



June 2011



Investments in transportation infrastructure throughout the region are contributing significantly to economic activity in Prince George and the surrounding area. A multitude of projects, either planned or underway, are creating the conditions for future economic growth throughout Northern BC.

The BC Ministry of Transportation and Infrastructure is undertaking a significant number of highway improvements throughout Northern BC that will improve access to new markets for regional businesses. Phase 1 of the Cariboo Connector four-laning program that will support increased traffic associated with our rapidly-growing regional economy will conclude with \$47M spent on the project in 2011. Phase 2 expenditures between 2011 and 2014 are estimated to total \$94M.

Work to improve access through the Pine Pass is continuing in 2011, with \$81.6M in road improvements planned for 2011-2012. The projects will create better access to resource development opportunities for regional businesses in a variety of sectors, stimulating continued growth along the corridor. Including the large number of smaller highway projects throughout Northern BC totaling more than \$25.2M, transportation infrastructure projects will create more than 900 direct jobs in 2011.¹

¹ The Ministry of Transportation and Infrastructure estimates that 6.4 direct jobs are created for every million dollars of road infrastructure investment.

CN Rail continues to move forward with \$1.7B in planned capital spending for 2011. Investments to maintain safety and improve the productivity and fluidity of the rail network will help to support economic growth throughout Canada. In addition to the infrastructure improvements across the region, CN plans to continue to expand its operations in Northern BC.

The company currently employs nearly 950 people across Northern BC and will augment this capacity by adding more than 100 jobs specific to train operations as well as mechanical and engineering activities in 2011. The same pattern of hiring is expected over the next few years in support of increased activity related to growth in exports from the region.

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The Prince George Airport (YXS) has made a number of capital investments in recent years including a \$36M runway extension which gave YXS Canada's third longest commercial runway, allowing the airport to accommodate the largest cargo aircraft. Two new projects are underway that will further augment the airport's role in the Asia Pacific Gateway by increasing the airport's viability and visibility as a cargo tech stop for carriers transporting goods between Asia and North America.

Western Star Ventures is building a new 25,000 sq ft cargo cross-dock facility adjacent to the airport's new cargo apron. The new facility will be designed for cargo storage, inspection and transshipment as well as equipment staging. A new common fuel farm is being constructed by Sands Bulk Sales next to the cargo facility which will allow cargo carriers to store their own fuel at their best market price. These two projects represent \$4M in private investment and are anticipated to be complete before the end of 2011.

Just as projects facilitating more efficient movement of people and goods within, into and out of the region will be critical to economic growth across Northern BC, BC Hydro's Northwest Transmission Line (NTL) project will also create new economic opportunities for workers and businesses in Prince George and across the northern region.

The \$404M Transmission Line, anticipated for completion by 2013, will create an estimated 280 direct jobs per year of construction and will also enable more than \$5.5B worth of mining projects in Northwest BC by providing a reliable supply of clean energy to support development and operations.

Transportation infrastructure projects underway in the region are critical to supporting economic activity in Prince George and Northern BC. These investments will be key catalysts for future growth and development within the region.



Economic Statistics

Employment

There were 47,900 persons employed in Prince George in May, up 1.5% (700 persons) from the previous month. The number of persons engaged in the labour force also increased (1.8%; 900 persons), leading the number of unemployed persons to rise moderately (6.9%; 200 persons). Consequently, the unemployment rate increased slightly to 6.1%. The number of persons employed in BC and across Canada increased by 0.2% and 0.1%, respectively; the number in the labour force declined by 0.1% in both BC and in Canada. As a result, the number of unemployed persons decreased by 4.3% and 3.5%, respectively; the provincial unemployment rate declined by 0.3 (to 7.6%) and the national rate declined by 0.2% (to 7.4%). Prince George's working age population was unchanged for the fifth consecutive month, and the employment rate increased 1.0% to 67.4% in May; employment rates were unchanged in BC and Canada (at 60.3% and 61.9%, respectively).

(Source: Statistics Canada Labour Force Survey)

Real Estate

There were 97 single family homes sold in Prince George in May, 2 fewer than in May 2010, with an average price of \$254,624 (1.2% lower than in the same month last year). Year-to-date, the average price of a single family home was down 0.6% compared to the first five months of 2010; unit sales were down 7.9%. Comparatively, average prices were up 16.5% and 8.1% in BC and Canada, respectively, year-to-date;



unit sales were down 1.2% and 6.4%, respectively, as of the end of May.

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

Housing Construction

There were 19 housing starts in Prince George in May (all single family dwelling units), compared to 25 starts (16 single and 9 multiple dwelling units) in the same month last year. Mainly a result of a larger number of multiple dwelling units, year-to-date starts at the end of May were up 17.7%, compared to the first five months of 2010. Comparatively, housing starts were up 2.7% in BC and down 6.9% across Canada for the



same period. There were 7 residential units completed in the city in May (all single family units), 1 fewer than in the same month in 2010, and there were 182 housing units under construction (110 single family and 72 multiple dwelling units); 16 fewer than in May 2010.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 53 building permits valued at \$14.2M in May, up 159.0% compared to the same month last year. Residential building permits accounted for 21.8% of the total value of permits issued in the city, with permits for 13 new single family dwellings making up the majority of the value of this category. Commercial permits accounted for 52.6% of the permits issued, with a \$5.3M hangar replacement at the Prince George Airport

and a \$1.0M permit for the Keg renovations making up the bulk of the category.

Industrial building permits accounted for 25.6% of the permits issued in May, due entirely to a \$3.6M construction project at Lakeland Mills. Year-to-date, the value of permits issued in the city was down 5.9% at the end of May. Comparatively, permits were down 2.0% provincially and 2.9% nationally at the end of April.

(Source: City of Prince George; Statistics Canada)

Business Licenses

The City of Prince George issued 299 business licenses in April and May (93 new licenses² and 206 renewals). 6 of the new licenses issued were a result of existing business changing location.

(Source: City of Prince George)

Airport Passenger Volumes

33,602 passengers passed through the Prince George airport in May, 0.2% fewer than in May 2010. Year-to-date, passenger traffic through the airport was down 0.7% compared to the first five months of last year. Comparatively, traffic through the Vancouver airport was up 0.2%, year-to-date, at the end of April.

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



² 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.