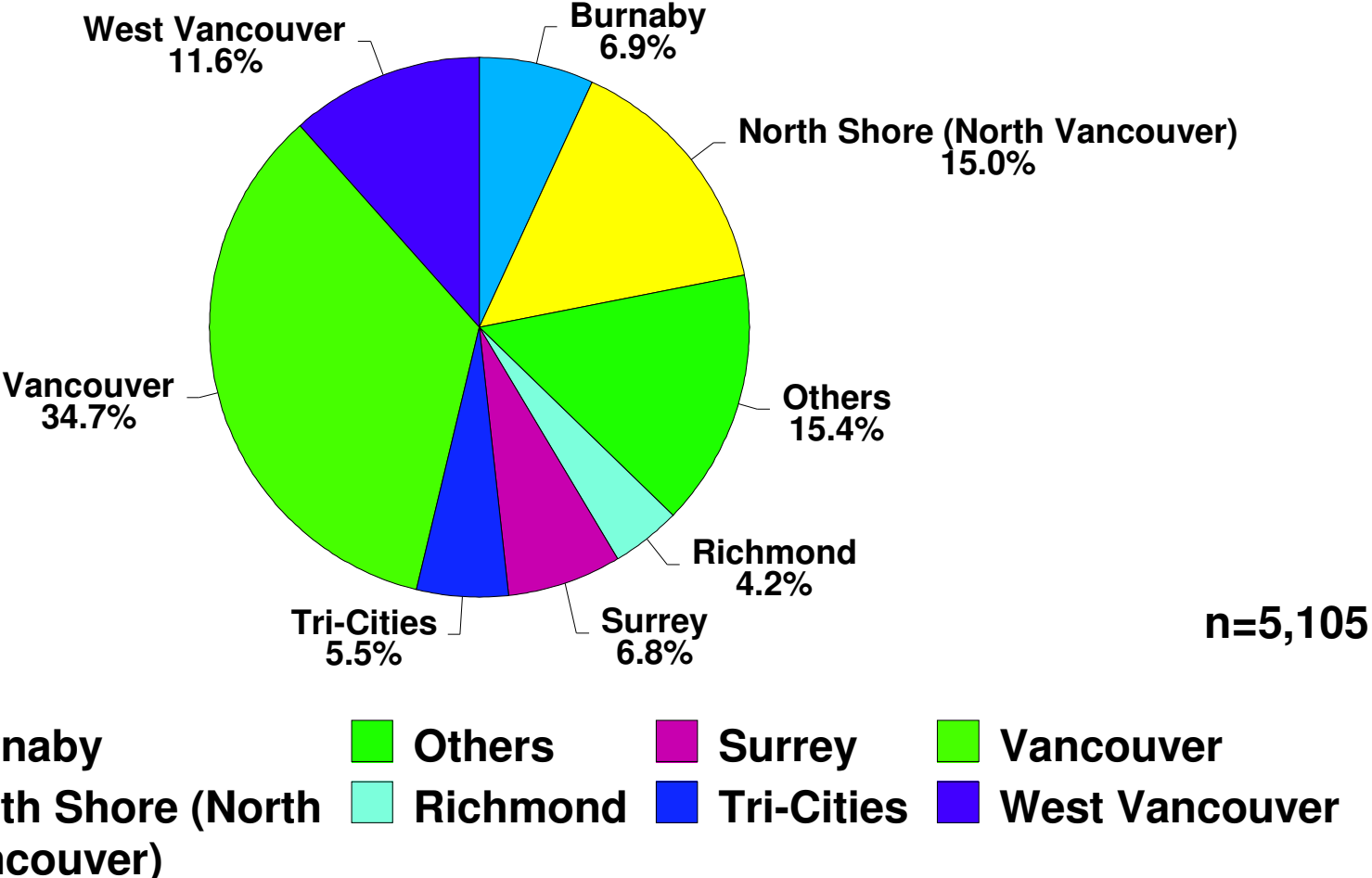
Source: Landcor Data Corp, Central 1 Credit Union.

