



NEWS RELEASE

For Immediate Release

ECONOMIC DEVELOPMENT – Q1 2018 COMMUNITY UPDATE

April 11, 2018

TERRACE – The Economic Development Department has released the first quarter Economic Development Community Update (see attached).

Highlights of the update include:

- *38% increase in sales of single family homes in Terrace over the same period last year*
- *Characterization of the Terrace Real Estate market*
- *Rental vacancy rate for the 2017 year from the Canada Mortgage and Housing Corporation of 6.5%*
- *Current workforce analysis of the Nechako/Northcoast region*

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Community Update

Economic Development Indicators

April 11, 2018

Real Estate

As of March, 2018 the number of sales of single family homes in Terrace has gone up significantly, compared to this time last year with 38% more sales for a total of 29 properties sold.

The number of single family homes listed for sale is comparable to 2017 and average sale prices have decreased slightly. Terrace is currently characterized as a balanced real estate market based on the ratio of active listings to sales.

In our neighboring communities the real estate market is somewhat different. In Prince Rupert as of March, 2018 listings have decreased from this time last year with average sale prices rising 12% for single family homes—a comparable amount of properties has sold in Prince Rupert, as have sold in Terrace suggesting similar demand for these types of properties.

In Kitimat, they are approaching a seller's market based on the ratio of active listings to sales. Sale numbers have nearly doubled over the past year and as listings have gone down, average sale prices have risen 14% for single family homes.

Rentals

Canada Mortgage and Housing Corporation has reported out on rental property vacancy rates for 2017. In Terrace, the total vacancy rate for all rental properties was 6.5% for 2017. This is a significant increase from 4.3% in 2016. Much higher vacancy rates have been seen in northeastern BC over the past two years—in Fort St. John the current rental vacancy rate sits at 19.2% although that is down from 30.7% in 2016.

Sources: BC Northern Real Estate Board, Canada Mortgage and Housing Corporation

Airport

Passenger traffic at the Northwest Regional Airport has seen a slight increase of 2% over the past year, which is the first increase experienced since the completion of the Kitimat Modernization Project – employment for that project peaked in September, 2014 and declined thereafter. For the fiscal year of 2017-2018 the airport's total passenger count was 222,114.

Workforce

The regional unemployment rate for Nechako/Northcoast region is sitting at 7.6%, significantly up 2.1% from the last quarterly report based on monthly provincial labour force surveys. Although there has been a general rise in unemployment across BC and Canada more broadly, regional employment participation rates have increased suggesting more regional workers are choosing to move into the workforce or there may be a demographic shift occurring.

The number of jobs in the region has decreased from the third quarter of 2017 to the first quarter of 2018, which matches with anecdotal evidence from local businesses that layoffs have occurred. The labour force has increased higher than employment levels – this may suggest that there has been an influx of workers higher than available jobs, resulting in an unemployment rate spike.

Source: Work BC, Regional Labour Market Profiles.

Business Licensing and Development

As of March 31, 2018, the City of Terrace issued 23 new business licenses and had 1202 active business licenses that had been renewed from the previous year. In 2017 during this same time period there had been 49 new business licenses issued although total renewed licenses were slightly less. This data will be more informative when referenced for the entire year and the reports published later in 2018 will include additional information for readers.

Construction values will be referenced in the next Economic Development Update.

Source: City of Terrace