



Community Update: Q3 2018

Economic Development Indicators

Highlights

- Average home resale price in Q3 2018 (\$340,002) increased by 0.7% from Q2 2018 (\$337,559), and by 8.8% from Q3 2017 (\$312,651).
- 49 dwellings sold in Q3 2018, up from 35 in Q3 2017, an increase of 40%.
- Unemployment is down by 0.9% from Q3 2017, and down by 2.6% from Q2 2018.
- Value of construction permits down significantly (74.9%) from Q3 2017.
 - Residential (-81.8%), Industrial (-100%), Commercial (92.5%), Institutional (-100%).
- Passenger traffic at Northwest Regional Airport was 67,450 in Q3 2018, up by 10.2% over Q3 2017 and 17.0% over Q2 2018.

Summary Table

	Q3 2017	Q2 2018	Q3 2018	Change (Q3 2017)
Employed Labour Force*	43,700	43,200	42,800	-2.10%
Unemployment Rate*	5.60%	7.30%	4.70%	-0.90%
Participation Rate*	69.00%	70.00%	67.70%	-1.30%
Average Resale Price	\$312,651	\$337,559	\$340,002	8.75%
Resale Units Sold	35	70	49	40.00%
Construction Permits (YTD)	\$38,183,000	\$4,839,000	\$9,589,000	-74.90%
Housing Starts (YTD)	17	14	18	5.90%
Airport Passengers	61,226	57,655	67,450	10.20%

