

## September 2014

### The Role of the Transportation, Logistics, and Warehousing Sector in Northern British Columbia

Prince George plays a vital role as the supply and service centre for business communities across northern British Columbia. In keeping with its role as the regional centre for northern BC, Prince George has a highly developed and diversified transportation sector. The city's transportation, logistics, and warehousing sector provides a wide-range of services such as movement of goods for resource-related industries through roads and railways, transportation of workforce, equipment and supplies, and warehousing facilities. It is estimated that the resource-related investment in northern BC will be around \$140 billion in the next decade, which will create new opportunities for the transportation, logistics, and warehousing sector in the region<sup>1</sup>.



Photo: Excel Transportation Inc.

The transportation, logistics, and warehousing sector provides employment to 7.4 per cent of Prince George's total labour force, and it employs nearly 3,700 people. The number of people employed in the transportation, logistics, and warehousing sector in Prince George accounts for 66 per cent of total sector employment in the Cariboo region. Prince George has 547 businesses that offer services in this sector clustered in land (road, rail) and air-based services. This sector supports activities in all other local and regional industries.

With upcoming investment related to mining and oil & gas development, manufacturing, and a wide range of other construction projects; the transportation, logistics, and warehousing sector is expected to grow quickly over the next decade. The movement of forestry related products in Prince George relies heavily on transportation, logistics, and warehousing infrastructure. The export of major commodity groups increased substantially from January to July 2014, including a 4.3 per cent increase in shipments of solid wood products year-to-date to July. Softwood lumber exports grew 6.4 per cent during the same period, while exports of veneer grade softwood plywood jumped 21.3 per cent, and the export of pulp and paper products climbed 13.4 per cent. Prince George is home to three pulp mills, a paper mill, and several lumber mills; the movement of their goods relies on rail and road transportation. One of CN Rail's 23 intermodal terminals is located Prince George, which gives CN the flexibility to provide access to rail, trucks and vessels to reach destinations across the US and Canada.

The Prince George International Airport (YXS) has the third longest runway in Canada with international cargo capability. Multiple investments are being made at the airport, including a new cross-dock facility and ground handling services for cargo. The Prince George International Airport also provides access to national and global destinations.

With fast and reliable infrastructure, Prince George is connected to regional, national and international markets by air, rail, ground, and marine transport and will continue to play an important role as the supply and service centre for northern BC.

<sup>1</sup> Statistics Canada

## Economic Statistics

### Employment

The number of people employed in Prince George increased substantially from 51,200 in July 2014 to 52,300 in August 2014, up 2.1%. There was also an increase in the number of people in the workforce, from 54,100 in July to 54,800 in August. The unemployment rate declined substantially from 5.5% in July to 4.6% in August. In BC, the number of full time jobs decreased by 14,400 in August 2014, while part-time jobs grew by 16,200, which resulted in an overall gain of 1,800 jobs during August. As a result, the unemployment rate in BC went up marginally from 5.9% in July to 6.1% in August. The number of people employed in the public sector in BC declined marginally by 400, while number dropped by 10,800 in the private sector and grew by 13,100 in the self-employed category. Employment rates in BC and across Canada were 59.5% and 61.3%, respectively, while Prince George was significantly higher than both at 74.1%. Prince George remained below the provincial (6.1%) and national (7.0%) unemployment rates at 4.6%.

*(Source: Statistics Canada Labour Force Survey)*

### Real Estate

41 newly constructed single detached houses were sold in August 2014 at an average price of \$430,059. This was in comparison to 37 houses sold at an average price of \$436,546 in August 2013. Home sales in Northern BC totaled 408 units in August 2014, down 1% compared to August 2013. The average home price in Northern BC in August was \$269,185, up 10% on a year-over-year basis. The total value of properties sold in Northern BC was \$110 million in August 2014, up by 9% on a year-over-year basis. National home sales were up 1.8% between July and August 2014, and the average price rose by 5.3% on a year-over-year basis in August.

*(Source: BC Northern Real Estate Board; Canadian Real Estate Association)*

### Housing Construction

There were 9 housing starts in Prince George during August 2014 (all single family dwellings) and 78 housing starts year-to-date. A total of 21 single-detached residential houses and 10 apartments were completed in August 2014, which is over twice the number of houses compared to the previous year. Comparatively, the total number of housing starts in BC during August 2014 went up by 31% compared to August 2013.

*(Source: Canada Mortgage and Housing Corporation)*

### Building Permits

The City of Prince George issued 59 building permits valued at \$14.6 million in August 2014, compared to 52 building permits worth \$5.9 million in August 2013. The value of new commercial permits issued was \$3.7 million in August 2014 compared to \$110,000 in August 2013. Industrial permits accounted for \$747,390 in August 2014, no permit, were issued in August 2013. The value of permits issued for new single family detached units was \$3.1 million during the month of August 2014, compared to \$3.2 million in August 2013.

*(Source: City of Prince George; Statistics Canada)*

### Business Licenses

The City of Prince George received 43 new business license applications and 31 renewal applications in August 2014. The City approved 56 new and renewal applications for business licenses in August 2014.

*(Source: City of Prince George)*

### Airport Passenger Volumes

36,048 passengers moved through the Prince George International Airport in August 2014, which is 4.54% higher than in August 2013. Year-to-date traffic is up by 2.8%. Traffic through the Vancouver International Airport was up 7.3% for the month of July 2014, in comparison to July 2013. Year-to-date passenger traffic through the Vancouver Airport remained significantly up by 8.1%<sup>2</sup>.

*(Source: Prince George Airport Authority and Vancouver Airport Authority)*

<sup>2</sup>August Vancouver air traffic statistics were unavailable at the time of publication released