

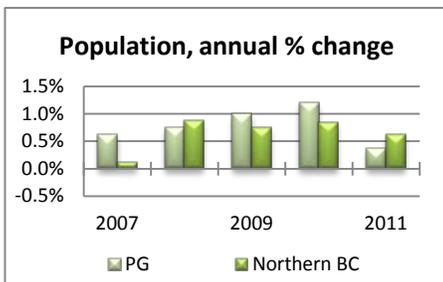


January 2012



BC Stats has released 2011 population estimates for BC Municipalities, Regional Districts and Development Regions.¹ The current estimates reveal that the Prince George population increased by 0.4% in 2011, a slightly lower rate than in 2010 but making 2011 the fifth consecutive year that the city has seen population growth; the city's population has grown at an annual average of 0.8% over the past five years for a total increase of 4.0% since 2006.

Population growth has also been the trend across Northern BC as a whole over the last five years. The combined population of the eight Regional Districts across the Northern part of the province increased by an annual average of 0.6% between 2006 and 2011, for a total increase of 3.3% over the period.



This period of growth across the Northern part of the province is notable, as it followed a ten-year interval between 1997 and 2006 in which the population changed at an annual average of -0.9% each year.

¹<http://www.bcstats.gov.bc.ca/data/pop/pop/estspop.asp#totpop>

The continuation of population growth in Prince George and Northern BC reflects robust employment activity in 2011 and in years prior. On average, employment in the city averaged growth of 1.3% annually over the last decade, with strong growth in 2010 and 2011 averaging 5.6%. Last year, the number of employed persons in the city was the highest it had been in more than fifteen years.

The strong employment trend observed in the city of Prince George is mirrored by positive employment activity across the Northern region. With the exception of a brief recessionary decline in 2009, annual employment increased steadily for much of the past decade across Northern BC. Between 2002 and 2011, annual employment growth averaged 0.3% and picked up pace toward the end of this period, averaging growth of 2.9% in 2010 and 2011.

Trends in population and employment growth in Prince George and the whole Northern region are indicative of both the city's role as a service and supply hub for most industry activities across the north² and the robust economic environment in Northern BC which has helped to support economic growth in the city.

Economic activity in Prince George is broadly spread among most sectors of the economy,

² Nearly one-third of the total employment and one-fifth of businesses across Northern BC are located in Prince George.

supported by a wide variety of opportunities including natural resource developments, transportation infrastructure projects and community infrastructure initiatives. The largest sectors in Prince George include wholesale & retail trade, health care & social assistance and manufacturing. Construction and transportation activities also provide a

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considerable proportion of employment in the city.³ Many of these large sectors are among those with the highest rates of growth averaged over the past five years.

Business activity and employment in Prince George are expected to maintain a strong pace in 2012 and coming years, in response to the many economic opportunities currently underway throughout Northern BC which will continue to impact and augment all sectors of the economy. A growing customer base and diversified labour force are also making the city and the region increasingly attractive to investors, which should result in the emergence of new and varied economic prospects. These opportunities will be profiled in issues of the Economic Update throughout 2012.

³ Statistics Canada Labour Force Survey. Employment by Industry, annual averages.



Economic Statistics

Employment

49,100 persons were employed in Prince George in December, down 300 persons (0.6%) from the previous month, while the number of persons in the labour force increased slightly (0.2%; 100 persons). The slight decline in employment alongside relative stability in the labour force led the number of unemployed persons to increase slightly (11.1%; 400 persons) to a level relatively close to the average over the last six months. As a result of the increase, the unemployment rate increased 0.7% to 7.5% (also relatively close the last six month's average). In BC, the number of persons employed increased by 0.5% and those in the labour force increased 0.4%; as a result, the number of unemployed persons increased by 0.1%. Across Canada, the number of employed persons and those in the labour force increased by 0.1%; the number of unemployed persons increased by 0.4%. As a result, the unemployment rate was unchanged at 7.0% in BC and increased 0.1% (to 7.5%) in Canada. Prince George's working age population was unchanged last month and the employment rate decreased 0.4% to 69.0%; employment rates increased 0.2% and 0.1% (to 60.4% and 61.7%, respectively) in BC and Canada.

(Source: Statistics Canada Labour Force Survey)

Real Estate

There were 36 single family homes sold in Prince George last month, 2 fewer than in December 2010, with an average price of \$254,223 (16.2% higher than in the same month last year). For the year, the average price of a single family home was up 2.4% compared to 2010; unit sales were up 5.2%. Comparatively, average prices were up 11.1% and 7.2% in BC and Canada, respectively, year-to-date; unit sales were up 2.9% in BC and 2.2% across Canada, at the end of December.

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

Housing Construction

There were 3 housing starts in Prince George in December (all single family dwelling units), compared to 2 starts (both single family units) in the same month last year. For the whole of 2011, starts were down 26.3%, relative to 2010.



Comparatively, housing starts were up 3.1% and 4.9%, respectively, in BC and across Canada in 2011. There were 14 residential units completed in the city in December (all single family units), 13 fewer than in the same month in 2010, and there were 151 housing units under construction (114 single family and 37 multiple dwelling units); 26.3% fewer than in December 2010.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 110 building permits valued at \$31.0M in October and November,⁴ up 368.0% compared to the same period last year. Institutional building permits accounted for 73.4% of the total value of permits issued in the city over the last two months, with the \$22.7M permit for the new RCMP detachment making up the majority of this category. Residential permits made up 15.6% of permits issued, with 16 new single family dwellings making up more than three-quarters of this category. The Commercial and Industrial categories

⁴ December building permit statistics were unavailable at the time of publication.

accounted for 8.1% and 2.9%, respectively, of the value of permits issued in October and November. At the end of November, the year-to-date value of permits issued in the city was down 25.9%. Comparatively, year-to-date permits were down 6.9% provincially and up 0.1% nationally at the end of November.

(Source: City of Prince George; Statistics Canada)

Business Licenses

The City of Prince George issued 4,756 business licenses in December (456 new licenses⁵ and 4,300 renewals). 9 of the new licenses issued were a result of location changes.

(Source: City of Prince George)



Airport Passenger Volumes

36,120 passengers passed through the Prince George airport in December, 4.6% more than in December 2010. With 402,438 passengers moving through the airport in 2011, annual passenger traffic was up 3.1% compared to 2010. Comparatively, traffic through the Vancouver airport was up 1.5% in 2011.

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

⁵ 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.