



March 2013



According to information released recently by Statistics Canada, the number of business locations in Prince George increased by 2.1% in 2012.<sup>1</sup> This was the strongest year of growth in recent history; over the past three years, business locations have increased by an annual average of 0.2%.

Business growth in the city was well-distributed throughout the economy and amongst a diverse range of sector activities. The Primary, Secondary and Tertiary<sup>2</sup> sectors all saw increases in business locations in 2012 (growth of 4.1%, 1.6% and 2.0%, respectively).

The three sectors with the highest percentage growth over the past year were: *Mining and Oil & Gas*; *Transportation & Warehousing* and; *Finance, Insurance, Real Estate & Leasing*. Business locations in these sectors increased 25.0%, 11.4% and 8.0%, respectively in 2012, which contributed significantly to the overall growth in businesses established in the city. Combined, these sectors account for nearly one quarter of all businesses in Prince George.

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

Prince George's role as the service and supply hub for Northern BC.

Prince George companies are playing a key role in the development of the *Mining and Oil & Gas* sector in British Columbia, specifically across the northern region. While support activities<sup>3</sup> for mining and oil & gas extraction comprise the majority of business activities within the sector in Prince George, there is a growing presence of companies in the city that are engaged in exploration and development of mineral properties, as well as in mining operations.

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Nearly all categories in the *Transportation & Warehousing* sector experienced an increase in business locations in 2012, which is indicative of Prince George's growing importance as a transportation and distribution hub in BC, providing access to other regions across Canada, North America and internationally. As truck transport companies account for the largest proportion of companies within the sector

(59.7%), it is not surprising that this category led growth in the sector, accounting for 69.8% of the increase in business locations in 2012.

Business locations also increased in nearly all subsectors of the *Finance, Insurance, Real Estate & Leasing* sector last year, reflecting a growing network of businesses and professionals that can support a wide range of activities in other industries to facilitate growth and development across the economy.

Other sectors with notable growth in 2012 that further demonstrate the strength and diversification of the Prince George economy include: *Information, Culture & Recreation*; *Agriculture & Forestry* and; *Construction* (5.4%, 3.1% and 1.8%, respectively).

As Prince George continues to play a major role in the economy of one of the fastest-growing regions in Canada, the number of businesses established in the city is expected to increase in 2013 and in coming years.

Initiatives Prince George will continue to provide services and information to help prospective and existing businesses further business expansion in the city. To support the expansion of business activities, IPG will also continue to market and promote Prince George as a preferred place to live and work, thereby facilitating growth of the population and the labour force required to enable local businesses to capitalize on economic activity throughout Northern BC.

<sup>1</sup> Business Register Location Counts, December 2012.  
<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> This subsector comprises establishments primarily engaged in providing support services on a contract or fee basis and does not reflect the entirety of PG business working in the Mining and Oil & Gas sector. For example, engineering firms are classified within the Professional Services sector, although many provide services to mining operations.

# ECONOMIC UPDATE

## Economic Statistics

### Employment

47,600 persons were employed in Prince George in February, down 2.1% from the previous month.<sup>4</sup> The labour force declined by 1.4% so the number of unemployed persons increased slightly, leading the unemployment rate to increase 0.7% (to 5.2%). Across BC, the number of employed persons increased by 0.9%; those in the labour force increased by 0.8%. This led the number of unemployed persons to increase by 0.2% while the unemployment rate was unchanged at 6.3%. Across Canada, the number of employed persons and those in the labour force increased by 0.3%; the number of unemployed persons increased by 0.7% and the unemployment rate remained stable at 7.0%. Prince George's working age population was relatively unchanged last month; the employment rate decreased 1.3% (to 67.3%). Employment rates increased 0.5% in BC and 0.1% across Canada (to 60.4% and 62.0%, respectively).

(Source: Statistics Canada Labour Force Survey)

### Real Estate

60 single family homes were sold in the city in February, 7 more than in the same month last year, with an average price of \$217,815. Year-to-date, the number of homes sold in the city was up 6.3% at the end of February; the average price was



<sup>4</sup> Monthly employment figures are influenced by seasonal factors; month-over-month comparisons should be viewed with this in mind.

down 4.3%. Comparatively, the year-to-date number of single family homes sold in BC was down 19.6% at the end of February; the average price was down 6.2%. In Canada, unit sales were down 11.4% and the average price was down 0.1%.

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



### Housing Construction

There were 6 housing starts in Prince George in February (all single family units), 1 fewer than in February 2012. Year-to-date, the number of housing starts was up 85.7% compared to the first two months of last year. 9 residential units were completed in the city (all single family dwellings), 5 more than in the same month last year. 169 housing units were under construction (123 single family, 6 semi-detached units and 40 multiple dwelling units), 12.7% more than in the same month in 2012. Year-to-date housing starts were down 7.6% and 13.6%, respectively, in BC and Canada, 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.<sup>5</sup> 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

<sup>5</sup> February building permit statistics were not available at the time of publication.

the total value of building permits issued in January, with permits for 2 single family dwellings and 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 in January; tenant improvements at the Commonwealth building on 7<sup>th</sup> Avenue downtown accounted for 65.1% of the category. Building permits were up 4.5% in BC and down 4.3% across Canada in January.

(Source: City of Prince George; Statistics Canada)

### Business Licenses

The City of Prince George issued 226 business licenses in February (39 new<sup>6</sup> and 187 renewals).

(Source: City of Prince George)



### Airport Passenger Volumes

34,524 passengers moved through the Prince George airport in February, 1.0% fewer than in the same month in 2012. Year-to-date, passenger traffic was down 1.1% compared to the first two months of last year. Comparatively, year-to-date traffic through Vancouver's airport was down 1.7% at the end of February.

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

<sup>6</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.