Non-local Canadian External Housing Ownership by Origin - Sunshine Coast, 2010



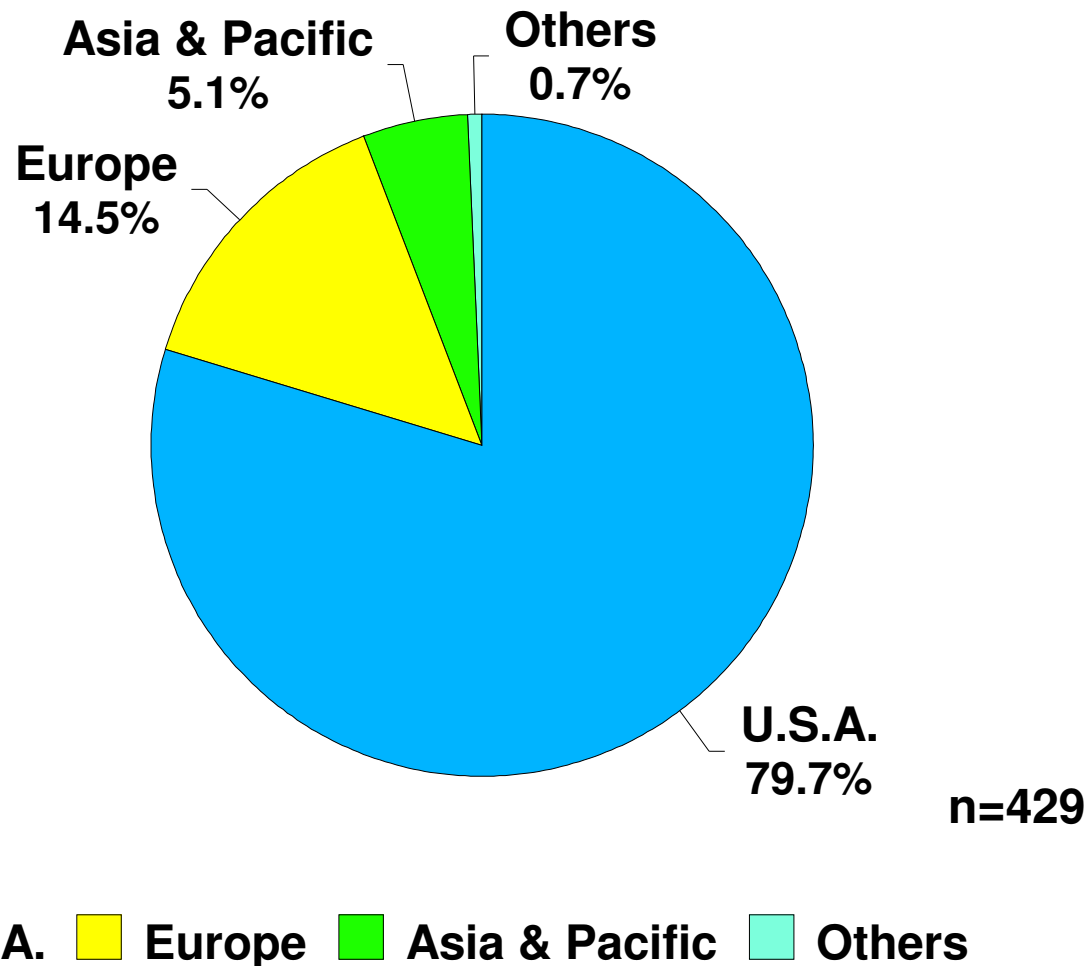
Source: Landcor Data Corp, Central 1 Credit Union.

Lower Mainland External Ownership by Origin - Sunshine Coast, 2010



Source: Landcor Data Corp, Central 1 Credit Union.

International Ownership by Origin - Sunshine Coast, 2010



Source: Landcor Data Corp, Central 1 Credit Union.

Ownership by Origin and Location - Sunshine Coast, 2010

| Origin/Location | SCRD | Sechelt District | Gibsons Town | Sechelt I.G.D. |
|--------------------------------|--------------|------------------|--------------|----------------|
| Local | 1,223 | 2,648 | 1,913 | 342 |
| Non-local Canadian | 4,567 | 1,198 | 305 | 39 |
| Foreign | 319 | 73 | 34 | 3 |
| Total | 6,109 | 3,919 | 1,642 | 350 |
| Per cent of residential | | | | |
| Local | 19.9 | 67.5 | 79.3 | 88.0 |
| Non-local Canadian | 74.9 | 30.6 | 18.6 | 11.1 |
| Foreign | 5.2 | 1.9 | 2.1 | 0.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Landcor Data Corp.

