ECONOMIC & LABOUR MARKET RESEARCH AND ANALYSIS PROJECT

CANADA ○ ALBERTA ○ MEDICINE HAT & AREA

Report No. 4
September, 2010
Quarterly No 1

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ABSTRACT

This report provides labour market and economic information prepared for use by the Economic Development Alliance of Southeast Alberta, Alberta Employment and Immigration, City of Medicine Hat, The Community Foundation of Medicine Hat & South-eastern Alberta, and Medicine Hat District Chamber of Commerce. The report aims to provide economic and labour market information pertaining to Medicine Hat and area in specific, as well as provincial and national information, relevant to the area.

In addition to the economic overview and labour market trends, the Quarterly report also includes a survey of local employers to cast light on their recruitment and retention practices, together with the documentation of other economic or labour market concerns they may have.

The current report also contains expert opinion on an additional section – Sector in Focus: Construction Industry and housing sector.

The information herein covers trends of data for the month of September 2010.

FOREWORD

Over the past couple years, Medicine Hat regional economy has performed roughly in line with the rest of the province. After a sharp rise in the unemployment rate and a drop in construction during the recession, the situation stabilized over 2010. The labour markets exhibited a fairly robust recovery during the summer of 2010, with the unemployment rate falling from 7.5% in May 2010 to 5.5% in October (most recent reading). Although it is possible that this recent drop will partly reverse course due to general volatility, a broad array of economic indicators are showing that the labour markets have seen some solid, lasting improvements recently.

One of the restraining factors for the Medicine Hat economy currently and moving forward is natural gas prices. The natural gas sector is paramount to Medicine Hat's economy and was behind much of the growth that occurred during the middle and early parts of this decade. Currently, with prices languishing below $US 4.00 per mmBtu, activity in the natural gas sector has been, and will continue to be, restrained. Furthermore, the focus of activity has shifted to the shale plays in the northeast regions of the province and BC; hence Medicine Hat is unlikely to see a pick-up in natural gas activity any time soon.

The flip side of weak gas prices has been that oil prices have been strong and oil exploration and production activity in the southeast regions of Alberta has picked up noticeably. This will provide a partial offset to the weakness in natural gas.

The Medicine Hat housing market continues to trend lower recently, with resale housing prices essentially flat since 2007 and some slight declines recently. Sales activity has been on a more pronounced downtrend over the past few years. The number of sales did show some life in late 2009 when buyers were rushing in to take advantage of low interest rates, but since then sales have cooled down and trended largely sideways over the past few months. Moving forward, there seems to be little impetus for prices to move substantially either way.

Another major industry for Medicine Hat, agriculture, has had some mixed fortunes in 2010. Generally wet weather in many regions appears to have kept yields fairly robust, but this has come at the expense of quality. Wheat prices did see some uptick during the summer on the back of drought concerns in Russia but have since fallen back. Canola prices have been somewhat stronger. Specialty crops such as beans and vegetables—concentrated along the Medicine Hat-Lethbridge corridor—have generally enjoyed fairly decent growing conditions and price, and are a bit immune from larger global trends that impact the grains and oilseeds.

All factors considered, Medicine Hat's regional economy has performed reasonably well coming out of the 2008-09 global recession. Growth is likely to continue at a more moderate pace going forward, but should at least keep pace with the provincial average.

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NATIONAL GROSS DOMESTIC PRODUCT INCREASES BY **0.3 %** IN AUGUST 2010.

NATIONAL ECONOMY EXPECTED TO GROW AT AN ANNUALIZED RATE OF **1.8%.**

ECONOMY OPERATING **1.75%** BELOW POTENTIAL.

OVERNIGHT INTEREST RATE: **1.00%.**

CONSUMPTION AND INVESTMENT: DRIVING AGENTS OF GROWTH.

OUTPUT GAP TO CLOSE BY 2012

ECONOMY

In a dynamic economy, actions and activities at national and provincial levels have most certain effects at local and regional levels. This section provides information for economic activity at the national, provincial and local levels, for the month of September 2010.

CANADA

National Gross Domestic Product increased in August by 0.3%, after a decline of 0.1% in July, the first decline since August 2009. The year over year GDP growth rate stood at 4.1% - the fastest pace of increase since March 2006.

Statistics Canada reported that Canada's real GDP increase of 0.3% was particularly due to oil and gas extraction which rebounded 1.5%, as well as to wholesale trade and manufacturing. Whereas the nation's manufacturing, retail, wholesale, construction, and all posted declines in July, all of the sectors edged up in August. Construction and real estate saw declines in July 2010; however, August 2010 saw construction reporting a gain of 0.4%, with all major components of residential, non residential building, engineering and repair work increasing. The residential resale market also picked up in August 2010, translating into a 5.8% increase in the output of real estate agents, according to Statistics Canada.

The current state of developments, and assuming September to post growth at 0.3%, has given reason to expect the national economy to grow at an annualized pace of 1.8% in the third quarter of 2010. This would be in line with the expectations of the Bank of Canada. Additionally, the Bank also estimated that the economy was operating 1.75% below its potential as of the end of the third quarter of 2010.

OVERNIGHT INTEREST RATE

The Bank of Canada raised the overnight rate by 25 basis points (bps) to 1.00% on September 8 2010. Acknowledging that the national real GDP was lower than expectation, the Bank of Canada identified consumption and investment as the driving engines of growth. It hopes the former to remain at stable level and the latter to increase. Based on recent North American economic activity, the Bank has revised its expectation of the growth of the Canadian economy, indicating it to be relatively slower than expected in July 2010 and expecting the output gap to close towards the end of 2012. Despite the increase in the overnight rate to a 1.0%, which has been brought upon by a 75 basis points increase to date since June 2010, the rate still remains historically low and is seen to be conducive to provide stimulus to the economy.

The overnight rate, which now stands at 1.0% and any subsequent changes to it, affects interest rates for products such as variable rate mortgages. An increase in this rate, by extension, would translate into reduced consumer spending, and business investment.

The Bank expects to endorse gradual hikes to keep inflation near its preferred two (2) per cent target. However, in light of the slowing momentum of the national economy and revised expectations of the global economy, the Bank will likely keep the overnight rate at 1.0% until there are strong indications of a sustained growing national and international economy.

CONSUMER PRICE INDEX

Consumer prices rose 1.9% in the 12 months to September, following a 1.7% increase in August 2010. This is translated to the Canadian inflation being reported at 1.9%. Inflation rate refers to a general rise in prices measured against a standard level of purchasing power. The most well known measures of Inflation are the CPI which measures consumer prices, and the GDP deflator, which measures inflation in the whole of the domestic economy. Although the inflation rate was 1.9% in September on a year-to-year basis, the month-over-month prices increased 0.2%.

NATIONAL INFLATION: **1.9%.**

CORE RATE: **1.5%**

The increase in September's overall rate was largely attributed to energy, which advanced 5.6% in the 12 months to September.

The core rate, which strips out volatile-priced items such as food and energy, and which the Bank of Canada uses to assess the impact of inflation on the economy dropped to 1.5% in the 12 months to September 2010 and is well below the Bank's 2% target.

HOUSING

Canada Mortgage and Housing Corporation's *Preliminary Housing Start Data*, for September 2010 reports that Canadian

NATIONAL HOUSING STARTS: **- 1.5%.**

CORE RATE: **1.5%**

housing starts fell 1.5% to an annualized pace of 186,400 units in August. This is the fifth consecutive monthly decline since April 2010. Nationally, there has been an almost corresponding decrease in urban singles start decreasing 8.1% to 63,600 units from August 2010.

This decline does coincide with the beginning of the interest rate normalization process. The process itself may have been the cause of a consumer perception of higher interest rates, despite the fact that 3-year mortgage rates are at their lowest level. Despite the interest rate hikes, actual mortgage rates are at historic lows.

ALBERTA

ECONOMY

The provincial economy is growing in line with expectations and national trends. The province has received an AAA credit rating from Standard & Poor's (S&P) and other rating houses since 2001. The most recent report, 2010, issued by S&P, praises the province for its strong fiscal policies, low debt burden, and financial assets.

Alberta`s Sept 2010 CPI rate stands at 0.9% in the 12 months to September 2010, decreasing 0.1% from August 2010. Higher prices were recorded for natural gas, the purchase of passenger vehicles, food purchased from restaurants, and homeowners' replacement costs.

The average number of rigs drilling in Alberta stood at 177 in September 2010. This was an increase in activity of 59.7% from September 2009 and 62.7% since January 2010 (something is wrong with these stats, there would have been a lot more rigs drilling January because that's busy season).

The province's financial update forecasts that the province will collect nearly $900 million less in personal taxes than it did last year. However, projections for the amount of corporate taxes have increased by approximately the same magnitude.

Royalty breaks to the oilpatch, intended to stimulate drilling will cost the government approximately $700 million more than originally budgeted. In addition, due to the strong Canadian dollar, the provincial government will collect $214 million less than initially forecasted. Natural gas prices, lower than projected, should lead to an $82 million royalty decrease.

