

Prince George BC – Market Analysis

Prince George is known as BC's "northern Capital". Forestry and wood products are a large part of Prince George's economy, and the city is the principal urban and industrial centre in BC's largest forest region. Prince George is also a staging centre for mining companies operating in the mineral-rich central region of BC. Active mining and exploration, predominately in copper and gold, generates much of the local economic activity. Five major mines are located in the area. With several post secondary education institutions, Prince George is also a learning centre of excellence in BC. The University of Northern British Columbia was established in Prince George in 1904. The city is also the regional hub for medical services. The regional hospital is in the process of being expanded to include a cancer treatment centre.

The population of the Prince George CMA was 86,696 in 2009. The CMA's population decreased -0.3% from 2005 to 2009. The population is expected to decline further to 82,831 in 2012, representing compounding annual growth of -0.6%.

Retail sales in Prince George are expected to amount to \$1.5 billion in 2009 and are projected to reach \$1.55 billion by 2012, representing average annual compounded growth of 0.5%.

The average household income in Prince George was \$75,400 in 2009, which is slightly lower than the estimated provincial average of \$75,800 per household for the same year.

The market area has several major demand generators:

- Regional forestry activity plays a major role in both the local and provincial economies. The region, which covers +50 million hectares, produces enough lumber for 640,000 new single-family homes annually.
- Retail shopping opportunities have been expanding in Prince George as big-box stores continue to establish themselves in the city. Downtown Prince George also offers boutiques featuring the work of local artisans.
- As over 1,600 of BC's lakes and streams are within an hour of Prince George, the area offers world-class angling, camping, boating and canoeing opportunities.

The global recession is having an impact on the area, specifically in the forestry industry. Nevertheless, Prince George is well positioned for when the economy turns around. The outlook for the area is generally favourable, and growth should return to the market when the global economy revives.