Non-local Canadian Ownership by Origin and Location - Sunshine Coast, 2010

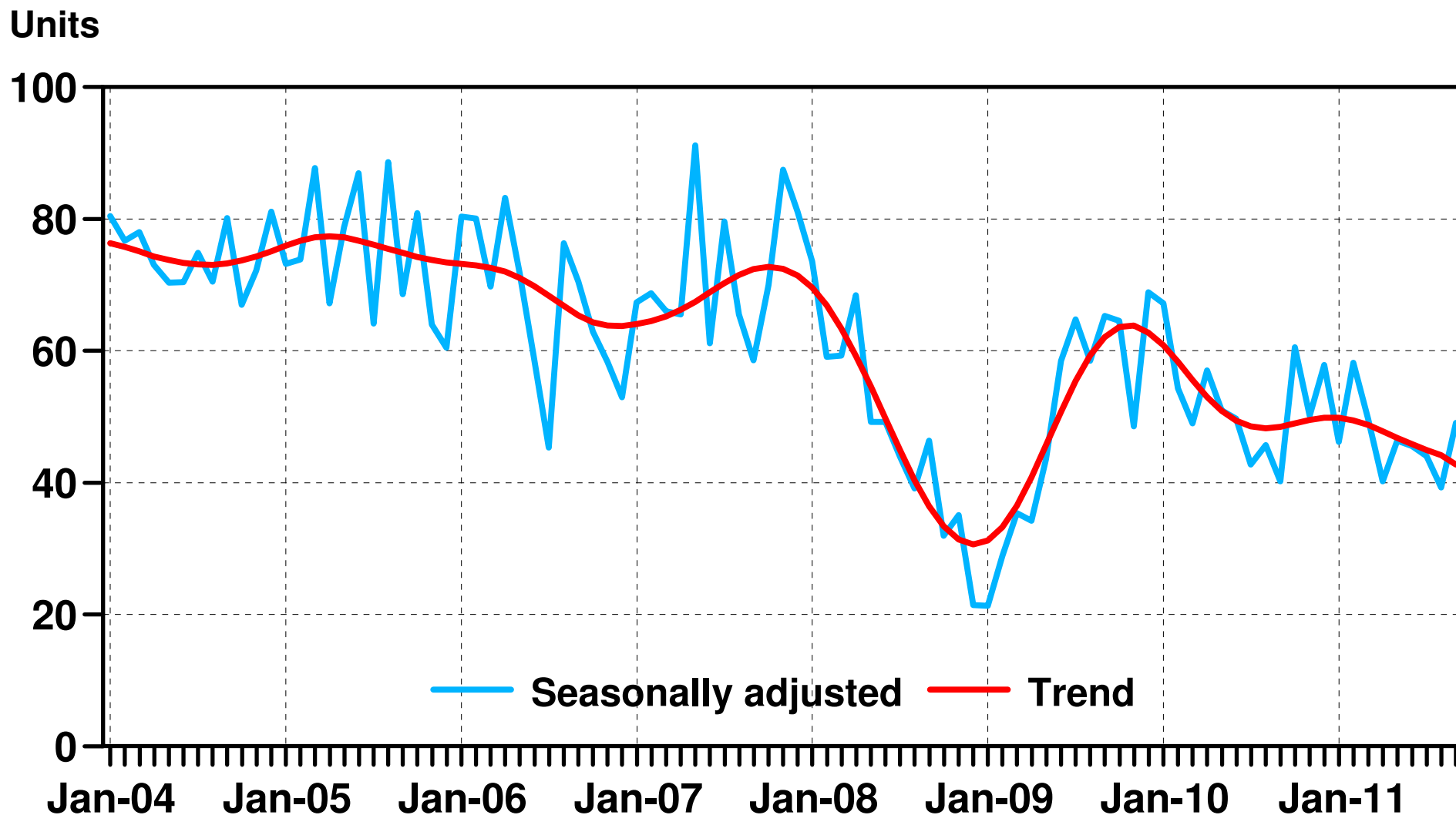
| Origin/Location | SCRD | Sechelt District | Gibsons Town | Sechelt I.G.D. |
|----------------------|--------------|------------------|--------------|----------------|
| City of Vancouver | 1,361 | 324 | 77 | 7 |
| North Vancouver | 613 | 124 | 26 | 4 |
| West Vancouver | 479 | 82 | 26 | 4 |
| Burnaby | 237 | 80 | 31 | 3 |
| Surrey | 265 | 62 | 19 | 2 |
| Tri-Cities | 204 | 60 | 14 | 2 |
| Richmond | 131 | 65 | 17 | 0 |
| Other Lower Mainland | 583 | 171 | 23 | 9 |
| Other B.C. | 414 | 89 | 30 | 3 |
| Alberta | 187 | 94 | 26 | 4 |
| Other Canada | 93 | 47 | 16 | 1 |
| Total | 4,567 | 1,198 | 305 | 39 |

International Ownership by Origin and Location - Sunshine Coast, 2010

| Origin/Location | SCRD | Sechelt District | Gibsons Town | Sechelt I.G.D. |
|-----------------|------------|------------------|--------------|----------------|
| U.S.A. | 263 | 50 | 27 | 2 |
| Europe | 41 | 19 | 1 | 1 |
| Asia & Pacific | 12 | 4 | 6 | 0 |
| Others | 3 | 0 | 0 | 0 |
| Total | 319 | 73 | 34 | 3 |

Source: Landcor Data Corp.