Statistics Canada, reported Alberta's average hourly wages to have experienced an increase of 0.7% in the 12 months to September 2010. However, hourly wages for employees aged 25-54 decreased 4%. The median age for the province is 35.8, and it is this age group with the highest number of active workers (1,163,800 as of September 2010). (you might want to look at average weekly earnings? They are the more common stat and they tell a bit of a different story)

ALBERTA CPI:
0.9%.
CORE RATE: **1.5%**

Alberta's all-party standing committee on the economy is conducting a review of the province's minimum wage policy to ensure that it meets the future needs of workers and employers. The recommended 25 cent increase may be imposed early 2011. It is speculated that the move will add to the hardships of small businesses.

A study by the Fraser Institute, *Measuring Labour Markets in Canada and the United States: 2010 Edition*, employing an index of Labour market performance[1] identified the province was not fared well in terms of labour market flexibility, based on indicators pertaining to level of public sector employment, level of minimum wages, degree of unionization, and labour relations laws.

The study finds that public sector employment in Canadian provinces, including Alberta, is relatively higher, which, the report asserts, tends to result in higher costs, lower average quality, and lower productivity. The report further goes on to say that lower productivity is particularly a concern since public sector workers tend to receive a wage premium. Additionally, a senior economist at the institute states that, "high minimum wages have been shown to reduce employment opportunities for young and low skilled workers and result in fewer fringe benefits and less on-the-job training."

HOUSING

September bode relatively well for Alberta's housing market, which saw the sales of existing homes increase by 4.8%. The number of new listings in the province has also increased by 3.2% after four consecutive months of a downward trend.

Sales-to-new listings ratio, which with a range of values between 0.4-0.6 indicates balanced market conditions stood at 0.44 for the month of September 2010.

RBC's housing affordability measure, which quantifies the affordability of home ownership and indicates deterioration in

[1] Labour market performance is a composite measure of labour market performance rates, average duration of unemployment, and average labour productivity. The average was taken over based on five equally weighted indicators: average total employment growth, average private sector employment growth, average unemployment the period of 2005-2009.

[1] Monthly figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels. By removing seasonal ups and downs, seasonal adjustment makes it possible to highlight the fundamental trends of a series. Reporting monthly figures at annual rates indicates the annual level of starts that would be obtained if the monthly pace was maintained for 12 months

affordability by a number registering on a higher scale, rose for the fourth consecutive time. The increase in the affordability index of homeownership was experienced nationally. However, Alberta specific numbers were not being translated to immediate gloom, where the measure stood below long term averages, indicating overall homeownership standing at affordable levels (RBC housing affordability measure fell 0.3percentage points for condominiums, but rose 0.1-1.4 percentage points for all other categories). The numbers are slight, but indicate little risk to the market and ties in the housing demand with provincial job market gains.

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BUILDING PERMITS

The value of building permits in Alberta decreased by 11.2% (seasonally adjusted) in August 2010 to $851 million. The decline was wholly in residential permits which fell by 20.6%, while non-residential permits increased by 4.9%.

VALUE OF BUILDING PERMITS DECLINED:

-11.2%

RESIDENTIAL PERMITS DECLINED: **-20.6%**

However, market rankings for trades and occupations in Alberta, published by the construction sector council's *Construction looking forward, Alberta (2009-2017)* indicate that there will be limited availability of workers for predominantly all construction related trades and occupations and the publication asserts that employers will need to compete to attract additional and appropriate labour.

POPULATION

ALBERTA HAD AN INTERPROVINCIAL MIGRATION *GAIN* OF **2,820** IN THE SECOND QUARTER.

FIRST QUARTER FIGURE FOR ALBERTA WAS: **312**

ALBERTA POPULATION: **3.72 MILLION**

In the second quarter of 2010, from April – July, Alberta had a net interprovincial migration gain of 2,820 people. This was up from the small gain of 312 in the first quarter. The province had lost 2,200 since 2009. Interprovincial migration occurs primarily due to economic and social conditions. In Canada, interprovincial migration principally occurs due to job prospects. Hence, an increase in this number may rightly so be interpreted as an improvement as well as the perception of improvement in the economic dimension of the destination province.

Statistics Canada put Alberta's population in the second quarter at 3.72 million. With Alberta's median age of 35.8 (as opposed to the national average of 39.7), half this growth of 0.5% came from natural births.

A Pricewaterhouse-Coopers report, prepared for the government in June 2010, warned that Alberta`s long-term future as a strong economic competitor may be in doubt, given that it lags other provinces in measurements of access to venture capital, innovation, productivity growth and university graduates.

MEDICINE HAT & AREA

September 2010 had a few events impacting the industry of Medicine Hat. Large companies, whether closing or opening are bound to have impact on indicators like employment levels, unemployment rates, or full time versus part time employment. Two important events were announced in September 2010 which will most certainly impact these local economic and labour statistics: the permanent closure of I-XL industries and the return of Methanex. Whereas the former's social impact may be hard to quantify, its *direct* economic impact is translated into the loss of some 40 jobs.

Methanex, which plans on restarting operations in April 2011 after closing its doors a decade earlier, has begun the hiring process and promises to add some 85 full time jobs within the community. Reopening the plant will be at a cost of US$40 million. Additionally, the upgrade to the producer's facility will engage local contractors for services such infrastructure rehabilitation. The plant at Medicine Hat will be Methanex's only North American facility.

In support of the restart, Methanex has commenced a program to purchase natural gas on the Alberta gas market. The plant consumes approximately 50,000 mmbtu of natural gas per day operating at capacity.

The Heron drone training program's future at the Suffield base remains uncertain, putting jobs dependent on the program on hold.

A new facility at the Medicine Hat College, Entrepreneur Development Center was unveiled with ambitious intentions of making a competent and confident group of future entrepreneurs that will contribute to the local economy by operating their own businesses.

Medicine Hat and area was awarded $920,000 for tourism related projects, including restoration of buildings at parks, from the Community adjustment fund and contributions from other municipalities. The various projects coming under the umbrella of the program will engage individuals and contractors in economic activities.

The difficult planting season, coupled with a crop killing frost will result in a 17% drop in Canada's wheat production. Prairie wheat production is forecasted to fall 18.5%.

Rural Alberta's development Fund is putting forward approximately $30 million in grants. Preference will be given to projects investing in community capacity building in rural communities of 20,000 or less.

Wind farm is awaiting approval slated for mid October (at the time of the publication of this report, approval was granted). Initially proposed at have 8 towers sites and produce 16 megawatts of electricity, the environmental concerns cut the numbers to 4 towers sites and produce 8 megawatts of electricity. The initial cost estimated at $40-$45 million has been revised to $20-$25 million. The current proposed plan would handle approximately 10% of the city's residential electricity load. Since the initiation of the project in 2005, the price of wind power has come down, but the decline is not comparable to the decline in the price of natural gas – this trend may influence the long term view of energy prices.

ECONOMY

Business licenses issued dropped yet again after a month of reversals during August 2010, which saw the first rise after two previous consecutive drops.

TABLE 1: MEDICINE HAT BUSINESS LICENSES

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
January	34	36	53	34	49	33	46	44	54	47	34
February	32	26	34	30	36	31	41	38	38	31	34
March	45	34	32	45	45	44	60	46	45	72	52
April	37	25	45	45	54	52	57	48	64	64	45
May	40	29	37	44	35	55	87	67	49	55	56
June	34	32	31	48	42	56	54	64	54	45	41
July	40	33	35	30	36	49	27	34	40	42	34
August	40	45	31	39	36	57	46	61	29	35	47
September	27	20	45	40	45	43	35	41	46	44	30
October	42	40	43	29	39	39	31	39	63	34	...
November	25	38	31	25	45	30	59	35	38	27	...
December	16	18	37	34	34	22	23	27	18	32	...
Total	412	376	454	443	496	511	566	544	538	528	262

Source: Month end statistics, Business Support Office, City of Medicine Hat - September 2010

HOUSING

It's a buyers' market in Medicine Hat`s Real estate – sales have been flattening. According to Medicine Hat Real Estate Board president Jennifer McKenzie, the rise in interest rates have made even first time buyers wary. TD Canada trust`s Home Buyers Report for the July 2010 states that 71 % of Albertans expect to pay less for a home, compared to 71 % nationally.

The above trend discussed in July 2010 is reflected in the tables below. Both the number of sales and the dollar value associated with those sales dropped from the last month, and stood lower than the previous year's levels (Table 2). Similarly, data from Canada mortgage and Housing Corporation depicts a continuously (since June 2010) lower average number of sales, coupled with a higher average house price, as compared to the previous months (Table 3).

