

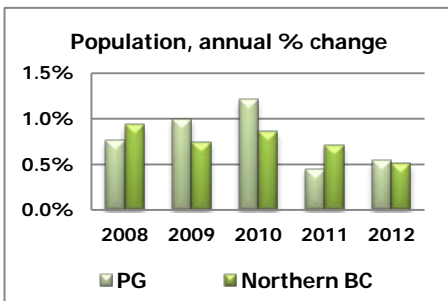


January 2013



BC Stats has released 2012 population estimates for BC Municipalities, Regional Districts and Development Regions. The current estimates reveal that the Prince George population increased by 0.5% in 2012, a slightly higher rate than in 2011 and making 2012 the sixth 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 2007.

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 0.7% between 2007 and 2012, for a total increase of 3.8% over this interval. This period of growth across the Northern part of the province is notable, as it followed a ten-year period prior to 2006 in which the population changed at an annual average of -0.9% each year.



The continuation of population growth in Prince George and Northern BC reflects

robust employment activity in 2012 and in years prior. On average, employment in the city increased of 1.7% annually over the last decade, with particularly strong growth during the last three years averaging 4.7%. Last year, the number of employed persons in the city was at the highest level on current record.¹

The positive 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. In the years between 2002 and 2012, annual employment growth averaged 0.6%; over the past three years growth averaged 2.4%, reflecting an increased pace of economic activity throughout the region.

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 Northern BC and the robust economic environment across the north which has helped to facilitate economic growth in the city.

Economic activity in Prince George is well-diversified, broadly spread among most sectors of the economy. Population growth is supported by a wide variety of opportunities including natural resource

developments throughout the region, transportation infrastructure projects, the expansion of health care and education, as well as continued investments in community infrastructure. The largest sectors in Prince George, ranked by the level of employment, are wholesale & retail trade, health care & social assistance, and manufacturing. Construction, tourism and transportation activities also provide a considerable proportion of employment in the city. Many of these large sectors are among those with the highest rates of growth averaged over the past five years.

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Business activity and employment in Prince George are expected to maintain a strong pace in 2013 and coming years, in response to the many economic opportunities currently underway throughout Northern BC which will continue to impact population growth 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 will contribute to the emergence of new and varied business prospects. These opportunities and other topics of relevance to the Prince George economy will be profiled in the Economic Update throughout 2013.

¹ Statistics Canada. Current labour force statistics date back to 1996.

ECONOMIC UPDATE

Economic Statistics

Employment

50,000 persons were employed in Prince George in December, down 1,200 persons (2.3%) from the previous month; the decline was attributed largely to seasonal factors and reflects a trend typical of this time of year. For the year, the annual average number of persons employed was 3.1% higher than in 2011. The labour force declined by 1,800 persons (3.3%) in December; the number of unemployed persons declined by 21.4% and the unemployment rate decreased 1.0% (to 4.2%). Across BC, the number of persons employed was unchanged; those in the labour force declined by 0.2%. This led the number of unemployed persons to decrease by 3.9% and the unemployment rate to decrease 0.3% (to 6.5%). Across Canada, the number of employed persons increased 0.2% and the labour force increased by 0.1%. As a result, the number of unemployed persons decreased 0.9% while the unemployment rate declined by 0.1% (to 7.1%). Prince George's working age population was relatively unchanged last month; the employment rate decreased 1.6% (to 70.6%). The employment rate was unchanged in BC and increased 0.1% across Canada (60.4% and 62.1%, respectively).

(Source: Statistics Canada Labour Force Survey)

Real Estate

1244 properties worth \$293.8M were sold in Prince George in 2012, compared to 1197 properties worth \$272.1M in 2011. At year



end, 620 properties of all types were available through MLS, compared to 527 properties at the same time last year. 35 single family homes were sold in the city in December, 1 fewer than in the same month in 2011, with an average price of \$248,384.



For the year, the average house price was up 2.4% compared to 2011; unit sales were up 2.2%. Comparatively, the year-to-date average price of a single family home was down 8.3% in BC at the end of December; units were down 11.8%. In Canada, the average price was up 0.3%; unit sales were down 1.1% for the year.

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

Housing Construction

There were 10 housing starts in Prince George last month (all single family units), 7 more than in December 2011. The total number of starts was up 34.4% in 2012, compared to last year. There were 20 residential units completed in the city in December (all single family dwellings), 6 more than in the same month last year. 172 housing units were under construction (124 single family and 48 multiple dwelling units); 13.9% more than in the same month in 2011. Housing starts were up 4.7% and 11.0%, in BC and Canada, respectively, in 2012.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 27 building permits valued at \$6.3M in December. The value of permits issued was up 205.2%

compared to the same month last year; the number of permits issued was up 3.8%. Compared to the previous year, the value of permits issued by the City increased 18.7% in 2012; the number of permits was up 5.1%. Industrial permits accounted for 63.4% of the total value of building permits issued last month, with a permit for a new Wajax facility accounting for almost the entire category. Residential permits made up 21.0% of the permits issued last month; Commercial permits made up the remainder of the value of permits issued. The year-to-date value of building permits was up 18.9% in BC and 11.0% across Canada at the end of November.

(Source: City of Prince George; Statistics Canada)

Business Licenses

The City of Prince George issued 4 business licenses in November (3 new²; 1 renewal).

(Source: City of Prince George)

Airport Passenger Volumes

35,137 passengers moved through the Prince George airport in December, 2.7% fewer than in the same month in 2011. For the year, passenger traffic through the airport was up 4.0%, compared to 2011. Comparatively, traffic through Vancouver's airport was up 3.3% in 2012.

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



² 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.