MLS Residential Sales - Sunshine Coast, Jan. 2004 - Sept. 2011

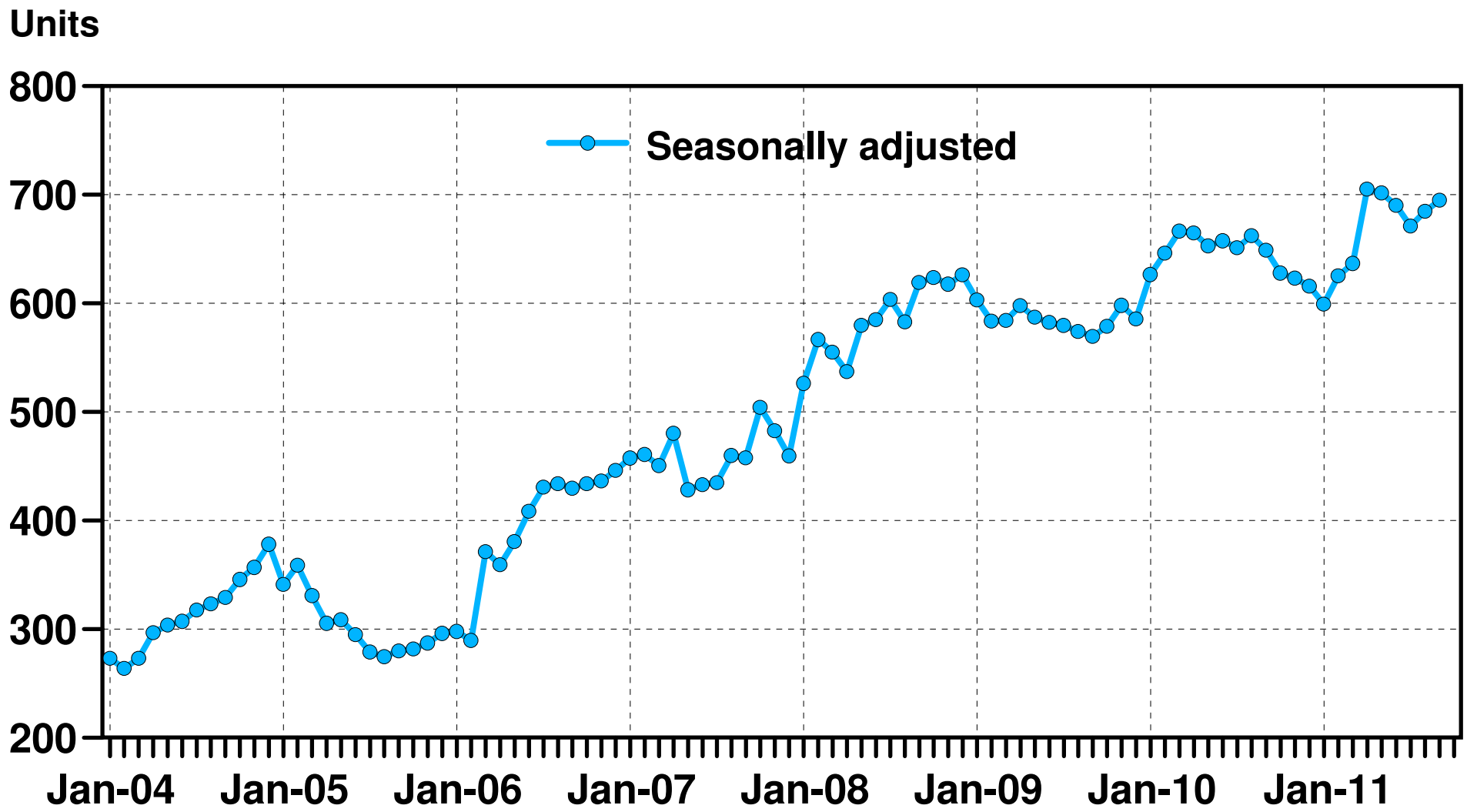


Source: REBGV, Central 1 Credit Union.

Latest: Sep-11

Sunshine Coast Credit Union

MLS Residential Active Listings - Sunshine Coast, Jan. 2004 - Sept. 2011

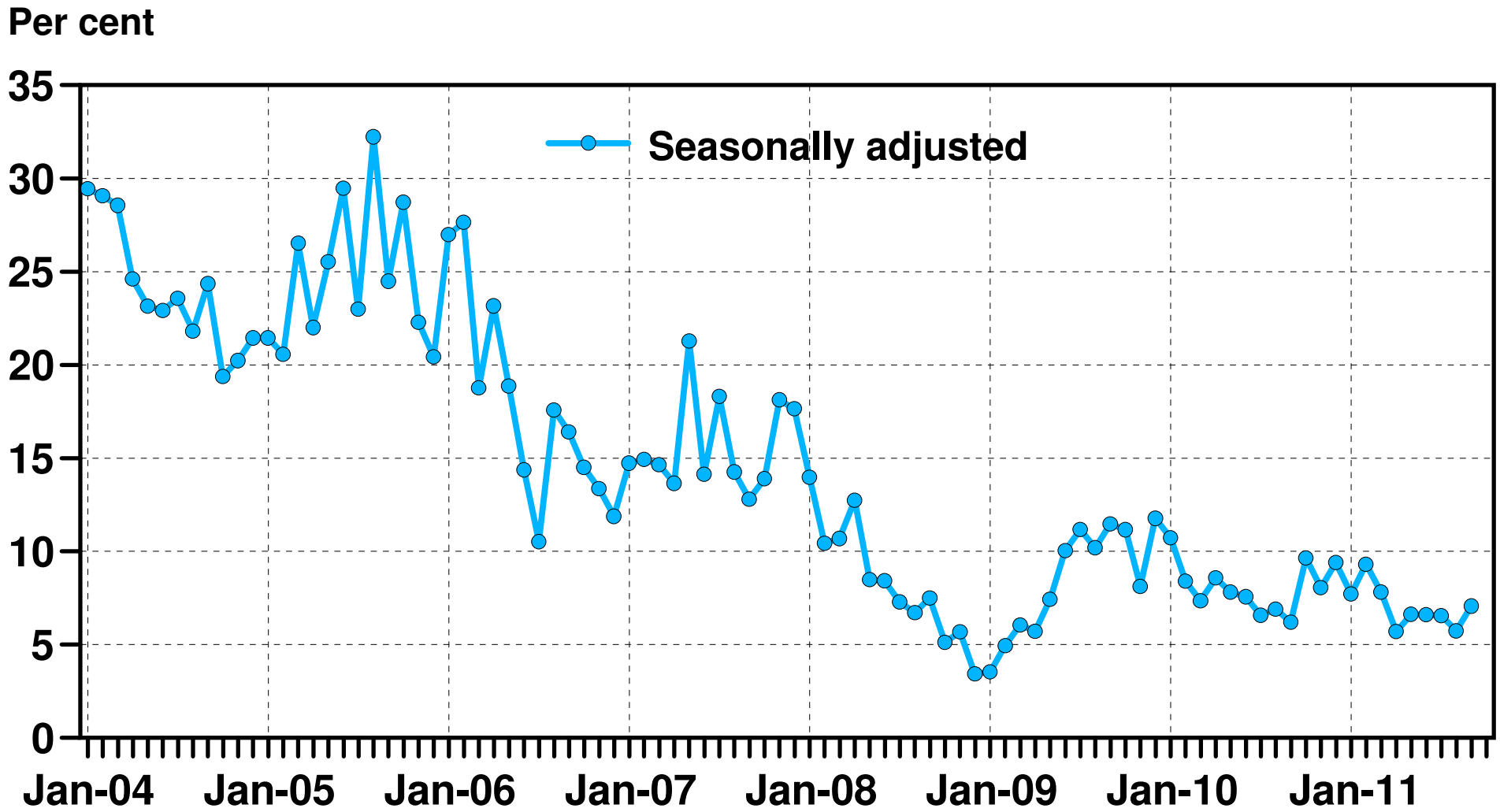


Source: REBGV, Central 1 Credit Union.