TABLE 2: MEDICINE HAT REAL ESTATE VOLUME

	September-09	August-10	September-10
RESIDENTIAL			
Single family house	23,454,750	19,909,800	22,926,650
Single family other	3,080,500	3,658,900	3,110,800
Residential other	733,000	3,480,500	762,500
NON-RESIDENTIAL			
Farms	1,133,000	0	217,000
Vacant land	984,000	330,000	262,800
Other	1,163,327	2,518,300	145,668
VOLUME - DOLLAR VALUE OF UNITS SOLD	30,548,577	29,897,500	27,425,418
RESIDENTIAL			
Single family house	87	73	81
Single family other	22	23	21
Residential other	3	14	3
NON-RESIDENTIAL			
Farms	4	0	1
Vacant land	3	2	3
Other	6	6	3
SALES - NO. OF UNITS SOLD	125	118	112
listings placed	311	311	313
Active listings at month's end	1191	1324	1303
Year volume until	264,621,661	235,602,847	262,818,265
Year sales until	1050	928	1039
Year listings until	2730	2659	2972

Source: Medicine Hat Real Estate Board, Monthly Statistical report, September 2009,

Table 3: Market Absorption Survey: Average Unit selling Prices of all newly completed and unabsorbed single detached and semi detached dwellings, Medicine Hat

	JULY		AUGUST		SEPTEMBER	
	2009	2010	2009	2010	2009	2010
UNITS	141	61	127	72	135	67
AVERAGE PRICE	321,854	334,656	337,299	330,653	331,726	336,045

Source: Canada Mortgage and Housing Corporation: Monthly Housing Statistics for September 2010

Table 4: Dwelling start, completions and newly completed and unabsorbed units, Medicine Hat

			DWELLING STARTS	COMPLETIONS	NEWLY COMPLETED AND UNABSORBED UNITS
SEPTEMBER	2009	Single detached / Semi	14	26	135
		Row. Apart and other	-	-	98
		TOTAL	14	26	233
	2010	Single detached / Semi	19	9	67
		Row. Apart and other	40	-	90
		TOTAL	59	9	157
JANUARY – SEPTEMBER	2009	Single detached /Semi	110		
		Row. Apart and other	71		
		TOTAL	181		
	2010	Single detached	199		
		Row. Apart and other	55		
		TOTAL	254		

Source: Canada Mortgage and Housing Corporation: Monthly Housing Statistics for September 2010

Table 5 and 6 below state the revised forecast of Canada Mortgage and Housing Corporation, for both new construction and resale market for Medicine Hat for 2010 and 2011. The revisions are all lower than earlier predicted in the second quarter by CMHC. This most certainly is attributed to the changing picture of the national housing market, with housing starts beginning to cool off since April 2010, coupled with the interest normalization process, and dynamics of the local economy.

TABLE 5: MEDICINE HAT HOUSING FORECAST - NEW CONSTRUCTION

Housing Starts	2009	2010(F*)	% chg 2009/2010	2011(F*)	% chg 2010/2011	YTD 2010	YTD 2009	% chg 2009/2010
Single-Detached	156	200	28.2	225	12.5	127	71	78.9
Multiple	131	125	-4.6	150	20.0	20	69	-71.0
Total	287	325	13.2	375	15.4	147	140	5.0

Source: Canada Mortgage and Housing Corporation: Housing Market Outlook – Prairie Region Highlights, third quarter, 2010

TABLE 6: MEDICINE HAT HOUSING FORECAST - RESALE MARKET

	2009	2010(F*)	% chg 2009/10	2011(F*)	% chg 2010/11	YTD 2010	YTD 2009	% chg 2009/2010
MLS sales	1,281	1,200	-6.3	1,250	4.2	646	626	3.2
MLS ave. price	251,310	247,000	-1.7	254,000	2.8	251,755	253,436	-0.7

Source: Housing Market Outlook – Prairie Region Highlights, third quarter, 2010

RENTAL

The latest numbers on Medicine Hat rental market from the Canadian Mortgage and Housing Corporation`s Rental Market Report are those of spring 2010 and state that the city experienced the most change among centres outside Calgary and Edmonton in terms of higher vacancy rates. The vacancy rate across all unit types rose to 10.7% this April, an increase of 6.4% from last year.

BUILDING PERMITS

The number of building permits has increased in volume but remains low in value since August 2010. The spike in the previous month is in the section of *apartments* in the residential category and *institutional* in the non residential category. Such permits are not expected to be issued on a monthly basis and these exceptions can be understood. However, September 2010's both value and volume lies below that of the previous year – September 2009.

TABLE 7: MEDICINE HAT ISSURANCE OF BUILDING PERMITS

	September-09		September-10		August-10		Current year to date		Previous year to date	
RESIDENTIAL	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
Houses	12	3,715,000	13	3,566,000	11	2,548,000	134	33,213,000	75	17,202,000
Duplexes			1	313,000			3	679,000	4	512,000
Tri & fourplexes			1	556,000			4	2,293,000	3	1,236,000
Apartments					1	7,500,000	1	7,500,000	4	11,540,000
Manufactured homes	4	405,000	2	274,000	7	785,000	21	2,212,000	4	405,000
RESIDENTIAL ALTERATIONS										
Garages	20	294,000	12	271,000	7	88,000	83	1,383,000	99	1,423,000
Alterations – apartments			2	14,000	2	12,000	7	731,000	3	170,000
Alterations – other	59	917,000	45	511,000	38	521,000	398	5,222,000	510	5,617,000
NON- RESIDENTIAL NEW BUILDINGS										
Commercial	2	600,000	1	20,000	1	250,000	8	8,006,000	9	8,078,000
Industrial	1	860,000							1	860,000
Institutional	1	196,000					2	1,067,000	2	271,000
NON-RESIDENTIAL ALTERATIONS										
Commercial	8	1,517,000	10	322,000	11	253,000	87	9,542,000	81	8,166,000
Industrial					1	5,000	2	21,000		
Institutional	2	267,000	1	45,000	4	1,190,000	13	4,035,000	17	17,812,000
MISCELLANEOUS										
TOTAL	109	8,771,000	88	5,892,000	83	13,152,000	763	75,904,000	812	73,292,000

Source: Month end statistics, Planning, building & development services department, City of Medicine Hat – Sept 2009, Aug-Sept 2010

CANADA

INDUSTRIES

Tourism Medicine Hat is reporting a 15-per-cent increase in visitors to-date compared to the same time period last year. The increase in numbers of visitors, however, hasn't necessarily resulted in an increase in visitors staying overnight. Medicine Hat Lodge reported a decline of 10%, on an annual level.

LABOUR MARKET TRENDS, BASED ON LFS AND STATISTICS CANADA DATA

Employment at the national level lowered by 0.3% from the previous month, but overall, it had risen by 2.1% in the 12 months to September 2010. Fewer people participated in the labour force, shrinking it by 0.1% overall, and especially in the 15-24 age range, which in itself shrunk by 1.4%. Academic years commenced in higher educational institutes.

National full time employment gains in September 2010 were offset by the losses in part-time employment. However, employment in the fulltime category has been increasing annually at a much slower pace than increases in the part time category (1.5% and 4.6% respectively).

Although construction was little changed in September 2010, employment in this industry has been on an upward trend for over a year, with gains totalling 68,000, or 5.8%, over the past 12 months.

Employment growth in construction has been among the fastest of all the major industry groups over the past year.

CANADA EMPLOYMENT DECREASES: **0.3%**

LABOUR FORCE SHRINKS BY **1.4%**

TABLE 7: LABOUR FORCE SURVEY STATISTICS – CANADA – SEASONALLY ADJUSTED

CANADA	August 2010	September 2010	Monthly change	Annual change	Monthly percent change	Annual percent change
	in thousands (except rates)					
15 years and over, both sexes						
Population	27,779.5	**27,809.6**	30.1	408.1	0.1	1.5
Labour force	18,727.1	**18,702.7**	-24.4	314.1	-0.1	1.7
Employment	17,216.3	**17,209.7**	-6.6	349.0	-0.3	2.1
Employment full-time	13,825.5	**13,862.6**	37.1	203.2	0.3	1.5
Employment part-time	3,390.8	**3347.1**	-43.7	145.8	-1.3	4.6
Unemployment	1510.9	**1493.0**	-17.9	-34.9	-1.2	-2.3
Participation rate	67.4	**67.3**	-0.1	0.2	...	...
Unemployment rate	8.1	**8.0**	-0.1	-0.3	...	...
Employment rate	62.0	**61.9**	-0.1	0.4	...	...
Part-time rate	19.7	**19.4**	-0.3	0.4	...	...
Youths, 15 to 24						
Population	4,408.9	**4409.3**	0.4	10.9	0.0	0.2
Labour force	2,862.5	**2821.0**	-41.5	-1.5	-1.4	-0.1
Employment	2443.5	**2401.6**	-41.9	5.6	-1.7	0.2
Employment full-time	1242.2	**1250.1**	7.9	-39.7	0.6	-3.1
Employment part-time	1201.3	**1151.6**	-49.7	45.5	-4.1	4.1
Unemployment	419.0	**419.4**	0.4	-7.1	0.1	-1.7
Participation rate	64.9	**64.0**	-0.9	-0.2	...	...
Unemployment rate	14.6	**14.9**	0.3	-0.2	...	...
Employment rate	55.4	**54.5**	-0.9	0.0	...	...
Part-time rate	49.2	**48.0**	-1.2	1.8	...	...

