



February 2013



According to annual Labour Force Survey estimates released by Statistics Canada, the number of persons employed in Prince George reached the highest level on current record in 2012.<sup>1</sup> The annual level of employment in the city increased by an average of 1.7% between 2002 and 2012, with momentum building over the last three years; since 2009, employment has grown by an average of 4.7% each year.

The city's employment growth over the past few years can be attributed to nearly all sectors of the economy. The Primary, Secondary and Tertiary<sup>2</sup> sectors all saw employment increases (annual averages of 17.1%, 7.4% and 3.7%, respectively).

The three sectors with the highest average annual growth over the past three years were: *Professional, Scientific & Technical Services*; *Forestry, Mining and Oil & Gas*; and *Wholesale & Retail Trade*. Employment in these sectors averaged growth of 20.8%, 19.7% and 11.9%, respectively between 2009 and 2012. Combined, these sectors account for nearly one third of all employment in Prince George (5.4%, 7.1% and 16.7%, respectively).

The expansion of these sectors can be related in part to strong economic activity across the northern region and is reflective

of Prince George's role as the service and supply hub for most industry activities across Northern BC.

The *Professional, Scientific & Technical Services* sector in Prince George represents a well-developed network of businesses that can support a wide range of activities in other industries to facilitate growth and development across the economy.<sup>3</sup> The city's *Forestry, Mining and Oil & Gas* sector is vital to natural resource extraction activities in the north and continued wealth generation for the province as a whole, and the well-developed supply network within the *Wholesale & Retail Trade* sector meets the needs of both businesses and residents alike, strengthening the business climate in the community and throughout the region.

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Other sectors with notable growth in recent years and that further demonstrate the strength and diversification of the Prince George economy include the *Construction*, *Transportation & Warehousing* and *Education* sectors. Employment in these sectors averaged growth of 10.3%, 8.4%

and 8.1%, respectively, over the past three years.

The *Construction* sector accounts for 9.3% of all employment in Prince George and is the largest sector in the city's economy, based on the number of businesses operating. Nearly one quarter of all construction firms in Northern BC are based in the city; as such, Prince George firms play a large role in development across the northern region. As Prince George serves as a base for product distribution across the region, the country and internationally, persons employed in the *Transportation & Warehousing* sector also provide a considerable amount of support to economic activity across a variety of sectors throughout Northern BC.

The *Education* sector is one of the most important sectors contributing to the sustained growth and diversification of the Prince George economy. The city is home to the main campuses of the University of Northern BC (UNBC) and the College of New Caledonia (CNC), which combined have a student population of about 10,000 students annually. These institutions provide a wide range of programming to facilitate the continued development of a labour force with the diverse skill sets to support business expansion across all industries.

The employment growth trend in recent years is expected to continue in 2013 and beyond, as Prince George plays a major role in the economy of one of the fastest-growing regions in Canada.

<sup>1</sup> Current Statistics Canada Labour Force Survey statistics date back to 1996.

<sup>2</sup> The Primary sector is comprised of Agriculture, Forestry and Mining activities. Secondary sector activities include Construction and Manufacturing. The Tertiary sector includes all remaining sector activities.

<sup>3</sup> Sector activities include but are not limited to services in: legal and finance; engineering; specialized and computer systems design; management, scientific & technical consulting; research & development and; advertising & public relations.

# ECONOMIC UPDATE

## Economic Statistics

### Employment

48,600 persons were employed in Prince George in January, down 2.8% from the previous month.<sup>4</sup> The labour force declined by 2.5% so the number of unemployed persons increased slightly, leading the unemployment rate to increase 0.3% (to 4.5%). Across BC, the number of employed persons declined by 0.7%; those in the labour force declined by 0.8%. This led the number of unemployed persons to decrease by 2.3% and the unemployment rate to decrease 0.1% (to 6.3%). Across Canada, the number of employed persons and those in the labour force decreased 0.1% and 0.3%, respectively; the number of unemployed persons decreased 2.6% and the unemployment rate declined by 0.1% (to 7.0%). Prince George's working age population was unchanged last month; the employment rate decreased 2.0% (to 68.6%). Employment rates declined 0.5% in BC and 0.2% across Canada (to 59.9% and 61.9%, respectively).

(Source: Statistics Canada Labour Force Survey)

### Real Estate

41 single family homes were sold in the city in January, 1 fewer than in the same month last year, with an average price of \$261,948 (10.7% higher than in January 2012). Comparatively, the number of single family



<sup>4</sup> The decline is attributed largely to seasonal factors and reflects a trend typical of this time of year.

homes sold in BC was down 13.6%; the average price was down 2.7%. In Canada, unit sales were down 5.0% and the average price was up 1.9% in January.

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



### Housing Construction

There were 7 housing starts in Prince George last month (all single family units), 7 more than in January 2012. 7 residential units were also completed in the city in January (all single family dwellings), 3 more than in the same month last year. 172 housing units were under construction (126 single family, 6 semi-detached units and 40 multiple dwelling units), 17.0% more than in the same month in 2012. Housing starts were down 19.5% and 25.6%, in BC and Canada, respectively, in January, compared to last year.

(Source: Canada Mortgage and Housing Corporation)

### Building Permits

The City of Prince George issued 20 building permits valued at \$3.5M in January. The value of permits issued was up 41.2% compared to the same month last year; the number of permits issued was up 17.6%. Residential permits accounted for 71.5% of the total value of building permits issued last month, with permits for 2 single family

dwellings a permit for Victoria Towers accounting for 16.2% and 72.2% of the category, respectively. Commercial permits made up the remaining 28.5% of the building permits issued last month; tenant improvements at the Commonwealth building on 7<sup>th</sup> Avenue downtown accounted for 65.1% of the category. The year-to-date value of building permits was up 16.1% in BC and 8.9% across Canada at the end of December 2012.

(Source: City of Prince George; Statistics Canada)

### Business Licenses

The City of Prince George issued 4 business licenses in November (3 new<sup>5</sup>; 1 renewal). *Current business license statistics were not available at the time of publication.*

(Source: City of Prince George)



### Airport Passenger Volumes

33,082 passengers moved through the Prince George airport in January, 1.1% fewer than in the same month in 2012. Comparatively, traffic through Vancouver's airport was down 1.6% in January.

(Source: Prince George Airport Authority; Vancouver Airport Authority)

<sup>5</sup> New business licenses are issued when a new business is established, when a business is re-established after not operating for a period of time and when a business changes ownership or relocates.