Latest: Sep-11

Sunshine Coast Credit Union

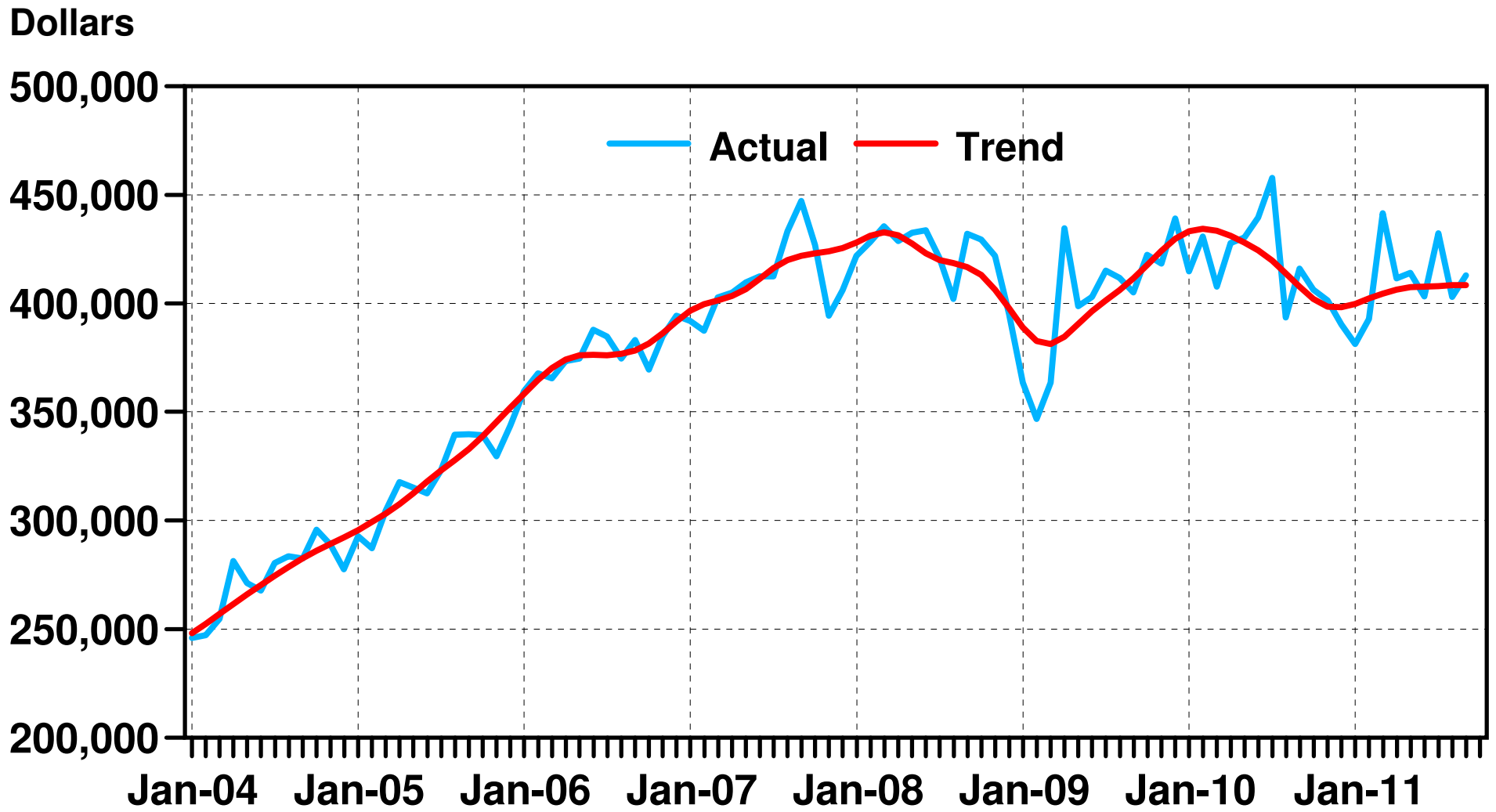
MLS Residential Sales-to-active Listings Ratio - Sunshine Coast, Jan. 2004 - Sept. 2011



Source: REBGV, Central 1 Credit Union.

Latest: Sep-11

MLS Benchmark House Price - Sunshine Coast, Jan. 2004 - Sept. 2011



Source: REBGV, Central 1 Credit Union.

