



January 2011



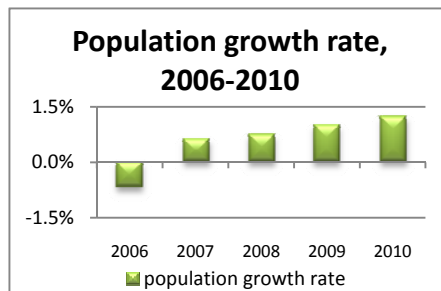
The Prince George population increased for the fourth consecutive year in 2010.<sup>1</sup> After nearly a decade typified by population decline, population growth has been picking up momentum each year in the city. In 2007, the population grew at a rate of 0.6% and by 2010 growth had reached a pace of 1.2%, for an annual average of 0.9% over the past four years. Overall, the Prince George population has grown in size by 3.7% since 2006, reaching a level that has not been seen since the year 2000.

*Population growth has been picking up momentum each year in Prince George.*

Prince George was not the only Northern BC community to experience population growth in 2010; nearly all of the eight Regional Districts<sup>2</sup> across the Northern part of the province experienced population increases in 2010. Many of these increases were a continuation of growth in the two or three years prior to last year. Overall, the population across Northern BC grew by 0.9% in 2010 and by an annual average of 0.7% since 2006. This period of growth followed a ten-year interval between 1997 and 2006 in which the population changed at an annual average of -0.9% each year.

The increasing trend of population growth in Prince George reflects robust employment activity in 2010. Employment levels increased 10.9% between 2009 and 2010; last year, the number of employed persons in the city was the highest it has been in almost fifteen years.<sup>3</sup> The city's labour force and rate of participation were higher than at any point over the last decade, and the employment rate was the second highest over the last fifteen years.<sup>4</sup>

Stronger population and employment growth in Prince George relative to the whole Northern region reflects the city's role as a service and supply hub for most industry activities in Northern BC. Prince George is the location of approximately 20.0% of the total firms and 28.0% of total employment in Northern BC.<sup>5</sup>



The increase in population and employment in Prince George and across the Northern

region is indicative of expanding economic opportunities in the region, related to most sectors of the economy including transportation, wholesale & retail trade, construction, manufacturing and natural resource industry activities such as bioenergy and mining and oil & gas operations. The education and health care sectors also have a strong presence in Prince George.

Unsurprisingly, given the large proportion of businesses and employment relative to the region as a whole, Prince George has benefited greatly from economic activity throughout Northern BC in recent years. This is expected to continue to pick up pace in 2011 and in subsequent years.

Current and upcoming major projects in the region include the BC Cancer Agency Centre for the North (\$100M), Terrane Metals' Mt. Milligan project (\$917M), Rio Tinto Alcan's Kitimat modernization (\$300M). These and other key infrastructure and productivity enhancing manufacturing investments throughout Northern BC will translate to nearly \$2.5B of investment which will augment all sectors of the economy.

A growing customer base and diversified labour force are making the city and the region increasingly attractive to investors. The momentum in population growth over the last four years has translated into strong activity in many economic indicators. These trends will be profiled in upcoming issues of the Economic Update.

<sup>1</sup> BC Stats *Sub-Provincial Population Estimates*.

<sup>2</sup> For the purpose of this article, Northern BC is comprised of the Fraser-Fort George, Cariboo, Northern Rockies, Peace River, Kitimat-Stikine, Skeena-Queen Charlotte, Bulkley-Nechako and Stikine Regional Districts.

<sup>3</sup> Statistics Canada *Labour Force Survey*.

<sup>4</sup> The highest employment rate over the last decade and a half occurred in 2007.

<sup>5</sup> Statistics Canada *Labour Force Survey* and *Business Register Establishment Counts*.



## Economic Statistics

### Employment

Employment in Prince George declined slightly in December, decreasing by 0.4% (200 persons); nonetheless, the level of employment in the city was 15.7% higher than in the same month last year and 4.8% higher than in December 2008. Last month's decrease in employment was moderated by a 0.6% decline in the labour force (300 persons); as a result, the number of unemployed persons was relatively unchanged and the unemployment rate increased only slightly (0.1%) to 6.5%.



Across BC, employment declined by 1.0% and the labour force declined by 0.2% while employment across Canada increased by 0.1%, as did the labour force. Subsequently, the number of unemployed persons increased by 9.4% in BC and declined by 0.2% in Canada; BC's unemployment rate increased 0.7% (to 7.6%) and the rate was unchanged at 7.6% in Canada. Prince George's working age population increased by 100 persons (0.1%) last month, and the employment rate decreased 0.4% to 69.9%; the employment rate decreased 0.6% in BC and was unchanged in Canada in December.

(Source: Statistics Canada Labour Force Survey)

### Real Estate

There were 38 single family homes sold in Prince George in December, 7 fewer than in December 2009, with an average price of \$218,778 (12.9% lower than in the same

month last year). For the year, the average price of a single family home in the city was \$240,667, up 2.2% compared to the whole of last year; total unit sales were 782, down 5.6% for the year. Comparatively, average prices were up 8.5% and 5.8% in BC and Canada, respectively, for the year; unit sales were down 12.2% provincially and 3.9% nationally over the same period last year.

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

### Housing Construction

There were 2 housing starts in Prince George in December (both single family dwelling units), 4 fewer than in the same month last year. For the year, there were 213 starts, up 46.9% over 2009; single family units were up 33.6% and multiples were up 93.8% over the same period last year. Comparatively, starts were up 72.2% and 29.7%, respectively, in BC and Canada at the end of December. There were 27 residential units completed in the city in December (all single family units), 6 more than in the same month in 2009, and there were 205 housing units under construction (119 single family and 86 multiple dwelling units); 15.8% more than in December 2009.

(Source: Canada Mortgage and Housing Corporation)

### Building Permits

The City of Prince George issued 26 building permits valued at \$1.6M in December, down 57.5% compared to the same month last year. Despite slower activity last month, the value of permits totaled more than \$131M in 2010, up 93.5% over 2009. Comparatively, year-to-date permits were up 35.5% provincially and 22.4% nationally at the end of November. Residential building permits accounted for 41.0% of the total value of permits issued in the city last month, as a result of permits for new construction and alterations on single family dwellings (43.7% and 39.0% of this category for the month, respectively). The Institutional category accounted for 30.2% of total

permits in December; a \$0.5M permit for renovations at the Northern Interior Health Unit made up most of this category. The Industrial category accounted for 26.8% of the permits issued for the month, and Commercial permits made up the remainder.

(Source: City of Prince George; Statistics Canada)



### Business Licenses

The City of Prince George issued 4 business license renewals in December and 77 new business licenses.<sup>6</sup> More than 5,000 licenses were issued for the year.

(Source: City of Prince George)

### Airport Passenger Volumes

66,361 passengers passed through the Prince George airport in November and December, 0.9% more than in the same period last year. For the year, 390,340 passengers moved through YXS, 3.8% more than in 2009. Comparatively, traffic through the Vancouver airport was up 3.7% year-to-date, at the end of December.

(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.