Source: Statistics Canada, Labour Force Survey Estimates, Table 1, September 2010

ALBERTA

Alberta's labour force shrank by 0.4% in the month of September 2010 from the previous month as fewer Albertans participated in the labour market. However, as compared to September 2009, the labour force stands inflated by 0.3%. The province's employment remained flat, with only an addition of some 300 jobs.

A strong gain in fulltime employment was offset by a matching loss in part time jobs. However, it is worth noting that over the past 12 months, increases in the full time category for the province have been at a higher rate than that of its part time counterpart (1.1% and 0.3% respectively).

ALBERTA'S EMPLOYMENT FLAT

LABOUR FORCE SHRUNK

UNEMPLOYMENT RATE: 6.2%

Alberta's unemployment dropped to 6.2%. This drop in rate was accompanied by shrinkage in the labour force.

Alberta`s Ministry of Finance and Enterprise asserts that the province has recovered more than half of the job losses incurred since the start of the recession in October 2008. However, Alberta has experienced a gain in employment of some 8,900 since January 2010.

Most of those have been in particularly oil and gas, and construction. However, indicators in these sectors are softening. This may particularly be the case for building permits and natural gas prices in the province as both these relax. By extension, employment in these sectors and those sectors with which they share interdependency may be impacted.

ATB notes, and quite appropriately, that among these indicators of economic growth, attention should also be focused on the average length of unemployment. Analyzing this measure reveals the weaknesses in both the Canadian and Albertan job market. According to analysis by ATB based on the August Labour Force Survey by Statistics Canada, the average length of unemployment in Canada and Alberta was 17.2 and 15.2 weeks respectively.

After a year of layoffs and downsizing in the energy sector, signs are emerging that Alberta's oil patch is looking to start hiring as it comes out of the recession.

A report by the Petroleum Human Resources Council of Canada in June 2010 warned of an impending labour shortage manifesting as early as next year and said the industry could require 100,000 new workers by 2020. A combination of higher activity and demographic shifts will see thousands of skilled workers retiring over the next decade will contribute to the crunch, the report said.

"It is abundantly obvious that we will be suffering from a shortage of workers from the least skilled to the most skilled for many years to come," Minister of Employment and Immigration said in meeting convened by members of the business community calling for changes to the temporary foreign workers program.

A combination of provincial royalty incentives and economic growth has translated into higher rig counts. It shows drilling activity has increased, which is already fuelling renewed fears of job shortages in the energy sector.

TABLE 8: LABOUR FORCE SURVEY STATISTICS – ALBERTA- SEASONALLY ADJUSTED

ALBERTA	August 2010	September 2010	Monthly change	Annual change	Monthly percent change	Annual percent change
	in thousands (except rates)					
15 years and over, both sexes						
Population	2935.9	**2939.7**	3.8	57.5	0.1	2.0
Labour force	2143.8	**2135.8**	-8.0	5.4	-0.4	0.3
Employment	2003.9	**2004.2**	0.3	19.3	0.0	1.0
Employment full-time	1646.2	**1652.2**	6.0	18.1	0.4	1.1
Employment part-time	357.6	**352.0**	-5.6	1.2	-1.6	0.3
Unemployment	140.0	**131.6**	-8.4	-13.9	-6.0	-9.6
Participation rate	73.0	**72.7**	-0.3	-1.2	...	...
Unemployment rate	6.5	**6.2**	-0.3	-0.6	...	...
Employment rate	68.3	**68.2**	-0.1	-0.7	...	...
Part-time rate	17.8	**17.6**	-0.3	-0.1	...	...

Source: Statistics Canada, Labour Force Survey Estimates Table 3, 4-9, September 2010

MEDICINE HAT & AREA

Medicine Hat's labour market is doing particularly well at the regional level. Its labour force at the regional level increased, while it simultaneously increased its employment rate, and dropped its unemployment rate.

At all levels of governance, Medicine Hat boasts the lowest unemployment rate.

Both the labour force and the employment level of Medicine Hat increased in September 2010 from the previous month, while simultaneously decreasing the unemployment rate and increasing the labour force.

TABLE 9: LABOUR FORCE CHARACTERISTICS, UNADJUSTED, MEDICINE HAT AND AREA

MEDICINE HAT*	September 2009	August 2010	September 2010	Monthly change	Annual change	Monthly percentage change
in thousands (except rates)						
Population	60.0	**61.0**	**61.1**	**0.1**	**1.1**	**0.2**
Labour force	41.4	**43.2**	**43.9**	**0.7**	**2.5**	**1.6**
Employment	39.2	**40.5**	**41.8**	**1.3**	**2.6**	**3.2**
Unemployment	2.1	**2.6**	**2.2**	**-0.4**	**0.1**	**-15.4**
Not in labour force	18.7	**17.8**	**17.2**	**-0.6**	**-1.5**	**-3.4**
Participation rate	69.0	**70.8**	**71.8**	**1.0**	**2.8**	**...**
Unemployment rate	5.1	**6.0**	**5.0**	**-1.0**	**-0.1**	**...**
Employment rate	65.3	**66.4**	**68.4**	**2.0**	**3.1**	**...**

- Includes City of Medicine Hat, Cypress County Municipal District, and Town of Redcliff

The number of total employed individuals has been increasing from the previous four months. As is reflected in table 11, Medicine Hat is faring rather well at all levels of national, provincial and economic region level.

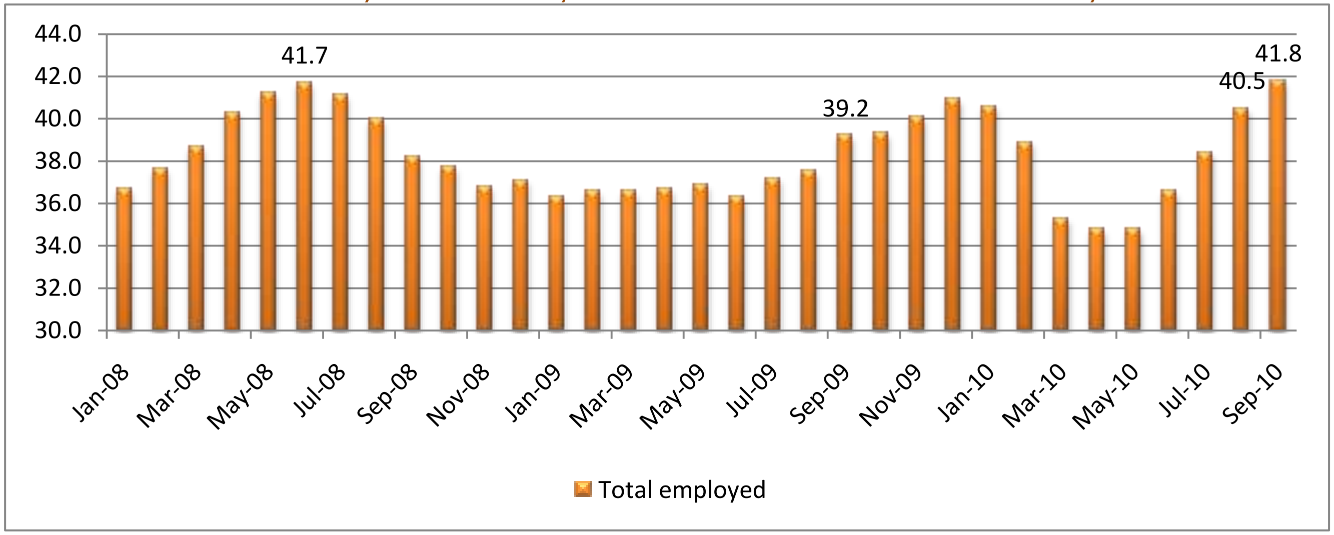
TABLE 10: LABOUR FORCE CHARACTERISTICS – A COMPARISON - UNADJUSTED, 3 MONTH MOVING AVERAGE

	Population	Labour force			P rate*	U rate*	E rate*
		Labour force	Employment	Unemployment			
	in thousands (except rates)						
CANADA							
Sept 2009	27362.0	18605.3	17017.5	1587.8	68.0	8.5	62.2
Aug 2010	27,737.1	19,030.6	17,478.4	1,552.2	68.6	8.2	63
Sept 2010	***27774.8***	***18926.1***	***17383.1***	***1543.0***	***68.1***	***8.2***	***62.6***
ALBERTA							
Sept 2009	2876.1	2151.1	1996.2	154.9	74.8	7.2	69.4
Aug 2010	2,929.80	2,172.60	2,029.50	143.2	74.2	6.6	69.3
Sept 2010	***2934.9***	***2157.1***	***2016.3***	***140.7***	***73.5***	***6.5***	***68.7***
LETHBRIDGE-MEDICINE HAT (CD1,2,3)							
Sept 2009	212.8	147.7	137.3	10.4	69.4	7.0	64.5
Aug 2010	214.9	154.2	144.1	10.1	71.8	6.5	67.1
Sept 2010	***215.1***	***151.5***	***142.3***	***9.2***	***70.4***	***6.1***	***66.2***
MEDICINE HAT							
Sept 2009	60.0	41.4	39.2	2.1	69.0	5.1	65.3
Aug 2010	61	43.2	40.5	2.6	70.8	6	66.4
Sept 2010	***61.1***	***43.9***	***41.8***	***2.2***	***71.8***	***5.0***	***68.4***