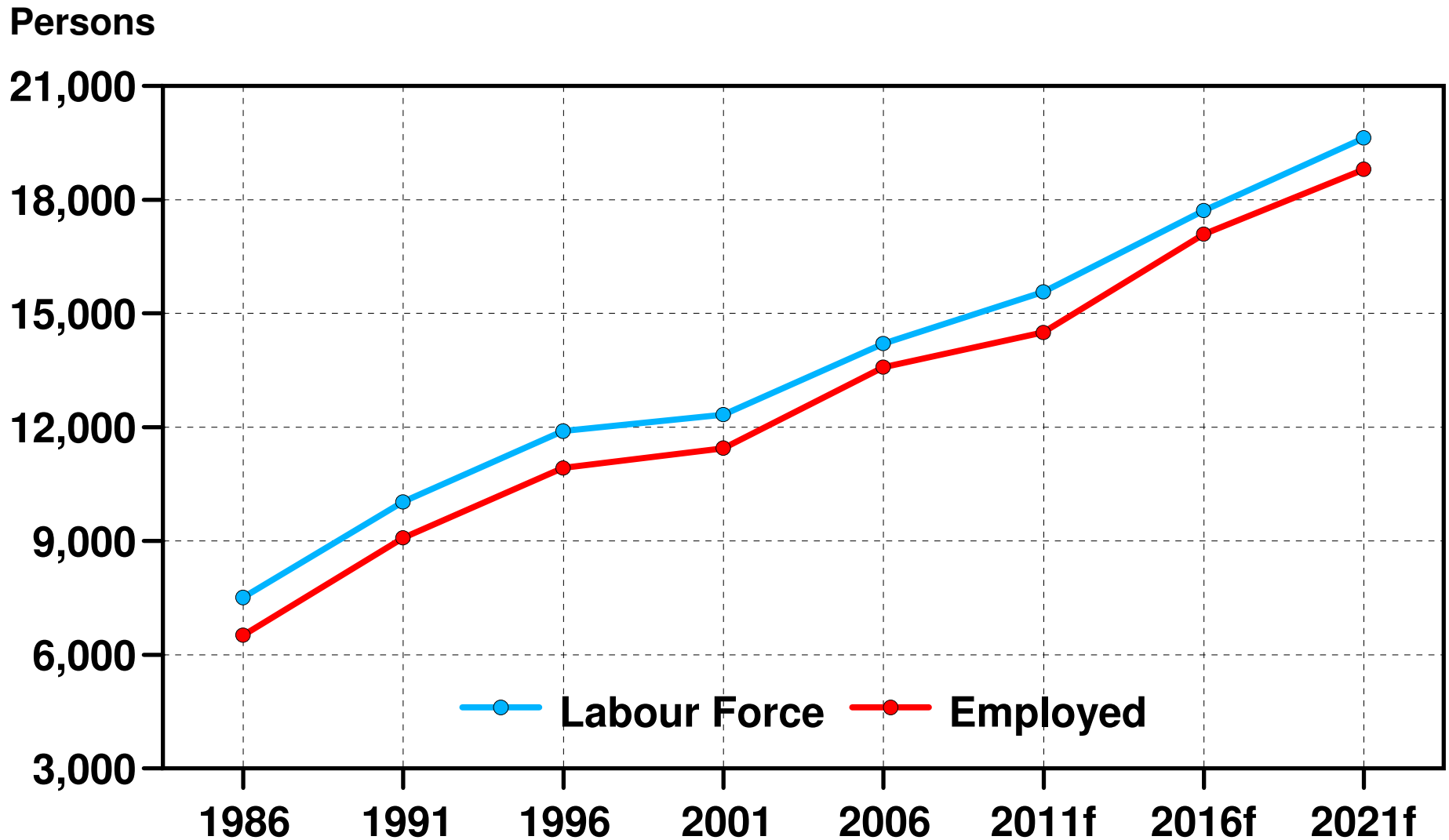
Latest: Sep-11

Sunshine Coast Credit Union

Residential summary:

- Housing sales and construction activity highly cyclical
- Large non-local ownership of residential properties; generates large seasonal increase in population
- Majority of non-local owners from lower mainland
- Non-local ownership highest (80%) in SCRD
- Within incorporated areas, non-local ownership highest in District of Sechelt
- Current housing market conditions - sales sliding lower, large number of listings on the market, price weakness, low construction volume

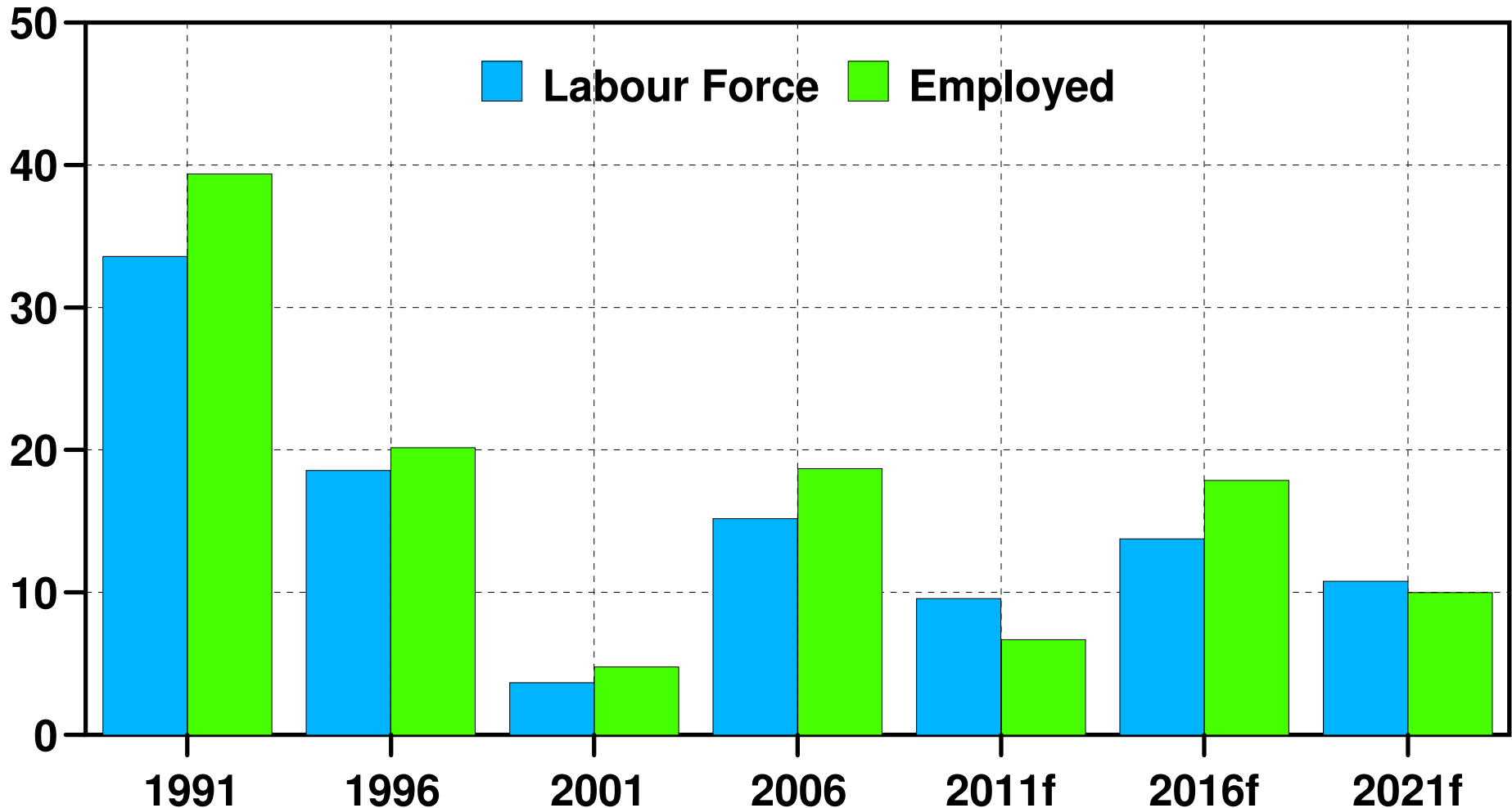
Labour Force and Employment - Sunshine Coast, 1986 - 2006



