



February 2012



Recently released Labour Force Survey estimates show that, in 2011, the number of employed persons in Prince George was the highest it had been in at least fifteen years.<sup>1</sup> Employment in the city averaged 1.3% growth annually between 2001 and 2011, and the level of employment in 2011 was 3.8% higher than the average over the previous five years.

Employment growth in Prince George over the past five years can be attributed mostly to Secondary and Tertiary sectors; Primary sector employment declined by an annual average of 4.1% between 2006 and 2011, although trends within each of the sectors in this category differed considerably. While employment in forestry and logging activities declined by an annual average of 14.3% over this period,<sup>2</sup> employment in agriculture and mining increased by 9.5% and 54.3%, respectively, averaged annually between 2006 and 2011.

The growth in employment in agriculture and mining was mirrored by increases in the number of businesses operating in these sectors in Prince George. The number of business locations engaged in crop and animal production increased by an annual average of 3.5% and 3.3%, respectively, while businesses engaged in support activities for mining and oil & gas increased

by an annual average of 13.1% over the past five years.<sup>3</sup>

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Secondary sector employment increased an annual average of 1.8% between 2006 and 2011, with the construction sector leading the increase. Construction employment increased at an annual average of 11.3%; as a result, the size of the sector nearly doubled in size over this period. In contrast, manufacturing employment declined an average of 3.5% annually over this period, with most of the decline occurring in 2008.

Trends in the number of business locations in each of the Secondary sectors followed employment trends; the number of firms engaged in construction and manufacturing activities changed by 0.9% and -3.3% annually, averaged over the past five years. Building construction and specialty trade contractor companies increased by 1.9% and 0.8%, respectively, while heavy and civil engineering construction companies declined by an annual average of 0.8% over this period. Despite the overall decline in companies in the manufacturing sector, manufacturers of equipment and

miscellaneous goods were among the types of companies that increased in number.

Prince George's Tertiary sector, or service-producing employment increased 2.0% annually, averaged between 2006 and 2011. Nearly all of the sectors in this category increased in employment over this period. The three largest sectors (wholesale & retail trade, health care & social assistance and transportation & warehousing) increased by averages of 1.8%, 5.0% and 9.5% annually, contributing considerably to the employment growth in the category.

Despite strong employment growth in the three largest Tertiary sectors, health care was the only one of these sectors to see growth in number of business locations (2.2% averaged annually), mainly due to steady growth in ambulatory health care.<sup>4</sup> Wholesale & retail trade and transportation & warehousing locations declined by an annual average of 1.3% and 4.5%, respectively, over this period.<sup>5</sup>

Trends in employment and business establishments are reflective of the Prince George economy's continued responsiveness to changing opportunities. Diversification continues to provide underlying strength and stability to the economy that will be the foundation for growth going forward.

<sup>1</sup> Current Statistics Canada Labour Force Survey statistics date back to 1996.

<sup>2</sup> The decline in forest sector employment can be attributed, at least in part, to retirements and a low number of new entrants into this sector.

<sup>3</sup> Statistics Canada Business Register. Data is for the 2007-2011 period.

<sup>4</sup> Offices of physicians, other health practitioners and out-patient care centres.

<sup>5</sup> Truck transportation was the largest contributor to the decline in transportation & warehousing business locations, due in part to business consolidation and a shortage of new entrants into the sector.



## Economic Statistics

### Employment

49,000 persons were employed in Prince George in January, relatively unchanged from the previous month, while the number of persons in the labour force increased slightly (0.2%; 100 persons). Relative stability in employment alongside the slight increase in the labour force led the number of unemployed persons to increase by 7.5%. As a result, the unemployment rate increased 0.6% to 8.1%. In BC, the number of persons employed and in the labour force decreased by 0.1%; as a result, the number of unemployed persons declined by 0.7%. Across Canada, the number of employed persons was unchanged and those in the labour force increased by 0.1%, leading the number of unemployed persons to increase by 1.5%. As a result, the unemployment rate decreased 0.1% (to 6.9%) in BC and increased 0.1% (to 7.6%) in Canada. Prince George's working age population was unchanged last month and the employment rate decreased 0.2% to 68.8%; employment rates decreased 0.1% and 0.1% (to 60.3% and 61.6%, respectively) in BC and Canada.

(Source: Statistics Canada Labour Force Survey)

### Real Estate

42 single family homes were sold in Prince George last month, 9 more than in January 2011, with an average price of \$236,570 (13.4% higher than in the same month last year). Comparatively, the average house price in BC was down 3.8%; unit sales were down 3.9%. In Canada, the average price was up 1.2% and units were up 4.0%.

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



### Housing Construction

There were no housing starts in Prince George in January 2012, mirroring the same month last year. There were 4 residential units completed in the city (all single family units), in contrast to the 9 single and 28 multiple units completed in January 2011.



There were 147 housing units under construction (110 single family and 37 multiple dwelling units) last month; 12.5% fewer than in January last year. Housing starts were up 8.5% and 24.5%, in BC and across Canada, respectively, in January.

(Source: Canada Mortgage and Housing Corporation)

### Building Permits

The City of Prince George issued 17 building permits valued at \$2.5M in January, down 59.5% compared to the same month last year. Residential building permits accounted for 51.6% of the total value of permits issued in the city last month, with permits for 5 single family dwellings making up the majority of this category. Commercial permits made up 30.2% of the value of permits issued, with renovations to the new Mr. Mike's restaurant making up 67.0% of the category. Industrial and Institutional permits accounted for the remaining 14.2% and 4.0%, respectively, of the value of permits issued in January. At the end of 2011, the value of permits issued in Prince George was down 25.2% over the previous year. Comparatively, year-to-date permits

were down 4.7% provincially and up 1.8% nationally at the end of December.

(Source: City of Prince George; Statistics Canada)

### Business Licenses

The City of Prince George issued 1,548 business licenses in January (57 new licenses<sup>6</sup> and 1,491 renewals). 19 of the new licenses issued were a result of businesses changing location.

(Source: City of Prince George)

### Airport Passenger Volumes

33,442 passengers passed through the Prince George airport in January, 5.1% more than in January 2011. With 402,438 passengers moving through the airport in 2011, annual passenger traffic was up 3.1% compared to the previous year. Comparatively, traffic through the Vancouver airport was up 1.5% in 2011.

(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.