- P rate: Participation rate U rate: Unemployment rate E rate: Employment rate

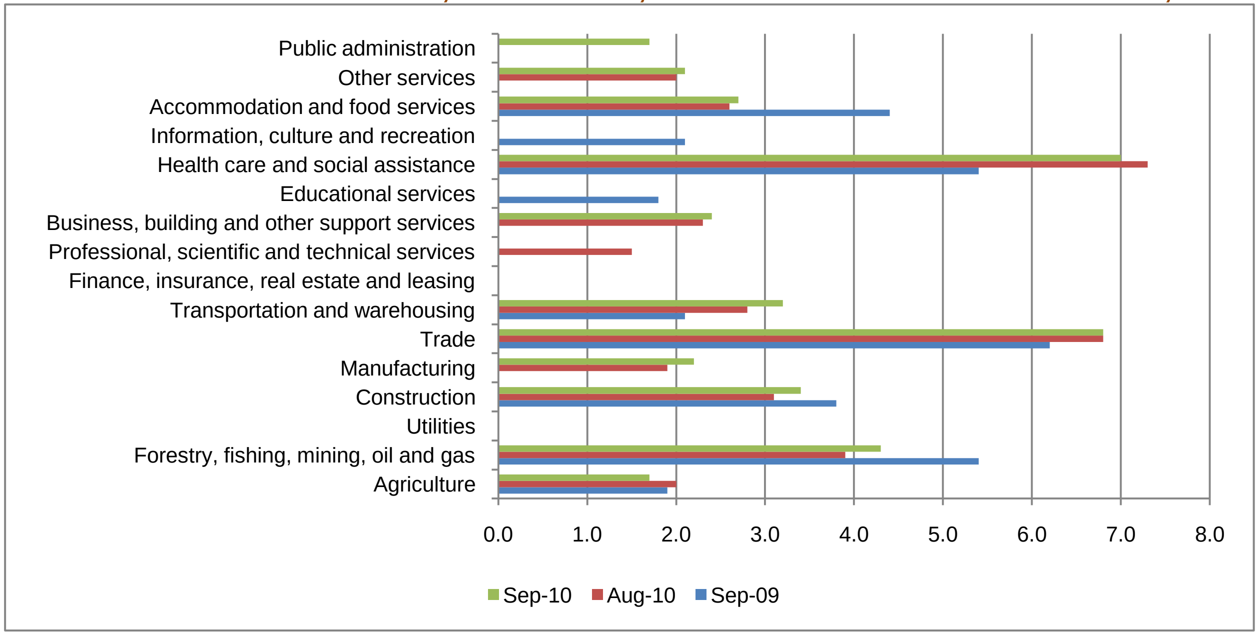
Source: Statistics Canada, labour force survey, Table 6-1, Table 20, August 2010

FIGURE 1: TOTAL EMPLOYED, MEDICINE HAT, UNADJUSTED 3-MONTH MOVING AVERAGE, SEPTEMBER 2010



Source: Statistics Canada, Labour Force Survey , custom tabulation G0610_14_Tab1.sas2010

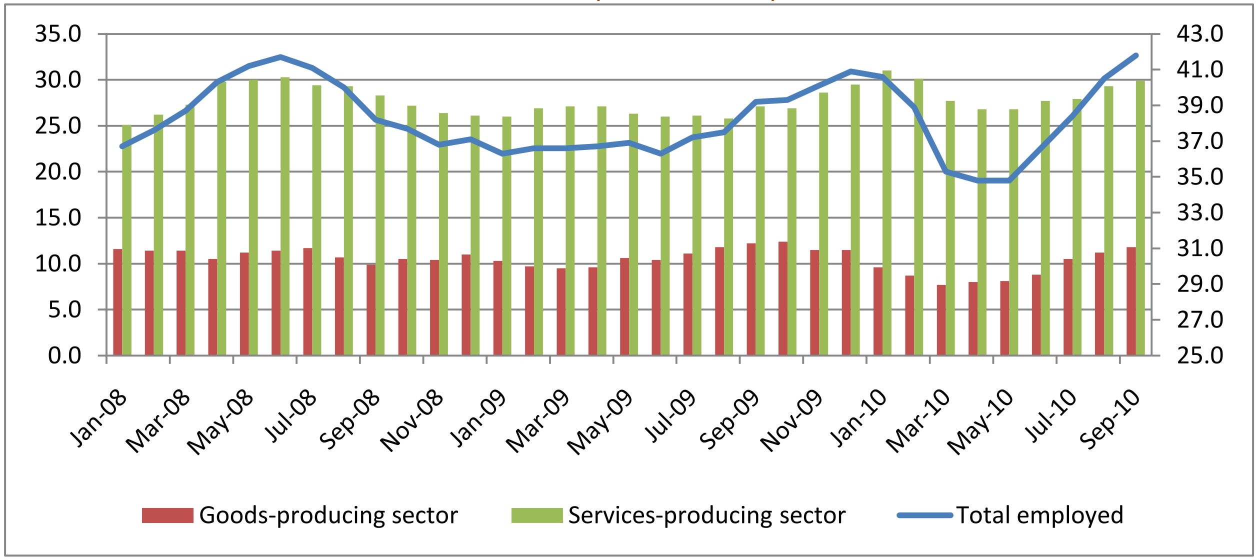
FIGURE 2: EMPLOYED BY INDUSTRY, MEDICINE HAT, UNADJUSTED 3 MONTH MOVING AVERAGE, SEPTEMBER 2010



[Note: data absent for values below 1500]

Source: Statistics Canada, Labour Force Survey September 2010, custom tabulation

FIGURE 3: EMPLOYED BY INDUSTRY – GOODS AND SERVICES, MEDICINE HAT, UNADJUSTED 3 MONTH MOVING AVERAGE, AUGUST 2010



[Goods-producing industries – LEFT SIDE SCALE: Agriculture, Forestry, Fishing and Hunting, Mining and Oil and Gas Extraction, Utilities, Construction, Manufacturing, Services-producing Industries.

Services-producing Industries – RIGHT SIDE SCALE: Wholesale Trade, Retail Trade, Transportation and Warehousing, Information and Cultural Industries, Finance and Insurance, Real Estate and Rental and Leasing, Professional, Scientific and Technical Services, Management of Companies and Enterprises, Administrative and Support, Waste Management and Remediation Services, Educational Services, Health Care and Social Assistance, Arts, Entertainment and Recreation, Accommodation and Food Services, Other Services - except Public Administration, Public Administration].

Source: Statistics Canada, Labour Force Survey September 2010, custom tabulation

MEDICINE HAT & AREA

EMPLOYER SURVEY

For each quarter of 2010, and until March 2011, a survey will be conducted of organizations in Medicine Hat and area. The purpose of the survey is twofold: to gather information from employers on their human resources issues, so as to better understand the local recruitment and retention practices, in addition to other employment issues, and to understand how local companies are faring under the current economic environment, and whether they have issues at the local economic platform.

Disclaimer: Over 50 local companies from the following six sectors were contacted: construction, energy, manufacturing, non profit and voluntary, retail, and tourism and hospitality. However, only 9 participated. Hence, this section *only* reports findings from those 9 respondents, and acknowledges that it's much too small a sample to reflect the trends, or bigger concerns of the community.

PROFILE OF COMPANIES

Nine organizations, representing a total of 930 employees were surveyed for the first quarterly report. The following table summarizes the profile of the organizations that were surveyed. The breakdown is by industry and by the number of employees the particular industry represented, as well as the number of organizations falling in specific employment brackets

TABLE 11: EMPLOYER SURVEY - PROFILE ORGANIZATIONS SURVEYED

INDUSTRY	No. of organizations surveyed	Total employees represented by the industry
Construction	2	51
Energy	2	210
Manufacturing	1	50
Non -profit	1	20
Retail	3	599
Total	9	930

TABLE 12: EMPLOYER SURVEY - ORGANIZATIONS SURVEYED: BRACKETS OF EMPLOYEES AND NO. OF ORGANIZATIONS

Number of Employees	No. of organizations
0-49	3
50-99	1
100-149	3
150-199	
200-250	2

BUSINESS ACTIVITY

Of the 9 organizations, 6 reported an increase in business activity in the previous 12 months, whereas 2, both in the retail industry reported a decline in business activity. 1 reported activity to have remained constant. All reported to have had no shift in the scope of operations in the previous 12 months.