Source: Census of Canada, Central 1 Credit Union. Note: Based on place of residence.

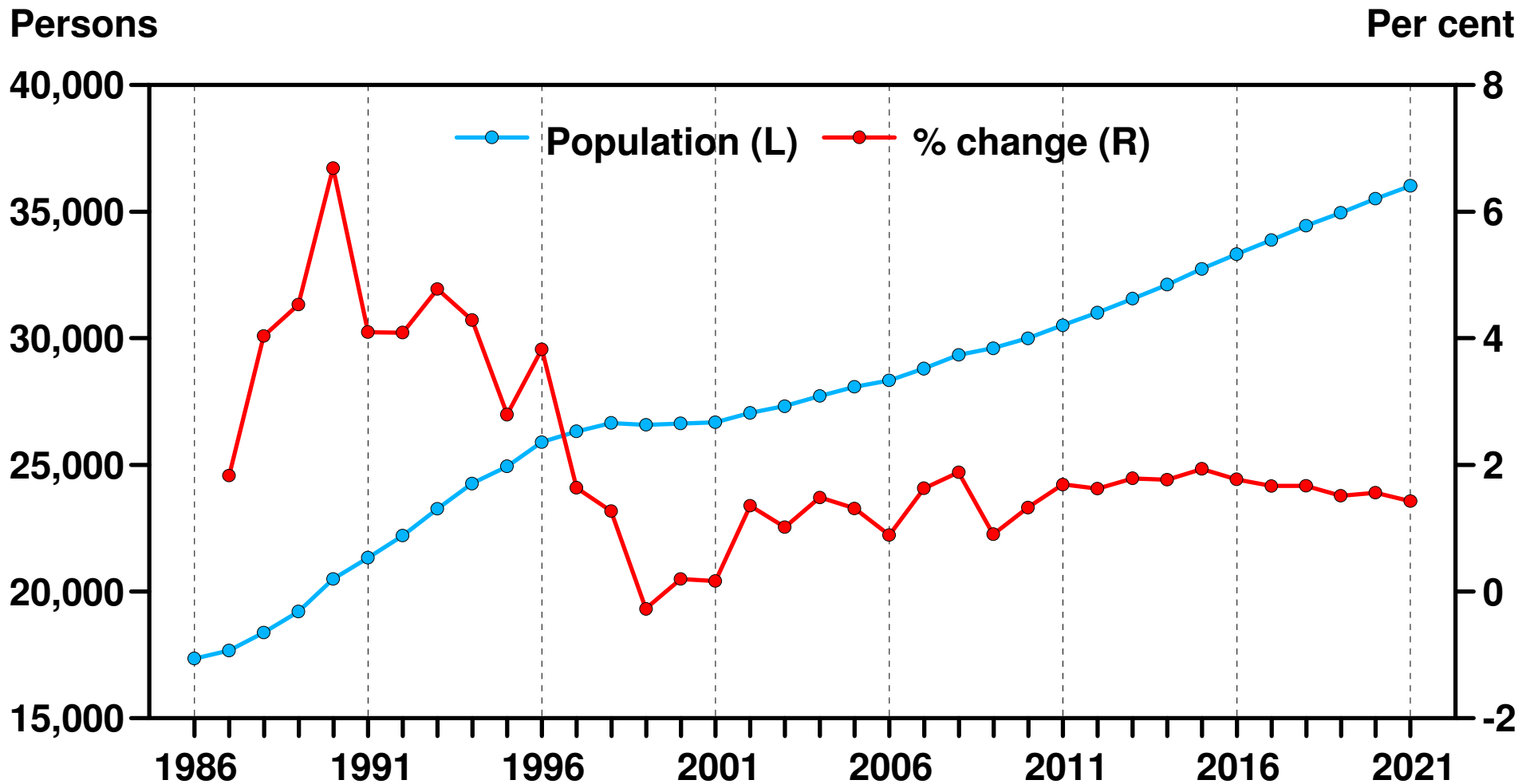
5-Year Change in Labour Force and Employment - Sunshine Coast, 1986 - 2006

Per cent



Source: Census of Canada, Central 1 Credit Union. Note: Based on place of residence.

