



June 2013



In less than two years, Prince George will play host to 3600 athletes, coaches and officials, 4500 volunteers, thousands of visitors and hundreds of media & medical professionals from across the country when the city hosts the 2015 Canada Winter Games.

The 2015 Canada Winter Games will be the largest multi-sporting and cultural event ever to be held in Prince George and Northern BC. In addition to the economic benefits that will be generated by preparatory activities over the next three years, the Games are forecasted to have an economic impact of \$70-\$90M while building champions and inspiring dreams amongst Canadian youth.

In addition to a number of significant capital investments that will be completed for the Games and the important legacies that will be created in the community, the tourism spinoff of the Canada Winter Games is expected to be significant. The opportunity to showcase Prince George and Northern BC will raise the profile of the region across the country and will provide a considerable boost to the Tourism sector, both during and after the event.

Tourism already plays a considerable role in the Prince George economy. Employment in industries that provide direct services to tourists¹ makes up approximately 20.6% of the total employment in the city; businesses

in these industries make up 12.5% of the total business locations in Prince George. In these industries, employment has increased at an annual average of 1.8% over the past five years; the number of businesses has increased by an average of 1.9% over the same period.² The growth in these sectors is indicative of the overall growth in the Prince George economy, but also suggests an increase in visitors to the city.

Additional visitor traffic into the city has been reflected in increases in airport passenger volumes and hotel occupancy rates in recent years. Passenger traffic through the Prince George Airport (YXS) was up 4.0% in 2012, following a 3.1% increase in 2011. Occupancy rates reached an average of 58.4% in 2012; hotel occupancy has increased steadily in recent years alongside an increase in the inventory of rooms.

Tourism is an important target sector for economic growth and diversification in the Prince George region. The sector attracts dollars from outside the region to the economy, supporting growth in service-producing businesses and employment. In 2011, tourism activities are estimated to have contributed \$7.3B to the province's GDP, and to have supported employment for nearly 127,000 persons.³

The Canada Winter Games will be the catalyst to stimulate sustained growth in the

Tourism industry in Prince George and the region, augmenting Northern BC's share of provincial tourism activity.



The Northern BC tourism region is the largest tourism region in BC; the area covers 569,000 km² of the province, and has more than 60 provincial, national and marine parks, and offers access to globally unique ecosystems and priceless cultural heritage treasures. The region received 919,000 overnight person-visits and generated \$383M in related spending in 2010.⁴

With less than 600 days remaining until Prince George and the region hosts the nation, planning activities and investments leading up to the Games are supporting improvements to Prince George's tourism offering, and the exposure from the event will continue to build the city's reputation as a preferred tourist destination. This augmented profile will be critical to increasing the value of the Tourism sector in the local and regional economy and contributing to the growth of the economy overall.

¹ Retail Trade and Accommodation & Food Services sectors, combined.

² Statistics Canada.

³ BC Stats.

⁴ Destination BC.



ECONOMIC UPDATE

Economic Statistics

Employment

Prince George saw slightly higher growth in employment activity last month, compared to activity across BC and Canada. 46,600 persons were employed in Prince George in May, up 1.3% from the previous month.⁵ The labour force increased by 1.2% so the number of unemployed persons was unchanged. The unemployment rate decreased 0.1% (to 4.5%) last month; the city maintains one of the lowest unemployment rates in the country. Across BC, the number of employed persons was relatively unchanged in May; those in the labour force increased by 0.4%. This led the number of unemployed persons to increase by 6.0% and the unemployment rate to increase 0.4% (to 6.8%). Across Canada, the number of employed persons increased by 0.5% and those in the labour force increased by 0.4%; the number of unemployed persons decreased by 1.0% and the unemployment rate declined 0.1% (to 7.1%). Prince George's working age population was unchanged last month; the employment rate increased 0.8% (to 65.9%). The employment rate was unchanged at 60.1% in BC and increased 0.2% (to 62.0%) across Canada.

(Source: Statistics Canada Labour Force Survey)

Real Estate

114 single family homes were sold in the city in May, 22 more than in the same month last year, with an average price of \$269,750. Year-to-date, the number of homes sold in the city was up 0.6% over the same period last year; the average price was up 2.6%. Compared to the first five months of last year, the average days on the market were down more than 30.0%, year-to-date. Comparatively, the year-to-date number of single family homes sold in

⁵ Monthly employment figures are influenced by seasonal factors; month-over-month comparisons should be viewed with this in mind.

BC was down 10.7% at the end of May; the average price was down 1.7%. Across Canada, units were down 7.9% and the average price was up 1.8%.

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



Housing Construction

There were 12 housing starts in Prince George in May (9 single family and 3 multiple dwelling units), 35 fewer than in May 2012. Year-to-date, the number of housing starts was down 52.9% compared to the first five months of last year. 13 residential units were completed in the city in May (all single family dwellings), 2 more than in the same month last year. 146 housing units were under construction, 6.4% fewer than in May 2012. Year-to-date housing starts were down 11.0% and 19.4%, respectively, in BC and Canada, at the end of May.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 48 building permits valued at \$11.2M in May. The value of permits issued was up 19.0% compared to the same month last year while the number of permits issued was down 14.3%. Residential permits accounted for 70.6% of the total value of building permits issued; permits for 26 multiple dwelling units, 9 single family dwellings and 1 duplex made up the category. Commercial and Industrial permits made up 13.9% and 13.7% of

building permits issued in May, respectively; permits included a new Husky carwash and a new maintenance shop for Lo-Bar Transport. An Institutional permit for improvements to the Northern Women's Recovery Centre made up the remainder of permits issued last month. Year-to-date at the end of April, the value of building permits was down 39.7% in Prince George, 7.6% in BC and 4.2% across Canada.⁶

(Source: City of Prince George; Statistics Canada)

Business Licenses

145 business licenses were issued in the city in April (42 new⁷ and 103 renewals). 4 of the new business licenses were a result of businesses changing locations.

(Source: City of Prince George)

Airport Passenger Volumes

35,505 passengers moved through the Prince George airport in May, 1.3% more than in the same month in 2012. Year-to-date, passenger traffic was up 0.8% compared to the first five months of last year. Comparatively, year-to-date traffic through Vancouver's airport was down 1.1% at the end of May.

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



⁶ May building permit statistics for BC and Canada were unavailable at the time of publication; consequently, there is a one-month lag in the year-to-date comparison.

⁷ 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.