



September 2013



In keeping with its role as the regional centre for Northern BC, Prince George has a highly developed and diversified transportation sector. The 123 firms that offer services in this sector are clustered in land- (road, rail) and air-based services. These are in addition to those firms that engage in construction / development and production.



Photo: Excel Transportation Inc.

The city is home to 100 firms that transport goods and people via road and rail. Of these, 39 offer highway hauling for general freight and specialty services for producers in the forestry, mining and oil & gas sectors. Rapid delivery (or "hotshot") services are offered by 30 firms to customer who require speedy delivery of parts to industrial sites.

Given Prince George's established history as a forestry centre, it is not surprising that 42 of the 100 firms have specialized equipment to support transportation of forest products. Growth in the mining and oil & gas sectors has resulted in 26 also offering specialized services to mining, while 27 cater to the oil & gas sector. Mining services include equipment to service underground and surface pit development, logistics, and bulk transportation of ore and concentrates. Oil

& gas includes equipment to support exploration, as well as lease site development and operation. All sectors are supported by lowbedding for movement of heavy equipment, as well as road maintenance.

... Prince George is supported by a diverse and developed transportation sector offering highly specialized services to forestry, mining, oil & gas and related industrial production...

Charter bus services (often referred to as "manhaul") are available by 6 companies, 3 of which have networks that are regional or national in scope, and so can support operations across a broad geography.

Terminal services for receipt and shipment of industrial cargo are available at 10 providers in the city, with 2 additional firms catering to smaller weight loads (commercial/retail, residential). CN Rail also operates a container reload facility at their yards on River Road.



Photo: Northern Development Initiative Trust

The significant transportation fleet is supported by 26 firms that offer repair facilities capable of handling "Class 8" heavy vehicles. This includes the ability to maintain and service both the vehicles themselves and the specialized equipment used in forestry, mining and oil & gas.

The Prince George Airport is home to 23 firms that provide air passenger and cargo service, or have helicopters for hire.



Photo: Hill Aircraft Services

Westjet and Air Canada connect passengers to national and global destinations, while Central Mountain Air, Northern Thunderbird Air and Guardian Aerospace offer more regional coverage.

Commercial activity is focused on medevac and resource exploration, with oil & gas activity currently dominating this last aspect. Another significant additional element is corporations using their own private planes to move personnel around.

These aircraft are serviced by 6 firms at the Prince George Airport. Among them is Hill Aircraft Services Ltd., which is one of only four firms in Canada to be the (federal) Minister's delegate for the importing and exporting of helicopters.

ECONOMIC UPDATE

Economic Statistics

Employment

48,800 persons were employed in Prince George in August, which was down 200 persons (-0.4%) from the previous month. The unemployment rate was 5.6%, which was up from 4.5% in July, but significantly below the provincial (6.6%) and national (7.1%) averages.

In comparison, the Cariboo region's unemployment rate rose to 6.6% in August, up from 5.9% in July and 5.0% in June.

In BC, the number of persons employed increased by 2.7% and those in the labour force rose by 0.2% between July and August. Consequently, the number of people unemployed declined by 0.6%. Across Canada, the number of employed persons increased 0.3%, while the labour force increased by 0.2%. The number of unemployed persons decreased by 1.3%. Employment rates in BC and across Canada were 60.0% and 61.9%, respectively, while Prince George was significantly higher than both, at 69.0%

(Source: Statistics Canada Labour Force Survey)

Real Estate

1,074 properties worth \$263.4M changed hands in Prince George over the first eight months of the year, compared with 1,060 properties worth \$251.3M during the same period in 2012. Sales volumes rose 11.9% in August 2013 vs. August 2012, and drove the 8-month change up to +4.8% over 2012. The average selling price rose 3.4% on the year, compared to 2012.



The western part of Prince George saw the greatest increase in activity between 2012 and 2013, with 12.4% more properties selling for 12.6% more total volume. The greatest rise in selling price, however, was generated in the rural areas to the east and south, with average prices for a single family dwelling jumping by 40.4% and 22.3% respectively.

The number of single family dwellings sold in the Prince George region to date remains relatively unchanged from last year.

Comparatively, the year-to-date average price in BC was up 8.6%, while units were up 28.6%. In Canada, the average price was up 8.1% and units sales were up 2.8%.

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

... Unemployment in Prince George is a full 1% below the BC average; 1.5% below the Canadian average...

Housing Construction

There were 118 housing starts in Prince George between January and July, 2013. This is down from 133 in July 2012, marking a 14.6% fall over last year. Comparatively, starts were down 6.3% in BC and 15.8% in Canada at the end of July.

There were 61 single-detached residential units completed in the city between January and July, 31 fewer than in the same month last year. Multi-unit dwellings rose by 57 units in that period – an increase of 15 over the 2012 levels.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 52 building permits valued at \$6.0M in August, which is an 86.4% increase over the same month in 2012. Year-to-date building permit activity is

\$91.4M – off by 1.4% from 2012 levels, but 66.7% above the same period in 2011.

Commercial building permits year-to-date are at \$43.2M, up 117.6% as compared to this time last year. Industrial permits were at \$15.7M, which is off from \$29.5M in 2012 during peak conditions. Residential permits made up 31.7% of the value of permits issued, with 12 new single family dwelling building permits issued in August alone. New multifamily dwelling are also up in 2013; the value of permits issued year-to-date is up 45.6% as compared to August of last year. Comparatively, the value of permits was down 12.7% in BC and 0.4% across Canada between January and July.

(Source: City of Prince George; Statistics Canada)

Business Licenses

The City of Prince George issued 50 business licenses in August (30 new and 20 renewals). None were due to a change in ownership or business name.

(Source: City of Prince George)

Airport Passenger Volumes

34,484 passengers moved through the Prince George Airport in August, 1.2% more than the same month last year. Year-to-date



passenger traffic through the airport was up 1.94% compared to 2012 levels. Traffic through the Vancouver International Airport rose 3.7% for July over 2012 levels, though year-to-date volume remained relatively unchanged (0.6% growth over 2012 levels).

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