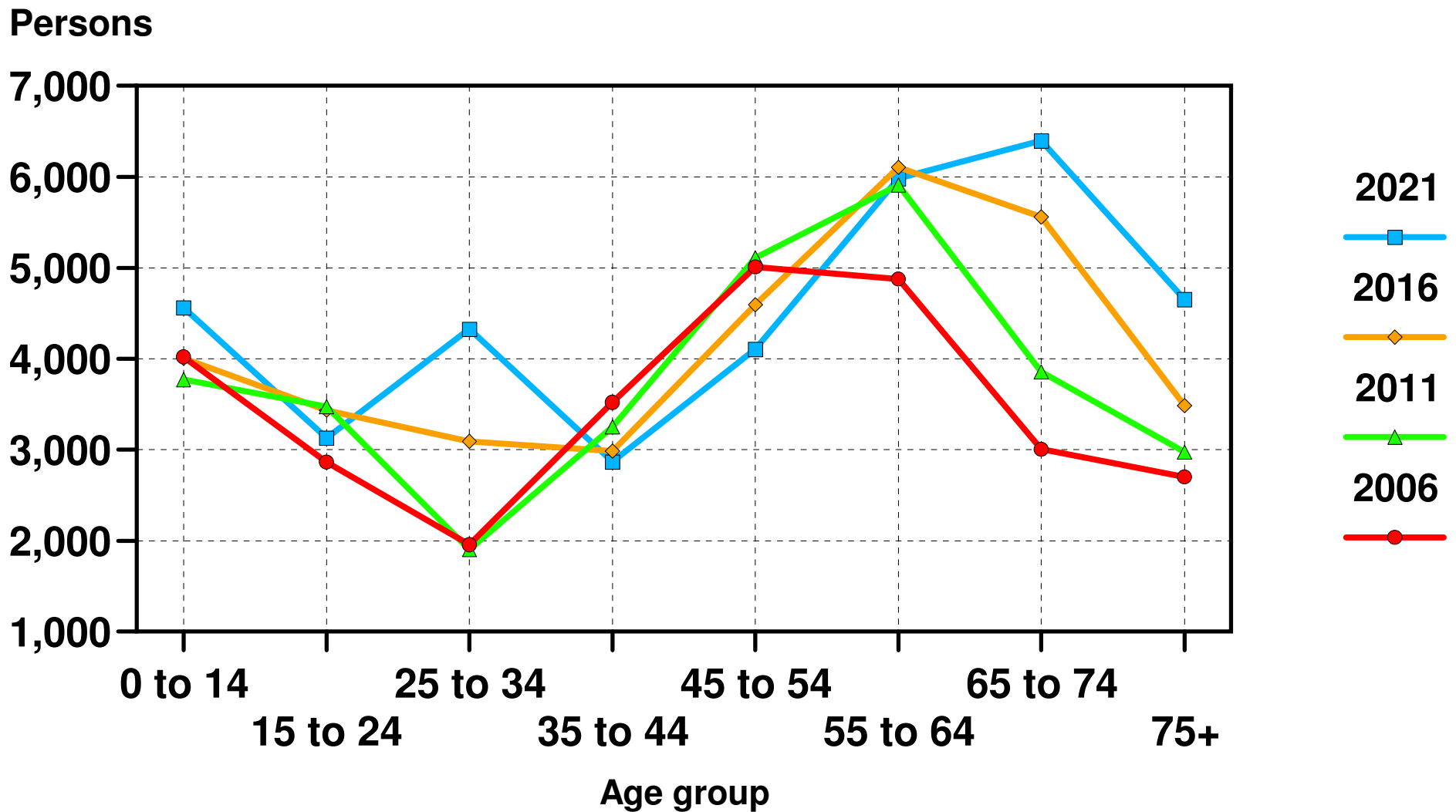
Population Projection - Sunshine Coast, Annually



Source: Statistics Canada, Central 1 Credit Union

Sunshine Coast Credit Union

Projected Age Distribution of Sunshine Coast Population



Source: B.C. Stats, Central 1 Credit Union.

Forecast summary:

- Higher growth largely depends on stronger economy and housing markets in Metro Vancouver and B.C. leading to more in-migration and non-local ownership activity
- U.S. economy in sub-par growth phase for another two or more years; intensifying sovereign debt problems in Europe
- External growth outlook improves in medium and longer term but business cycle timing uncertain
- Economy improves in second half of ten-year forecast;
- Local economy faces weak to modest growth in 2011 and 2012; improves later in forecast period
- Higher in-migration and population growth drives real estate, construction, and retail employment

Forecast summary:

- Non-local residential ownership continues to increase
- Age structure of population shifts towards older age groups
- By 2021, more than one-half of resident population aged over 55 and one-third aged 65 years or older

Economic development considerations:

- Develop unified vision and economic development strategy that builds on strengths and identifies obstacles
- Enhance opportunities to retain, expand, and attract businesses and people
- Support/develop exports of local goods and services; encourage import substitution and 'buy local'
- Promote and market Sunshine Coast