EMPLOYMENT: TRENDS AND FORECASTS

The organizations were asked to comment on the hiring, termination, turnover trends and retention practices observed in the previous 3 months.

Hiring, termination and turnover

Whereas 4 of the 9 organizations (44%) reported to have had to terminate services, 78% reported to have hired new employees. However, 67% reported voluntary turnover. This was more prevalent in the retail and energy sectors. Both these sectors are affected by this aspect due to the nature of operations in the industry. The turnover in the energy sector was attributed to the seasonal nature of the work, whereas retail identified predominately front desk workers as voluntarily leaving.

Retention

When questioned on the retention programs in place for current employees, 78% reported to have such programs in place. Various aspects[4] of retention programs were identified and asked to comment on. Whereas bonuses were used by 33% of the companies, training was employed by 89%. Recognition came a close second at 78%. Industry wise, it was the construction industry that scored the most on the index of employing retention mechanisms. Table 14 summarizes the results.

TABLE 13: EMPLOYER SURVEY - UTILIZATION OF RETENTION MECHANISM

	Positive work environment	Salary and benefits	Training	Delegation	Flexible work arrangements	Bonuses	Recognition
Construction	22%	22%	22%	22%	22%	22%	22%
Energy	11%	22%	22%			11%	11%
Manufacturing							
Non -profit	11%		11%	11%	11%		11%
Retail	22%	11%	33%	11%	33%		33%
	67%	56%	89%	44%	67%	33%	78%

Note: due to the extremely small population of respondents, the tables and the values therein may be misleading. The 22% number at the intersection of construction industry and positive work environment is in essence 22% of the total surveys organizations (2 companies) indicated positive work. This 22% of respondents also is 100% of the companies in the construction industry (also 2).

<u>Additional comments on the current retention mechanisms employed were:</u>

- (Construction): There is employee ownership which keeps the employees motivated
- (Energy): Constantly evaluating the need to employ such mechanisms in light of the amount of work - at this point, when the focus is to get them to work, wages have been increased across board.
- (Retail): There is a corporate On boarding Strategy designed to engage employees with 6 different check-in points within the first 3 months of being hired. This includes a follow up survey so that an employee may rate their experience.
- (Retail): A special committee is set up to take care of matters of retention. Benefits are even extended to part time employees. There is a rewards program to recognize outstanding performance.

Vacancies

78% of the organizations surveyed reported to have current vacancies that need to be filled at the time of the survey being conducted. Not all disclosed which specific positions were vacant, and hence an in-depth analysis of the demand for the specific skills was not possible.

WORKFORCE CHALLENGES, STRATEGIES AND STAFFING NEEDS

Respondents were questioned on the current workforce challenges being faced by the respective organizations. Various aspects[5] of such challenges were identified and put forth for comment. 44% of the respondents reported that issues of productivity were of concern. None identified compensation. Hiring, finding candidates with relevant experience and training were at par as a second on the list after productivity.

Organizations in the energy sector identified training, hiring and primarily, “employee attraction” as worrisome concerns.

Productivity was an issue for organizations predominantly in the retail industry.

Almost half the respondents agreed that there was a skill shortage, more than a labour shortage. It was acknowledged that the skills are there, but to attract them, train and retain them was of interest. Although only 2 of the respondents identified retiring workforce an issue in the immediate (3-12 months) future, there was a desire to have a reliable workforce that stayed for a solid length of time.

With almost all of the participants having an optimistic view of the organization’s future activity in the coming 1 year, the majority, 67%, were anticipating formation of new positions to meet the forecasted increased activity. 33% of the respondents were concerned about finding the relevant skills and experience. Almost 50% admitted to foresee a future labour shortage for their organizations. The issue is finding the right fit of labour and skills.

Additional comments were:

- (Energy): The recession resulted in losing people who are now looking for work elsewhere. Saskatchewan's economy picked up and has not only attracted workers, but the workers that used to move west, aren't coming west. Attraction to industry is the problem. Work ethics is deteriorating.
- (Energy): Work is away from home, personnel are on the road for their shift, which makes it difficult on them.
- (Retail): Productivity of front end employees is always a challenge, which makes training imperative.
- (Retail): We are going to be looking for skilled employees with potential, looking to advance into

[5] Aspects of workforce challenges were identified as: hiring, attraction, appropriate experience, skills, retiring workforce, turnover, retention, productivity, training, and compensation.

Store Management within the next year and we hope to hire some of these employees. With reduced sales, we've had to increase our dollar per hour expectations from our employees - some employees have difficultly handling the increased expectations and as a result, poor or below average employees stand out as under performers.

- (Retail): Current employees at these positions are not wanting to develop - we are looking for potential individuals to fill these ranks so that we may use these as the development position they are.

SECTOR IN FOCUS- HOUSING MARKET AND CONSTRUCTION INDUSTRY

Construction and housing are vital indicators of economic revival. Construction in the residential, commercial and institutional dimensions is both a consequence of and an indicator to economic growth. In terms of housing, whether it is the construction of new dwellings, or the rental, sale, or renovation of existing homes, the housing sector plays a vital role in the economy. According to Canada Mortgage and Housing Corporation, housing related activity accounted for over one fifth of the nation's total GDP.

The impact of housing unequivocally contributes to employment across a wide range of sectors. Residential construction alone is comprised of numerous labour intensive small businesses. There are direct and indirect impacts resulting from housing activity, and when both are accounted for, it is believed that housing construction may generate as many jobs outside the housing sector as it does within.

Construction of new homes generates expenditures on infrastructure, and businesses are created to meet the needs of the residents and community.

Both economy and demography are essential players in the construction industry in general and the housing sector in specific. Economy and demography are by themselves tied together, especially in terms of migration – the movement which occurs with social and economic impetus.

Net household formation is bound to decline over the future as a consequence of the nation's aging population. This trend will most certainly impact new housing production, or the characteristics of the housing structures vying for investment. However, recent figures for interprovincial migration and natural increases in Alberta are welcome news.

Following a strong rebound in activity that began in 2009, Alberta's housing market has been showing signs of cooling. Residential construction has slowed to low levels as supply (particularly for condominiums) remained high. At a national level, housing affordability deteriorated (as measured by the housing affordability index by RBC). However, Alberta's properties' values fell, keeping the affordability in check. RBC's report on housing affordability concludes that Alberta remains one of the more affordable provinces in Canada, primarily because the province's housing market has been weaker than in other areas of the country.

Whenever builders want to begin a project they must first take out a building permit. Hence these figures provide a forward looking indication of how many and what kind of construction projects will commence in the coming months.

Recently the value of building permit applications has indicated that residential construction is about to slow in the late months of 2010 and into early 2011. Building permit indications for the month of August showed a sharp decline in residential permit issuance. Preliminary estimates suggest that residential permits fell even further in September. Building permits applications tend to lead housing starts by around 3 to 6 months, which means starts are likely to show some weakness in the coming quarters.

Building permits not only declined in the housing sector, but intentions in the non residential sector too displayed a downward trend; nationally, provincially, and locally. However, of concern was the cooling off of housing construction, which on a month to month and annually basis declined.

In order to better understand the concerning trends both in the construction industry in general and housing in particular, senior economists at ATB, regional market analyst at the Canada Mortgage and Housing Corporation, together with the President of the Canada Homebuilders Association, Medicine Hat, were contacted to comment on the trends and future prospects of construction and housing, specially locally.

1. In response to the perception, and the assertion by CIBC Economic Insights publication of September 30 2010, stating that housing prices in Alberta "have overshot fair market value...[and]ongoing correction [is] expected to dull residential construction activity and blunt consumer enthusiasm", all three experts disagreed.

   Economists at ATB argued that Alberta's recovery in the housing prices has been the weakest among the provinces. By virtue of the housing prices rising by lower magnitudes in late 2009 and early 2010, in absolute terms, therefore, prices may fall at a lower rate as 2010 progresses and in early 2011.

That being said, ATB economists postulate that in the short run, there may be further moderation in housing prices by around 5% and a potential decrease in home sales in 2011 compared to 2010, particularly in the first 6 months. This will not be, according to the experts at ATB, in opposition to the trends at the national level.

At the local level, it was stated that housing prices, as well as construction, for Medicine Hat are not expected to rise or fall dramatically, and that things will most likely emulate past trends by remaining relatively flat. Slight softening is expected, but most likely not until interest rates rise, which is not expected in the immediate future.

Market analyst at CMHC added to this analysis by stating that there is a perception that Alberta is in a housing bubble which is not the case. In responding to the question asking why CMHC had revised lower forecasts, both for sales and average housing prices, for Medicine Hat between the second and third quarter, it was explained that not only did the economy change, but the fact that Medicine Hat was a buyers' market contributed to this re-evaluation. Amid fears of mortgage rates spiking later in the year, many purchases were made in the early months, resulting in slow sales thereafter, compelling CMHC to revise forecasts at lower levels for both starts and average prices.