*Denotes values for North Coast/Nechako



Labour Force

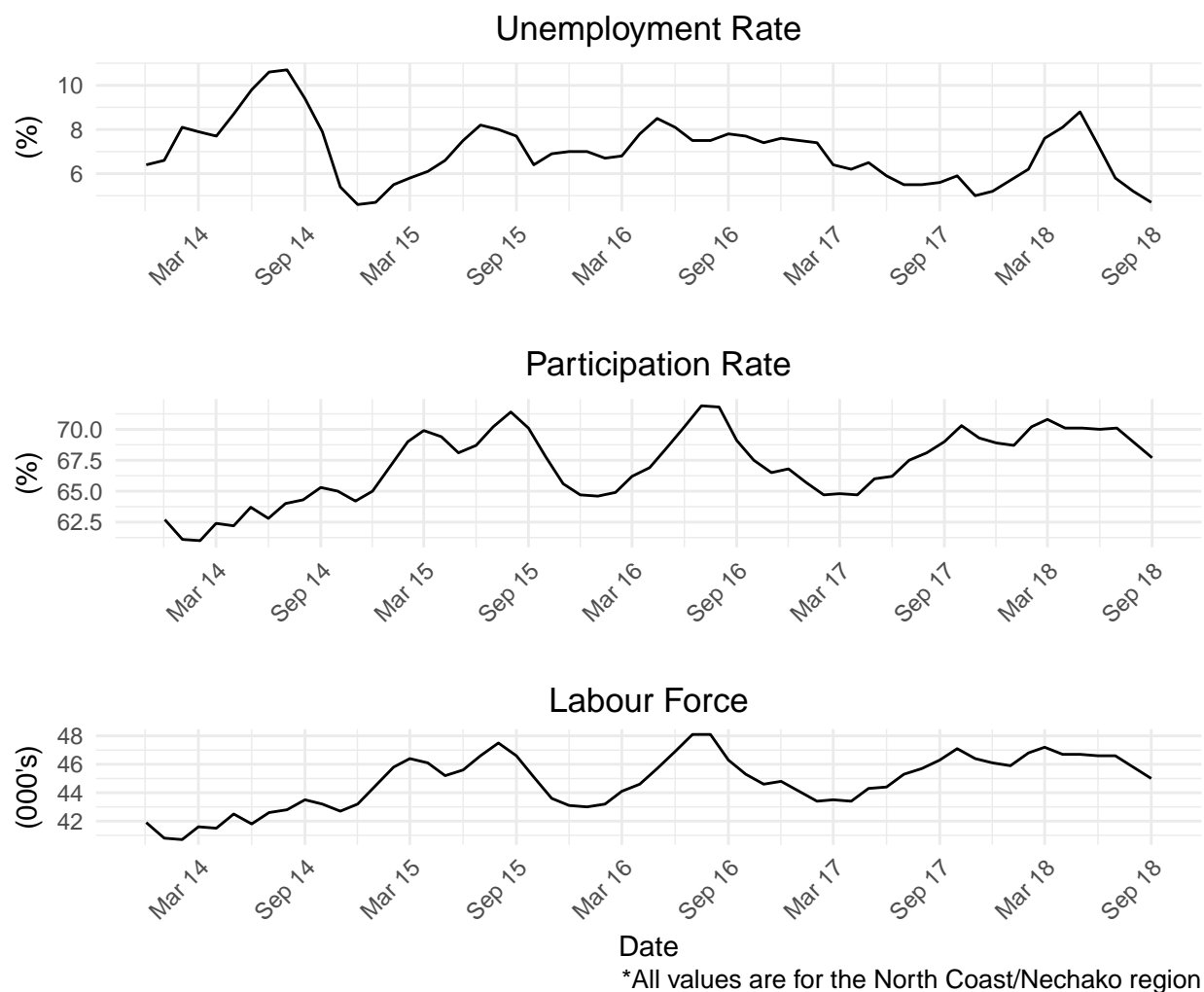


Figure 1: Labour Force

Source: Statistics Canada, Table: 14-10-0293-01

From Q3 2017 to Q3 2018, the labour force for North Coast/Nechako decreased by 2.8% from 46,300 to 45,000. Over the same period, the total population decreased by 0.9% and total employment decreased by 2.1%. Since the decrease in the labour force was less than the decrease in employment, unemployment decreased from 5.5% to 4.7%. The participation rate was the same in both periods at 64.4%, and full-time employment decreased by 2.5%.

From Q2 2018 to Q3 2018, there was a 3.4% decrease in the labour force, a 0.9% decrease in total employment, and a 0.5% decrease in the unemployment rate. The participation rate decreased by 1.2% and full-time employment increased by 3.2%.



