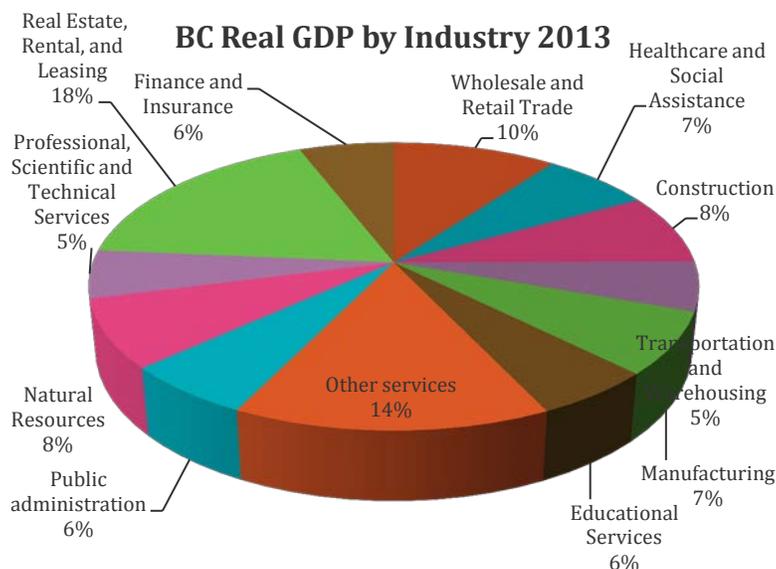


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Wholesale and Retail Trade Sector Contribution to the Local Economy

The retail sector plays a vital role in bridging production and consumption, and as a result has significant direct and indirect effects on the Canadian economy. The Canadian Wholesale and Retail Trade industry is primarily engaged in selling consumer goods and related services through stores to the general public. Large retail firms also tend to operate their own warehouse facilities and, in some instances, have manufacturing operations for the production of private-label goods. GDP in the wholesale and retail trade sector increased from \$77.8 billion in 2007 to \$83.6 billion in 2012. The increase in GDP reported between 2007 and 2012 represented a compound annual rate of 1.2 per cent¹.



In 2013, service-producing industries accounted for 75.5 per cent of BC's real GDP and goods-producing industries accounted for 24.5 per cent. The two largest service industries were real estate, rental and leasing (17.7 per cent of BC's total real GDP) and Wholesale and Retail Trade (10.2 per cent of BC's total real GDP). Capital investment in the retail real estate sector totaled \$6.9 billion in 2013, according to a report released by the Real Property Association of Canada (REALpac) titled "The Contribution of the Retail Real Estate Sector to the Canadian Economy"². Some \$4.7 billion was spent on new buildings in BC, with the rest (\$2.2 billion) invested in capital improvements, renovations and the upgrading of existing buildings. These activities add to the economy in various ways by:

- Supporting 97,700 jobs each year, many of which are high-paying professional jobs;
- Generating \$6.0 billion in income, related to personal income and other sources of income;
- Generating \$3.9 billion in corporate profits earned by many small and medium-size companies, and some of the largest companies in Canada;
- Contributing \$2.2 billion in personal and corporate income tax revenues for the federal and provincial governments¹.

The Wholesale and Retail Trade Sector has a significant presence in the Prince George economy, reflecting both the relative size of the Prince George population and the city's role as the service and supply hub for communities throughout northern BC. The Wholesale and Retail Trade sector is the largest industry in Prince George and employs over 20 per cent of the labour force, which accounts for over 9,400 people. The number of business locations increased by 4.6 per cent between 2012-2013. There were 768 businesses in Prince George in Wholesale and Retail Trade, which accounts for 12.3 per cent of all business locations.

The presence of a diverse range of retailers in Prince George not only enhances the city's role as the service and supply hub for northern BC, but also provides a large and growing employment base. The city's well developed retail cluster also attracts customers from outside Prince George, positively impacting businesses in other sectors of the economy, and enhances the amenities that make Prince George a preferred place to live and work in BC.

¹ Statistics Canada
² REALpac

Economic Statistics

Employment

The number of people employed in Prince George decreased marginally from 51,100 in November 2014 to 50,700 in December 2014. There was also a decrease in the number of people in the workforce, from 53,500 in November to 52,800 in December. Consequently, the unemployment rate further decreased from 4.5% in November to 4.2% in December 2014. In BC, the number of full time jobs rose by 22,300 in December 2014; on the contrary, part-time jobs decreased by 20,200, which resulted in an overall gain of 2,100 jobs during December. As a result, the unemployment rate in BC dropped to 5.4% in December compared to 5.8% in November. The number of people employed in the private sector in BC increased substantially by 16,800. The number of people employed in the self-employed category fell by 10,500, while employment in the public sector fell by 4,300. Employment rates in BC and across Canada were 59.9% and 61.5%, respectively, while Prince George was significantly higher than both at 71.8%. Prince George remained below the provincial (5.4%) and national (6.6%) unemployment rates at 4.2%.

(Source: Statistics Canada Labour Force Survey)

Real Estate

33 newly constructed single detached houses were sold in November 2014 at an average price of \$422,173 in Prince George. This was in comparison to 37 houses sold at an average price of \$438,117 in November 2013³. Home sales in northern BC totaled 212 units in December 2014, up 15.8% compared to December 2013. The total number of houses sold was 4,507 during 2014; this marks a seven-year high for activity in the region, and stands nearly 8% above 2013. The average home price in northern BC in December was \$259,705, up 2.7% on a year-over-year basis. The total value of properties sold in northern BC was \$55 million in December 2014, up by 19% on a year-over-year basis. National home sales were down 5.8% between November and December 2014, but the average price rose by 3.8% on a year-over-year basis in December.

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

Housing Construction

There were 28 housing starts in Prince George during November 2014 (17 single family dwellings and 11 multiple dwellings) and 146 housing starts year-to-date. A total of 15 single-detached residential houses were completed in November 2014. Comparatively, the total number of housing starts in BC during November 2014 were up by 10.4% compared to November 2013³.

(Source: Canada Mortgage and Housing Corporation)

Building Permits

The City of Prince George issued 44 building permits valued at \$4.6 million in December 2014. The value of new duplex permits issued was \$386,160 and permits issued for new single family detached units were \$2.9 million during December 2014.

(Source: City of Prince George; Statistics Canada)

Business Licenses

The City of Prince George received 26 new business license applications and 6 renewal applications in October 2014. The City approved 60 new and renewal applications for business licenses in October 2014⁴.

(Source: City of Prince George)

Airport Passenger Volumes

41,487 passengers moved through the Prince George International Airport in December 2014, which is 12% higher than in December 2013. Year-to-date traffic is up by 4.5% and surpassed 445,929 passengers during 2014. Traffic through the Vancouver International Airport was up 6.0% for the month of November 2014, in comparison to November 2013. Year-to-date passenger traffic through the Vancouver Airport remained significantly up by 7.8%⁵.

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

³ December statistics were unavailable at the time of publication released

⁴ November and December statistics were unavailable at the time of publication released

⁵ December Vancouver air traffic statistics were unavailable at the time of publication released