The President of Medicine Hat's chapter of Canada Homebuilders Association agreed with the conclusion of the statement by CIBC, but refuted the cause. It was agreed that residential construction is to become dull and consumer enthusiasm is going to wane, but the cause was not a correction of overshot housing prices, but lower consumer confidence and the extensive support given to affordable housing, curtailing the prospects of homebuyers moving up to purchase second homes. Concern was aired that the coming year will see an oversupply of affordable housing. Market analyst at CMHC did not give much credence to this fear.

2. In response to the provincial government's evaluation of tying housing affordability in terms of improved confidence and record low mortgage rates to economic and demographic conditions of the province, all three experts agreed.

Economists at ATB state that as for construction, housing starts have appeared to cool off recently and new building permit data suggests that it will further continue this trend for some time. No substantial fall-off is expected, but builders are monitoring the resale markets and by seeing slower activity there, are prompted to slow down their activities. Starts may fall slightly from current levels in the near term, but probably not by much. It is further postulated by the economists at ATB that starts will begin to recover, moving towards the high 20,000 by spring 2011 to last for the year.

CMHC market analyst, commenting on the drop in single home starts in Medicine Hat and a rise in Apartment units in September 2010 said that there had been people moving in, which spiked construction for new homes, but that trend has slowed. Furthermore, it was said to be more economical to have apartments, and that since it is the first spike in that category since March 2009, it is rather acceptable and not the exception.

President of the Homebuilders Association added to this discussion that consumer confidence will only come about when there is a period of strong statistics supporting a good economy – a strong local economy.

Both market analyst for CMHC and president of Homebuilders Association, Medicine Hat, stated that since the local economy is so tied to natural gas, housing too will improve once the prices of natural gas go up. The price of gas is low, but the expectant high demand has yet to follow suit. Hence, the supply remains high, which has contributed to the slow economy and the slow residential market.

Adding to that concern, ATB economists further stated that housing markets in smaller centers tend to follow the trend set in larger cities and this is what seems to be the case with Medicine Hat. It is tracking both home price movements and economic activity in Calgary and Edmonton, but with a lag. The energy sector and agriculture are fairly big for Medicine Hat. Agriculture has had a decent year and is contributing to the local economy, and the oil component of energy is on the path to recovery. These both are firming up prices and economic activity in Medicine Hat somewhat.

Residential construction is by far the most important construction sector in terms of value in Medicine Hat. Currently, the value of building permits issued is fairly close to the average level seen between 2000 and

2005 which means it is probably close to where it should be. During 2006-2008, residential construction reached unsustainable levels. It is returning to normal and sustainable growth rate that is consistent to how it behaved for the 10 or so years before the boom.

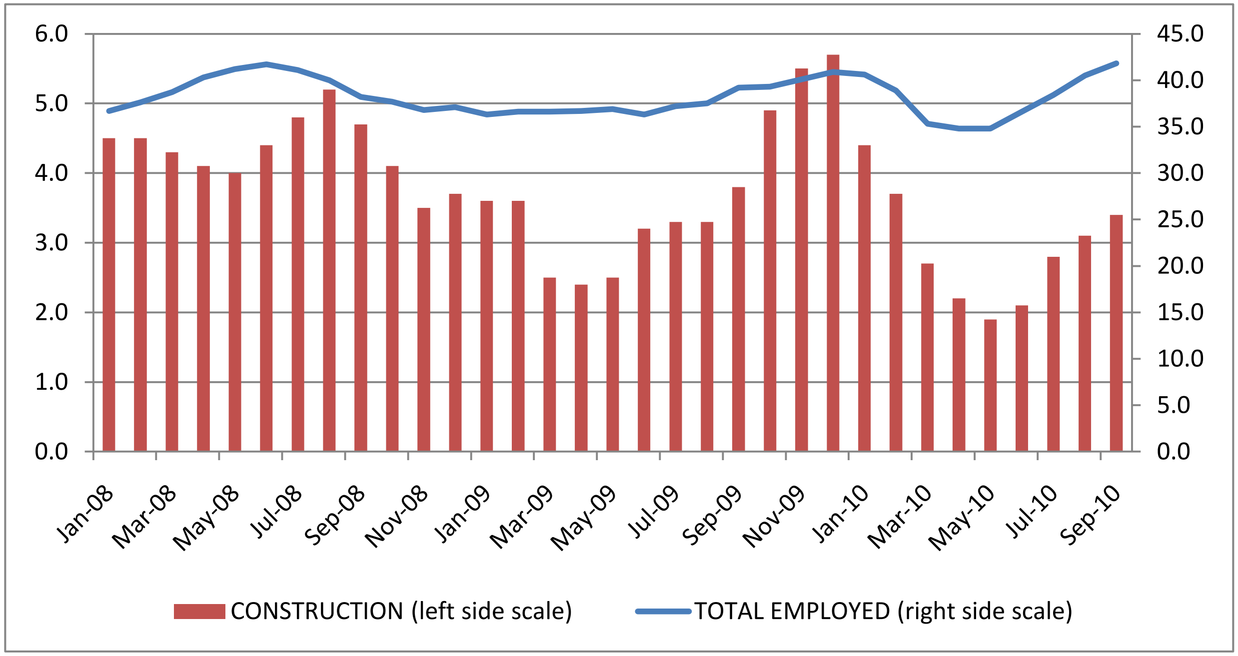
Based on the acumen of the ATB economists looking ahead, there is no reason for it to deviate from this kind of growth.

TABLE 14: VALUE OF BUILDING PERMITS - CANADA & ALBERTA

	AUGUST 2009	JUNE 2010	JULY 2010	AUGUST 2010	JULY – AUGUST 2010	AUGUST 2009 – AUGUST 2010
	Seasonally adjusted					
	$ Millions				% change	
CANADA						
	5,159.9	6,587.0	6,333.8	5,748.0	-9.2	11.4
Residential	3,073.7	3,588.3	3,476.7	3,544.5	2.0	15.3
Non – residential	2,086.1	2,998.7	2,857.2	2,203.5	-22.9	5.6
ALBERTA						
	834.9	1,189.0	959.3	851.9	-11.2	2.0
Residential	571.9	608.3	605.7	481.2	-20.6	-15.9
Non – residential	263.0	580.7	353.6	370.7	4.9	40.9

Source: Statistics Canada, Building Permits, October 2010. Value of building permits, province and territory.

FIGURE 4: : MEDICINE HAT: TOTAL EMPLOYED VIS A VIS EMPLOYED IN CONSTRUCTION



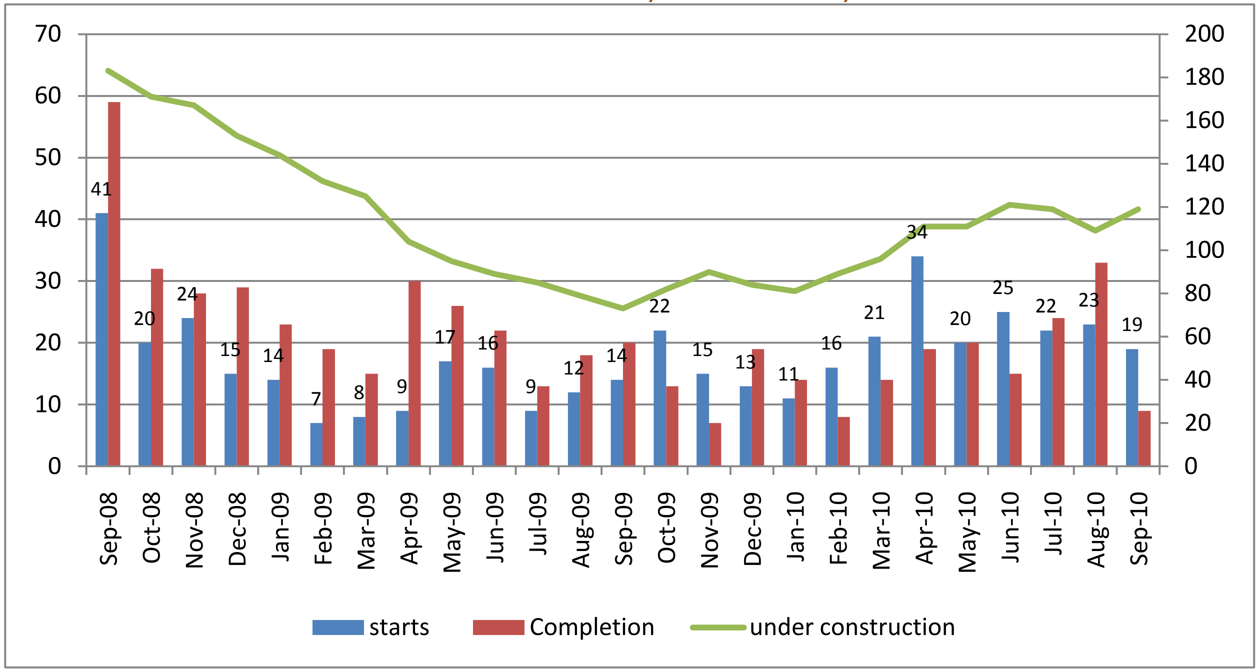
Source: Statistics Canada, Labour Force Survey September 2010, custom tabulation