Real Estate

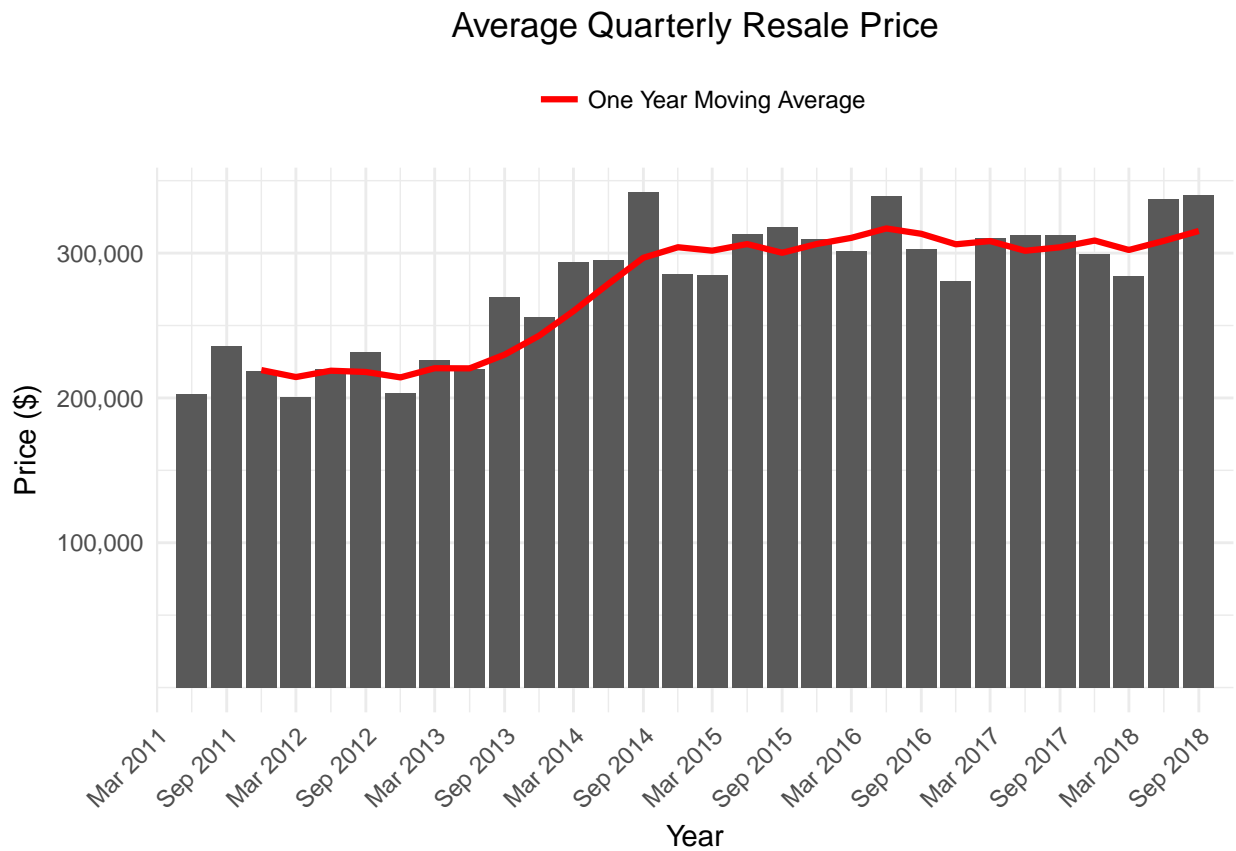


Figure 2: Average Home Resale Price

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

The average resale price in Terrace for Q3 2018 was \$340,002, which is a 0.7% increase from Q2 2018 (\$337,559) and an 8.8% increase from Q3 2017 (\$312,651). Kitimat experienced resale price growth (22.2%) and Prince Rupert saw prices decrease slightly (-3.9%) from Q3 2017.

In Q3 2018, 49 properties were sold in Terrace, up from 35 in Q3 2017. Kitimat and Prince Rupert sold fewer properties in Q3 2018 (28 and 34 respectively) than in Q3 2017 (36 and 41).



