

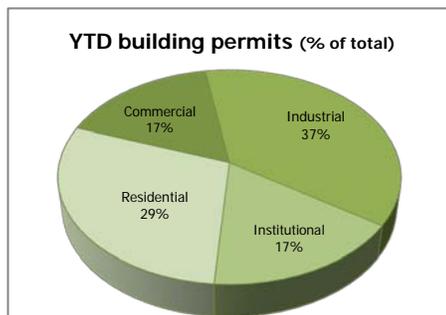


July 2012



The level of construction activity in Prince George over the first half of 2012 has far exceeded the level of activity in the same period last year. The total value of building permits issued in the city year-to-date at the end of June was more than double the value issued over the first six months of 2011.<sup>1</sup>

Year-to-date building permits reflect a balanced mix of projects across all categories. Business activity accounted for more than half of the value of permits issued in the first two quarters of the year; Commercial permits accounted for 16.9% (\$13.4M) and Industrial permits accounted for 37.0% (\$29.5M). These categories were up 14.3% and 618.3%, respectively, compared to the same period last year.



Institutional (public) projects accounted for 16.8% of the total value of permits issued since January; with \$13.4M in permits

<sup>1</sup> Permits totaling \$79.6M were issued in the first six months of 2012, compared to \$35.0M in the same period last year.

issued, this category was up 961.3% compared to the first six months of last year.

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Residential building permits accounted for 77.9% of the total number of permits issued in the city, year-to-date. The 201 permits had a combined total of \$23.3M, accounting for 29.3% of the total value of permits issued in the city. The number of permits issued for residential projects was up 24.1% compared to the first six months of last year; the value of residential permits was up 30.1%.

New home construction accounted for the majority of residential building activity over the first half of the year. The value of permits issued for new housing units was up 19.1% compared to last year, with single family dwellings making up the largest proportion of permits issued.<sup>2</sup>

Year-to-date, housing starts in the city were up 25.6% at the end of June; starts of single family dwellings were up 41.3% and multiples were up 5.6%. Overall, there were 103 housing starts in the first half of the

<sup>2</sup> \$15.3M in building permits were issued for single family dwellings in the first half of the year, compared to \$11.1M in the same period last year.

year, setting the pace for 2012 starts to far exceed the 2011 total of 157.

Building permits for downtown commercial improvements made up a considerable portion of the overall commercial building permits issued between January and June. 7 projects with a combined total of \$1.6M accounted for 11.6% of the total value of commercial permits issued, and 21.3% of permits issued for commercial renovations. Downtown projects were located at 887 Dominion St, 1444 - 9th Ave, 1302 - 7th Ave, 1505 - 3rd Ave, 565 George St, 1488 - 4th Ave and 1111 - 3rd Ave.

The construction sector is one of the largest sectors of the Prince George economy. In 2011, there were 786 businesses engaged in the construction sector (13.5% of total businesses) and 4200 persons employed (8.6%). In June of this year, employment in the construction sector was estimated at 4900 persons (9.8% of total employment in the city).

Construction employment in Prince George is driven not only by robust building activity in the city but also by economic growth occurring throughout the region. Prince George's role as the service and supply hub for industry activities throughout Northern BC positions local firms to capitalize on construction activity occurring throughout the north, further increasing the value of the sector in the Prince George economy.

# ECONOMIC UPDATE

## Economic Statistics

### Employment

50,000 persons were employed in Prince George in June, up 500 persons (1.0%) from the previous month. The labour force also increased by 500 persons (0.9%), leaving the number of unemployed persons relatively unchanged. The unemployment rate increased slightly (0.1%) to 6.9%. In BC, the number of persons employed increased by 0.2% and those in the labour force decreased by 0.7%. Subsequently, the number of unemployed persons declined by 11.6% and the unemployment rate decreased 0.8% (to 6.6%). Across Canada, the number of employed persons was relatively unchanged while the labour force decreased by 0.1%; the number of unemployed persons decreased by 1.7% and the unemployment rate declined 0.1% (to 7.2%). Prince George's working age population was relatively unchanged last month, and the employment rate increased 0.8% (to 70.4%); employment rates were unchanged in BC and across Canada, at 60.9% and 61.9%, respectively.

*(Source: Statistics Canada Labour Force Survey)*

### Real Estate

659 properties worth \$154.7M changed hands in Prince George over the first six months of the year, compared with 592 properties worth \$136.3M in the same period in 2011. 94 single family homes were sold in the city in June, 4 more than in the same month in 2011, with an average price of \$240,434. Year-to-date, the average house price was up 0.1% compared to the first six months of 2011; unit sales were up



11.2%. Comparatively, the year-to-date average price in BC was down 8.9%; units were down 9.0%. In Canada, the average price was up 0.3% and units were up 4.7%.

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



### Housing Construction

There were 18 housing starts in Prince George last month, 9 more than in June 2011. Year-to-date starts were up 25.6%, compared to the first six months of 2011. Comparatively, starts were up 13.3% and 18.6%, in BC and Canada, respectively, at the end of June. There were 21 residential units completed in the city (all single family dwellings), 13 more than in the same month last year. 153 housing units were under construction last month (113 single family and 40 multiple dwelling units); 16.4% fewer than in the same month in 2011.

*(Source: Canada Mortgage and Housing Corporation)*

### Building Permits

The City of Prince George issued 65 building permits valued at \$21.9M in June. The value of permits issued was up 373.3% compared to the same month last year; the number of permits issued was down 7.1%. Institutional building permits accounted for 60.0% of the total value of permits issued in the city last month, with a permit for the \$13.1M Kin Centre Enhancement making up the entirety of the category. Residential permits made up 30.2% of the value of permits issued, with 17 new single family dwellings making up 69.1% of the category. Commercial permits made up the remaining 9.9% of the

value of permits issued; projects include the new Burger King and a new medical building along Central Street, tenant improvements for the old Morrison's Menswear building on 3<sup>rd</sup> Ave downtown, and an expansion of the College Heights Pub. These projects accounted for 51.0%, 27.8%, 13.9% and 7.2% of the Commercial permits issued, respectively. Year-to-date, the value of permits issued by the City was up 127.3% at the end of June; the number of permits was up 18.3%. Comparatively, the value of permits was up 22.7% in BC and 10.5% across Canada at the end of May.

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

### Business Licenses

The City of Prince George issued 84 business licenses in June (36 new<sup>3</sup> and 48 renewals). 5 of the new licenses were a result of businesses changing location.

*(Source: City of Prince George)*



### Airport Passenger Volumes

33,394 passengers moved through the Prince George airport in June, 2.8% more than in June 2011. Year-to-date passenger traffic through the airport was up 6.0% compared to the first six months of 2011. Comparatively, traffic through Vancouver's airport was up 4.1% at the end of June.

*(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.