



November 2012



Small businesses are the foundation of the British Columbia economy, representing the core of business activity in most communities. The BC Ministry of Jobs, Tourism and Skills Training recently released its 2012 Small Business Profile,<sup>1</sup> which provides an overview of the role of small business in the BC economy.

According to the report, small business<sup>2</sup> accounts for 98% of all businesses in BC; 82% of businesses in the province have fewer than five employees. BC's small business sector is the primary provider of private sector jobs in the province, reflecting an important and ongoing trend which will continue to support economic diversification in the province.

The characteristics of the Prince George small business sector are reflective of small business in the province as a whole. 97.7% of Prince George businesses are small businesses; 72.2% have fewer than five employees. Prince George has a slightly larger proportion of businesses with 5-49 employees (25.5% of all businesses, compared to 18.6% in BC as a whole).<sup>3</sup>

The prevalence of small business in the Prince George economy is reflected in the fact that the largest sectors, ranked by number of firms, are also the sectors with the largest number of small firms.

In the following sectors, between 98.0% and 99.8% of the businesses have fewer than fifty employees: Construction; Real Estate and Rental & Leasing; Other Services; Professional, Scientific & Technical Services; Retail Trade; Transportation & Warehousing; and Agriculture & Forestry. These sectors, combined, make up 66.3% of the total number of businesses operating in the Prince George economy.

Although the total number of business locations in Prince George declined by 4.3% between 2006 and 2011, the number of small businesses decreased by only 3.7% over this period. The number of firms operating in the Construction, Real Estate, Other Services and Retail Trade sectors actually increased, with all of the growth occurring in the small business size range. The number of small businesses in these sectors increased 1.3%, 2.7%, 5.6% and 7.6%, respectively.

Growth in the number of small businesses in some of the largest sectors of the economy corresponded with an increase in overall

employment in the city between 2006 and 2011. Employment increased by 5.8% over this period, and considerable growth occurred in the Construction, Transportation and Finance & Real Estate sectors (68.0%, 41.4% and 35.3%, respectively). Growth also occurred in Professional and Other Services over the five year period.

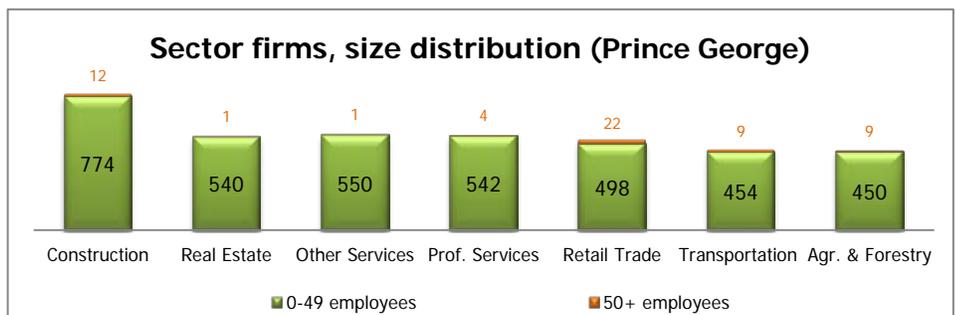
Employment growth has continued in Prince George throughout 2012, supported by the jobs created by small businesses. The small business sector will continue to support the growth of the Prince George economy and reinforce the city's role as the service and supply hub for Northern BC. Small businesses are the foundation of the local economy, and to a significant extent these businesses and their employees are the source of its strength and stability.

Initiatives Prince George provides support to small businesses through its workforce attraction resources and business expansion workshops and other programs. More information is available by contacting IPG at 250.564.0282.

<sup>1</sup> <http://www.resourcecentre.gov.bc.ca/>

<sup>2</sup> Small businesses are defined as those having fewer than 50 employees.

<sup>3</sup> Statistics Canada Business Register (Dec. 2011).



# ECONOMIC UPDATE

## Economic Statistics

### Employment

52,400 persons were employed in Prince George in October, relatively unchanged from the previous month, while the labour force declined slightly (200 persons; 0.4%). Subsequently, the number of unemployed persons declined by 5.1% and the unemployment rate decreased 0.3% (to 6.6%). Across BC, the number of persons employed and in the labour force declined by 0.5% and 0.7%, respectively. The number of unemployed persons decreased by 4.4% and the unemployment rate decreased 0.3% (to 6.7%). Across Canada, the number of employed persons was relatively unchanged while the labour force increased slightly (0.1%). As a result, the number of unemployed persons increased by 1.2% while the unemployment rate was unchanged (at 7.4%). Prince George's working age population was unchanged last month; the employment rate decreased slightly (0.1%) to 73.9%. Employment rates decreased 0.3% in BC and 0.1% across Canada (to 60.6% and 61.8%, respectively).

(Source: Statistics Canada Labour Force Survey)

### Real Estate

60 single family homes were sold in the city in October, 14 fewer than in the same month in 2011, with an average price of \$257,175. Year-over-year, there were 10.1% fewer single family homes listed for sale last month. Year-to-date, the average house price was up 2.6% compared to the first ten months of 2011; unit sales were up 2.5%. Comparatively, the year-to-date



average price of a single family home was down 8.6% in BC; units were down 10.5%. In Canada, the average price was up 0.2% compared to October 2011; unit sales were up 0.9%.

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



### Housing Construction

There were 27 housing starts in Prince George last month (23 single units and 4 multiple dwelling units), 11 more than in October 2011; year-to-date starts were up 23.1%, compared to the first ten months of last year. Comparatively, starts were up 7.5% and 12.4%, in BC and Canada, respectively, at the end of October. There were 16 residential units completed in the city (all single family dwellings), 3 fewer than in the same month last year. 183 housing units were under construction last month (132 single family and 51 multiple dwelling units); 3.4% more than in the same month in 2011.

(Source: Canada Mortgage and Housing Corporation)

### Building Permits

The City of Prince George issued 58 building permits valued at \$6.4M in October. The value of permits issued was down 78.0% compared to the same month last year;<sup>4</sup> the number of permits issued was down 21.6%. Year-to-date, the value of permits issued by the City was up 11.9% at the end of

<sup>4</sup> The \$22.3M permit for the new RCMP building was issued in October 2011.

October; the number of permits was up 2.3%. Residential building permits accounted for 57.4% of the total value of permits issued in the city last month, with permits for 12 new single family dwellings accounting for 84.2% of the category. Commercial permits made up 37.3% of the permits issued last month; an Industrial permit for Co-op Fuel Card Lock made up the remainder of the value of permits issued. The year-to-date value of building permits was up 22.8% in BC and 11.1% across Canada at the end of September.

(Source: City of Prince George; Statistics Canada)

### Business Licenses

The City of Prince George issued 35 business licenses in October (16 new<sup>5</sup> and 19 renewals). 5 of the new licenses were due to businesses changing location.

(Source: City of Prince George)



### Airport Passenger Volumes

37,410 passengers moved through the Prince George airport in October, 1.8% more than in the same month in 2011. Year-to-date passenger traffic through the airport was up 5.1%, compared to the first ten months of last year. Comparatively, traffic through Vancouver's airport was up 3.7% at the end of September.

(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.