



Economic Development Update

January 17, 2017

Real Estate

Between September 1st and December 31st, 60 Terrace properties were sold worth a total of \$15.6M. The same three months in 2015 saw 69 properties sold with a total value of \$19M. However, year to date values are much more in line with last year. \$67.3M in property was sold in 2016, as compared to \$69.9M in 2015.

The average 2016 property sale in Terrace was worth \$281,600. This is \$22,000 greater than that of Prince Rupert and \$28,000 greater than that of Kitimat. It is up from 2015's average sale value, which was \$258,000.

This shows a 9.1% increase in total value of property sales compared to last year. In comparison, Kitimat experienced a 7.6% decrease and Prince Rupert a 5.6% increase in value of sales.

There had been 594 listings in 2016, compared to 568 in 2015. In comparison, Kitimat had 288 listings, up from 221 last year.

Source: BC Northern Real Estate Board.

Workforce and Major Projects

The unemployment rate for the North Coast and Nechako Region as of December 2016 is 7.4%, on par with the 7.5% in August but down from the 8.5% in February. Our region is followed by the Kootenays at 8.9% and then the Northeast at 10.1%. The provincial unemployment rate is 5.7%.

Source: Work BC, Regional Labour Market Profiles, December, 2016.

Recent progress on the transmission line, the portal structure, and underground operations at The Brucejack Mine means that the project is on track to begin full operations in the middle of 2017. The underground gold mine is located approximately 65 kilometers north of Stewart, and contains a 330-person camp to house workers.

Taisheng International Investments have begun the first phase of landclearing on their portion of the Skeena Industrial Development Park. They have opted to use primarily local companies to complete the development of the property, and have already invested over 25 million dollars into the project.

AltaGas has announced that they are going ahead with their 500 million dollar Ridley Island Propane Export Terminal, the first facility of its kind on Canada's west coast. Construction is expected to last from early 2017 until early 2019. Estimates place the total temporary job creation during the construction phase to be 200-400 workers and the permanent job creation to be roughly 40-50 workers.

Airport

Passenger numbers earlier in the year were low compared to the same time in 2015. However, November's numbers were in line with those of November 2015 at roughly 17,800 passengers.

As the Brucejack Mine prepares to begin operations, passenger numbers at the Northwest Regional Airport are expected to increase.

The \$17M expansion project at the airport is expected to be fully complete in early 2018.

Business Licensing and Development

The construction values for renovations in commercial, residential, and institutional properties are up dramatically from last year.

In September/October/November 2016, 49 building permits were issued for a total estimated construction value of \$1.68 million primarily in Residential renovation, commercial renovation, and single residential construction projects.

Total year to date construction values are much lower than those in 2015. This is due to last year's unusual productivity brought on by two hotel construction projects.