Economy

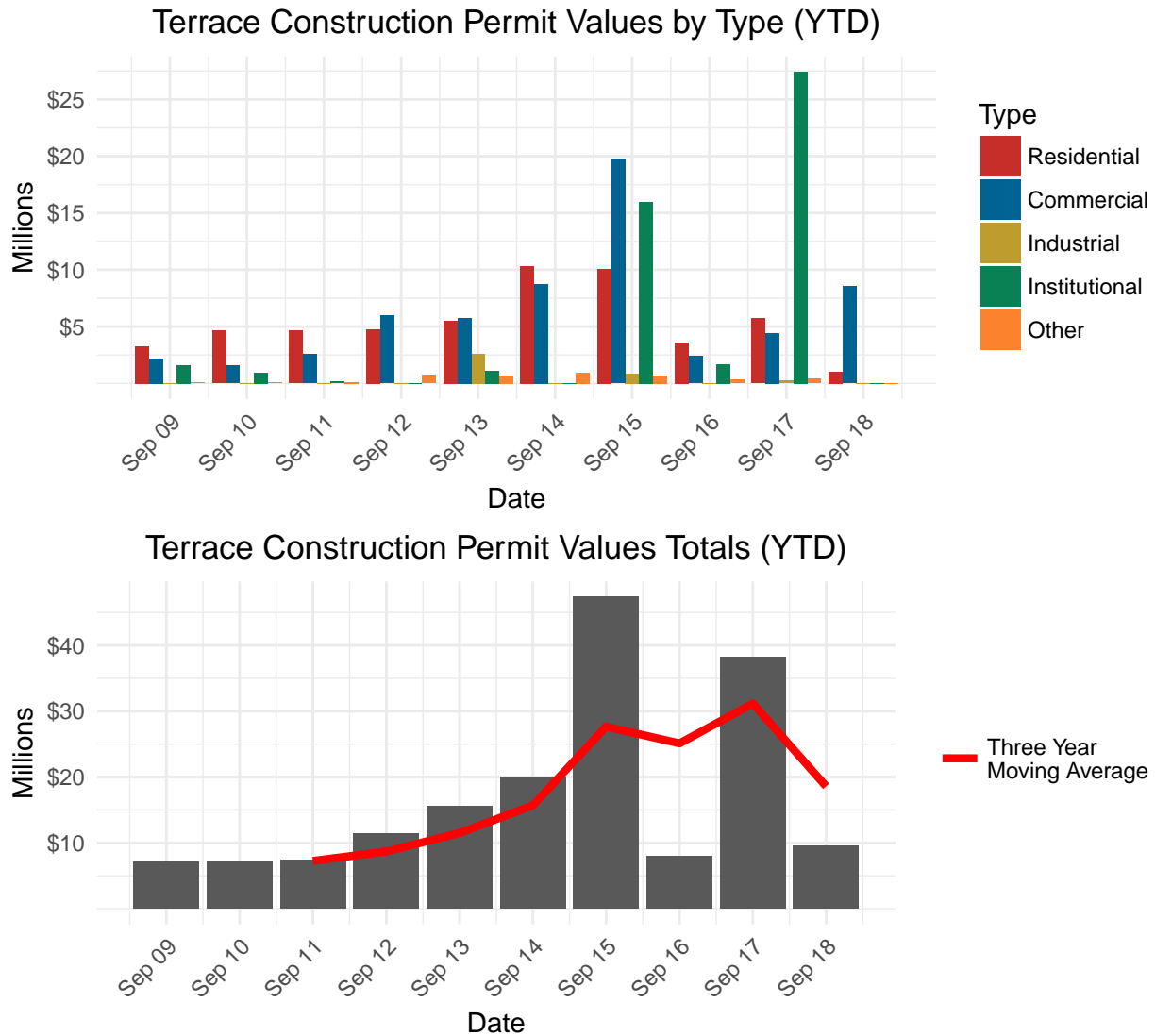


Figure 3: Building Permit Values (Year-to-Date)

Source: City of Terrace

Year-to-date (YTD) total construction permits as of Q3 2018 (\$9,589,000) are down by 74.9% relative to Q3 2017 (\$38,183,000), and is considerably below the ten year average (\$17,193,894). YTD residential permits in Q3 2018 are at a ten-year low of \$1,040,000. This is a decrease of 81.8% from the Q3 2017 YTD total of \$5,718,000. Commercial permits reached a YTD total of \$8,528,000 which is an increase of 92.5% over the Q3 2017 YTD total of \$4,431,000 and above the ten year average (\$6,183,652). No industrial or institutional permits have been issued as of Q3 2018.

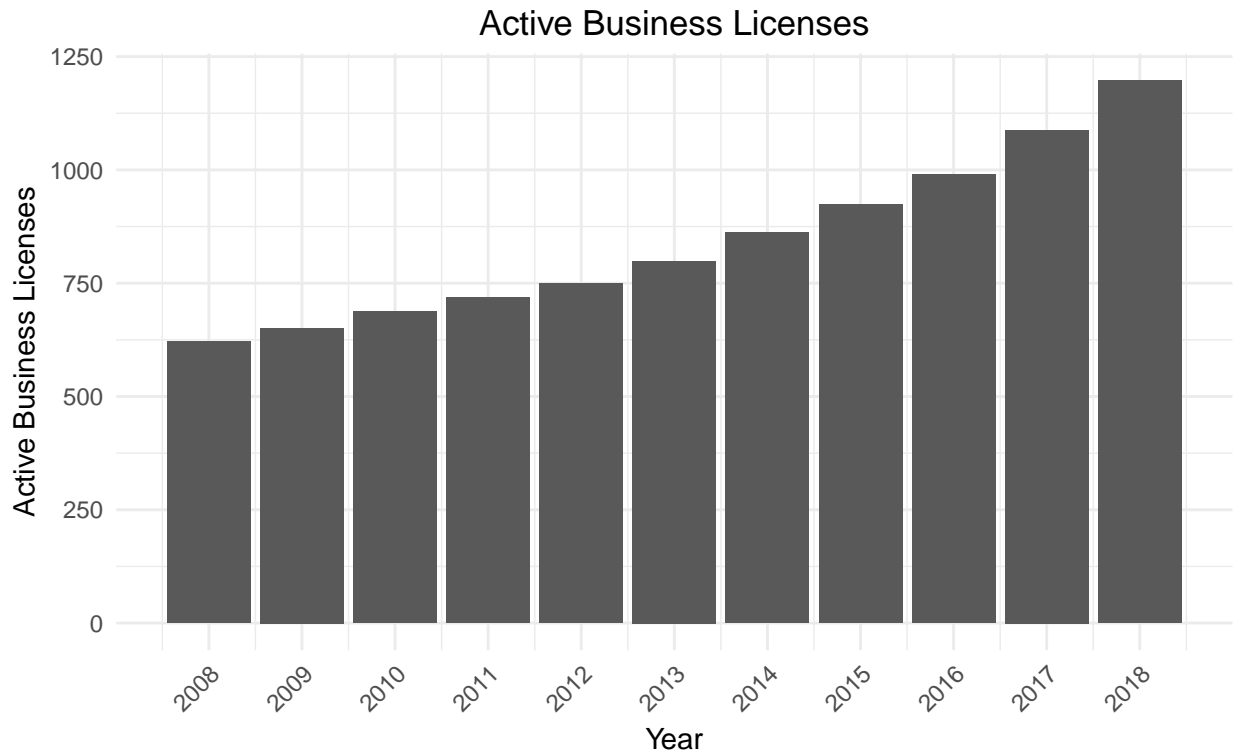


Figure 4: Active Business Licenses

Source: City of Terrace

Note: 2018 data is year-to-date

Terrace has seen a steady increase in the number of active business licenses in the last decade. In 2008 there were just 621 active businesses in Terrace. By 2013 this had increased to 799, and as of Q3 2018 there were 1197 active businesses. This number is expected to increase as the city has received many new applications for business licenses.



