

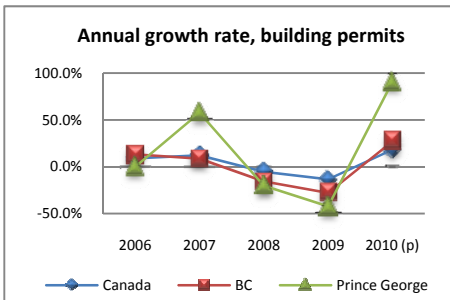


February 2011



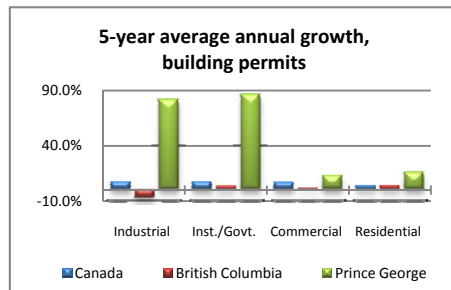
Two major indicators of economic growth are population and building permit activity. Population growth has been picking up momentum in Prince George each year since 2007, averaging 0.9% over the past four years,<sup>1</sup> and there has been considerable capital investment throughout the city in recent years.

Over the previous five years, Prince George's annual average growth rate for building permits far exceeded average growth across Canada and BC. Between 2006 and 2010, compared with 1.1% in BC and 4.2% across Canada, the city averaged 17.3% growth annually in the value of permits issued.<sup>2</sup> Both 2007 and 2010 were exceptionally strong years interrupted briefly by slower economic conditions as a result of the global recession.



Averaged over this five-year period, growth rates in Prince George exceeded provincial and national growth rates in all building permit categories. Prince George most

significantly exceeded provincial and national average growth in the Industrial and Institutional/Government categories, although Commercial and Residential growth rates were also considerably higher. The average annual growth in Commercial



permits was 12.4% compared to 1.2% in BC and 6.1% in Canada while the average annual growth in Residential permits was 15.4% compared to 3.4% and 3.3%, respectively.

Prince George also surpassed both BC and Canada for growth in the number of residential units for which permits were issued over the past five years. For the 2006-2010 period, the city averaged 10.5% growth annually in permits for residential units, while the provincial and national growth rates averaged -2.1% and 0.0%, respectively.

The city saw the greatest growth in the number of multiple dwelling units permitted for construction. While the number of single dwelling units increased on average by 2.4% over this period, the number of

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multiple dwelling units increased by 140.1%. As a result of the increase in construction of multiple units, the proportion of total units constructed attributed to single family units averaged 67.8% over this period, compared to 93.4% in the five years prior. This reflects an improvement in the variety of types of residential dwellings available in the city to meet the diverse needs of residents.

It is expected that construction activity will remain strong in Prince George throughout 2011, in line with continued strengthening of economic conditions.

In recent months, there has been increased interest in development in Prince George's downtown core, accelerated by the launch of the [City Centre](#) marketing campaign. This new initiative is being jointly led by Initiatives Prince George's Katherine Scouten (VP, Economic Development) and the City of Prince George's Ian Wells (Manager, Real Estate Services).

The campaign has been implemented to achieve growth of the City Centre as an urban core, which will add a new dimension to development activities within the city. Targets are focused on mixed use, residential and commercial developments, as well as façade improvements.

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

<sup>2</sup> BC Stats *Building Permits - by Type*.



## Economic Statistics

### Employment

Employment in Prince George declined slightly in January (0.8%; 400 persons). Nonetheless, with 49,000 persons employed in the city, the level of employment was 12.9% higher than in the same month last year and 9.1% higher than in January 2009. January's decrease in employment was moderated by a 1.1% decline in the labour force (600 persons); as a result, the number of unemployed persons declined by 200 (5.9%) and the unemployment rate decreased 0.3% to 6.1%. The number of persons employed and in the labour force across BC changed by -0.4% and 0.3%, respectively. Employment across Canada increased by 0.4% and the labour force grew by 0.6%. Consequently, the number of unemployed persons increased by 8.4% in BC and 2.6% in Canada; the provincial unemployment rate increased 0.6% (to 8.2%) and the rate in Canada increased 0.2% to 7.8% in Canada. Prince George's working age population was unchanged last month, and the employment rate decreased 0.6% to 68.9%; the employment rate decreased 0.3% (to 59.9%) in BC and increased 0.2% (to 61.8%) in Canada.

*(Source: Statistics Canada Labour Force Survey)*

### Real Estate

There were 33 single family homes sold in Prince George in January, 5 fewer than in January 2010, with an average price of \$208,629 (16.0% lower than in the same month last year). Comparatively, average



prices were up 11.5% and 4.5% in BC and Canada, respectively, for the month; unit sales were down 10.4% provincially and 6.6% nationally over January of last year.

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



### Housing Construction

There were no housing starts in Prince George in January, compared to 4 housing starts in the same month last year. Winter weather conditions were a significant factor in the lack of housing starts last month. Comparatively, starts were up 15.2% in BC and down 6.4% across Canada in January. There were 37 residential units completed in the city in January (9 single family units and 28 multiple dwelling units), 33 more than in the same month in 2010, and there were 168 housing units under construction (110 single family and 58 multiple dwelling units); 5.1% fewer than in January 2010.

*(Source: Canada Mortgage and Housing Corporation)*

### Building Permits

The City of Prince George issued 16 building permits valued at \$6.1M in January, up 115.7% compared to the same month last year. Residential building permits accounted for 90.3% of the total value of permits issued in the city, due largely to the \$4.8M permit for a 36-unit senior's housing development in the downtown core. This development made up 88.5% of the total value of Residential permits issued last month. Commercial building permits accounted for 8.8% of total permits issued

in January; a \$360,000 permit for Pharmasave in the Commonwealth Medical Building made up two-thirds of this category. The Industrial category made up the remainder of the permits issued for the month. The value of building permits issued in the city totaled more than \$131M in 2010, up 93.5% over 2009. Comparatively, permits were up 27.8% provincially and 19.8% nationally in 2010.

*(Source: City of Prince George; Statistics Canada)*

### Business Licenses

The City of Prince George issued 1,155 business licenses in January (44 new licenses<sup>3</sup> and 1,111 renewals). 20 of the new licenses issued were a result of existing business changing location. The number of permits issued last month was down 6.5% over the same month in 2010.

*(Source: City of Prince George)*



### Airport Passenger Volumes

31,818 passengers passed through the Prince George airport in January, 5.2% fewer than in January 2010. Comparatively, traffic through the Vancouver airport was up 3.0% in January.

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

<sup>3</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.