TABLE 15: STARTS & COMPLETIONS BY DWELLING TYPE - MEDICINE HAT

	STARTS					COMPLETIONS				
	SINGLES	SEMIS	ROW	APT & OTHER	TOTAL	SINGLES	SEMIS	ROW	APT & OTHER	TOTAL
Sep-08	41	4	0	16	61	59	4	4	0	67
Oct-08	20	12	0	0	32	32	10	7	48	97
Nov-08	24	0	0	0	24	28	8	3	193	232
Dec-08	15	0	50	0	65	29	0	0	0	29
Jan-09	14	0	4	4	22	23	12	0	0	35
Feb-09	7	2	4	0	13	19	2	0	0	21
Mar-09	8	0	0	47	55	15	12	4	8	39
Apr-09	9	0	0	0	9	30	4	50	0	84
May-09	17	0	0	8	25	26	4	4	20	54
Jun-09	16	0	0	0	16	22	0	0	0	22
Jul-09	9	0	4	0	13	13	2	0	0	15
Aug-09	12	2	0	0	14	18	2	0	0	20
Sep-09	14	0	0	0	14	20	6	0	0	26
Oct-09	22	0	54	0	76	13	2	0	0	15
Nov-09	15	0	0	0	15	7	0	0	0	7
Dec-09	13	2	0	0	15	19	2	4	0	25
Jan-10	11	0	4	0	15	14	0	0	0	14
Feb-10	16	2	0	0	18	8	0	0	0	8
Mar-10	21	2	0	0	23	14	0	0	0	14
Apr-10	34	2	0	0	36	19	2	0	0	21
May-10	20	2	4	0	26	20	0	0	0	20
Jun-10	25	0	4	0	29	15	0	0	28	43
Jul-10	22	0	0	0	22	24	4	12	14	54
Aug-10	23	0	3	0	26	33	2	0	20	55
Sep-10	19	0	0	40	59	9	0	0	0	9

Source: CMHC Housing Information monthly, Table A4-2, October 2008-October 2010

FIGURE 5: MEDICINE HAT - SINGLE HOMES: STARTS, COMPLETIONS, UNDER CONSTRUCTION



Source: CMHC Housing Information monthly, Table A4-2, October 2008-October 2010

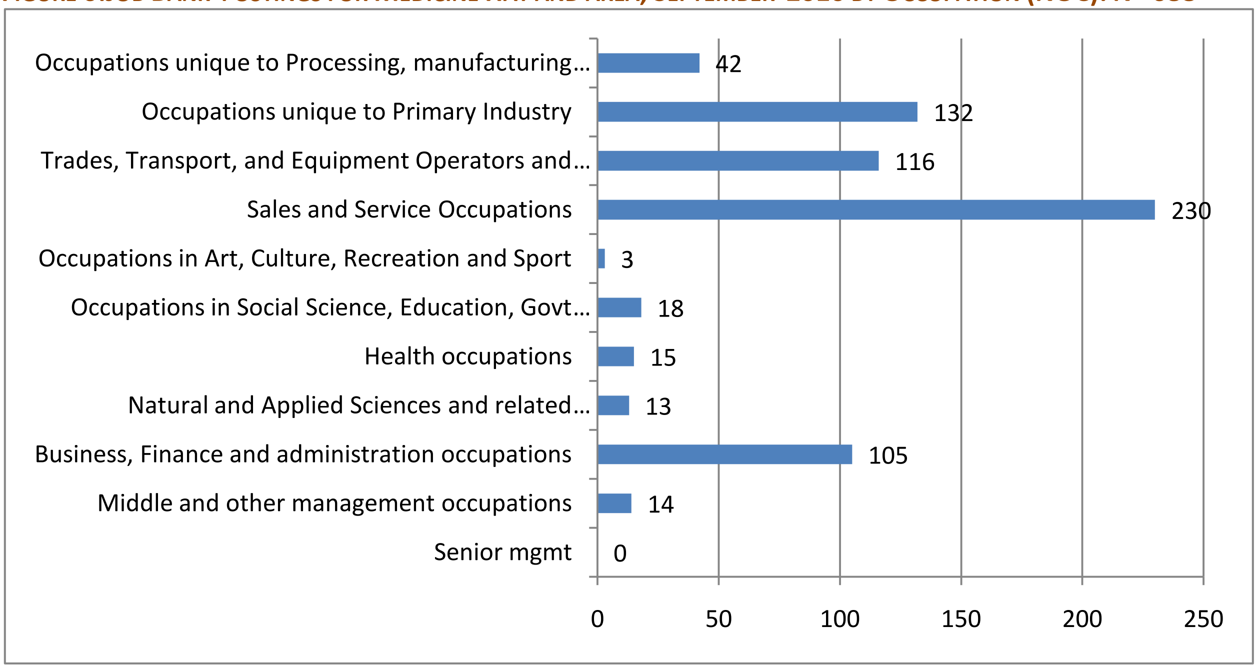
JOB BANK ANALYSIS

For employment analysis, and for consistency in the analysis, Job Bank listings are used to get an estimate of the nature of labour demand in the Medicine Hat and area. It is appreciated that there are other media that advertise vacant positions and that not all vacancies see it to the job bank database. However, for consistency sake and for referencing with NOC coding, only data available through the Job bank is utilized.

For Medicine Hat and area, there were a total of 688 positions listed on the Job Bank in the month of September 2010, accounting for 301 job listings.

Sales and Services occupation (major group 62, NOC) dominated in the Job bank, accounting for 33% of the positions listed.

FIGURE 6:JOB BANK POSTINGS FOR MEDICINE HAT AND AREA, SEPTEMBER 2010 BY OCCUPATION (NOC): N= 688



Source: Job Bank analysis, August 2010

11 % of the positions listed on the Job bank for September 2010 accounted for Retail Salespersons and Sales Clerks (NOC 6421).

TABLE 16: JOB BANK TOP 20 POSITIONS FOR SEPTEMBER 2010. N=688

Occupation	NOC	POSITIONS
Retail Salespersons and Sales Clerks	6421	73
Customer Service, Information and Related Clerks	1453	53
Nursery and Greenhouse Workers	8432	48
Food Counter Attendants, Kitchen Helpers and Related Occupations	6641	44
Oil and Gas Well Drillers, Servicers, Testers and Related Workers	8232	27
Survey Interviewers and Statistical Clerks	1454	25
Sales Representatives - Wholesale Trade (Non-Technical)	6411	25
Oil and Gas Drilling, Servicing and Related Labourers	8615	25
Labourers in Food, Beverage and Tobacco Processing	9617	22
Cooks	6242	21
General Farm Workers	8431	17
Truck Drivers	7411	16
Construction Trades Helpers and Labourers	7611	13
Delivery and Courier Service Drivers	7414	11
Travel Counsellors	6431	10
Stationary Engineers and Auxiliary Equipment Operators	7351	10
Landscaping and Grounds Maintenance Labourers	8612	10
Food and Beverage Servers	6453	9
Carpenters	7271	9
Taxi and Limousine Drivers and Chauffeurs	7413	8

Source: Job Bank analysis, September 2010

The following occupations were listed most at job Bank for the month of September 2010.

TABLE 17: JOB BANK 20 MOST ADVERTISED OCCUPATIONS FOR SEPTEMBER 2010. N=301

Occupation	NOC	FREQUENCY
Retail Salespersons and Sales Clerks	6421	34
Truck Drivers	7411	13
Sales Representatives - Wholesale Trade (Non-Technical)	6411	10
Nursery and Greenhouse Workers	8432	10
Cooks	6242	9
Food Counter Attendants, Kitchen Helpers and Related Occupations	6641	9
Delivery and Courier Service Drivers	7414	8
Retail Trade Managers	621	7
Technical Sales Specialists - Wholesale Trade	6221	6
Carpenters	7271	6
General Office Clerks	1411	5
Customer Service, Information and Related Clerks	1453	5
Community and Social Service Workers	4212	5
Babysitters, Nannies and Parents' Helpers	6474	5
Construction Trades Helpers and Labourers	7611	5
Bartenders	6452	4
Food and Beverage Servers	6453	4
Stationary Engineers and Auxiliary Equipment Operators	7351	4
Oil and Gas Well Drillers, Servicers, Testers and Related Workers	8232	4
General Farm Workers	8431	4

Source: Job Bank analysis, September 2010.

Collection and research methodology: Information sources for this report has included data from Statistics Canada, business associations, industry associations, labour associations, government sources, national and provincial banking sectors, Industry Canada, national and local newspapers, Canada sector councils, Canada Mortgage and Housing Corporation (CMHC), Medicine Hat real Estate Board, Alberta ministries and agencies, rating agencies (S&P), and Job bank.

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