Airport

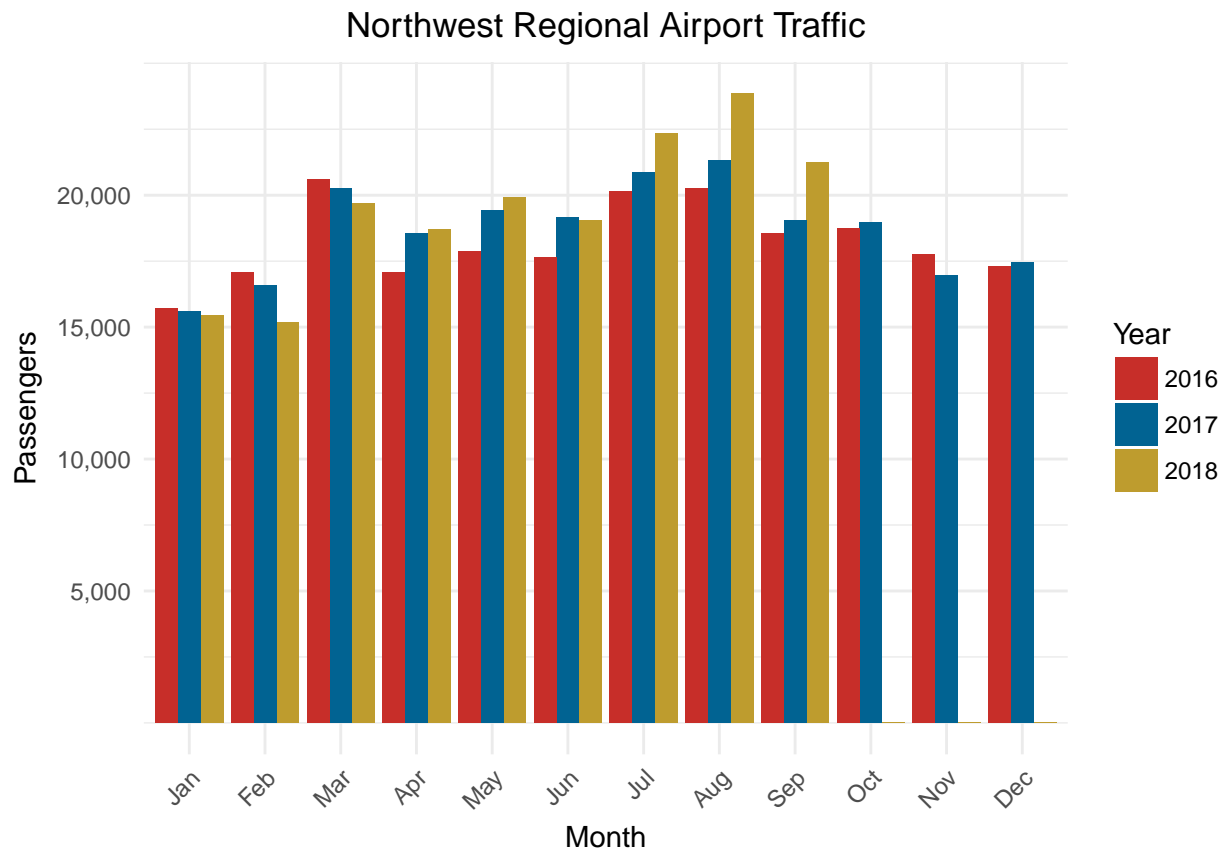


Figure 5: Northwest Regional Airport Passenger Traffic

Passenger traffic at the Northwest Regional Airport in Q3 2018 was 67,450 passengers, up 10.2% over Q3 2017 and up 17.0% over Q2 2018. The year-to-date total as of September 31 was 175,418 passengers. So far, YTD passenger traffic in Q3 2018 is slightly higher than YTD passenger traffic in Q3 2017 with an observed increase of 2.7%.